



SANTA CLARA VALLEY WATER DISTRICT

NON-AGENDA

January 15, 2021

Board Policy EL-7 Communication and Support to the Board
The BAOs shall inform and support the Board in its work.

Page	<u>CEO BULLETIN & NEWSLETTERS</u>
	CEO Bulletin: None
4	January 2021 Water Tracker
6	2021 City of Sunnyvale Notice of Reorganization
	<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
8	BMR/IBMR Weekly Reports: 01/14/21
9	Memo from David Cahen, to the Board of Directors, dated 1/6/21, regarding Risk Management Communication.
31	Memo from Don Rocha, Acting DAO, Government Relations, to Rachael Gibson, CEA, dated 1/11/21, regarding Governor Newsom Proposed Budget.
33	Memo from Rechelle Blank, DOO, Watersheds, to Rick Callender, CEO, dated 1/7/21, regarding Properties Acquired under Executive Limitation 6.7.1.
41	Memo from Aaron Baker, COO, Water Utility, to the Board of Directors, dated 1/12/21, regarding Los Vaqueros Expansion Update.
	<u>INCOMING BOARD CORRESPONDENCE</u>
115	Board Correspondence Weekly Report: 01/14/21
116	Email from Allan Epstein, to Director Kremen, dated 1/7/21, regarding Purissima Park (C-21-0002).
117	Thank you, Email from Justin Imamura, Trash Punx, to the Board of Directors, dated 1/7/21, regarding Volunteer Recognition Award received by the Board on 01/05/21 (C-21-0003).
118	Email from Sandra Harrison Kay, to the Board of Directors, dated 1/9/21, regarding Homeless Activity along Penitencia Percolation Ponds (C-21-0005).
148	Email from Doris Tuck, to the Board of Directors, dated 1/9/21, regarding Draining of the Percolation Ponds at the Noble Avenue Site (C-21-0006).
149	Email from Council Member Armendariz, City of Gilroy, to Director Varela, dated 1/11/21, regarding Encampment Clean-Ups (C-21-0007).

		<u>OUTGOING BOARD CORRESPONDENCE</u>
153		Email from Director Kremen, to Allan Epstein, dated 1/8/21, regarding Purissima Park (C-21-0002).
154		Email from Director Varela, to Jan Berstein Chargin, dated 1/8/21, regarding Encampment Clean-Ups (C-21-0004)

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/ attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

CEO BULLETIN

A monthly assessment of trends in water supply and use for Santa Clara County, California

Outlook as of January 1, 2021

We began calendar year 2020 with groundwater storage within Stage 1 (Normal) of the Water Shortage Contingency Plan of Valley Water. Despite well below-normal local rainfall and statewide snow pack, end of year groundwater storage for 2020 was within Stage 1. Valley Water drew down Anderson Reservoir in compliance with the Federal Energy Regulatory Commission (FERC) order issued in February 2020. The majority of the water released from Anderson Reservoir went to beneficial use. Anderson Reservoir reached deadpool storage around mid-December.

Weather

Rainfall in San Jose:

- Month of December, City of San Jose = 0.82 inch
- Rainfall year total = 0.98 inches or 19% of average to date (rainfall year is July 1 to June 30)

Local Reservoirs

- Total January 1 storage = 22,201 acre-feet
 - » 31% of 20-year average for that date
 - » 13% of total unrestricted capacity
 - » 36% of restricted capacity (166,140 acre-feet total storage capacity limited by seismic restrictions to 62,362 acre-feet. The restricted capacity includes the added FERC dam safety restriction on Anderson Reservoir effective October 1, 2020)
- Approximately 716 acre-feet of imported water delivered into Calero Reservoir during December 2020
- Approximately 2,150 acre-feet of water released from Anderson Reservoir during December 2020. Since the FERC order to drawdown Anderson Reservoir was issued on February 20, 2020, cumulative release from Anderson is approximately 28,200 acre-feet. Anderson has reached deadpool. Majority of released water was used for groundwater recharge and delivery to water treatment plants (based on preliminary hydrologic data). Current releases are for water supply and environmental purposes
- Total estimated releases to streams (local and imported water) during December was 5,800 acre-feet (based on preliminary hydrologic data)

Treated Water

- Above average demands of 6,552 acre-feet delivered in December
- This total is 118% of the five-year average for the month of December
- Year-to-date deliveries = 102,930 acre-feet or 102% of the five-year average

Groundwater

- Groundwater conditions are good. Total storage at the end of 2020 is estimated to be in Stage 1 (Normal) of Valley Water's Water Shortage Contingency Plan

	Santa Clara Subbasin		Llagas Subbasin
	Santa Clara Plain	Coyote Valley	
December managed recharge estimate (AF)	5,450	1,200	1,550
January to December managed recharge estimate (AF)	52,000	14,500	19,300
January to December managed recharge, % of 5-year average	88%	97%	89%
November pumping estimate (AF)	6,450	700	3,400
January to November pumping estimate (AF)	75,200	10,700	41,900
January to November pumping, % of 5-year average	131%	103%	106%
Current index groundwater levels compared to last December	Lower	Lower	Lower

AF = acre-feet

Imported Water

- As of January 4, 2021, the statewide average snowpack water equivalent is 50% of the historic average for this date
- Initial 2021 State Water Project (SWP) and Central Valley Project (CVP) allocations:
 - » 2021 SWP allocation of 10%, which provides 10,000 acre-feet to Valley Water
 - » 2021 South-of-Delta CVP allocations have not yet been identified
- Statewide reservoir storage information, as of January 3, 2021:
 - » Shasta Reservoir at 45% of capacity (71% of average for this date)
 - » Oroville Reservoir at 35% of capacity (57% of average for this date)
 - » San Luis Reservoir at 47% of capacity (68% of average for this date)
- Valley Water's Semitropic groundwater bank reserves are at 96% of capacity, or 337,031 acre-feet, as of November 30, 2020
- Estimated SFPUC deliveries to Santa Clara County:
 - » Month of November = 3,490 acre-feet
 - » 2020 total to date = 45,325 acre-feet
 - » Five-year annual average = 48,700 acre-feet
- Board Governance Policy No. EL-5.3.3 includes keeping the Board informed of imported water management activities on an ongoing basis. No imported water agreements were executed under EL-5.3.3 since the last Water Tracker update

Conserved Water


- Saved 74,198 acre-feet in FY20 from long-term program (baseline year is 1992)
- Long-term program goal is to save nearly 100,000 acre-feet by 2030 and 110,000 acre-feet by 2040
- The Board continues its call for a 20% reduction and a limit of three days per week for irrigation of ornamental landscape with potable water
- Through November, achieved a 16% reduction in water use in calendar year 2020, compared to 2013

Recycled Water

- Estimated December 2020 production = 843 acre-feet
- Estimated year-to-date through December = 16,800 acre-feet or 92% of the five-year average
- Silicon Valley Advanced Water Purification Center produced an estimated 1.5 billion gallons (4,568 acre-feet) of purified water in 2019. Since the beginning of 2020, about 4,826 acre-feet of purified water has been produced. The purified water is blended with existing tertiary recycled water for South Bay Water Recycling Program customers

Alternative Sources


- As of December 10, 2019, Valley Water's wastewater contract right from Palo Alto/Mountain View remains at 10,000 acre-feet/year




CONTACT US

For more information, contact **Customer Relations** at **(408) 630-2880**, or visit our website at valleywater.org and use our **Access Valley Water** customer request and information system. With three easy steps, you can use this service to find out the latest information on district projects or to submit questions, complaints or compliments directly to a district staff person.

Follow us on:

-  /scvwd
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To get eNews, drop an email to: info@valleywater.org



City of Sunnyvale

Notice of City Council Reorganization

The City Council of the City of Sunnyvale, at a regular meeting held on Tuesday, January 5, 2021, reorganized as follows:

Larry Klein, Mayor

Glenn Hendricks, Vice Mayor

Gustav Larsson, Councilmember

Russell Melton, Councilmember

Mason Fong, Councilmember

Alysa Cisneros, Councilmember

Omar Din, Councilmember

Dated this 6th day of January, 2021

DocuSigned by:

663E57B921394E1...

*David Carnahan
City Clerk
Sunnyvale, California*

BOARD MEMBER REQUESTS and Informational Items

Report Name: Board Member Requests

Request	Request Date	Director	BAO/Chief	Staff	Description	20 Days Due Date	Expected Completion Date	Disposition
I-21-0001	01/11/21	Kremen	Callender	Taylor	Provide Director Kremen with the draft FY20 CAFR for review.	01/31/21		
R-21-0001	01/12/21	Lezotte	Gibson	Rocha	Director LeZotte requested that, "Staff provide a five-year report on who received sponsorship money and how much money was paid for each sponsorship."	02/01/21		



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: David Cahen
Risk Manager

SUBJECT: Risk Management Communication

DATE: January 6, 2021

The purpose of this memorandum is to provide you a copy of recent Risk Management staff's communication with parties/individuals that have filed a claim against the District.

Please find the following:

- 1) January 5, 2021 status of merged claims letter to Mr. and Mrs. Lorin Edlund (District 4)
- 2) January 5, 2021 claim confirmation/settlement letter to Mr. Jonathan Gilmore (District 1)

For additional information, please contact me at 408-630-2213.

DocuSigned by:

A handwritten signature in black ink that reads "David Cahen".

CFD7206EAC8E4C8...
David Cahen
Risk Manager



Clean Water • Healthy Environment • Flood Protection

January 5, 2021

Jonathan Gilmore
7084 Via Pacifica
San Jose, CA 95139

Re: Receipt of Claim – L2010010

Dear Mr. Gilmore,

We received your claim regarding damages to your personal property due to the November 29, 2020 water pipe leak in the Administration building.

Your claim has been reviewed and I have concluded that your claim is valid, therefore a settlement release was emailed to you today. We have received your signed release and will process a check to cover your loss of \$106.97.

On behalf of the Santa Clara Water District, I apologize for any inconvenience this incident caused and thank you for your cooperation.

If you have any questions, please do not hesitate to contact me at (408) 630-2213.

Sincerely,

DocuSigned by:


~~David Cohen~~
Risk Manager





CLAIM AGAINST THE SANTA CLARA VALLEY WATER DISTRICT
California Government Code Sections 900 and following

Clerk of the Board's Date Stamp 1/5/21 11:00 am MK	
For SCVWD Use Only	
Date Received:	ROUTING
<input type="checkbox"/> Via U.S. Mail:	<input checked="" type="checkbox"/> CEO:
<input type="checkbox"/> Hand Delivered:	<input checked="" type="checkbox"/> District Counsel
<input checked="" type="checkbox"/> E-mail: COB	<input checked="" type="checkbox"/> Risk Management
<input type="checkbox"/> Other: _____	<input checked="" type="checkbox"/> COB
	<input type="checkbox"/> BOD (District #): _____

The completed form can be mailed, sent electronically or hand delivered. Mail or deliver to:

Clerk of the Board
 Santa Clara Valley Water District-HQ
 5700 Almaden Expressway
 San Jose, CA 95118

Or submit the completed form electronically to:
clerkoftheboard@valleywater.org

With certain exceptions, claims for personal injury or property damage MUST be filed within six months of the incident giving rise to the claim. Claimant must complete each section. If information is unknown, write "unknown" in the appropriate box. Please use additional pages if necessary. Please attach itemized receipts, witness statements, photos and all other documentation that you believe will be helpful to process your claim. Claimant MUST sign and date the form; see last page.

Name of Claimant: <u>Jonathan Gilmore</u>			
Address of Claimant: <u>7084 via Pacifica</u>		City: <u>San Jose</u>	State: <u>CA</u>
Mailing Address to Which Notices Should be Sent if Different From Above:		City:	State: Zip:
Home Phone Number:	Cell Phone Number: <u>408-769-0638</u>	Work Phone Number: <u>408-630-3102</u>	
Is this claim being filed on behalf of a minor? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If so, please indicate minor's date of birth: _____ Relationship to the minor: _____	
Date and time of incident or loss: <u>11/29/20</u>	Location of incident or loss (address): <u>Mail Center</u>	Is there a police report? <input type="checkbox"/> Yes If Yes, Police Report #: <input checked="" type="checkbox"/> No	

Describe how the incident or loss happened, and the reason you believe the Santa Clara Valley Water District is responsible for your damages (Please attach additional sheets if necessary):

Sometime on Sunday a water pipe broke above my cubical causing water damage to desk area.



CLAIM AGAINST THE SANTA CLARA VALLEY WATER DISTRICT
California Government Code Sections 900 and following
 Page 2 of 2

In detail, describe the damage or injury (Please attach additional sheets if necessary):

mostly paperwork that can be reprinted
 But 3 electronic items were damaged by water
 Skullcandy ear buds; iHome wireless charger; 3D sculpture

List Name(s) and contact information of any witness(es) or District employee involved (if any):

Facilities; Luis Castillo

DAMAGES CLAIMED: Basis for computation of amounts claimed (include copies of bills, invoices, estimates, receipts, photos, police case # or other documentation.) Note: If your claim is more than \$10,000, you need not fill in an amount, but must state whether jurisdiction for the claim would be in the Limited Jurisdiction (up to \$25,000) or Unlimited jurisdiction of the Superior Court.

Is the amount of the claim under \$10,000? Yes No
 Court Jurisdiction: (Check One) Limited Civil Unlimited Civil

ITEMS	CLAIM AMOUNT
1. Skullcandy Sesh True Wireless Earbuds	\$ 49.99
2. New Hiya 3D Star Wars Lamp	\$ 26.99
3. iHome Wireless Charger	\$ 29.99
4.	\$
TOTAL AMOUNT	\$ 106.97

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE OR FRAUDULENT CLAIM (Penal Code Section 72 and 550)

I have read the matters and statements made in the above claim and I know the same to be true of my own knowledge, except to those matters stated upon information and belief and as to such matters I believe the same to be true. I certify under penalty of perjury that the foregoing is TRUE and CORRECT.

Signed this 5th day of January, 20 21


 Claimant's signature

Government Code Section 945.6 provides that, with limited exceptions, any suit brought against a public entity must be commenced:

- (1) If written notice is given of a denial of claim in accordance with **Section 913**, not later than six months after the date such notice is personally delivered or deposited in the mail.
- (2) If written notice is not given of a denial of claim in accordance with **Section 913**, within two years from the accrual of the cause of action.

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Part of the Dorm Desk Study Station

Color - Black



or 'Skullcandy wireless'

re

Compare



Item 4965243

★★★★ (561)

Skullcandy Sesh™ True Wireless
Earbuds, Black

~~\$49.99~~ each (Reg)

\$39.99 Sale (Save \$10)

Qty

Add to Cart

Add to list

✓ Store Pickup Available ⓘ

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amazon.com/illusion-Night-Light-Pattern-Change/...
amazon prime Deliver to Jonathan San Jose 95139 All new hiya night light star wars


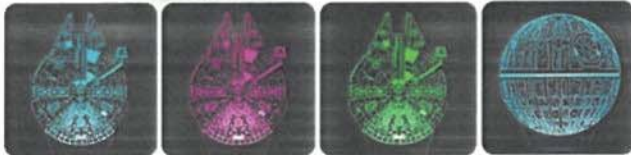

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NewHiya



3D Illusion Star Wars Night Light, Three Pattern and 7 Color Change Decor Lamp - Gifts for Kids and Star Wars Fans

Brand: New Hiya
★★★★☆ 2,410 ratings | 52 answered questions
#1 Best Seller in Kids' Room Decor Lamps & Lighting

Price: \$26.99 ✓prime FREE One-Day & FREE Returns
S Best price S+

Thank you for being a Prime member. Get a \$150 Gift Card: Pay \$0.00 upon approval for the Amazon Prime Rewards Visa Card. No annual fee.

Color	Black
Style	Art Deco
Light Source type	LED
Power Source	Battery Powered
Shade material	Plastic

About this item

- Perfect Gifts for Kids and Star Wars Fans, Perfect Decor Lamp for your bedroom or studyroom and office etc...
- 7 different color and 3 Pattern, you can choose different Pattern and colors depending on your mood or the surrounding.
- Provide a sensitive remote, you can control the night light by the remote or button on the base.
- Durable and Energy Saving, The power spend: 0.012kw/h/24 hours, LED life span: 10000hours
- [100% GUARANTEE]** We aim to make you happy with our

\$26.99 ✓prime FREE One-Day & FREE Returns
FREE delivery: Tomorrow Order within 4 hrs and Details
Arrives before Christmas
In Stock.
Qty: 1
Add to Cart Buy Now
Secure transaction
Ships from Amazon Sold by New Hiya
 Add a gift receipt for returns
Deliver to Jonathan - 95139
Add to List
Share
Have one to sell? Sell on Amazon



Clean Water • Healthy Environment • Flood Protection

January 5, 2021

Lorin and Simone Edlund
5025 Wayland Ave.
San Jose, CA 95118-2631

Re: Status of Merged Claims (L2010005 – State Farm and L2010006 – Edlund)

Dear Mr. and Mrs. Edlund,

We received your claim and photographs on October 19, 2020 for damages in connection with the September 10, 2020 vehicle accident. We also received a claim filed by State Farm Insurance on your behalf on October 15, 2020 for the same accident. The claim you filed is a duplicate claim.

We are pleased to inform you that State Farm Insurance signed the Settlement Release on December 31, 2020 and both referenced claim files will be closed.

On behalf of Valley Water, I apologize for the inconvenience this incident caused and thank you for your patience and cooperation.

If you have any questions, please don't hesitate to contact me.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "David Cahen".

C7D72665AC954C8
David Cahen

Risk Manager
(408) 630-2213



Copies to:
 Risk Management (Org)
 CEO
 District Counsel
 COB

Santa Clara Valley Water District

Phone 408 266 2600
 Fax 408 266-2897

Serve or mail this form to: Clerk of the Board
 Santa Clara Valley Water District
 6760 Almaden Expressway
 San Jose, California 95118

**Claim Against the
 Santa Clara Valley Water District
 California Government Code
 Sections 900 and following.**

General Counsel Form updated July, 2003
 For Office Use Only
 Date Received:
 By

1. Name(s) and Address(es) of the person or persons making the claim	Name(s): State Farm Insurance a/s/o Lorin Edlund Address: PO Box 106172 Atlanta, GA 30348-6172 Phone number (optional): (877) 787-8276
2. Is this claim filed on behalf of a minor? Yes ___ No <u>X</u>	If so, please indicate minor's date of birth: Relationship of claim filer to minor:
3. Name and address of the person to who notices are to be sent, if different than Number 1.	Name n/a Address:
4. Date, place and other circumstances of the occurrence, incident, injury or transaction <i>Attach additional sheets for more space, if needed.</i>	Date: Thursday, September 10, 2020 @ 4:15 p.m. Location (address and or nearest intersection): Coleman Rd W Windman Blvd in San Jose Other circumstances, including time, if known:
5. Describe the debt, obligation, injury, damage or loss suffered so far as they are known. Include a description of the facts giving rise to the claim and why you believe the Santa Clara Valley Water District is responsible <i>Attach additional sheets for more space, if needed, and photos, if available.</i>	Description: The insured vehicle, a 2018 Toyota Camry, driven by Lorin Edlund, along w/ another vehicle (also State Farm insured), were both stopped at red light. Your vehicle, unknown, driven by Steven Edward King, rear-ended another vehicle and pushed that vehicle into the insured vehicle, driven by Lorin Edlund.
6. Name of the District employee who caused the injury, if known	Name Steven Edward King
7. Is the amount of this claim now,	Under \$10,000? Yes <u>X</u> No ___ Over \$10,000? Yes ___ No <u>X</u>
8. If the amount is now over \$10,000, is this:	A Limited Civil Case? (Less than \$25,000) Yes ___ No ___ An Unlimited Civil Case? (Greater than \$25,000) Yes ___ No ___
Signature: <i>S. Easterbrook</i> State Farm Insurance a/s/o Lorin Edlund Date: October 1, 2020	Additional Signature(s) Date(s): October 1, 2020

Stephanie Easterbrook
 Digitally signed by
 Stephanie Easterbrook
 Date: 2020.10.01
 15:02:27 -05'00'

FIX AUTO SOUTH SAN JOSE
 5755 WINFIELD BLVD, SAN JOSE, CA 95123
 Phone: (408) 225-5053
 FAX: (408) 225-5199

Workfile ID: 4de3ce67
 PartsShare: 5XWbYv
 Federal ID: 371443938
 State EPA: CAL000260289
 BAR: AK-224182

Supplement of Record 2 with Summary

RO Number: 30612-2-RAUL

Written By: Osvaldo Perea, 9/21/2020 9:04:29 AM
 Adjuster: Customer Initiated Repair

Insured: EDLUND, LORIN
 Type of Loss: Collision
 Point of Impact: 06 Rear

Policy #:
 Date of Loss: 9/10/2020 4:15 PM

Claim #: 05-1111-43S01
 Days to Repair: 3

Owner:
 EDLUND, LORIN
 5025 WAYLAND AVE
 SAN JOSE, CA 95118-2631
 (408) 265-7851 Cell
 (408) 265-7851 Evening

Inspection Location:
 FIX AUTO SOUTH SAN JOSE
 5755 WINFIELD BLVD
 SAN JOSE, CA 95123
 Repair Facility
 (408) 225-5053 Business

Insurance Company:
 STATE FARM INSURANCE COMPANIES
 STATE FARM - CA
 BAKERSFIELD

Vehicle Drop Off Date: 09/17/2020
Repair Completion Date: 09/18/2020

Promise Date: 09/18/2020
Vehicle Pick Up/Return Date: 09/18/2020

Repair Start Date: 09/17/2020

VEHICLE

2018 TOYO Camry SE Automatic 4D SED 4-2.5L Gasoline Port/Direct Injection SILVER

VIN: 4T1B11HK4JU587522 Interior Color: Mileage In: 20,380 Vehicle Out: 9/18/2020
 License: 8CXF533 Exterior Color: SILVER Mileage Out:
 State: Production Date: 2/2018 Condition: Excellent Job #:

TRANSMISSION

Automatic Transmission

POWER

Power Steering
 Power Brakes
 Power Windows
 Power Locks
 Power Mirrors
 Power Driver Seat

DECOR

Dual Mirrors
 Tinted Glass
 Console/Storage
 Overhead Console

CONVENIENCE

Air Conditioning
 Intermittent Wipers
 Tilt Wheel
 Cruise Control
 Rear Defogger
 Keyless Entry
 Alarm
 Steering Wheel Touch Controls
 Telescopic Wheel
 Climate Control
 Backup Camera
 Intelligent Cruise

RADIO

AM Radio
 FM Radio

Stereo
 Search/Seek
 Auxiliary Audio Connection

SAFETY

Drivers Side Air Bag
 Passenger Air Bag
 Anti-Lock Brakes (4)
 4 Wheel Disc Brakes
 Front Side Impact Air Bags
 Head/Curtain Air Bags
 Hands Free Device
 Rear Side Impact Air Bags
 Lane Departure Warning

SEATS

Cloth Seats

Bucket Seats
 Reclining/Lounge Seats

WHEELS

Aluminum/Alloy Wheels

PAINT

Clear Coat Paint

OTHER

Traction Control
 Stability Control
 Rear Spoiler
 Xenon Headlamps
 California Emissions
 Power Trunk/Gate Release

Supplement of Record 2 with Summary

RO Number: 30612-2-RAUL

2018 TOYO Camry SE Automatic 4D SED 4-2.5L Gasoline Port/Direct Injection SILVER

Line		Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1	#	S02	Final Bill		1			
2	#	S02	***AUTHORIZATION TO PAY SECURED		1			
3	#	S02	Customer received copy of initial estimate / final bill		1			
4	#	S02						
5			REAR BODY & FLOOR					
6	*	Rpr	Rear body panel (HSS)				5.0	1.6
7			Add for Clear Coat					0.6
8	#		Base Coat Reduction ""Full Clear Coat""		1			-0.3
9		R&I	Rear panel trim				0.2	
10		R&I	RT Trunk side trim				0.3	
11		R&I	LT Trunk side trim				0.3	
12		Repl	RT Support bracket	5830306030	1	52.03	1.0	0.3
13			Add for Clear Coat					0.1
14		Repl	LT Support bracket	5830406050	1	52.03	1.0	0.3
15			Add for Clear Coat					0.1
16		R&I	Rear shield w/o XSE				0.3	
17			TRUNK LID					
18	*	R&I	Weatherstrip Note: for paint access				0.2	
19			REAR BUMPER					
20			O/H rear bumper				1.7	
21	<>	Repl	Bumper cover w/o TRD w/o pk sensor Note: FIRST QUALITY BUMPER NOTE QUOTE DAMAGE BUMPER HAS EXCESSIVE CONTOUR LINES DAMAGE MOST COST EFFECTIVE TO REPLACE.	521590X915	1	323.79	Incl.	3.2
22			Overlap Major Non-Adj. Panel					-0.2
23			Add for Clear Coat					0.6
24		Repl	Absorber	5261506190	1	40.08	Incl.	
25		R&I	Impact bar (ALU)				0.4	
26		R&I	RT Extension				Incl.	
27		R&I	LT Extension				Incl.	
28		R&I	RT Lower molding				Incl.	
29		R&I	LT Lower molding				Incl.	
30	#	Subl	HAZARDOUS WASTE REMOVAL		1	3.50 T		
31	#	Repl	FLEX ADDITIVE		1	5.00		
32	#	Repl	CORROSION PROTECTION		1	8.00	0.3	
33	#	Repl	SEAM SEALER		1	27.00	0.3	
34	#	Rpr	COLOR TINT				0.5	
35	#	Rpr	Disconnect battery				0.3	
			Note: DUE TO SHEET METAL REPAIR-REAR BODY PANEL					

Supplement of Record 2 with Summary

RO Number: 30612-2-RAUL

2018 TOYO Camry SE Automatic 4D SED 4-2.5L Gasoline Port/Direct Injection SILVER

36	#	Rpr	Memory function resets				0.5	M
37	#	Rpr	De-Nib & Finesse				0.3	
38	#	Repl	COVER VEHICLE EXTERIOR	1	6.00			
39	#	Rpr	Set-up for floor pull				1.0	
40	#	Rpr	Sheet Metal pull				1.0	
			Note: REAR BODY PANEL PUSHED IN					
41	#		COVID-19 Sanitizing and Clean Up	1	25.00	T	1.0	
42	VEHICLE DIAGNOSTICS							
43	*	Rpr	Pre-repair scan			m	0.5	
			Note: Pre-repair scan					
44	*	S01 Rpr	Post-repair scan			m	0.5	
			Note: Post-repair scan					
SUBTOTALS					542.43		16.6	6.3

NOTES

Prior Damage Notes:
NONE

ESTIMATE TOTALS

Category	Basis	Rate	Cost \$
Parts			513.93
Parts Discount	\$ 467.93	-1.0 %	-4.68
Body Labor	16.1 hrs @	\$ 74.00 /hr	1,191.40
Paint Labor	6.3 hrs @	\$ 74.00 /hr	466.20
Mechanical Labor	0.5 hrs @	\$ 74.00 /hr	37.00
Paint Supplies	6.3 hrs @	\$ 34.00 /hr	214.20
Miscellaneous			28.50
Subtotal			2,446.55
Sales Tax	\$ 751.95 @	9.2500 %	69.56
Grand Total			2,516.11
Deductible			500.00
CUSTOMER PAY			500.00
INSURANCE PAY			2,016.11

Register online to check the status of your claim and stay connected with State Farm®. To register, go to <http://www.statefarm.com/> and select Check the Status of a Claim. If you are already registered, thank you!

Supplement of Record 2 with Summary

RO Number: 30612-2-RAUL

2018 TOYO Camry SE Automatic 4D SED 4-2.5L Gasoline Port/Direct Injection SILVER

SUPPLEMENT SUMMARY

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
Deleted Items							
1	#	S01	FINAL BILL		1		
2	#	S01	***AUTHORIZATION TO PAY SECURED		1		
3	#	S01	Customer received copy of initial estimate / final bill		1		
Added Items							
1	#	S02	Final Bill		1		
2	#	S02	***AUTHORIZATION TO PAY SECURED		1		
3	#	S02	Customer received copy of Initial estimate / final bill		1		
4	#	S02					
SUBTOTALS					0.00	0.0	0.0

TOTALS SUMMARY

Category	Basis	Rate	Cost \$
Parts			0.00
Subtotal			0.00

CUMULATIVE EFFECTS OF SUPPLEMENT(S)

Estimate	2,479.11	Oswaldo Perea
Supplement S01	37.00	Oswaldo Perea
Supplement S02	0.00	Oswaldo Perea
Job Total:	\$ 2,516.11	
CUSTOMER PAY:	\$ 500.00	
INSURANCE PAY:	\$ 2,016.11	

Santa Clara Valley Water District
 Phone 408 265 2800
 Fax 408 266-2897



**Claim Against the
 Santa Clara Valley Water District
 California Government Code
 Sections 900 and following.**

General Counsel form updated July, 2003
 For Office Use Only
 Date Received:
 By:

Serve or mail this form to: Clerk of the Board
 Santa Clara Valley Water District
 6760 Almaden Expressway
 San Jose, California 95118

1. Name(s) and Address(es) of the person or persons making the claim	Name(s): <u>Lorin + Simone Edlund</u> Address: <u>5025 Wayland Ave.</u> <u>San Jose, CA 95118</u> Phone number (optional): <u>408-265-7851</u>
2. Is this claim filed on behalf of a minor? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If so, please indicate minor's date of birth: Relationship of claim filer to minor:
3. Name and address of the person to who notices are to be sent, if different than Number 1.	Name: Address:
4. Date, place and other circumstances of the occurrence, incident, injury or transaction Attach additional sheets for more space, if needed.	Date: <u>9/10/2020</u> Location (address and/or nearest intersection): <u>Coleman Rd + Winfield Blvd.</u> Other circumstances, including time, if known: <u>Around 4 PM</u>
5. Describe the debt, obligation, injury, damage or loss suffered so far as they are known. Include a description of the facts giving rise to the claim and why you believe the Santa Clara Valley Water District is responsible Attach additional sheets for more space, if needed, and photos, if available.	Description: <u>We were on Coleman Rd. stopped at signal light when we were hit from behind by an Acura SUV driven by David Powers who was hit behind by Steven Edward driving a Santa Clara Valley District truck CA 54867 License 1195375</u>
6. Name of the District employee who caused the injury, if known	Name: <u>Steven Edward</u> <u>CA DL A8581381</u>
7. Is the amount of this claim now:	Under \$10,000? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Over \$10,000? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8. If the amount is now over \$10,000, is this:	A Limited Civil Case? (Less than \$25,000) Yes <input type="checkbox"/> No <input type="checkbox"/> An Unlimited Civil Case? (Greater than \$25,000) Yes <input type="checkbox"/> No <input type="checkbox"/>
Signature: <u>Lorin Edlund</u> Date: <u>10/14/2020</u>	Additional Signature(s): <u>Simone Edlund</u> Date(s): <u>10/14/2020</u>

This is a duplicate claim and was received on 10..19.20 lkd

Received by email 10/15/20 - Emailed to RM
 CEO
 DC



RBZ0006Z

State Farm Mutual Automobile Insurance Company

Auto Payments by COL

Route To: Stephanie Easterbrook

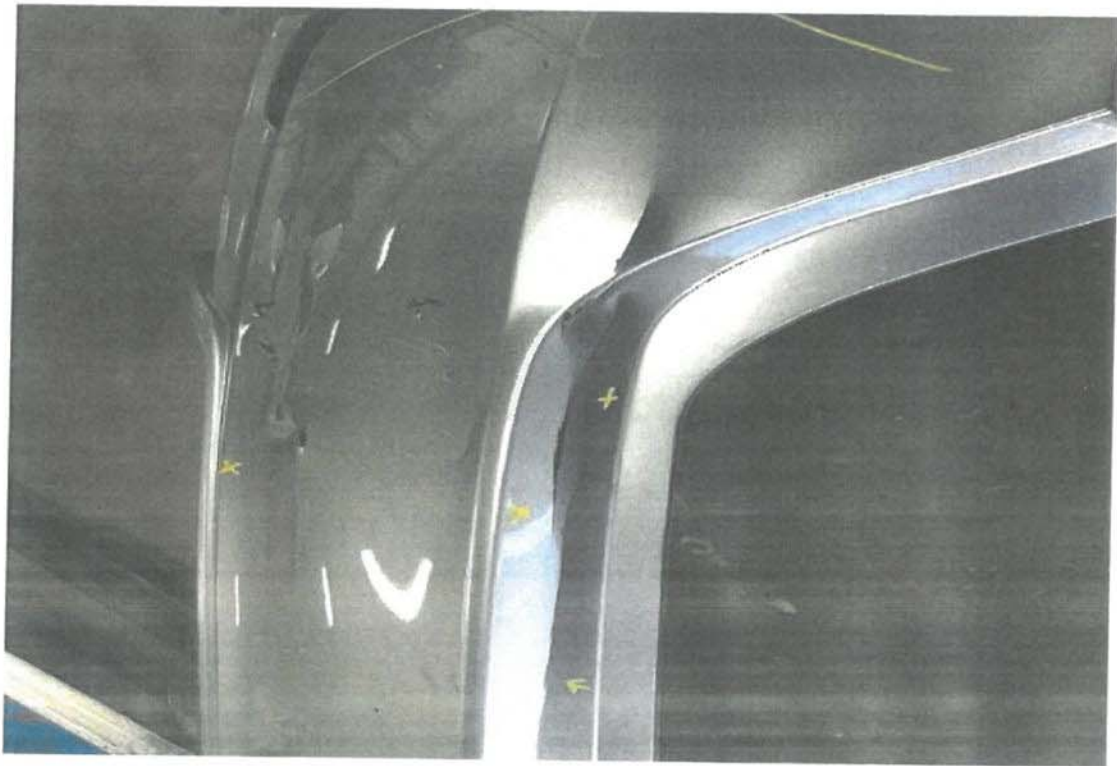
BASIC CLAIM INFORMATION

Claim Number: 05-11J1-43S
Date of Loss: 09-10-2020
Policy Number: 1546-003-05B
Named Insured: EDLUND, LORIN

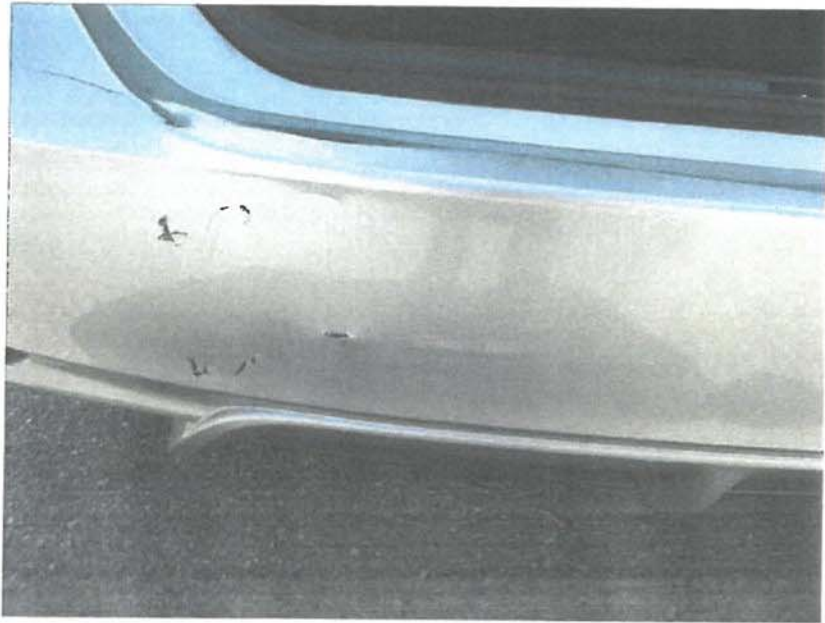
400 - COLL

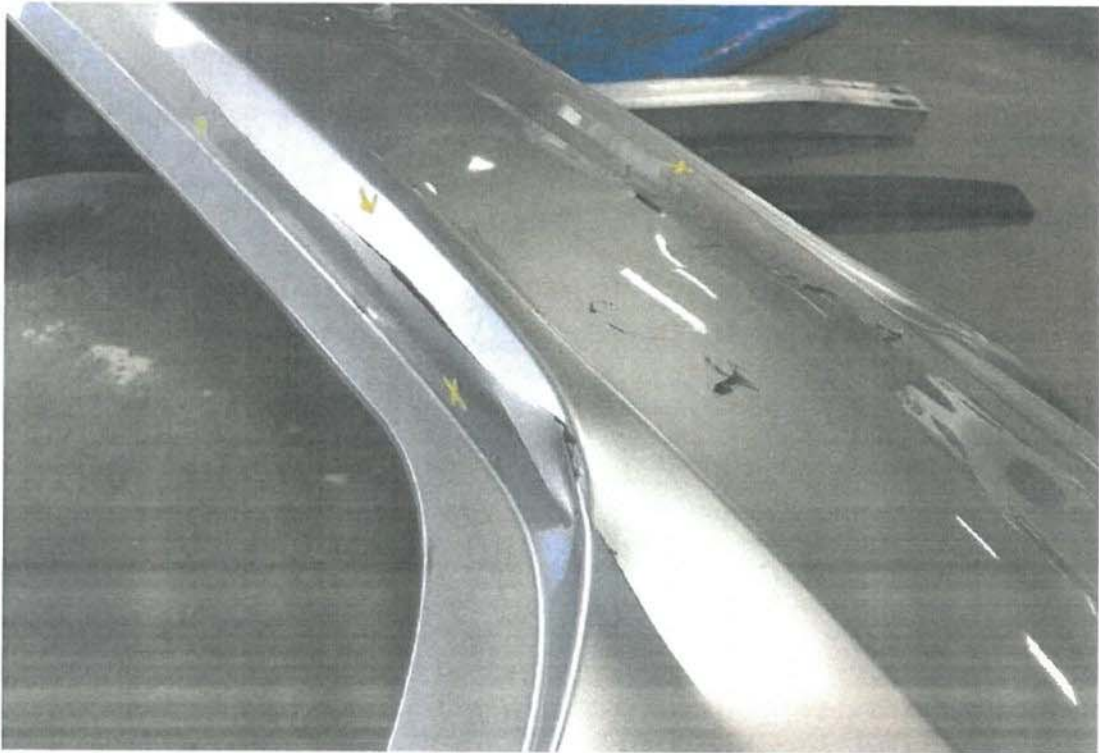
C denotes consolidated payment
E denotes EFT payment
P previously converted payment from CAT/CMR

<u>Payment Number</u>	<u>Issued Date</u>	<u>Participant</u>	<u>Payable COL</u>	<u>Pay Cd</u>	<u>Status</u>	<u>Amount</u>	<u>Auth ID</u>	<u>Rsn Cd</u>
102504900K E	09-21-2020	Named Insured(s)	400	1	Paid	\$2,016.11	ECSAPY	
Total:						\$2,016.11		















TO: Rachael Gibson, Chief of External Affairs

SUBJECT: Governor Newsom Releases Proposed Budget

FROM: Don Rocha, Acting Deputy Administrative Officer

DATE: January 11, 2021

On Friday, January 8, Governor Gavin Newsom released his \$227.2 billion proposed state budget for fiscal year 2021-22. As anticipated, the budget focuses on the pressing issues that have engulfed the nation over the last year, including COVID-19 pandemic relief, vaccine distribution, re-opening schools, housing, homelessness, and climate resilience. While the state received higher than anticipated revenues, much of the funding would go towards economic relief to assist those most impacted by the pandemic. As such, the budget includes only a limited amount of funding for grant programs relevant to Valley Water in the areas of water supply, flood protection, and environmental stewardship. On a positive note, the Governor does propose \$125 million to fund the Voluntary Agreement effort to implement a collaborative approach to address fish and wildlife conditions in the Delta and its tributaries.

Natural and Work Lands

The budget includes \$248.6 million for restoration of natural areas and ecosystems:

- \$125 million one-time Proposition 68 funds for the Natural Resources Agency to support multi-benefit water quality, water supply and watershed protection and restoration projects;
- \$79.9 million one-time from various bond funds for the Wildlife Conservation Board to support multi-benefit ecosystem and watershed protection and restoration projects; and
- \$43.7 million in 2021-22, and a total of \$69.6 million over five years, from various fund sources for the Department of Water Resources to support restoration projects through the Riverine Stewardship and San Joaquin Restoration programs, ecosystem enhancement projects in the Delta, and a plan to increase watershed resilience in the San Joaquin Basin.

The budget also includes \$183 million for flood management projects:

- \$81 million in 2021-22, and a total of \$102.3 million over three years, from various bond funds for the Department of Water Resources Delta Levees System Integrity Program;
- \$67 million in 2021-22, and a total of \$224.9 million over four years, from the General Fund for the Department of Water Resources to leverage \$1.8 billion in federal funding for the flood risk reduction American River Commons Features project;
- \$28.5 million from one-time Proposition 68 funds for the Department of Water Resources to support collaborative flood risk management; and
- \$6.5 million in 2021-22, and a total of \$9.5 million over three years, in Proposition 1 funds for the Department of Water Resources to support emergency flood response in the Delta.

Finally, the budget includes funding for coastal protection projects: \$6.5 million in 2021-22, and a total of \$17.4 million over two years, in Proposition 68 funds for the Natural Resources Agency/Ocean Protection Council to support projects that improve biodiversity and climate resilience by increasing coastal and marine ecosystem health.

Sustainable Groundwater Management Act

The Budget includes \$9.6 million and 37 positions to further develop DWR’s Sustainable Groundwater Management Program and provide critical assistance to Groundwater Sustainability Agencies. DWR will allocate \$26 million of existing Proposition 68 bond funds to local agencies in critically overdrafted basins to help defray the cost of implementation projects. In addition, a state interagency team will be created to work with stakeholders to identify tools and strategies to address the economic, environmental, and social effects of changing land use and agricultural production.

The Office of Government Relations will continue to advocate for funding for Valley Water priorities through the budget and bond processes.

Please let me know if you have any questions.



Don Rocha
Acting Deputy Administrative Officer
Office of Government Relations



MEMORANDUM

FC 14 (08-21-19)

TO: Rick L. Callender, Esq.

FROM: Rechelle Blank

SUBJECT: Report of Properties Acquired Under
Executive Limitation 6.7.1

DATE: January 7, 2021

In accordance with the Executive Limitation (EL) 6.7.1 the attached spreadsheet includes:

1. A report of properties which may be acquired under EL 6.7.1. (see Attachment 1)
2. A report on the number of parcels that have been signed off by the CEO and acquired during the quarter of October 1 through December 31, 2020 including respective statutory offers of just compensation and final negotiated values (EL 6.7.1.3). (see Attachment 2)

If you have questions or need additional information, please contact Eli Serrano at (408) 630-3109.

DocuSigned by:

Rechelle Blank

0729D65C492A46F...

Rechelle Blank, P.E.
Deputy Operating Officer
Watersheds Design and Construction

Attachments: Attachment 1 (Properties which may be Acquired)
Attachment 2 (Properties Acquired)

cc: E. Serrano, B. Magleby, C. Herrera

es:rc

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
1016-85	HALE CREEK	189-28-011	EASEMENT IN
1016-86	HALE CREEK	189-28-012	EASEMENT IN
1016-87	HALE CREEK	189-28-013	EASEMENT IN
1016-88	HALE CREEK	189-26-054	EASEMENT IN
1016-89	HALE CREEK	189-26-049	EASEMENT IN
1016-90	HALE CREEK	189-28-045	EASEMENT IN
1016-91	HALE CREEK	189-28-047	EASEMENT IN
1016-92	HALE CREEK	189-26-060, 189-26-064	TEMPORARY STAGING EASEMENT TEMPORARY INGRESS/EGRESS EASEMENT
1016-93	HALE CREEK	189-26-060, 189-26-064	TEMPORARY EASEMENT
1028-179	SAN FRANCISQUITO CREEK	003-07-053	TBD
1028-180	SAN FRANCISQUITO CREEK	ON ROAD	TBD
1028-181	SAN FRANCISQUITO CREEK	ON ROAD	TBD
1028-182	SAN FRANCISQUITO CREEK	ON ROAD	TBD
1028-183	SAN FRANCISQUITO CREEK	ON ROAD	TBD
1028-184	SAN FRANCISQUITO CREEK	ON ROAD	TBD
1028-185	SAN FRANCISQUITO CREEK	ON ROAD	TBD
2010-225	CALABAZAS CREEK	104-28-069	FEE IN
2017-40	REGNART CREEK	369-04-044	LAND SWAP WITH THE CITY OF CUPERTINO
2021-152	SARATOGA CREEK	386-21-042	TBD
2026-55	SUNNYVALE EAST OUTFALL	110-39-002	TCE IN
2027-16	SUNNYVALE WEST OUTFALL	110-07-022, 165-44-007, 165-44-008	TCE IN
2044-1	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-32-042, 015-32-043	FEE IN
2044-9	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-33-054	FLOOD PROTECTION LEVEE LEASE AREA
2044-16	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-25-023, 015-33-033	TEMPORARY WORK AREA EASEMENT
2044-17	SOUTH BAY SALT PONDS (Shoreline EIA 11)	APN # is being determined	TEMPORARY WORK AREA EASEMENT
2044-18	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-32-026, 015-32-027, 015-32-029, 015-32-030	FLOOD PROTECTION LEVEE LEASE AREA
2044-21	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-38-005	IN PROGRESS

NOTE:
TCE = Temporary Construction Easement

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
2044-22	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-31-051	INGRESS AND EGRESS EASEMENT
2044-23	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-38-005	INGRESS AND EGRESS EASEMENT
2044-24	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-32-020	FLOOD PROTECTION LEVEE LEASE AREA
2044-25	SOUTH BAY SALT PONDS (Shoreline EIA 11)	01529-004, 015-32-020	TEMPORARY WORK AREA EASEMENT
2044-26	SOUTH BAY SALT PONDS (Shoreline EIA 11)	015-33-054	TEMPORARY WORK AREA EASEMENT
3015-595	GUADALUPE RIVER	434-27-125	EASEMENT IN
3015-600	GUADALUPE RIVER	264-48-000	EASEMENT IN
3015-601	GUADALUPE RIVER	264-48-006	EASEMENT IN
3015-602	GUADALUPE RIVER	264-48-126	EASEMENT IN
3015-603	GUADALUPE RIVER	264-48-094	EASEMENT IN
3015-604	GUADALUPE RIVER	264-48-010, 264-48-084, 264-48-103	EASEMENT IN
3015-605	GUADALUPE RIVER	264-48-000	EASEMENT IN
3015-606	GUADALUPE RIVER	264-48-000 (Willow Street)	EASEMENT IN
3015-624	GUADALUPE RIVER	434-28-003	EASEMENT IN
3015-635	GUADALUPE RIVER	434-29-020	EASEMENT IN
3015-636	GUADALUPE RIVER	434-29-019	EASEMENT IN
3015-641	GUADALUPE RIVER	434-29-000 (Pine Avenue)	EASEMENT IN
3015-645	GUADALUPE RIVER	439-25-032	EASEMENT IN
3015-646	GUADALUPE RIVER	439-25-031	EASEMENT IN
3015-647	GUADALUPE RIVER	43925030	EASEMENT IN
3015-648	GUADALUPE RIVER	439-25-029	EASEMENT IN
3015-649	GUADALUPE RIVER	439-25-028	EASEMENT IN
3015-650	GUADALUPE RIVER	439-25-027	EASEMENT IN
3015-651	GUADALUPE RIVER	439-25-026	EASEMENT IN
3015-653	GUADALUPE RIVER	439-25-024	EASEMENT IN
3015-654	GUADALUPE RIVER	439-25-023	EASEMENT IN
3015-655	GUADALUPE RIVER	439-25-022	EASEMENT IN

NOTE:
TCE = Temporary Construction Easement

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
3015-657	GUADALUPE RIVER	439-25-020	EASEMENT IN
3015-658	GUADALUPE RIVER	439-25-019	EASEMENT IN
3015-659	GUADALUPE RIVER	439-25-018	EASEMENT IN
3015-660	GUADALUPE RIVER	439-25-017	EASEMENT IN
3015-661	GUADALUPE RIVER	439-25-016	EASEMENT IN
3015-662	GUADALUPE RIVER	439-25-015	EASEMENT IN
3015-663	GUADALUPE RIVER	439-25-014	EASEMENT IN
3015-664	GUADALUPE RIVER	439-25-013	EASEMENT IN
3015-665	GUADALUPE RIVER	439-25-012	EASEMENT IN
3015-666	GUADALUPE RIVER	439-25-011	EASEMENT IN
3015-674	GUADALUPE RIVER	264-48-104	EASEMENT IN
3015-675	GUADALUPE RIVER	264-48-108	EASEMENT IN
3015-677	GUADALUPE RIVER	439-25-001	FEE IN
3015-684	GUADALUPE RIVER	015-45-013	EASEMENT IN
3020-175	LOS GATOS CREEK	ON ROAD	TBD
4017-61	BERRYESSA CREEK	022-31-017	EASEMENT IN
4017-65	BERRYESSA CREEK	022-31-017	EASEMENT IN
4017-97	BERRYESSA CREEK	086-32-021, 863-2-028	EASEMENT IN
4018-26	CALERA CREEK	022-02-014	EASEMENT IN
4018-31	CALERA CREEK	026-18-003	EASEMENT IN
4018-32	CALERA CREEK	026-18-003	EASEMENT IN
4021-277	COYOTE CREEK	237-05-057 & 237-05-058	FEE IN
4021-285	COYOTE CREEK	467-29-038	FEE IN
4021-286	COYOTE CREEK	467-29-039	FEE IN
4026-483	LOWER SILVER CREEK	670-29-002, 670-29-017	TBD
4032-67	UPPER PENITENCIA CREEK	LAND EXCHANGES FOR THE BART'S EXTENSION PROJECT	TBD
4032-68	UPPER PENITENCIA CREEK	254-17-099	EASEMENT IN
4032-69	UPPER PENITENCIA CREEK	254-14-119	EASEMENT IN

NOTE:
TCE = Temporary Construction Easement

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
4032-71	UPPER PENITENCIA CREEK	254-87-020	EASEMENT IN
4032-72	UPPER PENITENCIA CREEK	254-17-061	TBD
4033-54	LOWER PENITENCIA CREEK	22-30-041	EASEMENT IN
4033-57	LOWER PENITENCIA CREEK	086-33-104	TBD
4033-58	LOWER PENITENCIA CREEK	022-37-002	EASEMENT IN
4033-60	LOWER PENITENCIA CREEK	022-30-042	EASEMENT IN
4033-61	LOWER PENITENCIA CREEK	ON ROAD	EASEMENT IN
4033-62	LOWER PENITENCIA CREEK	22-30-041	EASEMENT IN
4033-63	LOWER PENITENCIA CREEK	83-20-006	TBD
4049-11	PENITENCIA EAST CHANNEL	086-37-018	TBD
4049-12	PENITENCIA EAST CHANNEL	086-37-018	TBD
4049-13	PENITENCIA EAST CHANNEL	086-36-023	EASEMENT IN
5012-211	WEST LITTLE LLAGAS CREEK	HALE AVENUE	EASEMENT IN
5012-212	WEST LITTLE LLAGAS CREEK	ON RROAD	EASEMENT IN
5012-218	WEST LITTLE LLAGAS CREEK	764-16-028	TBD
5013-8	MADRONE CHANNEL	TO BE DETERMINED	TO BE DETERMINED
5018-98	UVAS CARNADERO CREEK	841-31-010	TCE IN
5018-99	UVAS CARNADERO CREEK	841-32-015	TCE IN
9109-79	GILROY WATER RECLAMATION FACILITY	841-29-033, 841-30-004, 841-30-011	EASEMENT IN
9109-87	GILROY WATER RECLAMATION FACILITY	841-17-084	TCE IN
9109-88	GILROY WATER RECLAMATION FACILITY	841-17-122	TCE IN
9109-89	GILROY WATER RECLAMATION FACILITY	841-17-121	TCE IN
9109-90	GILROY WATER RECLAMATION FACILITY	841-17-086	EASEMENT IN
9109-91	GILROY WATER RECLAMATION FACILITY	808-20-024	TCE IN
9109-92	GILROY WATER RECLAMATION FACILITY	808-20-024	EASEMENT IN
9109-93	GILROY WATER RECLAMATION FACILITY	841-29-033, 841-30-004, 841-30-011	TCE IN
9186-35	ANDERSON DAM/RESERVOIR	728-34-020	FEE IN
9186-36	ANDERSON DAM/RESERVOIR	728-34-010	TCE IN

NOTE:
TCE = Temporary Construction Easement

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
9186-37	ANDERSON DAM/RESERVOIR	TO BE DETERMINED	TBD
9186-38	ANDERSON DAM/RESERVOIR	728-34-010	TCE IN
9186-39	ANDERSON DAM/RESERVOIR	729-36-001	FEE IN
9186-40	ANDERSON DAM/RESERVOIR	729-32-014	FEE IN
9186-41	ANDERSON DAM/RESERVOIR	729-32-015	FEE IN
9186-42	ANDERSON DAM/RESERVOIR	729-37-016	FEE IN
9186-43	ANDERSON DAM/RESERVOIR	729-37-017	FEE IN
9168-44	ANDERSON DAM/RESERVOIR	729-37-018	FEE IN
9186-45	ANDERSON DAM/RESERVOIR	729-37-019	FEE IN
9186-46	ANDERSON DAM/RESERVOIR	729-37-029	FEE IN
9186-47	ANDERSON DAM/RESERVOIR	729-37-030	FEE IN
9188-17	COYOTE DAM	678-02-031, 678-02-034 & ON ROAD	TBD
9188-18	COYOTE DAM	678-02-032	TBD
9189-15	GUADALUPE DAM/RESERVIOR	575-11-004	FEE IN
9195-1	PACHECO DAM/RESERVIOR	898-11-009, 898-49-002	DEED IN
9195-2	PACHECO DAM/RESERVIOR	898-11-003, 898-11-008, 898-11-004, 898-11-016, 898-11-020, 898-11-021, 898-11-022, 898-11-023, 898-13- 001, 898-48-001, 898-49-001, 898-49-003	FEE IN
9195-3	PACHECO DAM/RESERVIOR	865-10-010, 865-11-020, 865-11-021	FEE IN
9195-4	PACHECO DAM/RESERVIOR	865-15-008, 865-15-009	FEE IN
9195-5	PACHECO DAM/RESERVIOR	865-15-007	FEE IN
9195-6	PACHECO DAM/RESERVIOR	865-10-023	FEE IN
9195-7	PACHECO DAM/RESERVIOR	898-57-001, 898-57-002	FEE IN
9195-8	PACHECO DAM/RESERVIOR	898-14-019, 898-57-002	TBD
9195-9	PACHECO DAM/RESERVIOR	898-54-009	TBD
9195-10	PACHECO DAM/RESERVIOR	898-47-001, 898-47-002	TBD
9195-11	PACHECO DAM/RESERVIOR	TO BE DETERMINED	TBD
9214-19	SANTA CLARA CONDUIT	ON ROAD	EASEMENT IN
9225-65	CENTRAL PIPELINE	254-17-069, 254-17-070	EASEMENT IN

NOTE:
TCE = Temporary Construction Easement

**REPORT OF PROPERTIES WHICH MAY BE ACQUIRED UNDER
EXECUTIVE LIMITATION 6.7.1**

DISTRICT FILE	PROJECT NAME	ASSESSORS' PARCEL NUMBER (APN)	INTEREST
9225-66	CENTRAL PIPELINE	254-17-074	EASEMENT IN
9225-67	CENTRAL PIPELINE	LAND EXCHANGES FOR THE BART'S EXTENSION PROJECT	TBD
9245-33	COYOTE CANAL	729-55 (Bailey Ave)	TBD
9265-5	BUDD AVENUE PERCOLATION PONDS	305-35-017	EASEMENT IN
9433-18	MILPITAS PIPELINE	92-08-083	EASEMENT IN
9433-19	MILPITAS PIPELINE	92-08-083	EASEMENT IN
9433-20	MILPITAS PIPELINE	92-08-002	EASEMENT IN
9433-21	MILPITAS PIPELINE	92-08-002	EASEMENT IN
9433-22	MILPITAS PIPELINE	92-08-096	EASEMENT IN
9433-23	MILPITAS PIPELINE	92-08-002	INGRESS AND EGRESS EASEMENT
9436-52	WEST PIPELINE	362-01-025	TBD
9436-53	WEST PIPELINE	357-20-028	TBD
9436-54	WEST PIPELINE	357-20-029	TBD
9484-33	SNELL PIPELINE	692-26-049	EASEMENT IN
9484-34	SNELL PIPELINE	692-26-000 (Old Snell)	EASEMENT IN
	LOWER PENITENCIA CREEK PROJECT FOR MILPITAS	022-37-000	ENCROACHMENT AGMT.

NOTE:
TCE = Temporary Construction Easement

**QUARTERLY REPORT OF PROPERTIES ACQUIRED UNDER CEO AUTHORITY
OCTOBER 1, 2020 - DECEMBER 31, 2020**

DISTRICT FILE	PROJECT NAME	AGENT	GRANTOR/GRANTEE	INTEREST	REC DATE	DOC#	INITIAL OFFER	OWNER'S APPRAISED VALUE	FINAL SETTLEMENT	SEE EXPLANATION

NO RECORDED TRANSACTIONS THIS PERIOD

TO: Board of Directors**FROM:** Aaron Baker**SUBJECT:** Los Vaqueros Expansion Update**DATE:** January 12, 2021

At its December 28, 2020 Water Storage Exploratory Committee (WSEC) meeting, the WSEC requested staff provide a non-agenda memo to the Board with an update on the Los Vaqueros Expansion Project, including information on the progress of the Joint Powers Authority (JPA) Agreement and the recent financial model of the project released by Contra Costa Water District (CCWD).

Attached is the agenda memo to the WSEC for the December 28th meeting (Attachment 1), which includes background on the Los Vaqueros Expansion Project and the draft JPA Agreement dated December 3, 2020. As noted in the attached memo, Valley Water continues to be involved in the negotiation of terms for the JPA Agreement and will provide updated drafts of the agreement to the WSEC as they become available.

Attachment 2 is the Proforma Financial Model Version 4.0 for the project. On January 11, 2021, staff received written permission from CCWD to include the model in this memorandum (approved by email from Maureen Martin, Ph.D., Special Projects Manager). This version of the model was developed to incorporate the updated CCWD usage fees for project partners' use of existing CCWD facilities. Construction, financial assumptions, and partner participation levels were carried over from the previous version of the Proforma Model. This model does not reflect updates to East Bay Municipal Utility District's (EBMUD) most recent draft usage fee assumptions, which is still pending further discussions between EBMUD and Local Area Partners (LAPs). Valley Water comments on the Financial Model are included as Attachment 3. Version 4.0 presents all costs at the project level; it does not break out costs among the LAPs. Although this version uses updated CCWD user fees, these fees should not be considered final. Ultimately, the JPA will need to approve a Facilities Usage Fee Agreement with CCWD and EBMUD on usage fees for existing facilities, which will be incorporated into the Service Agreement that will be presented to each LAP Board for approval. This is anticipated to occur later this year, after the JPA is established and other financial parameters are approved by Valley Water Board.

Since the focus of project planning will move away from development of the usage fees until later in the year, CCWD drafted a Letter of Intent (LOI) to memorialize the discussion, cost calculation methodology, and CCWD's usage fees determination. The Draft LOI and Valley Water's initial comments are included in Attachment 4. Valley Water is also coordinating with other LAPs to collaborate on a common set of comments.

CCWD is expected to provide Version 5.0 of the Financial Model in the coming months, which will incorporate updated participation levels of the LAPs and provide a breakdown of costs by each LAP. Project costs and overall project yield will depend on the proposed participation levels of conveyance and storage by the LAPs, which is subject to change until Service Agreements are developed later this year. Valley Water's cost share for the project will be subject to the level of participation for conveyance and/or storage, which will be presented for Board consideration when additional project information is available.



Aaron Baker, P.E.
Chief Operating Officer
Water Utility Enterprise

- Attachment 1: December 28, 2020 Water Storage Exploratory Committee agenda memo
- Attachment 2: Output from Proforma Financial Model Version 4.0
- Attachment 3: Valley Water comments and CCWD response on Proforma Version 4.0
- Attachment 4: Draft Letter of Intent from CCWD with staff comments



Santa Clara Valley Water District

File No.: 20-1190

Agenda Date: 12/28/2020

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on Los Vaqueros Reservoir Expansion Project: Joint Powers Authority and Financial Model.

RECOMMENDATION:

Receive and discuss information regarding the creation of a Joint Powers Authority for the construction and operation of the Los Vaqueros Reservoir Expansion Project and the latest financial model and usage fees.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) continues to evaluate participating in the Los Vaqueros Reservoir Expansion Project (LVE Project) led by Contra Costa Water District (CCWD). The LVE Project would expand Los Vaqueros Reservoir storage from 160 thousand acre-feet (TAF) to 275 TAF and build the Transfer-Bethany Pipeline to connect the reservoir to the State Water Project's (SWP) South Bay Aqueduct (SBA) and California Aqueduct. The LVE Project may provide Valley Water regional storage, new wet year supplies through CCWD's diversion rights, and increased operational flexibility in the conveyance of imported water. This memo provides background on the project, an update on the draft Joint Powers Authority (JPA) Agreement, and an update on the usage fees and the financial model.

Background

CCWD estimates the total LVE Project development and construction 40-year life cycle costs to be \$868 million in constant 2018 dollars. The California Water Commission approved a Prop 1 WSIP grant award of up to \$459 million for the LVE Project, including \$22.95 million in early funding. The U.S. Bureau of Reclamation (USBR) received \$2.155 million of federal funding for the LVE Project through the WINN Act for Fiscal Year (FY) 2020. CCWD and the local area partners (LAPs) are continuing efforts to procure additional WINN Act funding beyond FY 2020, ultimately seeking \$223 million in total.

CCWD completed a Draft Feasibility Report with the USBR in January 2018, and the Final Supplement to the EIR/EIS was published in the Federal Register in February 2020. CCWD certified the Final Supplement to the Final EIS/EIR and approved the LVE Project in May 2020. Neither the Draft Feasibility Report nor the EIR/EIS received legal challenges or significant public opposition.

Valley Water is considering participating in either solely the conveyance portion of the project or both conveyance and storage. Valley Water continues to work with CCWD and the LAPs to evaluate long-term participation levels, how it translates to water storage and/or supply benefits, costs, and risks. In addition, Valley Water is working with regional partners to evaluate how storage and conveyance components could support other regional projects, such as the Bay Area Regional Desalination Project and the Refinery Recycled Water Project.

Formation of a Joint Power Authority

LAPs, including CCWD, have been working to develop a JPA for the LVE Project. Until the JPA is formed, CCWD is leading the project planning, which includes environmental review and initial design. After JPA formation, project planning, construction, and post-construction activities will transition to the JPA. Post-construction activities include operating the facilities, ensuring adequate funding, facility maintenance and repair, and delivering project water.

The JPA will have a Board of Directors with a representative from each JPA member agency. The JPA agreement as drafted allows member agencies to appoint any member of its governing bodies or a management-level employee and an alternate to serve on the JPA board.

The development of the JPA agreement has been led by an independent counsel (Lagerlof, LLP) working with a Legal Working Group made up of legal staff from CCWD and the LAPs. At the Water Storage Committee meeting of October 30, 2020, the Committee appointed Director Kremen to coordinate with staff and Valley Water's counsel regarding the draft JPA. Staff are briefing Director Kremen on the draft JPA so that he may convey concerns over any of the draft terms.

The December 3, 2020 draft of the agreement is attached as Attachment 1. A JPA Legal Working Group meeting took place on December 18, 2020, and these discussions focused on sections 7.11.2-7.11.3 of the draft agreement which involves financial liability limitations sought by the SFPUC based upon their city charter requirements. The other parties have expressed concern regarding the application of the proposed language, and further discussions on this provision are still needed. Additional subjects of the agreement requiring further discussion include, but are not limited to:

- Facility Definition Clarifications (Sections 1.1.8, 1.1.14, 1.1.20 & 1.1.21);
- O&M of Facilities (Sections 1.1.21-1.1.22);
- Rights regarding future project expansion (Section 1.1.23);
- Directors (Section 2.2 et seq);
- Voting rights and thresholds (section 3.3 et seq.);
- Veto rights sought by EBMUD and CCWD (section 3.3.4);
- Off-Ramps (Section 8.3);
- Member liability (Section 9.2.2);
- Dispute Resolution (Section 10.2);
- Construction of Agreement (Section 10.8); and
- Assignment (Section 10.11).

Further JPA Legal Working Group meetings will be scheduled in December and January. Staff will continue to brief and solicit input from Director Kremen as these negotiations proceed.

Usage Fees and Financial Model

LAPs, through the Usage Fees Working Group, have been working with CCWD and EBMUD to negotiate usage fees for existing facilities. CCWD provided their initial usage fee proposal in October 2018. To support the evaluation of the first draft and subsequent negotiations, participants hired Bartle Wells and Associates as a financial consultant. CCWD updated the usage fees memo in March, June, and August of 2020 to address comments raised in a report from Bartle Wells and ongoing dialogue with the Usage Fees Working Group. Under the original proposal, CCWD would have charged the LAPs approximately \$7.0 million per year for use of existing CCWD conveyance facilities and \$4.3 million per year in storage fees to reimburse CCWD for a fair share of land costs and foundational elements provided by CCWD. The current proposal would result in \$3.7 million per year conveyance facility fees and \$4.2 million per year storage fees. With the current draft usage fees memo from CCWD, the LAPs still have two primary concerns that they provided in a joint letter to CCWD:

- 1) The LAPs are expected to pay 1) for the excess capacity and redundancy built into the CCWD system that is associated with the facilities LAPs will use. CCWD states that the LAPs benefit from the redundancy and excess capacity; LAPs argue that they should only pay for capacity used.
- 2) The LAPs think more work is needed to determine a fair cost for the use of land inundated by the reservoir expansion and inclusion of watershed lands that protect reservoir water quality.

CCWD has drafted a joint Letter of Intent (LOI) with the LAPs to memorialize the discussion, cost calculation methodology, and CCWD's usage fees determination while other aspects of the LVE project (and the JPA) are negotiated. The LOI represents the intention of CCWD and the LAPs to negotiate in good faith the usage fees associated with the use of CCWD's existing facilities as part of the LVE Project; it does not create any binding financial commitments. Usage fees will be negotiated further between CCWD and the JPA, pending Board direction from each LAP. The discussion on usage fees is expected to resume later next year after the JPA is formed and other costs associated with the project are better defined.

CCWD released an updated financial model (version 4.0) on December 4, 2020, that focuses on the updated (August 2020) CCWD usage fees. The financial model released by CCWD is at the full project level and costs are not broken down by project partner. The next version of the financial model (version 5.0) is anticipated to be released in early 2021 and will include projected cost allocations by each project partner. Staff will be able to present updated cost allocation for Valley Water once Version 5.0 is released.

Next Steps

The following are the key long-term decision points and milestones for the LVE Project:

- Early to mid-2021: WSEC Committee meeting to consider Valley Water participation in JPA

and Board meeting to consider Valley Water participation in JPA.

- Late-2021: JPA executes Service Agreements (storage and/or conveyance services) with CCWD and the LAPs. The JPA executes Facilities Usage Agreements with CCWD and EBMUD for existing facilities (i.e., establishes user fees).
- 2022: Construction starts on the initial LVE Project elements
- 2023-2025: Construction of Transfer-Bethany Pipeline.
- 2027-2029: Construction of Los Vaqueros dam raise, upgraded pumping facilities, and other conveyance improvements.

ATTACHMENTS:

Attachment 1: Draft JPA Agreement

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257

**LOS VAQUEROS RESERVOIR
JOINT EXERCISE OF POWERS AGREEMENT**

THIS JOINT POWERS AGREEMENT (“Agreement”) is made and entered into as of the Effective Date defined below, by and between the parties listed on Exhibit A attached hereto, which is incorporated herein by this reference. Those parties are referred to in this Agreement individually as a “Member” and collectively as the “Members.”

RECITALS

- A. Each Member is a public agency authorized and empowered to contract for the joint exercise of powers under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California; and
- B. Each Member has the power to plan for, design, construct, operate, maintain, repair, and replace water-related facilities, as contemplated in the Project, as defined in Section 1.1.23, below; and
- C. The Members desire to use any and every power common to them for the purpose of designing, constructing, operating, repairing and maintaining the Project, or taking such other actions that will make the use of the Project more efficient or effective providing the Members and their respective ratepayers a more reliable water supply;
- D. The Members desire, by means of this Agreement, to establish a new public agency that is separate and apart from each of the Members for the design, construction, operation, and administration of the Project, and for related purposes.

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Members agree as follows:

**ARTICLE 1
GENERAL PROVISIONS**

1.1 Definitions. Unless the context otherwise requires, the words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

1.1.1 Act means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to public agencies.

1.1.2 Administrative Agreement means the agreement between the Authority and the Administrator under which the Administrator will provide administrative services to the Authority and will be reimbursed for the costs of those services.

1.1.3 Administrator means the person or entity engaged by the Board of Directors to manage and administer the financial and administrative activities of the Authority in accordance with Section 4.5, below.

1.1.4 Agreement means this Joint Exercise of Powers Agreement.

1.1.5 Authority means the Los Vaqueros Reservoir Joint Powers Authority, which is created by this Agreement.

1.1.6 Board or Board of Directors means the Board of Directors referred to in Article 2 of this Agreement, which is the governing body of the Authority.

1.1.7 CCWD means Contra Costa Water District, a county water district formed under Division 12 of the Water Code, and the owner of the Los Vaqueros Reservoir.

1.1.8 CCWD-Provided Facility means an existing facility owned and operated by CCWD with excess capacity that has been made available for use by the Authority in accordance with the Facilities Usage Agreement between CCWD and the Authority. CCWD-Provided Facilities are listed and identified in Exhibit B, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below.

1.1.9 Costs of Service mean the costs of Services included in the payments, or other non-monetary benefits, the Authority will receive from Members pursuant to the Service Agreements. The Costs of Service, which shall be as fully described and specified in the respective Service Agreements, are anticipated to include, but are not limited to, Project development costs; debt service, to the extent applicable under any agreed upon financing vehicle, including interest, on bonds the Authority will issue; amounts payable to CCWD and EBMUD under the Facilities Usage Agreements; operations and maintenance costs of the Project; Authority administrative expenses; capital reserve payments; and payments to a renewal and replacement fund the Authority will establish.

1.1.10 Design & Construction Agreement means the design and construction agreements the Authority will enter into with CCWD for the New Facilities and Modified Facilities for which CCWD is designated as the builder and operator on Exhibit B hereto; and with EBMUD for the New Facilities and Modified Facilities for which EBMUD is designated as the builder and operator on Exhibit B hereto. Those agreements will address the design and construction services to be provided by the contracting party in accordance with industry standards.

1.1.11 Director means a member of the Board appointed to the Board pursuant to Section 2.2 of this Agreement or a duly appointed alternate acting for the appointed Board member in his or her absence.

1.1.12 Early Funding Agreement means the agreement between the California Water Commission and CCWD, dated December 20, 2018, to provide advances of up to \$22.95 million to partially fund Project development activities.

1.1.13 EBMUD means East Bay Municipal Utility District, a municipal utility district formed under Division 6 of the Public Utilities Code.

1.1.14 EBMUD-Provided Facility means an existing facility owned and operated by EBMUD, that may be made available for use by the Authority in accordance with, and to the extent provided by, the Facilities Usage Agreement between EBMUD and the Authority. EBMUD-Provided Facilities are listed and identified in Exhibit B as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below.

1.1.15 Effective Date means [_____].

1.1.16 Facilities Usage Agreement means the agreements entered into by the Authority and CCWD as to CCWD-Provided Facilities and by the Authority and EBMUD as to EBMUD-Provided Facilities, pursuant to which the use of capacity in those facilities is made available to the Project and paid for by the Authority through payments to be specified in those agreements.

1.1.17 Fiscal Year means the period commencing on July 1 of each year and ending on and including the following June 30.

1.1.18 Interim Funding Agreement means the agreement entered into among CCWD and the Members, following formation of the Authority, to provide an interim source of funding for Project development costs, including the initial expenses related to the formation of the Authority, prior to the time where permanent sources of Authority revenues are in place. The Interim Funding Agreement is separate from the Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning, as amended, which has provided funding for Project-related functions prior to formation of the Authority, and from the Service Agreements, which are expected to provide funding to the Authority once it is in a position to provide Services to the Members. It is contemplated the above-referenced Cost Share Agreement, as amended, will provide funding before formation of the Authority, the Interim Funding Agreement will provide funding in the early stages after formation of the Authority and the Service Agreements will provide permanent, ongoing funding for the Authority.

1.1.19 Member means any of the members of the Authority, as listed on Exhibit A hereto, and any other entity added to this Agreement by a subsequent amendment. As used herein, the term "Member" shall not include the Department of Water Resources, which pursuant to Water Code Section 79759(b), shall be an ex officio non-voting member of the Authority.

1.1.20 Modified Facilities means existing facilities owned by CCWD or EBMUD that will be modified as part of the Project, funded in whole or in part through the Authority's proportional share of the costs of development, design, construction, operations and maintenance which are expected to be financed or paid through Design & Construction Agreements and O & M Agreements between the Authority and CCWD and EBMUD, as applicable, or through one or more Sub-Project Agreements among those Members benefitting from specific Modified Facility(ies), which agreements shall set forth the Authority's rights and obligations with respect to any particular Modified Facility. The Modified Facilities are identified on Exhibit B hereto, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below. A Modified Facility may also be referred to as a "specific component" of the Project for purposes of describing specific Modified Facilities to be included in particular financings the Authority will undertake.

1.1.21 New Facilities means facilities necessary for the Project that are expected to be financed by the Authority and designed, built, owned, operated and maintained by CCWD or EBMUD through Design & Construction Agreements and O & M Agreements between the Authority and CCWD and EBMUD, as applicable, or through one or more Sub-Project Agreements among those Members benefitting from specific New Facility(ies), which agreements shall set forth the Authority's rights and obligations with respect to any particular New Facility. The Authority, including CCWD and EBMUD in their capacity as Members, is expected to be solely responsible for all costs and liabilities related to the New Facilities. The New Facilities are identified on Exhibit B hereto, as it may be subsequently amended to reflect changes to the Project in accordance with Section 8.2, below. A New Facility may also be referred to as a "specific component" of the Project for purposes of describing specific New Facilities to be included in particular financings the Authority will undertake.

1.1.22 O & M Agreement means the operations and maintenance agreements the Authority will enter into with CCWD for the New Facilities and Modified Facilities for which CCWD is designated as the builder and operator on Exhibit B hereto; and with EBMUD for the New Facilities and Modified Facilities for which EBMUD is designated as the builder and operator on Exhibit B hereto. Those agreements will address operations and maintenance services to be provided by the contracting party in accordance with industry standards, and the payment for such services the Authority will be obligated to make.

1.1.23 Project means generally the second phase of the efforts to expand existing conveyance facilities, and construct new conveyance facilities, at the Los Vaqueros Reservoir owned and operated by CCWD. The Project will expand Los Vaqueros Reservoir to a capacity up to 275,000 acre-feet and will interconnect CCWD's intake system to new and existing conveyance facilities that will serve the Members to create a regional system. The Project is expected to provide statewide public benefits, including ecosystem benefits to south-of-Delta wildlife refuges, drought and non-drought emergency water supply benefits for the Members, and recreation benefits. The Project is also expected to provide benefits to regional water supply agencies, integration with state and federal water systems, Central Valley Project operational flexibility, and enhanced opportunities for sustainable groundwater and recycled water management. The Project includes the components specified in Exhibit B hereto as to be more specifically described in subsequent agreements, including New Facilities, Modified Facilities, CCWD-Provided Facilities and EBMUD-Provided Facilities. The Project may include any Sub-Projects approved by the Board of Directors and facilities associated therewith.

1.1.24 Services mean the services of the Project provided to the Members pursuant to the respective Service Agreements, consisting, in general, of water storage and conveyance through the various facilities to which the Authority has contracted to have access and use in accordance with the Facilities Usage Agreements. Specific services to be provided to Members will depend on Members' requests, water delivery priorities specified in the Service Agreements, hydrological conditions and permit and regulatory conditions.

1.1.25 Service Agreement means an agreement entered into by a Member and the Authority pursuant to which the Authority provides Services to the Member and the Member is obligated to make payments, or provide other non-monetary benefits to the Authority with respect to the costs thereof, as consideration for those Services, all in accordance with the terms and conditions of any such Service Agreement. It is the intent of the Members that the Service Agreements shall allocate the Costs of Service among the Members in proportion to their anticipated use of Project facilities and other benefits a Member derives from the Project in accordance with the "beneficiary pays" principle. It is also the intent of the Members that the Service Agreements will also allocate costs in a manner to negate any cross-subsidy among Members (i.e., where any Member obtains an unreasonable financial benefit through financial contributions of another Member or other Members), taking into consideration any grant funding the Authority or any Member has received for Project-related costs.

1.1.26 Sub-Project means an effort, not deemed to be of general benefit to all Members, but consistent with this Agreement's purposes and the Authority's objectives, which is undertaken through the Authority by a subset of Members which choose to voluntarily participate in the particular Sub-Project, and with respect to which only such participating Members shall receive benefits or incur financial or other obligations.

1.2. Findings. The Members find and declare the following:

1.2.1. The Members represent a diverse group of government entities engaged in water management, conservation, and/or delivery in the San Francisco Bay-Delta and Central Valley region. This area's regional water systems are vulnerable to water shortages due to emergencies such as earthquakes, fire, or drought, and to dry year supply decreases due to insufficient regional storage.

1.2.2. The Project will improve Bay-Delta and Central Valley water supply reliability and water quality while providing additional habitat and Delta ecosystem benefits.

1.2.3. The Authority is created to enable local governments responsible for water distribution to work collaboratively with a regional focus to improve water supply reliability.

1.3 Purposes and Objectives. The purposes of this Agreement are to: (1) create the Authority; (2) provide for the administration of the Authority; (3) plan for, design, construct, operate, maintain, repair, and replace the Project for the benefit of the Members and the region; and (4) coordinate the performance of services related to the Project and approved by the Board of Directors. The primary objectives of the Authority are to:

1.3.1 Provide governance of the Project by the Members;

1.3.2 Ensure sufficient stable funding for the Project and related administrative and support activities to be provided through the Service Agreements and Administrative Agreement;

1.3.3 Ensure costs are reasonable and cost allocations are equitable and transparent, as provided through the Service Agreements; and

1.3.4 Ensure reliable delivery of water to the Members consistent with the terms of the Service Agreements, such that the Members are provided with the contemplated benefits from their respective investments in the Project.

1.4 Creation of Authority. Pursuant to the Act, there is hereby created a public entity known as the "Los Vaqueros Reservoir Joint Powers Authority." The Authority shall be a public entity separate and apart from the Members.

1.5 Term. The term of this Agreement shall commence on the Effective Date and shall continue until terminated by the Members as provided in Article 8 of this Agreement.

1.6 Powers of Authority.

1.6.1 General Powers. The Authority shall exercise, in the manner herein provided, the powers common to the Members, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement.

1.6.2 Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:

- (a) To make and enter contracts;
- (b) To employ agents and employees;

- (c) To lease, acquire, construct, manage, maintain or operate any building, works or improvements;
- (d) To acquire, hold or dispose of property;
- (e) To supervise and manage the Project so as to deliver state, federal, and Member benefits commensurate with state, federal, and Member investment in the Project;
- (f) To incur debts, liabilities, or obligations which do not constitute a debt, liability, or obligation of any Member;
- (i) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities, provided that the Authority consents to such gifts, contributions, and donations;
- (j) To prescribe the duties, compensation, and other terms and conditions of employment of other agents, officers, and employees;
- (k) To adopt reasonable rules and regulations for the conduct of the day-to-day operations of the Authority;
- (l) To apply for, accept, receive, and disburse grants and loans from local, state, or federal agencies or from individuals or businesses;
- (m) To sue and be sued in its own name;
- (n) To fund and maintain adequate reserve funds to support debt and operational requirements;
- (o) To invest money in its treasury, pursuant to Government Code Section 6505.5 et seq., that is not required for the immediate necessities of the Authority, as the Authority determines advisable, in the same manner and on the same conditions as local agencies, pursuant to Section 53601 of the Government Code;
- (p) To enter into state funding agreements and federal funding agreements relating to the Project, and assume rights and obligations pursuant to these agreements;
- (q) To finance Project development activities through a combination of early Water Storage Investment Program funding and pay-as-you-go contributions from the Members;
- (r) To enter into one or more Design & Construction Agreements and O & M Agreements with CCWD and EBMUD, as applicable;
- (s) To enter into the Facilities Usage Agreements with CCWD and EBMUD in connection with the Authority's use of CCWD-Provided Facilities and EBMUD-Provided Facilities, respectively;

- (t) To enter into the Administrative Agreement with CCWD;
- (u) To enter into agreements with individuals or entities providing program management, Watermaster, legal, financial, accounting, auditing, and other services as required;
- (v) To enter into agreements with the California Department of Water Resources, the California Department of Fish and Wildlife, the United States Department of Interior, the United States Bureau of Reclamation, and other local, state or federal entities as may be required to comply with the requirements of any state or federal funding agreements and to implement the Project, including the administration of public benefits;
- (w) To issue Project revenue bonds, secured by revenues of the Project and other Member financial commitments that may be required in connection with that issuance, to provide financing for the Project;
- (x) To deliver Services to the Members, and receive payment from the Members, pursuant to the Service Agreements;
- (y) To exercise any and all powers which are provided for in the Act and in Government Code Section 6584 *et seq.*, including, without limitation Government Code Section 6588, as they exist on the Effective Date of this Agreement or may hereafter be amended;
- (z) To take action by resolution, ordinance, or motion, as approved by the Board of Directors as specified herein;
- (aa) To carry out and enforce all provisions of this Agreement with respect to the activities necessary to undertake the development, construction, and operation of the Project;
- (bb) To conduct such other activities as are necessary and appropriate to the above; and
- (cc) To exercise any power necessary or incidental to the foregoing powers.

1.7 Manner of Exercising Authority Powers. The Authority shall exercise its powers in the manner by which Contra Costa Water District exercises its powers, except to the extent this Agreement or the Act specifically provide otherwise.

ARTICLE 2 BOARD OF DIRECTORS

2.1 Creation. The Authority shall be governed by a Board of Directors, which is hereby established, consisting of one (1) Director for each Member, along with one (1) Director appointed by the Department of Water Resources, which is required by law to be a non-voting ex officio member of the Authority pursuant to Water Code Section 79759(b). The governing board shall be known as the "Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority." All voting power shall reside in the Board and be exercised as specified in Section 3.3, below. By establishing the Authority and creating the Board of Directors, the Members do not intend to create any incompatibility between the service of a Member's governing body member on the Member's governing body, and

his or her service as a Director of the Authority, and this Agreement shall be interpreted, if and where necessary, so that no such incompatible office exists.

2.2 Directors.

2.2.1 Directors Appointed; Term. Within thirty (30) days of the Effective Date of this Agreement, each Member shall designate and appoint, by a formal action of its governing body, either one (1) member of its governing body (provided that any Member which itself consists of one or more member agencies may appoint any member of one of its member agencies' governing bodies), or a management-level employee of the Member, or of any member agency of a Member, to act as its representative on the Board of Directors; and one (1) other governing body member or Member employee, either by name or position title, to act as an alternate to that Director so appointed. If a Director's or alternate's membership on the appointing Member's governing body ceases or that person ceases to be on the governing body of a Member's member agency, if applicable, or if the Director or alternate is an employee of the Member, or of a Member's member agency, and the Director's or alternate's employment by the Member ceases, his or her membership on the Board or position as an alternate, as applicable, shall also immediately cease. The alternate appointed by each Member shall have the authority to attend and participate in any meeting of the Board, but shall only be allowed to vote at any meeting of the Board when the regular Director is absent. At any meeting of the Board when the regular Director is absent, the alternate shall have the full authority of the Member to vote on any issue before the Board. Each Director shall hold office until his or her successor is selected by the appointing Member, except where immediate cessation of Board membership is expressly provided for by this section. Directors shall serve at the pleasure of the governing board of the appointing Member and may be removed at any time, with or without cause, in the sole discretion of the appointing Member's governing board. If a Director ceases to serve on the Board, the Member that appointed that Director shall select that Director's replacement, and may allow the alternate then serving to fill that Director's position on a temporary or permanent basis, in that Member's discretion.

2.2.2 Board Compensation. The Board shall serve without compensation from the Authority. Compensation may be provided as approved by the Member that appoints its representative Director and alternate, and any such compensation will be the responsibility of that Member.

2.3 Powers and Responsibilities of the Board. All of the power and authority vested in the Authority shall be exercised by the Board of Directors, which may delegate such power in its discretion. Notwithstanding the above, the Board shall not delegate its legislative powers. In exercising these powers, the Board shall undertake the following roles and responsibilities:

2.3.1 Fulfill the Authority's purposes;

2.3.2 Engage key Authority executives, including the Executive Director, as desired by the Board, and the Attorney;

2.3.3 Approve the engagement of a Financial Manager, Program Manager, Watermaster, and other consultants and advisors;

2.3.4 Approve annual or two-year budgets;

2.3.5 Approve agreements through which Project will be implemented;

2.3.6 Fund the Authority and Project through issuance of bonds and collections from Members; and

2.3.7 Establish committees for activities such as design, construction, and operations.

2.4 Provision for Bylaws. The Board may cause to be developed and may adopt, from time to time, such bylaws for the Authority to govern its day-to-day operations. Each Member shall receive a copy of any bylaws developed and adopted under this section.

ARTICLE 3 MEETINGS OF THE BOARD

3.1 Meetings. The Board shall meet as frequently as the Board deems necessary to conduct the Authority's business, but at least quarterly, and shall provide for the date, hour, and place of its regular meetings by Resolution of the Board filed with the governing body of each Member. The Board may meet by teleconference or by video conferencing, and in joint session with other public agencies and advisory bodies in accordance with California law.

3.2 Ralph M. Brown Act. All meetings of the Board, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, commencing with Section 54950 of the Government Code.

3.3 Voting. ***[Consensus from October 20 Legal Work Group call was reached to have only one level of super-majority voting, with some issues, such as PERS participation and commencement of any litigation by the JPA to be unanimous. Consensus was to not have weighted voting.]***

3.3.1 Simple Majority Votes. Subject to the veto rights provided in Section 3.3.4, below, and the provisions of Section 3.4, below, each Member shall have one vote, to be exercised by that Member's Director. Except as otherwise provided by law or as set forth in Sections 3.3.2 and 3.3.3, below, all actions of the Board, including, but not limited to, approval of Authority budgets under Article 7, below, and approval of the issuance or refunding of bonds or other indebtedness of the Authority, shall be approved on the affirmative vote of a majority of the total number of Directors. In the event of a tie vote among the Directors, the matter will not be considered to have passed.

3.3.2 Items Requiring at Least Three-Quarters Votes for Approval. Notwithstanding Section 3.3.1, above, the following actions of the Board must be approved by at least three-quarters (seventy-five percent (75%)) of the total number of Directors, but subject to Section 3.4, below:

3.3.2.1 Approval of the admission of a new Member;

;

3.3.2.2 Approval of an amendment to the Agreement; provided that if the proposed amendment (i) is to change the requirement for unanimous approval of an action as set forth in Section 3.3.3, or (ii) relates to the veto right provided by Section 3.3.4, then any such amendment must have unanimous Board approval; and

3.3.2.3 Termination of the Agreement.

3.3.3 Items Requiring Unanimous Approval. Notwithstanding Section 3.3.1, above, the following actions of the Board must be unanimously approved by the Board:

3.3.3.1 Commencement of litigation by the Authority against any local, state or federal agency relating to the funding or operation of the Project; or against any Member to interpret or enforce this Agreement or otherwise relating to the Member's obligations concerning the Project; provided that the Member against whom that litigation is contemplated shall not be included in that unanimous vote requirement;

3.3.3.2 Approval of any additional funding contributions under Section 7.9.2, below;

3.3.3.3 Any disproportionate disbursement made upon termination of this Agreement pursuant to Section 8.5, below;

3.3.3.4 Any decision by the Board to approve the creation of positions of employment for the Authority; and

3.3.3.5 Approval of any contract with Cal-PERS or any other public retirement system.

3.3.4. Veto Rights of CCWD and EBMUD. Notwithstanding any other provision of this Agreement, for any proposed decision by the Board of Directors that either CCWD or EBMUD determines would have an adverse and material effect upon a CCWD-Provided Facility or an EBMUD-Provided Facility, respectively, or upon one or more New Facilities or Modified Facilities, CCWD or EBMUD, as applicable in connection with the facility(ies) to be affected, shall have the right to veto that decision. The Board representative of the affected Member (i.e., either CCWD or EBMUD) shall exercise the veto by declaring an intention to veto a proposed decision during a Board meeting at the time the matter is discussed or considered for action. If such intent is declared, the Board may (i) proceed immediately with a vote on the matter, or (ii) by majority vote, delay the vote on that matter to a future meeting to allow the development of an alternative or modified recommended action. If the Board elects to hold a vote, the affected Member may veto the proposed action, which veto shall be final and conclusive. In the event of such a veto, the Authority shall not proceed with the action specified in that proposed decision. If the Board elects to delay the matter to a future meeting, the Members shall meet and confer in good faith to attempt to develop a revised action which addresses the adverse and material effect, to be proposed at the next Board meeting, or as soon thereafter as Authority staff, the Administrator, the Executive Director (if one has been appointed), or the

Members can obtain any further information or clarifying direction as needed to propose an alternative or modified recommended action. Any revised action proposed to the Board shall be subject to the veto rights described in this section. No proposed action shall be delayed pursuant to this section more than once, except with the consent of the Member which declared its intent to veto the action.

For purposes of this subdivision, an “adverse and material effect” includes the following: (a) a decision that would unreasonably increase the affected Member’s operational costs as compared to that Member’s existing operational costs; (b) a decision that would decrease capacity of the subject facility; (c) a decision that would materially restrict the affected Member in its operation of the subject facility or in its ability to provide an adequate water supply within its service area; (d) a decision that would result in a material adverse impact on the quality of water conveyed from the Project; and/or (e) a decision that would cause the Project in CCWD’s determination to fail to meet one or more of the conditions set forth in Resolution No. 03-24 adopted by CCWD’s Board of Directors on June 18, 2003.

3.4 Special Voting Rules Applicable to Grassland Water District. Due to the fact that Grassland Water District will not be making monetary contributions to the Authority, Grassland Water District will not be entitled to vote on financial matters impacting the Authority, including those items specified in Section 3.3.2, above; provided, however, that Grassland Water District shall be entitled to vote on financial matters concerning the administration of public benefits or the delivery of ecosystem benefits to south-of-Delta refuges. In any situation where Grassland Water District is not permitted to vote, for purposes of the determination of the vote needed for approval, Grassland Water District shall not be counted as a voting Member, such that the total number of voting Members is reduced by one in calculating total number of votes that may be cast and utilized in determining any applicable threshold for the Board’s approval of any such action.

3.5 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business.

3.6 Board Action. The Board may act by resolution, ordinance, or motion. Unless otherwise provided in the bylaws or by law, ordinances shall not be required to be introduced and adopted at separate meetings of the Board.

3.7 Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to each Member.

3.8 Rules. The Board may adopt from time to time such rules and regulations for the conduct of its and the Authority’s affairs as may be required.

ARTICLE 4 OFFICERS AND EMPLOYEES OF THE AUTHORITY

4.1 Chair. At the Board of Directors’ first meeting, and then in its first quarterly meeting of each calendar year, it shall elect one of the Directors as Chair of the Board. The term of office for the Chair shall be one year. A Chair may not serve more than four (4) consecutive terms as Chair, and the foregoing term limit shall also apply to the Member on whose behalf the Chair is serving, such that no Member shall be allowed to have any Director or combination of Directors serve on its behalf as Chair for more than four (4) consecutive terms. The Chair of the Board shall preside at all meetings and shall perform such other duties as are specified by the Board of Directors. Subject to

the foregoing, the position of Chair shall be elected on the basis of the individual Director and not on the basis of the underlying Member with which the Chair is affiliated.

4.2 Vice-Chair. At the Board of Directors' first meeting, and then in its first quarterly meeting of each year, it shall elect one of the Directors as Vice-Chair of the Board. The term of office for the Vice-Chair shall be one year. The Vice-Chair shall perform all the duties of the Chair in the absence of the Chair, or in the event the Chair of the Board is unable to perform such duties, and shall perform such other duties as are specified by the Board of Directors.

4.3 Secretary. The Board may appoint the Authority's Secretary or may delegate the appointment of the Authority's Secretary to the Administrator; provided that if the Administrator position has been removed, then the Board shall appoint the Authority's Secretary. If the Board does not elect to appoint an individual of its own choosing as the Secretary, the Secretary shall serve at the pleasure of the Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator or, if the Administrator is an entity, the Administrator's governing board or a management-level employee of the Administrator. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board of Directors and shall perform such other duties as specified by the Administrator pursuant to the Administrative Agreement, as applicable. If the Board elects to appoint another individual of its own choosing, the Secretary shall perform such other duties as the Board of Directors specifies.

4.4 Treasurer and Auditor/Controller. Pursuant to Government Code Sections 6505.5 and 6505.6, the Board may appoint the Authority's Treasurer and Auditor/Controller or may delegate the appointment of the Authority's Treasurer and Auditor/Controller to the Administrator; provided that if the Administrator position has been removed, then the Board shall appoint the Authority's Treasurer and Auditor/Controller. If the Administrator is an entity, it may appoint its senior financial officer (such as its chief financial officer, director of finance, or finance manager, as designated by the Administrator) as the Treasurer and Auditor/Controller. The Treasurer shall be the depository and have custody of all money of the Authority, from whatever source, and shall have all of the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code. The Treasurer shall also manage the Authority's billing and cash management, financial reporting and debt; engage the independent auditor to review the Authority's financial statements; and report to the Authority's Executive Director or to the Administrator if no Executive Director has been appointed. The offices of Treasurer and Auditor/Controller may be held by separate individuals, or combined and held by one individual as the Board may elect. If the Board does not elect to appoint another individual of its own choosing as the Treasurer and Auditor/Controller, the Treasurer and Auditor/Controller shall serve at the pleasure of the Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator or, if the Administrator is an entity, the Administrator's governing board or a management-level employee of the Administrator.

4.5 Administrator.

4.5.1 Generally. The Board of Directors shall select the Administrator, which shall provide management and administrative services for the Authority, as more specifically described in Section 4.5.2, below. CCWD shall serve as the initial Administrator, and its rights and responsibilities in that role shall be set forth in the Administrative Agreement. The Board may, in its discretion, upon the termination or assignment of the Administrative Agreement, appoint a subsequent Administrator to replace CCWD, may transfer some or all of the Administrator's duties to the Executive Director appointed under Section 4.6, below, or may combine the Administrator's position with the Executive Director; subject, however, to ensuring that any contractual obligations CCWD has undertaken with respect to the administration of the Project, including under the Early Funding Agreement, are met. Until such time as an Executive Director is appointed, the Administrator shall report to the Board.

After an Executive Director is appointed, the Administrator shall report to the Executive Director and be subject to the Executive Director's supervision, subject to compliance with any existing contractual obligations of the Administrator.

4.5.2 Administrator Services. Subject to the Board's revision of duties of the Administrator, which may be transferred to the Executive Director in the Board's discretion, the Administrator shall perform all services reasonably necessary for the management and administration of the Authority including, but not limited to:

- (a) coordinating the planning, design, permitting (including compliance monitoring), operations modeling and analysis, and procurement activities necessary to construct and operate the Project, including through funds provided by the Early Funding Agreement, which CCWD shall continue to manage as the initial Administrator, and Interim Funding Agreement;
- (b) coordinating and preparing for Board meetings;
- (c) identifying and selecting key staff that will provide services to the Board and the Authority, including staff who may potentially serve as Secretary and Treasurer and Auditor/Controller, as the Board or Administrator may determine;
- (d) being responsible for the appointment, employment, management, and/or termination of any personnel (other than the Executive Director and Authority Attorney), contractors, or consultants providing services to the Authority including, but not limited to, contractors and consultants necessary for the financing, planning, design, permitting and procurement of the Project;
- (e) performing administrative tasks related to the Board's selection and appointment of the Authority Attorney;
- (f) implementing the policies, decisions, and directions of the Board, as provided to the Administrator;
- (g) conducting communications and outreach support and website hosting;
- (h) coordinating and conferring with the Members' technical staffs relative to Project-related functions; and
- (i) such other duties as are determined by and assigned by the Board.

4.5.3 Compensation. The Administrator shall be compensated for the services it renders to the Authority as specified in the Administrative Agreement, or in any other contractual arrangement between the Administrator and the Authority.

4.5.4 Administrator Staff. If the Administrator is an entity, the Administrator shall identify key staff that shall provide services required of the Administrator, including one employee who shall serve as the main point of contact for the Authority. Such key staff identified by the Administrator shall be qualified to perform services required of the Administrator. Unless otherwise

agreed in writing by the Authority, such key staff shall at all times remain under the exclusive direction and control of the Administrator and the Authority shall not have any right to discharge or discipline any member of the Administrator's staff. Subject to payment by the Authority as provided in the Administrative Agreement or other agreement, the Administrator shall be responsible for all compensation, supervision, and administrative costs relating to its staff. If the Administrator is an individual, the Administrator shall coordinate the retention of any outside staff with the Board and obtain approval of such staff positions from the Board before hiring or retaining any such staff.

4.5.5 Independent Contractor; Authority Employees. Until such time, if any, as the Administrator is hired as an Authority employee, as provided under this Agreement and to the extent allowed by law, the Administrator shall be retained as an independent contractor and not an employee of Authority. No employee or agent of the Administrator shall become an employee of the Authority, except as may be agreed in writing. Any Administrator employees or agents assigned to provide services under this Agreement shall remain under the exclusive control of the Administrator. The Authority may only create positions of employment with unanimous approval by the Board.

4.6 Executive Director. The Board of Directors may appoint an Executive Director to work with the Administrator in connection with the duties specified under Section 4.5.2, above. The Executive Director may be an employee of the Administrator. Upon the appointment of an Executive Director, the Board may transfer any of the Administrator's duties to the Executive Director, as may be feasible based on applicable contractual limitations set forth in the Early Funding Agreement. As determined by the Board, the Executive Director may be an independent contractor; an employee of the Administrator, of a Member or of a non-Member firm or entity; or, upon unanimous approval of the Board, an employee of the Authority. It is contemplated that the Executive Director would report directly to the Board and would manage Authority activities, ensure that the Board receives appropriate and timely information, supervise the Administrator, including coordinating Project activities with the Administrator, and ensure that the Authority provides services to the Members in accordance with the respective Service Agreements.

4.7 Authority Attorney.

4.7.1 Appointment. The Attorney for the Authority shall be appointed by the Board of Directors, provided that an individual, office, or firm providing general counsel services to one of the Members shall not serve as the Authority Attorney. Such individuals, offices, or firms may, however, provide special counsel services to the Authority. Notwithstanding the above, the general counsel to one of the Members may provide interim general counsel services until the Board appoints an Authority Attorney.

4.7.2 Duties. The Attorney for the Authority or a designated deputy shall attend all meetings of the Board of Directors; provided, however, that the absence of the Authority Attorney shall not affect the validity of any meeting. The Attorney shall perform such other duties as the Board of Directors specifies, including, but not limited to, obtaining specialized legal services.

4.8 Program Manager. The Board may authorize the hiring of a Program Manager, who shall report to the Executive Director. The Program Manager shall coordinate with the Administrator and/or Executive Director regarding various design and construction activities for the Project, including coordination with CCWD and EBMUD in accordance with the Design and Construction Agreement and O & M Agreements with respect to decisions likely to have a cost impact on the Authority and the Members. Such coordination shall include, but not be limited to, budget tracking, scheduling and quality control/quality assurance, with the understanding that CCWD and EBMUD have primary responsibility for the design and construction of their respective facilities, as will be specified in the Design & Construction Agreements. The Program Manager, in consultation with the

Executive Director and subject to Board approval in accordance with Authority policies, may contract for additional services that may be required.

4.9 Watermaster. The Board may authorize the hiring of a Watermaster, who shall report to the Executive Director. The Watermaster shall oversee the operations of the Project in coordination with CCWD as to CCWD-Provided Facilities and with EBMUD as to EBMUD-Provided Facilities. The Watermaster's duties shall include scheduling necessary diversions and deliveries of stored water in response to Members' requests on behalf of the Members, coordinating Members' storage and conveyance needs with CCWD's system operator, tracking the delivery of Services to the Members, and ensuring compliance with all reporting requirements and coordinated operations agreements with the United States Department of Interior, Bureau of Reclamation and the California Department of Water Resources. The Watermaster shall perform his or her duties in accordance with the Facilities Usage Agreements and operating protocols to be adopted by the Board of Directors, but such protocols shall not restrict CCWD's or EBMUD's ability to manage their respective facilities. Any Watermaster decision shall be subject to an appeals process to be established by the Board.

4.10 Official Bond. Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Authority shall file an official bond in an amount to be fixed by the Board of Directors of the Authority.

4.11 Additional Officers and Employees. The Board shall have the power to appoint such additional officers and to make modifications to the Authority's organization chart—and the Executive Director, upon consultation with the Board and with the Board's required approval, as applicable, shall have the power to hire and terminate such employees, assistants, contractors, consultants, and others, as may be appropriate.

ARTICLE 5 COMMITTEES

5.1 Committees. The Board of Directors, by a majority vote, may form committees for any purpose. Such vote shall designate the method for appointing committee members, the scope of the duties and responsibility of the committee, whether the committee is a standing or ad hoc committee, and such other matters as the Board may deem appropriate. Standing committee meetings are subject to the Ralph M. Brown Act, commencing with Section 54950 of the Government Code. Committees may, but need not, consist solely of Members' staffs to provide technical review and input concerning Project-related issues.

ARTICLE 6 PROJECT OPERATIONS

6.1 Sub-Projects. Upon approval by a majority of the Board of Directors, some of the Members may establish a Sub-Project that such Members will undertake through the Authority for matters not deemed to be of general benefit to all Members, provided that no Member shall be involved in any such Sub-Project without the approval of its governing body. A specific written Sub-Project Agreement between the Members who consented to participate in the specific Sub-Project and the Authority shall be established for each Sub-Project to set forth the respective obligations, functions, and rights of the participating Members and of the Authority. A budget for each Sub-Project shall be established in accordance with Section 7.5, below. The Directors representing the Members who will be involved in financing and implementing the specific Sub-Project, or their respective designees, shall constitute a "Sub-Project Committee," for purposes of administration and implementation of the specific Sub-Project. Notwithstanding the foregoing, no debt shall be incurred by the Authority for a specific Sub-Project without the unanimous consent of the Board. Any

contributions approved by the Sub-Project Committee and approved by the participating Members shall be paid by the participating Members. To the extent allowed by law, the Members participating in any Sub-Project shall indemnify and hold harmless the Authority and the Members not participating in the Sub-Project from any and all claims, demands, damages, liabilities, fines, expenses and related costs and fees, including attorneys' and experts' fees, arising from or related to the particular Sub-Project, except to the extent of the Authority's or non-participating Member's negligent or intentional acts or omissions.

6.2 CCWD Facilities. In accordance with the voting provisions set forth in Section 3.3.4, above, CCWD will retain a veto right with respect to any decision by the Board of Directors that would have an adverse and material effect on either or both of the following: (i) a New Facility or Modified Facility for which CCWD is designated as the builder and operator on Exhibit B hereto, and/or (ii) a CCWD-Provided Facility. CCWD may authorize the Authority to take actions and/or make decisions with respect to those facilities in accordance with the applicable Design & Construction Agreements and O & M Agreements.

6.3 EBMUD Facilities. In accordance with the voting provisions set forth in Section 3.3.4, above, EBMUD will retain a veto right with respect to any decision by the Board of Directors that would have an adverse and material effect on either or both of the following: (i) a New Facility or Modified Facility for which EBMUD is designated as the builder and operator on Exhibit B hereto, and/or (ii) an EBMUD-Provided Facility. EBMUD may authorize the Authority to take actions and/or make decisions with respect to those facilities in accordance with the applicable Design & Construction Agreements and O & M Agreements.

ARTICLE 7 FINANCES

7.1 Fiscal Year. The Fiscal Year of the Authority shall be as defined in Section 1.1 of this Agreement.

7.2 Budget. The Board of Directors shall adopt a budget (the "Budget") prior to the start of each Fiscal Year. The Budget may be adopted on a single Fiscal Year or bi-annual basis, in the Board's discretion. The Budget shall include components to fund the Authority's administrative and operational costs, debt service on any bonds or other indebtedness (as applicable) of the Authority and any capital improvements; provided the Authority shall provide the Members with the draft capital component of the Budget at least six (6) months prior to the start of the Fiscal Year(s) to which the proposed Budget relates. The Board may update and revise the Budget as necessary throughout the period to which the Budget applies. The Budget shall equitably allocate expenses under the Budget to a Member in proportion to that Member's proportionate use of Project facilities, operational priorities and other benefits, in accordance with the Member's Service Agreement, and shall take into account any non-monetary contributions being received from Grassland Water District. The Authority shall coordinate with CCWD regarding the establishment of the capital components of the Budget to ensure that costs are properly allocated as between the Authority and CCWD. The contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 7.5, below. Any Member which has opted under Section 7.6, below, to self-fund its share of a specific portion of Project capital costs through a lump sum contribution, rather than financing that contribution through participating in the Authority's bond issuance(s), shall not be required to make further payments under the capital component of the Budget until that lump sum contribution is exhausted and further contribution from that Member is necessary to meet that Member's share of Authority capital costs that would be payable under the Budget.

7.3 Specific Sub-Project Budgets. In addition to the foregoing Budget, Authority staff, in consultation with the applicable Sub-Project Committee, shall develop a budget for any Sub-Project established in accordance with Section 6.1, above. Any contributions approved by the Sub-Project Committee and approved by the participating Members shall be paid by the participating Member Agencies pursuant to Section 7.5, below.

Each Sub-Project budget shall include, without limitation, the following:

- (a) Administrative expenses;
- (b) Studies and planning costs;
- (c) Engineering and construction costs;
- (d) The allocation of costs, including debt service costs, if any, among participating Members;
- (e) Annual maintenance and operating expenses for the Sub-Project; and
- (f) A formula for allocating annual maintenance and operating expenses, if any.

7.4 Failure to Obtain Budget Approvals. In the event the Board does not approve the Budget prior to the start of a Fiscal Year, the Authority shall continue to operate at the level of expenditure as authorized below:

7.4.1. Operating Expenses. The operational cost components of the Budget shall be set at the expenditure level authorized by the last approved Budget, and the allocation of such Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget. Any shortfall in revenues will be made up from available reserves dedicated by the Board for such a purpose, and if those available reserves are insufficient to cover the shortfall, any other available reserve funds not designated by the Board for other purposes or otherwise not legally restricted may be used to meet that shortfall. In the event that a shortfall in available funds exceeds available unrestricted reserves of the Authority, such resulting unfunded shortfall shall be carried forward into the subsequent Fiscal Year. Members shall have no obligation to cure such unfunded shortfall other than as may be provided in the applicable Service Agreement. As used herein, "reserves" shall mean any available cash or investments.

7.4.2. Debt Service. The debt service component of the Budget shall automatically be established at the required level necessary to meet the Authority's annual debt service requirements, including any revenue coverage covenants and the allocation of any applicable Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget.

7.4.3. Capital Costs. The capital component of the Budget shall automatically be established at the required level necessary to implement capital projects previously approved by the Authority and the allocation of any applicable Costs of Service to each Member shall be in proportion to the allocation of such costs in the last approved Budget.

7.5 Payments of Amounts Due; True-Up of Costs. The payments owed for contributions

from each Member to the Authority shall conform to amounts payable, or any non-monetary contributions to be provided to the Authority, under each Member's Service Agreement and in accordance with the Budget approved by the Board pursuant to Section 7.2, above. Amounts to be paid to the Authority may be divided into a fixed, annual component and a variable component payable on a monthly or other periodic basis. Any amounts to be paid to the Authority shall be due, payable, and delivered by the Members to the Authority within forty-five (45) days after receipt of a billing therefor from the Authority. To the extent permitted by state law, the Authority may impose interest at the rate of ten percent (10%) per annum on any unpaid and past due contributions, from the date due to the date payment is received by the Authority. At the end of each period covered by the Budget, the Authority will compare the actual costs incurred as compared to the budgeted costs paid by Members. If a Member has paid in excess of its share of the Authority's actual costs, the Member shall have the option to either receive a refund of that excess or have that excess carry over as a credit to the benefit of that Member for the next Budget period. If a Member's share of the Authority's actual costs exceeds what that Member has previously paid to the Authority, the Authority shall invoice that Member, which amount shall be due and payable as specified above.

7.6 Member Self-Funding of Project Capital Costs. Notwithstanding any other provision of this Agreement, a Member may elect to self-fund its share of capital costs for specific Project components to be constructed, with the proportion of that self-funding determined under the Member's Service Agreement, in lieu of participating in the issuance of bonds or other indebtedness the Authority will issue for that Project component. Any such self-funded payments shall be used to offset that Member's share of Project capital costs applicable to that specific Project component that are included in the applicable component of the Budget, until such time as the self-funded amount has been exhausted. In the event the self-funded amount is nearing exhaustion (that is, has reached a level of \$10,000 or less), the Authority shall provide written notice to the Member of the need to deposit additional amounts with the Authority, in such amount as the Authority, acting through its Administrator or Executive Director, shall determine in its reasonable discretion, and the Member shall deposit that amount within sixty (60) days of receipt of notice from the Authority.

7.7 Funds, Accounts and Reports. There shall be strict accountability of all funds and reporting of all receipts and disbursements.

7.7.1 Sources of Funds. The sources of funds available to the Authority may include, but are not limited to, the following:

- (a) Grants, donations, and loans received by the Authority from local, state, or federal agencies, including any amounts received under the Early Funding Agreement.
- (b) Funds collected from Members under the Service Agreements.
- (c) Funds collected from Members, including, but not limited to, funds paid pursuant to the Interim Funding Agreement.
- (d) Funds received from state and federal disaster relief agencies.
- (e) Funds obtained by issuing bonds, notes, warrants and other evidences of indebtedness.
- (f) "In kind" contributions from Members, include refuge resources provided by Grassland Water District; provided that the Board of Directors shall establish a procedure to ensure that any "in kind"

contributions comply with any applicable contractual or regulatory requirements and are fair and reasonable in relation to the benefits provided to the contributing Member, and further the Authority's interests.

(g) Funds from any other source derived.

7.7.2 Interim Funding Plans. The Members intend for the Authority to fund initial Authority costs through the Interim Funding Agreement, and other agreements and revenue sources available to the Authority for such purposes, including through the Service Agreements. Notwithstanding the foregoing, in the event the Board unanimously determines that certain costs cannot be funded through such revenue sources and additional monies are required to be contributed by the Members, each Member agrees that it will contribute to a fund or budget approved by the Board in such proportion as the Board shall reasonably determine, as set forth in this article, taking into consideration any non-monetary contributions being received from Grassland Water District. Notwithstanding the foregoing, any financial obligation of San Francisco under this section is subject to Section 7.11.

7.7.3 Long-Term Funding Plans. The Members intend that all Authority activities will ultimately be funded through various Service Agreements under which the Members will pay or otherwise contribute for services provided by the Authority. The Members intend that the Service Agreements will, when taken together, be sufficient to fund all activities of the Authority, including, but not limited to, all administrative, capital expense, and operation and maintenance costs of the Authority and the Project.

7.7.4 Accounts. Revenues or funds received or made available to the Authority from any source whatsoever, shall be deposited into accounts that may be established by the Authority, and may be expended by the Authority in any legal manner, subject to such reservations as may be imposed by the Authority from time to time.

7.7.5 Reports. The Treasurer shall, within one hundred and eighty (180) days after the close of each Fiscal Year, give a complete written report of all financial activities for such Fiscal Year to the Board of Directors and to each Member. The Authority's books and records shall be open to inspection at all reasonable times by representatives of each Member. The Treasurer shall prepare and provide such additional reports, including audited financial statements and ongoing disclosure reports, as are required by separate agreements entered into by the Authority.

7.8 Payments and Advances. No expenditures in excess of those budgeted shall be made unless otherwise approved by the Authority's Board.

7.9 Audit. In accordance with Sections 6505 through 6505.6 of the Government Code, the Treasurer shall cause an annual audit of the accounts and records of the Authority to be made and reported. The audit shall be conducted by an independent certified public accountant or public accountant. The audit shall conform to generally accepted auditing standards. Such report shall be filed within twelve (12) months of the end of the Fiscal Year under examination.

7.10 Procurement Methods. The Board may adopt such policies relating to procurement of services, equipment, supplies, and other materials needed to accomplish the purposes of this Agreement.

7.11 Member Budgetary and Fiscal Requirements; San Francisco Certification of Funds; Budget and Fiscal Provisions.

7.11.1 The Members acknowledge and agree that the financial obligations of each Member under this Agreement are subject to and contingent upon each Member's budgetary and fiscal requirements.

7.11.2 The financial obligations of the City and County of San Francisco (the "City," acting through the San Francisco Public Utilities Commission ("SFPUC") as a Member of the Authority) under this Agreement are subject to and contingent upon the budget and fiscal provisions of the City and County of San Francisco's Charter. Except as provided in Section 7.11.3, below, charges will accrue to SFPUC only after prior written authorization certified by the City's Controller, and the amount of SFPUC's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization, as required under Charter Sections 3.105 and 9.113. SFPUC's funding obligations under this Agreement will terminate without penalty, liability or expense of any kind to SFPUC at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, SFPUC's funding obligations under this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. SFPUC has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. This section controls against any and all other provisions of this Agreement.

7.11.3 Notwithstanding Section 7.11.2. above, the certification requirements set forth in Section 7.11.2 shall not apply to any SFPUC commitment to either (1) participate in the Authority's bond financing of the Project's capital costs or (2) issue its own bonds to finance its share of the Project's capital costs. Instead, such bond financing commitment shall be subject to the requirement in San Francisco Charter Section 9.111 that the City Controller certifies that sufficient unencumbered balances are expected to be available in the proper fund to meet all SFPUC payment obligations as they become due, as well as the terms and conditions contained in any such debt instrument, which may include a pledge by the SFPUC of certain SFPUC rate revenues. The execution of this Agreement is not a commitment to participate in any financing or to incur debt which will occur, if at all, at a later date.

ARTICLE 8 TERMINATION / AMENDMENT; WITHDRAWAL

8.1 Duration and Termination. This Agreement shall become effective as of the Effective Date and, subject to the terms of any agreement between the Authority or CCWD and any state or federal agency, shall continue in full force and effect until terminated by action taken by at least three-quarters (3/4ths) of the Board and ratified by at least three-quarters (3/4ths) of the governing bodies of the Members. If at any time there are only two (2) Members of the Authority and one (1) of those Members intends to withdraw, the other Member's written consent to terminate this Agreement shall not be unreasonably conditioned or delayed. Notwithstanding the prior provisions of this Section 8.1, this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

8.2 Amendment. This Agreement may be amended at any time by action taken by at least three-quarters (3/4ths) of the Board and ratified by at least three-quarters (3/4ths) of the governing bodies of the Members; provided that if the proposed amendment is to change the requirement for

unanimous approval of an action required under Section 3.3.3 or relates to the veto right provided by Section 3.3.4, then any such amendment must have unanimous Board approval, and provided further that Exhibits A and B to this Agreement may be amended by the Administrator or Executive Director, with majority vote of the Board approving such amendment to Exhibit A or B, to reflect changes to the Members of the Authority, or to the Project's facilities approved by the Board of Directors.

8.3 Withdrawal. A Member may only withdraw from the Authority as follows:

8.3.1 Failure to Execute Interim Funding Agreement. In the event a Member does not execute the Interim Funding Agreement or other agreement provided under Section 7.7.2 to provide interim funding to the Authority within six (6) weeks after that Member receives the execution version of that agreement, or such later date as the Board shall establish, that Member shall be deemed to have withdrawn from the Authority and shall have no further rights or obligations under this Agreement.

8.3.2 Failure to Execute Service and Certain Other Agreements.

8.3.2.1 In the event a Member does not execute its Service Agreement within six (6) weeks after that Member receives the execution version of that agreement, or such later date as the Board shall establish, that Member shall be deemed to have withdrawn from the Authority and shall have no further rights or obligations under this Agreement.

8.3.2.2 In the event EBMUD does not execute a Design & Construction Agreement or an O & M Agreement on or before [____], or such later date as the Board shall establish, EBMUD shall be deemed to have withdrawn from the Authority and shall have no further rights or obligations under this Agreement. The Board may approve only one extension of the date set forth in this section, except with the consent of EBMUD.

[prior Section 8.3.3 deleted in light of revised requirement that additional contributions under Section 7.7.2 must now be unanimous]

8.3.3 Engineer's Estimate is Too Expensive or Construction Bids are Too High. Subject to Section 8.3.8, in the event that (i) a Member concludes the engineer's estimate for any work on a specific component of the Project is too expensive, or (ii) where the bid of the lowest responsible bidder exceeds the engineer's estimate for such a specific component by at least twenty percent (20%), then a Member may initiate a meet and confer process among the Members to discuss those cost issues, which meeting shall take place within thirty (30) days after the Member gives notice of its desire for that meeting. If upon conclusion of that meet and confer process the Member that initiated that process is not satisfied with the estimate or bids, then that Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.4 Withdrawal of Other Member. Subject to Section 8.3.8, in the event that another Member has withdrawn from the Authority under this Section 8.3 and the result of such withdrawals has made remaining in the Authority cost prohibitive for a Member, then any other Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.5 Revocation or Unacceptable Conditioning of State or Federal Funding. In the event the State of California or the federal government withdraws any previously approved funding for a specific component of the Project or conditions such funding in a manner a Member deems unacceptable prior to the time when the Authority has issued any revenue bonds for that component

of the Project, any Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.6 Unacceptable Permit Conditions. Subject to Section 8.3.8, in the event any entity or jurisdiction whose approval must be obtained to design, construct, or operate the Project conditions its approval in a manner a Member deems unacceptable, such Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.7 Water Supply Conditions for Withdrawal. Subject to Section 8.3.8, in the event a Member determines that it cannot timely obtain: (i) long-term water supply for the Project, including any necessary water rights, upon terms it finds reasonable and consistent with its needs and objectives; (ii) any rights or entitlements needed to acquire or convey such a water supply; or (iii) agreements with the California Department of Water Resources, the South Bay Aqueduct (SBA) Contractors or any other entity to allow for the conveyance of water supplies through the SBA or other conveyance facility for use by the Member or any of its wholesale customers, that Member may withdraw from the Authority upon at least sixty (60) days' written notice to the other Members.

8.3.8 Approval once Revenue Bonds or Other Indebtedness are Issued. Notwithstanding the foregoing subsections in this Section 8.3, after such time as the Authority has issued revenue bonds or other indebtedness in connection with the construction of a specific component of the Project, a Member may withdraw from the Authority only (i) if approved by a majority of the Board, or (ii) if some or all of the other Members have agreed to assume the withdrawing Member's obligations under such bonds or other indebtedness, unless the withdrawing Member has self-funded its prior financial obligations to the Authority and accordingly has not pledged its revenues towards repayment of the bonds or other indebtedness. The Authority shall not issue revenue bonds for any specific component of the Project before all construction bids for that component have been received and any meet and confer process undertaken pursuant to Section 8.3.3 has concluded.

8.4 Effect of Withdrawal.

8.4.1 A withdrawal from the Authority constitutes a withdrawal of that Member's representative Director from the Board of Directors, including in the event a Member's obligations under any revenue bonds or other indebtedness have been assumed by another Member as stated in Section 8.3.8, above. If at any time there are only two (2) Members, any desired withdrawal shall be subject to the termination provisions of this Agreement. Unless otherwise agreed upon by all of the remaining Members, the withdrawal of a Member shall not terminate its responsibility to contribute its share of any obligation incurred by the Authority, as determined by the Board of Directors based upon that Member's obligations under the Interim Funding Agreement, its respective Services Agreement (if the Member has executed that agreement), or otherwise under this Agreement, or to perform any other obligation arising from a separate agreement or other legally binding obligation, including amounts determined by the Board for (1) liabilities and claims accrued during the time the agency was a Member (including any future obligations arising from retirement benefits for past and existing employees of the Authority, if any) or (2) budgeted expenses for the Budget period in which notice of intent to withdraw is given. Except as the withdrawing Member may agree in writing with the Authority, the withdrawing Member shall automatically relinquish all rights as a Member under this Agreement, on the effective date of the withdrawal.

8.4.2 For any Member that has self-funded any financial obligation to the Authority for a specific component of the Project and subsequently decided to withdraw from the Authority, the Board shall determine an equitable allocation of such monies previously paid to the Authority and return to that withdrawing Member any uncommitted funds, provided that any such refund may be

structured to ensure it does not materially adversely impact the Authority's financial condition. The Board's determination of that equitable allocation shall take into consideration the amount of Project costs that have been paid through payment of principal under any revenue bonds or other indebtedness the Authority has issued in the period since the withdrawing Member self-funded its financial obligation.

8.5 Disbursement Upon Termination; Post-Termination Liabilities. Upon termination of this Agreement and after payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement, the Board may, in its discretion and by a unanimous vote of the then-current Directors, distribute all remaining assets of the Authority based on an apportionment the Board deems equitable. In the event the Board cannot reach a unanimous vote on that distribution, then the Members shall proceed in accordance with Section 10.2 to attempt to resolve any disputed issue in connection with the distribution of assets. Any further liabilities that may accrue after termination of this Agreement shall be allocated among the former Members in the same proportion as the Authority's expenses are allocated under the Budget at the time of the termination; provided that the Board shall take into consideration any non-monetary contributions Grassland Water District may provide with respect to its share of such liabilities.

ARTICLE 9 SPECIAL PROVISIONS

9.1 Insurance. The Authority shall maintain types and levels of insurance coverage for the Authority as the Board of Directors determines to be reasonably adequate.

9.2 Liability of Authority and Members.

9.2.1 As allowed by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority, with the exception of retirement liabilities of the Authority if the Authority contracts with a public retirement system, shall be the debts, liabilities, and obligations solely of the Authority and not the debts, liabilities, and obligations of any of the Members or any of their respective members, officers, directors, employees, or agents. The Authority, its Directors, officers, employees, staff, and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement.

9.2.2 No Member, its officers, directors, or employees shall be responsible for any action taken or omitted by any other Member, or its members, officers, directors, or employees. To the extent allowed by law, the Members repudiate the provision for joint and several tort liability provided under Government Code Section 895.2, and agree, pursuant to Government Code Section 895.4, that each Member shall fully indemnify and hold harmless each other Member and its agents, officers, employees, and contractors from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any negligent or wrongful act or omission of such Member in the performance of this Agreement, and the Members intend that each Member provide indemnity or contribution in proportion to that Member's responsibility for any such claim, damage, loss, judgment, liability, expense or other cost, as determined under principles of comparative negligence.

9.3 New Members. It is recognized that public agencies other than the original Members to this Agreement may wish to participate in the Authority. As determined by the Board of Directors, in its sole discretion, any such public agency must have the common powers specified in Recitals A and B, above, must be credit worthy, and must provide benefits to the Project and other Members. Any proposed new Member must meet all established principles or requirements adopted by any Member with respect to potential participation in the Project that are in effect at the time the

proposed new Member applies to become a Member. Additional public agencies may become Members upon such terms and conditions as approved by at least three-quarters (3/4ths) of the Board, including establishment of an appropriate cost allocation for that new Member and payment by the new Member of an acceptable financial contribution to offset prior expenses incurred by the existing Members in developing and operating the Project. Any new Member must be approved by at least three-quarters (3/4ths) of the governing boards of the existing Members of the Authority, evidenced by the execution of a written amendment to this Agreement signed by the new Member. [NOTE: BAWSCA is in the process of providing language that would provide it with the right to join the Authority in the event SFPUC were to withdraw from the Authority]

9.4 Retirement System. The Authority shall not enter into a contract with the California Public Employees' Retirement System and/or any other public retirement system without the unanimous approval of the Board and ratification by all of the governing bodies of the Members. The Members acknowledge that if the Authority enters into any such contract, as referenced in Section 9.2, above, the Members may have responsibility under Government Code Section 6508.2 for the Authority's retirement liabilities in the event this Agreement is terminated or the Authority terminates that contract. In such a situation, the Members shall attempt to reach mutual agreement on the allocation of those liabilities among the Members, and understand that if they unable to reach such a mutual agreement, those liabilities shall be allocated among the Members in the same proportion as the Authority's expenses are allocated under the Budget at the time of the termination of this Agreement or of the retirement system contract.

9.5 Indemnity by the Authority. The Authority shall indemnify, defend and hold harmless the Board of Directors, the individual Members, and their members, officers, directors, employees, and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, except such loss or damage which was caused by the negligent or willful misconduct of any individual Member, or their members, officers, directors, employees, and agents. The Authority's duty to indemnify each Member pursuant to this Agreement shall survive that Member's withdrawal from the Agency.

9.6 Conflict of Interest Code. The Authority shall, by resolution, adopt a conflict of interest code as required by law.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 Severability. If any section, clause or phrase of this Agreement or the application thereof to any Member or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Member or to other persons or circumstances shall not be affected thereby. In the event a provision is held to be invalid, the Members shall work in good faith to restore the intent of any provision that held to be invalid. Each Member hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

10.2 Dispute Resolution. If a dispute arises as to the construction, interpretation or implementation of any portion of this Agreement or any matters that arise in connection with this Agreement, the Members in dispute (including the Authority if the dispute is between one or more Members and the Authority, in which case the Board shall determine who will represent the Authority in the meet and confer and mediation processes) shall meet and confer in person in an

attempt to resolve that dispute within thirty (30) days of a Member or the Authority giving the other Members or the Authority notice of the dispute. If the Members or the Authority cannot resolve the dispute through that meet and confer process, the Members or the Authority in dispute shall proceed to non-binding mediation of the dispute in front of an independent, neutral mediator agreed to by those Members or the Authority, unless they both agree to waive that mediation. If the Members or the Authority in dispute cannot agree upon a mediator, the mediation service selected shall choose the mediator. The Members or the Authority in dispute shall equally divide and pay the mediation costs.

10.3 Notices. Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally, by registered or certified mail, postage prepaid, by nationally-recognized overnight courier, or by e-mail to the respective Members, at the addresses provided in Exhibit A attached hereto. With respect to delivery by e-mail, any such e-mail message shall be sent using a system that provides reasonable assurance: (i) that the message was sent; (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient, along with a verifiable electronic record of the exact content of the message sent. The Members may from time to time change the address to which notice may be provided by providing notice of the change to the other Members.

10.4 Consent. Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be arbitrarily or capriciously withheld or delayed.

10.5 Other Agreements Not Prohibited. Other agreements by and between the Members or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.

10.6 Section Headings. The section headings herein are for convenience of the Members only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

10.7 Governing Law; Venue. Any judicial action or proceeding that relates to the Agreement, the Authority or the Project between or among any or all of the Members and/or the Authority shall be initially brought in Contra Costa County Superior Court and will be transferred to a neutral venue. The litigants shall attempt to stipulate to a mutually agreeable neutral venue, and if unable to agree will resolve any venue dispute through a motion to transfer brought pursuant to California Code of Civil Procedure section 394. The parties to any litigation will support transfer to a neutral venue and will not object to transfer to a neutral venue.

10.8 Construction of Language. It is the intention of the Members that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. Additionally, any dispute concerning determination of an "adverse and material effect" pursuant to Section 3.3.4 shall be determined under an arbitrary and capricious standard in connection with the affected Member's exercise of its veto right.

10.9 Cooperation. The Members recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.

10.10 Successors. Subject to Section 10.11, this Agreement shall be binding upon and shall inure to the benefit of the successors of the Members.

10.11 Assignment. A Member may not assign its membership in the Authority without the consent of all of the other Members; provided, however, that a Member may assign its rights to utilize the Project in accordance with the provisions of its Service Agreement and any applicable Facilities Usage Agreement. In addition, any such assignment of rights to use of the Project must be consistent with the Project's permits and approvals.

10.12 Enforcement. The Authority is hereby authorized to take any and all legal or equitable actions, including but not limited to an injunction and specific performance, necessary or permitted by law to enforce this Agreement.

10.13 Integration. This Agreement constitutes the full and complete Agreement of the Members regarding the creation and administration of the Authority.

10.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Members have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below.

[signature blocks to come; to include Member addresses]

EXHIBIT A
AUTHORITY MEMBERS

- Alameda County Flood Control & Water Conservation District, Zone 7
- Alameda County Water District
- Contra Costa Water District (to include City of Brentwood)
- East Bay Municipal Utility District
- Grassland Water District
- Santa Clara Valley Water District
- San Francisco Public Utilities Commission (to include Bay Area Water Supply & Conservation Agency)
- San Luis & Delta-Mendota Water Authority, consisting of:
 - Byron-Bethany Irrigation District
 - Del Puerto Water District
 - Panoche Water District
 - Westlands Water District
- Department of Water Resources (ex officio, non-voting)

**EXHIBIT B
LIST OF FACILITIES**

No.	Description	Type	Builder	Operator
1	Delta-Transfer Pipeline	New Facility	CCWD	CCWD
2	Los Vaqueros Dam Raise	New Facility	CCWD	CCWD
3	Neroly High-Lift Pump Station	New Facility	CCWD	CCWD
4	Transfer Facility Expansion	New Facility	CCWD	CCWD
5	Transfer-Bethany Pipeline	New Facility	CCWD	CCWD
6	Los Vaqueros Recreation Facilities	Modified Facility	CCWD	CCWD
7	Rock Slough PP#1 Replacement	Modified Facility	CCWD	CCWD
8	Transfer Facilities Improvements	Modified Facility	CCWD	CCWD
9	Mokelumne Aqueduct Lining	Modified Facility	EBMUD	EBMUD
10	Walnut Creek VFDs	New Facility	EBMUD	EBMUD
11	Mokelumne Aqueduct	EBMUD-Provided Facility	EBMUD is responsible for construction, operation, and maintenance and is compensated through the EBMUD Facilities Usage Agreement	
12	Freeport Intake	EBMUD-Provided Facility		
13	EBMUD-CCWD Intertie	CCWD-Provided Facility	CCWD is responsible for construction, operation, and maintenance and is compensated through the CCWD Facilities Usage Agreement	
14	Los Vaqueros Dam	CCWD-Provided Facility		
15	Los Vaqueros Pipeline	CCWD-Provided Facility		
16	Middle River Intake	CCWD-Provided Facility		
17	Middle River Pipeline	CCWD-Provided Facility		
18	Old River Intake	CCWD-Provided Facility		
19	Old River Pipeline	CCWD-Provided Facility		
20	Rock Slough Facilities	CCWD-Provided Facility		
21	Transfer Pipeline	CCWD-Provided Facility		



Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

THIS PROFORMA FINANCIAL MODEL MAY CONTAIN "FORWARD-LOOKING STATEMENTS." ANY SUCH STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND UNDUE RELIANCE SHOULD NOT BE PLACED ON THEM. ANY SUCH FORWARD-LOOKING STATEMENTS NECESSARILY INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, WHICH MAY CAUSE ACTUAL PERFORMANCE AND FINANCIAL RESULTS IN FUTURE PERIODS TO DIFFER MATERIALLY FROM PROJECTIONS. THERE CAN BE NO ASSURANCE THAT FORWARD-LOOKING STATEMENTS WILL PROVE TO BE ACCURATE, AS ACTUAL RESULTS AND FUTURE EVENTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH STATEMENTS.

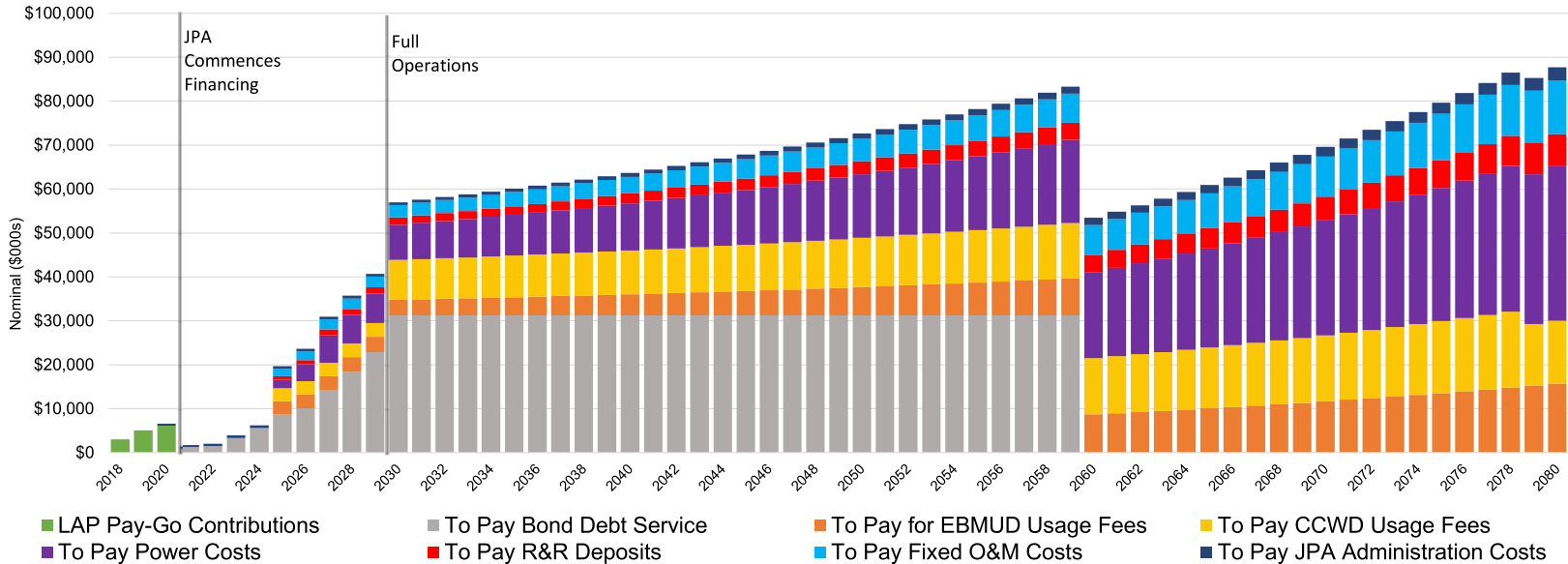
**Version 4.0 - Distribution Version
December 4, 2020**

Prepared by:



Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
JPA Revenue Requirements / LAP Payments

JPA Revenue Requirements / LAP Payments



Operating Cost Escalation Rates	
Power Cost Escalation Rate	3.0%
Renewal & Replacement Escalation Rate	3.0%
Labor Cost Escalation Rate	3.0%
Escalation Start Date	12/31/2018

	Totals	Calendar Year																	2040	2050	2060	2070	2080					
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034						2035				
Annual JPA Expenditures																												
Development and Construction Period																												
Pay-Go Contributions	3,000	5,073	6,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of Pay-Go Contributions	-	-	-	(14,158)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Pay-Go Contributions	-	-	-	(498)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment of Interest During Construction	-	-	-	1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373	22,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Development and Construction Period Obligations	3,000	5,073	6,085	(13,432)	1,480	3,333	5,603	8,618	10,064	14,092	18,373	22,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Period																												
Bond Debt Service	249,787	-	-	-	-	-	-	-	-	-	-	-	-	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223
Power Costs - New Facilities	33,331	-	-	-	-	-	-	471	485	1,315	1,354	1,395	1,437	1,480	1,525	1,570	1,617	1,666	1,715	1,764	1,813	1,862	1,911	1,960	2,009	2,058	2,107	2,156
Power Costs - CCWD Contributed Facilities	149,900	-	-	-	-	-	-	1,446	3,440	4,960	5,109	5,262	6,582	6,780	6,984	7,193	7,409	7,631	7,853	8,075	8,297	8,519	8,741	8,963	9,185	9,407	9,629	
Power Costs - EBMUD Contributed Facilities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Renewal & Replacement - New Facilities	38,622	-	-	-	-	-	839	881	1,363	1,404	1,446	1,659	1,709	1,760	1,813	1,868	1,924	1,980	2,036	2,092	2,148	2,204	2,260	2,316	2,372	2,428	2,484	
Fixed O&M Costs - New Facilities	29,599	-	-	-	-	-	415	664	928	956	984	1,302	1,341	1,381	1,423	1,466	1,510	1,554	1,598	1,642	1,686	1,730	1,774	1,818	1,862	1,906	1,950	
Fixed O&M Costs - CCWD Contributed Facilities	36,359	-	-	-	-	-	1,292	1,330	1,370	1,411	1,454	1,497	1,542	1,589	1,636	1,685	1,736	1,787	1,838	1,889	1,940	1,991	2,042	2,093	2,144	2,195	2,246	
Fixed O&M Costs - EBMUD Contributed Facilities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBMUD Usage Fees	86,832	-	-	-	-	-	3,085	3,177	3,272	3,371	3,472	3,576	3,683	3,794	3,908	4,025	4,146	4,270	4,397	4,527	4,659	4,794	4,931	5,070	5,211	5,354	5,500	
CCWD Usage Fees - Storage	53,335	-	-	-	-	-	-	-	-	-	-	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	
CCWD Usage Fees - Conveyance	80,737	-	-	-	-	-	2,920	2,976	3,035	3,095	3,157	3,878	3,957	4,038	4,122	4,209	4,297	4,387	4,478	4,570	4,663	4,757	4,852	4,948	5,045	5,143	5,242	
JPA Administration Costs	18,964	-	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	803	827	852	877	903	929	955	982	1,009	
Total JPA Revenue Requirements	777,465	-	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	803	827	852	877	903	929	955	982	1,009	
LAP Payments																												
LAP Payments through Multiparty Agreement	-	3,000	5,073	6,585	(12,917)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LAP Payments through Service Agreements	777,465	-	-	-	2,010	3,879	6,166	19,665	23,615	30,949	35,707	40,709	57,007	57,588	58,187	58,803	59,438	60,092	63,670	72,625	53,441	69,620	87,730	-	-	-	-	
Total LAP Payments to JPA	-	3,000	5,073	6,585	(12,917)	2,010	3,879	6,166	19,665	23,615	30,949	35,707	40,709	57,007	57,588	58,187	58,803	59,438	60,092	63,670	72,625	53,441	69,620	87,730	-	-	-	

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
JPA Sources and Uses - Summary (\$000s)

JPA Sources and Uses - Summary (\$000s)

Development and Construction Period	<u>Bridge</u> <u>Financing</u>	<u>Permanent</u> <u>Financing</u>	<u>Funding Source</u>	<u>Funding Amount (\$000s)</u>	<u>First Draw Date</u>	<u>Key Assumptions</u>
SOURCES OF FUNDS			WSIP Funding	WSIP Grant Award 459,000	Early WSIP Grant: CY2018	- Original grant funding amount includes the State's portion of the Refuges usage fees payments (Federal portion covered with WIIN Act grant) - Annual drawdowns through
WSIP Early Funding	-	13,650	- Recreational Facility Funds 23,660	- EBMUD Facility Funds 2,700	Full Funding Available CY2022	
Additional WSIP Funding	-	382,490	- Refuges Usage Fee Payment (State) 36,500	Remaining WSIP Grant Funds 396,140		
Expected WIIN Act Funding	-	236,171		Early WSIP Grant 13,650		
CCWD Contributions	-	19,618		Remaining WSIP Grant Funds 382,490		
LAP Receipts Providing Pay-Go Funding	14,158	-				
Bonds	-	508,594				
LAP Receipts Covering Interest Prior to Operations	-	85,675				
USES OF FUNDS			WIIN Act Funding	WIIN Act Grant 221,000	Full Funding Available CY2022	- Funding amount is escalated to the date of expense incurrence
Development & Construction Costs	-	1,086,894	- Refuges Usage Fee Payment (Fed.) 36,500	Remaining WIIN Act Grant Funds 184,500		- Funding amount is increased to \$236.17 million with escalation through FY2029
LAP Pay-Go Reimbursement	14,158	-		Funds escalated to date of expense incurrence 236,171		
LAP Pay-Go Interest	-	498				
Bond Interest Payments Pre-Operations	-	85,675				
Deposit to DSRF - Bonds	-	31,223				
Cost of Issuance - Bonds	-	15,258				
Project Contingency (% of Development/Construction Costs)	-	26,650				
Total	14,158	1,246,199	Bonds	Total Bond Issuances 508,594	First Issuance: CY2021	- Annual issuances through CY2029 - Bonds cover remaining annual expenses left at WSIP/WIIN Act funds

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
JPA Sources and Uses - Detail (\$000s)

Annual JPA Sources and Uses: Development and Construction Period

Development and Construction Period	Funding Allocation	Bridge Financing	Permanent Financing	Calendar Year										
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
SOURCES OF FUNDS														
WSIP Early Funding	1.1%		13,650		3,064	3,675	6,911							
Additional WSIP Funding	30.3%		382,490					5,816	46,591	46,940	58,264	25,098	66,210	66,757
Expected WIIN Act Funding	18.7%		236,171						26,458	27,455	35,102	15,575	42,321	43,951
CCWD Contributions	1.6%		19,618				1,830	3,416	8,224	2,930	3,217			
LAP Receipts Providing Pay-Go Funding	1.1%	14,158		3,000	5,073	6,085								
Bonds	40.4%		508,594				27,216	5,671	41,178	50,448	67,004	32,134	89,498	95,149
LAP Receipts Covering Interest Prior to Operations	6.8%		85,675				1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373
Total	100.0%	14,158	1,246,199	3,000	8,137	9,760	37,182	16,382	125,784	133,377	172,206	82,872	212,121	224,230
USES OF FUNDS														
Development & Construction Costs			1,086,894	3,000	8,137	9,760	18,355	14,033	115,793	120,159	153,623	68,166	185,219	192,352
LAP Pay-Go Reimbursement		14,158					14,158							
LAP Pay-Go Interest	4.50%		498				498							
Bond Interest Payments Pre-Operations			85,675				1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373
Deposit to DSRF - Bonds			31,223				1,671	348	2,528	3,097	4,114	1,973	5,494	5,841
Cost of Issuance - Bonds			15,258				816	170	1,235	1,513	2,010	964	2,685	2,854
Project Contingency (% of Development/Construction Costs)	2.50%		26,650				459	351	2,895	3,004	3,841	1,704	4,630	4,809
Total		14,158	1,246,199	3,000	8,137	9,760	37,182	16,382	125,784	133,377	172,206	82,872	212,121	224,230
Memo: Bonds														
Bond Issuance		508,594					27,216	5,671	41,178	50,448	67,004	32,134	89,498	95,149
Opening Principal Balance							27,216	32,887	74,065	124,513	191,518	223,651	313,150	408,299
Interest	4.50%	85,675					1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373
Principal Amortization		0												
Closing Principal Balance							27,216	32,887	74,065	124,513	191,518	223,651	313,150	408,299

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

JPA Revenue Requirements (\$000s)

JPA Revenue Requirements

Operating Cost Escalation Rates	
Power Cost Escalation Rate	3.0%
Renewal & Replacement Escalation Rate	3.0%
Labor Cost Escalation Rate	3.0%
Escalation Start Date	12/31/2018

	Totals	Calendar Year																							
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	2050	2060	2070	2080	
Annual JPA Expenditures																									
Development and Construction Period																									
Pay-Go Contributions	3,000	5,073	6,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of Pay-Go Contributions	-	-	-	(14,158)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Pay-Go Contributions	-	-	-	(498)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment of Interest During Construction	-	-	-	1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373	22,887	-	-	-	-	-	-	-	-	-	-	-	-	
Total Development and Construction Period Obligations	3,000	5,073	6,085	(13,432)	1,480	3,333	5,603	8,618	10,064	14,092	18,373	22,887	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Period																									
Bond Debt Service	936,701	-	-	-	-	-	-	-	-	-	-	-	-	31,223	31,223	31,223	31,223	31,223	31,223	31,223	31,223	-	-	-	-
Power Costs - New Facilities	173,506	-	-	-	-	-	-	471	485	1,315	1,354	1,395	1,437	1,480	1,525	1,570	1,617	1,666	1,932	2,596	3,490	4,691	6,306	-	
Power Costs - CCWD Contributed Facilities	792,023	-	-	-	-	-	-	1,446	3,440	4,960	5,109	5,262	6,582	6,780	6,984	7,193	7,409	7,631	8,848	11,893	15,987	21,489	28,886	-	
Power Costs - EBMUD Contributed Facilities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Renewal & Replacement - New Facilities	200,484	-	-	-	-	-	-	839	881	1,363	1,404	1,446	1,659	1,709	1,760	1,813	1,868	1,924	2,230	2,998	4,030	5,417	7,281	-	
Fixed O&M Costs - New Facilities	156,618	-	-	-	-	-	-	415	664	928	956	984	1,302	1,341	1,381	1,423	1,466	1,510	1,750	2,353	3,162	4,251	5,714	-	
Fixed O&M Costs - CCWD Contributed Facilities	182,438	-	-	-	-	-	-	1,292	1,330	1,370	1,411	1,454	1,497	1,542	1,589	1,636	1,685	1,736	2,013	2,706	3,637	4,889	6,571	-	
Fixed O&M Costs - EBMUD Contributed Facilities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBMUD Usage Fees	435,693	-	-	-	-	-	-	3,085	3,177	3,272	3,371	3,472	3,576	3,683	3,794	3,908	4,025	4,146	4,807	6,461	8,686	11,675	15,694	-	
CCWD Usage Fees - Storage	256,881	-	-	-	-	-	-	-	-	-	-	-	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	1,539	
CCWD Usage Fees - Conveyance	387,309	-	-	-	-	-	-	2,920	2,976	3,035	3,095	3,157	3,878	3,957	4,038	4,122	4,209	4,297	4,784	6,002	7,638	9,837	12,793	-	
JPA Administration Costs	84,473	-	-	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	903	1,214	1,631	2,192	2,946	
Total JPA Revenue Requirements	3,606,125	-	-	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	903	1,214	1,631	2,192	2,946	
LAP Payments																									
LAP Payments through Multiparty Agreement	3,000	5,073	6,585	(12,917)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LAP Payments through Service Agreements	3,606,125	-	-	-	2,010	3,879	6,166	19,665	23,615	30,949	35,707	40,709	57,007	57,588	58,187	58,803	59,438	60,092	63,670	72,625	53,441	69,620	87,730	-	
Total LAP Payments to JPA	3,000	5,073	6,585	(12,917)	2,010	3,879	6,166	19,665	23,615	30,949	35,707	40,709	57,007	57,588	58,187	58,803	59,438	60,092	63,670	72,625	53,441	69,620	87,730	-	
Memo: Bond Amortization																									
Opening Principal Balance					27,216	32,887	74,065	124,513	191,518	223,651	313,150	408,299	508,594	500,257	491,545	482,442	472,928	462,987	406,152	247,062	-	-	-	-	
Additional Bond Issuances				27,216	5,671	41,178	50,448	67,004	32,134	89,498	95,149	100,295	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	4.50%	513,782		1,225	1,480	3,333	5,603	8,618	10,064	14,092	18,373	22,887	22,887	22,512	22,120	21,710	21,282	20,834	18,277	11,118	-	-	-	-	
Principal Amortization		508,594											8,337	8,712	9,104	9,513	9,942	10,389	12,947	20,106	-	-	-	-	
Closing Principal Balance				27,216	32,887	74,065	124,513	191,518	223,651	313,150	408,299	508,594	500,257	491,545	482,442	472,928	462,987	452,598	393,205	226,956	-	-	-	-	

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Calculation Page: Funding Sources by Facility (\$000s)

Early WSIP Funding by Facility by Year

Early WSIP Funding (% of Total Funding)	37.7%	Calendar Year											Total	% of Total			
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			2029		
1. Delta-Transfer Pipeline		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2. Los Vaqueros Dam Raise		0	1,551	1,997	2,057	0	0	0	0	0	0	0	0	0	0	5,606	41.1%
3. Neroly High-Lift Pump Station		0	0	0	1,105	0	0	0	0	0	0	0	0	0	0	1,105	8.1%
4. Transfer Facility Expansion		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
5. Transfer-Bethany Pipeline		0	1,435	1,598	2,722	0	0	0	0	0	0	0	0	0	0	5,755	42.2%
6. Los Vaqueros Recreation Facilities		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
7. Rock Slough PP#1 Replacement		0	78	80	1,027	0	0	0	0	0	0	0	0	0	0	1,184	8.7%
8. Transfer Facilities Improvements		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total Early WSIP Funding		0	3,064	3,675	6,911	0	0	0	0	0	0	0	0	0	13,650	100.0%	

LAP Pay-Go Contributions by Facility by Year

LAP Pay-Go Contributions (% of Total Funding)	Calendar Year											Total	% of Total			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			2029		
1. Delta-Transfer Pipeline	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2. Los Vaqueros Dam Raise	1,000	2,569	3,307	0	0	0	0	0	0	0	0	0	0	0	6,876	48.6%
3. Neroly High-Lift Pump Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
4. Transfer Facility Expansion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
5. Transfer-Bethany Pipeline	1,000	2,376	2,646	0	0	0	0	0	0	0	0	0	0	0	6,022	42.5%
6. Los Vaqueros Recreation Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
7. Rock Slough PP#1 Replacement	1,000	128	132	0	0	0	0	0	0	0	0	0	0	0	1,261	8.9%
8. Transfer Facilities Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total LAP Pay-Go Contributions	3,000	5,073	6,085	0	0	0	0	0	0	0	0	0	0	14,158	100.0%	

Available Remaining WSIP Funding by Facility by Year

WSIP Funding (% of Total Funding)	46.6%	Calendar Year											Total	% of Total	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline		0	0	0	0	0	0	1,256	1,256	9,626	9,626	9,626	31,389	8.2%	
2. Los Vaqueros Dam Raise		0	0	0	0	0	0	10,158	12,490	56,515	56,515	56,515	192,195	50.2%	
3. Neroly High-Lift Pump Station		0	0	0	0	1,253	9,397	9,397	0	0	0	0	20,046	5.2%	
4. Transfer Facility Expansion		0	0	0	0	1,063	1,063	11,283	11,283	0	0	0	24,692	6.5%	
5. Transfer-Bethany Pipeline		0	0	0	0	3,398	28,902	28,902	28,902	0	0	0	90,105	23.6%	
6. Los Vaqueros Recreation Facilities		0	0	0	0	0	0	0	69	69	616	674	1,427	0.4%	
7. Rock Slough PP#1 Replacement		0	0	0	0	1,164	7,229	7,229	0	0	0	0	15,623	4.1%	
8. Transfer Facilities Improvements		0	0	0	0	0	348	6,665	0	0	0	0	7,013	1.8%	
Total WSIP Funding		0	0	0	0	5,816	46,591	46,940	58,264	25,098	66,210	66,757	66,815	382,490	100.0%

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Calculation Page: Funding Sources by Facility (\$000s)

Expected WIIN Act Funding by Facility by Year

WIIN Act Funding (% of Total Funding)	2018	2019	2020	2021	2022	Calendar Year						Total	% of Total	
						2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline	0	0	0	0	0	0	0	757	780	6,153	6,337	6,527	20,554	8.7%
2. Los Vaqueros Dam Raise	0	0	0	0	0	0	0	6,120	7,751	36,125	37,208	38,325	125,529	53.2%
3. Neroly High-Lift Pump Station	0	0	0	0	0	5,336	5,496	0	0	0	0	0	10,832	4.6%
4. Transfer Facility Expansion	0	0	0	0	0	604	622	6,798	7,002	0	0	0	15,025	6.4%
5. Transfer-Bethany Pipeline	0	0	0	0	0	16,413	16,905	17,412	0	0	0	0	50,730	21.5%
6. Los Vaqueros Recreation Facilities	0	0	0	0	0	0	0	0	43	44	405	457	949	0.4%
7. Rock Slough PP#1 Replacement	0	0	0	0	0	4,105	4,228	0	0	0	0	0	8,334	3.5%
8. Transfer Facilities Improvements	0	0	0	0	0	0	204	4,015	0	0	0	0	4,219	1.8%
Total Expected WIIN Act Funding	0	0	0	0	0	26,458	27,455	35,102	15,575	42,321	43,951	45,309	236,171	100.0%

CCWD Capital Contributions by Facility by Year

CCWD Capital Contributions (% of Total Funding)	2018	2019	2020	2021	2022	Calendar Year						Total	% of Total	
						2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
2. Los Vaqueros Dam Raise	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
3. Neroly High-Lift Pump Station	0	0	0	1,830	1,771	1,592	0	0	0	0	0	0	5,193	26.5%
4. Transfer Facility Expansion	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
5. Transfer-Bethany Pipeline	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
6. Los Vaqueros Recreation Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
7. Rock Slough PP#1 Replacement	0	0	0	0	1,645	6,632	2,591	0	0	0	0	0	10,868	55.4%
8. Transfer Facilities Improvements	0	0	0	0	0	0	340	3,217	0	0	0	0	3,557	18.1%
Total CCWD Capital Contributions	0	0	0	1,830	3,416	8,224	2,930	3,217	0	0	0	0	19,618	100.0%

Revenue Bond Funding by Facility by Year

Bond Funding (% of Total Funding)	2018	2019	2020	2021	2022	Calendar Year						Total	% of Total	
						2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline	0	0	0	0	0	0	0	1,299	1,376	11,149	11,772	12,414	38,011	9.0%
2. Los Vaqueros Dam Raise	0	0	0	3,406	0	0	0	10,506	13,682	65,460	69,119	72,888	235,062	55.9%
3. Neroly High-Lift Pump Station	0	0	0	0	0	7,029	9,161	0	0	0	0	0	16,190	3.8%
4. Transfer Facility Expansion	0	0	0	0	0	975	1,036	11,669	12,360	0	0	0	26,040	6.2%
5. Transfer-Bethany Pipeline	0	0	0	4,507	4,801	26,516	28,178	29,891	0	0	0	0	93,893	22.3%
6. Los Vaqueros Recreation Facilities	0	0	0	0	0	0	0	0	75	79	753	869	1,776	0.4%
7. Rock Slough PP#1 Replacement	0	0	0	1,701	0	0	4,458	0	0	0	0	0	6,158	1.5%
8. Transfer Facilities Improvements	0	0	0	0	0	0	0	3,676	0	0	0	0	3,676	0.9%
Development and Construction Costs Funding by Bonds	0	0	0	9,613	4,801	34,520	42,834	57,040	27,493	76,688	81,645	86,172	420,806	100.0%

Other Costs Funding by Bonds		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total	% of Total
LAP Pay-Go Reimbursement		0	0	0	14,158	0	0	0	0	0	0	0	0	14,158	
LAP Pay-Go Interest	4.50%	0	0	0	498	0	0	0	0	0	0	0	0	498	
Deposit to DSRF - Bonds		0	0	0	1,671	348	2,528	3,097	4,114	1,973	5,494	5,841	6,157	27,125	
Cost of Issuance - Bonds	3.00%	0	0	0	816	170	1,235	1,513	2,010	964	2,685	2,854	3,009	15,156	
Project Contingency (% of Dev/Const. Costs)	2.50%	0	0	0	459	351	2,895	3,004	3,841	1,704	4,630	4,809	4,957	25,746	
Total Additional Costs Funded by Bonds		0	0	0	17,603	869	6,658	7,615	9,964	4,641	12,810	13,505	14,124	77,297	
Total Bond Issuances		0	0	0	27,216	5,671	41,178	50,448	67,004	32,134	89,498	95,149	100,295	277,702	

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Inputs Page: Financing Assumptions (\$000s)

Financing Assumptions

Bonds

Term (Years)	30
Interest Rate	4.50%
Cost of Issuance (% of Par)	3.00%
Debt Service Reserve Fund	12 months
Bond Notes:	
- Interest only during construction	
- 30 year amortization from commencement of operations	

Other Funding Sources

Neroly High-Lift Pump Station	\$5,193
Rock Slough PP#1 Replacement	\$10,868
Transfer Facilities Improvements	\$3,557
Total CCWD Capital Cost Contribution	<u>\$19,618</u>

Escalation Rates

Power Cost Escalation Rate	3.0%
Renewal & Replacement Escalation Rate	3.0%
Labor Cost Escalation Rate	3.0%
Development & Construction Cost Escalation Rate	3.0%
Renewal & Replacement Annual Interest Rate	3.0%

Cost Inputs Base Year

Development & Construction Costs	2018
Facility O&M Costs	2018
CCWD Usage Fees	2018
EBMUD Usage Fees	2018

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Inputs Page: Development and Construction Costs by Facility (\$000s)

Development and Construction Costs by Facility (Escalated \$000s)

Development & Construction Cost Escalation Rate 3.00%

Development and Construction Cost by Facility (Escalated \$000s)	Calendar Year											Total	% of Total	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline								3,312	3,412	26,927	27,735	28,567	89,953	8.3%
2. Los Vaqueros Dam Raise	1,000	4,120	5,305	5,464				26,783	33,924	158,100	162,843	167,728	565,267	52.0%
3. Neroly High-Lift Pump Station				2,936	3,024	23,354	24,054						53,367	4.9%
4. Transfer Facility Expansion						2,642	2,721	29,750	30,645				65,758	6.1%
5. Transfer-Bethany Pipeline	1,000	3,811	4,244	7,228	8,200	71,831	73,986	76,205					246,504	22.7%
6. Los Vaqueros Recreation Facilities									186	192	1,774	2,000	4,152	0.4%
7. Rock Slough PP#1 Replacement	1,000	206	212	2,728	2,810	17,967	18,506						43,428	4.0%
8. Transfer Facilities Improvements							892	17,573					18,465	1.7%
Total Development Costs	3,000	8,137	9,760	18,355	14,033	2,642	3,613	30,095	37,522	192			127,350	11.7%
Total Construction Costs						113,151	116,546	123,528	30,645	185,027	192,352	198,295	959,544	88.3%
Total Development and Construction Costs	3,000	8,137	9,760	18,355	14,033	115,793	120,159	153,623	68,166	185,219	192,352	198,295	1,086,894	100.0%

Development and Construction Costs by Facility (Original Inputs)

Development and Construction Cost by Facility (2018 \$000s)	Calendar Year											Total	% of Total	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			2029
1. Delta-Transfer Pipeline								2,693	2,693	20,634	20,634	20,634	67,288	7.9%
2. Los Vaqueros Dam Raise	1,000	4,000	5,000	5,000				21,776	26,776	121,151	121,151	121,151	427,004	49.8%
3. Neroly High-Lift Pump Station				2,686	2,686	20,143	20,143						45,660	5.3%
4. Transfer Facility Expansion						2,279	2,279	24,187	24,187				52,932	6.2%
5. Transfer-Bethany Pipeline	1,000	3,700	4,000	6,615	7,285	61,957	61,957	61,957					208,470	24.3%
6. Los Vaqueros Recreation Facilities									147	147	1,320	1,445	3,058	0.4%
7. Rock Slough PP#1 Replacement	1,000	200	200	2,496	2,496	15,497	15,497						37,386	4.4%
8. Transfer Facilities Improvements							747	14,287					15,034	1.8%
Total Development Costs	3,000	7,900	9,200	16,797	12,467	2,279	3,026	24,468	29,615	147			108,900	12.7%
Total Construction Costs						97,597	97,597	100,431	24,187	141,785	143,105	143,230	747,933	87.3%
Total Development and Construction Costs	3,000	7,900	9,200	16,797	12,467	99,876	100,623	124,900	53,802	141,932	143,105	143,230	856,833	100.0%

Source: Stantec, CCWD

Color Key
Development Cost
Construction Cost

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Inputs Page: Annual Flows

Annual Flows - Newbuild Facilities

<i>Project Facility</i>	<i>Flows Attributable to Project Partners</i>			
	<i>CCWD</i>	<i>Other LAPs</i>	<i>Refuges</i>	<i>All Flows</i>
Newbuild Facilities				
1. Delta-Transfer Pipeline	-	3.99	4.58	8.57
2. Los Vaqueros Dam Raise	-	127.27	0.16	127.43
3. Neroly High-Lift Pump Station	10.18	16.10	17.50	43.78
4. Transfer Facility Expansion	-	41.63	44.50	86.13
5. Transfer-Bethany Pipeline	-	41.63	44.50	86.13
6. Los Vaqueros Recreation Facilities	-	-	-	-
7. Rock Slough PP#1 Replacement	92.15	32.94	28.92	154.01
8. Transfer Facilities Improvements	13.26	15.51	0.02	28.79

Annual Flows - Contributed Facility Pathways

<i>Project Facility</i>	<i>Flows Attributable to Project Partners</i>			
	<i>CCWD</i>	<i>Other LAPs</i>	<i>Refuges</i>	<i>All Flows</i>
EBMUD Contributed Facilities				
EBMUD Facility Route #1	0.91	30.04	-	30.95
Mokelumne Aqueduct Lining	0.91	48.16	-	49.07
Freeport Intake	0.91	27.76	-	28.67
CCWD Contributed Facilities				
Rock Slough Pathway	92.15	32.94	28.92	154.01
Old River Pathway	17.83	6.37	5.60	29.80
Middle River Pathway	33.42	11.95	10.49	55.86
Transfer to Reservoir	13.26	15.51	0.02	28.79

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Calculation Page: CCWD Contributions for Benefits

CCWD Contributions for Benefits (\$000s)

<i>Project Facility</i>	<i>Development & Construction Costs (Total)</i>	<i>Available Grant Funding</i>	<i>Development & Construction Costs (After Grants)</i>	<i>CCWD Facility Usage</i>	<i>CCWD's Capital Cost Contribution</i>
1. Delta-Transfer Pipeline					
2. Los Vaqueros Dam Raise					
3. Neroly High-Lift Pump Station	53,367	31,047	22,320	23.3%	5,193
4. Transfer Facility Expansion					
5. Transfer-Bethany Pipeline					
6. Los Vaqueros Recreation Facilities					
7. Rock Slough PP#1 Replacement	43,428	25,265	18,163	59.8%	10,868
8. Transfer Facilities Improvements	18,465	10,742	7,723	46.1%	3,557
9. EBMUD Facility Route #1					
10. Mokelumne Aqueduct Lining					
11. Freeport Intake					
12. EBMUD-CCWD Intertie					
13. Los Vaqueros Dam					
14. Los Vaqueros Pipeline					
15. Middle River Intake					
16. Middle River Pipeline					
17. Old River Intake					
18. Old River Pipeline					
19. Rock Slough Facilities					
20. Transfer Pipeline					
Total					19,618

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
O&M Cost Escalation (New Facilities)

O&M Cost Inputs (2018\$)

<i>Project Facility</i>	<i>Facility Type</i>	<i>Power Unit</i>	<i>R&R Unit</i>
		<i>Cost</i>	<i>Cost</i>
		<i>(2018 \$/AF)</i>	<i>(2018 \$/AF)</i>
1. Delta-Transfer Pipeline	New	-	11.46
2. Los Vaqueros Dam Raise	New	-	0.58
3. Neroly High-Lift Pump Station	New	23.80	29.67
4. Transfer Facility Expansion	New	15.00	8.38
5. Transfer-Bethany Pipeline	New	-	0.32
6. Los Vaqueros Recreation Facilities	Modification	-	-
7. Rock Slough PP#1 Replacement	Modification	-	6.21
8. Transfer Facilities Improvements	Modification	-	-

O&M Cost Escalation Rate 3.00%
Escalation Start Date 12/31/2018

Unit Cost Escalation Table

	<i>Calendar Year</i>															
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2040</i>	<i>2050</i>	<i>2060</i>	<i>2070</i>	<i>2080</i>
Power Unit Cost by Project Facility																
Delta-Transfer Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Los Vaqueros Dam Raise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Neroly High-Lift Pump Station	25.25	26.01	26.79	27.59	28.42	29.28	30.15	31.06	31.99	32.95	33.94	45.63	61.33	82.44	110.81	148.95
Transfer Facility Expansion	15.91	16.39	16.88	17.39	17.91	18.45	19.00	19.57	20.16	20.77	21.39	28.76	38.65	51.96	69.84	93.88
Transfer-Bethany Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Los Vaqueros Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock Slough PP#1 Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Facilities Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&R Unit Cost by Project Facility																
Delta-Transfer Pipeline	12.16	12.52	12.90	13.28	13.68	14.09	14.52	14.95	15.40	15.87	16.34	21.97	29.53	39.69	53.35	71.71
Los Vaqueros Dam Raise	0.61	0.63	0.65	0.67	0.69	0.71	0.73	0.75	0.78	0.80	0.82	1.11	1.49	2.00	2.69	3.61
Neroly High-Lift Pump Station	31.48	32.43	33.40	34.40	35.44	36.50	37.59	38.72	39.89	41.08	42.32	56.88	76.46	102.78	138.15	185.70
Transfer Facility Expansion	8.89	9.16	9.43	9.72	10.01	10.31	10.62	10.94	11.27	11.60	11.95	16.07	21.59	29.03	39.02	52.45
Transfer-Bethany Pipeline	0.34	0.35	0.36	0.37	0.38	0.40	0.41	0.42	0.43	0.45	0.46	0.62	0.83	1.12	1.50	2.02
Los Vaqueros Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock Slough PP#1 Replacement	6.58	6.78	6.99	7.19	7.41	7.63	7.86	8.10	8.34	8.59	8.85	11.90	15.99	21.49	28.89	38.84
Transfer Facilities Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual O&M Cost

Assumed Flow Rates

<u>Project Facility</u>	<u>Annual Flow (AFY)</u>
Delta-Transfer Pipeline	3.99
Los Vaqueros Dam Raise	127.27
Neroly High-Lift Pump Station	16.10
Transfer Facility Expansion	41.63
Transfer-Bethany Pipeline	41.63
Los Vaqueros Recreation Facilities	0.00
Rock Slough PP#1 Replacement	32.94
Transfer Facilities Improvements	15.51

Annual O&M Cost

	<u>Calendar Year</u>																<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>					
Power Cost by Project Facility																					
Delta-Transfer Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Los Vaqueros Dam Raise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Neroly High-Lift Pump Station	-	-	-	-	-	471	485	500	515	530	546	563	580	597	615	633	734	987	1,327	1,783	2,397
Transfer Facility Expansion	-	-	-	-	-	-	-	815	839	865	891	917	945	973	1,002	1,033	1,197	1,609	2,163	2,908	3,908
Transfer-Bethany Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Los Vaqueros Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock Slough PP#1 Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Facilities Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Power Cost for New Facilities	-	-	-	-	-	471	485	1,315	1,354	1,395	1,437	1,480	1,525	1,570	1,617	1,666	1,932	2,596	3,490	4,691	6,306
R&R Cost by Project Facility																					
Delta-Transfer Pipeline	-	-	-	-	-	-	-	-	-	-	65	67	69	71	73	76	88	118	158	213	286
Los Vaqueros Dam Raise	-	-	-	-	-	-	-	-	-	-	105	108	111	114	118	121	141	189	254	342	460
Neroly High-Lift Pump Station	-	-	-	-	-	587	605	623	642	661	681	702	723	744	767	790	916	1,231	1,654	2,223	2,989
Transfer Facility Expansion	-	-	-	-	-	-	-	455	469	483	498	513	528	544	560	577	669	899	1,209	1,624	2,184
Transfer-Bethany Pipeline	-	-	-	-	-	-	17	18	18	19	19	20	20	21	22	22	26	35	46	62	84
Los Vaqueros Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock Slough PP#1 Replacement	-	-	-	-	-	251	259	267	275	283	291	300	309	319	328	338	392	527	708	952	1,279
Transfer Facilities Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual R&R Cost for New Facilities	-	-	-	-	-	839	881	1,363	1,404	1,446	1,659	1,709	1,760	1,813	1,868	1,924	2,230	2,998	4,030	5,417	7,281

*First year of operations for each facility is denoted by green shading.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Fixed O&M Cost Escalation (New Facilities)

Fixed O&M Cost Inputs (2018 \$000s)

<i>Project Facility</i>	<i>Facility Type</i>	<i>Fixed O&M Cost (\$000s)</i>
1. Delta-Transfer Pipeline	New	187.00
2. Los Vaqueros Dam Raise	New	15.00
3. Neroly High-Lift Pump Station	New	187.00
4. Transfer Facility Expansion	New	187.00
5. Transfer-Bethany Pipeline	New	187.00
6. Los Vaqueros Recreation Facilities	Modification	-
7. Rock Slough PP#1 Replacement	Modification	150.00
8. Transfer Facilities Improvements	Modification	-

O&M Cost Escalation Rate 3.00%

Escalation Start Date 12/31/2018

Fixed O&M Cost Escalation Table

<i>Fixed O&M Cost by Project Facility</i>	<i>Calendar Year</i>															
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2040</i>	<i>2050</i>	<i>2060</i>	<i>2070</i>	<i>2080</i>
Delta-Transfer Pipeline	-	-	-	-	-	-	-	-	-	-	267	358	482	648	871	1,170
Los Vaqueros Dam Raise	-	-	-	-	-	-	-	-	-	-	21	29	39	52	70	94
Neroly High-Lift Pump Station	-	-	-	-	-	230	237	244	251	259	267	358	482	648	871	1,170
Transfer Facility Expansion	-	-	-	-	-	-	-	244	251	259	267	358	482	648	871	1,170
Transfer-Bethany Pipeline	-	-	-	-	-	-	237	244	251	259	267	358	482	648	871	1,170
Los Vaqueros Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock Slough PP#1 Replacement	-	-	-	-	-	185	190	196	202	208	214	288	387	520	698	939
Transfer Facilities Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fixed O&M Cost for New Facilities	-	-	-	-	-	415	664	928	956	984	1,302	1,750	2,353	3,162	4,251	5,714

*First year of operations for each facility is denoted by green shading.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Calculation Page: Annual JPA Administrative Budget (\$000s)

JPA Administrative Budget

	<u>Calendar Year</u>															<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>						<u>2035</u>
JPA Administrative Budget	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	903	1,214	1,631	2,192	2,946

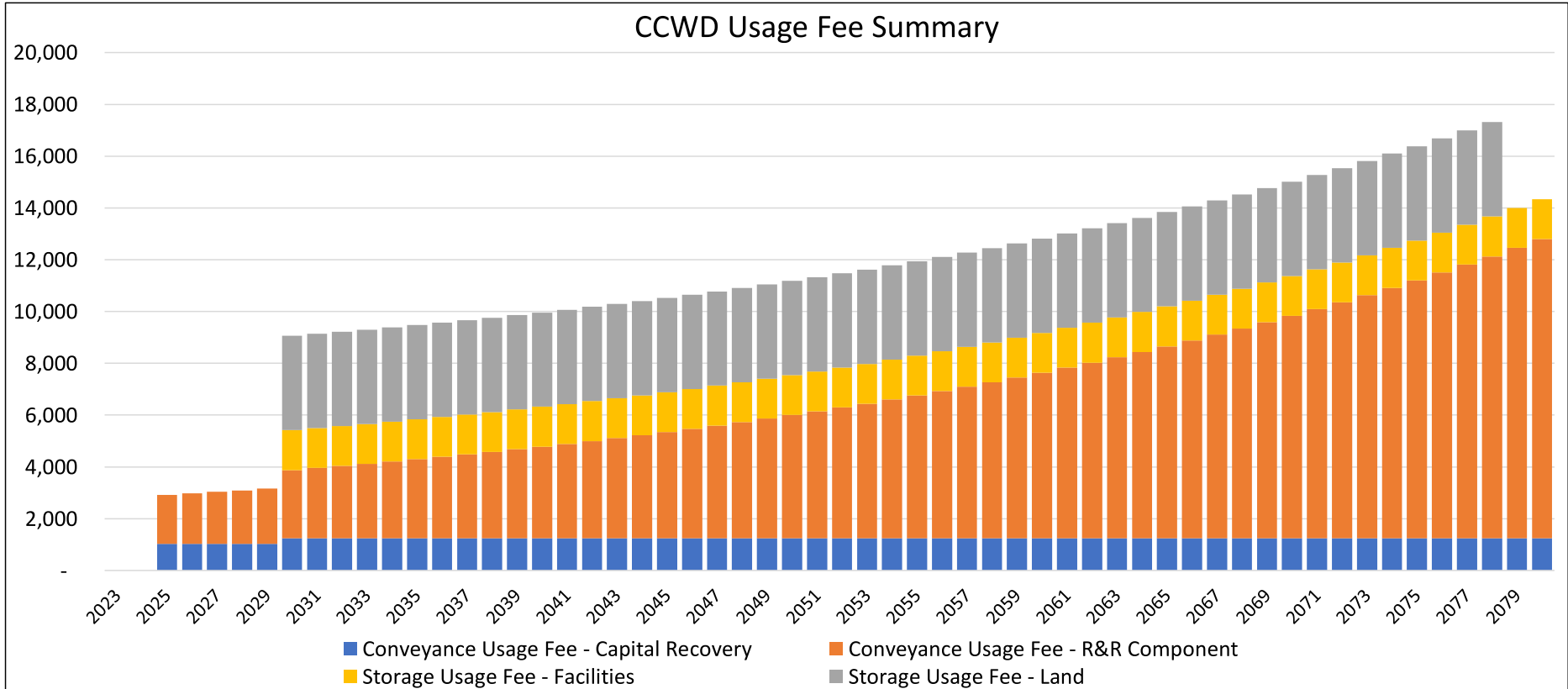
Note: The JPA Administrative Budget will be updated as part of the next version of the proforma model. The current analysis is a placeholder and the numbers above have not been fully vetted.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
CCWD Usage Fee Summary (\$000s)

CCWD Usage Fee Summary (\$000s)

Discount Rate (PV to 2020\$) 0.00%

CCWD Usage Fee Proposal	Calendar Year																	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	2050	2060	2070	2080
Conveyance Usage Fee																		
Capital Recovery Component	-	-	1,032	1,032	1,032	1,032	1,032	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243
R&R Component	-	-	1,887	1,944	2,002	2,062	2,124	2,635	2,714	2,795	2,879	2,965	3,054	3,541	4,758	6,395	8,594	11,550
Total Conveyance Usage Fee	-	-	2,920	2,976	3,035	3,095	3,157	3,878	3,957	4,038	4,122	4,209	4,297	4,784	6,002	7,638	9,837	12,793
Storage Usage Fee																		
Storage Land Component	-	-	-	-	-	-	-	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	-
Storage Facility Component	-	-	-	-	-	-	-	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539
Total Storage Usage Fee	-	-	-	-	-	-	-	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	5,180	1,539
Total CCWD Usage Fee Payment	-	-	2,920	2,976	3,035	3,095	3,157	9,058	9,137	9,218	9,302	9,388	9,477	9,964	11,181	12,818	15,017	14,331



Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Conveyance Usage Fee Calculations

Current Value of CCWD Contributed Facilities

<i>CCWD Facility</i>	<i>Original Cost less Grants</i>	<i>Year Built</i>	<i>PV Conver. Factor</i>	<i>Current Value (2020\$)</i>
Rock Slough Pathway				
Rock Slough Facilities	117,170,377	1987	2.60137	304,803,409
Los Vaqueros Pipeline	48,519,455	1996	2.38067	115,508,654
Old River Pathway				
Old River Intake	30,497,364	1996	2.38067	72,604,061
Old River Pipeline	38,293,849	1996	2.38067	91,164,893
Middle River Pathway				
Middle River Intake	24,736,150	2011	1.28547	31,797,611
Middle River Pipeline	40,963,850	2011	1.28547	52,657,853
Old River Pipeline	38,293,849	1996	2.38067	91,164,893
Transfer to Reservoir Pathway				
Transfer Pump Station/Tank	17,281,844	1996	2.38067	41,142,311
Transfer Pipeline	23,998,870	1996	2.38067	57,133,312

Usage Fee by Facility and Pathway

<i>CCWD Facility</i>	<i>Current Value (2020\$)</i>	<i>Useful Life (Years)</i>	<i>Annualized Value (\$)</i>	<i>Total Capacity (CFS)</i>	<i>TBP to CCWD Intake Ratio</i>	<i>Firm Operational Capacity (CFS)</i>	<i>Firm Operational Capacity (AFY)</i>	<i>Usage Fee (\$/AF)</i>
Rock Slough Pathway								
Rock Slough Facilities	304,803,409	75	4,064,045	350	35.3%	123.55	89,443	45.44
Los Vaqueros Pipeline	115,508,654	75	1,540,115	400	35.3%	141.20	102,220	15.07
Total Pathway Usage Fees (\$/AF)								60.50
Old River Pathway								
Old River Intake	72,604,061	50	1,452,081	250	35.3%	88.25	63,888	22.73
Old River Pipeline	91,164,893	75	1,215,532	320	35.3%	112.96	81,776	14.86
Total Pathway Usage Fees (\$/AF)								37.59
Middle River Pathway								
Middle River Intake	31,797,611	50	635,952	250	35.3%	88.25	63,888	9.95
Middle River Pipeline	52,657,853	75	702,105	250	35.3%	88.25	63,888	10.99
Old River Pipeline	91,164,893	75	1,215,532	320	35.3%	112.96	81,776	14.86
Total Pathway Usage Fees (\$/AF)								35.81
Transfer to Reservoir Pathway								
Transfer Pump Station/Tank	41,142,311	40	1,028,558	200	35.3%	70.60	51,110	20.12
Transfer Pipeline	57,133,312	75	761,777	200	35.3%	70.60	51,110	14.90
Total Pathway Usage Fees (\$/AF)								35.03

*The Transfer-Bethany Pipeline capacity to total intake capacity ratio is calculated as follows:

<i>Facility</i>	<i>CFS</i>
Transfer-Bethany Pipeline	300
CCWD's Intake Capacity	850
TBD to Intake Ratio	35.3%

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Conveyance Usage Fee Escalation - CCWD Facilities

CCWD Usage Fee Escalation Rates

	<u>Portion of</u> <u>Usage Fee</u>	<u>Escalation</u> <u>Rate</u>
Original Facilities Component	38.8%	0.00%
Renewal & Replacement Component	61.2%	3.00%
Basis for apportionment:		
Usage Fee Cost Component from v3.1, FY2025	<u>2,141</u>	38.8%
R&R Cost Component from v3.1, FY2025	<u>3,376</u>	61.2%
	<u>5,517</u>	

CCWD Usage Fee Escalation Table

	<u>Calendar Year</u>															
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
<u>Rock Slough Pathway</u>																
Original Facilities Component	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48	23.48
Renewal & Replacement Component	37.02	38.13	39.28	40.46	41.67	42.92	44.21	45.53	46.90	48.31	49.76	66.87	89.86	120.77	162.30	218.12
Total	60.50	61.61	62.76	63.94	65.15	66.40	67.69	69.01	70.38	71.79	73.24	90.35	113.35	144.25	185.79	241.60
<u>Old River Pathway</u>																
Original Facilities Component	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59
Renewal & Replacement Component	23.00	23.69	24.40	25.14	25.89	26.67	27.47	28.29	29.14	30.01	30.91	41.55	55.83	75.04	100.84	135.53
Total	37.59	38.28	38.99	39.73	40.48	41.26	42.06	42.88	43.73	44.60	45.50	56.14	70.42	89.63	115.43	150.12
<u>Middle River Pathway</u>																
Original Facilities Component	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90
Renewal & Replacement Component	21.91	22.57	23.25	23.94	24.66	25.40	26.16	26.95	27.76	28.59	29.45	39.57	53.18	71.47	96.06	129.09
Total	35.81	36.47	37.14	37.84	38.56	39.30	40.06	40.84	41.65	42.49	43.34	53.47	67.08	85.37	109.95	142.99
<u>Transfer to Reservoir Pathway</u>																
Original Facilities Component	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59	13.59
Renewal & Replacement Component	21.43	22.08	22.74	23.42	24.12	24.85	25.59	26.36	27.15	27.97	28.81	38.71	52.03	69.92	93.97	126.28
Total	35.03	35.67	36.33	37.02	37.72	38.44	39.19	39.96	40.75	41.56	42.40	52.31	65.62	83.51	107.56	139.88

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Conveyance Usage Fee - CCWD Facilities

Assumed Flow Rates - CCWD Facilities

<u>Pathway</u>	<u>Annual Flow</u> <u>(AFY)</u>
Rock Slough Pathway	32.94
Old River Pathway	6.37
Middle River Pathway	11.95
Transfer to Reservoir	15.51

Annual Conveyance Usage Fee - CCWD Facilities

	<u>Calendar Year</u>															
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
<u>Annual Flows by Pathway</u>																
Rock Slough Pathway	-	-	-	-	-	32.94	32.94	32.94	32.94	32.94	32.94	32.94	32.94	32.94	32.94	32.94
Old River Pathway	-	-	-	-	-	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.37
Middle River Pathway	-	-	-	-	-	11.95	11.95	11.95	11.95	11.95	11.95	11.95	11.95	11.95	11.95	11.95
Transfer to Reservoir	-	-	-	-	-	-	-	-	-	-	15.51	15.51	15.51	15.51	15.51	15.51
<u>Conveyance Usage Fee by Pathway</u>																
Rock Slough Pathway	60.50	61.61	62.76	63.94	65.15	66.40	67.69	69.01	70.38	71.79	73.24	90.35	113.35	144.25	185.79	241.60
Old River Pathway	37.59	38.28	38.99	39.73	40.48	41.26	42.06	42.88	43.73	44.60	45.50	56.14	70.42	89.63	115.43	150.12
Middle River Pathway	35.81	36.47	37.14	37.84	38.56	39.30	40.06	40.84	41.65	42.49	43.34	53.47	67.08	85.37	109.95	142.99
Transfer to Reservoir	35.03	35.67	36.33	37.02	37.72	38.44	39.19	39.96	40.75	41.56	42.40	52.31	65.62	83.51	107.56	139.88
<u>Annual Conveyance Usage Fee (\$000s)</u>																
Rock Slough Pathway	-	-	-	-	-	2,187	2,230	2,273	2,318	2,365	2,412	2,976	3,734	4,752	6,120	7,958
Old River Pathway	-	-	-	-	-	263	268	273	279	284	290	358	449	571	735	956
Middle River Pathway	-	-	-	-	-	470	479	488	498	508	518	639	802	1,020	1,314	1,709
Transfer to Reservoir	-	-	-	-	-	-	-	-	-	-	658	811	1,018	1,295	1,668	2,170
Total	-	-	-	-	-	2,920	2,976	3,035	3,095	3,157	3,878	4,784	6,002	7,638	9,837	12,793

*First year of operations for each facility is denoted by green shading.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Storage Usage Fee Calculations

Storage Usage Fee - Land Component

Original Cost and Current Value

<i>Land Area</i>	<i>Original Cost</i>	<i>Year Purchased</i>	<i>PV Conv. Factor</i>	<i>Current Value (2020\$)</i>
Original Reservoir	7,861,991	1996	2.38067	18,716,781
Reservoir Expansion	2,399,649	1996	2.38067	5,712,765
Remaining Watershed	62,923,180	1996	2.38067	149,799,123
Watershed - Mitigation	5,962,019	1996	2.38067	14,193,580
Total	79,146,839			188,422,248

Benefits and Apportionment

<i>Land Area</i>	<i>JPA Allocation</i>	<i>Numerator</i>	<i>Denominator</i>
<i>Original Reservoir</i>	41.8%	115 TAF	275 TAF
<i>Reservoir Expansion</i>			
Storage Benefit to JPA	100.0%		
Watershed Benefit to JPA	41.8%	115 TAF	275 TAF
Average	70.9%		
<i>Remaining Watershed</i>			
JPA Allocation	41.8%	115 TAF	275 TAF
<i>Watershed - Mitigation</i>			
Storage Benefit to JPA	0.0%		
Watershed Benefit to JPA	41.8%	115 TAF	275 TAF
JPA Allocation	20.9%		

JPA Allocation

<i>Land Area</i>	<i>Current Value (2020\$)</i>	<i>JPA Allocation Percent</i>	<i>JPA Allocation before Discount</i>	<i>Discount Factor</i>	<i>JPA Net Allocation</i>
Original Reservoir	18,716,781	41.8%	7,823,614	90%	7,041,253
Reservoir Expansion	5,712,765	70.9%	4,050,350	90%	3,645,315
Remaining Watershed	149,799,123	41.8%	62,616,033	90%	56,354,430
Watershed - Mitigation	14,193,580	20.9%	2,966,458	90%	2,669,812
Total	188,422,248		77,456,456		69,710,810

Escalation to Start Date and Annual Payment

Present Value Amount (2020\$)	69,710,810
Year of Payment	2030
Escalation Rate	3.00%
Amount in 2030\$	93,685,500
Financing Term (Years)	50
Financing Rate	3.00%
Annual Payment	3,641,133

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Storage Usage Fee Calculations

Storage Usage Fee - Facilities Component

Original Cost and Current Value

<i>Facility</i>	<i>Original Cost</i>	<i>CCWD-Only Original Costs</i>	<i>Shared Facility Original Cost</i>	<i>Year Built</i>	<i>PV Conv. Factor</i>	<i>Current Value (2020\$)</i>
Original Reservoir	210,888,779	34,791,127	176,097,652	1996	2.38067	419,229,826
Reservoir Expansion	111,422,000	73,306,017	38,115,983	2013	1.26331	48,152,456

JPA Share and Depreciated Value

<i>Facility</i>	<i>Current Value (2020\$)</i>	<i>JPA Allocation Percent</i>	<i>JPA Allocation</i>	<i>Age (years)</i>	<i>Depreciated Value (2020\$)</i>
Original Reservoir	419,229,826	41.8%	175,238,067	23	134,933,312
Reservoir Expansion	48,152,456	41.8%	20,127,727	6	18,920,063
Total					153,853,375

Annual Payment

Present Value Amount (2020\$)	153,853,375
Financing Term (Years)	100
Financing Rate	0.00%
Annual Payment	1,538,534

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Storage Usage Fee - CCWD Facilities

Annual Storage Usage Fee

CCWD Storage Usage Fees	<i>Calendar Year</i>															
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
Land Component	-	-	-	-	-	-	-	-	-	-	3,641	3,641	3,641	3,641	3,641	-
Facilities Component	-	-	-	-	-	-	-	-	-	-	1,539	1,539	1,539	1,539	1,539	1,539
Storage Usage Fee	-	-	-	-	-	-	-	-	-	-	5,180	5,180	5,180	5,180	5,180	1,539

*First year of operations for each facility is denoted by green shading.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Power Cost Escalation - CCWD Facilities

Power Cost Inputs (2018\$)

<u>Project Facility</u>	<u>Facility Type</u>	<u>Power Unit Cost (2018 \$/AF)</u>
1. Rock Slough Pathway	Existing - CCWD	22.70
2. Old River Pathway	Existing - CCWD	38.20
3. Middle River Pathway	Existing - CCWD	46.70
4. Transfer to Reservoir	Existing - CCWD	70.00

<u>Project Facility</u>	<u>Facility Type</u>	<u>Power Cost (2018\$)</u>
5. Existing Los Vaqueros Reservoir	Existing - CCWD	1,539.00

O&M Cost Escalation Rate 3.00%
Escalation Start Date 12/31/2018

Unit Cost Escalation Table

	<u>Calendar Year</u>															
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
<u>Power Unit Cost by Project Facility</u>																
Rock Slough Pathway	24.08	24.81	25.55	26.32	27.11	27.92	28.76	29.62	30.51	31.43	32.37	43.52	58.49	78.63	105.69	142.07
Old River Pathway	40.53	41.75	43.00	44.29	45.62	46.99	48.40	49.85	51.35	52.89	54.48	73.23	98.43	132.32	177.85	239.07
Middle River Pathway	49.55	51.03	52.57	54.14	55.77	57.44	59.17	60.94	62.78	64.66	66.60	89.53	120.33	161.76	217.43	292.27
Transfer to Reservoir	74.27	76.50	78.79	81.16	83.60	86.11	88.69	91.35	94.10	96.92	99.83	134.19	180.37	242.46	325.90	438.10
<u>Power Cost Reimbursement - Reservoir</u>																
Existing Los Vaqueros Reservoir	1,633	1,682	1,732	1,784	1,838	1,893	1,950	2,008	2,069	2,131	2,195	2,950	3,966	5,331	7,165	9,632

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Power Cost Reimbursement - CCWD Facilities

Assumed Flow Rates

<u>Project Facility</u>	<u>Annual Flow (AFY)</u>
Rock Slough Pathway	25.18
Old River Pathway	6.37
Middle River Pathway	25.18
Transfer to Reservoir	15.51
Existing Los Vaqueros Reservoir	-

Annual Power Cost Reimbursement - CCWD Facilities

<u>Power Cost by Project Facility</u>	<u>Calendar Year</u>															<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>						<u>2035</u>
Rock Slough Pathway	-	-	-	-	-	-	-	-	-	-	815	840	865	891	918	945	1,096	1,473	1,980	2,661	3,577
Old River Pathway	-	-	-	-	-	-	-	-	-	-	347	357	368	379	391	402	466	627	843	1,133	1,523
Middle River Pathway	-	-	-	-	-	1,446	1,490	1,535	1,581	1,628	1,677	1,727	1,779	1,833	1,888	1,944	2,254	3,030	4,073	5,475	7,359
Transfer to Reservoir	-	-	-	-	-	-	-	1,417	1,459	1,503	1,548	1,595	1,643	1,692	1,743	1,795	2,081	2,798	3,761	5,055	6,795
Existing Los Vaqueros Reservoir	-	-	-	-	-	-	1,950	2,008	2,069	2,131	2,195	2,261	2,329	2,398	2,470	2,545	2,950	3,966	5,331	7,165	9,632
Total Power Cost Reimbursement - CCWD Facilities	-	-	-	-	-	1,446	3,440	4,960	5,109	5,262	6,582	6,780	6,984	7,193	7,409	7,631	8,848	11,893	15,987	21,489	28,886

*First year of operations for each facility is denoted by green shading.

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Fixed O&M Costs - CCWD Facilities

Fixed O&M Cost Inputs - CCWD Facilities

CCWD Existing Facility Fixed O&M (2020\$)	3,200,000
LAP Proportional Share of Water Deliveries	32.8%
Fixed O&M Allocated to LAPs (\$000s)	1,050
<u>O&M Cost Escalation Rate</u>	3.00%
<u>Escalation Start Date</u>	12/31/2018

Annual Fixed O&M Payment

	<u>Calendar Year</u>															
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
<u>Annual Fixed O&M Costs - CCWD Facilities</u>																
Fixed O&M Costs	-	-	-	-	-	1,292	1,330	1,370	1,411	1,454	1,497	2,013	2,706	3,637	4,889	6,571

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Power Cost - CCWD Facilities (\$000s)

Annual Power Cost Reimbursement - CCWD Facilities (\$000s)

	<u>Calendar Year</u>		<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
	<u>2020</u>	<u>2021</u>														
<u>Variable Power Cost - CCWD Facilities</u>																
Power Cost Reimbursement	-	-	-	-	-	2,279	2,347	2,418	2,490	2,565	2,642	3,551	4,772	6,413	8,618	11,582

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Present Value Conversion Factors

1987 Built Facilities - Present Value Conversion Factor

Construction Year	1987	Current SF-ENR	12764.52 (December 2019)
Term, years	30	Future Escalation	3.00%
Borrowing Cost, %	3.3420%		
Issuance Costs, %	0.4%		
Amount Borrowed	\$1,000,000	PV Conversion Factor	2.60137

Year	Principal	Interest	Total Debt Service	SF ENR	PV Adjustment	Present Value
1988	\$19,960	\$33,554	\$53,514	5734.48	222.6%	\$119,117
1989	\$20,627	\$32,887	\$53,514	5932.57	215.2%	\$115,140
1990	\$21,316	\$32,197	\$53,514	6055.61	210.8%	\$112,800
1991	\$22,029	\$31,485	\$53,514	6222.06	205.1%	\$109,783
1992	\$22,765	\$30,749	\$53,514	6293.15	202.8%	\$108,543
1993	\$23,526	\$29,988	\$53,514	6477.95	197.0%	\$105,446
1994	\$24,312	\$29,202	\$53,514	6530.35	195.5%	\$104,600
1995	\$25,124	\$28,389	\$53,514	6558.16	194.6%	\$104,156
1996	\$25,964	\$27,549	\$53,514	6629.61	192.5%	\$103,034
1997	\$26,832	\$26,682	\$53,514	6731.08	189.6%	\$101,481
1998	\$27,729	\$25,785	\$53,514	6845.59	186.5%	\$99,783
1999	\$28,655	\$24,858	\$53,514	6816.70	187.3%	\$100,206
2000	\$29,613	\$23,901	\$53,514	7447.99	171.4%	\$91,713
2001	\$30,603	\$22,911	\$53,514	7399.07	172.5%	\$92,319
2002	\$31,625	\$21,888	\$53,514	7644.46	167.0%	\$89,356
2003	\$32,682	\$20,831	\$53,514	7788.80	163.9%	\$87,700
2004	\$33,774	\$19,739	\$53,514	8228.39	155.1%	\$83,014
2005	\$34,903	\$18,610	\$53,514	8462.45	150.8%	\$80,718
2006	\$36,070	\$17,444	\$53,514	9108.66	140.1%	\$74,992
2007	\$37,275	\$16,239	\$53,514	9131.81	139.8%	\$74,802
2008	\$38,521	\$14,993	\$53,514	9781.67	130.5%	\$69,832
2009	\$39,808	\$13,705	\$53,514	9722.17	131.3%	\$70,260
2010	\$41,139	\$12,375	\$53,514	10120.29	126.1%	\$67,496
2011	\$42,513	\$11,000	\$53,514	10204.29	125.1%	\$66,940
2012	\$43,934	\$9,579	\$53,514	10355.09	123.3%	\$65,965
2013	\$45,402	\$8,111	\$53,514	10898.84	117.1%	\$62,674
2014	\$46,920	\$6,594	\$53,514	10915.84	116.9%	\$62,576
2015	\$48,488	\$5,026	\$53,514	11155.41	114.4%	\$61,233
2016	\$50,108	\$3,405	\$53,514	11609.44	109.9%	\$58,838
2017	\$51,783	\$1,731	\$53,514	12014.72	106.2%	\$56,853
Total	\$1,004,000	\$601,407	\$1,605,407			\$2,601,369

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Present Value Conversion Factors

1996 Built Facilities - Present Value Conversion Factor

Construction Year	1996	Current SF-ENR	12764.52 (December 2019)
Term, years	30	Future Escalation	3.00%
Borrowing Cost, %	4.52%		
Issuance Costs, %	0.4%		
Amount Borrowed	\$1,000,000	PV Conversion Factor	2.38067

Year	Principal	Interest	Total Debt Service	SF ENR	PV Adjustment	Present Value
1997	\$16,401	\$45,381	\$61,782	6731.08	189.6%	\$117,161
1998	\$17,143	\$44,639	\$61,782	6845.59	186.5%	\$115,201
1999	\$17,918	\$43,865	\$61,782	6816.70	187.3%	\$115,689
2000	\$18,727	\$43,055	\$61,782	7447.99	171.4%	\$105,884
2001	\$19,574	\$42,208	\$61,782	7399.07	172.5%	\$106,584
2002	\$20,459	\$41,323	\$61,782	7644.46	167.0%	\$103,162
2003	\$21,383	\$40,399	\$61,782	7788.80	163.9%	\$101,251
2004	\$22,350	\$39,432	\$61,782	8228.39	155.1%	\$95,841
2005	\$23,360	\$38,422	\$61,782	8462.45	150.8%	\$93,191
2006	\$24,416	\$37,366	\$61,782	9108.66	140.1%	\$86,579
2007	\$25,520	\$36,263	\$61,782	9131.81	139.8%	\$86,360
2008	\$26,673	\$35,109	\$61,782	9781.67	130.5%	\$80,622
2009	\$27,879	\$33,903	\$61,782	9722.17	131.3%	\$81,116
2010	\$29,139	\$32,643	\$61,782	10120.29	126.1%	\$77,925
2011	\$30,456	\$31,326	\$61,782	10204.29	125.1%	\$77,283
2012	\$31,833	\$29,950	\$61,782	10355.09	123.3%	\$76,158
2013	\$33,271	\$28,511	\$61,782	10898.84	117.1%	\$72,358
2014	\$34,775	\$27,007	\$61,782	10915.84	116.9%	\$72,246
2015	\$36,347	\$25,435	\$61,782	11155.41	114.4%	\$70,694
2016	\$37,990	\$23,792	\$61,782	11609.44	109.9%	\$67,929
2017	\$39,707	\$22,075	\$61,782	12014.72	106.2%	\$65,638
2018	\$41,502	\$20,280	\$61,782	12115.37	105.4%	\$65,093
2019	\$43,378	\$18,404	\$61,782	12764.52	100.0%	\$61,782
2020	\$45,339	\$16,444	\$61,782	13147.46	97.1%	\$59,983
2021	\$47,388	\$14,394	\$61,782	13541.88	94.3%	\$58,236
2022	\$49,530	\$12,252	\$61,782	13948.14	91.5%	\$56,539
2023	\$51,769	\$10,014	\$61,782	14366.58	88.8%	\$54,893
2024	\$54,108	\$7,674	\$61,782	14797.58	86.3%	\$53,294
2025	\$56,554	\$5,228	\$61,782	15241.50	83.7%	\$51,742
2026	\$59,110	\$2,672	\$61,782	15698.75	81.3%	\$50,235
Total	\$1,004,000	\$849,467	\$1,853,467			\$2,380,667

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Present Value Conversion Factors

2011 Built Facilities - Present Value Conversion Factor

Construction Year	2011	Current SF-ENR	12764.52 (December 2019)
Term, years	30	Future Escalation	3.00%
Borrowing Cost, %	3.07%		
Issuance Costs, %	0.4%		
Amount Borrowed	\$1,000,000	PV Conversion Factor	1.28547

Year	Principal	Interest	Total Debt Service	SF ENR	PV Adjustment	Present Value
2012	\$20,865	\$30,823	\$51,688	10355.09	123.3%	\$63,715
2013	\$21,506	\$30,182	\$51,688	10898.84	117.1%	\$60,536
2014	\$22,166	\$29,522	\$51,688	10915.84	116.9%	\$60,442
2015	\$22,846	\$28,842	\$51,688	11155.41	114.4%	\$59,144
2016	\$23,548	\$28,140	\$51,688	11609.44	109.9%	\$56,831
2017	\$24,271	\$27,417	\$51,688	12014.72	106.2%	\$54,914
2018	\$25,016	\$26,672	\$51,688	12115.37	105.4%	\$54,457
2019	\$25,784	\$25,904	\$51,688	12764.52	100.0%	\$51,688
2020	\$26,575	\$25,113	\$51,688	13147.46	97.1%	\$50,182
2021	\$27,391	\$24,297	\$51,688	13541.88	94.3%	\$48,721
2022	\$28,232	\$23,456	\$51,688	13948.14	91.5%	\$47,302
2023	\$29,099	\$22,589	\$51,688	14366.58	88.8%	\$45,924
2024	\$29,992	\$21,696	\$51,688	14797.58	86.3%	\$44,586
2025	\$30,913	\$20,775	\$51,688	15241.50	83.7%	\$43,288
2026	\$31,862	\$19,826	\$51,688	15698.75	81.3%	\$42,027
2027	\$32,840	\$18,848	\$51,688	16169.71	78.9%	\$40,803
2028	\$33,848	\$17,840	\$51,688	16654.80	76.6%	\$39,614
2029	\$34,887	\$16,800	\$51,688	17154.45	74.4%	\$38,461
2030	\$35,959	\$15,729	\$51,688	17669.08	72.2%	\$37,340
2031	\$37,062	\$14,625	\$51,688	18199.15	70.1%	\$36,253
2032	\$38,200	\$13,488	\$51,688	18745.13	68.1%	\$35,197
2033	\$39,373	\$12,315	\$51,688	19307.48	66.1%	\$34,172
2034	\$40,582	\$11,106	\$51,688	19886.71	64.2%	\$33,177
2035	\$41,828	\$9,860	\$51,688	20483.31	62.3%	\$32,210
2036	\$43,112	\$8,576	\$51,688	21097.81	60.5%	\$31,272
2037	\$44,435	\$7,253	\$51,688	21730.74	58.7%	\$30,361
2038	\$45,799	\$5,889	\$51,688	22382.66	57.0%	\$29,477
2039	\$47,205	\$4,482	\$51,688	23054.14	55.4%	\$28,618
2040	\$48,655	\$3,033	\$51,688	23745.77	53.8%	\$27,785
2041	\$50,148	\$1,540	\$51,688	24458.14	52.2%	\$26,976
Total	\$1,004,000	\$546,637	\$1,550,637			\$1,285,471

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

Present Value Conversion Factors

2013 Built Facilities - Present Value Conversion Factor

Construction Year	2013	Current SF-ENR	12764.52 (December 2019)
Term, years	30	Future Escalation	3.00%
Borrowing Cost, %	3.39%		
Issuance Costs, %	0.4%		
Amount Borrowed	\$1,000,000	PV Conversion Factor	1.26331

Year	Principal	Interest	Total Debt Service	SF ENR	PV Adjustment	Present Value
2014	\$19,803	\$34,036	\$53,839	10915.84	116.9%	\$62,957
2015	\$20,475	\$33,364	\$53,839	11155.41	114.4%	\$61,605
2016	\$21,169	\$32,670	\$53,839	11609.44	109.9%	\$59,196
2017	\$21,887	\$31,953	\$53,839	12014.72	106.2%	\$57,199
2018	\$22,628	\$31,211	\$53,839	12115.37	105.4%	\$56,724
2019	\$23,396	\$30,443	\$53,839	12764.52	100.0%	\$53,839
2020	\$24,189	\$29,650	\$53,839	13147.46	97.1%	\$52,271
2021	\$25,009	\$28,830	\$53,839	13541.88	94.3%	\$50,749
2022	\$25,857	\$27,983	\$53,839	13948.14	91.5%	\$49,270
2023	\$26,733	\$27,106	\$53,839	14366.58	88.8%	\$47,835
2024	\$27,639	\$26,200	\$53,839	14797.58	86.3%	\$46,442
2025	\$28,576	\$25,263	\$53,839	15241.50	83.7%	\$45,089
2026	\$29,545	\$24,294	\$53,839	15698.75	81.3%	\$43,776
2027	\$30,547	\$23,293	\$53,839	16169.71	78.9%	\$42,501
2028	\$31,582	\$22,257	\$53,839	16654.80	76.6%	\$41,263
2029	\$32,653	\$21,186	\$53,839	17154.45	74.4%	\$40,061
2030	\$33,760	\$20,079	\$53,839	17669.08	72.2%	\$38,894
2031	\$34,904	\$18,935	\$53,839	18199.15	70.1%	\$37,762
2032	\$36,087	\$17,752	\$53,839	18745.13	68.1%	\$36,662
2033	\$37,311	\$16,528	\$53,839	19307.48	66.1%	\$35,594
2034	\$38,576	\$15,264	\$53,839	19886.71	64.2%	\$34,557
2035	\$39,883	\$13,956	\$53,839	20483.31	62.3%	\$33,551
2036	\$41,235	\$12,604	\$53,839	21097.81	60.5%	\$32,574
2037	\$42,633	\$11,206	\$53,839	21730.74	58.7%	\$31,625
2038	\$44,078	\$9,761	\$53,839	22382.66	57.0%	\$30,704
2039	\$45,573	\$8,266	\$53,839	23054.14	55.4%	\$29,809
2040	\$47,118	\$6,721	\$53,839	23745.77	53.8%	\$28,941
2041	\$48,715	\$5,124	\$53,839	24458.14	52.2%	\$28,098
2042	\$50,366	\$3,473	\$53,839	25191.88	50.7%	\$27,280
2043	\$52,074	\$1,765	\$53,839	25947.64	49.2%	\$26,485
Total	\$1,004,000	\$611,173	\$1,615,173			\$1,263,314

Los Vaqueros Reservoir Expansion (LVE)

Proforma Financial Model

EBMUD Usage Fee Inputs (2018\$)

EBMUD Usage Fee Inputs

<i>Project Facility</i>	<i>Facility Type</i>	<i>Usage Fee (2018 \$/AF)</i>
9. EBMUD Facility Route #1	Existing - EBMUD	34.14
10. Mokelumne Aqueduct Lining	Existing - EBMUD	110.09
11. Freeport Intake	Existing - EBMUD	495.00

Usage Fee Escalation Rate 3.00%
Escalation Start Date 12/31/2018

Usage Fee Escalation Table

<u>Power Unit Cost by Project Facility</u>	<u>Calendar Year</u>																				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
EBMUD Facility Route #1	36	37	38	40	41	42	43	45	46	47	49	50	52	53	55	56	65	88	118	159	214
Mokelumne Aqueduct Lining	117	120	124	128	131	135	139	144	148	152	157	162	167	172	177	182	211	284	381	513	689
Freeport Intake	525	541	557	574	591	609	627	646	665	685	706	727	749	771	795	818	949	1,275	1,715	2,305	3,098

Los Vaqueros Reservoir Expansion (LVE)
Proforma Financial Model
Annual Usage Fee - EBMUD Facilities

Assumed Flow Rates - EBMUD Facilities

<u>Project Facility</u>	<u>Annual Flows</u>		<u>Annual Flows for</u>
	<u>from All LAPs +</u>	<u>Annual Flows for</u>	<u>non-EBMUD</u>
	<u>CCWD (AFY)</u>	<u>EBMUD (AFY)</u>	<u>LAPs (AFY)</u>
EBMUD Facility Route #1	30.95	27.03	3.92
Mokelumne Aqueduct Lining	49.07	45.15	3.92
Freeport Intake	28.67	24.75	3.92

Annual Usage Fees - EBMUD Facilities

<u>Annual Usage Fee by Project Facility</u>	<u>Calendar Year</u>																<u>2040</u>	<u>2050</u>	<u>2060</u>	<u>2070</u>	<u>2080</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>					
EBMUD Facility Route #1	-	-	-	-	-	165	170	175	180	185	191	197	203	209	215	221	257	345	464	624	838
Mokelumne Aqueduct Lining	-	-	-	-	-	531	547	564	581	598	616	634	653	673	693	714	828	1,113	1,496	2,011	2,703
Freeport Intake	-	-	-	-	-	2,389	2,460	2,534	2,610	2,689	2,769	2,852	2,938	3,026	3,117	3,211	3,722	5,004	6,726	9,041	12,153
Total EBMUD Usage Fees	-	-	-	-	-	3,085	3,177	3,272	3,371	3,472	3,576	3,683	3,794	3,908	4,025	4,146	4,807	6,461	8,686	11,675	15,694

*First year of operations for each facility is denoted by green shading.

Attachment 3: Valley Water comments and CCWD response on Proforma Version 4.0

From: [Will Lockwood](#)
To: [Michael Martin](#); [Samantha Greene](#); [Charlene Sun](#); [Metra Richert](#); [Jerry De La Piedra](#); [Vincent Gin](#); [Steve Peters](#)
Cc: [Maureen Martin](#); [Jeff Quimby](#); [David M. Moore](#)
Subject: LVE v4.0 Proforma Model - Valley Water Comments/Responses
Date: Monday, January 11, 2021 6:28:48 PM

Valley Water Team,

We have prepared the following responses (in blue) to address your comments on the LVE v4.0 Proforma Financial Model and December 9th working group presentation. These responses were prepared by our team at Clean Energy Capital with input from Jeff and Maureen at CCWD.

1. Create LAP allocation v5.0 Proforma based on funding sources that are secure (ie. exclude WIIN grant unless there's a high degree of confidence that the funds will be appropriated by Congress and available for the project). [We expect to use the LVE v5.0 Proforma as a tool to perform sensitivity analysis on a number of financial scenarios, including the scenario highlighted in this comment \(exclusion of additional WIIN funding beyond the funds that have already been secured\).](#)
2. Update to reflect EBMUD's most recent usage fees. [We expect to include modeling of the latest EBMUD Usage Fee Proposal in the LVE v5.0 Proforma.](#)
3. Summarize net current value of the existing facilities (actual project costs net of grants, escalated to 2020) vs. **present value** of usage fees paid by LAPs projected through 2080 for both the conveyance and storage/land components to show what % of net cost the LAPs are paying for during the term of the agreement. This will be helpful to understand what LAPs are paying for, and LAPs will not be "over paying" for the costs of these facilities. [This comment will be addressed when the LVE working group resumes discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.](#)
4. Storage component – in v.5.0 please specify amount required for upfront payment by LAP vs. amortizing @3% over 30 years. [\[I believe "30 years" in this comment is a typo, should it be 50 years?\] This information is shown on the "Storage UF Inputs - CCWD" tab \(page 20 of 32 in the PDF\) of the LVE v4.0 Proforma Model. The upfront payment is \\$93.69 million if paid in FY2030.](#)
5. R&R component of CCWD usage fee escalated @ 3% in the model – what about true ups for under/over spending vs. amounts collected over time? Shouldn't R&R cost vary over time depending on what needs to be replaced? For long lived assets, wouldn't there be a period of low R&R cost after a major replacement, then ramp up over time? Charging an annual amount that escalates at 3%/year into perpetuity seems like over charging for anticipated R&R? [This comment will be addressed when the LVE working group resumes discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.](#)
6. Original Facilities component of the conveyance usage fee should only be collected for "remaining useful life" ranging from 16 years (Transfer Pump Station) to 51 years (e.g. Rock Slough LVE Pipeline). [This comment will be addressed when the LVE working group resumes](#)

discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.

7. Conveyance usage fee is based on “Firm Operational Capacity” which is approximately 35.3% of Total Capacity. This allocation has the effect of basing the calculation on the cost for building 100% of the capacity, but since LAPs will only use 35%, LAPs are being charged for the excess capacity/redundancy which does not directly benefit LAPs. This continues to be a point of disagreement for Valley Water. Recommend a compromise by changing the formula for usage fee to:

$$(\text{Annualized Value} \times 50\%) / (\text{Total Capacity} \times \text{Firm Operational Capacity})$$

The above effectively allocates 50% of the annualized value of an existing facility to LAPs, so that LAPs pay for some additional costs for the excess/redundancy of the system, but not in an amount that is excessive; this essentially charges LAPs ~15% premium for the redundancy (50% - 35.3%) as opposed to charging ~65% premium per CCWD’s proposal (100% - 35.3%)

e.g. Rock Slough Facilities:

$$\text{CCWD Formula: } \$4,064,045 \text{ Annualized Value} / (253,379 \text{ AF total capacity} \times 35.3\%) = \$45.44/\text{AF}$$

$$\text{New Proposal: } (\$4,064,045 \text{ Annualized Value} \times 50\%) / (253,379 \text{ AF total capacity} \times 35.3\%) = \$22.72/\text{AF}$$

This comment will be addressed when the LVE working group resumes discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.

8. Storage/Land component – why would land value be escalated to 2030 @ 3%? Why not based on actual cost paid by CCWD and adjusted to future dollar based on CPI? Why would LAPs pay 90% of the value for the land they don’t own? This comment will be addressed when the LVE working group resumes discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.
9. Storage/Facilities Component – charge for only remaining useful life of 76 years (100 years – 2020 – 1996 original construction completion date)? Why would LAPs pay 41.8% (115/275 TAF) of “Original Reservoir”? cost? Should this be a deeply discounted amount since CCWD retains 100% use of the first 115 TAF? This comment will be addressed when the LVE working group resumes discussions of the CCWD Usage Fee proposal during the development of the Facilities Usage Agreement.
10. New Facilities – We would need to establish a method/process for true-ups of actual costs incurred (Capital, O&M, & financing costs) vs. amounts collected by the JPA based on

projections based on various assumptions throughout the life of the agreement. It is anticipated that there will be true-ups for actual costs. The exact method/process for the true-ups will be discussed during the development of future project-related agreements.

Regards,

Will

Will Lockwood, CFA | Vice President | Clean Energy Capital
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(650) 814-7600 | www.cleanenergycap.com

December XX, 2020

Local Agency Partners
Phase 2 Los Vaqueros Reservoir Expansion Project

Subject: Letter of Intent Concerning Development of Usage Fees for CCWD Facilities

Dear Local Agency Partners:

This Letter of Intent (LOI) between the Contra Costa Water District (CCWD) and the undersigned Local Agency Partners (LAPs) for the Phase 2 Los Vaqueros Reservoir Expansion Project (Project) describes represents the intention and agreement of CCWD and the LAPs to negotiate in good faith the usage fees associated with the use of CCWD's existing facilities as part of the Project. It is envisioned that a Facilities Usage Agreement, as provided for in this LOI and other Project planning documents, will be negotiated and executed by CCWD and the Los Vaqueros Reservoir Joint Powers of Authority (JPA) which is to be formed as part of the Project by CCWD and the LAPs. The execution of the LOI by the LAPs does not represent any binding agreement of the LAPs with regards to the facilities usage fees or the calculation methodologies thereof. Final execution of the Facilities Usage Agreement between the JPA and the LAPs are subject to the approval of the respective LAP Board of Directors.

CCWD and the LAPs have engaged in a collaborative process to develop usage fees that are equitable to both CCWD as the owner of the facilities, and the LAPs that will assist in construction of new facilities and benefit from the future use of CCWD's existing facilities. The process, which is ongoing, has thus far resulted in significant changes to the initial proposed methodology and assumptions for the usage fees and included a comprehensive and independent third-party review and multiple rounds of LAP comments and input. The usage fees are intended to follow the beneficiary pays principal and meet the principles established by CCWD's Board of Directors in Resolution 03-24, which includes reimbursement for the value of the existing Los Vaqueros Project assets shared, replaced, rendered unusable, or lost with the expansion Project.

CCWD and LAP members of the JPA, shall in good faith negotiate the terms of the future Facilities Usage Agreement, and any such agreement will be based on the agreed upon proposed framework described in the memorandum entitled *Contra Costa Water District Proposed Usage Fees Version XXXXX* (attached hereto as Exhibit A). The LAP members of the JPA have provided a letter to CCWD providing general comments of the framework and methodology (Exhibit B) and may further negotiate the framework at such time in accordance with the respective LAPs' Board directions.

This LOI constitutes only an expression of intent regarding the basis of the terms and conditions upon which CCWD and the LAPs intend to negotiate, and shall not be deemed to create a binding obligation until mutually agreeable terms have been approved by the governing bodies of CCWD and the other JPA Members, and an agreement executed. CCWD and the LAPs recognize that final estimated Project costs and associated state and federal funding (currently estimated to offset up to 75% of the Project cost) must be determined prior to creation of a binding Facilities Usage Agreement.

CCWD sincerely appreciates the past and future engagement and collaboration of the LAPs in developing the proposed usage fees methodology and assumptions for the Project. Please sign indicating your concurrence with this LOI and return to CCWD at your earliest convenience.

Sincerely

Stephen J. Welch
General Manager

Exhibit A: Contra Costa Water District Proposed Usage Fees Version XXXXX

DRAFT

Letter of Intent Concerning Development of Usage Fees for CCWD Facilities

Robert Shaver, General Manager
Alameda County Water District

Clifford Chan, General Manager
East Bay Municipal Utility District

Michael Carlin, Acting General Manager
San Francisco Public Utilities Commission

Rick L. Callender, [Esg.](#) Chief Executive Officer
Santa Clara Valley Water [Agency](#)[District](#)

Ric Ortega, General Manager
Grassland Water District

Federico Barajas, Executive Director
San Luis & Delta-Mendota Water Agency

Valerie Pryor, General Manager
Zone 7 Water Agency