



Santa Clara Valley Water District Board of Directors Meeting

Teleconference Zoom Meeting

***AMENDED/APPENDED**
AMENDED 11:00 AM CLOSED SESSION AND 1:00 PM
REGULAR MEETING
AGENDA

Tuesday, October 13, 2020
11:00 AM

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS

Nai Hsueh, Chair, District 5
Tony Estremera, Vice Chair, District 6
John L. Varela, District 1
Barbara Keegan, District 2
Richard P. Santos, District 3
Linda J. LeZotte, District 4
Gary Kremen, District 7

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

RICK L. CALLENDER, ESQ.
Chief Executive Officer

MICHELE L. KING, CMC
Clerk of the Board
(408) 265-2600
Fax (408) 266-0271
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District Board of Directors

***AMENDED/APPEDED AGENDA**

***ITEMS AMENDED AND/OR APPEDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

Tuesday, October 13, 2020

11:00 AM

Teleconference Zoom Meeting

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Board of Directors, District staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Board during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

Santa Clara Valley Water District (District), in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in District Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled District Board meeting to ensure that the District may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <http://emmas.msrbo.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/97684891936>
Meeting ID: 976 8489 1936
Join by Phone:
1 (669) 900-9128, 97684891936#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME CERTAIN:

11:00 AM

Notice to the Public: The Board of Directors meets in Closed Session in accordance with the Ralph M. Brown Act. Following the conclusion of Closed Session discussion, the Board will return for the remaining items on the regular meeting agenda.

2.1. CLOSED SESSION [20-0922](#)
PUBLIC EMPLOYEE EMPLOYMENT
Pursuant to Government Code Section 54957(b)(1)
Title: District Counsel

*2.2. CLOSED SESSION [20-0958](#)
CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4) - One Potential
Case

*2.3. CLOSED SESSION [20-0959](#)
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1):
White, et al. v. SCVWD, et al. (Santa Clara Co. Superior Court, No.
18CV321600 (Lead))

1:00 PM

Rejoin Zoom Meeting:
<https://valleywater.zoom.us/j/97684891936>
Meeting ID: 976 8489 1936
Join by Phone:
1 (669) 900-9128, 97684891936#

*2.4. District Counsel Report on Closed Session. (Previously Listed as Item 2.2.)

*2.5. Pledge of Allegiance/National Anthem. (Previously Listed as Item 2.3.)

*2.6. Orders of the Day. (Previously Listed as Item 2.4.)

A. *Approximate Discussion Time (Board); and*
B. *Adjustments to the Order of Agenda Items.*

- *2.7. Time Open for Public Comment on any Item not on the Agenda. (Previously Listed as Item 2.5.)

Notice to the public: Members of the public who wish to address the Board on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in order requests are received and granted speaking access to address the Board. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board may take action on any item of business appearing on the posted agenda.

- *2.8. Adopt Resolution Expressing Appreciation to Norma J. Camacho.

[20-0895](#)

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION TO NORMA J. CAMACHO.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: Resolution](#)

Est. Staff Time: 5 Minutes

- *2.9. Receive Information and Authorize Staff to Proceed with Execution of Bank Line(s) of Credit with Aggregate Stated Amount Not to Exceed \$200 Million. *(Previously Listed as Item 2.7.) [20-0937](#)

Recommendation:

- A. Receive information regarding bank line(s) of credit solicitation;
- B. Authorize staff to proceed with execution of bank line(s) of credit with aggregate stated amount not to exceed \$200 Million.
- C. * Authorize a deposit of up to \$14 million in a Certificate of Deposit Account Registry Service (CDAR) account with Bank of San Francisco, earning 0.45% per year for three-years; and
- D. * Authorize staff to offer special incentives to California based small community banks to fully subscribe the \$20 million syndicated community banks loan capacity.

Manager: Darin Taylor, 408-630-3068

Attachments: [*Original Agenda Memo](#)
[*Supplemental Agenda Memo](#)
[*Supplemental Attachment 1: Best/Final Bank Proposals](#)
[*Supplemental Attachment 2: Cert. Purchase/Reimburse Agmt](#)
[*Supplemental Attachment 3: Small Banks Outreach](#)

Est. Staff Time: 10 Minutes

3. CONSENT CALENDAR: (3.1 - 3.4) (Est. Time: 5 Minutes)

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items should complete a Speaker Card and present it to the Clerk of the Board.

- 3.1. Adopt Resolution Declaring October 17-24, 2020, as California Flood Preparedness Week in Santa Clara County. [20-0744](#)

Recommendation: Adopt the Resolution DECLARING THE WEEK OF OCTOBER 17 - 24, 2020, AS CALIFORNIA FLOOD PREPAREDNESS WEEK IN SANTA CLARA COUNTY.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: Resolution](#)

- 3.2. Adopt Resolution Setting Time and Place of a Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project, Project No. 93764004, (San Jose) (District 3). [20-0727](#)

Recommendation: Adopt the Resolution SETTING TIME AND PLACE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PENITENCIA WATER TREATMENT PLANT REHABILITATION OF FLOCCULATION AND SEDIMENTATION BASINS PROJECT to occur on October 27, 2020, at 6:00 PM by teleconference Zoom meeting.

Manager: Aaron Baker, 408-630-3135

Attachments: [Attachment 1: Resolution](#)
[Attachment 2: Engineer's Report](#)
[Attachment 3: Notice of Public Hearing](#)

- *3.3. Accept the CEO Bulletins for the Weeks of September 11-24, *and September 25 - October 8, 2020. [20-0917](#)

Recommendation: Accept the CEO Bulletin.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: 092420 CEO Bulletin](#)
[*Attachment 2: 100820 CEO Bulletin](#)

- *3.4. Approval of Minutes. [20-0916](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 090820 Regular Meeting Minutes](#)
[Attachment 2: 091520 Special Meeting Minutes](#)
[*Attachment 3: 092220 Regular Meeting Minutes](#)

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Approve Fiscal Year 2020 Board Performance Report. [20-0902](#)

Recommendation: A. Review and provide feedback, if necessary, on the Fiscal Year 2020 Board Performance Report; and
B. Approve the Fiscal Year 2020 Board Performance Report.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: FY 2020 Board Performance Report](#)

Est. Staff Time: 5 Minutes

*4.2. Consider Recommendations Resulting from the September 16, 2020, Board Audit Committee Meeting to Approve Initiation of the Permitting Best Practices Audit (Permits Provided to Requestors); Approve TAP International, Inc. as Auditor for the Permitting Best Practices Audit; and Approve Changes Recommended by the Board Audit Committee to the TAP Annual Audit Work Plan. [20-0911](#)

Recommendation: Consider recommendations resulting from the September 16, 2020, Board Audit Committee meeting and:

- A. Approve Initiation of the Permitting Best Practices Audit (Permits Provided to Requestors);
- B. Approve TAP International, Inc. to be the auditor for the Permitting Best Practices Audit; and
- C. Approve Changes Recommended by the Board Audit Committee to the TAP Annual Audit Work Plan.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Permitting Best Practices Audit Task Order](#)
[Attachment 2: Annual Audit Work Plan, Redlined](#)
[Attachment 3: Annual Audit Work Plan, Revised](#)

Est. Staff Time: 10 Minutes

*4.3. Consider Recommendations Resulting from the September 16, 2020, Board Audit Committee Meeting and Approve Proposed Updates to the Board Audit Committee Audit Charter. [20-0928](#)

Recommendation: Consider recommendations resulting from the September 16, 2020, Board Audit Committee Meeting and approve the proposed updates to the Board Audit Committee Audit Charter.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Revised BAC Charter, with Redlines](#)

Est. Staff Time: 10 Minutes

*4.4. Board Committee Reports. (Previously Listed as Item 4.2)

[20-0921](#)

Attachments:

[*Handout 4.4-A: 091420 CIP Summary](#)

[*Handout 4.4-B: 091620 BAC Summary](#)

[*Handout 4.4-C: 092320 RWC Summary](#)

[*Handout 4.4-D: 092820 BPPC Summary](#)

[*Handout 4.4-E: 092920 WCDM Summary](#)

[*Handout 4.4-F: 100820 FAHCE Agenda](#)

[*Handout 4.4-G: 101920 EWRC Agenda](#)

*4.5. Proposed Future Board Member Agenda Items. (Previously Listed as Item 4.3)

5. WATER UTILITY ENTERPRISE:

*5.1. Report of Bids Received and Award of Construction Contract to C. Overaa & Co., for the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project, Project No. 93764004, Contract No. C0662 (San Jose, District 7).

[20-0893](#)

Recommendation:

- A. Ratify Addenda No. 1, 2, and 3 to the Contract Documents for the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project;
- B. Award the Construction Contract to C. Overaa & Co. in the sum of \$1,457,000; and
- C. Approve a contingency sum of \$145,700 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Manager: Heath McMahon, 408-630-3126

Attachments:

[Attachment 1: Addenda No. 1, 2, and 3](#)

[Attachment 2: Project Delivery Process Chart](#)

[Attachment 3: Map](#)

Est. Staff Time: 5 Minutes

- *5.2. Report of Bids Received and Award of Construction Contract to Con-Quest Contractors, Inc., for the Central and Parallel East Pipelines Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0661 (San Jose and Unincorporated Santa Clara County), (Districts 1, 2, 4, 6, and 7). [20-0904](#)

Recommendation: A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Central and Parallel East Pipelines Inspection and Rehabilitation Project; and
B. Award the Construction Contract to Con-Quest Contractors, Inc. in the sum of \$7,905,580; and
C. Approve a contingency sum of \$1,185,837 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Manager: Heath McMahon, 408-630-3126

Attachments: [Attachment 1: Addenda No. 1 and 2](#)
[Attachment 2: Project Delivery Process Chart](#)
[Attachment 3: Site Map](#)

Est. Staff Time: 5 Minutes

6. WATERSHEDS:

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

- 7.1. Approve Amendment No. 4 to Agreement No. A3675A with GEI Consultants, Inc., for Planning and Environmental Consultant Services for Calero and Guadalupe Dams Seismic Retrofits Project, Project No. 91084020 (San Jose) (District 1). [20-0906](#)

Recommendation: Approve Amendment No. 4 to Agreement No. A3675A with GEI Consultants, Inc., for Planning and Environmental Consultant Services for Calero and Guadalupe Dams Seismic Retrofits Project, to increase the not-to-exceed fee by \$2,709,970, resulting in a total not-to-exceed fee of \$8,929,811.

Manager: Christopher Hakes, 408-630-3796

Attachments: [Attachment 1: Amendment No. 4](#)

Est. Staff Time: 5 Minutes

8. EXTERNAL AFFAIRS:

9. CHIEF EXECUTIVE OFFICER:

9.1. Board Confirmation of the Chief Operating Officer, Water Utility Enterprise. [20-0885](#)

Recommendation: Confirm the appointment of Aaron Baker as the Chief Operating Officer of Water Utility Enterprise for the Santa Clara Valley Water District.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: Recruitment Brochure](#)

Est. Staff Time: 5 Minutes

9.2. Update on COVID-19 Response.

*9.3. CEO and Chiefs' Report. [20-0969](#)

Attachments: [*Handout 9.3-A: Office of Civic Engagement Update](#)
[*Handout 9.3-B: Office of Communications Update](#)
[*Handout 9.3-C: NAACP Cert Program, Sea Level Rise/Flood Mgn](#)

10. ADMINISTRATION:

11. DISTRICT COUNSEL:

12. ADJOURN:

12.1. Board Member Reports/Announcements.

12.2. Clerk Review and Clarification of Board Requests.

12.3. Adjourn to Regular Meeting at 6:00 p.m., on October 27, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.



Santa Clara Valley Water District

File No.: 20-0922

Agenda Date: 10/13/2020
Item No.: 2.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

PUBLIC EMPLOYEE EMPLOYMENT

Pursuant to Government Code Section 54957(b)(1)

Title: District Counsel



Santa Clara Valley Water District

File No.: 20-0958

Agenda Date: 10/13/2020
Item No.: *2.2.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4) - One Potential Case



Santa Clara Valley Water District

File No.: 20-0959

Agenda Date: 10/13/2020
Item No.: *2.3.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1):

White, et al. v. SCVWD, et al. (Santa Clara Co. Superior Court, No. 18CV321600 (Lead))



Santa Clara Valley Water District

File No.: 20-0895

Agenda Date: 10/13/2020

Item No.: *2.8.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Resolution Expressing Appreciation to Norma J. Camacho.

RECOMMENDATION:

Adopt the Resolution EXPRESSING APPRECIATION TO NORMA J. CAMACHO.

SUMMARY:

The Resolution provides the Board an opportunity to express its appreciation to Ms. Norma J. Camacho, for her retirement as Chief Executive Officer and over eight years of service to the Santa Clara Valley Water District.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Rick Callender, 408-630-2017

RESOLUTION NO. 20-
EXPRESSING APPRECIATION
TO

Norma J. Camacho

WHEREAS, Norma Camacho joined the Santa Clara Valley Water District (Valley Water) in March 2012 as the Chief Operating Officer, Watersheds, became Interim Chief Executive Officer in 2016, and in 2017 was appointed Chief Executive Officer of Valley Water where she oversaw a \$529M budget and over 800 employees; and

WHEREAS, under Norma Camacho's leadership, Valley Water successfully advocated for and secured \$177.2 million in federal funding in 2018 and a Construction New Start for the U.S. Army Corps of Engineers-partnered South San Francisco Bay Shoreline Project, paving the way to address sea level rise, as well as \$1.5 million in federal funding for the Upper Guadalupe Flood Protection Project, which had not received funding in several years; and

WHEREAS, Norma Camacho led staff to Washington, D.C. and Sacramento to advocate for Valley Water's federal and state interests, including support for the Anderson Dam Seismic Retrofit Project and South San Francisco Bay Shoreline Project, and to advance comprehensive Delta solutions through the Voluntary Agreements; and

WHEREAS, Norma Camacho was a tireless advocate for the Pacheco Reservoir Expansion Project and streamlined Valley Water processes to ensure the development of a state Water Storage Investment Program grant proposal that won the highest ranking from the California Water Commission, which ultimately awarded nearly \$485 million to the project; and

WHEREAS, Norma Camacho was a stabilizing force for Valley Water in the months following the February 2017 Coyote Creek flood, ensuring that emergency action plans and communications protocols were updated in close coordination with San Jose and other local jurisdictions; and

WHEREAS, under Norma Camacho's leadership, Valley Water entered into a significant water reuse partnership agreement with the cities of Palo Alto and Mountain View in late 2019, that will allow us to boost our local water supply with a

drought-resilient and locally controlled source: recycled and purified water. The partnership will help us achieve our goal of doubling the amount of recycled water used in Santa Clara County, over the next five years; and

WHEREAS, under Norma Camacho's leadership, Valley Water spearheaded a milestone collaboration with partner agencies to unveil in January 2020 the first permanent X-Band radar in the region. Located on top of the Penitencia Water Treatment Plant in San Jose, the radar is the cornerstone in a new network of high-resolution, low-elevation radars that will improve weather forecasting of extreme weather events in the Bay Area, and will help keep our communities safe from floods; and

WHEREAS, under Norma Camacho's leadership, the Upper Llagas flood protection project commenced construction and the San Francisquito Creek Bay to 101, Lake Cunningham/Lower Silver, and Permanente Creek projects completed construction; and

WHEREAS, Norma Camacho was a powerful advocate for community education and outreach on watershed stewardship, supporting Valley Water Education Outreach in delivering free, hands-on, water-science curriculum to residents across Santa Clara County; and

WHEREAS, Norma Camacho was instrumental in changing the culture of Valley Water to be more inclusive and considerate of staff at all levels of the agency, implementing the Leading at the Speed of Trust program at the executive level and throughout the organization to increase trust and communication, and actively supporting the professional and personal growth of employees; and

WHEREAS, Norma Camacho restored positive labor-management relations among three bargaining groups by keeping lines of communication open, listening and collaborating, and under her leadership, two successive collective bargaining agreements were settled and ratified by each bargaining group without impasse or strife; and

WHEREAS, Norma Camacho was a resolute champion for diversity and inclusion, demonstrating enthusiastic support for all of Valley Water's employee resource groups and serving as the Executive Sponsor for the Organization for Latino Affairs (OLA) employee resource group since 2013; and

WHEREAS, Norma Camacho demonstrated an unwavering commitment to the health and well-being of employees through the ValleyWaterWELL wellness program, which flourished and grew under her leadership to an employee participation level of nearly 80% and garnered numerous awards including being

honored as a “Healthiest Employer in the Bay Area” in 2016 and 2017, winning first place as the “Healthiest Employer in the Bay Area” in 2018 and 2019, and being named the “Healthiest 100 in America” in both 2018 and 2019; and

WHEREAS, under Norma Camacho’s leadership, Valley Water was twice named “Agency of the Year” by the International Public Management Association for Human Resources, winning the Northern California Chapter Award of Excellence in 2017 and the Western Region Award of Excellence in 2018, and in 2018–2019 Valley Water received the distinction of being a “Great Place to Work” based on a biennial employee satisfaction survey administered through a global authority on corporate culture; and

WHEREAS, Norma Camacho demonstrated steadfast leadership and sound decision-making during the onset of the COVID-19 pandemic and the subsequent months of shelter-in-place directives, ensuring the continuity of essential business operations, while placing the highest priority on the health and safety of Valley Water employees.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that this Board shall and does hereby formally express to Norma J. Camacho, its profound appreciation of her distinguished service as Chief Executive Officer and wishes her all future success.

PASSED AND ADOPTED unanimously by the Board of Directors of the Santa Clara Valley Water District on October 13, 2020.

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

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Santa Clara Valley Water District

File No.: 20-0937

Agenda Date: 10/13/2020

Item No.: *2.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive Information and Authorize Staff to Proceed with Execution of Bank Line(s) of Credit with Aggregate Stated Amount Not to Exceed \$200 Million. *(Previously Listed as Item 2.7.)

RECOMMENDATION:

- A. Receive information regarding bank line(s) of credit solicitation;
- B. Authorize staff to proceed with execution of bank line(s) of credit with aggregate stated amount not to exceed \$200 Million.
- C. * Authorize a deposit of up to \$14 million in a Certificate of Deposit Account Registry Service (CDAR) account with Bank of San Francisco, earning 0.45% per year for three-years; and
- D. * Authorize staff to offer special incentives to California based small community banks to fully subscribe the \$20 million syndicated community banks loan capacity.

SUMMARY:

On July 28, 2020, the Santa Clara Valley Water District's (Valley Water) Board of Directors authorized staff to proceed with negotiations and execution of bank line(s) of credit for an amount up to \$180 million provided by a lead bank and an additional \$20 million syndicated loan reserved for small local banks/credit unions, for a total bank line(s) of credit amount not to exceed \$200 million.

With the Board's authorization, staff proceeded to negotiate with the three top ranked lead banks (MUFG Union Bank, JP Morgan, and US Bank) to ensure Valley Water obtains the best pricing and terms for the line of credit. Staff emphasized the importance of the \$20 million syndicated loan for small local banks/credit unions and incorporated this aspect as part of these negotiations.

Staff will provide further details regarding the selection of the lead bank, as well as the syndicated loan for small local banks/credit unions in a Supplemental Memorandum to be published on October 9, 2020. The bank line of credit agreement will also be provided in the Supplemental Memorandum for the Board's consideration and approval.

FINANCIAL IMPACT:

Funding for the bank fees are included in the Fiscal Year 2020-2021 Budget for the following projects:

26993001 Tax-Exempt Commercial Paper (Fund 26 Safe, Clean Water Program)

95993007 Tax-Exempt Commercial Paper (Fund 61 Water Utility)
95993008 Taxable Commercial Paper (Fund 61 Water Utility)

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment

ATTACHMENTS:

- *Original Agenda Memorandum
- *Supplemental Agenda Memorandum
- *Supplemental Attachment 1: Best/Final Bank Proposals
- *Supplemental Attachment 2: Certificate Purchase/Reimbursement Agreement
- *Supplemental Attachment 3: Small Banks Outreach

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



Santa Clara Valley Water District

File No.: 20-0802

Agenda Date: 10/13/2020

Item No.: 2.7.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive Information and Authorize Staff to Proceed with Execution of Bank Line(s) of Credit with Aggregate Stated Amount Not to Exceed \$200 Million.

RECOMMENDATION:

- A. Receive information regarding bank line(s) of credit solicitation; and
- B. Authorize staff to proceed with execution of bank line(s) of credit with aggregate stated amount not to exceed \$200 Million.

SUMMARY:

On July 28, 2020, the Santa Clara Valley Water District's (Valley Water) Board of Directors authorized staff to proceed with negotiations and execution of bank line(s) of credit for an amount up to \$180 million provided by a lead bank and an additional \$20 million syndicated loan reserved for small local banks/credit unions, for a total bank line(s) of credit amount not to exceed \$200 million.

With the Board's authorization, staff proceeded to negotiate with the three top ranked lead banks (MUFG Union Bank, JP Morgan, and US Bank) to ensure Valley Water obtains the best pricing and terms for the line of credit. Staff emphasized the importance of the \$20 million syndicated loan for small local banks/credit unions and incorporated this aspect as part of these negotiations.

Staff will provide further details regarding the selection of the lead bank, as well as the syndicated loan for small local banks/credit unions in a Supplemental Memorandum to be published on October 9, 2020. The bank line of credit agreement will also be provided in the Supplemental Memorandum for the Board's consideration and approval.

FINANCIAL IMPACT:

Funding for the bank fees are included in the Fiscal Year 2020-2021 Budget for the following projects:

26993001 Tax-Exempt Commercial Paper (Fund 26 Safe, Clean Water Program)

95993007 Tax-Exempt Commercial Paper (Fund 61 Water Utility)

95993008 Taxable Commercial Paper (Fund 61 Water Utility)

File No.: 20-0802

Agenda Date: 10/13/2020
Item No.: 2.7.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment

ATTACHMENTS:

None

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



Santa Clara Valley Water District

File No.: 20-0924

Agenda Date: 10/13/2020

Item No.: *2.7

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Receive Information and Authorize Staff to Proceed with Execution of Bank Line(s) of Credit with Aggregate Stated Amount Not to Exceed \$200 Million.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This report conveys additional information received after the initial report was released, consistent with Executive Limitations Policy EL-7-10-5.

RECOMMENDATION:

- A. Receive information regarding bank line(s) of credit solicitation;
- B. Authorize staff to proceed with execution of bank line of credit with aggregate stated amount not to exceed \$200 Million;
- C. * Authorize a deposit of up to \$14 million in a Certificate of Deposit Account Registry Service (CDAR) account with Bank of San Francisco, earning 0.45% per year for three-years; and
- D. * Authorize staff to offer special incentives to California based small community banks

SUMMARY:

On April 28, 2020, the Santa Clara Valley Water District's (Valley Water) Board of Directors authorized the solicitation, negotiation and execution for bank line(s) of credit up to \$200 million to provide backup liquidity for Valley Water's capital improvement program and general financing needs in light of the ongoing economic uncertainties related to the COVID19 pandemic (Resolution 20-11). The results of the solicitation were presented to the Board at its meeting on June 9, 2020 where the Board directed staff to conduct additional research regarding the environmental, social and governance (ESG) policies of each of the five banks (MUFG Union Bank, JPMorgan Chase, US Bank, UBS and Bank of America) who responded to the solicitation. On August 11, 2020, the Board authorized staff to proceed with negotiations with the banks to ensure Valley Water achieves the most favorable business terms and pricing, provided that the banks meet a minimum of "Average or Medium" ESG ranking by an ESG research firm (per Executive Limitation 4.7.7). The Board also directed staff to reserve \$20 million of the credit capacity for small local banks located within the nine Bay Area counties with total assets of under \$10 billion.

Staff proceeded to contact the top three ranked banks (MUFG, JP Morgan, and US Bank), and negotiated for the best and final offers from each of the banks. Each bank offered various degrees of

changes to their respective proposals, as summarized in Attachment 1.

Based on the banks' best and final offers, staff recommends that the Board authorize the execution of the bank agreement with US Bank to act as the sole lead bank for \$150 million line of credit and the agent for the small/local bank syndicate of up to \$20 million (Attachment 2). Staff recommends proceeding with US Bank due to the following factors:

- US Bank increased the credit capacity to \$150 million (previously \$75 million);
- US Bank reduced the fee structure which resulted in the lowest overall financing rates among the competing offers; for comparison, the estimated bank fees offered by US Bank for the three-year term is approximately \$2.4 million to \$5.3 million lower than JP Morgan and MUFG respectively (assuming \$170 million tax-exempt draw);
- US Bank increased the term to three years (previously 2.5 years) and agreed to various other amendments to key business terms; and
- US Bank agreed to act as the lead bank and agent to administer the syndicated small local bank credit capacity of up to \$20 million, for a total combined revolving line of credit capacity of \$170 million.

US Bank marketed the local bank syndicated loan to 24 local banks located within the Bay Area as well as across California to maximize interest levels (Attachment 3). To-date, US Bank received preliminary commitments from the following local banks:

- Community Bank of the Bay, headquartered in Alameda County, has received bank credit approval to commit \$5 million, subject to Valley Water Board approval of the pricing, terms and conditions of the US Bank agreement.
- Bank of San Francisco, headquartered in the City and County of San Francisco, has conditionally committed up to \$7 million, subject to the following conditions:
 - (i) Valley Water Board approval of the pricing, terms and conditions of the US Bank agreement;
 - (ii) Bank of San Francisco Board approval; and
 - (ii) Valley Water Board approval of placing up to \$14 million in a CDAR deposit account with the Bank of San Francisco earning an annual interest rate of 0.45% for the three-year term. Bank of San Francisco stated that the deposit is necessary to meet the bank's capital funding requirements pursuant to federal banking laws. The funds placed in the CDAR account would be secured by the Federal Deposit Insurance Corporation (FDIC). For comparison, Valley Water current holds \$75 million in deposits in the Local Area Investment Fund (LAIF) administered by the State Controller's Office, earning 0.78% as of August 2020. Should the Board approve Bank of San Francisco's deposit requirement, staff would withdraw \$14 million from LAIF and transfer the funds to the Bank of San Francisco to be invested in the CDAR account. The potential reduction in investment income for the \$14 million CDAR deposit is estimated at approximately \$47 thousand per year or \$140

thousand for the three-year term.

- First Foundation Bank, headquartered in Irvine, Orange County but has Bay area branch locations in Burlingame (San Mateo County) and the City and County of San Francisco, has conditionally committed up to \$10 million, subject to Valley Water Board approval of the pricing, terms and conditions of the US Bank agreement as well as bank credit approval.

Community Bank Special Incentives

The \$20 million small local bank credit capacity may potentially be fully subscribed if the Board approves the three banks described above and each of the banks can complete its own credit approval process to close on the syndicated loan. In the event that any of the small banks are unable to close on the syndicated loan, staff recommends that the Board authorize staff to continue to work with US Bank to offer special incentives to California based community banks and/or minority owned banks with under \$10 billion in total assets to fully subscribe the \$20 million capacity reserved for community banks. Although the prior Board direction was to solicit participation from banks headquartered within the nine Bay Area counties, due to lack of interest from the local Bay area banks, staff recommends expanding the eligibility criteria to California based small banks. The special incentives may include the following, but may be amended to meet the needs of the community banks:

- Offer a one-time upfront fee equal to a percentage of the commitment amount (e.g. 0.50%);
- Offer a deposit amount up to two times the commitment amount; subject to the legal requirements per California Government Code 53600 et. al. for a securitized deposit account (via FHLB Letter of Credit equal to 105% of the deposit amount) or place the funds in FDIC insured CDs through the CDAR program.

US Bank, as the provider for up to \$150 million line of credit, requires that the ongoing commitment and draw fees for the entire syndicated loan be the same, and if Valley Water enters into any future credit agreement that offers terms and conditions to other lenders with provisions more favorable to such lender, then US Bank will receive the same. Given this requirement, Valley Water is not able to offer different commitment and draw fees or better terms and conditions to the community banks, whether through a syndicate with US Bank or other separate bank agreements, other than the one-time upfront fee, as well as offering other incentives such as establishing a deposit account as discussed above. Staff has also previously received guidance from MUFG that the bank's interpretation of Municipal Securities Rulemaking Board (MSRB) Rule G-38 Solicitation of Municipal Securities Business, prohibits different pricing among syndicated loan members (<http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-38.aspx>).

FINANCIAL IMPACT:

Good Faith Estimate of Costs

Pursuant to Government Code 5852.1, the good faith estimate of costs for the three-year term of the bank agreement are calculated to show a range of costs, depending on the timing, amount and tax status of the draws against the line of credit. The low end of the range assumes costs based on limited draws to meet specific business needs, and the high end assumes costs based on fully drawing \$170 million line of credit on a tax-exempt basis.

- (1) The true interest cost is currently estimated to be 0.574% - 1.557%;
- (2) The finance charge (which means the sum of all fees and charges paid to third parties) is estimated to be \$367,780;
- (3) The amount of debt proceeds received by Valley Water (which is net of the finance charge) is estimated to range from \$60 million to \$170 million per year; and
- (4) The total payment amount during the three-year term is estimated to be \$2.7 - \$7.3 million in interest and finance charge, and principal amount ranging from \$60 million to \$170 million per year to be repaid through long-term bond issuances over time.

The above good faith estimates of costs are based on market conditions as of September 30, 2020. Actual results will differ depending on market conditions, fluctuations in the benchmark rate for the draw fees, Valley Water's future business needs which will impact the timing, amount and tax status of the draws, among other factors, that may impact the actual costs in the future.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Supplemental Attachment 1: Best/Final Bank Proposals
Supplemental Attachment 2: Certificate Purchase/Reimbursement Agreement
Supplemental Attachment 3: Small Banks Outreach

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

Supplemental Attachment 1 - Best and Final Bank Proposals Summary

Staff Ranking	1		2		3	
Bank	U.S. Bank		MUFG		JPMorgan	
	8/11/2020	10/13/2020	8/11/2020	10/13/2020	8/11/2020	10/13/2020
1 Credit Amount	\$75,000,000	\$150,000,000	\$180,000,000	No Change	\$180,000,000	No Change
2 Term	2.5 years	3 years	3 years	No Change	3 years	No Change
3 Unutilized Fee %	0.450%	0.350%	0.300%	No Change	0.800%	0.600%
4 Tax-exempt rate Index Spread	85% of 1M-LIBOR 1.450%	85% of 1M-LIBOR 1.200%	81% of 1M-LIBOR 2.250%	81% of 1M-LIBOR 2.150%	80% of 1M-LIBOR 1.600%	80% of 1M-LIBOR 1.400%
5 Taxable rate Index Spread	1M-LIBOR 1.700%	1M-LIBOR 1.400%	1M-LIBOR 2.250%	1M-LIBOR 2.150%	1M-LIBOR 1.900%	1M-LIBOR 1.600%
6 Index Floor	0.500%	0.150%	0.000%	No Change	0.750%	0.500%
7 Base Rate	Greater of (1) Prime +1.0%; (ii) Fed Funds Rate +2.0%; and (iii) 7.5%	Greater of (1) Prime +1.0%; (ii) Fed Funds Rate +2.0%; and (iii) 7.0%	Greater of (1) Prime +2.0%; (ii) Fed Funds Rate +4.0%; and (iii) 7.5%	No Change	The highest of (i) JPMorgan’s Prime Rate plus 1.50% p.a.; (ii) the Federal Funds Rate plus 2.00% p.a.; or (iii) 7.50% p.a.	No change
8 Bank/Advance Rate Days 1 - 30 Days 30 - 60 Days 60 - 90 Days 90 - 180 Days 181+	No change		No Change		No change	
	Base Rate		Base Rate		Days 1-180: Base Rate	
	Base Rate		Base Rate + 1.0%			
	Base Rate		Base Rate + 1.0%			
	Base Rate + 1.0%		Base Rate + 1.0%		Days 181+: Base Rate plus	
	Base Rate + 2.0%		Base Rate + 1.0%		1.00% p.a.	
9 Default Rate	Base Rate + 4.0%	Base Rate + 3.0%	Base Rate + 2.0%	No Change	Base Rate plus 3.00% p.a.	No change
10 Failure to Close Fee	Not specified	Bank expenses incurred to date	Not specified	No Change	\$7,500 if mandated and before deilivery of 1st draft	No change
11 Termination Fees	During first 6 months for the 1.5 year tenor or 1st year for the 2.5 year tenor	During first year	During 1st year	No Change	Balance of Utilized Fee for remaining term	Balance of Utilized Fee for remaining term for first two years
12 Extension	No earlier than 120 days prior to the expiration date	No change	No greater than 180 days and no less than 90 days prior to the expiration date	No greater than 365 days and no less than 90 days prior to the expiration date	A renewal request may be made in writing by no more than 120 days prior to the expiration date of the facility	No change
13 Term Out Period	3 years or when Parity Debt, Certificates of Participation or other debt is issued	5 years or when Parity Debt, Certificates of Participation or other debt is issued	5 years	No Change	5 years	No change
14 Downgrade Provisions Credit Rating Levels	Increases to the initial unutilized fee rate / applicable spread, respectively	No change	Unutilized fee and Spread increases are cumulative for each level of downgrade	No Change	Increases to the initial unutilized fee rate / applicable spread, respectively	No change
1 AA+	0.00% / 0.00%		0.000%		0.00% / 0.00%	
2 AA	0.05% / 0.05%		0.000%		0.10% / 0.20%	
3 AA-	0.10% / 0.10%		0.050%		0.20% / 0.40%	
4 A+	0.25% / 0.25%		0.050%		0.30% / 0.60%	
5 A	0.35% / 0.35%		0.100%		0.40% / 0.80%	
6 A-	0.45% / 0.45%		0.200%		0.50% / 1.00%	
7 BBB+	0.60% / 0.60%		1.000%		0.60% / 1.20%	
8 BBB			0.500%		0.70% / 1.40%	
9 BBB- Below BBB-			1.500%		0.80 / 1.60%	

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CERTIFICATE PURCHASE AND REIMBURSEMENT AGREEMENT

Dated as of October 1, 2020

by and among

SANTA CLARA VALLEY WATER DISTRICT PUBLIC
FACILITIES FINANCING CORPORATION,

SANTA CLARA VALLEY WATER DISTRICT,

THE LENDERS

and

U.S. BANK NATIONAL ASSOCIATION,
AS ADMINISTRATIVE AGENT AND SOLE LEAD ARRANGER,

Relating to

[\$170,000,000]

Santa Clara Valley Water District Revolving Certificates,
Series C (Tax-Exempt) and Series D (Taxable)

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SCHEDULE I
SCHEDULE II

Certain Addresses For Notices
Commitments

EXHIBIT A	Form of Request for Purchase
EXHIBIT B	Form of Request for Extension
EXHIBIT C	Form of Notice of Termination or Reduction
EXHIBIT D	Form of Notice of Reduction
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EXHIBIT H	Form of Lender Note
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EXHIBIT J	Taxable TRAN

CERTIFICATE PURCHASE AND REIMBURSEMENT AGREEMENT

This CERTIFICATE PURCHASE AND REIMBURSEMENT AGREEMENT dated as of October 1, 2020 (as amended, modified or restated from time to time, this “*Agreement*”), is entered into among the SANTA CLARA VALLEY WATER DISTRICT (“*Valley Water*”), the SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION (the “*Corporation*”), the LENDERS (as defined herein) and U.S. BANK NATIONAL ASSOCIATION and its successors and permitted assigns, as administrative agent (the “*Administrative Agent*”) and as sole lead arranger (the “*Arranger*”).

RECITALS

Valley Water and the Corporation have requested that the Lenders agree to purchase Certificates and extend Term Loans from time to time, and the Lenders have agreed to such request on the terms and conditions of this Agreement.

Now, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. *Defined Terms.* As used in this Agreement, the following terms shall have the meanings set forth below:

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Administrative Agent*” means U.S. Bank National Association, a national banking association, and its successors and assigns.

“*Affiliate*” means, with respect to a Person, any Person (whether for-profit or not-for-profit), which “controls,” or is “controlled” by, or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Anti-Corruption Laws*” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti-corruption law applicable to Valley Water or the Corporation, as applicable.

“Applicable Factor” means 85%.

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitment represented by such Lender’s Commitment. If the Available Commitment has terminated or expired, the Applicable Percentages shall be determined based upon the Commitment most recently in effect, giving effect to any assignments.

“Approving Opinion” means, with respect to any action relating to Tax-Exempt Certificates, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by the Corporation Resolution (or, if applicable, another Related Document) and (ii) will not adversely affect the exclusion of interest with respect to such Tax-Exempt Certificates from gross income of the Lenders for purposes of federal or California state income taxation.

“Authorized Officer” means each of the Chief Executive Officer, the Chief Financial Officer or the Treasury and Debt Officer of Valley Water (including any interim, acting or otherwise appointed such officer) or the designee of any such officer.

“Available Commitment” means, on any date, \$170,000,000, adjusted as follows: (a) downward in an amount equal to the aggregate principal amount of any Certificates purchased by the Lenders pursuant to the terms hereof; (b) upward in an amount equal to the aggregate principal amount of any Certificates paid by Valley Water (without the proceeds of a Term Loan) pursuant to the terms of Section 2.05 hereof; and (c) upward in an amount equal to any Incremental Commitment in accordance with Section 2.19 hereof; *provided, that*, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$200,000,000; *provided further* that the Available Commitment with respect to each Lender shall be limited to its respective Applicable Percentage.

“Bank Agreement” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for any Subordinate Obligation; *provided, however*, that the Bank Agreement shall not include any such agreement or instrument with **[describe eligible Community Banks]**, so long as such agreement or instrument with an **[eligible Community Bank]** is unsecured and does not provide for any contractual remedies.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect for such day plus one percent (1.0%), (ii) the Federal Funds Rate in effect for such day plus two percent (2.0%), and (iii) seven percent (7.0%).

“Benchmark Replacement” means the sum of: (a) an alternative benchmark rate that has been selected by the Administrative Agent in consultation with Valley Water giving due

consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. syndicated credit facilities denominated in Dollars that are reasonably comparable to the credit facilities under this Agreement and (b) the Benchmark Replacement Adjustment (it being agreed that the intent as of the date that a Benchmark Replacement is initially implemented is to approximate the Administrative Agent's offering of interest rates bearing interest with reference to LIBOR plus the Tax-Exempt Applicable Spread or the Taxable Applicable Spread, as the case may be, as closely as reasonably practical as of such date of initial implementation (and, for certainty, not necessarily thereafter)); *provided* that, if the Benchmark Replacement as so determined would be less than 0.15%, the Benchmark Replacement will be deemed to be 0.15% for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement under this Agreement of LIBOR with an alternative benchmark rate, for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent in consultation with Valley Water giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with an alternative benchmark rate by the Relevant Governmental Body and (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with an alternative benchmark rate at such time for U.S. syndicated credit facilities denominated in Dollars that are reasonably comparable to the credit facilities under this Agreement, which adjustment or method for calculating or determining such spread adjustment pursuant to clause (b) is published on an information service as selected by the Administrative Agent from time to time and as may be updated periodically.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with then-prevailing market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to LIBOR:

- (a) in the case of clauses (ii), (iii) or (iv) of Section 2.14(b), the later of:

(i) the date of the public statement or publication of information referenced therein and

(ii) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR;

(b) in the case of clause (i) of Section 2.14(b), the earlier of

(i) the date of the public statement or publication of information referenced therein; and

(ii) the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to Valley Water, the Administrative Agent (in the case of such determination and notice by the Required Lenders) and the Lenders; or

(c) in the case of clause (v) of Section 2.14(b), the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to Valley Water, the Administrative Agent (in the case of such determination and notice by the Required Lenders) and the Lenders.

“Benchmark Transition Event” is defined in Section 2.14(b).

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that the LIBOR Rate has not been replaced hereunder with a Benchmark Replacement, the period (y) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBOR Rate for all purposes under this Agreement and the other Related Documents in accordance with Section 2.14(b) and (z) ending at the time that a Benchmark Replacement has replaced the LIBOR Rate for all purposes under this Agreement and the other Related Documents pursuant to Section 2.14(b).

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan.”

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.

“Bond Counsel” means the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, or any nationally recognized bond counsel selected by Valley Water and acceptable to the Administrative Agent.

“Bonds” has the meaning set forth in the Parity Master Resolution.

“Budgeted Subordinate Lien Debt Service Coverage Ratio” means the ratio of (1) Net Water Utility System Revenues for the following Fiscal Year as reflected in the annual operating budget of Valley Water that has been delivered to the Administrative Agent pursuant to Section 6.03 hereof remaining after making all of the required transfers and payments from the Water Utility System Revenue Fund pursuant to subsections (a), (b), (c), (d) and (e) of Section 2.2 of the Parity Master Resolution for such Fiscal Year, to (2) total Subordinate Debt Service for such Fiscal Year.

“Business Day” means a day on which (a) banks located in San Francisco, California, in New York, New York and in each of the cities in which the principal offices of the Trustee and Paying Agent and the Administrative Agent are located and the office of the Administrative Agent at which requests for purchases hereunder are to be presented is located (initially, _____) are not required or authorized by law or executive order to close for business, and (b) The New York Stock Exchange is not closed.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Certificates” has the meaning specified in Section 2.01(a) hereof.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements, or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Closing Date” means October [20], 2020, subject to the satisfaction or waiver by the Administrative Agent and the Lenders of the conditions precedent set forth in Section 4.01 hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“Commitment” means the agreement for each Lender pursuant to Section 2.01 hereof to make purchases of Certificates and related Term Loans, in an amount not exceeding the respective amount set forth in Schedule II, under the terms hereof.

“*Commitment Expiration Date*” means October __, 2023, unless extended as provided herein.

“*Commitment Fee*” has the meaning set forth in Section 2.08(a) hereof.

“*Commitment Fee Rate*” means the rates per annum set forth in the Level associated with the Valley Water Ratings as set forth below:

<u>Level</u>	<u>Fitch/S&P Rating</u>	<u>Moody’s Rating</u>	<u>Commitment Fee Rate</u>
1	AA+ or above	Aa1 or above	0.35%
2	AA	Aa2	0.40%
3	AA-	Aa3	0.50%
4	A+	A1	0.75%
5	A	A2	1.10%
6	A-	A3	1.55%

In the case of a split Valley Water Rating (i.e., Valley Water Ratings of the Rating Agencies do not correspond to the same level), the Commitment Fee Rate shall be based upon (i) in the case where Valley Water Ratings are provided by all three Rating Agencies and two such Valley Water Ratings correspond to the same level, the level corresponding to the two same Valley Water Ratings, (ii) in the case where Valley Water Ratings are provided by all three Rating Agencies and no two Valley Water Ratings correspond to the same level, the Valley Water Rating corresponding to the middle level, and (iii) in the case where Valley Water Ratings are provided by only two Rating Agencies, the level corresponding to the lowest Valley Water Rating. Any change in the Commitment Fee Rate resulting from a change in a Valley Water Rating shall be and become effective automatically as of and on the date of the announcement of the change in such Valley Water Rating. In the event that the rating falls below Level 6 or if an Event of Default occurs, the Commitment Fee Rate shall increase an additional three percent (3.0%) above the rate specified in Level 6. The Commitment Fee shall be payable quarterly in arrears on the first Business Day of each January, April, July and October of each calendar year (beginning on the first such date to occur after the Closing Date) and on the Termination Date, or such earlier date on which the Available Commitment may be terminated in accordance with the terms of this Agreement. References to Valley Water Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, including, without limitation, any recalibration of Valley Water Rating in connection with the adoption of a “*global*” rating scale, each Valley Water Rating in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Valley Water acknowledges that as of the Closing Date the Commitment Fee Rate is that specified above for Level 1.

“*Computation Date*” means the date that is two (2) New York Banking Days preceding the LIBOR Reset Date.

“*Contracts*” has the meaning set forth in the Parity Master Resolution.

“*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

“*Controlling*” and “*Controlled*” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“*Corporation*” has the meaning set forth in the introductory paragraph hereof.

“*Corporation Resolution*” means that certain Resolution No. PFFC-16-005, adopted by the Corporation on November 10, 2016, which amended and restated that certain Resolution No. PFFC-12-001, adopted by the Corporation on May 10, 2012, as previously amended, and as the same may be amended, restated, supplemented or otherwise modified pursuant to the terms hereof and thereof.

“*Covered Entity*” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Current Water Utility System Revenues*” has the meaning set forth in the Parity Master Resolution.

“*Debt*” of any Person means at any date and without duplication, (i) all obligations of such Person for borrowed money, and all obligations of such Person evidenced by bonds, debentures, notes, securities, loan agreements or other similar instruments, (ii) all direct or contingent obligations of such Person arising under letters of credit, bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (iii) Capital Lease Obligations, (iv) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (v) all indebtedness of others secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (vi) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person and (vii) payment obligations of such Person under any Swap Contract.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Rate” means, for any day, a fluctuating rate per annum equal to the sum of the Base Rate in effect on such day *plus* three percent (3.0%).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means, subject to Section 2.18(b) hereof, any Lender that (a) has failed to (i) fund all or any portion of the purchase of Certificates within two Business Days after the date such Certificates were required to be purchased hereunder unless such Lender notifies the Administrative Agent and Valley Water in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to purchase (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days after the date when due, (b) has notified Valley Water or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to purchase any Certificate hereunder and states that such position is based on such Lender’s determination that a condition precedent to purchase (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or Valley Water, to confirm in writing to the Administrative Agent and Valley Water that it will comply with its prospective purchase obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Valley Water), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and

binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.18(b) hereof) upon delivery of written notice of such determination to Valley Water and each Lender.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when Valley Water files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Holder or any former Holder notifies Valley Water that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by Valley Water of such notification from the Holder or any former Holder, Valley Water shall deliver to the Holder and any former Holder a ruling or determination letter issued to or on behalf of Valley Water by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when Valley Water shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of Valley Water, or upon any review or audit of Valley Water or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when Valley Water shall receive notice from the Holder or any former Holder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Holder or such former Holder the interest on the Tax-Exempt Certificates due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless Valley Water has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Holder or former Holder, Valley Water shall promptly reimburse, but solely from payments made by Valley Water, such Holder or former Holder for any payments, including any taxes, interest,

penalties or other charges, such Holder (or former Holder) shall be obligated to make as a result of the Determination of Taxability.

“*District Act*” means the Santa Clara Valley Water District Act, Chapter 1405 of Statutes 1951 of the State of California, as previously amended and as the same may be amended.

“*Dollar*” and “\$” mean lawful money of the United States.

“*E-SIGN*” means the Federal Electronic Signatures in Global and National Commerce Act, as amended from time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

“*EMMA*” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“*Environmental Laws*” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute.

“*Event of Default*” has the meaning set forth in Section 8.01 hereof.

“*Event of Taxability*” means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by Valley Water, or the failure to take any action by Valley Water, or the making by Valley Water of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Tax-Exempt Certificates) which has the effect of causing interest paid or payable with respect to any Tax-Exempt Certificate to become includable, in whole or in part, in the gross income of the Holder or any former Holder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable with respect to any Tax-Exempt Certificate to become includable, in whole or in part, in the gross income of the Holder or any former Holder for federal income tax purposes with respect to the Tax-Exempt Certificates.

“*Excess Interest*” has the meaning set forth in Section 3.04 hereof.

“*Excess Interest Fee*” has the meaning set forth in Section 3.04 hereof.

“Excluded Principal” means each payment of principal of Subordinate Obligations with a maturity of less than 42 months and which Valley Water specifies in a certificate of Valley Water signed by an Authorized Officer and filed with the Administrative Agent that it intends to pay such principal payments from the proceeds of Subordinate Obligations, other bonds, notes or other obligations of Valley Water or other moneys other than Water Utility System Revenues, Current Water Utility System Revenues or Net Water Utility System Revenues. No such determination shall affect the security for such Subordinate Obligations or the obligation of Valley Water to pay such Subordinate Obligations from Net Water Utility System Revenues.

“Excluded Tax” means, with respect to any Lender or any Holder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender or such Holder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which such Lender or Holder is located.

“Experienced Banker or Advisor” has the meaning set forth in the Parity Master Resolution.

“Federal Funds Rate” means, for any day, the greater of (a) zero and (b) the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Central time) on such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Letter” means the Fee Letter, dated October __, 2020, between Valley Water and the Administrative Agent.

“Fiscal Year” has the meaning set forth in the Parity Master Resolution.

“Fitch” means Fitch, Inc. and any successor rating agency.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time, applied by Valley Water on a basis consistent with Valley Water’s most recent financial statement furnished to the Administrative Agent.

“Governmental Approval” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means any national, supranational, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasigovernmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, department, commission, bureau, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“Holder” means the Lenders and each Lender Transferee or Non-Lender Transferee pursuant to Section 10.06 hereof so long as such Lender Transferee or Non-Lender Transferee is an owner of Certificates or the corresponding Term Loan as provided for herein.

“Incremental Commitment” has the meaning set forth in Section 2.19(a) hereof.

“Incremental Effective Date” has the meaning set forth in Section 2.19(c) hereof.

“Incremental Lender” has the meaning set forth in Section 2.19(b) hereof.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitor” has the meaning set forth in Section 10.04(b) hereof.

“Independent Certified Public Accountant” has the meaning set forth in the Parity Master Resolution.

“Initial Term Loan Payment Date” means the first Business Day that is at least one hundred and eighty (180) days following the applicable Term Loan Date.

“Insolvency Proceeding” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“Interest Payment Date” means as to any Certificate and as to any Term Loan, the first Business Day of each month and the date of any payment or prepayment of principal of such Certificate or Term Loan, as applicable.

“Interest Period” means the period commencing on and including the first calendar day of each month to but not including the first calendar day of the immediately succeeding month; *provided* that with respect to any Certificate executed and delivered or deemed executed and delivered on a date other than the first calendar day of a month, “Interest Period” shall mean the period commencing on and including the date of issuance (or deemed issuance) to but not including the first calendar day of the immediately succeeding month.

“Investment Policy” means, collectively, the investment policies of Valley Water delivered to the Administrative Agent on or prior to the Closing Date, or any revision thereof delivered to the Administrative Agent pursuant to Section 6.16 hereof.

“Issuing and Paying Agent Agreement” means that certain Restated Issuing and Paying Agent Agreement dated as of October 1, 2020, among Valley Water, the Corporation and the Paying Agent, as further amended, supplemented, restated and otherwise modified from time to time in accordance with the terms thereof and hereof.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender Note” has the meaning set forth in Section 2.06(e) hereof.

“Lender Transferee” has the meaning set forth in Section 10.06(b) hereof.

“Lenders” means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

“Liabilities” has the meaning set forth in Section 10.04(b) hereof.

“LIBOR” means the London interbank offered rate.

“LIBOR Rate” means, for the relevant Interest Period, the quotient of (a) the applicable interest settlement rate for deposits in Dollars administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) appearing on the applicable Reuters Screen (or on any successor or substitute page) as of 11:00 a.m. (London time) on the Computation Date, and having a maturity equal to such Interest Period; *provided* that, if the applicable Reuters Screen (or any successor or substitute page) is not available to the Administrative Agent for any reason, the applicable LIBOR Rate for the relevant Interest Period shall instead be the applicable interest settlement rate for deposits in Dollars administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) as reported by any other generally recognized financial information service selected by the Administrative Agent as of 11:00 a.m. (London time) on the Computation Date, and having a maturity equal to such Interest Period divided by (b) one minus the Reserve Percentage; *provided* that the LIBOR Rate expressed as an annual rate shall not be less than 0.15%. The Administrative Agent’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

“LIBOR Reset Date” means the first day of each Interest Period.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever

(including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

“Maintenance and Operation Costs” has the meaning set forth in the Parity Master Resolution.

“Mandatory Prepayment Date” means the fifth (5th) Business Day after receipt by Valley Water, the Corporation and the Paying Agent of notice of an Event of Default from the Administrative Agent and directing Valley Water and the Trustee, as applicable, to cause the outstanding Certificates to be subject to mandatory prepayment.

“Master Certificate” has the meaning set forth in Section 2.01 hereof.

“Master Tax-Exempt Certificate” has the meaning set forth in Section 2.01 hereof.

“Master Taxable Certificate” has the meaning set forth in Section 2.01 hereof.

“Material Adverse Change” or *“Material Adverse Effect”* means any event that (i) causes a material adverse change in or a material adverse effect on (a) the validity or enforceability of any of the Related Documents, (b) the validity, enforceability or perfection of the pledge of and lien on the Net Water Utility System Revenues to secure the repayment of the Term Loans and the accrued interest thereon or the payment of the TRANs and accrued interest thereon relating to the Certificates, (c) any of the rights, security, interest or remedies available to the Lenders under this Agreement or the other Related Documents or (ii) could reasonably be expected to have a material adverse effect on the ability of Valley Water or the Corporation to timely perform its respective obligations under the Related Documents.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lenders, the maximum statutory rate of federal income taxation which could apply to any Lender).

“Maximum Rate” means (i) with respect to any Certificate, the lesser of (x) twelve percent (12.0%) and (y) the maximum non-usurious lawful rate of interest permitted by applicable law, and (ii) with respect to any other Obligation (including, without limitation, any Reimbursement Obligation) the maximum non-usurious lawful rate of interest permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Net Water Utility System Revenues” has the meaning set forth in the Parity Master Resolution.

“New York Banking Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York. The Administrative Agent’s internal records of applicable interest rates shall be determinative in the absence of manifest error,

subject to the right of the Issuer to receive upon request a reasonably detailed calculation to identify a manifest error.

“Non-Lender Transferee” has the meaning set forth in Section 10.06(c) hereof.

“Obligations” means the Reimbursement Obligations and all other payment obligations of Valley Water to the Lenders arising under or in relation to this Agreement, the Lender Note and/or Term Loans, including in each case, all interest payable thereon.

“Other Taxes” has the meaning set forth in Section 3.01(a) hereof.

“Paired Obligations” means any Subordinate Obligations (or portion thereof) designated as Paired Obligations in the resolution, indenture, trust agreement or other security document authorizing the issuance or execution and delivery thereof, (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, were intended to result in a fixed interest rate obligation of Valley Water for all or a portion of the term of such Subordinate Obligations, all as certified by an Experienced Banker or Advisor.

“Parity Debt Service” has the meaning given to “Debt Service” in the Parity Master Resolution.

“Parity Master Resolution” means Resolution No. 16-10 adopted by Valley Water on February 23, 2016, as amended by Resolution No. 16-82 adopted by Valley Water on December 13, 2016, and as the same may be further amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof and hereof.

“Parity Obligations” means, collectively, Bonds and Contracts.

“Participant” means any entity to which a Lender has granted a participation in the obligations of such Lender hereunder and/or under the Certificates and/or the Term Loans.

“Participant Register” is defined in Section 9.06(d)(ii).

“Paying Agent” means a corporation or banking entity designated to act as the Paying Agent pursuant to the terms of the Corporation Resolution. As of the Closing Date, U.S. Bank National Association is the Paying Agent.

“Person” means any individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“Plan” means, with respect to Valley Water at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“Prime Rate” means, on any day, the rate of interest per annum equal to the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported). If The Wall Street Journal ceases to report a prime rate, then the Prime Rate thereafter shall be the rate of interest per annum then most recently established by the Administrative Agent as its “prime rate,” and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Lenders to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Lenders may make various business or other loans at rates of interest having no relationship to such rate. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as amended from time to time.

“Purchase” means each purchase of a Certificate described in Section 2.03(b) hereof.

“Purchase Date” means each date on which a Purchase occurs.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

“QFC Credit Support” is defined in Section 10.22.

“Rate Stabilization Fund” has the same meaning given to such term in the Parity Master Resolution.

“Rating Agency” means, individually or collectively, as applicable, Moody’s, Fitch and S&P, as the context may require.

“Reimbursement Obligations” means any and all obligations of Valley Water to repay the Lenders in connection with the Certificates and Term Loans, including all interest accrued thereon.

“Related Documents” means this Agreement, the Certificates, the Issuing and Paying Agent Agreement, each of the Resolutions, the TRANs, the Lender Note and any other agreement or instrument relating thereto.¹

¹ Subject to ongoing diligence.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Request for Purchase” means the request for a purchase of a Certificate by the Lenders, in the form of Exhibit A hereto.

“Required Lenders” means, at any time, one or more Lenders having more than 50% of the total Commitment of all Lenders. The amount of unused Commitment of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Reserve Percentage” means, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as *“Eurocurrency liabilities”* in Regulation D). The LIBOR Rate for each outstanding Certificate shall be adjusted automatically as of the effective date of any change in the Reserve Percentage.

“Resolutions” means the Senior Master Resolution, the Parity Master Resolution, the Corporation Resolution and the TRANs Resolution.²

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations that are applicable to the Lenders.

“Sanctions” means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“S&P” means S&P Global Ratings, and any successor rating agency.

“Senior Debt Service” has the meaning given to “Debt Service” in the Senior Master Resolution.

“Senior Lien Obligations” means Valley Water’s Water Utility System Refunding Revenue Bonds Taxable Series 2006B.

² Subject to ongoing review.

“*Senior Master Resolution*” means Resolution No. 94-58 providing for the allocation of water utility system revenues, adopted by Valley Water on June 23, 1994, as heretofore amended and as hereafter amended pursuant to the terms thereof and hereof.

“*Series AB Bank Pledge*” has the meaning set forth in Section 2.13 hereof.

“*Series C Certificates*” means the Santa Clara Valley Water District Revolving Certificates, Series C (Tax-Exempt).

“*Series D Certificates*” means the Santa Clara Valley Water District Revolving Certificates, Series D (Taxable).

“*Special Purpose Funds*” has the same meaning given to such term in the Parity Master Resolution.

“*State*” means the State of California.

“*Subordinate Debt Service*” means, for any period of calculation, the sum of:

(1) the interest payable on all outstanding Subordinate Obligations during such period, assuming that all outstanding serial Subordinate Obligations are retired as scheduled and that all outstanding term Subordinate Obligations are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to Valley Water by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111 5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) those portions of the principal amount of all outstanding serial Subordinate Obligations maturing in such period (but excluding Excluded Principal),

(3) those portions of the principal amount of all outstanding term Subordinate required to be prepaid or paid in such period (but excluding Excluded Obligations Principal),

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Subordinate Obligations;

provided that, as to any such Subordinate Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Subordinate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(i) the then current variable interest rate borne by such Subordinate Obligations, and

(ii) if such Subordinate Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if such Subordinate Obligations have not been outstanding for the twelve prior months, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the Subordinate Obligations to be issued or executed;

provided further that if any series or issue of such Subordinate Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Subordinate Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Subordinate Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of forty (40) years from the date of calculation; and

provided further that if the Subordinate Obligations constitute Paired Obligations, the interest rate on such Subordinate Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by Valley Water with respect to such Paired Obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Subordinate Debt Service shall be deducted from the amount of principal due at the final maturity of the Subordinate Obligations for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

“Subordinate Lien Debt Service Coverage Ratio” means the ratio of (1) Net Water Utility System Revenues for the most recent audited Fiscal Year as reflected in the financial statements of Valley Water that have been delivered to the Administrative Agent pursuant to Section 6.01(a) hereof remaining after making all of the required transfers and payments from the Water Utility System Revenue Fund pursuant to subsections (a), (b), (c), (d) and (e) of Section 2.2 of the Parity Master Resolution for such Fiscal Year, to (2) total Subordinate Debt Service for such Fiscal Year.

“Subordinate Obligations” means the Obligations, and all other Debt of Valley Water secured by or payable from Net Water Utility System Revenues on a parity with the Obligations.

“Supported QFC” is defined in Section 10.22.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and

the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Tax-Exempt Applicable Spread*” means the rates per annum set forth in the Level associated with Valley Water Ratings as set forth below:

<u>Level</u>	<u>Fitch/S&P Rating</u>	<u>Moody’s Rating</u>	<u>Tax-Exempt Applicable Spread</u>
1	AA+ or above	Aa1 or above	1.20%
2	AA	Aa2	1.25%
3	AA-	Aa3	1.35%
4	A+	A1	1.60%
5	A	A2	1.95%
6	A-	A3	2.40%

In the case of a split Valley Water Rating (i.e., Valley Water Ratings of the Rating Agencies do not correspond to the same level), the Tax-Exempt Applicable Spread shall be based upon (i) in the case where Valley Water Ratings are provided by all three Rating Agencies and two such Valley Water Ratings correspond to the same level, the level corresponding to the two same Valley Water Ratings, (ii) in the case where Valley Water Ratings are provided by all three Rating Agencies and no two Valley Water Ratings correspond to the same level, the Valley Water Rating corresponding to the middle level, and (iii) in the case where Valley Water Ratings are provided by only two Rating Agencies, the level corresponding to the lowest Valley Water Rating. Any change in the Tax-Exempt Applicable Spread resulting from a change in a Valley Water Rating shall be and become effective automatically as of and on the date of the announcement of the change in such Valley Water Rating. References to Valley Water Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, including, without limitation, any recalibration of Valley Water Rating in connection with the adoption of a “*global*” rating scale, each Valley Water Rating in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Valley Water acknowledges that as of the Closing Date the Tax-Exempt Applicable Spread is that specified above for Level 1.

“*Tax-Exempt Certificate*” has the meaning set forth in Section 2.01(a) hereof.

“*Tax-Exempt LIBOR Rate*” means, on any date the same is to be determined, a floating rate per annum that is equal to the sum of (a) the product of (i) LIBOR Rate, *multiplied* by (ii) the Applicable Factor, *plus* (b) the Tax-Exempt Applicable Spread; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with

respect thereto) and during the continuation of such Event of Default, “*Tax-Exempt LIBOR Rate*” shall mean the Default Rate; *provided further* that if for any LIBOR Reset Date the LIBOR Rate is not available, then the Tax-Exempt LIBOR Rate shall be determined in the manner set forth in Section 2.14(b) hereof.

“*Tax-Exempt TRAN*” means (i) that certain Santa Clara Valley Water District 2020-2021 Tax-Exempt Tax and Revenue Anticipation Note issued by Valley Water and secured in accordance with the TRANs Resolution, and (ii) all other similarly secured tax-exempt tax and revenue anticipation notes issued by Valley Water pursuant to a TRANs Resolution and assigned to the Trustee in accordance with the Corporation Resolution.

“*Taxable Applicable Spread*” means the rates per annum set forth in the Level associated with Valley Water Ratings as set forth below:

<u>Level</u>	<u>Fitch/S&P Rating</u>	<u>Moody’s Rating</u>	<u>Taxable Applicable Spread</u>
1	AA+ or above	Aa1 or above	1.40%
2	AA	Aa2	1.45%
3	AA-	Aa3	1.55%
4	A+	A1	1.80%
5	A	A2	2.15%
6	A-	A3	2.60%

In the case of a split Valley Water Rating (i.e., Valley Water Ratings of the Rating Agencies do not correspond to the same level), the Taxable Applicable Spread shall be based upon (i) in the case where Valley Water Ratings are provided by all three Rating Agencies and two such Valley Water Ratings correspond to the same level, the level corresponding to the two same Valley Water Ratings, (ii) in the case where Valley Water Ratings are provided by all three Rating Agencies and no two Valley Water Ratings correspond to the same level, the Valley Water Rating corresponding to the middle level, and (iii) in the case where Valley Water Ratings are provided by only two Rating Agencies, the level corresponding to the lowest Valley Water Rating. Any change in the Taxable Applicable Spread resulting from a change in a Valley Water Rating shall be and become effective automatically as of and on the date of the announcement of the change in such Valley Water Rating. References to Valley Water Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, including, without limitation, any recalibration of Valley Water Rating in connection with the adoption of a “*global*” rating scale, each Valley Water Rating in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Valley Water acknowledges that as of the Closing Date the Taxable Applicable Spread is that specified above for Level 1.

“*Taxable Certificate*” has the meaning set forth in Section 2.01(a) hereof.

“Taxable Date” means the date on which interest with respect to any Tax-Exempt Certificate is first includable in gross income of the Holder (including, without limitation, any previous Holder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Gross-Up Rate” means, with respect to each day during a Taxable Period, the product of (i) the interest rate on the Tax-Exempt Certificate for such day and (ii) the quotient of (A) one divided by (B) (x) one minus (y) the Maximum Federal Corporate Tax Rate applicable on each day during the Taxable Period.

“Taxable LIBOR Rate” means, on any date the same is to be determined, a floating rate per annum equal to the sum of the LIBOR Rate, *plus* the Taxable Applicable Spread; *provided, however,* that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, *“Taxable LIBOR Rate”* shall mean the Default Rate; *provided further* that if for any LIBOR Reset Date the LIBOR Rate is not available, then the Taxable LIBOR Rate shall be determined in the manner set forth in Section 2.14(b) hereof.

“Taxable Period” has the meaning set forth in Section 2.10 hereof.

“Taxable TRAN” means (i) that certain Santa Clara Valley Water District 2020-2021 Taxable Tax and Revenue Anticipation Note issued by Valley Water and secured in accordance with the TRANs Resolution, and (ii) all other similarly secured taxable tax and revenue anticipation notes issued by Valley Water pursuant to a TRANs Resolution and assigned to the Trustee in accordance with the Corporation Resolution.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto; *provided,* that in no event shall the term Taxes include any fines or penalties assessed against any Lender that are not related to the extension of credit provided for herein.

“Term Loan” has the meaning set forth in Section 2.06(a) hereof.

“Term Loan Date” has the meaning set forth in Section 2.06(a) hereof.

“Term Loan End Date” means, with respect to any Term Loan, the earliest to occur of (a) the fifth (5th) anniversary of the date such Term Loan was made or deemed made, (b) the date on which the outstanding principal amount of such Term Loan and all accrued interest thereon is reimbursed in full in accordance with the terms hereof, (c) the Business Day when commercial paper notes, bonds or other similar obligations are issued by or on behalf of Valley Water, the proceeds of which could be used to reimburse the applicable Lender for the outstanding principal amount of such Term Loan and all accrued interest thereon, and (d) the date on which the applicable Lender causes the outstanding principal amount of such Term Loan and all accrued interest thereon to become due and payable in accordance with Section 8.02 hereof.

“Term Loan Payment” has the meaning set forth in Section 2.06(b) hereof.

“Term Loan Payment Date” means, with respect to any Term Loan, (a) the applicable Initial Term Loan Payment Date, (b) the first Business Day of each January, April, July and October of each calendar year following the Initial Term Loan Payment Date, and (c) the applicable Term Loan End Date.

“Term Loan Period” has the meaning set forth in Section 2.06(b) hereof.

“Term Loan Rate” means, with respect to any Term Loan, a fluctuating interest rate per annum which, for each day, shall equal (i) for the period from and including the date such Term Loan was made or deemed made to and including the ninetieth (90th) day immediately succeeding the date such Term Loan was made or deemed made, the Base Rate from time to time in effect, (ii) for the period from and including the ninety-first (91st) day immediately succeeding the date such Term Loan was made or deemed made to and including the one hundred eightieth (180th) day immediately succeeding the date such Term Loan was made or deemed made, the Base Rate from time to time in effect *plus* one percent (1.0%) and (iii) for the period from and including the one hundred eighty-first (181st) day immediately succeeding the date such Term Loan was made or deemed made and thereafter, the Base Rate from time to time in effect *plus* two percent (2.0%); *provided* that at any time an Event of Default has occurred and is continuing, the Term Loan Rate shall equal the Default Rate.

“Termination Date” means the earliest of (i) the Commitment Expiration Date, (ii) the date on which the Available Commitment is terminated in accordance with Section 2.09 hereof, and (iii) the date on which the Administrative Agent declares the Available Commitment to be terminated in accordance with Section 8.02 hereof.

“TRANS” means, collectively, the Tax-Exempt TRAN and the Taxable TRAN.

“TRANS Act” means Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, as amended.

“TRANS Resolution” means (i) the Resolution No. 20-25 of Valley Water’s Board of Directors adopted on May 16, 2020 authorizing the issuance of the TRANS relating to the Certificates and (ii) all other resolutions adopted by Valley Water’s Board of Directors after the Closing Date authorizing the issuance of TRANS relating to the Certificates.

“Trustee” means a corporation or banking entity designated to act as the Trustee pursuant to the terms of the Corporation Resolution. As of the Closing Date, U.S. Bank National Association is the Trustee.

“UETA” means the Uniform Electronic Transactions Act as in effect in the State of New York, as amended from time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

“United States” and *“US.”* mean the United States of America.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“*Valley Water*” has the meaning set forth in the introductory paragraph hereof.

“*Valley Water Authorizing Resolution*” means that certain Resolution No. 20-11, Authorizing the Solicitation and Negotiation of and Execution and Delivery of One of More Lines of Credit, Credit Agreement, Fee Letter and Related Documents and Actions, adopted by the Board of Directors of the Santa Clara Valley Water District on April 28, 2020.

“*Valley Water Rating*” means, individually or collectively, as applicable, the long-term unenhanced debt rating assigned by any of Moody’s, Fitch or S&P to any Parity Obligations.

“*Water Service*” has the meaning set forth in the Parity Master Resolution.

“*Water Utility System*” has the meaning set forth in the Parity Master Resolution.

“*Water Utility System Revenue Fund*” has the meaning set forth in the Parity Master Resolution.

“*Water Utility System Revenues*” has the meaning set forth in the Parity Master Resolution.

SECTION 1.02. *Other Interpretive Provisions.* With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect

and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

(d) Defined terms used herein which are stated to have the meanings assigned in the Resolutions or Issuing and Paying Agent Agreement or any other Related Document, as applicable, shall incorporate any amendments, restatements, supplements or other modifications to such terms.

SECTION 1.03. *Accounting Terms.* (a) *Generally.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein.

(b) *Changes in GAAP.* If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Related Document, and any of Valley Water, the Corporation or the Administrative Agent shall so request, the Administrative Agent, the Corporation and Valley Water shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided that*, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Valley Water shall provide to the Administrative Agent financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

SECTION 1.04. *Rounding of Financial Ratios.* Any financial ratios required to be maintained by Valley Water pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.05. *Times of Day.* Unless otherwise specified, all references herein to times of day shall be references to San Francisco, California time (daylight or standard, as applicable).

SECTION 1.06. *Incorporated Agreement Provisions.* Any covenants and agreements of Valley Water herein and in the Related Documents which Valley Water is a party

and which are incorporated by reference herein (including all such covenants and agreements specified in the exhibits, schedules and defined terms referred to in the Related Document) shall survive any termination, cancellation, discharge or replacement of such Related Document.

SECTION 1.07. *LIBOR Notification.* The interest rate on the Certificates is determined by reference to the LIBOR Rate, which is derived from LIBOR. Section 2.14(b) provides a mechanism for (a) determining an alternative rate of interest if LIBOR is no longer available or in the other circumstances set forth in Section 2.14(b) and (b) modifying this Agreement to give effect to such alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to LIBOR or other rates in the definition of LIBOR Rate or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 2.14(b), will have the same value as, or be economically equivalent to, the LIBOR Rate.

ARTICLE II

SALE AND PURCHASE; TERM LOANS; CLOSING

SECTION 2.01. *Purchase and Sale of Certificates.* (a) From the Closing Date to but excluding the Termination Date, and subject to the terms and conditions and on the basis of the representations, warranties and agreements contained herein, each Lender hereby agrees, severally and not jointly, when requested by Valley Water pursuant to the terms of this Agreement, to extend credit for the benefit of Valley Water by purchasing from the Trustee from time to time, in an aggregate principal amount not to exceed its allocation of the Available Commitment from time to time in effect, and Valley Water hereby agrees to sell and deliver to, or cause to be sold and delivered to, each Lender from time to time, the Series C Certificates deemed to be executed and delivered from time to time, in accordance with the Corporation Resolution (the “*Tax-Exempt Certificates*”) and evidenced by a master certificate in the form attached as Exhibit C to the Issuing and Paying Agent Agreement (the “*Master Tax-Exempt Certificate*”), and the Series D Certificates deemed to be executed and delivered from time to time, in accordance with the Corporation Resolution (the “*Taxable Certificates*”) and, together with the Tax-Exempt Certificates, collectively herein the “*Certificates*”) and evidenced by a master certificate in the form attached as Exhibit D to the Issuing and Paying Agent Agreement (the “*Master Taxable Certificate*” and, together with the Master Tax-Exempt Certificate, collectively herein the “*Master Certificates*”). The Tax-Exempt Certificates represent undivided ownership interests in the applicable Tax-Exempt TRAN, and the Taxable Certificates represent undivided ownership interests in the applicable Taxable TRAN[, in each case as further described in [_____]]³.

(b) Pursuant to and subject to the terms of this Agreement, each Certificate shall be deemed to be purchased by and sold to the applicable Lender at a purchase price equal to the principal amount of such Certificate specified in the related Request for Purchase with no accrued

³ Subject to review of document connecting TRANs and Certificates.

interest, and, subject to Section 2.03 below, the Administrative Agent, on behalf of the Lenders, shall pay such purchase price to the Paying Agent on the related Purchase Date. Certificates purchased hereunder shall not be in physical form, but shall be deemed to be executed, authenticated and delivered to the Administrative Agent on behalf of each Lender on the related Purchase Date, and the Administrative Agent will **[(i)]** cause a notation to be made upon the applicable Master Certificate to reflect the principal amount of each Certificate deemed to be so purchased by and sold to each Lender**[, and (ii) confirm to the Paying Agent, the Corporation and the District that the execution and delivery of such Certificates has been evidenced by such a notation]**⁴. The Administrative Agent shall serve as a registrar for the Master Certificates and shall maintain a ledger with respect to each Master Certificate detailing each Lender's interest in each Master Certificate. Each Certificate shall (i) be deemed dated the date such Certificate is deemed to be executed and delivered to the applicable Lender, (ii) mature and be repaid to the Administrative Agent, for the ratable benefit of the Lenders, on a date no later than the earlier of (x) the Commitment Expiration Date, *[provided, that in the event that the Commitment Expiration Date is extended by the Lenders in accordance with the terms hereof, the maturity date of the applicable Certificate shall be automatically extended as provided in Section 11(b)(vii) of the Corporation Resolution and the Administrative Agent shall make a notation of such extension on the related Master Certificate with respect to such Certificate]*⁵, and (y) the date on which the then existing and related Tax-Exempt TRAN or Taxable TRAN, as applicable, matures, *[provided, that in the event that a new or subsequently authorized Tax-Exempt TRAN or Taxable TRAN, as applicable, is assigned to the Trustee, the maturity date of the applicable Certificate shall be automatically extended as provided in Section 11(b)(vii) of the Corporation Resolution and the Administrative Agent shall make a notation of such extension on the related Master Certificate with respect to such Certificate]*⁶, and (iii) be in a minimum principal amount of \$1,000,000 or an integral multiple of \$100,000 in excess thereof.

SECTION 2.02. *Closing.* Upon the satisfaction of the conditions set forth in Section 4.01 hereof and based on the representations, warranties and covenants of Valley Water and the Corporation set forth herein, the Lenders hereby agree to purchase Certificates (evidenced by the Master Certificates), on a pro rata basis, from time to time and pay the purchase price therefor specified in Section 2.01(b) hereof (and the Trustee and/or the Paying Agent, as applicable, shall be deemed to have caused the execution, authentication and delivery of such Certificate) at each Purchase upon the terms set forth in this Agreement. On the Closing Date, fully registered Master Certificates executed by manual signature of the Trustee and authenticated by the Paying Agent shall be delivered to the Administrative Agent, as provided for in the Corporation Resolution, and the Administrative Agent, acting as registrar for the Master Certificates, shall register each purchase of Certificates under the applicable Master Certificate in the name of each Lender making purchases under such Master Certificates.⁷

⁴ This seems to be required by Section 5(b) of the IPAA, but we'd like that requirement to be removed.

⁵ Corporation Resolution to provide for the same.

⁶ Corporation Resolution to provide for the same.

⁷ Corporation Resolution to contemplate Administrative Agent acting as registrar for the Master Certificates.

SECTION 2.03. *Method of Purchase.* (a) Each purchase of Certificates shall be made upon Valley Water's irrevocable written notice to the Administrative Agent in the form of a Request for Purchase with blanks appropriately completed; *provided* that Valley Water shall not deliver more than two (2) Requests for Purchase during any thirty (30) day period; *provided, further,* that at any time during which any Lender is a Defaulting Lender, Valley Water shall not deliver more than five (5) Requests for Purchase during any thirty (30) day period. Each Request for Purchase shall be signed by an Authorized Officer and shall specify: (1) the Purchase Date, which shall be a Business Day and shall be at least three (3) Business Days after the date of the Request for Purchase is received by the Administrative Agent; (2) the principal amount of the Certificates to be purchased, together with the aggregate principal amount of Certificates outstanding on the date of purchase, shall not exceed the Available Commitment as of the proposed Purchase Date; (3) the principal amount of the Certificate to be purchased, together with all other Certificates and Series AB Certificates (as defined in the Corporation Resolution) then outstanding relating to the same TRAN⁸, shall not exceed the principal amount of the related TRAN; and (4) whether the requested Certificates shall be Taxable Certificates and bear interest at the Taxable LIBOR Rate or shall be Tax-Exempt Certificates and bear interest at a Tax-Exempt LIBOR Rate. Each Request for Purchase must be received by the Administrative Agent not later than 10:00 a.m. three (3) Business Days immediately prior to the requested Purchase Date.

(b) Upon receipt of a Request for Purchase by the Administrative Agent, the Administrative Agent shall promptly notify each Lender of the amount of its required purchase (each a "*Purchase*") (representing its obligation to purchase its Applicable Percentage of Certificates and make Term Loans). Each Lender shall make available its funds to purchase its Applicable Percentage of the Certificates to the Administrative Agent at its address specified in Schedule I hereto, in immediately available funds, not later than 10:00 a.m. on the Proposed Purchase Date. Subject to receipt of payment in full of such amounts by each Lender, and subject to the terms and conditions of this Agreement, the Administrative Agent shall make a purchase of the Certificates by 3:00 p.m. on the proposed Purchase Date for the account of Valley Water in an amount equal to the amount of the requested purchase. Notwithstanding the foregoing, in the event such Request for Purchase is received by the Administrative Agent after 10:00 a.m. on the Business Day which is three (3) Business Days immediately prior to the day of the proposed Purchase, the Administrative Agent, subject to the terms and conditions of this Agreement, shall be required to make the related purchase of Certificates by 3:00 p.m. on the fourth (4th) Business Day after receipt of the related Request for Purchase.

(c) If, after examination, the Administrative Agent shall have determined that a Request for Purchase does not conform to the terms and conditions hereof, then the Administrative Agent shall use commercially reasonable efforts to give notice to Valley Water to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. Valley Water may attempt to correct any such nonconforming Request for Purchase, if, and to the extent that, Valley Water is entitled (without regard to the provisions of this sentence) and able to do so. If Valley Water fails to specify a type of Certificate in a Request for Purchase,

⁸ Subject to review of the document(s) connecting the TRANs and the Certificates.

then the applicable Certificates requested for purchase shall be Certificates bearing interest at a Taxable LIBOR Rate.

SECTION 2.04. *Interest Rates with respect to Certificates.* (a) Prior to the Termination Date and except as otherwise provided in this Section 2.04 or in Section 2.07 hereof, as applicable, each Taxable Certificate shall bear interest at the Taxable LIBOR Rate and each Tax-Exempt Certificate shall bear interest at the Tax-Exempt LIBOR Rate.

(b) Subject to Section 2.10 hereof, from and after a Taxable Date, each Tax-Exempt Certificate shall bear interest at the Taxable Gross-Up Rate.

(c) All computations of interest with respect to the Certificates shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue with respect to the Certificates from and including the day on which such Certificate was deemed executed and delivered, and shall not accrue with respect to such Certificate, or any portion thereof, for the day on which such Certificate or any principal portion thereof is paid. The Taxable LIBOR Rate or the Tax-Exempt LIBOR Rate, as applicable, with respect to any outstanding Certificates, shall be determined by the Administrative Agent on each Computation Date and become effective on the immediately succeeding LIBOR Reset Date for the related Interest Period; *provided* that (i) all Taxable Certificates purchased on a particular LIBOR Reset Date shall bear interest at the same Taxable LIBOR Rate, and all Tax-Exempt Certificates purchased on a particular LIBOR Reset Date shall bear interest at the same Tax-Exempt LIBOR Rate and (ii) all Taxable Certificates purchased on a date other than a LIBOR Reset Date shall bear interest at a Taxable LIBOR Rate calculated by the Administrative Agent based on the one-month LIBOR Rate in effect two (2) New York Business Days prior to such purchase to apply from the date of such purchase to the immediately succeeding LIBOR Reset Date, and all Tax-Exempt Certificates purchased on a date other than a LIBOR Reset Date shall bear interest at the Tax-Exempt LIBOR Rate calculated by the Administrative Agent based on the one-month LIBOR Rate in effect two (2) New York Business Days prior to such purchase to apply from the date of such purchase to the immediately succeeding LIBOR Reset Date.

SECTION 2.05. *Payment of Interest and Principal with respect to Certificates.* (a) (i) Accrued but unpaid interest with respect to each Certificate shall be due and payable on each Interest Payment Date. The Administrative Agent shall use commercially reasonable efforts to provide Valley Water with an invoice for such interest reasonably prior to each Interest Payment Date; *provided, however*, that a failure, delay or other act or omission by the Administrative Agent with respect to any such invoice shall not relieve Valley Water from complying with its obligations under this Agreement.

(ii) The principal amount of each outstanding Certificate is due and payable on the maturity date of such Certificate, which shall not be later than the Commitment Expiration Date.⁹

⁹ Corporation Resolution to conform.

(b) Each outstanding Certificate shall be subject to mandatory prepayment on the Mandatory Prepayment Date. All such mandatory prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due and payable at such time pursuant to this Agreement.¹⁰

(c) Subject to the Fee Letter, Section 2.08 and Section 2.11 hereof, Valley Water may cause any Certificate to be prepaid, in whole or in part, on any Business Day provided at least three (3) Business Days' prior written notice is given by Valley Water to the Administrative Agent. Each such notice shall specify the date and amount of such prepayment and the Certificates to be prepaid. Each such notice of optional prepayment shall be irrevocable and shall bind Valley Water to cause such prepayment to be made in accordance with such notice. Any prepayment of Certificates shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due and payable at such time pursuant to this Agreement.

(d) All Certificates due and owing to the Lenders and all payments and prepayments with respect to the Certificates shall be recorded by the Administrative Agent on its books and records, in accordance with its customary practice, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by Valley Water hereunder and under the Certificates; *provided* that the failure to record or any error in recording any such amount shall not limit, extinguish or in any way modify the obligation of Valley Water to pay the Certificates.

SECTION 2.06. *Term Loans.* (a) To the extent each Lender has not received an amount equal to 100% of its pro rata share of the principal amount of any Certificate as and when due on the maturity date thereof or on the Mandatory Prepayment Date, as applicable, each Lender shall be deemed to have made a term loan (a "*Term Loan*") and extended credit to Valley Water on such date (each such date, a "*Term Loan Date*") in the principal amount of such unpaid Certificate, which Term Loan shall be applied to pay the principal amount of such Certificate.

(b) Unless otherwise reimbursed in full in accordance with the terms hereof, the principal amount of each Term Loan shall be payable by Valley Water in installments payable on each related Term Loan Payment Date (each such payment, a "*Term Loan Payment*"), with the final installment in an amount equal to the entire then-outstanding principal amount of the applicable Term Loan to be reimbursed in full on the Term Loan End Date (the period commencing on the date such Term Loan was made and ending on the Term Loan End Date is herein referred to as the "*Term Loan Period*" with respect to such Term Loan); *provided, however*, that if (i) any representation or warranty contained in Article V of this Agreement is not true and correct as of the related Term Loan Date or (ii) a Default or an Event of Default has occurred and is continuing as of the related Term Loan Date, then Valley Water shall repay the full amount of the related Term Loan immediately on such date, and if Valley Water does not make such repayment on such date, such Term Loan shall bear interest at the Default Rate and be payable upon demand. Each Term Loan Payment shall be that amount of principal which will result in equal (as nearly as

¹⁰ Corporation Resolution to conform.

possible) aggregate Term Loan Payments over the applicable Term Loan Period. During any Term Loan Period, subject to Section 2.07 hereof, interest on the principal amount of the applicable Term Loan shall accrue at the applicable Term Loan Rate, be payable monthly in arrears on the first Business Day of each calendar month and be calculated on the basis of a 365 or 366 day year, as applicable, and actual days elapsed.

(c) Each Term Loan may be prepaid in whole or in part without premium or penalty, except as set forth in Section 2.09 hereof, on the day such Term Loan is made or deemed made or on any other Business Day upon one Business Day's prior written notice to the Administrative Agent.

(d) Upon the Administrative Agent's receipt of any prepayment of a Term Loan, the Administrative Agent shall credit the amount of such prepayment received first to the payment of any outstanding interest accrued on such Term Loan and second to the payment of the principal of such Term Loan. Any prepayment to be applied to principal of a Term Loan shall be applied to the remaining Term Loan Payments payable thereon in inverse order of their due date. Prepayments of Term Loans shall be applied to the outstanding Term Loans in the chronological order which they were made.

(e) All Reimbursement Obligations shall be evidenced by Valley Water's promissory notes payable to the order of the Administrative Agent, for the benefit of each respective Lender, in the principal amount of each respective Lender's Commitment, such notes to be executed by Valley Water and delivered by Valley Water to the Administrative Agent on the Closing Date in the form of Exhibit H attached hereto with appropriate insertions (together with any and all other promissory notes evidencing the Reimbursement Obligations issued from time to time hereunder, collectively, the "*Lender Notes*"). All Reimbursement Obligations due and owing to the Lenders and all payments and prepayments on the account of the principal of and interest on each Reimbursement Obligation by or on behalf of Valley Water shall be recorded by the Administrative Agent on its books and records, in accordance with its customary practice, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by Valley Water hereunder and under the Lender Notes; *provided* that the failure to record or any error in recording any such amount shall not limit, extinguish or in any way modify the obligation of Valley Water to repay the Reimbursement Obligations. Valley Water shall pay principal and interest on the Lender Notes on the dates, in the amounts, and at the rates provided for in Section 2.06(b) hereof. In the event any Term Loan or a Certificate with the related obligation to make a Term Loan with respect thereto, or, in each case, any portion thereof, is assigned to a subsequent Holder pursuant to the terms hereof, upon the request of the Administrative Agent or such subsequent Holder, Valley Water shall deliver a promissory note payable to the order of such Holder in the principal amount of such Holder's Term Loans or Certificate, as applicable, in the form of Exhibit H attached hereto with appropriate insertions and adjustments as directed by the Administrative Agent.

SECTION 2.07. *General Interest Rate and Payment Provisions.*

(a) Notwithstanding anything herein to the contrary, (i) upon the occurrence and during the continuance of an Event of Default, all Obligations shall bear interest at the Default Rate, and (ii) if the principal amount of any Obligation is not paid when due, such Obligation shall bear interest

until paid in full at a rate per annum equal to the Default Rate. Interest that has accrued at the Default Rate shall be payable by Valley Water to the Administrative Agent upon demand therefor and be calculated on the basis of a 365- or 366-day year, as applicable, and actual days elapsed. Interest shall be payable for the day a Certificate is purchased or Term Loan is made but not for the day a Certificate is deemed purchased on the amount paid if payment is received before _____ [a.m. / p.m.] (San Francisco time).

(b) Interest with respect to Obligations bearing interest at the Term Loan Rate or the Default Rate shall be determined and reset each day. Each determination by the Administrative Agent of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

(c) If the payment date for the principal of or interest with respect to a Certificate or a Term Loan is a day other than a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended period of time shall be included in the computation of interest; *provided, however*, the payment of interest with respect to a Certificate or a Term Loan on such extended date shall have the same force and effect as if made on the original payment date.

SECTION 2.08. *Commitment Fee; Fee Letter.* (a) *Commitment Fee.* Valley Water agrees to pay to the Administrative Agent, for the ratable benefit of the Lenders, a nonrefundable annual commitment fee (the “*Commitment Fee*”) equal to a rate per annum equal to the Commitment Fee Rate (computed on the basis of a year of 360 days and the actual number of days elapsed) multiplied by the daily Available Commitment. The Commitment Fee shall be payable quarterly in arrears on the first Business Day of each January, April, July and October of each calendar year (beginning on the first such date to occur after the Closing Date) and on the Termination Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement.

(b) *Fee Letter.* Valley Water hereby agrees to pay, or cause to be paid, to the Administrative Agent, its own account, those fees set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein.

SECTION 2.09. *Reduction and Termination.* (a) The Available Commitment shall be permanently reduced from time to time as requested by Valley Water within three (3) days of Valley Water’s written notice to the Administrative Agent requesting such reduction in the form of Exhibit C hereto; *provided*, that (i) each such reduction amount shall be in an amount equal to \$1,000,000 or an integral multiple of \$100,000 in excess thereof, (ii) any reduction in the Available Commitment shall not be effective until the Administrative Agent delivers to Valley Water a notice in the form attached hereto as Exhibit D reflecting such reduction, and (iii) at no time shall the outstanding principal amount of Certificates and Term Loans exceed the Available Commitment from time to time in effect.

(b) Valley Water may at any time and at its sole option terminate the Commitment upon three (3) Business Days’ prior written notice to the Administrative Agent in the form of Exhibit C hereto. As a condition to any such termination, Valley Water shall pay or cause to be

paid all Obligations to the Administrative Agent, including but not limited to any fees or obligations under the Fee Letter.

(c) Valley Water shall be required, upon any reduction or termination of the Available Commitment prior to the first anniversary of the Closing Date, to pay the Administrative Agent, for the ratable benefit of the Lenders, a fee (“*Commitment Reduction Fee*”) equal to the greater of zero, or that amount, calculated on any date of such reduction through the first anniversary of the Closing Date, which is derived by multiplying: (a) the amount of the reduction of the Available Commitment (or terminated Available Commitment), *times* (b) the Commitment Fee Rate in effect on the date of such reduction or termination, *times* (c) a fraction, the numerator of which is the number of days from and including the date of such reduction or termination to and including the first anniversary of the Closing Date, and the denominator of which is 360; *provided, however*, that the Commitment Reduction Fee shall not in any event violate any applicable law; *provided further* that no Commitment Reduction Fee shall be required if such reduction or termination arises after (i) the implementation of a Benchmark Replacement with respect to which Valley Water has provided written notice of its objection to such Benchmark Replacement (with a reasonably detailed explanation thereof) to the Administrative Agent, and Valley Water has made a good faith effort to resolve such object to the mutual satisfaction of Valley Water and the Administrative Agent, or (ii) the Administrative Agent shall have invoked and Valley Water shall have paid any amounts with respect to increased costs arising under Section 3.02 hereof.

(d) Valley Water hereby acknowledges that Valley Water shall be required to pay the Commitment Reduction Fee with respect to any reduction or termination of the Available Commitment before the first anniversary of the Closing Date, whether voluntarily, involuntarily, or otherwise, including without limitation any principal payment made following default, demand for payment, acceleration, collection proceedings, foreclosure, sale or other disposition of collateral, bankruptcy or other insolvency proceedings, eminent domain, condemnation, application of insurance proceeds or otherwise. Such Commitment Reduction Fee shall at all times be an Obligation as well as an undertaking by Valley Water to the Lenders whether arising out of acceleration or a voluntary or mandated reduction.

SECTION 2.10. *Taxability.* (a) In the event a Taxable Date occurs, to the extent not paid to the Lenders and each other Holder pursuant to Section 2.04(b) hereof, Valley Water hereby agrees to cause to be paid to each Lender or the Holder of a Tax-Exempt Certificate on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Lender or the Holder of the Tax-Exempt Certificate, as applicable, with respect to any Tax-Exempt Certificate during the period for which interest with respect such Tax-Exempt Certificate is includable in the gross income of such Lender or the Holder of the Tax-Exempt Certificate, if such Tax-Exempt Certificate had borne interest at the Taxable Gross-Up Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to such Lender or the Holder of the Tax-Exempt Certificate, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Lender or a Holder of the Tax-Exempt Certificate, as applicable, as a result of interest with respect to the Tax-Exempt Certificates becoming includable in the gross income of such Lender or such Holder of the Tax-Exempt Certificate, as applicable, together with any and all reasonable attorneys’ fees,

court costs, or other out-of-pocket costs incurred by such Lender or such Holder of the Tax-Exempt Certificate, as applicable, in connection therewith.

(b) The obligations of Valley Water under this Section 2.10 shall survive the termination of the Available Commitment and this Agreement.

SECTION 2.11. *Funding Indemnity.* In the event that any Lender shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by such Lender to purchase or hold the Certificates or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lenders) as a result of any repayment of the Certificates (including, without limitation, Certificates that are deemed to be paid with the proceeds of a Term Loan) on a date other than a LIBOR Reset Date, for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement or any other Related Document, then upon the demand of the Administrative Agent or such Lender, Valley Water shall pay to the Administrative Agent for such Lender a fee in such amount as will reimburse such Lender for such loss, cost, or expense. If the Administrative Agent or the applicable Lender requests such fee, it shall provide to Valley Water a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such fee in reasonable detail and such certificate shall be conclusive if reasonably determined. Without prejudice to the survival of any other agreement of Valley Water hereunder, the agreements and obligations of Valley Water contained in this Section shall survive the termination of the Available Commitment and this Agreement and the payment in full of the Certificates and all other Obligations of Valley Water.

SECTION 2.12. *Extension of Commitment Expiration Date.* To the extent authorized under Valley Water Authorizing Resolution, Valley Water may request an extension of the Commitment Expiration Date in writing in the form of Exhibit B hereto not more than one (1) year prior to the then current Commitment Expiration Date and not less than 120 days prior to the then current Commitment Expiration Date. The Administrative Agent will make reasonable efforts to consult with the Lenders and respond to such request within sixty (60) days after receipt of all information necessary, in the Administrative Agent's judgment, to permit the Lenders to make an informed credit decision. If the Administrative Agent fails to definitively respond to such request within such 60-day period, the Lenders shall be deemed to have refused to grant the extension requested. The Lenders may, in their sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless each Lender shall have consented thereto in writing in the form of Exhibit E hereto or otherwise. The Lenders' consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Administrative Agent and the extending Lenders (which may include, but shall not be limited to the delivery of an Approving Opinion to the Lenders).

SECTION 2.13. *Security.* The Tax-Exempt Certificates represent undivided ownership interests in the Tax-Exempt TRANs, and the Taxable Certificates represent undivided ownership interests in the Taxable TRANs. [Payments made with respect to the TRANs shall be

assigned by the Corporation to the Trustee for the benefit of Holders of the Certificates.]¹¹ The obligation of Valley Water to make payments on the TRANs shall be a general obligation of Valley Water. In addition, pursuant to the TRANs Resolution, Valley Water has pledged Net Water Utility System Revenues of Valley Water on a subordinate basis to the payment of all Parity Obligations to additionally secure the payment of the principal of and interest on the TRANs in accordance with the Parity Master Resolution. Additionally, Valley Water hereby pledges its Net Water Utility System Revenues, the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, and all amounts on deposit in the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, to the payment of all Obligations of Valley Water and the Corporation hereunder (including, without limitation, Reimbursement Obligations), subordinate only to Senior Lien Obligations and to Parity Obligations. The Senior Lien Obligations and the Parity Obligations are the only Debt that is secured by and/or payable from Net Water Utility System Revenues on a basis senior to the TRANs and the Obligations.

The parties hereto acknowledge that Valley Water has pledged all Net Water Utility System Revenues, the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, and all amounts on deposit in the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, to the payment of all obligations of Valley Water and the Corporation to MUFG Union Bank, N.A., as the Series AB Bank (as defined in the Corporation Resolution) under the Series AB Reimbursement Agreement (as defined in the Corporation Resolution), subordinate only to Senior Lien Obligations and to Parity Obligations (the “*Series AB Bank Pledge*”).

SECTION 2.14. *Availability of LIBOR Rate; Adequacy of Interest Rate.*

(a) Notwithstanding anything to the contrary in this Agreement or any other Related Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent that the Required Lenders have determined, that:

(i) deposits of a type and maturity appropriate to match fund the Certificates are not available to such Lenders in the relevant market, or

(ii) the interest rate applicable to Certificates for any requested Interest Period is not ascertainable or available (including, without limitation, because the applicable Reuters Screen (or on any successor or substitute page on such screen) is unavailable) or does not adequately and fairly reflect the cost of making or maintaining the Certificates,

then the Administrative Agent shall suspend the availability of the LIBOR Rate and require any affected Certificates to be repaid or converted to Certificates bearing interest at the Base Rate (*provided* that if the Base Rate is applied pursuant to this clause (a), the Base Rate shall be determined exclusive of clause (iii) of the definition of Base Rate), subject to the payment of any funding indemnification amounts required by Section 2.11.

¹¹ Corporation Resolution to conform.

(b) Notwithstanding the foregoing or anything to the contrary in this Agreement or any other Related Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent (with a copy to Valley Water) that the Required Lenders have determined, that any one or more of the following (each, a “*Benchmark Transition Event*”) has occurred:

(i) the circumstances set forth in Section 2.14(a)(ii) have arisen (including, without limitation, a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR described in clause (ii) of this Section 2.14(b) announcing that LIBOR is no longer representative) and such circumstances are unlikely to be temporary,

(ii) ICE Benchmark Administration (or any Person that has taken over the administration of LIBOR for deposits in Dollars that is acceptable to the Administrative Agent) discontinues its administration and publication of LIBOR for deposits in Dollars,

(iii) a public statement or publication of information by or on behalf of the administrator of LIBOR described in clause (ii) of this Section 2.14(b) announcing that such administrator has ceased or will cease as of a specific date to provide LIBOR (permanently or indefinitely); *provided* that, at the time of such statement, there is no successor administrator that is acceptable to the Administrative Agent that will continue to provide LIBOR after such specified date,

(iv) a public statement by the supervisor for the administrator of LIBOR described in clause (ii) of this Section 2.14(b), the U.S. Federal Reserve System, an insolvency official with jurisdiction over such administrator for LIBOR, a resolution authority with jurisdiction over such administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over such administrator for LIBOR, which states that such administrator of LIBOR has ceased or will cease as of a specific date to provide LIBOR (permanently or indefinitely); *provided* that, at the time of such statement or publication, there is no successor administrator that is acceptable to the Administrative Agent that will continue to provide LIBOR after such specified date; or

(v) syndicated credit facilities reasonably comparable to the credit facilities under this Agreement being executed at such time, or that include language substantially similar to that contained in this Section 2.14(b), are being executed or amended, as the case may be, to incorporate or adopt a new benchmark interest rate to replace LIBOR for deposits in Dollars or in the applicable Agreed Currency,

then the Administrative Agent and Valley Water may amend this Agreement to replace the LIBOR Rate with a Benchmark Replacement. Notwithstanding anything to the contrary in Section 10.01 hereof, any such amendment with respect to a Benchmark Transition Event (A) pursuant to any of clauses (i) through (iv) of this Section 2.14(b) will become effective without any further action or consent of any other party to this Agreement at 5:00 p.m. (San Francisco time) on the fifth Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and Valley Water so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders or (B) pursuant to clause (v) of this Section 2.14(b), will become effective without any further action or consent of any other party to this Agreement on the date that Lenders

comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment; *provided* that, if the notice of a Benchmark Trigger Event pursuant to clause (v) has been provided by the Required Lenders and not the Administrative Agent and such notice specifies the Benchmark Replacement, then the Lenders comprising the Required Lenders shall be deemed to have accepted such amendment on the date such amendment has been posted by the Administrative Agent to all Lenders. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 2.14(b) will occur prior to the date set forth in the applicable amendment.

In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Administrative Agent will promptly notify Valley Water and the Lenders of (1) any occurrence of a Benchmark Transition Event (other than pursuant to clause (v) of this Section 2.14(b)), (2) the implementation of any Benchmark Replacement, (3) the effectiveness of any Benchmark Replacement Conforming Changes and (4) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.14(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14(b).

(c) Upon notice to Valley Water by the Administrative Agent in accordance with Section 10.02 of the commencement of a Benchmark Unavailability Period and until a Benchmark Replacement is determined in accordance with this Section 2.14(b), any Request to Purchase a Certificate pursuant to Section 2.03 may be revoked by Valley Water and if not revoked such Certificate shall bear interest at the Base Rate (*provided* that if the Base Rate is applied pursuant to this clause (c), the Base Rate shall be determined exclusive of clause (iii) of the definition of Base Rate).

SECTION 2.15. *Notification of Purchase of Certificates; Interest Rates, Prepayments and Commitment Reductions.* Promptly after receipt thereof, the Administrative Agent shall notify each Lender of the contents of each Available Commitment reduction notice and Request for Purchase received by it hereunder. The Administrative Agent shall notify each Lender of the interest rate applicable to each Certificate and each Term Loan promptly upon determination of such interest rate and shall give each Lender prompt notice of each change in the LIBOR Rate and Base Rate, as applicable.

SECTION 2.16. *Non-Receipt of Funds by the Administrative Agent.* Unless Valley Water or a Lender notifies the Administrative Agent before the date on which it is scheduled to make payment to the Administrative Agent of (a) in the case of a Lender, the proceeds for the

purchase of a Certificate, or (b) in the case of Valley Water, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but is not obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or Valley Water, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Rate for such day for the first three days and, thereafter, the interest rate applicable to the relevant Certificate or (y) in the case of payment by Valley Water, the interest rate applicable to the relevant Certificate.

SECTION 2.17. *Sharing of Payments.* (a) If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains payment in respect of any principal of or interest on any of its Certificates, Term Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Certificates, Term Loans or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (x) notify the Administrative Agent of such fact, and (y) purchase (for cash at face value) participations in the Certificates, Term Loans and such other obligations from the other Lenders, or make such other adjustments as are equitable, so that the benefit of all such payments is shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Certificates, Term Loans and other amounts owing them; *provided that*:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.17 shall not be construed to apply to (A) any payment made by Valley Water pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Certificates or Term Loans to any assignee or participant, other than to Valley Water (as to which the provisions of this Section 2.17 shall apply).

(b) Valley Water consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Valley Water rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Valley Water in the amount of such participation.

SECTION 2.18. *Defaulting Lenders.* (a) *Defaulting Lender Adjustments.* Notwithstanding anything to the contrary in this Agreement, if any Lender becomes a Defaulting

Lender, then, until such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 10.01(b).

(ii) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as Valley Water may request (so long as no Default or Event of Default exists), to the purchase of any Certificate in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and Valley Water, to be held in a deposit account and released pro rata to satisfy such Defaulting Lender's potential future purchase obligations with respect to Certificates under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to Valley Water as a result of any judgment of a court of competent jurisdiction obtained by Valley Water against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; sixth, if so determined by the Administrative Agent, distributed to the Lenders other than the Defaulting Lender until the ratio of the Available Commitment of such Lenders to the total Available Commitment equals such ratio immediately prior to the Defaulting Lender's failure to purchase any amount of any Certificate; and seventh, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the purchase price of any Certificate in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Certificates were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to repay all Non-Defaulting Lenders on a pro rata basis prior to being applied to repay any principal obligations owing to such Defaulting Lender until such time as all Certificates and Term Loans are held by the Lenders pro rata in accordance with their Commitments without giving effect to Section 2.18(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.18(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.* No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and

Valley Water shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) *Defaulting Lender Cure.* If Valley Water and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Certificates or Term Loans, as applicable, of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Certificates or Term Loans, as applicable, to be held pro rata by the Lenders in accordance with their Commitments), whereupon such Lender will cease to be a Defaulting Lender; *provided* that (i) no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Valley Water while that Lender was a Defaulting Lender; and (ii) except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 2.19. *Incremental Commitments .*

(a) *Request for Increase.* Valley Water may, by written notice to the Administrative Agent (who shall promptly notify the Lenders), request an increase in the Available Commitment (each such increase, an "*Incremental Commitment*") in an aggregate amount (for all such requests) not exceeding \$30,000,000; *provided* that (i) any such request shall be in a minimum amount of the lesser of (x) \$1,000,000 (or such lesser amount as may be approved by the Administrative Agent) and (y) the entire remaining amount of increases available under this Section 2.19 and (ii) Valley Water shall make no more than a total of two (2) requests for Incremental Commitments under this Section 2.19.

(b) *Incremental Lenders.* An Incremental Commitment may be provided by any existing Lender or other Person that is a Lender Transferee or a Non-Lender Transferee or a **[Community Bank as defined in [Policy]]** (each such Person that agrees to provide an Incremental Commitment an "*Incremental Lender*"); *provided* that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Administrative Agent. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to provide an Incremental Commitment, and any election to do so shall be in the sole discretion of such Lender.

(c) *Incremental Effective Date.* The Administrative Agent and Valley Water shall determine the effective date for each Incremental Commitment pursuant to this Section 2.19 (an "*Incremental Effective Date*") and, if applicable, the final allocation of such Incremental Commitment among the Persons providing it, which date shall be a Business Day at least 10 Business Days after delivery of the request pursuant to Section 2.19(a) (unless otherwise approved by the Administrative Agent) and at least 30 days before the Commitment Expiration Date.

(d) *Conditions to Effectiveness.* Notwithstanding the foregoing, no Incremental Commitments shall be effective with respect to any Incremental Lender unless:

(i) no Default or Event of Default has occurred and is continuing on the Incremental Effective Date and after giving effect to such Incremental Commitment;

(ii) the representations and warranties in this Agreement are true and correct on and as of the Incremental Effective Date and after giving effect to such increase, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii) the Administrative Agent has received the documents required pursuant to Section 2.19(e); and

(iv) the Administrative Agent has received such legal opinions and other documents reasonably requested by the Administrative Agent in connection therewith.

As of such Incremental Effective Date, upon the satisfaction of the foregoing conditions, the Administrative Agent shall record the information about the applicable Incremental Commitment in its ledger as registrar of the Master Certificates and give prompt notice thereof to Valley Water and the Lenders (including each Incremental Lender).

(e) *Terms of Incremental Commitments.*

(i) *Joinder.* Valley Water, the applicable Incremental Lender(s) and the Administrative Agent (but no other Lenders or Persons) shall enter into one or more joinder agreements, each in form and substance satisfactory to Valley Water and the Administrative Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s). Effective as of the applicable Incremental Effective Date, subject to the terms and conditions set forth in this Section 2.19, each Incremental Commitment shall be part of the Available Commitment (and not a separate facility hereunder), each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and the deemed purchases of Certificates made by it on such Incremental Commitment Effective Date pursuant to Section 2.19(e)(ii) shall be Certificates, for all purposes of this Agreement. For the avoidance of doubt, except as otherwise expressly set forth herein, all terms and conditions applicable to the Incremental Commitment shall be identical to the terms and conditions applicable to the existing Available Commitment.

(ii) *Adjustments to Certificates Outstanding.* Upon the Incremental Effective Date for each Incremental Commitment, if there are purchased Certificates then outstanding hereunder, Valley Water shall prepay such Certificates (and pay any additional amounts required pursuant to Section 2.11 in connection therewith), and request the purchase of Certificates by the Incremental Lender(s), so that, after giving effect to such prepayments and borrowings, all purchased Certificates will be held ratably by the Lenders (including the Incremental Lender(s)) in accordance with their Available Percentage of the Available Commitment after giving effect to the applicable Incremental Commitment(s).

(f) This Section 2.19 supersedes any provision in 10.01(a) to the contrary.

ARTICLE III

TAXES AND YIELD PROTECTION AND ILLEGALITY

SECTION 3.01. *Net of Taxes, Etc.* (a) Any and all payments to any Lender or any Holder by Valley Water or the Corporation hereunder or with respect to the Certificates or any Term Loans shall be made free and clear of and without deduction or withholding for any Taxes, except as required by applicable Law. If Valley Water or the Corporation shall be required by law to deduct or withhold any Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Certificates or any Term Loans and, if such Tax is an Indemnified Tax or Other Tax, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) such Lender or such Holder receives an amount equal to the sum it would have received had no such deductions been made, (ii) Valley Water or the Corporation, as applicable, shall make such deductions and (iii) Valley Water or the Corporation, as applicable, shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If Valley Water or the Corporation shall make any payment under this Section to or for the benefit of such Lender or such Holder with respect to Indemnified Taxes and if such Lender or such Holder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by such Lender or such Holder to any taxing jurisdiction in the United States of America then such Lender or such Holder shall pay to Valley Water or the Corporation, as applicable, an amount equal to the amount by which such other taxes are actually reduced or refunded, net of all reasonable out-of-pocket expenses (including Taxes) of such Lender or such Holder and without interest (other than any interest paid by the relevant Governmental Authority with respect to such reduction or refund); *provided*, that the aggregate amount payable by such Lender or such Holder pursuant to this sentence shall not exceed the aggregate amount previously paid by Valley Water or the Corporation, as applicable, with respect to such Indemnified Taxes. In addition, Valley Water agrees to pay timely any present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Certificates or from the execution or delivery of this Agreement or the Certificates, or from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or the Certificates (hereinafter referred to as “*Other Taxes*”). Such Lender or such Holder shall provide to Valley Water within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by Valley Water to such Lender or such Holder hereunder; *provided*, that such Lender or such Holder’s failure to send such notice shall not relieve Valley Water of its obligation to pay such amounts hereunder.

(b) Valley Water shall, to the fullest extent permitted by law and subject to the provisions hereof, pay such Lender or such Holder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by such Lender or such Holder or any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that Valley Water shall not be obligated to pay such Lender or such Holder for any penalties, interest

or expenses relating to Indemnified Taxes or Other Taxes arising from such Lender's or such Holder's gross negligence or willful misconduct. Such Lender or such Holder agrees to give notice to Valley Water of the assertion of any claim against such Lender or such Holder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that such Lender or such Holder's failure to notify Valley Water promptly of such assertion shall not relieve Valley Water of its obligation under this Section. Payments by Valley Water pursuant to this Section shall be made within thirty (30) days from the date such Lender or such Holder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. Such Lender or such Holder agrees to repay to Valley Water any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by Valley Water pursuant to this Section received by such Lender or such Holder for Indemnified Taxes or Other Taxes that were paid by Valley Water pursuant to this Section.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by Valley Water, Valley Water shall furnish to such Lender or such Holder, as applicable, the original or a certified copy of a receipt evidencing payment thereof.

(d) Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Valley Water has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of Valley Water to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d)(ii) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Related Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Related Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 3.01(d).

(d) Without prejudice to the survival of any other agreement of Valley Water or any Lender hereunder, the agreements and obligations of Valley Water, the Corporation and the Lenders contained in this Section shall survive the termination of this Agreement and the payment in full of the Obligations.

SECTION 3.02. *Increased Costs.* (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender or any other Holder (except any reserve requirement reflected in the LIBOR Rate);

(ii) subject any Lender or any Holder to any Taxes of any kind whatsoever with respect to this Agreement or the Certificates, or change the basis of taxation of payments to such Lender or such Holder in respect thereof (except for Indemnified Taxes covered by Section 3.01 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by such Lender or such Holder); or

(iii) impose on any Lender or any Holder any other condition, cost or expense affecting this Agreement or the Certificates;

and the result of any of the foregoing shall be to increase the cost to such Lender or such Holder of owning the Certificates or maintaining a Term Loan (or of maintaining its obligation to purchase the Certificates or make a Term Loan), or to reduce the amount of any sum received or receivable by such Lender or such Holder hereunder or under the Certificates (whether of principal, interest or any other amount) then, upon written request of such Lender or such Holder as set forth in subsection (c) below, Valley Water shall promptly pay to such Lender or such Holder, as the case may be, such additional amount or amounts as will compensate such Lender or such Holder, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If such Lender or any Holder determines that any Change in Law affecting such Lender or such Holder or the such Lender's or such Holder's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or such Holder's capital or liquidity or the capital or liquidity of such Lender's or such Holder's parent or holding company holding, if any, as a consequence of this Agreement, or ownership of the Certificates or making of Term Loans, to a level below that which such Lender or such Holder or such Lender's or such Holder's parent or holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Holder's policies and the policies of such Lender's or such Holder's parent or holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender or such Holder as set forth in subsection (c) below, Valley Water shall promptly pay to such Lender or such Holder, as the case may be, such additional amount or amounts as will compensate such Lender or such Holder or such Lender's or such Holder's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of any Lender or any Holder setting forth the amount or amounts necessary to compensate any such Lender or any such Holder or such Lender's or any such Holder's parent or holding company, as the case may be, as specified in subsection (a) or (b) above and delivered to Valley Water, shall be conclusive absent manifest error. Valley Water shall pay such Lender or any such Holder, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof. Failure or delay on the part of any Lender or Holder to demand compensation pursuant to Section 3.01 shall not constitute a waiver of such Lender's or Holder's right to demand such compensation; *provided* that Valley Water shall not be required to compensate a Lender or Holder pursuant to Section 3.01 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or Holder notifies Valley Water of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive,

then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(d) *Participants and Holders.* Each Participant will be entitled to the benefits of Section 3.01 and this Section 3.02 to the same extent as the applicable Lender or applicable Holder. Notwithstanding anything in Section 3.01 or this Section 3.02 to the contrary, in no event shall Valley Water be required to pay to any Participant or any Holder other than a Lender any increased cost or amount for taxes under Section 3.01 or this Section 3.02 in excess of the amount Valley Water would have paid to such Lender if such Lender had not entered into a participation with such Participant or made an assignment to such Holder, as applicable.

SECTION 3.03. *Margin Regulations.* No portion of the proceeds of any Purchase shall be used by Valley Water (or the Trustee, the Paying Agent or any other Person on behalf of Valley Water) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Purchases, and such use of proceeds.

SECTION 3.04. *Maximum Rate; Payment of Fee.* If the rate of interest payable on or with respect to the Certificates, any Term Loans, or any other Obligations hereunder shall exceed the applicable Maximum Rate for any period for which interest is payable, then (i) interest at such Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such Maximum Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such Maximum Rate, at which time Valley Water shall pay or cause to be paid to the Administrative Agent for the ratable benefit of each Lender, with respect to amounts then payable to the Lenders that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Lenders to equal such Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Lenders. Upon the termination of this Agreement, in consideration for any limitation of the rate of interest which may otherwise be payable on the Certificates, any Term Loans, or other Obligations hereunder, Valley Water shall pay or cause to be paid to the Administrative Agent for the ratable benefit of the Lenders a fee equal to the amount of all unpaid deferred Excess Interest (the “*Excess Interest Fee*”). In accordance with Section 5922 of the California Government Code, Valley Water hereby represents and warrants that the obligations of Valley Water under any Term Loans, Reimbursement Obligations and all other Obligations (other than the Certificates) hereunder are not subject to any limitation as to maximum interest rate.

SECTION 3.05. *Illegality.* If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, or fund Certificates whose interest is determined by reference to the LIBOR Rate, or to determine or charge interest rates based upon the LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such

Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon notice thereof by such Lender to Valley Water (through the Administrative Agent), any obligation of such Lender to purchase additional Certificates shall be suspended until such Lender notifies the Administrative Agent and Valley Water that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, Valley Water shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert the rate of interest on each Certificate of such Lender to bear interest at the Base Rate (*provided* that if the Base Rate is applied pursuant to this Section 3.05, the Base Rate shall be determined exclusive of clause (iii) of the definition of Base Rate), either on the last day of the Interest Period therefor, if such Lender can lawfully continue to maintain such interest rate to such day, or immediately, if such Lender cannot lawfully continue to maintain such interest rate. Upon any such prepayment or conversion, Valley Water shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.11 hereof.

SECTION 3.06. *Survival.* All of Valley Water's obligations under this Article III shall survive the termination of the Available Commitment and repayment of all Obligations hereunder.

ARTICLE IV

CONDITIONS PRECEDENT¹²

SECTION 4.01. *Conditions Precedent to Effectiveness.* As conditions precedent to the obligation of the Lenders to enter into this Agreement and to agree to purchase Certificates, Valley Water or the Corporation, as the case may be, shall provide to the Administrative Agent on the Closing Date, each in form and substance satisfactory to the Administrative Agent and the Administrative Agent's counsel, Chapman and Cutler LLP (hereinafter, "*Agent Counsel*"):

(a) *Documents and Approvals.* The Administrative Agent shall have received a copy of this Agreement executed by Valley Water, the Corporation and the Lenders, a copy of each executed Lender Note by Valley Water in favor of each Lender, a copy of the Fee Letter executed by each party thereto, and copies of all action taken by Valley Water and the Corporation approving the execution and delivery by Valley Water and the Corporation of this Agreement and the other Related Documents to which it is a party, in each case certified by an authorized official of Valley Water or the Corporation, as applicable, as complete and correct as of the date hereof.

(b) *Incumbency.* The Administrative Agent shall have received an incumbency certificate of (a) Valley Water in respect of each official who is authorized to sign this Agreement and the other Related Documents to which it is a party and take actions for Valley Water under this Agreement and the other Related Documents to which it is a party and (b) the Corporation in respect of each official who is authorized to sign this Agreement and the other Related Documents to which it is a party and take actions for the Corporation under this Agreement and the other Related Documents to which it is a party.

¹² Subject to ongoing diligence.

(c) *Opinion of Bond Counsel.* (i) The Administrative Agent shall have received a written opinion of Bond Counsel, addressed to the Administrative Agent and the Lenders, dated the Closing Date and in form and substance satisfactory to the Administrative Agent and Agent Counsel to the effect that (A) this Agreement, the Fee Letter, and the Lender Note have been duly authorized, executed and delivered by Valley Water and are the valid and binding obligations of Valley Water enforceable in accordance with their respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to Valley Water and equitable principles relating to or affecting creditors' rights generally from time to time; (B) the execution and delivery by Valley Water of this Agreement, the Fee Letter, and, the Lender Notes, does not violate the constitution or laws of the State or conflict with the terms and provisions of any Related Document; (C) Valley Water has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery and performance by Valley Water of this Agreement, the Fee Letter, and the Lender Notes; (D) this Agreement has been duly authorized, executed and delivered by the Corporation and is the valid and binding obligation of the Corporation enforceable in accordance with its terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the Corporation and equitable principles relating to or affecting creditors' rights generally from time to time; (E) the execution and delivery by the Corporation of this Agreement, does not violate the constitution or laws of the State; and (F) the Corporation has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery and performance by the Corporation of this Agreement; and (ii) the Administrative Agent shall have received a written opinion of Bond Counsel, addressed to the Administrative Agent, the Lenders and their successors and assigns, dated the Closing Date and in form and substance satisfactory to the Administrative Agent and Agent Counsel to the effect that the interest with respect to the Tax-Exempt Certificates purchased by the Lenders from time to time as provided for herein is excludable from gross income for federal and California state income tax purposes, and including an acknowledgement that the Lenders will rely on such opinion in connection with each Purchase of Tax-Exempt Certificates unless it receives a notice described in Section 4.02(g) below.

(d) *Opinion of Counsel to Valley Water and the Corporation.* The Administrative Agent shall have received written opinions of counsel to Valley Water and counsel to the Corporation, each addressed to the Administrative Agent and the Lenders, dated the Closing Date and in the form and substance satisfactory to the Administrative Agent and Agent Counsel.

(e) *Governmental Approvals.* The Administrative Agent shall have received true and correct copies of all Governmental Approvals, if any, necessary for Valley Water or the Corporation, as applicable, to execute, deliver and perform the Related Documents to which it is a party and to authorize Valley Water to induce the issuance of the Certificates.

(f) *Trustee.* Certificates of the Trustee evidencing the signatures and offices of officers of each executing the Related Documents, and with respect to such other matters as the Administrative Agent may reasonably request, and an opinion of counsel to the Trustee, in form

and substance satisfactory to the Administrative Agent and its counsel, and addressed to the Lenders and their successors and assigns.

(g) *Related Documents.* The Administrative Agent shall have received a copies of the Parity Master Resolution and each amendment or supplement thereto, the Issuing and Paying Agent Agreement, the Corporation Resolution and the other Related Documents in form and substance satisfactory to the Administrative Agent, all to the extent requested by the Administrative Agent, certified by an authorized officer of Valley Water or the Corporation, as applicable, as being in full force and effect.

(h) *No Default, Etc.* (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution, delivery, and performance by Valley Water and the Corporation of this Agreement or any Related Document to which Valley Water or the Corporation is a party, (ii) the representations and warranties made by Valley Water and the Corporation in Article V hereof shall be true and correct in all material respects (or in all respects to the extent qualified by materiality or similar concepts) on and as of the Closing Date, as if made on and as of such date, (iii) all conditions precedent to the effectiveness of the Agreement set forth in this Section 4.01 have been satisfied and (iv) the Administrative Agent shall have received certificates, given and made as of the Closing Date, from each of Valley Water and the Corporation to the foregoing effect.

(i) *Financial Information.* The Administrative Agent shall have received certified copies of the Investment Policy of Valley Water, the projected operating budget and financial statements of Valley Water for three years beyond the Closing Date, including debt issuance levels and rate projections, the audited financial statements for Valley Water for the fiscal year ended June 30, 2019.

(j) *Fees, Etc.* The Administrative Agent shall have received payment of, or provision satisfactory to the Administrative Agent shall have been made for the payment of, the fees, costs and expenses set forth herein and in the Fee Letter that are payable on the Closing Date (including without limitation, payment of the fees and expenses of the Administrative Agent's counsel).

(k) *Legality; Material Adverse Change.* The Administrative Agent shall have determined (in its sole discretion) that (i) neither the purchase of any Certificate nor the consummation of any of the transactions contemplated by this Agreement or the other Related Documents will violate any law, rule, guideline or regulation applicable to Valley Water, the Corporation, the Lenders or this Agreement, (ii) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of Valley Water shall have occurred since June 30, 2019, (iii) Valley Water has not received notice from the Rating Agencies that the long-term unenhanced ratings of the Parity Obligations have been withdrawn, reduced or suspended for credit-related reasons since the dated date of the rating documentation provided pursuant to paragraph (1) below and (iv) there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Related Document.

(l) *Ratings.* The Administrative Agent shall have received satisfactory evidence that Moody's and Fitch shall have assigned an underlying rating of "Aa1" and "AA+," respectively, on the long-term, unenhanced Parity Obligations of Valley Water.

(m) *Reserved.*

(n) *Other Documents.* The Administrative Agent shall have received such other documents, certificates, and opinions as the Administrative Agent and Agent Counsel shall have reasonably requested.

(o) *Certificates.* Each of the Master Certificates shall be executed and delivered in physical certificated form and registered in the name of the Administrative Agent.

SECTION 4.02. *Conditions Precedent Purchases.* The obligation of the Lenders to Purchase each Certificate is subject to the satisfaction of the following conditions precedent on each applicable Purchase Date:

- (a) no Default or Event of Default shall have occurred and be continuing;
- (b) The representations and warranties of Valley Water set forth in Section 5.01 hereof shall be true and correct on and as of such date, as if made on such date;
- (c) the representations and warranties of the Corporation set forth in Section 5.02 hereof shall be true and correct on and as of such date, as if made on such date;
- (d) the Administrative Agent shall have received a Request for Purchase as required under, and in strict conformity with, Section 2.03 hereof;
- (e) the TRAN that such Certificate relates to shall be issued and outstanding;
- (f) the principal amount of such Certificate does not exceed the Available Commitment as of such Purchase Date; and
- (g) with respect to the Purchase of a Tax-Exempt Certificate only, neither Valley Water nor the Administrative Agent shall have received written notice from Bond Counsel that the approving opinion delivered pursuant to Section 4.01(c)(ii) hereof may no longer be relied upon.

Unless Valley Water shall have previously advised the Administrative Agent in writing that (i) any or all of the representations and warranties contained in Article V of this Agreement are not true and correct in all material respects as of such Purchase Date or (ii) any event has occurred and is continuing, or would result from any Lender purchasing such Certificate, which constitutes a Default or Event of Default, then Valley Water shall be deemed to have represented and warranted on Purchase Date that (x) the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such date, (y) no event has occurred and is continuing, or would result from such Lender purchasing such Certificate, which

constitutes a Default or Event of Default, and (z) the conditions precedent set forth in the foregoing clauses (a) through (g), excluding clause (d), are satisfied on the date of such Purchase Date.

SECTION 4.03. *No Certificate Rating; DTC; Offering Document.* The parties hereto acknowledge that the Certificates shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent, (v) assigned a CUSIP number or (vi) posted directly by the Administrative Agent or any Lender to EMMA.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

SECTION 5.01. *Representations of Valley Water.* In order to induce the Lenders to enter into this Agreement, Valley Water hereby represents and warrants to each Lender, as follows:

(a) *Organization and Authorization.* Valley Water is a flood control and water district duly organized and validly existing under the Constitution and laws of the State.

(b) *Authority to Adopt or Execute Documents.* Valley Water had, as of the date of adoption thereof, full power and authority to adopt each of the Resolutions and its resolution authorizing the execution and delivery of this Agreement and the other Related Documents (excluding any future amendments to this Agreement or any Related Document) to which it is a party and the transactions contemplated hereby and thereby, and has, or had as of the date of execution and delivery, full power and authority to execute and deliver this Agreement and the Related Documents to which it is a party, and has full power and authority to perform its obligations under each of the foregoing.

(c) *Obligations Legal, Valid and Binding.* (i) This Agreement and the Related Documents to which Valley Water is a party have been duly and validly authorized, executed and delivered and constitute the legal, valid and binding obligations of Valley Water enforceable against Valley Water in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity, and to the limitations on legal remedies against public agencies in the State of California.

(ii) *No Default.* Valley Water is not in default hereunder or under the Related Documents to which it is a party or under any other material mortgage, indenture, contract, agreement or undertaking to which it is a party or which purports to be binding on Valley Water or on any of its assets which default would materially adversely affect the ability of Valley Water to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(d) *No Legal Bar.* (i) Valley Water is in compliance with and not in violation under any laws of the State which would adversely affect Valley Water's existence or its powers and authority referred to in Section 5.01(b) hereof.

(ii) *No Violation.* The execution, delivery and performance by Valley Water of this Agreement and the Related Documents to which it is a party, and all other agreements and instruments relating to this Agreement and the Related Documents executed and delivered by Valley Water in connection herewith and therewith (i) do not violate any provision of the Constitution of the State or the laws of the State or any other applicable law, regulation, order, writ, judgment or decree of any court, arbitrator or governmental authority, and (ii) do not violate any provision of, constitute a default under, or result in the creation or imposition of any Lien on any of the assets of Valley Water pursuant to the provisions of, any mortgage, resolution, indenture, contract, agreement or other undertaking to which Valley Water is a party or which purports to be binding on Valley Water or on any of its assets, other than the Liens created hereby or by the Related Documents, which violation would materially adversely affect the ability of Valley Water to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(iii) *No Restrictions.* Valley Water is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Debt of Valley Water, or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of Valley Water that would materially adversely affect the ability of Valley Water to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(iv) *Compliance with Laws.* Valley Water is in compliance with all Laws and its investment policy, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.

(e) *Consents.* Valley Water has obtained, or will obtain on or before the Closing Date, all consents, permits, licenses and approvals of, and has made all filings, registrations and declarations with, governmental authorities required under law, to authorize the execution, delivery and sale of the Certificates, the execution, delivery and performance of this Agreement and the Related Documents to which it is a party and all other agreements delivered or to be delivered in connection with any thereof, and all such consents, permits, licenses, approvals, filings, registrations and declarations remain in full force and effect.

(f) *Litigation.* Except as disclosed to the Administrative Agent in writing prior to the Closing Date, there is no action, suit, investigation or proceeding, injury or investigation before or by any court, public board or body pending or threatened against or affecting Valley Water, in which an adverse determination could reasonably be expected to result in a Material Adverse Effect.

(g) *Disclosure.* The representations and statements made by Valley Water herein or in any Related Document, or made by Valley Water in any other document furnished to the

Administrative Agent by Valley Water in connection herewith or therewith are accurate as of the date of this Agreement. All financial statements of Valley Water furnished to the Administrative Agent were prepared in accordance with generally accepted accounting principles for government entities and applied on a consistent basis throughout the periods involved and are complete and correct and fairly present the financial condition of Valley Water as of such dates. Since the date of the most recent financial statements referred to in the preceding sentence, no Material Adverse Change has occurred in the business, operations or condition (financial or otherwise) of Valley Water.

(h) *Liens.* No filings, recordings, registrations or other actions are necessary to create and perfect the Liens provided for in the Resolutions and herein.

(i) *No Proposed Legal Changes.* To the knowledge of Valley Water, there is no amendment or proposed amendment certified for placement on a statewide or local ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is (i) to materially adversely affect the Certificates or any holder thereof in its capacity as such, or (ii) to materially adversely affect the ability of Valley Water to perform its obligations under this Agreement or any other Related Document to which it is a party.

(j) *No Immunity.* Valley Water is not entitled to sovereign immunity from any legal proceedings to enforce or collect upon this Agreement or any Related Document to which it is a party or the transactions contemplated hereby or thereby (including, without limitation, immunity from service of process and immunity from jurisdiction of any court or tribunal in respect of itself). To the extent that Valley Water has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings on the grounds of sovereignty, Valley Water hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or the Related Documents to which it is a party.

(k) *Tax-Exempt Status.* Valley Water has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Series C Certificates from gross income for Federal income tax purposes or the exemption of such interest from the State's personal income tax.

(l) *No Defaults.* No Default or Event of Default has occurred and is continuing under this Agreement, and no event of default or condition, event or act which with notice or lapse of time or both would become or constitute a default or event of default under, or as such term or terms is defined in, any other Related Document or agreements related thereto, has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement.

(m) *Other Documents.* The representations and warranties made by Valley Water in each of the Related Documents to which it is a party are hereby incorporated herein by this

reference and are hereby reaffirmed and restated by Valley Water for the benefit of the Lenders as if such representations and warranties were fully set forth herein. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents to which it is a party shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Administrative Agent.

(n) *Regulations U and X* Valley Water is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Certificates will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) *Environmental Matters.* Valley Water has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a Material Adverse Effect.

(p) *Title to Property.* Valley Water has a valid and enforceable fee simple interest in the Water Utility System, subject only to Liens permitted under the Parity Master Resolution.

(q) *ERISA; Employee Benefit Plans.* Valley Water does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA. Valley Water has no funding deficiency with respect to any employee benefit plan which could reasonably be expected to materially and adversely affect the ability of Valley Water to perform its obligations hereunder or under any other Related Documents to which it is a party, and Valley Water is otherwise in compliance with terms of any such plan in which Valley Water or any of its employees participate to the extent any such failure to comply could reasonably be expected to materially and adversely affect the ability of Valley Water to perform its obligations hereunder or under any other Related Documents to which it is a party.

(r) *Security.* The Tax-Exempt Certificates represent undivided ownership interests in the Tax-Exempt TRANs, and the Taxable Certificates represent undivided ownership interests in the Taxable TRANs. Payments made with respect to the TRANs shall be assigned by the Corporation to the Trustee for the benefit of Holders of the Certificates. The obligation of Valley Water to make payments on the TRANs shall be a general obligation of Valley Water. In addition, pursuant to the TRANs Resolution, Valley Water has pledged Net Water Utility System Revenues of Valley Water on a subordinate basis to the payment of all Parity Obligations to additionally secure the payment of the principal of and interest on the TRANs in accordance with the Parity Master Resolution. Additionally, Valley Water hereby pledges its Net Water Utility System Revenues, the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, and all amounts on deposit in the Water Utility System Revenue Fund, the Rate Stabilization Fund, the Special Purpose Funds, to the payment of all Obligations of Valley Water

and the Corporation hereunder (including, without limitation, Reimbursement Obligations), subordinate only to Senior Lien Obligations and to Parity Obligations. The Senior Lien Obligations and the Parity Obligations are the only Debt that is secured by and/or payable from Net Water Utility System Revenues on a basis senior to the TRANs and the Obligations.

(s) *Insurance.* Valley Water currently maintains insurance of such type and in such amounts or in excess of such amounts as are customarily carried by, and insures against such risks as are customarily insured against by, public agencies with similar activities.

(t) *Usury; Maximum Rate.* The terms of this Agreement and the Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(u) *Taxes.* Valley Water has filed all applicable Federal, state and other material tax returns and reports required to be filed, and has paid all applicable Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon Valley Water or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Valley Water that would, if made, have a Material Adverse Effect.

(v) *Investment Company.* Valley Water is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(w) *Sanctions Concerns and Anti-Corruption Laws.* Valley Water is in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. Valley Water has implemented and maintains in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. None of Valley Water or, to the knowledge of Valley Water, any director, officer, employee, or affiliate of Valley Water, is an individual or entity that is owned or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions (currently Crimea, Cuba, Iran, North Korea and Syria).

(x) *Concerning the Corporation Resolution and Issuing and Paying Agent Agreement.* All Obligations constitute Bank Obligations as defined in the Corporation Resolution. To the extent applicable, each Lender shall be the Series CD Bank for purposes of the Corporation Resolution; *provided, however*, with respect to any rights, remedies, duties or obligations designated to the Administrative Agent hereunder, the Administrative Agent shall be the sole Series CD Bank for such purposes under the Corporation Resolution. Each Lender, together with its successors and permitted assigns, is an Owner, as defined in the Corporation Resolution, of its respective Certificates. This Agreement is the Series CD Purchase and Reimbursement Agreement as defined in the Corporation Resolution. Attached hereto as *Exhibit I* is a fully executed copy of the Tax-Exempt TRAN, as defined in the Corporation Resolution, which is in full force and effect as of the Closing Date, and which has not been amended, restated, supplemented or otherwise modified. Attached hereto as *Exhibit J* is a fully executed copy of the Taxable TRAN, as defined

in the Corporation Resolution, which is in full force and effect as of the Closing Date, and which has not been amended, restated, supplemented or otherwise modified.

SECTION 5.02. *Representations of Corporation.* In order to induce the Lenders to enter into this Agreement, the Corporation hereby represents and warrants to the Administrative Agent, as follows:

(a) *Organization and Authorization.* The Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

(b) *Authority to Adopt or Execute Documents.* The Corporation had, as of the date of adoption thereof, full power and authority to adopt its resolution authorizing the execution and delivery of this Agreement and the Related Documents to which it is a party and the transactions contemplated hereby and thereby, and has, or had as of the date of execution and delivery, full power and authority to execute and deliver this Agreement and the Related Documents to which it is a party, and has full power and authority to perform its obligations under each of the foregoing.

(c) *Obligations Legal, Valid and Binding.* (i) This Agreement and the Related Documents to which the Corporation is a party have been duly and validly authorized, executed and delivered, and constitute the legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity.

(ii) The Corporation is not in default hereunder, or under the Related Documents to which it is a party or under any other material mortgage, indenture, contract, agreement or undertaking to which it is a party or which purports to be binding on the Corporation or on any of its assets which default would materially adversely affect the ability of the Corporation to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(d) *No Legal Bar.* (i) The Corporation is in compliance with and not in violation under any laws of the State of California which would adversely affect the Corporation's existence or its powers and authority referred to in Section 5.02(b) hereof.

(ii) The execution, delivery and performance by the Corporation of this Agreement and the Related Documents to which it is a party, and all other agreements and instruments relating to all the foregoing executed and delivered by the Corporation in connection herewith and therewith (i) do not violate any provision of the Constitution or the laws of the State of California or any other applicable law, regulation, order, writ, judgment or decree of any court, arbitrator or governmental authority, and (ii) do not violate any provision of, constitute a default under, or result in the creation or imposition of any Lien on any of the assets of the Corporation pursuant to the provisions of, any mortgage, resolution, indenture, contract, agreement or other undertaking to which the Corporation is a party or which purports to be binding on the Corporation or on any of its

assets other than the Liens created hereby or by the Related Documents which violation would materially adversely affect the ability of the Corporation to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(iii) The Corporation is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Debt of the Corporation or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of the Corporation that would adversely affect the ability of the Corporation to perform its obligations hereunder or under any of the Related Documents to which it is a party.

(iv) The Corporation is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.

(e) *Consents.* The Corporation has obtained, or will obtain on or before the Effective Date, all consents, permits, licenses and approvals of, and has made all filings, registrations and declarations with, governmental authorities required under law, to authorize the execution, delivery and sale of the Certificates, the execution, delivery and performance of this Agreement and the Related Documents to which it is a party and all other agreements delivered or to be delivered in connection with any thereof, and all such consents, permits, licenses, approvals, filings, registrations and declarations remain in full force and effect.

(f) *Litigation.* There is no action, suit, investigation or proceeding pending or, to the best of the Corporation's knowledge after due inquiry, threatened against or affecting the Corporation, in which an adverse determination could have a Material Adverse Effect.

(g) *Disclosure.* The representations and statements made by the Corporation herein or in any Related Document, or made by the Corporation in any other document furnished to the Administrative Agent by the Corporation in connection herewith or therewith are accurate as of the date of this Agreement.

(h) *Liens.* No filings, recordings, registrations or other actions are necessary to create and perfect the Liens provided for in the Resolutions and herein.

(i) *No Immunity.* The Corporation is not entitled to sovereign immunity from any legal proceedings to enforce or collect upon this Agreement or any Related Document to which it is a party or the transactions contemplated hereby or thereby (including, without limitation, immunity from service of process and immunity from jurisdiction of any court or tribunal in respect of itself). To the extent that the Corporation has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings on the grounds of sovereignty, the Corporation hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or the Related Documents to which it is a party.

(j) *No Defaults.* No Default or Event of Default has occurred and is continuing under this Agreement, and no event of default or condition, event or act which with notice or lapse of time or both would become or constitute a default or event of default under, or as such term or terms is defined in, any other Related Document or agreements related thereto, has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement.

(k) *Other Documents.* The representations and warranties made by the Corporation in each of the Related Documents to which it is a party are hereby incorporated herein by this reference and are hereby reaffirmed and restated by the Corporation for the benefit of the Lenders as if such representations and warranties were fully set forth herein. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents to which it is a party shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Administrative Agent.

(l) *Regulations U and X* The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Certificates will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(m) *Environmental Matters.* The Corporation has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a Material Adverse Effect.

(n) *Sanctions Concerns and Anti-Corruption Laws.* The Corporation is in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. The Corporation has implemented and maintains in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. None of the Corporation or, to the knowledge of the Corporation, any director, officer, employee, or affiliate of the Corporation is an individual or entity that is owned or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions (currently Crimea, Cuba, Iran, North Korea and Syria).

ARTICLE VI

AFFIRMATIVE COVENANTS

Valley Water (and the Corporation, as applicable) covenants and agrees that it will do the following unless and until the Available Commitment shall have terminated and all Obligations shall have been paid in full, unless the Administrative Agent shall otherwise consent in writing:

SECTION 6.01. *Financial Records.*

(a) maintain financial records and furnish to the Administrative Agent as soon as available, but in any event not later than the April 1 following the end of each fiscal year of Valley Water, audited financial statements of Valley Water prepared in accordance with generally accepted accounting principles for governmental entities consistently applied including (i) a balance sheet as of the end of each fiscal year, (ii) the related statements of operations and changes in equity, (iii) statements of cash flows for such fiscal year, setting forth in each case, in comparative form, the figures for the previous fiscal year, all certified and accompanied by an unqualified opinion of an independent certified public accounting firm to the effect that such audited financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and fairly present the financial condition of Valley Water as at their date and the results of its operations for the period then ended. In addition, Valley Water shall provide to the Administrative Agent, concurrently with the financial statements described above, a certificate of an authorized representative of Valley Water (substantially in the form of *Exhibit G* hereto) to the effect that such person has reviewed Valley Water's obligations hereunder and under the other Related Documents and (x) demonstrating compliance with Section 6.20 hereof (substantially in the form of *Schedule 2 to Exhibit G* hereto) and stating that (y) no Default or Event of Default hereunder has occurred and is continuing and (z) no default or event of default has occurred under any other Related Document or, if for any reason such statements cannot be made, so stating and describing the relevant circumstances and what action Valley Water has taken or proposes to take with respect thereto;

(b) as soon as available, but in any event within 60 days after the end of each fiscal quarter of Valley Water (other than the last fiscal quarter of each fiscal year), Valley Water shall provide to the Administrative Agent a certificate of an authorized representative of Valley Water (substantially in the form of *Exhibit G* hereto) to the effect that such person has reviewed Valley Water's obligations hereunder and under the other Related Documents and stating that (y) no Default or Event of Default hereunder has occurred and is continuing and (z) no default or event of default has occurred under any other Related Document or, if for any reason such statements cannot be made, so stating and describing the relevant circumstances and what action Valley Water has taken or proposes to take with respect thereto;

(c) as soon as available, but in any event promptly after receipt thereof, after the end of each fiscal quarter of Valley Water, furnish to the Administrative Agent copies of statements from depository institutions, brokerage firms or other securities intermediaries holding Valley Water's material deposit accounts, securities and brokerage accounts, as applicable; and

(d) within 90 days after the end of each of its Fiscal Years, submit to the Administrative Agent, an officer's certificate (1) providing a detailed report of all insurance policies and self-insurance programs maintained (and attaching copies of all insurance certificates relating thereto) by Valley Water with respect to the Water Utility System as of the last day of such Fiscal Year,

including the names of the insurers which have issued the policies, the amounts of coverage with respect thereto, the property or risks covered thereby and for what periods following the date of the such officer's certificates premiums have been paid and (2) verifying that all insurance required to be maintained by Valley Water with respect to the Water Utility System and by this Agreement and the other Related Documents and is in full force and effect as of the date of such officer's certificate;

(e) within 90 days after the end of each Fiscal Year, Valley Water shall provide the Administrative Agent with a copy of its Protection and Augmentation of Water Supplies annual report pertaining to the then current Fiscal Year; and

(f) substantially concurrently with the commencement of each Fiscal Year, Valley Water shall provide the TRAN which has been issued and assigned to the Trustee.

SECTION 6.02. *Notice of Default.* Valley Water and the Corporation shall promptly notify the Administrative Agent in writing of the occurrence of any Default, Event of Default or any default or event of default (however defined) under the Related Documents or any filing by Valley Water of a petition in bankruptcy under any Debtor Relief Law in accordance with the Related Documents. Valley Water shall also notify the Administrative Agent of the occurrence of any non-payment default or other event under any indenture, contract or instrument providing for the creation of any Debt of Valley Water where the effect thereof is to accelerate, or permit the acceleration of, the maturity of such Debt.

SECTION 6.03. *Budgets.* Within thirty (30) days after the adoption thereof but no later than July 1 with respect to each Fiscal Year, a copy of Valley Water's annual operating budget for the each Fiscal Year, such budget to be in reasonable detail and in form reasonably satisfactory to the Administrative Agent. Valley Water shall include in each budget as separate line items, amounts necessary to pay all Obligations. In addition, Valley Water shall provide to the Administrative Agent, concurrently with the annual operating budget described above, a certificate of an authorized representative of Valley Water (substantially in the form of *Exhibit G* hereto) demonstrating compliance with Section 6.20 hereof (substantially in the form of *Schedule 2 to Exhibit G* hereto).

SECTION 6.04. *Reports to Trustees.* (a) Contemporaneously with the delivery to each "Trustee" (as defined in the Parity Master Resolution), Valley Water shall deliver to the Administrative Agent the reports described in Section 4.7 of the Parity Master Resolution and, within ten (10) days after the initial sale or subsequent remarketing of any securities which constitute Debt of Valley Water for which an official statement or other offering memorandum has been prepared for or in connection with any such sale or remarketing transaction regarding such Debt of Valley Water, such official statement or other offering memorandum.

(b) During any period of time Valley Water is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-1 5c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, Valley Water shall deliver to the Administrative Agent (1) a copy of any reportable event notice (as

described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements or (2) notice that such event notice has been filed with EMMA and is publicly available.

SECTION 6.05. *Other Information.* Valley Water and the Corporation shall furnish to the Administrative Agent, as the Administrative Agent may reasonably request, such additional information concerning the Water Utility System, Valley Water or the Corporation, including, without limitation, the Obligations, Maintenance and Operation Costs, Net Water Utility System Revenues or other information about the financial condition, results of operations, properties or business of Valley Water or the Corporation that the Administrative Agent may request, in order to enable the Administrative Agent to determine whether the covenants, terms and provisions of this Agreement, the other Related Documents to which Valley Water and the Corporation are a party and all other Debt of Valley Water have been complied with by Valley Water and the Corporation and for that purpose all pertinent books, documents and vouchers relating to Valley Water's business, affairs and properties shall at all reasonable times during regular business hours and upon reasonable prior notice be open to the inspection of such accountants or other agents (who may make copies of all or any part thereof at their own cost and expense) as shall from time to time be designated by the Administrative Agent. Without limiting the foregoing, upon reasonable prior notice, Valley Water and the Corporation will permit the Administrative Agent to visit and inspect any of the properties of Valley Water and the Corporation during regular business hours and to discuss the affairs, finances and accounts of Valley Water and the Corporation with its respective officials and any accounting firm performing services for Valley Water and the Corporation, as often as the Administrative Agent may reasonably request.

SECTION 6.06. *Compliance with Obligations and Laws.* Valley Water and the Corporation shall observe and comply with all of its respective obligations arising in connection with each of the Resolutions and the other Related Documents, any Debt of Valley Water, all laws applicable to Valley Water (including, without limitation, compliance with all Environmental Laws, ERISA and the rules and regulations thereunder, state securities and blue sky laws in connection with the offering, sale and delivery of the Certificates) if non-compliance therewith could reasonably be expected to materially adversely affect the ability of Valley Water to either receive or collect Net Water Utility System Revenues or could otherwise reasonably be expected to result in a Material Adverse Effect.

SECTION 6.07. *Litigation.* Valley Water and the Corporation shall forthwith notify the Administrative Agent in writing with respect to any pending or threatened litigation arising after the Closing Date and all proceedings before any court or Governmental Authority occurring after the Closing Date which could reasonably be expected to have a Material Adverse Effect (including without limitation, with respect to Valley Water, the Corporation, or the management or operation of the Water Utility System).

SECTION 6.08. *Licenses, Permits, Etc.* Valley Water and the Corporation will take all necessary and appropriate action to ensure the continuance in force of all material consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings obtained or made in connection with the Water Utility System, this Agreement, or the other Related Documents or necessary to authorize the execution, delivery and performance by Valley Water

and the Corporation of this Agreement or the other Related Document and all other agreements to be delivered in connection with any thereof.

SECTION 6.09. *Books and Records.* Valley Water and the Corporation shall keep or cause to be kept adequate and proper records and books of account with respect to Valley Water, the Corporation and the Water Utility System in which complete and correct entries shall be made, reflecting all financial transactions of Valley Water and the Corporation in connection with the proceeds of the Certificates and any Term Loan made with respect thereto. All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, Valley Water shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 6.01 hereof.

SECTION 6.10. *Use of Proceeds.* Valley Water and the Corporation shall use the proceeds of the Certificates for the purposes set forth in the Resolutions and the other Related Documents.

SECTION 6.11. *Maintenance of Existence.* Except as may be required by law, Valley Water shall preserve and maintain its existence as a flood control and water district organized and existing under the laws of the State of California, and its rights, franchises and privileges material to the conduct of its business and shall not reorganize, merge or consolidate with or into any Person, wind up, liquidate or dissolve its affairs (or suffer any liquidation or dissolution) or convert, sell, assign, transfer, lease or otherwise dispose of (or agree to do any of the foregoing at any future time), whether in one transaction or a series of transactions, all or substantially all of its property or assets. Except as may be required by law, the Corporation shall preserve and maintain its existence as a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

SECTION 6.12. *Notice of Material Adverse Change.* Valley Water and the Corporation shall notify the Administrative Agent as soon as possible after any member of the board or officer of Valley Water or other member or officer thereof acquires knowledge of the occurrence of (i) the filing of any action or the occurrence of any activity which is likely to lead to an initiative or referendum which could lead to the diminution or reallocation of the Net Water Utility System Revenues or any other revenues or funds received by Valley Water likely to have a Material Adverse Effect or (ii) any other event which, in the reasonable judgment of such member or officer, is likely to have a Material Adverse Effect.

SECTION 6.13. *Trustee and Paying Agent.* Valley Water and the Corporation shall immediately notify the Administrative Agent of any resignation of the Trustee or the Paying Agent. Valley Water and the Corporation shall at all times maintain a Trustee and a Paying Agent acceptable to the Administrative Agent pursuant to the terms of the Related Documents.

SECTION 6.14. *Other Matters.* Valley Water and the Corporation shall execute and deliver to the Administrative Agent all such documents and instruments, and do all such acts and things, as may be necessary or reasonably required by the Administrative Agent to enable the Administrative Agent to exercise and enforce its rights and the rights of the other Lenders under this Agreement and the other Related Documents and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required by the Administrative Agent to validate, preserve and protect the Lien of the Lenders under this Agreement and the other Related Documents.

SECTION 6.15. *Maintenance of Insurance.* Valley Water and the Corporation shall maintain insurance with responsible and reputable insurance companies, or may self-insure, in such amounts, with such deductibles, and covering such risks and contingencies as is customarily maintained by similarly situated organizations and as otherwise required pursuant to the terms of the Related Documents.

SECTION 6.16. *Investments.* Promptly upon any change therein, Valley Water shall deliver to the Administrative Agent a copy of Valley Water's current Investment Policy or the current investment policy of any other entity which maintains an investment pool in which Valley Water has invested any of its funds, as the case may be.

SECTION 6.17. *Section 6.17. Alternate Financing.*

(a) Valley Water and the Corporation agree to use commercially reasonable efforts to obtain an alternate financing to replace this Agreement or otherwise refinance, repay or defease the then outstanding Certificates and/or Term Loans, as applicable, in the event (i) the Administrative Agent decides not to extend the Commitment Expiration Date or if Valley Water fails to timely request an extension of the Commitment Expiration Date (such replacement, refinancing or defeasance to occur on or before the Commitment Expiration Date), (ii) the Available Commitment is terminated, (iii) Valley Water terminates this Agreement in accordance with the terms hereof or (iv) an Event of Default under Section 8.01(m) shall occur and be continuing.

(b) Valley Water and the Corporation agree that any alternate financing will require, as a condition to the effectiveness of the alternate financing, that the provider of the alternate financing provide funds to the extent necessary, on the date the alternate financing becomes effective, for payment of all Obligations at par plus interest (at the applicable rate pursuant to the terms hereof, including the Term Loan Rate or Default Rate, as applicable) through the date repaid. On the effective date of such refinancing, redemption or defeasance, as the case may be, Valley Water shall pay in full all other amounts due under this Agreement and the Lender Note (including, without limitation, all Excess Interest and unpaid interest thereon).

SECTION 6.18. *Incorporation by Reference.* Valley Water and the Corporation each agree that it will, for the benefit of the Lenders, perform, comply with, abide by and be restricted by all of the respective agreements, covenants, obligations and undertakings of Valley Water and the Corporation contained in the Related Documents, which, together with the related definitions

and ancillary provisions, are incorporated herein by reference and made a part hereof to the same extent with the same force and effect as if the same had been herein set forth in their entirety, and such agreements, covenants, obligations and undertakings will be deemed to continue in effect for the benefit of the Lenders, without regard or giving effect to any amendment or modification of such provisions or any waiver of compliance therewith, no such amendment, modification or waiver to in any manner constitute an amendment, modification or waiver of the provisions thereof as incorporated herein except to the extent agreed to by the Administrative Agent in writing. In addition, Valley Water and the Corporation shall take all such action as may be reasonably requested by the Administrative Agent to strictly enforce the obligations under the Related Documents of each of the other parties thereto.

SECTION 6.19. *Security Interests.* Valley Water and the Corporation shall at all times keep the Net Water Utility System Revenues and every part thereof free and clear of all pledges and security interests except the Series AB Bank Pledge and pledges granted in or permitted by the Resolutions and this Agreement and shall maintain the pledge of the Net Water Utility System Revenues to the Lenders as a pledge of all right, title and interest of Valley Water in the Net Water Utility System Revenues and all rights of Valley Water to receive any amount of the Net Water Utility System Revenues, as and to the extent contemplated by Section 2.13 hereof. Valley Water and the Corporation covenant and agree that at no time shall any Certificates be issued with a maturity date later than the maturity date of the related TRANs relating to such Certificates. So long as any Certificates are outstanding, Valley Water shall cause TRANs relating to such Certificates to be issued and outstanding.

SECTION 6.20. *Financial Covenants.*

(a) Valley Water shall maintain all financial covenants contained in Valley Water's other Debt instruments, including but not limited to those contained in Section 4.9 of the Parity Master Resolution (at all times, regardless of whether any Parity Obligations are outstanding or such Parity Master Resolution has been superseded, repealed, terminated or otherwise may be ineffective) and Section 4.9 of the Senior Master Resolution (in the case of Section 4.9 of the Senior Master Resolution for so long as any Senior Lien Obligations remain outstanding).

(b) Valley Water may at any time incur or issue Subordinate Obligations payable on a parity with the Obligations in accordance with the terms hereof; *provided:*

(1) No Default or Event of Default hereunder or any other event of default with respect to any Senior Lien Obligations, Parity Obligations or other Subordinate Obligations (or any event which, once all notice or grace periods have passed, would constitute an event of default thereunder) shall have occurred and be continuing, unless such event of default shall be cured to the reasonable satisfaction of the Administrative Agent upon such incurrence or issuance; and

(2) Valley Water shall have caused an Independent Certified Public Accountant or Experienced Banker or Advisor to deliver to the Administrative Agent written evidence demonstrating that the Subordinate Lien Debt Service Coverage Ratio for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of Valley Water of the resolution authorizing the issuance or incurring of such Subordinate Obligations, as the case may

be, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by a written calculation prepared by Valley Water in form and substance reasonably satisfactory to the Administrative Agent, shall be at least 1.10, taking into account the Subordinate Debt Service which would have been payable on the Subordinate Obligations proposed to be issued and any Subordinate Obligations issued or incurred since the end of such Fiscal Year assuming all such Subordinate Obligations had been incurred or issued at the beginning of such Fiscal Year and the Subordinate Debt Service which would have been payable had such Subordinate Obligations been incurred or issued at the beginning of such Fiscal Year.

(c) As soon as available, Valley Water shall deliver to the Administrative Agent the calculations and certificates described in Section 3.1 of the Parity Master Resolution that are prepared in connection with the execution or issuance of any Parity Obligations.

(d) To the fullest extent permitted by law, Valley Water will fix and prescribe rates, fees and charges for Water Service at the commencement of each Fiscal Year, which are reasonably expected to yield a Budgeted Subordinate Lien Debt Service Coverage Ratio that is at least 1.10.

SECTION 6.21. *Ratings.* Valley Water covenants and agrees that there shall be maintained at least two unenhanced long-term ratings from any of Fitch, Moody's or S&P on Parity Obligations. Valley Water covenants and agrees that they shall not at any time withdraw any long-term unenhanced rating on its Parity Obligations from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

SECTION 6.22. *Other Agreements .* In the event that Valley Water shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lenders in this Agreement, Valley Water shall provide the Administrative Agent with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lenders shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. Valley Water shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Lenders shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if Valley Water fails to provide such amendment.

SECTION 6.23. *Anti-Money Laundering Compliance .* Valley Water will provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with anti-money laundering Laws.

ARTICLE VII

NEGATIVE COVENANTS

Unless and until the Available Commitment shall have terminated and all Obligations shall have been paid in full, Valley Water (and the Corporation as applicable) shall not directly or indirectly do any of the following, unless the Administrative Agent shall have otherwise consented in writing:

SECTION 7.01. *Amendments.* Neither Valley Water nor the Corporation shall consent to or amend, supplement, extend, modify, waive, revise or otherwise alter or terminate, or permit any party to amend, supplement, extend, modify, waive, revise or otherwise alter or terminate any Related Document.

SECTION 7.02. *Arbitrage; Margin Stock.* Neither Valley Water nor the Corporation shall (i) invest the proceeds of the Series C Certificates in any way that would violate the Code or cause the Series C Certificates to be “arbitrage bonds,” (ii) knowingly take any action or omit to take any action if such action or omission would adversely affect the exclusion of interest evidenced by the Series C Certificates from gross income of the holders thereof for Federal income tax purposes or (iii) use, or permit the use of, the proceeds of any credit extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

SECTION 7.03. *Trustee; Paying Agent.* Without the prior written consent of the Administrative Agent, the Corporation shall not remove, appoint or permit the appointment of a successor Trustee or Paying Agent. The Administrative Agent shall respond to a written request for consent described in the foregoing sentence within thirty (30) days of its receipt of the same. The Corporation shall not take any action, or cause the Trustee or the Paying Agent to take any action under the Related Documents inconsistent with the rights of the Lenders under this Agreement.

SECTION 7.04. *Compliance with Laws.* Neither Valley Water nor the Corporation shall violate any law, rule, regulation, or governmental order to which it is subject, which violation could reasonably be expected to result in a Material Adverse Effect.

SECTION 7.05. *Bank Information.* Neither Valley Water nor the Corporation shall include any information concerning the Lenders in any offering document unless the applicable Lender shall have approved in writing of the description of such Lender contained in such document, unless, after notice to such Lender, in the reasonable opinion of Valley Water, such description is required to comply with Valley Water’s obligations under federal securities law.

SECTION 7.06. *Immunity from Jurisdiction.* To the fullest extent permitted by law, neither Valley Water nor the Corporation will assert any immunity it may have as a public entity under the laws of the State of California from lawsuits with respect to this Agreement or any other Related Document. Any such suits shall be subject to all substantive and procedural requirements of California law.

SECTION 7.07. *Subordinate Obligations.* Neither Valley Water nor the Corporation shall take any action which would result in the Obligations not being Subordinate Obligations ranking equal in right of payment with all other Subordinate Obligations of Valley Water. Neither Valley Water nor the Corporation shall take any action which would result in any Debt other than the Parity Obligations and the Senior Lien Obligations being secured by or payable from Net Water Utility System Revenues on a basis senior to the Obligations.

SECTION 7.08. *Investment Policy.* Valley Water shall not deviate from the Investment Policy of Valley Water or from the provisions of the laws of the State of California regarding Valley Water, as in effect from time to time.

SECTION 7.09. *Liens.* Neither Valley Water nor the Corporation shall, directly or indirectly, encumber, incur, create, suffer or assume or permit to exist any Lien on any TRANs or Net Water Utility System Revenues which could reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Lenders under this Agreement and/or the Lender Note.

SECTION 7.10. *Application of Certificate Proceeds.* Neither Valley Water nor the Corporation shall take or omit to take any action, which action or omission will in any way result in the proceeds from the sale of the Certificates being applied in a manner other than as provided in this Agreement and the Resolutions.

SECTION 7.11. *Swap Termination Payments.* Without the prior written consent of the Administrative Agent, in no event shall (i) any Lien on the Net Water Utility System Revenues securing any swap termination payments be senior in priority to the Lien granted in support of the Certificates and the Obligations hereunder or (ii) Valley Water post cash collateral pursuant to the terms of any Swap Contract.

SECTION 7.12. *Defeasance.* Notwithstanding any in the Related Documents to the contrary, in no event shall the District provide for the defeasance of the Certificates.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. *Events of Default and Remedies.* If any of the following events shall occur, each such event shall be an “*Event of Default*”:

(a) Valley Water shall fail to pay (i) any principal of or interest on, or with respect to, the Certificates (except principal with respect to a Certificate that is paid or deemed paid with the

proceeds of a Term Loan) or Term Loans as and when due hereunder or (ii) any other Obligations (other than Obligations described in the foregoing clause (i) hereof) within three (3) calendar days of when due;

(b) any representation or warranty made by Valley Water or the Corporation under or in connection with this Agreement or any of the Related Documents shall prove to be untrue in any material respect on the date as of which it was made; or the documents, certificates or statements of Valley Water and the Corporation (including unaudited financial reports, budgets, projections and cash flows of Valley Water) furnished to the Administrative Agent by or on behalf of Valley Water and the Corporation in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) default by Valley Water or the Corporation in the due observance or performance of any covenant set forth in Sections 6.11, 6.15, 6.17, 6.19, 6.20, 6.21, 6.23 or Article VII hereof;

(d) default by Valley Water or the Corporation of any other term or provision of this Agreement (other than those specifically referred to in this Section 8.01) which is not cured within thirty (30) days after the occurrence thereof;

(e) (i) an “event of default” shall have occurred and be continuing under any of the Related Documents or (ii) any “event of default” shall occur under any other agreement between Valley Water and the Administrative Agent;

(f) Valley Water or the Corporation shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 8.01(g) hereof;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for Valley Water or the Corporation or any substantial part of any of their respective Property, or a proceeding described in Section 8.01(f)(v) shall be instituted against Valley Water or the Corporation and such appointment continues undischarged or any such proceeding continues undismissed or unstayed for a period of 30 or more days;

(h) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on or with respect to the Certificates, the Term Loans, any other

Subordinate Obligations, any Parity Obligations or any Senior Lien Obligations or (B) the validity or enforceability of the pledge of, lien on or security interest in the TRANs or Net Water Utility System Revenues shall at any time for any reason cease to be valid and binding on Valley Water or the Corporation, as applicable, as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on or with respect to the Certificates, the Term Loans, any other Subordinate Obligations, any Parity Obligations or any Senior Lien Obligations, or (B) the validity or enforceability of the pledge of, lien on or security interest in the TRANs or Net Water Utility System Revenues shall be publicly contested by Valley Water or the Corporation, as applicable; or

(iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall cease to be valid and binding, or Valley Water or Corporation, as applicable, shall contest or repudiate any such provision, or Valley Water or Corporation, as applicable, or any agent or trustee on its behalf shall deny that it has any or further liability under this Agreement or any of the Related Documents to which it is a party;

(i) Valley Water shall impose, or any Governmental Authority having appropriate jurisdiction over Valley Water or the Corporation shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or a decree which results in, a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on, or with respect to, any of the Certificates or Term Loans or any Senior Lien Obligations, Parity Obligations or Subordinate Obligations of Valley Water;

(j) Any of the funds or accounts established pursuant to the Resolutions or any moneys or amounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of Valley Water or the Corporation and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy;

(k) (i) a default shall occur under any evidence of any Subordinate Obligations (other than the Obligations), any Parity Obligations or any Senior Lien Obligations issued, assumed, or guaranteed by Valley Water or the Corporation or under any indenture, agreement or other instrument under which the same may be issued and such default shall continue for a period of time sufficient to cause (determined without regard to whether any notice is required) any such Subordinate Obligations (other than the Obligations), Parity Obligations or Senior Lien Obligations to become due prior to its scheduled payment date or stated maturity, whether by acceleration, mandatory tender, mandatory redemption or otherwise; or any such Subordinate Obligations (other than the Obligations), Parity Obligations or Senior Lien Obligations shall not be paid when and as due (whether by lapse of time, acceleration, mandatory tender, mandatory redemption or otherwise);

(ii) a default shall occur under any evidence of Debt secured by or payable from Net Water Utility System Revenues issued, assumed, or guaranteed by Valley Water or the Corporation or under any indenture, agreement or other instrument under which the same may be issued and such default shall continue for a period of time sufficient to permit the holder or credit enhancer of any such Debt to cause such Debt to become due prior to its scheduled payment date or stated maturity, whether by acceleration, mandatory tender, mandatory redemption or otherwise (whether or not such holder or credit enhancer causes such Debt to become so due); or any such Debt shall not be paid when and as due (whether by lapse of time, acceleration, mandatory tender, mandatory redemption or otherwise);

(l) a final, non-appealable judgment or order for the payment of money in excess of \$25,000,000 shall have been rendered against Valley Water and such judgment or order shall not have been satisfied, stayed or bonded within a period of sixty (60) days from the date on which it was first so rendered;

(m) (i) S&P (if S&P then provides a Valley Water Rating) shall downgrade its Valley Water Rating to below "BBB-" or suspend or withdraw for credit-related reasons its Valley Water Rating, (ii) any of Moody's, S&P or Fitch (in each case if such rating agency then provides a Valley Water Rating) shall downgrade its respective Valley Water Rating to below "A3" (or its equivalent) by Moody's, "A-" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch or (iii) any of Moody's, S&P or Fitch (in each case if such rating agency then provides a Valley Water Rating) shall suspend or withdraw for credit-related reasons its respective Valley Water Rating;

(n) any pledge or security interest created by the Resolutions or this Agreement to secure any amount due under the TRANs or the Obligations shall fail to be fully enforceable or fail to have the priority required under the Resolutions or this Agreement, in either case, by reason of a final, non-appealable judgment of a court of competent jurisdiction;

(o) any provision of the TRANs Act or District Act is repealed, reenacted, amended or otherwise modified (including, without limitation, by legislative or judicial action) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, and in the event of a repeal, reenactment, amendment, modification or enactment, such repeal, reenactment, amendment, modification or enactment, in the sole judgment of the Administrative Agent, could reasonably be expected to result in a Material Adverse Effect; or

(p) Valley Water's or the Corporation's existence shall terminate or dissolve.

SECTION 8.02. *Remedies.* Upon the occurrence of an Event of Default hereunder, the Administrative Agent may, and at the request of the Required Lenders shall, take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to Valley Water and the Corporation, declare the Available Commitment to be terminated and thereafter the Lenders will have no further obligation to purchase Certificates or make Term Loans hereunder;

(ii) deliver a written notice to the Paying Agent, Valley Water and the Corporation that an Event of Default has occurred and is continuing and direct the Trustee and Valley Water, as applicable, to cause the outstanding Certificates to be subject to mandatory prepayment as provided in Section 2.05(b) hereof¹³;

(iii) declare the outstanding amount of the Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(iv) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of Valley Water or the Corporation under the Related Documents, whether for specific performance of any agreement or covenant of Valley Water or the Corporation or in aid of the execution of any power granted to any Lender in the Related Documents;

(v) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Administrative Agent shall have no obligation to effect such a cure; and

(vi) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 8.02(a)(ii), (x) the Administrative Agent shall not cause an acceleration of of the Obligations as described in Section 8.02(a)(ii) until seven (7) days after the occurrence of an Event of Default specified in Section 8.01(a)(i), 8.01(f), 8.01(g), 8.01(h)(i), 8.01(h)(ii), 8.01(i), 8.01(j), 8.01(k)(i), 8.01(l), 8.01(m)(i), 8.01(n), 8.01(o) or 8.01(p) and (y) the Administrative Agent shall notify Valley Water of an acceleration of of the Obligations as described in Section 8.02(a)(ii) at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing sentence of this Section 8.02(b), if any other holder or credit enhancer of Debt of the Corporation or Valley Water or any counterparty under any Swap Contract with the Corporation or Valley Water related thereto (i) has the right to cause such Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or pursuant to a notice period which is shorter than what is set forth in the first sentence of this section 8.02(b) in connection with a default related to such Debt, then the Lenders shall automatically have such right or shorter notice period, as applicable, or (ii) causes any such Debt or other obligations of Valley Water or the Corporation to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), then the Administrative Agent may immediately, without notice, avail itself of the remedies set forth in Section 8.02(a)(ii) hereof and/or declare or cause to be declared

¹³ Corporation Resolutions to conform for this concept.

the unpaid principal amount of the Obligations, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

Notwithstanding anything to the contrary contained in this Section 8.02, upon the occurrence or existence of an Event of Default of the type described in Section 8.01(f) or 8.01(g), the remedies described in clauses (i), (ii) and (iii) of Section 8.02(a) above shall occur immediately and automatically on the first date on which such remedies may occur pursuant to the terms of Section 8.02(b) above without prior notice or further action on the part of the Administrative Agent, the Lenders or any other person.

SECTION 8.03. *Application of Funds.* After the exercise of remedies provided for in Section 8.02 (or after the Obligations under this Agreement and the other Related Documents have automatically become immediately due and payable as set forth in Section 8.02(a)(iii)), the Administrative Agent shall apply any amounts it receives on account of the Obligations in the following order:

(a) first, to payment of fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

(b) second, to payment of fees, indemnities and other reimbursable expenses (other than principal, Reimbursement Obligations, interest and commitment fees) payable to the Lenders and any other Holders (including fees, charges and disbursements of counsel to the Administrative Agent as required by Section 10.16 and amounts payable under Article III);

(c) third, to payment of accrued and unpaid commitment fees and interest on the Certificates, Term Loans and Reimbursement Obligations, ratably among the Lenders and any other Holders in proportion to the amounts described in this Section 8.03(c) payable to them;

(d) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Reimbursement Obligations, ratably among the Lenders and any other Holders;

(e) fifth, to payment of all other Obligations ratably among the Administrative Agent, any other Holders and the Lenders, based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(f) last, the balance, if any, to Valley Water or as otherwise required by law.

ARTICLE IX

THE ADMINISTRATIVE AGENT

SECTION 9.01. *Appointment and Authority.* Each of the Lenders hereby irrevocably appoints U.S. Bank National Association to act on its behalf as the Administrative Agent hereunder and under the other Related Documents and authorizes the Administrative Agent to take such

actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 10.06(c) hereof, the provisions of this Article IX are solely for the benefit of the Administrative Agent and the Lenders, and neither Valley Water nor the Corporation shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Related Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 9.02. *Rights as a Lender.* The Person serving as the Administrative Agent hereunder has the same rights and powers in its capacity as a Lender as any other Lender and may exercise them as though it were not the Administrative Agent, and the term “Lender” or “Lenders,” unless otherwise expressly indicated or unless the context otherwise requires, includes the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Valley Water or the Corporation as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 9.03. *Exculpatory Provisions.*

(a) The Administrative Agent has no duties or obligations except those expressly set forth herein and in the other Related Documents, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) is not subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) has no duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Related Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as is expressly provided for herein or in the other Related Documents); *provided* that the Administrative Agent is not required to take any action that, in the opinion of the Administrative Agent or its counsel, could expose the Administrative Agent to liability or is contrary to any Related Document or applicable Law, including for the avoidance of doubt any action that could be in violation of the automatic stay under any Debtor Relief Law or that could effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) does not, except as expressly set forth herein and in the other Related Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Valley Water that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the circumstances as provided herein or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent in writing by Valley Water or a Lender.

(c) The Administrative Agent is not responsible for and has no duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Related Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Related Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 9.04. *Reliance by Administrative Agent.* The Administrative Agent may rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the purchase of a Certificate or the making of a Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received notice to the contrary from such Lender prior to the purchase of such Certificate or the making of such Term Loan. The Administrative Agent may consult with legal counsel (who may be counsel for Valley Water), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 9.05. *Delegation of Duties.* The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Related Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of their duties and exercise their rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and apply to their respective activities in connection with the syndication of the facilities hereunder as well as activities as Administrative Agent. The Administrative Agent is not responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable

judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 9.06. *Resignation of Administrative Agent.*

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and Valley Water. Upon receipt of any such notice of resignation, the Required Lenders may, in consultation with Valley Water, appoint a successor (which successor shall [be approved / qualify] under [describe applicable Board policy]). If no such successor has been so appointed by the Required Lenders and has accepted such appointment 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as is agreed by the Required Lenders) (the “*Resignation Effective Date*”), then the retiring Administrative Agent may (but is not obligated to), on behalf of the Lenders, appoint a successor Administrative Agent (which successor shall **[be approved / qualify under][describe applicable Board policy]**); *provided* that in no event may any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to Valley Water and such Person remove such Person as Administrative Agent and, in consultation with Valley Water, appoint a successor. If no such successor has been so appointed by the Required Lenders and has accepted such appointment 30 days after the Administrative Agent receives notice of its removal (or such earlier day as is agreed by the Required Lenders) (the “*Removal Effective Date*”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Related Documents and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Related Documents. The fees payable by Valley Water to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Valley Water and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Related Documents, the provisions of this Article IX and Section 10.04(b) shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

SECTION 9.07. *Non-Reliance on Agents and Other Lenders.* Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it from time to time deems appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Related Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 9.08. *No Other Duties.* Anything herein to the contrary notwithstanding, none of the Arrangers listed on the cover page hereof has any powers, duties or responsibilities under this Agreement or any of the other Related Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

SECTION 9.09. *Administrative Agent May File Proofs of Claim.* In case of the pendency of any proceeding under any Debtor Relief Law, the Administrative Agent (irrespective of whether the principal of any Certificate or Term Loan is then due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent has made any demand on Valley Water) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Certificates, Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 10.04(b) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent consents to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent hereunder.

SECTION 9.10. *Execution of and Direction Under Certain Related Documents.* The Lenders hereby empower and authorize the Administrative Agent to execute and deliver to Valley Water on their behalf the Related Documents and all other agreements, documents or instruments as are necessary or appropriate to effect the purposes of the Related Documents. Pursuant to Section 6(b) of the Issuing and Paying Agent Agreement, the Lenders, as registered owners of Series CD Certificates under the Issuing and Paying Agent Agreement, hereby direct the Paying

Agent to transfer amounts due to them pursuant to such Section to the Administrative Agent for application in accordance with this Agreement.¹⁴

SECTION 9.11. *Certain ERISA Matters.*

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Valley Water, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Certificates, the Term Loans, the Available Commitment or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Certificates, the Term Loans, the Available Commitment and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Certificates, the Term Loans, the Available Commitment and this Agreement, (C) the entrance into, participation in, administration of and performance of the Certificates, the Term Loans, the Available Commitment and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Certificates, the Term Loans, the Available Commitment and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (i) clause (i) of Section 9.11(a) is true with respect to a Lender or (ii) a Lender has provided another representation, warranty and covenant in accordance with clause (iv) of Section 9.11(a), such Lender further (x) represents and warrants, as of the date

¹⁴ Consider whether separate written direction to Paying Agent is required.

such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Valley Water, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Certificates, the Term Loans, the Available Commitment and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Related Document or any documents related hereto or thereto).

ARTICLE X

MISCELLANEOUS

SECTION 10.01. *Amendments, Etc.* (a) No amendment, modification or waiver of any provision or term of this Agreement, and no consent to any departure by Valley Water or the Corporation or any other party therefrom, shall be effective unless in writing signed by the Required Lenders, the Corporation and Valley Water and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Required Lenders have consented to such amendment or waiver, as applicable, in writing; *provided further* that no such amendment, waiver or consent may:

(i) extend or increase any Available Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default or Event of Default is not an extension or increase of any Available Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on, any Reimbursement Obligation, or any fees or other amounts payable hereunder or under any other Related Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders is necessary to amend Section 2.07(a) or to waive the obligation of Valley Water to pay interest at the rate imposed pursuant thereto);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Reimbursement Obligation (excluding mandatory prepayments pursuant to Section 2.05(b)), or any fees or other amounts payable hereunder or under any other Related

Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change the definition of “Applicable Percentage” or Section 2.17 or 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby; or

(v) change any provision of this Section 10.01(a) or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender.

provided, further, that no such amendment, waiver or consent may amend, modify or otherwise affect the rights or duties hereunder or under any other Related Document of the Administrative Agent, unless in writing executed by the Administrative Agent, in addition to Valley Water and the Lenders required above.

(b) Notwithstanding anything herein to the contrary, no Defaulting Lender has any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) an Available Commitment of any Defaulting Lender may not be increased or extended, the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders requires the consent of such Defaulting Lender.

(c) In addition, notwithstanding anything in this Section 10.01 to the contrary, if the Administrative Agent, the Corporation and Valley Water jointly identify an obvious error or any error or omission of a technical nature, in each case, in any provision of the Related Documents, then the Administrative Agent, the Corporation and Valley Water may amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Related Document if the such amendment is not objected to in writing by the Required Lenders to the Administrative Agent within ten (10) Business Days following receipt of notice thereof.

SECTION 10.02. *Notices; Effectiveness; Electronic Communication.*

(a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule I, and all notices and other communications expressly permitted hereunder to

be given by telephone shall be made to the applicable telephone number, for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Administrative Agent hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent, *provided* that the foregoing shall not apply to notices to the any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, Valley Water or the Corporation may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc.* Valley Water, the Corporation or any Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(d) *Reliance by Administrative Agent.* The Administrative Agent shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of Valley Water or the Corporation even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Valley Water shall indemnify the Administrative Agent, the Lenders and the Related Parties of the Administrative Agent and the Lenders from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Valley Water or the Corporation. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and Valley Water and the Corporation hereby consent to such recording.

SECTION 10.03. *No Waiver; Cumulative Remedies; Enforcement; Conflict.* No failure by the Administrative Agent or any Lender to exercise, and no delay by the Administrative Agent or any Lender in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Related Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

To the extent of any conflict between this Agreement, the Resolutions and any other Related Documents, this Agreement shall control solely as between Valley Water, the Corporation, Administrative Agent and the other Lenders.

SECTION 10.04. *Liability of the Bank; Indemnification.*

(a) *Liability of Bank.* Valley Water assumes all risks of the acts or omissions of each of the Trustee, the Paying Agent and the Corporation and their agents in respect of their use of this Agreement or any amounts made available by the Lenders hereunder. No Indemnitee (as hereinafter defined) shall be liable or responsible for: (i) the use which may be made of this Agreement or any amounts made available by the Lenders hereunder or for any acts or omissions of the Trustee, the Paying Agent or the Corporation or their agents in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) the lack of validity or enforceability of this Agreement, the Certificates, the Related Documents or any other agreement or instrument relating thereto (other than the validity or enforceability as against an Indemnitee of any agreement to which such Indemnitee is a party); or (iv) any other circumstances whatsoever in making or failing to make payment hereunder, except only that Valley Water shall have a claim against the Indemnitee, and such Indemnitee shall be liable to Valley Water to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by Valley Water which Valley Water proves were solely and directly caused by such Indemnitee's gross negligence or willful failure to make payment hereunder in accordance with the terms hereof. In furtherance and not in limitation of the foregoing, an Indemnitee may accept documents that such Indemnitee in good faith determines appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. Valley Water assumes all risks associated with the acceptance by the Indemnitee of documents received by telecommunication, it being agreed that the use of telecommunication devices is for the benefit of Valley Water and that such Indemnitee assumes no liabilities or risks with respect thereto.

(b) *Indemnification.* In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, Valley Water hereby agrees (to the extent permitted by law) to indemnify and hold harmless the Administrative Agent and the Lenders and each of their respective Related Parties (each, an "Indemnitee") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the "Liabilities")

by reason of or in connection with (i) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (ii) the issuance or deemed issuance of any Certificate; and (iii) the use of the proceeds of the Certificates or a Term Loan; *provided* that Valley Water shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee. Nothing under this Section 10.04 is intended to limit Valley Water's payment of the Obligations.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, Valley Water shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, or the Certificates or the use of the proceeds thereof. No Indemnitee referred to in subsection (c) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) *Payments.* All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(e) *Survival.* The agreements in this Section shall survive the termination of the Available Commitment, this Agreement and the repayment, satisfaction or discharge of all the Obligations.

SECTION 10.05. *Payments Set Aside.* To the extent that any payment by or on behalf of Valley Water or the Corporation is made to any Lender, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

SECTION 10.06. *Successors and Assigns.*

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon Valley Water and the Corporation and the successors, transferees and assigns of each of Valley Water and the Corporation and shall inure to the benefit of the Administrative Agent and the other Lenders and their respective permitted successors, transferees and assigns. Neither Valley Water nor the Corporation may assign or otherwise transfer any of its rights or

obligations hereunder without the prior written consent of the Administrative Agent and the other Lenders. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, neither the Administrative Agent nor any Lender may assign its obligation to purchase Certificates pursuant to the terms of this Agreement without the prior written consent of Valley Water (such consent not to be unreasonably withheld) and the Administrative Agent (if such Lender is not the Administrative Agent). The Administrative Agent and each Lender may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its rights and interests in the Certificates, the Term Loans and the Related Documents. Each Lender may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Lender may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Subject to the terms and conditions set forth herein, U.S. Bank National Association shall continue to be the Administrative Agent hereunder notwithstanding the sale or transfer of any Certificates and/or Term Loans to a Non-Lender Transferee as herein provided.

(b) *Sales and Transfers to a Lender Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Certificates, together with the corresponding obligations to extend Term Loans in the amount of and corresponding to such transferred Certificates, and/or Term Loans to a Person that is (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by a Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Lender Transferee*”). From and after the date of such sale or transfer, the applicable Lender Transferee (and its successors) shall continue to have all of the rights of such Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Lenders hereunder regarding the Purchase of Certificates, (B) any such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall be in a minimum amount of \$250,000, (C) Valley Water, the Corporation and the Trustee shall be required to deal only with the Administrative Agent with respect to any matters designated to the Administrative Agent under this Agreement and (D) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, regardless of whether the Lender Transferee holds a Master Certificate or a Lender Note, only the Administrative Agent shall be entitled to enforce the provisions of this Agreement against Valley Water and the Corporation, and the Lender Transferee shall execute and deliver a certificate to the Administrative Agent, Valley Water, the Corporation and the Trustee evidencing its acknowledgment and acceptance of the foregoing clauses (C) and (D).

(c) *Sales and Transfers to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees which are not Lender Transferees but each of which constitutes a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Lender Transferee*”) all or a portion of the Certificates, together with the corresponding

obligations to extend Term Loans in the amount of and corresponding to such transferred Certificates, and/or Term Loans if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to Valley Water, the Corporation, the Trustee and the Administrative Agent (if different than the Holder) by such selling Holder and Non-Lender Transferee; *provided, however*, that any sale or transfer shall be in a minimum amount of \$250,000, and (B) the Non-Lender Transferee shall have delivered to Valley Water, the Corporation, the Trustee and the selling Holder, a purchaser letter in substantially the form attached as Exhibit F to this Agreement (the "*Purchaser Letter*"); *provided, however*, that no such sale or transfer referred to in clause (c) hereof shall in any way affect the obligations of such Lender hereunder regarding the Purchase of Certificates.

From and after the date Valley Water, the Corporation, the Trustee, and the selling Holder have received written notice and an executed Purchaser Letter, (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Holder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Holder hereunder and under the other Related Documents shall thereafter refer to such transferring Holder and to the Non-Lender Transferee to the extent of their respective interests, and (B) if the transferring Holder no longer owns any Certificates, maintains any Term Loans or has an obligation to make Purchases and/or extend Term Loans, then it shall relinquish its rights and be released from its obligations under this Agreement and the other Related Documents; *provided, however*, that (1) Valley Water, the Corporation and the Trustee shall be required to deal only with the Administrative Agent with respect to any matters designated to the Administrative Agent under this Agreement, and (2) regardless of whether the Non-Lender Transferee holds a Master Certificate or a Lender Note, only the Administrative Agent shall be entitled to enforce the provisions of this Agreement against Valley Water and the Corporation, and the Non-Lender Transferee shall execute and deliver a certificate to the Administrative Agent, Valley Water, the Corporation and the Trustee evidencing its acknowledgment and acceptance of the foregoing clauses (1) and (2).

(d) *Participations.* (i) The Lenders shall have the right to grant participations in all or a portion of such Lender's interest in the Certificates and/or Term Loans, the Lender's obligation to make Purchases and/or extend Term Loans, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (A) no such participation by any such participant shall in any way affect the obligations of such Lender hereunder, (B) Valley Water shall be required to deal only with the Administrative Agent, with respect to any matters under this Agreement, the Certificates and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against Valley Water and (C) no such participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had such Lender not granted a participation to such Participant.

(ii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Valley Water, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Certificates and/or Term Loans (the "*Participant Register*"); *provided* that no Lender has any

obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Certificates or Term Loans) to any Person other than the Administrative Agent, except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) has no responsibility for maintaining a Participant Register.

(e) *Certain Pledges.* A Lender may at any time pledge or grant a security interest in all or any portion of its rights under, or with respect to, the Certificates, the Term Loans, the Lender Note, this Agreement and the Related Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided that* no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) *Evidence of Ownership Interest.* Any Lender Transferee or Non-Lender Transferee may, by written notice to Valley Water, with a copy to the Administrative Agent, request that its ownership interest in the Master Certificate be evidenced by a separate Lender Note. Upon such request, Valley Water and the Administrative Agent will promptly cooperate with such Lender Transferee or Non-Lender Transferee, as applicable, to grant such request, in a manner reasonably satisfactory to all such parties.

SECTION 10.07. *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.08. *Survival of Representations and Warranties.* All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lenders, regardless of any investigation made by the Administrative Agent or on its behalf and notwithstanding that the Lenders may have had notice or knowledge of any Default or Event of Default at the time of any payment hereunder, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied or any portion of the Available Commitment shall remain outstanding.

SECTION 10.09. *Severability.* If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.10. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED* THAT THE POWER AND AUTHORITY OF VALLEY WATER TO EXECUTE, DELIVER AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 10.11. *Waiver of Jury Trial.* (a) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(b) *Judicial Reference Provisions.* (i) Any and all disputes, claims and controversies arising out of the Related Documents or the transactions contemplated thereby (including, but not limited to, actions arising in contract or tort and any claims by a party to this Agreement (collectively, the “Parties”) against the Administrative Agent or the Lenders related in any way to the financing) (individually, a “Dispute”) that are brought before a forum in which pre-dispute waivers of the right to trial by jury are invalid under applicable law shall be subject to the terms of this Section 10.11(b) in lieu of the jury trial waivers otherwise provided in the Related Documents.

(ii) Any and all Disputes shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure Sections 638 et seq.

(iii) The referee shall be a retired California state court judge or an attorney licensed to practice law in the State of California with at least ten (10) years of experience practicing commercial law. The Parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all Parties.

(iv) If the Parties are unable to agree upon a referee with ten (10) calendar days after one Party serves a written notice of intent for judicial reference upon the other Party or Parties, then the referee will be selected by the court in accordance with California Code of Civil Procedure Section 640(b).

(v) The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of California Code of Civil Procedure Sections 644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.

(vi) Nothing in this Section 10.11(b) shall be deemed to apply to or limit the right of the Lenders (a) to exercise self-help remedies such as (but not limited to) setoff, or (b) to foreclose judicially or nonjudicially against any real or personal property collateral, or to exercise judicial or nonjudicial power of sale rights, (c) to obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, a protective order or the appointment of a receiver), or (d) to pursue rights against a Party in a third-party proceeding in any action brought against the Lenders (including actions in bankruptcy court). The Lenders may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during or after the pendency of any judicial reference proceeding. Neither the exercise of self-help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies or the opposition to any such provisional remedies shall constitute a waiver of the right of any Party, including, but not limited to, the claimant in any such action, to require submission to judicial reference the merits of the Dispute occasioning resort to such remedies. No provision in the Related Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Related Document for judicial reference of any of Dispute.

(vii) If a Dispute includes multiple claims, some of which are found not subject to this Section 10.11(b), the Parties shall stay the proceedings of the Disputes or part or parts thereof not subject to this Section 10.11(b) until all other Disputes or parts thereof are resolved in accordance with this Section 10.11(b). If there are Disputes by or against multiple parties, some of which are not subject to this Section 10.11(b), the Parties shall sever the Disputes subject to this Section 10.11(b) and resolve them in accordance with this Section 10.11(b).

(viii) During the pendency of any Dispute which is submitted to judicial reference in accordance with this Section 10.11(b), each of the Parties to such Dispute shall bear equal shares of the fees charged and costs incurred by the referee in performing the services described in this Section 10.11(b). The compensation of the referee shall not exceed the prevailing rate for like services. The prevailing party shall be entitled to reasonable court costs and legal fees, including customary attorney fees, expert witness fees, paralegal fees, the fees of the referee and other reasonable costs and disbursements charged to the party by its counsel, in such amount as is determined by the Referee.

(ix) In the event of any challenge to the legality or enforceability of this Section 10.11(b), the prevailing Party shall be entitled to recover the costs and expenses from the non-prevailing Party, including reasonable attorneys' fees, incurred by it in connection therewith.

(x) THE PROVISIONS OF THIS SECTION 10.11(b) CONSTITUTE A "REFERENCE AGREEMENT" BETWEEN OR AMONG THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638.

SECTION 10.12. *No Advisory or Fiduciary Responsibility.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), Valley Water and the Corporation acknowledge and agree, and acknowledges its Affiliates' understanding, that: (i) each of Valley Water, the Corporation and the Lenders has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (ii) each of Valley Water, the Corporation and the Lenders is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents.

SECTION 10.13. *Electronic Execution of Assignments and Certain Other Documents; Document Imaging; Telecopy and PDF Signatures.* (a) The words "execution," "signed," "signature," and words of like import in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including E-SIGN, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the UETA.

(b) Without notice to or consent of Valley Water or the Corporation, the Administrative Agent and each Lender may create electronic images of any Related Documents and destroy paper originals of any such imaged documents. Such images have the same legal force and effect as the paper originals and are enforceable against Valley Water and any other parties thereto. The Administrative Agent and each Lender may convert any Related Document into a "transferrable record" as such term is defined under, and to the extent permitted by, UETA, with the image of such instrument in the Administrative Agent's or such Lender's possession constituting an "authoritative copy" under UETA. If the Administrative Agent agrees, in its sole discretion, to accept delivery by telecopy or PDF of an executed counterpart of a signature page of any Related Document or other document required to be delivered under the Related Documents, such delivery will be valid and effective as delivery of an original manually executed counterpart of such document for all purposes. If the Administrative Agent agrees, in its sole discretion, to accept any electronic signatures of any Related Document or other document required to be delivered under the Related Documents, the words "execution," "signed," and "signature," and words of like import, in or referring to any document so signed will be deemed to include electronic signatures and/or the keeping of records in electronic form, which will be of the same legal effect, validity and enforceability as a manually executed signature and/or the use of a paper-based recordkeeping system, to the extent and as provided for in any applicable law, including UETA, E-SIGN, or any

other state laws based on, or similar in effect to, such acts. The Administrative Agent and each Lender may rely on any such electronic signatures without further inquiry.

SECTION 10.14. *Government Regulations.* (a) Each Lender hereby notifies Valley Water and the Corporation that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies Valley Water and the Corporation, which information includes the name and address of Valley Water and the Corporation and other information that will allow the Administrative Agent to identify Valley Water and the Corporation in accordance with the Patriot Act.

Valley Water and the Corporation shall, promptly following a request by the Administrative Agent, provide all documentation and other information that the Administrative Agent reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act (“*BSA*”) laws and regulations, as amended.

(b) The transaction described in this Agreement is an arm’s length, commercial transaction among Valley Water, the Corporation and each Lender in which: (i) such Lender is acting solely as a principal (*i.e.*, as a credit provider) and for its own interest; (ii) such Lender is not acting as a municipal advisor or financial advisor to Valley Water or the Corporation; (iii) such Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to either Valley Water or the Corporation with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether such Lender or any of its affiliates has provided other services or is currently providing other services to Valley Water or the Corporation on other matters); (iv) the only obligations such Lender has to Valley Water and the Corporation with respect to this transaction are set forth in this Agreement; and (v) such Lender is not recommending that Valley Water and the Corporation take an action with respect to the transaction described in this Agreement and the other Related Documents, and before taking any action with respect to the this transaction, Valley Water and the Corporation should discuss the information contained herein with their own respective legal, accounting, tax, financial and other advisors, as they deem appropriate.

SECTION 10.15. *Unconditional Obligations.* The obligations of Valley Water and the Corporation under this Agreement shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Resolutions and this Agreement, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement or, to the extent permitted by law, the Certificates, the Resolutions or any other Related Document;

(b) any amendment or waiver of or any consent to departure from the terms of the Resolutions or all or any of the other Related Documents to which the Required Lenders have not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Lenders, Valley Water, the Trustee, the Paying Agent, or any other Person, whether in connection with this Agreement, the Resolutions, the other Related Documents, or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto which the any Lender in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

SECTION 10.16. *Expenses and Taxes.* Valley Water will promptly pay (i) the reasonable fees and expenses of counsel to the Administrative Agent incurred in connection with the syndication of the facilities hereunder, the preparation, execution, delivery, and administration of this Agreement and the other Related Documents, (ii) the reasonable out-of-pocket expenses of the Administrative Agent incurred in connection with the preparation, execution, delivery, and administration of this Agreement and the other Related Documents, including without limitation, any fee payable to the California Debt and Investment Advisory Commission by the Administrative Agent with respect to the Note (the “CDIAC Fee”), which CDIAC Fee shall be reimbursed within thirty (30) days of the Closing Date, (iii) the reasonable fees and disbursements of counsel to the Administrative Agent with respect to advising such Administrative Agent as to the rights and responsibilities under this Agreement and the other Related Documents, and (iv) all reasonable costs and expenses, if any, of the Administrative Agent and the other Lenders in connection with any amendment or the enforcement of this Agreement and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Administrative Agent. In addition, Valley Water shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by any Related Documents and agrees to hold the Administrative Agent and the other Lenders harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, Valley Water agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys’ fees and costs of settlement) incurred by the Administrative Agent and the Lenders in enforcing any obligations or in collecting any payments due from Valley Water hereunder or under any other Related Document by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a “workout” or of any insolvency or bankruptcy proceedings. The obligations of Valley Water under this Section 10.16 shall survive the termination of this Agreement.

SECTION 10.17. *Modification, Amendment, Waiver, Etc.* No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 10.01 hereof.

SECTION 10.18. *Dealing with Valley Water, the Corporation, the Trustee and/or the Paying Agent.* Each Lender and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with Valley Water, the Corporation, the Trustee and/or the Paying Agent regardless of the capacity of such Lender hereunder.

SECTION 10.19. *Table of Contents; Headings.* The table of contents and the Section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

SECTION 10.20. *Right of Setoff; Other Collateral.* (a) Upon the occurrence and during the continuance of an Event of Default, to the extent not inconsistent with the Senior Master Resolution, Parity Master Resolution or any contractual or other obligation of Valley Water or the Corporation providing for or relating to Subordinate Obligations, each Lender is hereby authorized at any time and from time to time without notice to Valley Water or the Corporation (any such notice being expressly waived by Valley Water or the Corporation), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held, to the extent such balances, credits, deposits and monies relate to the Water Utility System Revenue Fund or Water Utility System Revenues, and other indebtedness at any time owing by such Lender to or for the account of Valley Water (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and such Lender is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all amounts owed to such Lender by Valley Water or the Corporation hereunder of Valley Water or the Corporation, whether or not such Lender shall have made any demand for any amount owing to such Lender by Valley Water or the Corporation.

Section 10.21. EMMA Postings. Valley Water shall not file or submit or permit the filing or submission, of all or any portion of any document (or any summary thereof) entered into in connection with this Agreement or the other Related Documents (or any default, event of acceleration, termination event, modification of terms or other similar events relating to the Certificates or this Agreement) with EMMA (or any successor continuing disclosure vehicle) unless, to the extent reasonably practicable without failing to comply with federal securities laws or any continuing disclosure undertaking entered in connection therewith, such document or portion thereof (or summary thereof), as applicable, to be so filed or submitted (i) has been provided to the Administrative Agent for review in advance of such filing or submission, and (ii) shall have been redacted to the extent reasonably required by the Administrative Agent, provided that such redaction may be no greater than permitted under applicable federal securities law guidance, if any. Valley Water acknowledges and agrees that although the Administrative Agent may request review, edits or redactions of such materials prior to filing, the Administrative Agent is not responsible for Valley Water's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure undertaking, similar agreement or applicable securities or other laws, including but not limited to those relating to Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended.

Section 10.22. Acknowledgement Regarding Any Supported QFCs. To the extent that the Related Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*” and each such QFC a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 10.23. Several Obligations. The obligations of the Lenders hereunder are several and not joint and no Lender is the partner or agent of any other (except to the extent the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Authorized Officer

Attest:

By: _____
Its: _____

SANTA CLARA VALLEY WATER DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

By: _____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION, as
Administrative Agent and Lender.

By: _____
Name:
Title:

[LENDER], as Lender

By: _____
Name:
Title:

[LENDER], as Lender

By: _____
Name:
Title:

SCHEDULE I

CERTAIN ADDRESSES FOR NOTICES

VALLEY WATER:

Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614
 Attention: Charlene Sun
 Facsimile: (408) 979-5612
 Telephone: (408) 630-2528
 E-mail: csun@valleywater.org

CORPORATION:

Santa Clara Valley Water District Public Facilities Financing Corporation
 c/o Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614
 Attention: Charlene Sun
 Facsimile: (408) 979-5612
 Telephone: (408) 630-2528
 E-mail: csun@valleywater.org

ADMINISTRATIVE AGENT:

For all notices and Requests for Purchase:

U.S. Bank National Association

[TO COME]

Wire Instructions:

[TO COME]

LENDERS:

[Bank of San Francisco]

[TO COME]

[Community Bank of the Bay]

[TO COME]

[First Foundation Bank]

[TO COME]

TRUSTEE:

U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, California 94111
Attention: Mary Wong
Facsimile: (415) 677-3768
Telephone: (415) 677-3602

PAYING AGENT:

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Commercial Paper Operations
Facsimile: (212) 509-4529
Telephone: (212) 951-8512

SCHEDULE II**COMMITMENTS**

<u>Lender</u>	<u>Commitment</u>
U.S. Bank National Association	\$150,000,000.00
[Bank of San Francisco]	
[Community Bank of the Bay]	
[First Foundation Bank]	
TOTAL:	\$[170,000,000].00

EXHIBIT A**[FORM OF REQUEST FOR PURCHASE]****REQUEST FOR PURCHASE****[Date]**

U.S. Bank National Association

Attention: _____

Facsimile: _____

Telephone: _____

E-mail: _____

Ladies and Gentlemen:

The undersigned, an Authorized Officer, refers to the Certificate Purchase and Reimbursement Agreement, dated as of October 1, 2020 (together with any amendments or supplements thereto, the “*Agreement*”), by and among the Santa Clara Valley Water District (“*Valley Water*”), the Santa Clara Valley Water District Public Facilities Financing Corporation (the “*Corporation*”), the Lenders (as defined in the Agreement) and the undersigned, U.S. Bank National Association (the “*Administrative Agent*”) (the terms defined therein being used herein as therein defined), hereby confirms that (x) the representations and warranties contained in Article V of the Agreement are true and correct in all material respects as of the date hereof, and (y) no event has occurred and is continuing, or would result from such Lender purchasing such Certificate, which constitutes a Default or Event of Default, and hereby requests, pursuant to Section 2.03 of the Agreement, that the Lenders make a Purchase of Certificates on a pro rata basis under the Agreement, and in that connection sets forth below the following information relating to such Purchase (the “*Proposed Purchase*”):

1. The Business Day of the Proposed Purchase is _____ (the “*Purchase Date*”), which is at least four Business Days after the date hereof.

2. The principal amount of the Proposed Purchase of a Certificate is \$_____, which is not greater than the Available Commitment as of the Purchase Date set forth in 1 above.

3. The Certificate shall be a [Taxable Certificate and bear interest at the Taxable LIBOR Rate] [Tax-Exempt Certificate and bear interest at a Tax-Exempt LIBOR Rate].

4. The TRAN to which the Certificate relates to will be issued and outstanding on the Purchase Date.

5. With respect to Tax-Exempt Certificates only, neither Valley Water nor the Administrative Agent shall have received written notice from Bond Counsel that the approving opinion delivered pursuant to Section 4.01(c)(ii) of the Agreement may no longer be relied upon.

The Proposed Purchase shall be made by the Administrative Agent by wire transfer of immediately available funds to the Paying Agent in accordance with the instructions set forth below:

[Insert wire instructions]

Attest:

SANTA CLARA VALLEY WATER DISTRICT

By: _____

Its: _____

By: _____

Authorized Officer

EXHIBIT B**[FORM OF REQUEST FOR EXTENSION****REQUEST FOR EXTENSION****[Date]**

U.S. Bank National Association

Attention: _____

Facsimile: _____

Telephone: _____

E-mail: _____

Ladies and Gentlemen:

Reference is made to the Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020 (together with any amendments or supplements thereto, the “*Agreement*”) by and among the undersigned Santa Clara Valley Water District (“*Valley Water*”), the Santa Clara Valley Water District Public Facilities Financing Corporation (the “*Corporation*”), the Lenders (as defined in the Agreement) and U.S. Bank National Association (the “*Administrative Agent*”). All terms defined in the Agreement are used herein as defined therein.

Valley Water hereby requests, pursuant to Section 2.12 of the Agreement, that the Commitment Expiration Date with respect to the Commitment as of the date hereof be extended to _____. Pursuant to such Section 2.12, we have enclosed with this request the following information:

1. a reasonably detailed description of any and all Defaults and/or Events of Default that have occurred and are continuing;
2. confirmation that all representations and warranties of Valley Water as set forth in Article V of the Agreement and each Related Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing (to the extent not disclosed pursuant to clause 1 above) on the date hereof; and
3. any other pertinent information previously requested by the Administrative Agent.

The Administrative Agent is asked to notify Valley Water of its decision with respect to this request within 60 days of the date of receipt hereof. If the Administrative Agent fails to notify

Valley Water of the Administrative Agent's decision within such 60-day period, the Administrative Agent shall be deemed to have rejected such request.

Very truly yours,

Attest:

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Its: _____

By: _____
Authorized Officer

EXHIBIT C**[FORM OF NOTICE OF TERMINATION OR REDUCTION]****NOTICE OF TERMINATION OR REDUCTION****[Date]**

U.S. Bank National Association

Attention: _____

Facsimile: _____

Telephone: _____

E-mail: _____

Ladies and Gentlemen:

Re: Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020

The Santa Clara Valley Water District (“*Valley Water*”), through its undersigned, an Authorized Officer, hereby certifies to U.S. Bank National Association (the “*Administrative Agent*”), with reference to the Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020 (together with any amendments or supplements thereto, the “*Agreement*”), by and among Valley Water, the Santa Clara Valley Water District Public Facilities Financing Corporation, the Lenders (as defined in the Agreement) and the Administrative Agent (the terms defined therein and not otherwise defined herein being used herein as therein defined):

[Valley Water hereby informs you that the Available Commitment is terminated in accordance with the Agreement.]

OR

[Valley Water hereby informs you that the Available Commitment is permanently reduced from [insert amount as of the date of this Notice] to [insert new amount], such reduction to be effective on _____.]

IN WITNESS WHEREOF, Valley Water has executed and delivered this Notice this _____ day of _____, _____.

Attest:

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Its: _____

By: _____
Authorized Officer

EXHIBIT D**[FORM OF NOTICE OF REDUCTION]****NOTICE OF REDUCTION****[Date]**

Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614
 Attention: Treasury Officer

Santa Clara Valley Water District Public Facilities Financing Corporation
 c/o Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.09 of the Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020 (the “*Agreement*”), by and among the undersigned, U.S. Bank National Association, the Lenders (as defined in the Agreement), the Santa Clara Valley Water District and the Santa Clara Valley Water District Public Facilities Financing Corporation, the Available Commitment is permanently reduced from **[insert amount as of the date of this Notice]** to **[insert new amount]**, such reduction to be effective on _____.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION

By _____

EXHIBIT E**[FORM OF NOTICE OF EXTENSION]****NOTICE OF EXTENSION****[Date]**

Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614
 Attention: Treasury Officer

Santa Clara Valley Water District Public Facilities Financing Corporation
 c/o Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, California 95118-3614

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.12 of the Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020 (the “*Agreement*”), by and among the undersigned, U.S. Bank National Association, the Lenders (as defined in the Agreement) the Santa Clara Valley Water District and the Santa Clara Valley Water District Public Facilities Financing Corporation, the Commitment Expiration Date with respect to the Available Commitment as of the date hereof shall be extended to _____, _____. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article V of the Agreement and each other Related Document are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION

By _____

[LENDERS]

By _____

Acknowledged as of _____, _____ by

Attest:

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Its: _____

By: _____
Authorized Officer

EXHIBIT F**FORM OF PURCHASER LETTER**

_____, 20__

Santa Clara Valley Water District
San Jose, California

Santa Clara Valley Water District Public Facilities Financing Corporation
San Jose, California

Re: \$[170,000,000]

Santa Clara Valley Water District Revolving Certificates
Series C (Tax-Exempt) and Series D (Taxable)

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced certificates (collectively, the “*Certificates*”). The Certificates will be executed and delivered under that certain Resolution No. PFFC-20-__, adopted by the Santa Clara Valley Water District Public Facilities Financing Corporation (the “*Corporation*”) on April 17, 2020 (the “*Corporation Resolution*”). _____ (the “*Lender*,” the “*undersigned*,” “*us*” or “*we*,” as applicable) is purchasing the Certificates pursuant a Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020, by and among the Santa Clara Valley Water District (“*Valley Water*”), the Corporation, and the Lender. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Certificates have not been registered pursuant to the Securities Act of 1933, as amended (the “*1933 Act*”), the securities laws of any state nor has the Corporation Resolution been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Certificates (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.

2. We have not offered, offered to sell, offered for sale or sold any of the Certificates by means of any form of general solicitation or general advertising, and we are not an underwriter of the Certificates within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Certificates.

4. We have authority to purchase the Certificates and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Certificates.

5. The undersigned is a duly appointed, qualified and acting representative of the Lender and is authorized to cause the Lender to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Lender.

6. The Lender is able to bear the economic risks of such investment.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Certificates. The undersigned has made its own inquiry and analysis with respect to Valley Water, the Certificates and the security therefor, and other material factors affecting the security for and payment of the Certificates.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding Valley Water, to which a reasonable purchaser would attach significance in making debt purchasing decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning Valley Water, the Certificates and the security therefor, so that as a reasonable purchaser, it has been able to make its decision to purchase the Certificates.

9. The Certificates are being acquired by the Lender for its own account and not with a present view toward resale or distribution; *provided, however*, that the Lender reserves the right to sell, transfer or redistribute the Certificates, but agrees that any such sale, transfer or distribution by the Lender shall be to a Person:

(a) that is an affiliate of the Lender;

(b) that is a trust or other custodial arrangement established by the Lender or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that the Lender reasonably believes to be a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such sale, transfer or distribution who executes an purchaser letter substantially in the form of this letter.

Very truly yours,

[LENDER]

By _____

EXHIBIT G

COMPLIANCE CERTIFICATE

For the Quarter/Year ended _____ (“*Statement Date*”)

U.S. Bank National Association
[Address]
Attention:

Ladies and Gentlemen:

We refer to the Certificate Purchase and Reimbursement Agreement, dated as of October 1, 2020 (as amended, restated and supplemented from time to time, the “*Certificate Purchase and Reimbursement Agreement*”), by and among the Santa Clara Valley Water District (“*Valley Water*”), Santa Clara Valley Water District Public Facilities Financing Corporation (the “*Corporation*”), the Lenders (as defined in the Certificate Purchase and Reimbursement Agreement) and U.S. Bank National Association (and its successors and assigns, the “*Administrative Agent*”). All capitalized terms herein having the meanings ascribed thereto in the Certificate Purchase and Reimbursement Agreement.

The undersigned authorized representative of Valley Water hereby certifies as of the date hereof that he/she is the _____ of Valley Water, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of Valley Water, and that:

[Include following paragraph 1 for fiscal year-end financial statements]

1. Attached hereto as Schedule 1 are the audited financial statements of Valley Water required by Section 6.01(a) of the Certificate Purchase and Reimbursement Agreement for the fiscal year of Valley Water ended as of the above referenced Statement Date, prepared in accordance with generally accepted accounting principles for governmental entities consistently applied including (i) a balance sheet for the fiscal year of Valley Water ended as of the above referenced Statement Date, (ii) the related statements of operations and changes in equity, (iii) statements of cash flows for such fiscal year, setting forth in each case, in comparative form, the figures for the previous fiscal year, all certified and accompanied by an unqualified opinion of an independent certified public accounting firm to the effect that such audited financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and fairly present the financial condition of Valley Water as at their date and the results of its operations for the period then ended.

[Start with the following as paragraph 1 for fiscal quarter-end compliance certificates]

[2.][1.] The undersigned has reviewed and is familiar with the terms of the Certificate Purchase and Reimbursement Agreement and has reviewed Valley Water’s obligations thereunder and under the other Related Documents and has made, or has caused to be made under his/her

supervision, a detailed review of the transactions and condition (financial or otherwise) of Valley Water during the accounting period covered by the attached financial statements.

[3.][2.] The examination described in paragraph 2 herein did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Default or Default under the Certificate Purchase and Reimbursement Agreement or a default or event of default under any other Related Document, during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth in a separate attachment, if any, to this Certificate, describing in detail, the nature of the condition or event, the period during which it has existed and the action which Valley Water has taken, is taking, or proposes to take with respect to each such condition or event.

[4.][3.] The representations and warranties of Valley Water contained in Section 5.01 of the Certificate Purchase and Reimbursement Agreement, and/or any representations and warranties of Valley Water that are contained in any other Related Document or any document furnished at any time under or in connection with the Certificate Purchase and Reimbursement Agreement, are true and correct in all material respects on and as of the date hereof (except for those representations and warranties that are conditioned by materiality, which are true and correct in all respects), except to the extent that such representations and warranties specifically relate to an earlier date, in which case they are true and correct in all material respects (except for those representations and warranties that are conditioned by materiality, which are true and correct in all respects), on and as of such earlier date as of such earlier date.

[Include following paragraph 5 only for fiscal year-end financial statements]

5. Valley Water has kept, observed, performed and fulfilled each and every covenant, provision and condition of the Certificate Purchase and Reimbursement Agreement on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions of the Certificate Purchase and Reimbursement Agreement, including, but not limited to, the covenants contained in Section 6.20 of the Certificate Purchase and Reimbursement Agreement, as demonstrated on Schedule 2 attached hereto. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

[Include following paragraph 6 only for demonstrating compliance with Section 6.03 of the Certificate Purchase and Reimbursement Agreement]

6. Valley Water has kept, observed, performed and fulfilled the covenants contained in Section 6.03 of the Certificate Purchase and Reimbursement Agreement, as demonstrated on Schedule 2 attached hereto. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of

_____.

SANTA CLARA VALLEY WATER DISTRICT

By: _____

[Include following Schedule 2 only for fiscal year-end financial statements and paragraph (B) of Schedule 2 for demonstrating compliance with Section 6.03 of the Certificate Purchase and Reimbursement Agreement]

SCHEDULE 2

TO THE COMPLIANCE CERTIFICATE

SECTION 6.20 RATE COVENANT AND DEBT SERVICE COVERAGE COVENANT

For the Year ended _____ (“*Statement Date*”)

A. Parity Debt Service Coverage Ratio:

- | | | |
|----|---|----------|
| a. | Net Water Utility System Revenues for FY__: | \$ _____ |
| b. | Senior Debt Service: | \$ _____ |
| c. | All other transfers and payments from the Water Utility System Revenue Fund required under Sections 2.2(a), (b), and (c) of the Parity Master Resolution not already taken into account in lines a and b: | \$ _____ |
| d. | Line a minus lines b and c (Net Water Utility System Revenues available for Parity Debt Service): | \$ _____ |
| e. | Parity Debt Service: | \$ _____ |
| | Parity Debt Service Coverage Ratio (d/e)
(1.25x minimum): | |

B. Subordinate Lien Debt Service Coverage Ratio:

- | | | |
|----|---|----------|
| a. | Net Water Utility System Revenues for FY__: | \$ _____ |
| b. | Senior Debt Service: | \$ _____ |
| c. | Parity Debt Service: | |
| d. | All other transfers and payments from the Water Utility System Revenue Fund required under Sections 2.2(a), (b), (c), (d) and (e) of the Parity Master Resolution not already taken into account in lines a, b and c: | \$ _____ |
| e. | Line a minus lines b, c and d (Net Water Utility System Revenues available for Subordinate Debt Service): | \$ _____ |
| f. | Subordinate Debt Service: | \$ _____ |
| | Subordinate Debt Service Coverage Ratio (e/f)
(1.10x minimum): | |

EXHIBIT H**[FORM OF LENDER NOTE]**

\$_____ Maximum Principal Amount _____, 2020

FOR VALUE RECEIVED, the undersigned, SANTA CLARA VALLEY WATER DISTRICT (“*Valley Water*”), hereby promises to pay to the order of U.S. Bank National Association (the “*Administrative Agent*”), at its principal office at _____, _____, California _____, in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal amount equal to the aggregate unreimbursed amount of the Term Loans made by the Lenders pursuant to the Agreement not to exceed _____ Million and No/100 Dollars (\$_____). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Certificate Purchase and Reimbursement Agreement dated as of October 1, 2020 (as amended, restated, supplemented and otherwise modified from time to time, the “*Agreement*”) among Valley Water, Santa Clara Valley Water District Public Facilities Financing Corporation (the “*Corporation*”), the Lenders (as defined in the Agreement) and the Administrative Agent.

Valley Water further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Administrative Agent may endorse its records relating to this Lender Note with appropriate notations evidencing the Term Loans under the Agreement and payments of principal hereunder as contemplated by the Agreement.

This Lender Note evidences the Reimbursement Obligations of the Lender as provided in Section 2.06(e) of the Agreement, and such Reimbursement Obligations are secured as provided in the Agreement. The principal of this Lender Note is subject to prepayment in whole or in part in accordance with the terms of the Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Lender Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

THIS LENDER NOTE SHALL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW).

IN WITNESS WHEREOF, Valley Water has caused this Lender Note to be signed in its name as an instrument by its duly authorized officer on the date and in the year first above written.

SANTA CLARA VALLEY WATER DISTRICT

By: _____

Attest:

By: _____

Title: _____

EXHIBIT I
TAX-EXEMPT TRAN

EXHIBIT J
TAXABLE TRAN

Supplemental Attachment 3 - Small Banks Outreach

#	Lender	HQ City	County	Total Assets (\$M)	Tentative Commit.	Comments
1	Bank of San Francisco	San Francisco	San Francisco	\$0.67	\$5-\$7M	Subject to final credit approval and \$14 million deposit
2	Community Bank of the Bay	Oakland,	Alameda	\$0.61	\$5M	Subject to final credit approval
3	First Foundation	Irvine	Orange	\$7.12	\$10	Subject to final credit approval; Branch locations in San Mateo County and San Francisco
4	Pinnacle Bank	Gillroy	Santa Clara	\$0.62		Not interested in municipal loan product
5	AvidBank	San Jose	Santa Clara	\$1.40		Not interested in municipal loan product
6	Heritage Bank of Commerce	San Jose	Santa Clara	\$4.61		Not interested in municipal loan product
7	Meriwest Credit Union	San Jose	Santa Clara	\$1,861.00		Bank not set up to account for this type of loan
8	TechCU	San Jose	Santa Clara	\$3,394.12		Transaction does not meet TechCU lending guidelines
9	Bank of the Orient	San Francisco	San Francisco	\$0.96		Not interested in municipal loan product
10	California Pacific Bank	San Francisco	San Francisco	\$0.09		Not interested in loans yielding less than 5-6% return
11	Mission National Bank	San Francisco	San Francisco	\$0.26		Not interested in municipal loan product
12	Provident Credit Union	Redwood City	San Mateo	\$3,096.00		Bank does not do commercial lending
13	Liberty Bank	South San Francisco	San Mateo	\$0.31		Not interested in municipal loan product
14	Summit Bank	Oakland	Alameda	\$0.30		Not interest due to low rates; not interested in deposits or upfront fee as special incentives.
15	Fremont Bank	Fremont	Alameda	\$5.00		Not interested in municipal loan product
16	Beneficial State Bank	Oakland	Alameda	\$1.24		Not interest due to low rates; not interested in deposits or upfront fee as special incentives.
17	Tri Counties Bank	Chico	Butte County	\$7.36		Not interested in municipal loan product
18	Commonwealth Business Bank	Los Angeles	Los Angeles	\$1.30		Not interested in municipal loan product

Supplemental Attachment 3 - Small Banks Outreach

#	Lender	HQ City	County	Total Assets (\$M)	Tentative Commit.	Comments
19	Hanmi Bank	Los Angeles	Los Angeles	\$6.20		Not interested in municipal loan product
20	Preferred Bank	Los Angeles	Los Angeles	\$5.00		Not interested in municipal loan product
21	Bank of Marin	Novato	Marine	\$3.18		Not interest due to low rates; not interested in deposits or upfront fee as special incentives.
22	Banc of California	Santa Ana	Orange	\$7.75		Not interested in municipal loan product
23	River City Bank	Sacramento	Sacramento	\$3.19		Not interest due to low rates; not interested in deposits or upfront fee as special incentives.
24	Farmers & Merchants Bank of Central California	Lodi	San Joaquin	\$4.26		Not interested in municipal loan product



Santa Clara Valley Water District

File No.: 20-0744

Agenda Date: 10/13/2020

Item No.: 3.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Resolution Declaring October 17-24, 2020, as California Flood Preparedness Week in Santa Clara County.

RECOMMENDATION:

Adopt the Resolution DECLARING THE WEEK OF OCTOBER 17 - 24, 2020, AS CALIFORNIA FLOOD PREPAREDNESS WEEK IN SANTA CLARA COUNTY.

SUMMARY:

Flooding can have devastating impacts on individuals, families, and businesses. As Santa Clara County's flood protection agency, Valley Water is committed to building infrastructure for flood prevention and protection, and since the agency's inception, has invested \$1 billion to date to protect 100,000 parcels. In addition to building this infrastructure to protect the community, Valley Water is also committed to educating the residents of Santa Clara County about the impacts from flooding, through awareness and education campaigns.

In an effort to bring broader awareness to the community about flood preparedness, Valley Water participates in the State of California Department of Water Resources' (DWR) California Flood Preparedness Week (CFPW), a statewide effort to educate the public about the importance of flood preparedness, including how to prepare their homes, families, and businesses before, during, and after a potential flood, and how to develop a plan for recovery.

The ninth annual CFPW will be held during the week of October 17-24, 2020. The theme for CFPW 2020 is "Federal, State & Local Community Partnership in Flood Risk Reduction". Consequently, federal, state, and local agencies will work together to provide consistent messaging to inform all Californians on the types of flooding that impact various communities in California.

In Santa Clara County, Valley Water is coordinating efforts with several agencies, such as the California Office of Emergency Services, National Oceanic and Atmospheric Administration's (NOAA) National Weather Service, Federal Emergency Management Agency (FEMA), US Army Corps of Engineers, and Department of Water Resources (DWR), to increase public awareness of flood threats and encourage all Santa Clara County residents to take action and prepare appropriately.

Residents can learn more about flood preparedness at valleywater.org/FloodReady or

ready.gov/floods.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommendation action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Marta Lugo, 408-630-2237

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 20-

**DECLARING THE WEEK OF OCTOBER 17-24, 2020, AS
CALIFORNIA FLOOD PREPAREDNESS WEEK IN SANTA CLARA COUNTY**

WHEREAS, the Santa Clara Valley Water District (Valley Water) recognizes the significant public safety threat flooding poses to the population, assets, and economy of Santa Clara County; and

WHEREAS, Santa Clara County has endured multiple flood events, including historic floods, wherein Santa Clara County has seen rainfall events that resulted in devastating flooding and debris flows over portions of our community which should serve as a reminder of the flooding threat we face and the need to prepare every year; and

WHEREAS, the Santa Clara Valley Water District is continuing to address flood protection through various projects and are working towards building flood protection infrastructure to protect communities from future flooding. The Santa Clara Valley Water District is also committed to providing educational material and resources for residents of Santa Clara County to prepare for flooding events; and

WHEREAS, floods can occur in Santa Clara County in any given year, regardless of perceived weather patterns or trends; and even after several years of severe drought conditions, droughts in California have historically ended with extreme rain events and flooding; and

WHEREAS, statewide over 7 million people and at least \$600 billion in assets (buildings, infrastructure, and crops) are exposed to the hazard of flooding; and

WHEREAS, the Santa Clara Valley Water District provides flood map reading services and makes available to the public the Flood Insurance Rate Maps information developed and published by the Federal Emergency Management Agency (FEMA); and

WHEREAS, because of the Santa Clara Valley Water District's ongoing participation in the FEMA National Flood Insurance Program Community Rating System, residents and businesses throughout Santa Clara County are eligible to purchase federal flood insurance as financial protection against flood losses, and receive discounted rates on premiums in certain cities; and

WHEREAS, during California Flood Preparedness Week, local, state, and federal agencies across the state work together to inform the public about the dangers of flooding, how to prepare their homes and families for a flood, and plan for recovery; and

WHEREAS, California Flood Preparedness Week 2020 will be held statewide during the week of October 17-24.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Santa Clara Valley Water District declares the week of October 17-24, 2020, as California Flood Preparedness Week in Santa Clara County in alignment with the California Department of Water Resources' California Flood Preparedness Week, expresses support for increased public awareness of flood threats, and encourages all Santa Clara County residents and businesses to take action to know their flood threat and prepare appropriately for the flood season.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on October 13, 2020:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors



Santa Clara Valley Water District

File No.: 20-0727

Agenda Date: 10/13/2020

Item No.: 3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Resolution Setting Time and Place of a Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project, Project No. 93764004, (San Jose) (District 3).

RECOMMENDATION:

Adopt the Resolution SETTING TIME AND PLACE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PENITENCIA WATER TREATMENT PLANT REHABILITATION OF FLOCCULATION AND SEDIMENTATION BASINS PROJECT to occur on October 27, 2020, at 6:00 PM by teleconference Zoom meeting.

SUMMARY:

The objective of the Penitencia Water Treatment Plant (PWTP) Rehabilitation of Flocculation and Sedimentation Basins (Project) is to extend the useful life and increase the reliability of the PWTP. The Project will remove and replace all process-related mechanical and electrical equipment, inspect and refurbish the basin concrete coatings, and upgrade the drive motor assemblies in all three (3) of the flocculation and sedimentation basins at the PWTP.

Attachment 1 contains the resolution to set the time and place for the public hearing.

Engineer's Report and CEQA Exemption Determination

Section 12 of the District Act requires the Board to conduct a public hearing to consider all written and oral objections to the proposed project when: 1) the project is new construction; and 2) the project is funded by a single or joint zone of benefit. As the proposed Project meets both conditions, staff prepared an Engineer's Report for the purpose of public disclosure. The Engineer's Report is provided in Attachment 2.

In addition, staff has determined that the proposed Project would be exempt from CEQA review because it qualifies for a Categorical Exemption under CEQA Guidelines Section 15301; Existing Facilities [Class 1 - operation, repair, maintenance, minor alteration of existing structures and facilities].

Staff is recommending that the Board set a public hearing for October 27, 2020 to hear public comments on Valley Water's Engineer's Report and CEQA exemption determination. Following the public hearing, the Board will consider the CEQA exemption determination before considering approving the Engineer's Report and the proposed Project. The Notice of Public Hearing for this Engineer's Report is provided in Attachment 3.

FINANCIAL IMPACT:

There is no financial impact associated with approving staff's recommendation to set a public hearing on the Engineer's Report to consider the Project. The estimated cost to plan, design, and construct the Project is \$4.2 million. The proposed Project would be funded by the Water Enterprise Fund, with 100 % of the costs allocated to Zone W-2 (North County).

CEQA:

The recommended action does not constitute a "project" under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution
Attachment 2: Engineer's Report
Attachment 3: Notice of Public Hearing

UNCLASSIFIED MANAGER:

Aaron Baker, 408-630-3135

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 20-

**SETTING TIME AND PLACE OF PUBLIC HEARING ON THE ENGINEER'S REPORT
AND CEQA EXEMPTION DETERMINATION FOR THE PENITENCIA WATER TREATMENT
PLANT REHABILITATION OF FLOCCULATION AND SEDIMENTATION BASINS PROJECT**

WHEREAS, the Santa Clara Valley Water District (Valley Water) has been duly and regularly established and exists pursuant to the provisions of the Santa Clara Valley Water District Act (District Act); and

WHEREAS, the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project (proposed Project) is included in the Board-approved fiscal years 2021-2025 Capital Improvement Program; and

WHEREAS, on the 13th day of October 2020, the Engineer's Report for the proposed Project prepared by Valley Water's Engineers, titled "Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project No. 93764004," dated August 2020, was made available to the Board of Directors, providing:

1. A general description of the proposed Project;
2. A general description of and maps showing the location of the proposed Project and lands, rights of way, and easements required therefor; and
3. An estimate of the cost of the proposed Project and means of financing these costs.

WHEREAS, Section 12 of the District Act requires the Board to conduct a public hearing to consider all written and oral objections to the proposed project when: (1) the project is new construction and (2) the project is funded by single or joint zones of benefits; and

WHEREAS, the California Environmental Quality Act (CEQA) Guidelines section 15202(b) requires environmental review to be a subject of the public hearing if a public hearing is being held on a lead agency's decision to carry out or approve a project. Since Valley Water must conduct a public hearing on the Engineer's Report, the CEQA exemption determination for the proposed Project will also be considered during the hearing.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

1. That the 27th day of October 2020 at 6:00 p.m., by teleconference Zoom meeting, be fixed as the time and place for a public hearing on the Engineer's Report and the CEQA exemption determination, and this Board of Directors will consider all written and oral comments to the proposed Project and CEQA determination; and
2. That the Engineer's Report for the proposed Project, titled "Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project No. 93764004," dated August 2020, is available for public inspection by any interested person at Valley Water's website: <https://www.valleywater.org/public-review-documents>.

Setting Time and Place of Public Hearing on the Engineer's Report and CEQA Exemption
Determination for the Penitencia Water Treatment Plant Rehabilitation of Flocculation and
Sedimentation Basins Project

Resolution No. 20-

In compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to the COVID-19 pandemic, the Governor's Executive Order N-29-20, and the March 16, 2020 Shelter in Place Order of the County of Santa Clara Public Health Officer, Valley Water's offices are closed to the public. Therefore, the Engineer's Report is unavailable for public inspection at Valley Water's offices and only available online. A copy of the Engineer's Report is also being distributed to the City Clerk's office in the City of San Jose and may be available on its website.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on October 13, 2020:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project

Engineer's Report

August 2020

Raw Water Division



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PENITENCIA WATER TREATMENT PLANT REHABILITATION OF FLOCCULATION AND SEDIMENTATION BASINS PROJECT

PROJECT NO. 93764004

ENGINEER'S REPORT

Prepared By:

David Kunz, P.E., Senior Engineer

Under the Direction of:

Joel Jenkins, P.E.
Engineering Unit Manager

Aaron Baker, P.E.
Deputy Operating Officer

Garth Hall
Interim Chief Operating Officer

Rick Callender
Chief Executive Officer

The Engineer's Report has been prepared under the direct supervision of the undersigned, who hereby certifies that he is a Registered Civil Engineer in the State of California



A handwritten signature in black ink, appearing to read "David G. Kunz", written over a horizontal line.

August 2020

DISTRICT BOARD OF DIRECTORS

John L. Varela
Barbara Keegan
Richard Santos,
Linda J. LeZotte

District 1
District 2
District 3
District 4

Nai Hsueh, Chair
Tony Estremera, Vice Chair
Gary Kremen

District 5
District 6
District 7

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**Penitencia Water Treatment Plant
Rehabilitation of Flocculation and Sedimentation Basins Project
Project No. 93764004
Engineer's Report
August 2020**

1. PROJECT DESCRIPTION

The proposed Project is located at the District's Penitencia Water Treatment Plant (PWTP) in San Jose (see Figures 1 for project location). The PWTP was built and placed in service in the early 1970's. An inspection of the flocculation and sedimentation equipment suggested its replacement. The objective of this Project is to extend the useful life and increase the reliability of the PWTP. The proposed Project, once completed, will ensure that the treatment plant can continue to efficiently and reliably provide potable water to water retailers, businesses, and residents within the District's service areas.

The Project will remove and replace all process-related mechanical and electrical equipment, inspect and refurbish the basin concrete coatings, and upgrade the drive motor assemblies in all three (3) of the PWTP Flocculation and Sedimentation basins. Staging of this work will be coordinated between the three (3) basins of the plant. The plant will be on reduced capacity for the duration of the project construction.

2. ZONE BENEFITS

The proposed Project work will benefit the customers of Zone W-2 (North County).

3. PROJECT RIGHT OF WAY

The proposed Project would be constructed on District property.

4. MAPS AND FIGURES

Figure 1 - Project Location Map

5. PROJECT COSTS

The estimated cost for design and construction of the proposed Project is \$4.2 million. The proposed Project would be funded by the Water Utility Enterprise Fund.

6. PROJECT SCHEDULE

- Advertise for construction bids: November 2020
- Award construction contract: January 2021
- Complete construction: April 2022

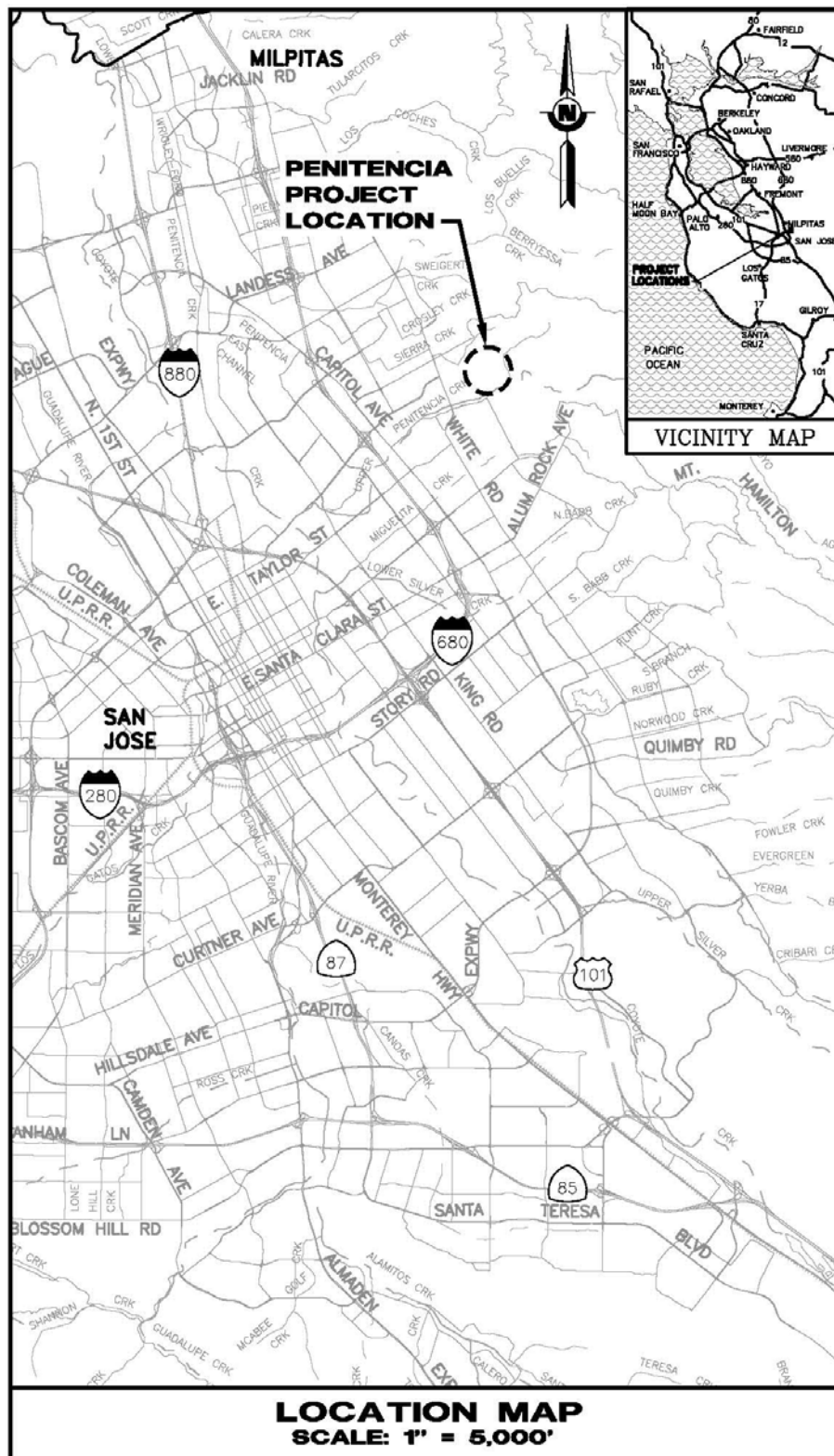


Figure 1 - Project Location Map

Public Hearing Notice

CAPITAL IMPROVEMENT PROJECT



Topic: Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project

Who: Santa Clara Valley Water District

What: Public hearing on Engineer's Report and CEQA Exemption Determination

When: Tuesday, October 27, 2020 – Item is time certain at 6:00 p.m.

Where: Teleconference Zoom

Why: The proposed work of improvement is described in the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project Engineer's Report. The Report is available on Valley Water's website: <http://www.valleywater.org/PublicReviewDocuments.aspx>. A copy of this Notice has been posted outside Valley Water's Offices at 5700 Almaden Expressway, San Jose, CA 95118. A copy of the Report has been provided to the City Clerk's office in the City of San Jose and may be available on its web page.

In compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to the COVID-19 pandemic, the Governor's Executive Order N-29-20, and Order of the County of Santa Clara Public Health Officer dated March 16, 2020, Valley Water's offices are closed to the public. Therefore, the Engineer's Report is unavailable for public inspection at Valley Water's offices and only available online.

The objective of the Penitencia Water Treatment Plant (PWTP) Rehabilitation of Flocculation and Sedimentation Basins Project (Project) is to extend the useful life and increase the reliability of the plant. The Project will remove and replace all process-related mechanical and electrical equipment, inspect and refurbish the basin concrete coatings, and upgrade the drive motor assemblies in all three (3) of the PWTP Flocculation and Sedimentation basins.

At the time and place fixed for the public hearing, the Board of Directors will receive comments on the Engineer's Report and the CEQA exemption determination for the Project and consider approving the Project's CEQA exemption determination in accordance with the California Environmental Quality Act. After considering the comments on the Engineer's Report, the Board will decide whether or not to proceed with the Project.

For more information about this hearing or this project, contact Joel Jenkins at (408) 630-2609 and/or David Kunz at (408) 630-2293.

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Board of Directors, District staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Board during a video conference meeting on this item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

Santa Clara Valley Water District (District), in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in District Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled District Board meeting to ensure that the District may assist you.

Se realizarán esfuerzos a fin de brindar todas las facilidades posibles a las personas con discapacidades que desean asistir a esta reunión pública. Para información adicional sobre como asistir a esta audiencia incluyendo peticiones para acomodar a discapacitados o asistencia con intérpretes, por favor comuníquese a la Oficina del Secretario de la Junta Directiva al **(408) 630-2277**, por lo menos tres días antes de la audiencia.

Những người khuyết tật cũng có thể tham dự buổi điều trần này. Muốn có các yêu cầu hỗ trợ người khuyết tật tham dự buổi điều trần kể cả các tiện nghi, thông dịch, quý vị có thể tiếp xúc văn phòng Thư ký Hội đồng tại số **(408) 630-2277**, ít nhất ba ngày trước buổi điều trần.



Santa Clara Valley Water District

File No.: 20-0917

Agenda Date: 10/13/2020

Item No.: *3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Accept the CEO Bulletins for the Weeks of September 11-24, *and September 25 - October 8, 2020.

RECOMMENDATION:

Accept the CEO Bulletin.

SUMMARY:

The CEO Bulletin is a weekly communication for the CEO, to the Board of Directors, assuring compliance with Executive Limitations Policy EL-7: The BAOs inform and support the Board in its work. Further, a BAO shall: inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established; and report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

CEO Bulletins are produced and distributed to the Board weekly as informational items, and then placed on the bimonthly, regular Board meeting agendas to allow opportunity for Board discussion on any of the matters contained therein.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 092420 CEO Bulletin

*Attachment 2: 100820 CEO Bulletin

UNCLASSIFIED MANAGER:

File No.: 20-0917

Agenda Date: 10/13/2020
Item No.: *3.3.

Rick Callender, 408-630-2017

CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of September 11 – September 24, 2020

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

Item	IN THIS ISSUE
<u>1</u>	Anderson Dam Seismic Retrofit Project Virtual Public Meetings
<u>2</u>	Countywide Water Reuse Master Plan Update
<u>3</u>	New Environmental Laboratory Accreditation Program Requirements Taking Effect
<u>4</u>	Safe, Clean Water Grant Closeout: San Francisco Bay Bird Observatory's Establishing Foster's Tern
<u>5</u>	Talent Development has created an innovative team development tool called TEDCircles
<u>6</u>	Valley Water Reviewing a Cal/OSHA Citation Alleging an Excavation Safety Order Violation
<u>7</u>	Valley Water's Landscape Rebate Program Success to be Highlighted in National Journal

1. Anderson Dam Seismic Retrofit Project Virtual Public Meetings

In September 2020, Valley Water hosted two virtual public meetings via Zoom on the Anderson Dam Seismic Retrofit Project. Both meetings informed the public with an update on upcoming Anderson Reservoir activities including the lowering of water at the reservoir starting on October 1, 2020 per an order by the Federal Energy Regulatory Commission.

During the September 9, 2020 virtual meeting, Valley Water engaged with residents of the Holiday Lake Estates neighborhood and informed them of ongoing geotechnical work near Anderson Dam, along with potential property impacts from those activities. The virtual meeting had 68 participants and who received responses to 59 questions during the Questions and Answers session.

On September 17, 2020, Valley Water held its general virtual public meeting on the Anderson Dam Seismic Retrofit Project. During this webinar event, 110 community members participated via Zoom and 27 people watched live on Facebook. Valley Water responded to 78 questions posed by the attendees.

The links to the video recordings of both virtual public meetings can be viewed on Valley Water's YouTube channel or on the project web page: <https://www.valleywater.org/anderson-dam-project>. The project's Frequently Asked Questions document is currently being updated and will be posted to the project web page.

For further information, please contact Rachael Gibson at (408) 781-4739.

2. Countywide Water Reuse Master Plan Update

The goal of the Countywide Water Reuse Master Plan (Reuse Master Plan) is to identify and evaluate future reuse opportunities in collaboration with recycled water producers, wholesalers, retailers, users, and other interested parties. Valley Water's draft Reuse Master Plan evaluates reuse opportunities to provide up to 24,000 acre-feet per year of potable water reuse by 2028. The plan's analyses and findings will directly influence the water supply investment strategies in the Water Supply Master Plan 2040, which is used to ensure long-term supply reliability for Santa Clara County. The Reuse Master Plan is scheduled to be completed in Spring 2021.

Since January 2018, the Reuse Master Plan has:

- Produced over 15 critical engineering reports that represent the reuse planning foundation;
- Analyzed and prioritized over 25 preliminary water reuse expansion alternatives;
- Incorporated feedback (>40 stakeholder meetings, >1000 comments) from key project partners, regulators, water wholesalers and retailers, and other interested stakeholders;
- Integrated the technical findings from Valley Water's Reverse Osmosis Concentrate Management Program;
- Expanded the planning analysis to include opportunities for direct potable reuse with treated water augmentation;
- Documented state and federal regulatory and permitting requirements; and
- Incorporated recommendations from Valley Water's Independent Advisory Panel.

The Draft Reuse Master Plan represents the assemblage of these critical engineering and planning documents into a comprehensive water reuse planning compendium that describes available source water, relevant institutional arrangements, existing reuse systems, expanded (both direct and indirect potable) reuse potential, feasible project portfolios, and cost implications.

Highlights of the Draft Reuse Master Plan include:

- Developed seven feasible potable water reuse portfolios with Valley Water's North County wastewater partners;
- Developed one Non-Potable Reuse and two Potable Reuse options for Morgan Hill;
- Estimated Capital Expenses (CAPEX) for North County reuse portfolios from \$555M to \$814M and Operational Expenses (OPEX) from \$20.2M and \$23.2M; and
- Estimated CAPEX for South County reuse options from \$70M to \$145M and OPEX from \$2.6M and \$7.4M.

Project partner, regulatory agency and stakeholder comments and recommendations are now being incorporated into the Draft Final Reuse Master Plan scheduled for release in October 2020. Future Stakeholder meetings are planned with Regulators, Project Partners, Executive Leadership, and other interested stakeholders.

On August 25, 2020, the Board authorized additional resources and engineering support to complete the Reuse Master Plan in early 2021.

A copy of the Draft Reuse Master Plan can be viewed or downloaded using the following link:
<https://fta.valleywater.org/fl/oILXALNfFH>.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

3. New Environmental Laboratory Accreditation Program Requirements Taking Effect

In May 2020, the Valley Water Board of directors received an update that the State Water Resources Control Board (Water Board) adopted new regulations for Environmental Laboratory Accreditation Program (ELAP) accreditation in California. Current ELAP regulations do not include Quality Systems, a program for continuous improvement that provides feedback to identify problems and systematically correct them to prevent recurrence. The Water Board deemed that this is a critical component in ensuring that labs produce defensible data of known, consistent, and documented quality. Under the new regulations, labs are required to manage and control all factors that can potentially impact the quality of lab data, ranging from equipment and supplies to sample collection and handling, from record keeping to the training of staff. These requirements are in addition to the analytical testing requirements and are designed to facilitate the production of reliable data, essential for protecting public and environmental health.

Although the new regulations go into effect January 1, 2021 and labs have three years to comply, ELAP staff are already starting to pre-assess labs for their readiness. Earlier this month, ELAP auditors requested several records related to testing and quality control processes for pre-assessment of quality systems for Valley Water's small lab at the Silicon Valley Advanced Water Purification Center. This new request is part of the ELAP revised on-site assessment program to plan transition to third-party assessments required in the future by new regulations. Valley Water has been anticipating this workload and has allocated budget and resources effective FY20 to address this requirement. Valley Water is diligently working to meet these new regulatory requirements by the due date.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

4. Safe, Clean Water Grant Closeout: San Francisco Bay Bird Observatory's Establishing Foster's Tern Nesting Sites Project

In Fiscal Year 2019, Valley Water awarded the San Francisco Bay Bird Observatory (SFBBO) a \$164,000 Safe, Clean Water Program D3 Grant for the Establishing Forster's Tern Nesting Sites Project (Project). SFBBO completed the Project on April 30, 2020.

This Project helped establish a healthy nesting population of at-risk Forster's terns, seabirds that were once abundant in Alviso Pond A16. The goal was to establish up to 50 breeding pairs of birds using innovative technologies, such as the deployment and maintenance of 300 previously purchased decoys and six electronic call systems during the breeding season to attract birds to nest on recently constructed islands. The Project is an important part of the larger South Bay Salt Pond Restoration Project and Don Edwards San Francisco Bay National Wildlife Refuge.

In collaboration with the South Bay Salt Pond Restoration program, the Project also supported public education and outreach about Forster's terns and Pond A16. Outreach included the publication of an article in *Tide Rising*, a digital newsletter published by the San Francisco Bay Wildlife Society, updating the Project webpage, and producing an educational video that highlights the Project success.

Key Outcomes:

- Re-establishment of nesting Forster's terns to Pond A16 with a nest success rate of 60% and 35 nests documented in 2019.
- Direct support of two acres of island nesting habitat and 240 acres of wetland habitat within Alviso Pond A16.
- In early 2020, SFBBO hosted a public webinar about the Project with 136 attendees.
- SFBBO staff presented Project findings at the South Bay Salt Pond Restoration Project's annual stakeholder meeting on January 14, 2020.

For further information, please contact Marta Lugo at (408) 630-2237.

5. Talent Development has created an innovative team development tool called TEDCircles

Valley Water's Talent Development department has created an innovative team development tool called TEDCircles. Talent Development and the Office of Racial Equity, Diversity & Inclusion (REDI) have partnered to create an internal web page for employees, "Cultivate Connection with TED Talks," to fuel discussion-based learning. TED categories to date include: Building Trust, Communication, Conflict Resolution, Diversity & Inclusion, and Leadership. Each video has coordinating questions to use as conversation starters. Internal trained facilitators are also available to assist Valley Water units/teams, if needed.

For further information, please contact Tina Yoke at (408) 630-2385.

6. Valley Water Reviewing a Cal/OSHA Citation Alleging an Excavation Safety Order Violation

On March 10, 2020, Valley Water was visited by a California Division of Occupational Safety and Health (Cal/OSHA) enforcement inspector at the Santa Teresa Water Treatment Plant regarding the maintenance repair project of a 12-inch water main. The inspector visited the location, spoke to employees, and officially requested all documents associated with the repair work, including all relevant safety work instructions, equipment manuals, Valley Water's injury and illness logs, excavation checklists, associated work emails, relevant safety training records, and Valley Water's Employee Safety Handbook. After an inspection, Cal/OSHA has six months from the date an alleged violation occurs to issue a citation for violations related to the life, safety, and health of employees. Valley Water did receive a citation on September 11, 2020, the last day of the 6-month period. The violation is classified as a General Violation, which is a violation specifically determined not to be of a serious nature but has a relationship to occupational safety and health of employees.

The alleged violative condition was based on the Construction Safety Orders, General Requirements for Excavations. The alleged violation states that Valley Water failed to ensure that the open 8-foot trench, with subsurface installation (12-inch water main) was properly protected to safeguard all employees working in the area. The citation also indicates that the violation was corrected at the time of the inspection.

There are two courses of action available to Valley Water, one of which must occur within 15 working days after the receipt of the citation. Valley Water can accept the violation and pay the proposed \$750.00 fine or appeal the citation in a timely manner. An additional option, which Valley Water is taking, is to request an informal conference with the Cal/OSHA District Manager to discuss, negotiate, or attempt a settlement in the case. The citation, and related facts, are currently under review by Legal Counsel to determine the veracity of the alleged violation.

At this point, this CEO Bulletin is informational. If the citation is accepted, or upheld on appeal, another CEO Bulletin will be forthcoming to report an EL-3.5 violation.

For further information, please contact Tina Yoke at (408) 630-2385.

7. Valley Water's Landscape Rebate Program Success to be Highlighted in National Journal

Valley Water's study highlighting the success of its Landscape Rebate Program (LRP) has been accepted for publication in the Journal American Water Works Association, a prestigious journal for water professionals. The article is scheduled for publication in January 2021. In this study, the water savings associated with the various elements of LRP were assessed for single-family homes, including: the replacement of turf with low-water use species, the replacement of automatic timer-based controllers with weather-based irrigation controllers, and the replacement of conventional sprinkler nozzles with high-efficiency nozzles. The study indicates that significant and on-going water savings can be achieved by providing rebates for these items.

The study also showed that non-participating single-family residents conserved water during the drought, likely due to conservation messaging. The article discusses several factors that may contribute to the water conservation program success, such as stringent requirements that plants and technology be selected from approved lists, pre- and post-inspection verification, and capacity-building efforts such as a conservation hotline to provide participants with program assistance. The results of this study show the effectiveness of Valley Water's conservation program and offers science-based guidance for development of future programs.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

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CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of September 25 – October 8, 2020

Board Executive Limitation Policy EL-7:

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Item	IN THIS ISSUE
<u>1</u>	Delta Conveyance Project Virtual Tours
<u>2</u>	Emergency Regulation to Address COVID Exposures Considered
<u>3</u>	Penitencia Water Treatment Plant not Eligible to Receive Self-Generation Incentive Program (SGIP) Equity Resiliency Rebate for Battery Installation
<u>4</u>	Recent Wildfire Impact to Valley Water Source Water Quality for our Drinking Water Treatment Plants
<u>5</u>	Safe, Clean Water Grants Application Period Open from September 28-December 1, 2020
<u>6</u>	Stevens Creek Fish Passage Assessment
<u>7</u>	Valley Water Hosts Virtual Public Meeting for Guadalupe River Project
<u>8</u>	Water Retailer Workshop on Anderson Reservoir Outage Operational Contingency Planning
<u>9</u>	<u>Santos & Kremen</u> Fire Suppression and Protection Needs At the 9/8/20 Board meeting, Directors Kremen and Santos requested staff to look at fire suppression and protection across a broad view of Valley Water infrastructure and facilities and whether systems or practices are in place to allow for suppression and protection in both power outage and external (wildfire) events. R-20-0009
<u>10</u>	<u>Kremen</u> At the 9/8/20 Board meeting, Dir. Kremen requested that staff investigate whether the Pacheco Pumping Plant fire suppression system will function if there is a power outage. R-20-0010
<u>11</u>	<u>Kremen</u> Staff is to Provide Director Kremen with a copy of the first draft of the various financial schedules that will be included in the FY20 CAFR. I-20-0015

1. Delta Conveyance Project Virtual Tours

Recently, the Delta Conveyance Design and Construction Authority (DCA) released a series of five videos that give a virtual tour of some of the proposed features of the Delta Conveyance Project (Project). These virtual tours allow viewers to better understand the proposed Project and some of its proposed facilities given current restrictions on visiting sites in person. Locations are preliminary and are shown for conceptual purposes only.

The proposed Project would divert water from the Sacramento River in the North Delta via a tunnel under the Delta. Currently, there are two main routes being considered for conveyance: a central corridor and an eastern corridor. The first video provides an overview of the Project. The second and third videos present the options for locations of intakes and tunnel shafts. The fourth video provides information on a proposed pumping plant to be built at the Southern Forebay that would lift water up to where it could be stored or released out into the existing State Water Project facilities. The fifth video expands on the conveyance facilities needed to move water from the Southern Forebay to the State Water Project facilities.

The videos are accessible from DCA's YouTube page: <https://www.youtube.com/channel/UCV-7HCyaTGXDifu-LCoxVtq>.

For further information, please contact Vincent Gin at (408) 630-2633.

2. Emergency Regulation to Address COVID Exposures Considered

Valley Water is monitoring the activities of the California Occupational Safety and Health Administration (Cal/OSHA) Standards Board (Standards Board) in response to the COVID-19 pandemic. The Standards Board has voted to quickly promulgate and vote on an emergency regulation to address COVID exposures in non-healthcare workplaces.

Even without a specific regulation on COVID-19, there have been multiple pandemic-related citations, along with huge fines, over the last few weeks. Eleven employers were cited last week across a broad range of industries following the previous citing of two Southern California employers that face almost \$600,000 in penalties due to Cal/OSHA COVID investigations.

The Division of Occupational Safety and Health and the Standards Board states that they will work to expeditiously submit a proposal, ostensibly to protect all employees not covered by the aerosol transmissible diseases standard, for consideration by its November 19, 2020 board meeting. If, and when, the Standards Board adopts the proposal, Cal/OSHA will subsequently convene an advisory committee to refine the emergency regulation as further guidance on the prevention of workplace transmission and exposure becomes available.

Notably, employer representatives oppose the proposed regulation because they say current regulations cover the hazard. Many, if not most, employers are working to mitigate the COVID hazard and are opposed to a more prescriptive standard.

The Phylmar Regulatory Roundtable has submitted a "performance" alternative to the petitioners' more prescriptive version of the proposed COVID regulation. It would require a written COVID prevention program; a system for interactive communication about COVID risks, identification, evaluation, and protective measures; a review of current public health and agency guidelines; a process to modify the program as needed; and training. The Phylmar Regulatory Roundtable is a forum for Environmental, Health and Safety Professionals to share best practices and information, stay current with regulations and provide mutual assistance.

Valley Water will continue to monitor the Cal/OSHA Standards Board activities on this issue, so Valley Water will be actively prepared to comply with whatever emergency regulation is eventually adopted.

For further information, please contact Tina Yoke at (408) 630-2385.

3. Penitencia Water Treatment Plant not Eligible to Receive Self-Generation Incentive Program (SGIP) Equity Resiliency Rebate for Battery Installation

Valley Water previously reported that they were working with Tesla, Inc. (Tesla) and had determined that the Penitencia Water Treatment Plant (PWTP) was eligible to participate in the California Self-Generation Incentive Program (SGIP) under the new Equity Resiliency Budget. This would provide a significant rebate for a full-site backup battery storage system installation. After further evaluation and clarification from the Pacific Gas and Electric Company (PG&E) and the California Public Utilities Commission (CPUC), PWTP is not eligible to participate in the rebate program.

This SGIP incentive is available to PG&E gas or electric customers of critical facilities or critical infrastructure providers that are located in a High Fire Threat District, Tier 2 or Tier 3 areas. They also must have been impacted by at least two previous PG&E Public Safety Power Shutoff (PSPS) events. Tesla originally advised that PG&E had notified the CPUC of two PSPS interruptions on the utility distribution line supplying power to PWTP. However, PG&E provided clarification that the site power outage that coincided with the first PSPS event that began on October 8, 2019, was actually due to utility equipment failure and unrelated to PSPS fire mitigation.

The existing standby generator and uninterruptible power supply at PWTP continue to provide reliable standby power for the site's water treatment processes.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

4. Recent Wildfire Impact to Valley Water Source Water Quality for our Drinking Water Treatment Plants

Wildfires can cause drastic changes to landscape and vegetation, which may alter the water quality of surrounding streams, rivers, and lakes within a burned watershed, and potentially cause changes to water quality. Increased erosion due to the destabilization of hill slopes following wildfire can result in more particulate matter mobilized to streams. Concerns for many downstream water utilities is the potential increase in turbidity, metals, organic matter and algal activities following post-fire precipitation events.

Valley Water has a comprehensive source water monitoring program that can detect adverse changes in water quality upstream of our intakes, allowing Valley Water to change or blend sources according to the best water quality when possible. Our treatment plants are equipped with robust treatment processes that can handle elevated solids through sedimentation and filtration. Ozone and PAC (powdered activated carbon) are available to mitigate taste and odor, algal toxins and other organic matter, and produce drinking water that meets all the state and federal standards.

Coyote and Anderson reservoirs are located downstream of watersheds affected by the Santa Clara Unit Lightning Complex (SCU) fire that started on August 16, 2020 as a result of a lightning storm. However, any potential post-fire impacts in the Coyote and Anderson watersheds, will not affect our local water supplies, due to Anderson reservoir's planned outage.

To better understand the impact of the recent fires on our imported water supplies, Valley Water is currently working with Department of Water Resources (DWR) and other State Water Contractors to develop a post-fire source water quality monitoring plan targeting areas impacted by the SCU fire, such as Lake Del Valle. Due to minimum impact, no post-fire monitoring is planned by DWR for San Luis reservoir.

Valley Water will continue to coordinate with inter-agency organizations to better understand the impact of wildfires on water supplies, and to prepare mitigative strategies. We will appraise the Valley Water Board of Directors as new information becomes available.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

5. Safe, Clean Water Grants Application Period Open from September 28-December 1, 2020

Valley Water is accepting applications for the 2021 Safe, Clean Water grants from September 28 through December 1, 2020.

This year, Valley Water has more than \$900,000 available in voter-approved Safe, Clean Water grant funding for projects and activities that meet the minimum qualifications and eligibility criteria for:

- Volunteer Cleanups and Education Grants – up to \$200,000 total available
- Access to Trails and Open Space Grants – up to \$571,000 total available
- Mini-Grants for Wildlife Habitat Restoration – up to \$200,000 total available (up to \$5,000 per project)
- Mini-Grants for Water Conservation – up to \$100,000 total available (up to \$5,000 per project)

Organizations are eligible for bonus points for demonstrating financial stability, implementing projects that serve underrepresented communities, and groups that are first-time applicants.

For more information about the grant award process, eligibility criteria, minimum qualifications and how to apply, visit valleywater.org/grants, contact grants@valleywater.org or attend an informational grants workshop:

- October 14, 2020 from 1:00-2:30 p.m.
Please register in advance for the Zoom webinar here:
https://valleywater.zoom.us/webinar/register/WN_E5djuTL7QT2B4FzJ_o-edA
- October 22, 2020 from 10:00-11:30 a.m.
Please register in advance for the Zoom webinar here:
https://valleywater.zoom.us/webinar/register/WN_tYnG1kdLQiyY871QVq8a_w

The FY21 grants cycle opportunity is being promoted through a press release, blog post, social media posts, Nextdoor posts, stakeholder emails and more. The grant applications will be evaluated by a review committee using the approved evaluation criteria. Recommendations will be made based on the approved grant funding allocation matrix to the Valley Water Board of Directors for final determination on projects awarded funding.

For further information, please contact Marta Lugo at (408) 630-2237.

6. Stevens Creek Fish Passage Assessment

The Stevens Creek Fish Passage Assessment Project identifies and evaluates physical structures and channel conditions which potentially interfere with steelhead migration in the creek reach between San Francisco Bay and Stevens Creek Dam. Valley Water, together with a team of consultants, analyzed 30 sites which potentially impede steelhead passage. The team applied National Marine Fisheries Service and California Department of Fish and Wildlife guidelines to rank the sites based on the degree to which they hinder steelhead passage. Sixteen sites were found to severely or moderately impede steelhead passage.

Valley Water is currently collecting data on the feasibility and cost of remediating these sixteen passage impediments, ten of which do not occur on Valley Water property. Possible remediation approaches include removing or modifying in-channel structures and/or adding natural features such as boulders and vegetation to slow flow velocities. Sites will be prioritized, based on the degree of improvement to passage, complexity (including jurisdictional complexity), and cost of remediating the site. A prioritization memorandum is scheduled for completion this Spring 2021. Conceptual designs will be prepared for the highest-priority sites to improve the feasibility assessment. This work will require extending the end date of the consultant agreement from the current end date of December 31, 2020 to June 30, 2021. No increase in funding will be needed.

Concurrent with the site prioritization work, a virtual public meeting will be held in November 2020 to update the community on findings to date of the Fish Passage Barrier Analysis report. This meeting is highly anticipated by community members.

For further information, please contact Lisa Bankosh at (408) 630-2618.

7. Valley Water Hosts Virtual Public Meeting for Guadalupe River Project

On October 1, 2020, Valley Water hosted a virtual public meeting on the Guadalupe River Project, which will cover the stretch from Tasman Drive to Interstate 880. The meeting included an update on the planning phase of the project, and solicitation of input from the attendees on the 19 conceptual and eight feasible project alternatives presented.

During the webinar event, 33 community members participated via Zoom and seven watched it live on Facebook. 56 questions posed by attendees were answered during the meeting. The questions and comments ranged from project alternatives, creek maintenance and homelessness, sea-level rise, and climate change.

A recording of the meeting, presentation, and project materials are available on the project's webpage, www.valleywater.org/guadalupe-river-tasman-i880.

The next public update on the project is anticipated to occur at the end of the planning phase in 2021.

For further information, please contact Rachael Gibson at (408) 781-4739.

8. Water Retailer Workshop on Anderson Reservoir Outage Operational Contingency Planning

As the Valley Water Board of Directors and its retailers are well aware, Anderson reservoir is a critical part of our water supply infrastructure. With the impending draining of the reservoir and the extended period of outage due to the Anderson Dam Tunnel Project, Federal Energy Regulatory Commission Order Compliance Project, and Anderson Dam Seismic Retrofit Project, Valley Water has been working on understanding operational impacts and developing contingency plans to address the potential supply as well as water quality impacts. Due to the robust nature of our water supply infrastructure and the already existing contingency plans, Valley Water is well positioned to address any operational constraints that might arise.

Valley Water has scheduled a workshop on October 14, 2020 with retailers to walk through these contingencies. Discussion topics will include potential retailer impact scenarios, planned actions by Valley Water to mitigate those impacts, retailer expectations and customer communications strategies. Valley Water intends to incorporate feedback from this workshop into the Anderson Project Water Supply Contingency Plan and create a webpage for the project and FAQs aimed at water supply contingency planning.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

9. Santos & Kremen Fire Suppression and Protection Needs

At the 9/8/20 Board meeting, Directors Kremen and Santos requested staff to look at fire suppression and protection across a broad view of Valley Water infrastructure and facilities and whether systems or practices are in place to allow for suppression and protection in both power outage and external (wildfire) events.

R-20-0009

Valley Water has initiated a coordinated effort to assess fire suppression and protection needs as well as improvement opportunities at Valley Water infrastructure and facilities. Fire suppression capabilities at Valley Water facilities range from fully automated systems supported by back-up power, to unmanned facilities where manually operated equipment requires active engagement by Valley Water or the fire department. The level of fire protection at each facility depends on several factors including the facilities' occupancy, criticality of the assets and redundancy of that particular facility as part of the water system.

Administrative facilities currently have automated fire suppression that is connected to back-up power systems per building code, which include backup batteries and fixed/mobile generator support. Several projects are in the works to further assess vulnerabilities and enhance fire protection (like the Pacheco Pumping Plant Fire Suppression System).

In wake of the recent wildfires, Valley Water is conducting a comprehensive evaluation of improvement opportunities at all its facilities. As part of this evaluation, Valley Water will also be gathering information from other regional agencies and regulatory agencies on any updated guidelines and Best Management Practices for fire protection of utility systems. A detailed report is being developed for a future Closed Board Session item regarding current capabilities and opportunities for enhancement.

The cross-functional Valley Water team that will be working on this assessment and evaluation will include Emergency Services, Facilities, Environmental Health and Safety, Watersheds Operations and Maintenance, and Raw Water Operations, Maintenance and Engineering Units.

For further information, please contact Tina Yoke at (408) 630-2385.

10. Kremen

**At the 9/8/20 Board meeting, Dir. Kremen requested that staff investigate whether the Pacheco Pumping Plant fire suppression system will function if there is a power outage.
R-20-0010**

There is currently a project to add an automated fire suppression system at the Pacheco Pumping Plant. Once this project is complete, fire suppression will be connected to the back-up power system. At this time, back-up power supports SCADA (Supervisory Control And Data Acquisition) and the business network at the Pacheco Pumping Plant.

For further information, please contact Tina Yoke at (408) 630-2385.

11. Kremen

**Staff is to Provide Director Kremen with a copy of the first draft of the various financial schedules that will be included in the FY20 CAFR.
I-20-0015**

On September 28, 2020, Valley Water provided Director Kremen with an excel file that contains a draft version of the various schedules to be incorporated into the Fiscal Year 2020 (FY20) Comprehensive Annual Financial Report (CAFR). A copy of the file can be obtained by contacting the Valley Water Clerk of the Board.

For further information, please contact Darin Taylor at (408) 630-3068.

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Santa Clara Valley Water District

File No.: 20-0916

Agenda Date: 10/13/2020

Item No.: *3.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

In accordance with the Ralph M. Brown Act, a summary of Board discussions, and details of all actions taken by the Board, during all open and public Board of Directors meetings, is transcribed and submitted to the Board for review and approval.

Upon Board approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Board's meetings.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 090820 Regular Meeting Minutes

Attachment 2: 091520 Special Meeting Minutes

*Attachment 3: 092220 Regular Meeting Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, SEPTEMBER 8, 2020
1:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 1:00 p.m.

1.1. Roll Call.

Board members in attendance were Nai Hsueh. Board members participating by teleconference were Barbara Keegan, G. Kremen, Linda J. LeZotte, Richard Santos, and John L. Varela, constituting a quorum of the Board.

Director Estremera arrived as noted below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, A. Fulcher, R. Fuller, R. Gibson, C. Hakes, G. Hall, B. Hopper, H. McMahon, L. Orta, M. Richardson, D. Rocha, D. Taylor, S. Tippetts, B. Yerrapotu, and T. Yoke.

2. TIME CERTAIN:

1:00 PM

**2.1. (ITEM REMOVED FROM AGENDA) CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION.**

2.2. (ITEM REMOVED FROM AGENDA) District Counsel Report on Closed Session.

2.3. Pledge of Allegiance/National Anthem.

Chairperson Hsueh led all present in reciting the Pledge of Allegiance.

2.4. Orders of the Day.

Chairperson Hsueh confirmed that there were no changes to the Orders of the Day.

Director Estremera arrived.

- 2.5. Adopt the Resolution Recognizing the Contributions of Sig Sanchez, in Commemoration of His 100th Birthday and Public Service to the City of Gilroy, the Santa Clara County Board of Supervisors, the Santa Clara Valley Water District, and the San Luis & Delta-Mendota Water Authority.

Recommendation: Adopt the Resolution RECOGNIZING THE CONTRIBUTIONS OF SIG SANCHEZ IN COMMEMORATION OF HIS 100TH BIRTHDAY AND PUBLIC SERVICE TO THE CITY OF GILROY, THE SANTA CLARA COUNTY BOARD OF SUPERVISORS, THE SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER) AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY.

Mr. Rick Callender, Chief Executive Officer, and Mr. Donald Rocha, Acting Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

The Board individually and collectively acknowledged the civic and community service of former At-Large and District 1 Director Sig Sanchez, and congratulated him upon the celebration of his 100th birthday.

Seventeen additional statements acknowledging and congratulating Mr. Sanchez were received from: U.S. Congresswoman Zoe Lofgren; Santa Clara County Board of Supervisors President and Vice President Cindy Chavez and Mike Wasserman; City of Gilroy Mayor Roland Velasco; former Santa Clara Valley Water District Board of Directors members Rosemary Kamei, Patrick Kwok, Larry Wilson, and Greg Zlotnick; former Valley Water General Manager and Chief Executive Officers Stan Williams, Olga Martin-Steele, Sharon Judkins, and Beau Goldie; former Valley Water District Counsels Anthony Bennetti and Debra Cauble; former Clerk for the Santa Clara County Board of Supervisors Phyllis Perez-Sorenson; former Valley Water Chief Operating Officer Jim Fiedler; and former Valley Water Senior Assistant District Council Emily Cote.

A brief video commemorating Mr. Sanchez's civic and community service was displayed, and the content of the Resolution Expressing Appreciation to Mr. Sanchez, contained in Attachment 1, was read into the record by Mr. Callender.

Motion: Adopt Resolution No. 20-73, RECOGNIZING THE CONTRIBUTIONS OF SIG SANCHEZ IN COMMEMORATION OF HIS 100TH BIRTHDAY AND PUBLIC SERVICE TO THE CITY OF GILROY, THE SANTA CLARA COUNTY BOARD OF SUPERVISORS, THE SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER) AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, by roll call vote.

Move to Adopt: John L. Varela
Second: Tony Estremera
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Mr. Jon Sanchez, Mr. Sanchez's son, accepted the Resolution on behalf of his father and expressed his father's sentiments as follows: Mr. Sanchez thanked and recognized The City of Gilroy, The County of Santa Clara, Santa Clara Valley Water District, and San Luis and Delta-Mendota Water Authority, for honoring him on the milestone of his 100th birthday. He believes that a person's first responsibility is to their family, but if someone has the means and the ability and the opportunity, they have a responsibility and a duty to make the community around them a better place.

2.6. Time Open for Public Comment on any Item not on the Agenda.

Four statements discussing the personal experiences of the 2017 President's Day Weekend Flooding event victims, and requesting expedition of claim settlement, were received from San Jose residents Ms. Mary Hegland, Ms. Imelda Rodriguez on behalf of Ms. Dulce Marta, Ms. Herlinda Espitia, and Ms. Christina Valedex on behalf of Mr. Chanh "Henry" La.

Mr. Ted Smith, San Jose resident, submitted a video for public viewing. However, technical difficulties prevented a viewing of the video during the meeting.

Ms. Korina Barron, San Jose Resident, expressed concern on fence repair, vegetation growth, and trash along Upper Penitencia Creek and requested information on Valley Water's Stream maintenance efforts and schedules.

Chairperson Hsueh requested that staff follow up with Ms. Barron; and Director Kremen requested that District Counsel be available during future meetings where public comments are received regarding the 2017 Presidents' Day Flooding event to provide responses to public comment where appropriate, and provide clarification of inaccurate statements.

Mr. Callender informed the Board how Valley Water's Coyote Creek Flood Protection Project is moving forward as part of the voter approved Safe, Clean Water and Natural Flood Protection Program, and will be further supported by Measure S, which will continue to help to reduce the risk of flooding to homes, schools, and businesses along the Coyote Creek Flood plain.

- 2.7. Adopt Resolution Authorizing the Issuance of Not to Exceed \$120 Million Water System Refunding Revenue Bonds, Authorizing the Execution and Delivery of Not to Exceed \$155 Million Revenue Certificates of Participation, Approving the Execution and Delivery of Certain Documents, and Authorizing Certain Acts in Connection Therewith. (Continued from August 25, 2020).

Recommendation: A. Adopt the Resolution AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$120 MILLION REFUNDING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$155 MILLION REVENUE CERTIFICATES OF PARTICIPATION, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH; and
 B. Authorize and direct the Chief Executive Officer, Assistant Chief Executive Officer-Operations, Chief Financial Officer, Treasury and Debt Officer, District Counsel, the Clerk of the Board, and such other officers and staff of the Santa Clara Valley Water District, acting singly, to do any and all things, and to execute and deliver any and all documents, which such officers may deem necessary or advisable in order to consummate the sale and delivery of the Refunding Revenue Bonds and the Revenue Certificates of Participation.

Mr. Steven Peters, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Adopt Resolution 20-74, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$120 MILLION REFUNDING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$155 MILLION REVENUE CERTIFICATES OF PARTICIPATION, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH, by roll call vote.

Move to Adopt:	Gary Kremen
Second:	John L. Varela
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

3. **CONSENT CALENDAR:**

Director LeZotte requested Item 3.4 be removed from the Consent Calendar for individual consideration; and Mr. Jerry De La Piedra and Mr. Gabriel Vallez, Valley Water Organization for Latino Affairs (OLA) Executive Sponsor and Secretary, discussed OLA's activities in celebration of Hispanic Heritage Month and expressed appreciation for the Board's support of Valley Water Employee Resource Groups.

The Board considered Consent Calendar Items 3.1-3.3, and 3.5-3.8, under one motion.

- 3.1. Adopt the Resolution Declaring all Saturdays in September as Coastal Cleanup Days in Santa Clara County.

Recommendation: Adopt the Resolution DECLARING ALL SATURDAYS IN SEPTEMBER AS COASTAL CLEANUP IN SANTA CLARA COUNTY.

- 3.2. Adopt Recommended Positions on Federal Legislation: S. 4188 (Harris) Water for Tomorrow Act; H.R. 7575 (DeFazio) Water Resources Development Act; S. 4308 (Sinema) A Bill to Amend the Social Security Act to Include Special Districts in the Coronavirus Relief Fund, to Direct the Secretary to Include Special Districts as an Eligible Issuer Under the Municipal Liquidity Facility, and for Other Purposes; S. 2596 (Duckworth) Voluntary Water Partnership for Distressed Communities Act of 2019; S. 4530 (Feinstein) / H.R. 8041 (Harder) Snow Water Supply Forecasting Program Authorization Act; and Other Legislation That May Require Urgent Consideration for a Position by the Board.

Recommendation:

- A. Adopt a position of "Support and Amend" on S. 4188 (Harris) Water for Tomorrow Act;
- B. Adopt a position of "Support and Amend" on H.R. 7575 (DeFazio) Water Resources Development Act of 2020;
- C. Adopt a position of "Support" on S. 4308 (Sinema) A bill to amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes;
- D. Adopt a position of "Support" on S. 2596 (Duckworth) Voluntary Water Partnership for Distressed Communities Act of 2019; and

E. Adopt a position of “Support” on S. 4530 (Feinstein) / H.R. 8041 (Harder) Snow Water Supply Forecasting Program Authorization Act.

- 3.3. Slate Energy Storage Project Rate Agreement for Battery Storage with the Power and Water Resources Pooling Authority.

Recommendation: Authorize the Chief Executive Officer to negotiate and, following Valley Water’s compliance with the California Environmental Quality Act as needed, execute the Slate Energy Storage Project Rate Agreement with the Power and Water Resources Pooling Authority to add battery storage to the Recurrent Energy Slate solar project.

- 3.5. Accept the CEO Bulletin for the Weeks of August 14 - 27, 2020.

Recommendation: Accept the CEO Bulletin.

- 3.6. Resolution Proclaiming September 2020 as National Preparedness Month.

Recommendation: Adopt the Resolution NATIONAL PREPAREDNESS MONTH, SEPTEMBER 2020.

- 3.7. Resolution Declaring September 15 to October 15, 2020, as National Hispanic Heritage Month.

Recommendation: Adopt the Resolution DECLARING SEPTEMBER 15 TO OCTOBER 15, 2020, AS NATIONAL HISPANIC HERITAGE MONTH.

- 3.8. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 – 3.3, and 3.5 – 3.8, under one motion, as follows: adopt Resolution No. 20-75, DECLARING ALL SATURDAYS IN SEPTEMBER AS COASTAL CLEANUP IN SANTA CLARA COUNTY, by roll call vote, as contained in Item 3.1; adopt recommended positions on Federal Legislation, as contained in Item 3.2; authorize the CEO to negotiate and execute the Slate Energy Storage Project Rate Agreement with the Power and Water Resources Pooling Authority to add battery storage to the Recurrent Energy Slate solar project, as contained in Item 3.3; accept the CEO Bulletin, as contained in Item 3.5; adopt Resolution No. 20-76, NATIONAL PREPAREDNESS MONTH, SEPTEMBER 2020, by roll call vote, as contained in Item 3.6; adopt Resolution No. 20-77, DECLARING SEPTEMBER 15 TO OCTOBER 15, 2020, AS NATIONAL HISPANIC HERITAGE MONTH, by roll call vote, as contained in Item 3.7; and approve the minutes, as contained in Item 3.8.

Move to Approve: Tony Estremera
 Second: John L. Varela
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Chairperson Hsueh returned the agenda to Item 3.4.

3.4. Approve the Board of Directors' Quarterly Expense Report for the Quarter Ending June 30, 2020.

Recommendation: A. Review the Board of Directors' Quarterly Expense Report for the Quarter Ending June 30, 2020; and
 B. Approve the report if the reimbursements comply with Board Policy.

Director LeZotte confirmed that an adjustment would be reflected in her portion of the next Board of Directors' Quarterly Expense Report to reverse charges for her attendance at the May 5-8, 2020 Association of California Water Agencies Conference, showing on Attachment 1, Page 13, Lines 1-2.

Move to Approve: Linda J. LeZotte
 Second: Tony Estremera
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Public/Private Partnership Implementation Approach and Staffing Plan for Purified Water Projects.

Recommendation: A. Approve the proposed Design-Build-Finance-Operate-Maintain procedures for procurement under a Public-Private Partnership (P3) structure of the necessary facilities and services to accomplish purification and delivery to groundwater recharge ponds of the product water;
 B. Direct staff to launch a P3 procurement plan as soon as the necessary elements for a proposed project, including

- (a) agreement for long-term supply of treated wastewater,
- (b) agreement enabling management of reverse osmosis concentrate, and
- (c) agreement for siting of the purification facilities, are sufficiently secured for the proposed project;
- C. Encourage the current short-listed P3 entities to participate in the new Request for Qualifications;
- D. Review a schedule for implementation of the P3 procurement process; and
- E. Receive information on the P3 staffing plan.

Mr. Garth Hall, Acting Chief Operating Officer, reviewed the information on this item per the attached Board Agenda Memo, and the presentation materials contained in Attachment 1 were reviewed as follows: Ms. Roslyn Fuller, Deputy Administrative Officer, reviewed Slides 1 and 2; Ms. Jill Jamieson, Illuminati Infrastructure Advisors, reviewed Slides 3 through 6; and Mr. Hall reviewed Slides 7 through 9.

Director Kremen requested that the P3 Staffing Plan include an assurance that existing Valley Water staff working on specialized components of the Advanced Purified Recycled Water Project will be appropriately redeployed.

Move to Approve:	Tony Estremera
Second:	Gary Kremen
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.2. Board Committee Reports.

Chairperson Hsueh noted the Handouts without discussion.

4.3. Proposed Future Board Member Agenda Items.

None.

5. WATER UTILITY ENTERPRISE:

- 5.1. Report of Bids Received and Award of Construction Contract to Blocka Construction, Inc., for the Pacheco Pumping Plant Priority 1 Fire Alarm and Suppression System Improvements, Project No. 91214010, Contract No. C0653 (Merced County).

Recommendation: A. Ratify Addenda No. 1, 2, 3, and 4 to the Contract Documents for the Pacheco Pumping Plant Priority 1 Fire Alarm and Suppression System Improvements;
 B. Award the Construction Contract to Blocka Construction, Inc. in the sum of \$1,571,355; and
 C. Approve a contingency sum of \$157,135 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Mr. Heath McMahon, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

Director Kremen requested that in the future, Requests for Bids for projects occurring outside of Santa Clara County be advertised to contractors within the county where the project will occur, and requested that staff ensure that the existing generator at the Pacheco Pumping Plant is sufficient to sustain operation of the Priority 1 Fire Alarm and Suppression System Improvements in the event of a power outage (Board Member Request No. R-20-0009).

Directors Kremen and Santos requested that staff investigate fire suppression and protection across a broader view of Valley Water infrastructure and facilities and come back with discussion on whether the systems or practices in place are adequate to allow for suppression and protection in both power outage and external wildfire events (Board Member Request No. R-20-0009).

Move to Approve: Barbara Keegan
Second: Linda J. LeZotte
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, John L. Varela
Nays: Richard Santos
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

6. WATERSHEDS:

None.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

8. EXTERNAL AFFAIRS:

None.

9. CHIEF EXECUTIVE OFFICER:

9.1. Update on COVID-19 Response.

Mr. Alex Gordon, Emergency and Security Manager, reported on the August 26, 2020 onsite COVID-19 testing for water retail and Valley Water employees; informed the Board that, subsequent and not related to the aforementioned testing, one Valley Water employee had reported as testing positive for COVID-19; confirmed contact tracing and cleaning protocols had been successfully administered in response to the positively testing employee; and discussed the Santa Clara County Department of Public Health's recent authorization to move the County from Tier 1 to Tier 2 COVID response status.

9.2. CEO and Chiefs' Report.

Mr. Christopher Hakes, Deputy Operating Officer, reported on the temporary promotion of Mr. Emmanuel Aryee to Assistant Operating Officer.

Mr. Hall provided an update on Valley Water's ongoing efforts to secure Central Valley Project water supply rights through provisions of the Water Infrastructure Improvements for the Nation (WIIN) Act.

Ms. Sue Tippets, Interim Chief Operating Officer, reviewed and distributed the attached Stream Maintenance Report, identified as Handout 9.2-A herein. Copies of the Handout were distributed to the Board and made available to the public.

Ms. Tina Yoke, Chief Operating Officer, discussed efforts to extend support to Valley Water employees who have been impacted by recent fire events.

Ms. Rachael Gibson, Acting Chief of External Affairs, reviewed the information on the Office of Civic Engagement and Office of Communications, as contained in Handouts 9.2-B and 9.2-C respectively herein. Copies of the Handouts were distributed to the Board and made available to the public.

10. ADMINISTRATION:

None.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1. Board Member Reports/Announcements.

Director Varela reported attending Valley Water Employees' Association and Professional Managers' Association monthly membership meetings; Diversity and Inclusion (D&I) and Homeless Encampment Ad Hoc (HEAC) Committee meetings; a Valley Water All Employee Town Hall (Town Hall) meeting; a Pajaro River Watershed Authority Board meeting; and various meetings with staff.

Director Keegan reported attending the aforementioned Town Hall meeting; Delta Conveyance Authority Stakeholder Engagement and Board Audit Committee meetings; a Project Labor Agreement (PLA) working group meeting; a County COVID-19 Update meeting; and various meetings with staff.

Director Santos reported attending the aforementioned HEAC meeting, and various meetings with staff.

Director LeZotte reported attending the aforementioned County COVID-19 Update meeting, and various meetings with other Board members and staff.

Chairperson Hsueh reported attending the aforementioned PLA meeting; a Guadalupe Coyote Resource Conservation District meeting; Santa Clara Valley Youth Commission and Landscape Committee meetings; Budget and Public Employee Performance Review working group meetings; and a media training event.

Director Estremera reported attending the aforementioned HEAC, D&I, PLA, and Budget working group meetings; submitting an editorial piece to the San Jose Mercury News; and meeting with Karla Nemeth, California Department of Water Resources.

Director Kremen reported attending a Water Supply Exploratory Committee meeting; a meeting with Valley Water's bond counsel; and various meetings with constituents and staff.

12.2. Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk, Board of Directors, read the new Board Member Request into the record.

- 12.3. Adjourn to 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Chairperson Hsueh, adjourned the meeting at 4:25 p.m., to the 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date: 10/13/2020



BOARD OF DIRECTORS MEETING

MINUTES

**SPECIAL CLOSED SESSION MEETING
TUESDAY, SEPTEMBER 15, 2020
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Special Closed Session Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

1.1 Roll Call.

Board members in attendance were Nai Hsueh and Richard Santos. Board members participating by teleconference were Barbara Keegan, Gary Kremen, Linda J. LeZotte, and John L. Varela, constituting a quorum of the Board.

Director Tony Estremera arrived as noted below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff members participating by teleconference were R. Callender, Chief Executive Officer, S. Yamamoto, District Counsel, and B. Hopper.

1.2. Pledge of Allegiance/National Anthem.

Director Santos led all present in reciting the Pledge of Allegiance.

1.3. Time Open for Public Comment on Any Item Not on the Agenda

Chairperson Hsueh declared time open for public comment on any subject not on the agenda. There was no one present who wished to speak.

2. TIME CERTAIN:

10:00 AM

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session for consideration of Item 2.1.

During Closed Session, Director Estremera arrived and upon conclusion of Closed Session, Directors Kremen, LeZotte, and Varela concluded their participation by teleconference and did not rejoin.

Upon return to Open Session the same Board members, including Director Estremera, and excluding Directors Kremen, LeZotte, and Varela, and staff were present.

2.1. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1):

White, et al. v. SCVWD, et al. (Santa Clara Co. Superior Court, No. 18CV321600 (Lead))

3. ADJOURN:

3.1. District Counsel Report.

Chairperson Hsueh reported that in regard to Item 2.1, the Board met in Closed Session with all members present and gave direction to staff.

3.2. Adjourn to 5:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Chairperson Hsueh adjourned the meeting at 11:15 a.m. to the 5:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date: 10/13/2020



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, SEPTEMBER 22, 2020
5:00 PM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California at 5:00 p.m.

1.1 Roll Call.

Board members in attendance were Tony Estremera, Nai Hsueh, and Richard Santos. Participating by teleconference was Barbara Keegan, constituting a quorum of the Board.

Directors Gary Kremen, Linda LeZotte, and John Varela joined the meeting by teleconference, as indicated below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, L. Bankosh, R. Chan, R. Gibson, G. Hall, M. Lugo, H. McMahon, A. Noriega, M. Richardson, D. Rocha, D. Taylor, S. Tippets, and T. Yoke.

2. TIME CERTAIN:

5:00 PM

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session for consideration of Items 2.1 and 2.2.

During Closed Session, Directors Kremen, LeZotte, and Varela joined the meeting by teleconference.

Upon return to Open Session, the same Board members, including Directors Kremen, LeZotte and Varela, and staff were present.

- 2.1 **CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
SCVWD v. San Francisco Bay Regional Water Quality Control Board
First Appellate District, Court of Appeal of the State of California, Case
No. A157127.
- 2.2 **CLOSED SESSION**
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: Chief Executive Officer, District Counsel and Clerk of the Board.

6:00 PM

- 2.3 District Counsel Report on Closed Session.
- Chairperson Hsueh reported that the Board met in Closed Session with all members present, including Directors Kremen, LeZotte and Varela, and in regard to Item 2.1 took no reportable action, and in regard to Item 2.2 gave direction to the Board Chairperson.
- 2.4 Pledge of Allegiance/National Anthem.
- Director Estremera led all present in reciting the Pledge of Allegiance.
- 2.5 Orders of the Day.
- Chairperson Hsueh confirmed that there were no changes to the Orders of the Day.
- 2.6 Time Open for Public Comment on any Item not on the Agenda.
- Chairperson Hsueh declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.7, under one motion.

- 3.1 Approve City of Santa Clara Successor Agency Compensation Agreement.
- Recommendation: Approve City of Santa Clara Successor Agency
Compensation Agreement.
- 3.2 Membership Nominations for Committee Appointments to the Santa Clara Valley Water Youth Commission.
- Recommendation: Consider nominations for two-year membership
appointments to the Santa Clara Valley Water Youth
Commission.

3.3 Recognition of Outgoing Youth Commission Members.

Recommendation: Acknowledge and Recognize Outgoing Youth Commission Members.

3.4 Notice of Completion of Contract and Acceptance of Work for the Rinconada Water Treatment Plant Oak Woodland Project, Ecological Concerns, Inc., Contractor, Project No. 93294057, Contract No. C0651 (Los Gatos) (District 7).

Recommendation: A. Accept the work for the Rinconada Water Treatment Plant Oak Woodland Project, Project No. 93294057, Contract No. C0651 as complete; and
B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk Recorder.

3.5 Accept the CEO Bulletin for the Weeks of August 28 – September 10, 2020.

Recommendation: Accept the CEO Bulletin.

3.6 Approval of Minutes.

Recommendation: Approve the minutes.

3.7 Adopt Recommended Position on Measure T, the Santa Clara Valley Open Space Authority's Open Space, Wildlife Habitat, Clean Water, and Increased Public Access Measure.

Recommendation: Adopt a position of "Support" on Measure T, the Santa Clara Valley Open Space Authority's Open Space, Wildlife Habitat, Clean Water, and Increased Public Access Measure.

Motion: Approve Consent Calendar Items 3.1 through 3.7, under one motion, as follows: approve City of Santa Clara Successor Agency Compensation Agreement, as contained in Item 3.1; approve nominations for two-year membership appointments to the Santa Clara Valley Water Youth Commission, as contained in Item 3.2; acknowledge and recognize outgoing Youth Commission members, as contained in Item 3.3; approve and direct the Clerk to file with the Santa Clara County Clerk Recorder the Notice of Completion and Acceptance of Work for the Rinconada Water Treatment Plant Oak Woodland Project, as contained in Item 3.4; accept the CEO Bulletin, as contained in Item 3.5; approve the Minutes, as contained in Item 3.6; and adopt a position of "Support" on Measure T, as contained in Item 3.7.

Move to Approve: Richard Santos
 Second: Tony Estremera
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

- 4.1 Consider the July 27, 2020 Diversity and Inclusion Ad Hoc Committee Recommendation to Adopt a Resolution Addressing Systemic Racism and Promoting Equity and Present the Resolution to all Board Committees.

Recommendation: A. Consider the July 27, 2020 Diversity and Inclusion Ad Hoc Committee recommendations to adopt a Resolution Addressing Systemic Racism and Promoting Equity, and refer to staff to present the Resolution, if adopted, to all Board committees;
 B. Adopt the Resolution ADDRESSING SYSTEMIC RACISM AND PROMOTING EQUITY; and
 C. Refer to staff to present the Resolution, if adopted, to all Board committees.

Motion: Adopt Resolution 20-78 ADDRESSING SYSTEMIC RACISM AND PROMOTING EQUITY, by roll call vote.

Move to Adopt: John L. Varela
 Second: Tony Estremera
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

- 4.2 Receive Board Independent Auditor Report Findings Regarding Hiring Practices Ad-hoc Desk Review and Consider the Recommendation of the Board Audit Committee Regarding Comprehensive Background Checks for New or Existing Employees Being Considered for Executive Level or Fiduciarly Responsible Positions.

Recommendation: A. Consider the July 27, 2020 Diversity and Inclusion Ad Hoc Committee recommendation to adopt a Resolution

recognizing Senator Kamala Harris as the first woman of color to be selected as a Vice Presidential candidate on a major political party ticket; and

- B. Adopt the RESOLUTION RECOGNIZING SENATOR KAMALA HARRIS AS THE FIRST WOMAN OF COLOR TO BE SELECTED AS A VICE PRESIDENTIAL CANDIDATE ON A MAJOR POLITICAL PARTY TICKET.

Motion: Adopt Resolution 20-79 RECOGNIZING SENATOR KAMALA HARRIS AS THE FIRST WOMAN OF COLOR TO BE SELECTED AS A VICE PRESIDENTIAL CANDIDATE ON A MAJOR POLITICAL PARTY TICKET, by roll call vote.

Move to Adopt: John L. Varela
Second: Barbara Keegan
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, John L. Varela
Nays: None
Abstains: Richard Santos
Recuses: None
Absent: None
Summary: 6 Yeas; 0 Nays; 1 Abstains; 0 Absent.

Director Santos clarified that Board action on this item was in recognition of the first woman of color being selected as a Vice Presidential candidate on a major political party ticket, and should not be misconstrued to imply Valley Water's preference of one political party over another.

4.3 Financial Status Update and Strategy Recommendations during COVID-19 Pandemic.

Recommendation: A. Receive financial status update as it relates to the impact of the COVID-19 Pandemic;
B. Direct staff not to pursue a mid-year water rate adjustment for FY 2020-21;
C. Direct staff to continue to pursue partnerships to assist with water related programs and to continue to expand outreach and support for small businesses; and
D. Direct staff to implement a Retailer Loan Program based on the attached draft termsheet.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, and confirmed that Board Agenda Memo Page 2, Paragraph 1, Line 7, and Attachment 1, Page 2, Valley Water Finance Section, Bullet 7, should be revised to replace 3038 with 2038.

Director LeZotte confirmed her opposition to implementing a retailer loan program, as discussed in Recommendation D, and the Board expressed concern that more outreach was needed to the agricultural community and to local elected officials before a determination on Recommendation D could be made.

Motion: Approve Recommendations B, and C, and direct staff to work with Board members in each of their respective Districts to provide increased outreach to elected officials and the agricultural community, and bring Recommendation D back to the Board with updated information on retailer, municipal, and agricultural community interest in the proposed loan program.

Move to Adopt: Tony Estremera

Second: Richard Santos

Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.4 Board Committee Reports.

The Board noted Handouts 4.4-A and 4.4-B without formal action.

4.3 Proposed Future Board Member Agenda Items.

None.

5. WATER UTILITY ENTERPRISE:

None.

6. WATERSHEDS:

6.1 Approve the Agreements with Panorama Environmental, Inc., CAS File 5077, for a Total Not-to-Exceed Amount of \$3,000,000, and with GEI Consultants, Inc., CAS File 5119, for a Total Not-to-Exceed Amount of \$3,000,000, for Project No. 62041043, On-Call Environmental Planning and Permitting Services Project.

Recommendation: A. Approve the Standard On-Call Consultant Agreement by and between Santa Clara Valley Water District and Panorama Environmental, Inc. for On-Call Environmental Planning and Permitting Services (Project) for a not-to-exceed fee of \$3,000,000; and
B. Approve the Standard On-Call Consultant Agreement by and between Santa Clara Valley Water District and GEI Consultants, Inc. for On-Call Environmental

Planning and Permitting Services (Project) for a not-to-exceed fee of \$3,000,000.

Ms. Lisa Bankosh, Assistant Officer, reviewed the information on this item, per the attached Board Agenda Memo.

Move to Approve: Barbara Keegan
Second: Gary Kremen
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

7.1 Fiscal Year 2019-2020 (FY20) Safe, Clean Water and Natural Flood Protection Program Annual Report – Year 7.

Recommendation: A. Approve the proposed text adjustment to the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program;
B. Approve the FY20 Safe, Clean Water Program Annual Report – Year 7 with unaudited financials; and
C. Authorize staff to finalize the FY20 Safe, Clean Water Program Annual Report – Year 7 Annual Report (with audited financials) and submit the final report to the Independent Monitoring Committee (IMC) for its review.

Ms. Meenakshi Ganjoo, Program Administrator, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 2.

Ms. Kit Gordon, SCW Independent Monitoring Committee (IMC) District 7 Representative, requested that the SCW Annual Report, Year 7, FY 20 (2019-2020) be revised to include the SCW IMC letter to the Board dated February 25, 2020 regarding SCW Annual Report, Year 6, FY 19 (2018-2019), and that all future SCW Annual Reports include the SCW IMC's letter from the previous year. She expressed concern with Valley Water's timelines for coordinating public meetings, and the impact this had on the SCW IMC's ability to provide input on the SCW Enhancement and Renewal Program; and stated that although she looked forward to reviewing the SCW Annual Report, Year 7, FY 20 (2019-2020), she had preliminary concerns about delays in various flood protection projects.

Move to Approve:	Richard Santos
Second:	John L. Varela
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

8. EXTERNAL AFFAIRS:

8.1 Moved to Item 3.7.

The Board noted that Item 8.1 had been moved to Item 3.7.

Chairperson Hsueh momentarily stepped out of the meeting and returned as noted below. During Chairperson Hsueh's absence, the meeting was facilitated by Vice Chairperson Estremera.

Director Kremen briefly ended his participation by teleconference, and rejoined as noted below.

8.2 Adopt Recommended Positions on State Ballot Initiatives: Proposition 15 – Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative; and Proposition 16 – Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions, Legislative Constitutional Amendment.

Recommendation:	<p>A. Adopt a position of "Support" on Proposition 15 – Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative; and</p> <p>B. Adopt a position of "Support" on Proposition 16 – Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions, Legislative Constitutional Amendment.</p>
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Chairperson Hsueh returned and resumed facilitation of the meeting.

Mr. Donald Rocha, Acting Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memo.

Four statements expressing support for Proposition 15 were received from: Mr. Mike Duffy, Valley Water Professional Managers' Association President; Ms. Marisela Garcia, Valley Water Engineers' Society President; Mr. John Tucker, American Federation of State, County and Municipal Employees (AFSCME) Representative; and Mr. Eric Leitnerman, Valley Water Assistant Civil Engineer II.

Two statements expressing support for both Proposition 15 and 16 were received from: Mr. Nicholas Barron, American Federation of Teachers, Local 6554; and Mr. Stanley Young, International Federation of Professional and Technical Engineers (IFPTE) Local 21 Representative.

Move to Adopt:	Tony Estremera
Second:	Richard Santos
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	Gary Kremen
Summary:	6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

Director Kremen rejoined the meeting by teleconference.

9. CHIEF EXECUTIVE OFFICER:

9.1 Update on COVID-19 Response.

Mr. Alexander Gordon, Emergency and Security Manager, informed the Board that staff was in the process of reviewing new orders issued by the Santa Clara County Department of Public Health, and provided a status on the projected return-to-work dates of one positively testing Valley Water employee, and three Valley Water employees on precautionary leave.

9.2 CEO and Chiefs' Report.

Mr. Rick Callender, Chief Executive Officer, reported on Valley Water's receipt of AA1 and AA+ bond debt credit ratings.

Ms. Melanie Richardson, Assistant Chief Executive Officer, advised the Board of the upcoming retirement of Acting Chief Operating Officer, Mr. Garth Hall, and discussed Mr. Hall's academic and professional achievements, and his contributions to Valley Water.

Mr. Hall reported on an anticipated one to two day shutdown of the Silicon Valley Advanced Water Purification Center (SVAWPC); explained that the shutdown was in response to the routine maintenance closure of the City of San Jose Recycled Water Facility adjacent to the SVAWPC; and confirmed there would be no interruption in delivery of recycled water to customers.

Ms. Sue Tippetts, Acting Chief Operating Officer, discussed various permit delays; confirmed that no impacts to completing maintenance projects by the end of the season was anticipated as a result of permit delays; and confirmed that future Stream Maintenance Report Handouts would include information on the Watershed Division's work on Water Utilities projects and infrastructure, and more information on trash clean up on creeks.

Ms. Tina Yoke, Chief Operating Officer, reported that an administrative policy providing vacation donation assistance to Valley Water employees impacted by natural disasters had been completed; advised the Board of the upcoming retirement of Chief People Officer, Ms. Anna Noriega; and discussed Ms. Noriega's tenure and contributions to Valley Water.

The Board individually and collectively congratulated Mr. Hall and Ms. Noriega and wished them well in their retirement.

Ms. Rachael Gibson, Acting Chief of External Affairs, reviewed the information in the attached Office of Governmental Relations Update, identified as Handout 9.2-A herein, and provided a verbal report on outreach efforts associated with dewatering Anderson Reservoir. Copies of the Handout were distributed to the Board and made available to the public.

Director Kremen concluded his participation by teleconference and did not rejoin.

10. ADMINISTRATION:

10.1 Adopt Resolution Approving the Amended Compensation Plan for Unrepresented Employees in the Executive Service (July 1, 2018 through June 30, 2022).

Recommendation: A. Receive information pertaining to the August 2019 CalPERS findings temporary upgrade pay reported as special compensation; and
 B. Adopt the Resolution APPROVING THE AMENDED COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE – (JULY 1, 2018 THROUGH JUNE 30, 2022).

Ms. Noriega reviewed the information on this item per the attached Board Agenda Memo and confirmed that a typographical error on Attachment 1, Resolution Page 1, Paragraph 2, discussing the current Memorandum of Understanding expiration, would be revised to correct the expiration from December 2022 to December 2021.

Motion: Adopt Resolution No. 20-80, APPROVING THE AMENDED COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE – (JULY 1, 2018 THROUGH JUNE 30, 2022, by roll call vote.

Move to Adopt: Richard Santos
Second: Tony Estremera
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None

Absent: Gary Kremen
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1 Board Member Reports/Announcements.

Director Varela reported attending a Holiday Lakes Estate Neighborhood meeting; Association of California Water Agencies Region 5 and San Luis Delta-Mendota Water Authority (SLDMWA) Board meetings; and an Anderson Dam Federal Energy Regulatory Commission (FERC) Order Compliance Project (FOCP) community outreach Zoom meeting.

Director Keegan reported attending a Board Audit Committee (BAC) prep meeting; a Valley Water Townhall meeting; BAC, Fish and Aquatic Habitat Collaborative Effort (FAHCE), Santa Clara Valley Habitat Conservation Plan (HCP) Joint Power Authority (JPA), and Delta Conveyance Authority (DCA) meetings; and various meetings with staff.

Director Santos reported attending the aforementioned SLDMWA Board and Anderson Dam FOCP community outreach Zoom meetings; and a SCW Enhancement and Renewal Program Measure S outreach meeting.

Director LeZotte reported attending the aforementioned BAC, FAHCE, and Santa Clara Valley HCP JPA meetings; a Santa Clara County Elected Officials COVID-19 briefing; Capital Improvement Program (CIP) Committee, Envision San Jose 2040 General Plan 4-year Review Task Force, and California Special Districts Association meetings; and various meetings with staff.

Chairperson Hsueh reported attending the aforementioned CIP meeting; Budget, Project Labor Agreement (PLA), and Recruitment Working Group meetings; a Murdock Neighborhood community meeting; and various meetings with staff. She also reported receiving an email from a retired Valley Water employee who had attended the aforementioned Anderson Dam FOCP community outreach Zoom meeting, and shared the retiree's compliments on management of the meeting.

Director Estremera reported attending the aforementioned Budget and PLA Working groups, FAHCE, and DCA meetings; and various meetings with staff.

12.2 Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk, Board of Directors, confirmed that there were no new Board Member Requests.

- 12.3 Adjourn to Regular Meeting at 1:00 p.m., on September 8, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Chairperson Hsueh adjourned the meeting at 8:30 p.m., to the 11:00 a.m. Closed Session and 1:00 p.m. Regular meeting on October 13, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date:



Santa Clara Valley Water District

File No.: 20-0902

Agenda Date: 10/13/2020

Item No.: 4.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Fiscal Year 2020 Board Performance Report.

RECOMMENDATION:

- A. Review and provide feedback, if necessary, on the Fiscal Year 2020 Board Performance Report; and
- B. Approve the Fiscal Year 2020 Board Performance Report.

SUMMARY:

At the January 28, 2020 meeting, the Board approved the Board Performance Framework reflecting the outcomes of the Board's Work. The approved framework identifies four performance indicator areas, along with associated objectives, outcomes and measurement/successes.

This item presents the Fiscal Year 2020 accomplishments associated with these performance indicator areas:

- I. The Board provides transparent governance with a commitment to ethical, business-like and lawful conduct.
- II. The Board provides linkage to the Community.
- III. The Board develops, implements and monitors organizational governance policies and priorities.
- IV. The Board conducts and monitors BAO Performance.

The attached report (attachment 1) lists the accomplishments for Fiscal Year 2020 for Board review and approval and provides an opportunity for additional direction on any necessary revisions to report the objectives, outcomes, measurements/successes, and accomplishments associated with the Board's work.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the

potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Fiscal Year 2020 Board Performance Report

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

FISCAL YEAR 2020 BOARD PERFORMANCE REPORT

#	Objective	Outcome	Measurements/Successes	Accomplishments
I. The Board provides transparent governance with a commitment to ethical, business-like and lawful conduct.				
1	Annually, adopt a capital and operating budget that represents Valley Water's mission of providing Silicon Valley safe, clean water for healthy life, environment and economy.	On or before June 15 hold a hearing to receive public input on the proposed capital and operating budget, and to review financial reserves and reserve management policy.	By June 30, adopt by resolution a <i>balanced</i> capital and operating budget for upcoming fiscal year, in accordance with the District Act.	<ul style="list-style-type: none"> • 4/29/20 – Budget Work Study session conducted to review the FY21 Proposed Budget, financial reserves/policy, and receive public comments. • 5/26/20 – Adopted FY21 Operating and Capital Budget and directed staff to return in September to discuss additional budget outcomes and requirements due to COVID-19.
2	Annually, adopt groundwater rate adjustments; and review for mid-year water rate adjustment, if required.	Adopt water rate adjustments annually, no later than June 1; and review for mid-year water rate adjustment no later than December 15.	Board conducts outreach and holds public meetings and hearings, including a public hearing in South County, prior to adopting groundwater water rates and mid-year adjustment review, if necessary.	<ul style="list-style-type: none"> • 2/28/20, written rate setting notices were mailed to all owners and operators of water-producing facilities within Valley Water's boundaries. • 4/28/20, the Board held a public hearing on the groundwater production charges for FY20-21 and accepted public comments • 5/26/20 - Board approved “No Rate Increase” to water charges and directed the Chair to create a Budget Committee to work with staff to prepare for mid-year water rates adjustment review in September 2020. • Due to COVID-19 shelter in place restrictions, no South County public hearing was held.
3	Ensure that District and Board business is conducted in a transparent, ethical, business-like, and lawful manner.	A. Comply with state mandated training and form filing requirements and ensure that District business is conducted in an ethical, business-like, and lawful manner.	Board members comply 100% with requirements of AB1825-Sexual Harassment Prevention Training (Sept. 2007); AB1234-Ethics Training (Oct. 2005); the Political Reform Act; Ralph M. Brown Act; Public Records Act; District Lobbyist Ordinance; and Board Governance Policies.	<ul style="list-style-type: none"> • 12/30/19 - AB1825 Harassment Prevention Training • Conflict of Interest Form 700s filed by 4/1/20
		B. All Board and Committee meetings allow for and encourage public participation and engagement, and meet all Brown Act, District Act and Board Governance Policies requirements.		<ul style="list-style-type: none"> • Board and Brown Acted Committee meetings allowed time for public comment and participation, and were conducted in Accordance with the Brown Act, District Act, and Board Governance Policies. Adjustments were made to comply with new Brown Act requirements under the COVID-19 restrictions.
4	Conduct, monitor and implement annual board-commissioned audit planning.	Regularly review board-commissioned audits and provide input and approve Board Audit Work Plan through the Board Audit Committee and regular reports to the Board.	Percentage of audit recommendations implemented.	<ul style="list-style-type: none"> • 1/14/2020 – Board approved FY19-21 Annual Audit Work Plan as recommended by the BAC (added three desk reviews and an encroachment audit for the future) • 4/28/2020 – Board approved extending the Audit Services agreement with TAP International, Inc. to 6/30/21 • 5/12/2020 – Board received and discussed final Audit Report and Management Response for Contract Change Order Audit conducted by TAP International, Inc. The Board requested staff return with a report on the status of implementation of Recommendations on Change Orders, as contained in final Audit Report, page 3
5	Publicly review Board compensation, meeting limit determination, and board member expense reports.	Board convenes a public hearing and receives public input on Board compensation and monthly meeting limits. Board regularly reviews Director expense reports during open session Board meetings.	Annually hold a public hearing by February to discuss monthly Board compensation and determine number of compensated days per month; and quarterly review and approve board member expense reports.	<ul style="list-style-type: none"> • 2/11/20 - Public hearing held and findings made that there was a need to continue to receive pay for up to 15 days per month and increase meeting fee by 5%; adopted Ordinance No. 20-01, allowing pay for 15 days per calendar month and increasing meeting compensation fee to \$316.06 for calendar year 2020 • 12/10/19, 3/10/20, 6/9/20, 9/8/20 - Review and approval of Quarterly Expense Reports

FISCAL YEAR 2020 BOARD PERFORMANCE REPORT

#	Objective	Outcome	Measurements/Successes	Accomplishments
II.The Board provides linkage to the Community.				
1	The Board is committed to providing excellent service to all customers, and engaging the community by working with governmental agencies and regulatory organizations, sharing information, holding public information meetings, and participating on external committees.	A. Yearly, by the end of February, the Board Chair will nominate for Board approval, appointments to internal and external committees.	Board reviews, provides input and approves the Chair's committee nominations, by end of February.	• 2/11/20 – Board reviewed and approved Chair proposed committee nominations, and reviewed the purposes of the committees, renaming, disbanding, and repurposing as appropriate.
		B. Directors will regularly provide committee reports at monthly Board meetings.	Board reviews committee agendas/reports at all regular board meetings.	• Through the standing Committee Report Item on the Board Agenda, Board Committee Chairs provide regular reports on board committee meetings, advisory committee meetings, and share agendas for upcoming committee meetings with the full Board.
		C. The Board will regularly communicate District business with the public via social media, news media, email communication, public meetings, etc.	Board engages with the public via in-person meetings, telephone, public meetings, social media, news media, email communication, public meetings, etc.	• Correspondences Received – 201 (90 Responses; 110 Noted) • NextDoor Posts – 64 (5.3 Monthly Average) • Editorial Columns – 19 (1.6 Monthly Average) • Blogs – 72 (6.0 Monthly Average) • Press Releases/Advisories – 15 (1.3 Monthly Average) • Community Meetings – 18 (1.5 Monthly Average) • Media Inquiries – 50 (4.2 Monthly Average) • Graphics Support – 353 (29.4 Monthly Average)
III. The Board develops, implements and monitors organizational governance policies and priorities.				
1	Board develops Annual Board Work Plan identifying long-term goals, related strategies, and appropriate monitoring methods.	Board develops annual Board Work Plan by engaging in an annual strategic planning and goal setting session.	Board members provide regular reports on assigned Board Work Plan priorities to the full Board through committee reports and board agenda items.	• The Board Advisory Committees receive updates on the Board Work Plan priorities and strategies and their quarterly meetings. • Board Work Plan priorities and strategies assigned to Board Standing Committees are incorporated into their work plans. • Board Work plan priorities and strategies requiring full Board review and input are incorporated into the Board Policy Planning Calendar.
IV. The Board conducts and monitors BAO Performance				
1	Board will produce assurance of BAO performance and determine BAO Compensation.	The Board will conduct regular BAO evaluations and discuss BAO compensation annually in accordance with BAO performance evaluation process.	Board conducts regular BAO evaluations and compensation review.	The Board held the following BAO Evaluation/Compensation review sessions - 7/23/19, 3/10/20, and 6/23/20



Santa Clara Valley Water District

File No.: 20-0911

Agenda Date: 10/13/2020

Item No.: *4.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Consider Recommendations Resulting from the September 16, 2020, Board Audit Committee Meeting to Approve Initiation of the Permitting Best Practices Audit (Permits Provided to Requestors); Approve TAP International, Inc. as Auditor for the Permitting Best Practices Audit; and Approve Changes Recommended by the Board Audit Committee to the TAP Annual Audit Work Plan.

RECOMMENDATION:

Consider recommendations resulting from the September 16, 2020, Board Audit Committee meeting and:

- A. Approve Initiation of the Permitting Best Practices Audit (Permits Provided to Requestors);
- B. Approve TAP International, Inc. to be the auditor for the Permitting Best Practices Audit; and
- C. Approve Changes Recommended by the Board Audit Committee to the TAP Annual Audit Work Plan.

SUMMARY:

The Board Audit Committee (BAC) was established by the Valley Water Board of Directors (Board) to identify potential areas and priorities for auditing; to review, update, plan, and coordinate the execution of Board audits.

On May 23, 2017, the Board approved an on-call consultant agreement with TAP International, Inc. (TAP) for Board independent auditing services. On September 26, 2018, TAP presented the final Risk Assessment Model to the BAC, which provided an assessment of operational risks to Valley Water. The Risk Assessment Model developed heat maps of Valley Water operational areas based on risk impact (low, moderate, and high risk). The results of the risk assessment included input from Valley Water's Board of Directors, management, and staff, and was used to assist in the development of a TAP Annual Audit Work Plan. The highest risk areas included procurement, contract change order management, succession planning, and fraud prevention. On February 26, 2019, the Board approved the BAC's recommendation for TAP to conduct three performance audits. The three audits included performance audits of the District Counsel's office, contract change order management processes, and real estate services.

The Board previously approved updates to the TAP Annual Audit Work Plan (Attachment 2) to include the FY 2020-2021 Property Management Audit, to audit whether Valley Water is implementing the encroachment program consistent with the Board's guiding principles. As part of the FY 2020-2021

Ad-hoc Board audits included in the TAP Annual Audit Work Plan, the BAC also identified three desk reviews to be performed by TAP: key controls and financial management regarding the extension of grants; risk management review of Valley Water hiring practices; and review of the Board Agenda preparation process. On July 21, 2020, the Board approved an update to the TAP Annual Audit Work Plan to include the FY 2020-2021 Grants Management Audit, for a performance audit of the efficiency and effectiveness of grant management and administration.

The Board Audit Committee recommends the following to the full Board for approval:

(1) approve the Permitting Best Practices Audit (Permits Provided to Requestors) (Attachment 1) as the next audit, and approve TAP International, Inc. to be the auditor for the Permitting Best Practices Audit;

(2) approve modifying the TAP Annual Audit Work Plan (Attachments 2 and 3) such that the two Community Engagement Audits (ID 21 and ID 30) are combined into one audit; and

(3) approve modifying the TAP Annual Audit Work Plan (Attachment 2 and Attachment 3) to note that the SCADA Audit (ID 2) will be deferred and reconsidered during the next Risk Assessment given the master planning efforts underway for Valley Water's SCADA systems.

FINANCIAL IMPACT:

The Permitting Best Practices Audit Task Order (Attachment 1) has an estimated total fixed fee amount of \$140,800. There are adequate funds in the Office of Chief Financial Officer's Board-adopted FY 2020-2021 budget, Project 60131014 to conduct this audit.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Permitting Best Practices Audit Task Order
Attachment 2: TAP Annual Audit Work Plan, Redlined
Attachment 3: TAP Annual Audit Work Plan, Revised

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

Task Order No. 42

Title: Permitting Best Practices Assessment

Agreement: Standard On-Call Consultant Agreement 04071A ("Agreement") Between the Santa Clara Valley Water District ("District") and TAP International, Inc. ("Consultant"), dated May 23, 2017.

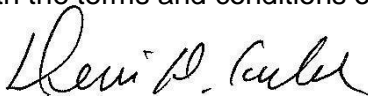
District Supervising Program Administrator: Darin Taylor Consultant Project

Manager: Denise Callahan, President

Dollar Amount of Task Order: Fixed Fee \$93,350 to \$119,550

1. Upon full execution of this Task Order No. 042 as set forth in the Standard On-Call Consultant Agreement Section Twelve, subsection 13., Task Orders, and the issuance of a notice to proceed by the District Project Manager, the Consultant is hereby authorized to perform the Services described in Attachment A to this Task Order. Any costs incurred, Services performed or expenditures by the Consultant before this Task Order is executed or before the issuance of the notice to proceed will be considered outside the contracted scope of Services and will not be eligible for payment.
2. Both the scope of Services to be performed and the deliverables to be provided in accordance with this Task Order are described in Attachment A, which is attached hereto and incorporated by this reference. Attachment A shall include at a minimum the following:
 - A. The Consultant personnel to be assigned to perform the Services, including resumes if not previously provided to the District Project Manager.
 - B. The total fixed fee amount for Consultant to complete the Services, including estimated number of hours required to perform the Services assigned to each Consultant classification.
 - C. Estimated cost of each other direct cost and reimbursable expense, including any applicable fees.
 - D. Project schedule for completing the scope of Services.
3. The Consultant shall be compensated at fixed fees or at the hourly rates established in the Agreement, Attachment A to the Scope of Services, Fees, and Payments. The Consultant agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted in the Attachment A.
4. This Task Order will become effective on the date of full execution by authorized representatives of the Parties and remain in effect until the earlier of: termination of this Agreement; completion of the tasks set forth in Attachment A.
5. Copies of applicable local, state, and federal permits required to perform the Services described in Attachment A are attached to this Task Order, unless the Consultant previously provided the appropriate permits to the District.

6. The Consultant shall perform all Services described in Attachment A to this Task Order in accordance with the terms and conditions of the Agreement.

7. Signatures: 

TAP INTERNATIONAL INC.
Denise Callahan
President, Lead Auditor

09/23/2020
DATE

Signature: _____
SANTA CLARA VALLEY WATER DISTRICT
Darin Taylor

DATE

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Task Order No. 042**Attachment A – TAP International, Inc.****Permitting Best Practices Assessment**

- A. The Consultant personnel to be assigned to perform the Services, including resumes if not previously provided to the District Project Manager.
- B. The total fixed fee amount for Consultant to complete the Services, including estimated number of hours required to perform the Services assigned to each Consultant classification.
- C. Estimated cost of each other direct cost and reimbursable expense, including any applicable fees.
- D. Project schedule for completing the Scope of Services.

Activity	Assigned Staff	Rate	Hours	Estimate	Estimated Completion Date
Audit Planning (required risk assessment, scoping meetings, audit plan development, kick off conference)	Lead Auditor, Callahan Team Auditors (Matayoshi, Kousser)	\$200 \$185	40 20	\$8,000 \$3,700	10/31/2020
Data collection and Analysis (Time required dependent on results of planning meetings)*	Lead Auditor, Callahan Team Auditors, (Matayoshi, Kousser)	\$200 \$185	20-40 130-250	\$4,000-\$8,000 \$24,050-\$46,250	11/30/2020
Reporting Processes (department meetings, preliminary draft, draft, final report, exit conference)	Lead Auditor, Callahan Team Auditors (Matayoshi, Kousser)	\$200 \$185	120 160	\$24,000 \$29,600	12/31/2020

Estimated Fixed Fee Amount**\$93,350 to \$119,550**

***Amended task order to update costs will be submitted upon completion of audit planning.**

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2019

Santa Clara Valley Water District Annual Audit Work Plan, FY 18/19 to FY 20/21.

~~DRAFT AUDIT WORK PLAN – JULY 30, 2020~~ DRAFT AUDIT WORK
PLAN – OCTOBER 13, 2020

SANTA CLARA VALLEY WATER DISTRICT BOARD OF DIRECTORS DRAFT
ANNUAL WORK PLAN, FY 18/19 TO FY 20/21

OVERVIEW

The selection of audits is an important responsibility of the Audit Committee. The formulation of this audit work began in 2018 when the Valley Water's Board of Director provided input and approved the enterprise risk assessment that was administered across agency operations. The audit work plan is a culmination of a comprehensive effort to consider input on auditable areas from Valley Water employees, mid-level management, executive management, and Board Directors.

The proposed audit work plan considers factors that, if addressed, will provide opportunities to mitigate those risks and improve operations. These factors include:

- **Operational** – Are Valley Water programs/activities performed and services delivered in the most efficient, effective, and economical manner possible, and do they represent sound business decisions, including appropriate responses to changes in the business environment?
- **Financial** – Is there an opportunity to improve how Valley Water manages, invests, spends, and accounts for its financial resources?
- **Regulatory** – Do Valley Water programs and activities comply with applicable laws and regulations?
- **Health and Safety** – Are Valley Water services delivered in a manner that protects our residents and employees from unnecessary exposure to environmental factors?
- **Information Security** – Are Valley Water's information systems and networks protected against unauthorized access, use, disclosure, disruption, modification, inspection, recording, or destruction?

In addition, the proposed audit work plan considers several other factors in the selection of audits.

- **Relevance** – Does the audit have the potential to affect Board decision-making or impact Valley Water customers and residents?
- **Best Practices** – Does the audit provide the opportunity to compare current performance to best practices?
- **Return on Investment** – Does the audit have the potential for cost savings, cost avoidance, or revenue generation?
- **Improvement** – Does the audit have the potential to result in meaningful improvement in how Valley Water does its business?
- **Risk** - The audit work plan also considers risks related to major functions, as identified through a 2017 enterprise risk assessment conducted by TAP International.
- **Audit Frequency** – Individual Divisions at Valley Water should not be subject to more than two audits per year.

AUDIT WORK PLAN, FY 18/19 TO FY 20/21

This proposed audit work plan is divided into section. Section A describes ongoing non-audit (e.g. advisory) responsibilities of the Independent auditor and well as other quality assurance activities planned by executive management. Section B describes the audits planned for implementation by the Independent Auditor and other audits planned by Valley Water's executive management.

SECTION A

NON-AUDIT SERVICES AND SPECIAL PROJECTS

The following table lists non-audit services and special projects for the FY 2019-20 audit work plan:

Project	Scope	Planned Hours
Board of Director/Audit Committee Requests for Information	Ongoing. Should the Board of Directors request information on activities implemented by other public agencies or on other matters of interests applicable to enhancing the efficiency and effectiveness of operations, the independent auditor will collect and summarize information.	80
Audit Training	Annual. The Board Audit Committee Charter describes a requirement to provide audit training to BAC committee members at least annually.	2
Support services	Ongoing. Provide support services to Board Directors and Valley Water staff applicable to specific initiatives or planning projects to prevent potential service delivery risks, such as the planning of a new ERP system.	40
QEMS – Independent Auditor	Ongoing. Provide services to ensure proper oversight and accountability.	As needed
Management reviews	Ongoing. Valley Water 's CEO as needed will initiate internal quality assurance reviews of business practices and operations. These reviews are to be shared with the audit committee.	As needed

SECTION B: AUDIT SERVICES**AUDIT WORK PLAN – INDEPENDENT AUDITOR****FY 2018-19**

The following audits have been approved in FY 2018-19 by the Board of Directors and will continue into the FY 2019-20 audit work plan.

ID	Audit	Audit Objectives	Planned Hours
1	District Counsel Office Review	Are there structural, organizational, and process improvement opportunities for the District Counsel's Office?	664
5	Contract Change Order Processing	What types of business process improvements are necessary for contract change order processing?	429
6	Real Estate Review	How can the Real Estate improve its financial and service delivery performance?	574
Total	3 audits		1,667

FY 2019-20

The following audits have been selected for approval for the FY 2019-20 audit work plan.

ID	Audit Name	Audit Objectives	Planned Hours	Factors Considered
	Ad-hoc Board Audits	TBD	500-800	Relevance
	Audit Follow up	Review and monitor the status of audit recommendations	120	Relevance
	Sub Total		620-800	
13	Construction project management	What areas of Valley Water's capital project budgeting practices can benefit from adopting best practices?	314-371	Financial Improvement Risk Best practices
2	<u>SCADA audit</u>	<u>Does Valley Water's Supervisory Control and Data Acquisition (SCADA) systems meet established SCADA security frameworks?</u>	<u>714-857</u>	<u>Information Security Relevance Improvement Risk</u>
2	<u>SCADA audit*</u>	<u>Does Valley Water's Supervisory Control and Data Acquisition (SCADA) systems meet established SCADA security frameworks?</u>	<u>714-857</u>	<u>Information Security Relevance Improvement</u>

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SANTA CLARA VALLEY WATER DISTRICT ANNUAL AUDIT WORK PLAN, FY 18/19 TO FY 20/21.

Risk				
7	Permitting best practices	How does Valley Water's permitting process compare with other agencies? Can alternative permit processing activities benefit Valley Water?	171-229	Operational Best practices Improvement
4	Risk Management	Can risk management business processes be implemented more effectively? (i.e. contract claims, workers compensation, small claims).	143-260	Relevance Financial Operational Best practices
3	Billing and Collections audit	Are there opportunities to enhance Valley Water's billing and collection processes?	343-429	Relevance Financial Regulatory Improvement Risk Return on Investment
11	Accountability audit	Are there opportunities to enhance safe clean water audits?	115-171	Health and Safety Relevance Improvement
Sub Total	66		1,800-2,317	

[*The SCADA audit \(ID 2\) will be deferred and reconsidered during the next Risk Assessment given the master planning efforts underway for Valley Water's SCADA systems.](#)

FY 2020-21

The following audits have been selected for approval for the FY 2020-21 audit work plan.

ID	Audit Name	Audit Objectives	Planned Hours	Factors Considered
	Ad-hoc Board Audits**	TBD	500-800	Relevance
	Audit Follow up	Review and monitor the status of audit recommendations	120	Relevance
	Subtotal		620-800	
	<u>Grants Management</u>	<u>Performance audit of the efficiency and effectiveness of grant management and administration</u>	<u>Outsourced-TBD</u>	<u>Financial improvement</u> <u>Operational Best practices</u>

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SANTA CLARA VALLEY WATER DISTRICT ANNUAL AUDIT WORK PLAN, FY 18/19 TO FY 20/21.

21	Community engagement	Can Valley Water benefit from updating its purchasing practices for multi-media, advertising, and other community engagement vendor related activities? What are the best practices in planning and facilitating community engagement?	374 417-457543	Financial Improvement Operational Best practices
	Property Management	Is Valley Water implementing its <u>encroachment licensing program consistent with the Board's guiding principles?</u>	400	Operational
20	Homelessness analysis	How can the Valley Water enhance its homelessness encampment clean-up activities that <u>protect health and safety?</u>	290-371	Health and Safety Relevance Financial Operational
8	Classified information***	To what extent does the Valley Water's Counsel's office appropriately classify confidential information?	143-200	Relevance Operational
26	Local workforce hiring	What are the financial and service delivery disadvantages and advantages of RFPs that require preferences for local workforce hiring?	200-229	Operational
27	Equipment maintenance	Is Valley Water adequately meeting the needs of equipment maintenance?	143-229	Health and safety Operational Financial
30	Community engagement	What are the best practices in planning and facilitating community engagement?	—46 86	Best practices Operational
33	Water Fix	What potential financial risks could occur on the California Water Fix project?	160-286	Financial Relevance
Sub Total			771,125 -1,661	

**Ad-Hoc Audits to be added to the Board performance plan upon identification and approval of reviews.

***This issue was included in the project plan for the performance audit of the District Counsel's office.

AUDIT WORK PLAN – VALLEY WATER RESPONSIBILITY

FY 18/19 THRU FY 19-20

QEMS

QUALITY ENVIRONMENTAL MANGEMENT SYSTEM INTERNAL AUDITS	
AUDIT DESCRIPTION AND UNIT #	
Treated Water O&M DOO: TW Survey (customer service w/ WS DOO)	#515
Laboratory Services Unit	#535
North Water Treatment Operations Unit	#565
South Water Treatment Operations Unit	#566
Treatment Plant Maintenance Unit (North & South WTP)	#555
Water Quality Unit	#525
Water Utility Capital Division	
Capital Program Planning and Analysis Unit	#335
Construction Services Unit	#351
Pipelines Project Delivery Unit	#385
East Side Project Delivery Unit	#375
West Side Project Delivery Unit	#376
Dam Safety & Capital Delivery Division	
CADD Services Unit	#366
Dam Safety Program & Project Delivery Unit	#595
Design and Construction Unit #3	#333
Pacheco Project Delivery Unit	#377
Water Supply Division DOO: TW Survey (customer service w/ TW O&M DOO)	#415
Wells & Water Measurement Unit	#475
Watersheds Design and Construction Division	
Design and Construction Unit #1	#331
Design and Construction Unit #2	#332
Design and Construction Unit #4	#334
Design and Construction Unit #5	#336
Land Surveying and Mapping Unit	#367
Real Estate Services Unit	#369
Associated Business Support Areas	
Facilities Management Unit	#887
Infrastructure Services Unit/IT	#735
Equipment Management Unit	#885
Business Support & Warehouse Unit	#775

SANTA CLARA VALLEY WATER DISTRICT ANNUAL AUDIT WORK PLAN, FY 18/19 TO FY 20/21.

Purchasing & Consultant Contracts Services Unit	#820
Emergency Services & Security	#219
Environmental, Health & Safety Unit	#916
Workforce Development (Training)	#915
Core ISO Procedures: Continual Improvement Unit	#116
Office of Communications (Customer Service)	#172
Office of the Clerk of the Board (Customer Service)	#604

COMPLIANCE AND FINANCIAL AUDITS

FINANCIAL AUDITS
Financial Audits
Treasurer's Report
Appropriation's Limit
Compensation and Benefit Compliance (odd years)
Travel Expenses Reimbursement (even years)
Single Audit (if applicable)
WUE Fund Audit

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Santa Clara Valley Water District Annual Audit Work Plan, FY 18/19 to FY 20/21.

DRAFT AUDIT WORK PLAN – OCTOBER 13, 2020

SANTA CLARA VALLEY WATER DISTRICT BOARD OF DIRECTORS DRAFT
ANNUAL WORK PLAN, FY 18/19 TO FY 20/21

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SECTION A

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QEMS – Independent Auditor	Ongoing. Provide services to ensure proper oversight and accountability.	As needed
Management reviews	Ongoing. Valley Water 's CEO as needed will initiate internal quality assurance reviews of business practices and operations. These reviews are to be shared with the audit committee.	As needed

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Total	3 audits		1,667

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11	Accountability audit	Are there opportunities to enhance safe clean water audits?	115-171	Health and Safety Relevance Improvement
Sub Total	5		1,800-2,317	

*The SCADA audit (ID 2) will be deferred and reconsidered during the next Risk Assessment given the master planning efforts underway for Valley Water's SCADA systems.

FY 2020-21

The following audits have been selected for approval for the FY 2020-21 audit work plan.

ID	Audit Name	Audit Objectives	Planned Hours	Factors Considered
	Ad-hoc Board Audits**	TBD	500-800	Relevance
	Audit Follow up	Review and monitor the status of audit recommendations	120	Relevance
	Subtotal		620-800	
	<u>Grants Management</u>	<u>Performance audit of the efficiency and effectiveness of grant management and administration</u>	<u>Outsourced-TBD</u>	<u>Financial improvement</u> <u>Operational Best practices</u>
21	Community engagement	Can Valley Water benefit from updating its purchasing practices for multi-media, advertising, and other community engagement vendor related activities? What are the best practices in planning and facilitating community engagement?	417-543	Financial Improvement Operational Best practices

	Property Management	<u>Is Valley Water implementing its encroachment licensing program consistent with the Board's guiding principles?</u>	400	Operational
20	Homelessness analysis	How can the Valley Water enhance its homelessness encampment clean-up activities that <u>protect health and safety</u> ?	290-371	Health and Safety Relevance Financial Operational
8	Classified information***	To what extent does the Valley Water's Counsel's office appropriately classify confidential information?	143-200	Relevance Operational
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27	Equipment maintenance	Is Valley Water adequately meeting the needs of equipment maintenance?	143-229	Health and safety Operational Financial
33	Water Fix	What potential financial risks could occur on the California Water Fix project?	160-286	Financial Relevance
Sub Total	8		1,125 -1,661	

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AUDIT WORK PLAN – VALLEY WATER RESPONSIBILITY**FY 18/19 THRU FY 19-20****QEMS**

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Equipment Management Unit	#885
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Core ISO Procedures: Continual Improvement Unit	#116
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Financial Audits
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Single Audit (if applicable)
WUE Fund Audit



Santa Clara Valley Water District

File No.: 20-0928

Agenda Date: 10/13/2020

Item No.: *4.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Consider Recommendations Resulting from the September 16, 2020, Board Audit Committee Meeting and Approve Proposed Updates to the Board Audit Committee Audit Charter.

RECOMMENDATION:

Consider recommendations resulting from the September 16, 2020, Board Audit Committee Meeting and approve the proposed updates to the Board Audit Committee Audit Charter.

SUMMARY:

The Board Audit Committee (BAC) was established by the Valley Water Board of Directors (Board) to identify potential areas and priorities for auditing; to review, update, plan, and coordinate the execution of Board audits. On September 26, 2018, the BAC directed that an Audit Committee Charter be developed, and on June 26, 2019, it approved of a final version of the Charter to recommend for approval by the Board. At its regular meeting of August 27, 2019, the Board formally approved the BAC Audit Charter. As a best practice, the Board Audit Committee Audit Charter provides the BAC with formal Board guidance regarding its purpose, duties, and powers. It also ensures that audits are carried out in accordance with the expectations of the Board and in accordance with commonly recognized audit standards.

The BAC recommends that the Board approve the following updates to the BAC Audit Charter (Attachment 1): (1) updated naming convention from “the District” to “Valley Water” and substituted the new Valley Water logo on the cover page; (2) addition of Article III Section 3 - Disclosure of Impairment to Independence; (3) addition of supplemental text to Article III Section 7.2 related to proposed substantive changes to the Annual Audit Work Plan must be approved by the Board; (4) addition of supplemental text to Article V Section 2(e) related to Board approval not required for desk reviews; and (5) addition of supplemental text to Article VI Section 7 related to management review for technical accuracy of preliminary draft audit report to be provided within ten working days from issuance.

The charter requires that the BAC conduct a periodic review of the charter terms and make any recommendations regarding changes to the full Board for final approval. (Article IX, §1).

FINANCIAL IMPACT:

There is no financial impact with this item.

CEQA:

The recommended actions do not constitute a project under California Environmental Quality Act (CEQA) because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Revised BAC Charter, with Redlines

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



SANTA CLARA VALLEY WATER DISTRICT
BOARD AUDIT COMMITTEE
AUDIT CHARTER

ARTICLE I - PURPOSE

1. This Charter shall govern the operation of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee).
2. ~~The Santa Clara~~ Valley Water ~~District~~'s Board of Directors (Board) is responsible for ensuring that ~~the District~~ Valley Water provides Silicon Valley with safe, clean water for a healthy life, environment, and economy.
3. Audits constitute an important oversight tool as they provide independent and fact-based information to an agency's elected officials and management. Information derived from audits can be used by those responsible with governance and oversight to use it to improve program performance and operations, confirm regulatory compliance, reduce costs, and facilitate decision making.
4. The Committee shall assist the Board, consistent with direction from the full Board, by identifying potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.
5. Through its oversight of the audit process, the Committee serves a critical role in providing oversight of ~~the District~~Valley Water's governance, risk management, ethics program, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. It is the Committee's responsibility to provide the Board with independent, objective advice on the adequacy of ~~District~~Valley Water management's arrangements with respect to the aspects of the management of ~~the District~~Valley Water being evaluated.
6. In carrying out its functions, the Committee shall emphasize: (a) the identification of organizational risk; (b) service delivery; (c) operational efficiency; (d) effectiveness of ~~District~~Valley Water programs; (e) project delivery; (f) establishment of an Annual Workplan and an Annual Audit Workplan to guide the Committee's work; and (g) oversight and monitoring of ~~District~~Valley Water operations and compliance with all applicable regulatory requirements.
7. In addition to carrying out audits in a Board approved Annual Audit Work Plan, the Committee's purpose also includes oversight of audits initiated by ~~District~~Valley Water management, review and comment upon final audits initiated by third-party governmental or administrative agencies, and the conduct of Limited Investigations of potential fraud, waste or violations of law or policy as set forth herein The

Committee's oversight of Annual Financial Statement Audits shall include the additional elements set forth in Article VIII herein.

8. The Committee shall serve to reinforce the wholeness of the Board's job and shall never interfere with delegation from the Board to the Board Appointed Officers.
9. Through its oversight of the audit process, the Committee shall provide the Board with independent advice and guidance regarding the adequacy and effectiveness of ~~the District~~Valley Water's management practices and potential improvements to those practices.

ARTICLE II - COMPOSITION

1. Number of Committee members/Appointment - The Committee shall consist of at least three members of the Board and shall be appointed by the Board in accordance with the Board's Governance Policies. Committee members shall serve one-year terms.
2. Quorum - The quorum for the Committee shall be a majority of the members.
3. Committee Chair - A Committee Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Committee Chair shall be responsible for approving agendas for Committee meetings, approving the payment of invoices to Auditors, and making all initial efforts to resolve any conflicts that may arise during an audit. To the extent the Chair is unable to resolve conflicts arising during the audit, the matter shall be referred to the Committee for attempted resolution.
4. Committee Vice-Chair - A Committee Vice-Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Vice-Chair shall assume the duties of the Chair during the Chair's absence.

ARTICLE III – OPERATIONAL PRINCIPLES

1. Committee Values. The Committee shall conduct itself in accordance with ~~the District~~Valley Water's values as set forth in ~~the District~~Valley Water's Governance Policies of the Board of Directors, Governance Process No. GP-7 (Values Statement).
2. Communications – The Committee expects that all communication with management and staff of ~~the District~~Valley Water as well as with any external

auditors will be direct, open, and complete. The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Committee will communicate directly with the Board and will not exercise actual authority over ~~District~~Valley Water employees.

3. Disclosure of Impairment to Independence – The Auditor shall disclose the details of any audit-related impairment in fact or in appearance to the Committee (e.g. one which threatens the ability to carry out audit responsibilities in an unbiased manner, including matters of audit identification, scope, procedures, frequency, timing, and report content).

3.4. Access to Information - Except where action by the full Board is required (such as for the waiver of a legal privilege), the Committee shall have unrestricted access to records, data, reports, and all other relevant information it consider necessary to discharge its duties. If access to requested documents is denied due to legal or confidentiality reasons, the Committee shall follow any prescribed, Board approved mechanism for resolution of the matter.

4.5. Authority – This Charter sets out the authority of the Committee to carry out the responsibilities established for it by the Board. In the event of any conflict between this Charter and either the District Act or the Board Governance Policies, the provisions of the District Act and Board Governance Policies shall prevail.

5.6. Annual Work Plan –

5.1.6.1. Work Plans are used by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by ~~District~~Valley Water staff. Work Plans are dynamic documents managed by Committee ~~chairs, and~~chairs and are subject to change. Annual Work Plans establish a framework for committee discussion and action during the annual meeting schedule. Committee Work Plans also serve as Annual Committee Accomplishments Reports.

5.2.6.2. The Committee shall, in coordination with ~~the District~~Valley Water's Clerk of the Board, develop a proposed Annual Work Plan. Items shall be included in the Annual Work Plan based upon a majority vote of the Committee.

6.7. Annual Audit Work Plan

6.1.7.1. While the Annual Work Plan governs the overall work of the Committee, the Committee shall also develop a proposed “Annual Audit Work Plan” which

shall list each of the individual audits to be performed over the course of the year.

6.2.7.2. At least annually, the Committee shall develop and submit a proposed Annual Audit Work Plan to the full Board for consideration and approval. Following such Board consideration and approval, the Annual Audit Work Plan shall be automatically updated to include any additional audits formally referred to the Committee by the full Board. Any proposed substantive changes to the Annual Audit Work Plan (e.g., combining audits, removing an audit, or significantly delaying initiation of an audit) must be approved by the Board. Recommended changes should be evidence based.

6.3.7.3. Only audits properly included in an approved Annual Audit Work Plan, as set forth in section 7.6.2 above, may be undertaken by the Committee.

6.4.7.4. Risk Assessment – The Committee shall endeavor to complete a DistrictValley Water-wide risk assessment, at a minimum, tri-annually and to annually update ~~the DistrictValley Water~~-wide audit risk assessment to include objectively recommended audits ranked based upon the potential level of risk to ~~the DistrictValley Water~~. The results of this DistrictValley Water-wide audit risk assessment should be relied upon to develop the proposed Annual Audit Work Plan.

7.8. DistrictValley Water Independent Auditor – Upon approval of the Board following recommendation by the Committee, ~~the DistrictValley Water~~ may retain an Independent Auditor to serve as support to the Committee, to recommend audits, and to conduct a broad scope of audits in an approved Annual Audit Work Plan. The Independent Auditor shall not be an employee of ~~the DistrictValley Water~~. The Independent Auditor must report directly to the Audit Committee and DistrictValley Water staff shall not direct or attempt to direct the work of the Independent Auditor. ~~The DistrictValley Water's~~ retention of an Independent Auditor shall not preclude the retention of additional Auditors to perform individual audits.

8.9. Committee Evaluation of Auditor Performance – The Committee shall evaluate the performance of the Independent Auditor and any other Auditor retained by the Board. The Committee may make a recommendation to the Board to discharge such Independent Auditors or other Auditors where they are not adequately fulfilling their contracted duties.

9.10. Preparation and Attendance – Committee members are obligated to prepare for and participate in Committee meetings.

11. Conflicts of Interest – It is the responsibility of Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee regarding any matters coming before or considered by the Committee.

ARTICLE IV – MEETINGS

1. Meeting Agendas – Guided by the Audit Charter, Annual Work Plan, and Annual Audit Work Plan, the Committee Chair will establish agendas for Committee meetings in consultation with Committee members, ~~District~~Valley Water Management, and the Clerk of the Board.
2. Meetings – The Committee will conduct its meetings in accordance with the provisions of the Brown Act. The Committee shall meet at least four times per year. Beyond this minimum, there shall be no limit to the number of meetings held over the course of the year.

ARTICLE V – AUDIT PRINCIPLES

1. Audit Purposes – Audits can serve several purposes including, but not limited to:
 - a. Verifying that programs, services, and operations are working based upon the Committee's understanding;
 - b. Assuring efficiency and effectiveness;
 - c. Identifying the root cause of any problems experienced by ~~the~~ DistrictValley Water;
 - d. Assessing future risks facing ~~the~~ DistrictValley Water;
 - e. Assessing the progress of prior audit recommendations;
 - f. Identifying any impact that changes in DistrictValley Water operations have had on financial performance and service delivery;
 - g. Identifying leading practices;
 - h. Assessing regulatory compliance;
 - i. Developing policy options; and
 - j. Assessing the accuracy of financial information reported by ~~the~~ DistrictValley Water.
2. Audit Types – The types of audits that may be conducted on behalf of ~~the~~ DistrictValley Water include, but are not limited to, the following:

- a. Financial audits – ~~The District~~Valley Water hires an outside independent audit firm to perform ~~the District~~Valley Water's financial statement audit;
 - b. Internal audits – Internal audits review the environment, information, and activities that are designed to provide proper accountability over DistrictValley Water operations;
 - c. Compliance audits – Compliance audits review adherence to DistrictValley Water policies and procedures, state regulatory requirements, or federal regulatory requirements;
 - d. Performance audits – Performance audits review the economy, efficiency, and effectiveness of ~~the District~~Valley Water's programs, services and operations. Performance audits can evaluate current impact or assess operations prospectively;
 - e. Desk reviews – Small and quick audits of limited size or duration for the purpose of determining if a full performance audit is needed. Board approval is not required for Desk reviews, however the Committee shall, as soon as is practicable, provide the Board with notice following the Committee's approval to initiate any Desk review;
 - f. Follow up audits – Audits evaluating to what extent prior audit recommendations have been implemented. Follow up audits may also assess other actions taken to respond to or prevent the occurrence of problems;
 - g. Best practice reviews – Audits which compare current Valley Water~~District~~ operations to best practices.
3. Audit Objectives – Audit objectives must be developed for every audit conducted on behalf of ~~the District~~Valley Water. These audit objectives are questions posed by management, Committee members, ~~or~~ Board members, or auditors about the specific nature of the issue or concern that is the subject of the audit. Suggested Audit Objectives shall be referenced in the Annual Audit Work Plan for every audit listed therein. The audit objectives may be subject to revision as necessary during the planning phase of the audit.
 4. Audit Standards – Audits conducted by or on behalf of the Committee shall conform with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) (RED Book) ~~and/or~~ the Generally Accepted Government Auditing Standards established by the U.S. Government Accountability Standards (YELLOW Book), or both.
 5. Limited Investigations.

- a) Purpose. In lieu of an audit, the Committee shall also have discretion to conduct or request Limited Investigations to address any discrete issue or concern regarding fraud, waste, or violations of law or policy at ~~the District~~Valley Water. The Committee shall not have jurisdiction to conduct Limited Investigations on any other matters. Prior Board approval is not required for the initiation of Limited Investigations.
 - b) Scope. Such Limited Investigations may or may not be subject to the Audit Standards set forth above and shall be undertaken only where: (1) the Limited Investigation is designed to determine the existence or nonexistence of discrete facts involving alleged fraud, waste, or violations of law or policy at ~~the District~~Valley Water; (2) the Committee has determined that an audit is not appropriate to address the concern; and (3) the Limited Investigation does not address any matters covered or potentially covered by Board Governance Policy GP-6 (Board Members' Code of Conduct).
 - c) Classified Employees. Classified employees who are parties to any Limited Investigation shall be afforded all applicable rights under the Meyers-Milias-Brown Act and the Memorandum of Understanding then in effect with the employee's union.
 - d) Timely completion. All Limited Investigations must be completed in a timely manner.
 - e) Report of Results. The Committee shall advise the Board of the results of all completed Limited Investigations.
6. Protection of Confidential or Privileged Information – The Committee shall take all necessary steps to prevent the unnecessary disclosure of privileged or confidential information arising in the audit process, arising in the final reports on the audits, arising in the Limited Investigation process, or arising in final reports issued on Limited Investigations.

ARTICLE VI – COMMITTEE OVERSIGHT OF BOARD INITIATED AUDITS

- 1. Committee recommendation of Auditors – The Committee shall make recommendations to the full Board for the selection of all Auditors to perform audits in the approved Annual Audit Work Plan. Following such recommendation, the Board shall make the final decision regarding the selection of such auditors.
- 2. Board Auditors and ~~Valley Water~~District Staff – ~~District~~Valley Water staff may assist the Committee in its work and may provide information to, assist, or work with Auditors retained by the Board, as necessary. Valley Water~~District~~ staff

shall not, however, attempt to direct any Auditors retained by the Board. Auditors retained by the Board shall have a duty to the Board and shall not take direction from Valley WaterDistrict staff.

3. Communications with Auditors – Individual Committee members shall have the right to speak with Auditors directly regarding the Auditor's assignments. However, direction to Auditors shall come from the Committee as a whole.
4. Completion of Annual Audit Work Plan – The Committee shall ensure that audits on the Annual Audit Work Plan are initiated and completed in an accurate and timely manner.
5. Review of Audit Results/Notice to Board – The Committee shall review the observations and conclusions of all audits conducted pursuant to the Annual Audit Work Plan. Upon finalization of the audits and any related reports, the Committee shall provide the Board with the results and make any recommendations to the Board regarding improvement of program performance and operations, cost reductions, and best practices.
6. Draft Audit Reports - The Committee may request the opportunity to review and comment on any draft audit reports before such reports are finalized by the auditor.
7. District-Valley Water Management Response to Audits -- Valley WaterDistrict Management must review, for technical accuracy, and provide comments on any preliminary draft audit report within ten working days from issuance. Valley Water Management must review and respond to draft audit report recommendations included in Board Initiated audits within fifteen working days from issuance of any draft audit report, unless the Auditor requires the Management response in a shorter amount of time. - The Committee, at the request of Valley WaterDistrict management, may extend the review and comment periods on an audit by audit basis. The Committee may ask questions about or make comments on any such draft-responses to the draft audit report recommendations. However, the Committee shall not attempt to direct Valley WaterDistrict staff in its response to any audit.
8. Board Monitoring of Committee Performance – The Committee shall provide the Board with timely and periodic reports regarding its activities, its progress on individual audits, its progress on the Annual Work Plan, its progress on the Annual Audit Work Plan, the results of completed audits, and the Committee's recommendations based upon the audit results. The Committee may also identify

any recognizable trends in the audit results as part of its periodic reports. The Committee shall provide such reports to the Board at least four times per calendar year.

ARTICLE VII – THIRD-PARTY AND MANAGEMENT INITIATED AUDITS

1. Third-Party Audits – Third-Party Audits are audits initiated by a separate governmental agency (entities other than ~~the District~~Valley Water).
2. Management Initiated Audits – Management Initiated Audits are audits requested by ~~Valley Water~~District management. Nothing in this Charter shall restrict the ability or discretion of ~~Valley Water~~District management to undertake any audits it deems required or recommended.
3. Notice to Committee of Third-Party Audits – The Committee shall be promptly notified in writing of the existence and results of any Third-Party audits of ~~the District~~Valley Water. Where ~~the District~~Valley Water has been given an opportunity to submit a response before the Third-Party audit is finalized, the Committee Chair shall be immediately notified by email or telephone and shall determine whether to have the Committee review and comment upon any draft ~~Valley Water~~District response at a regularly scheduled or specially noticed Committee meeting. Where possible, ~~District~~Valley Water management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular ~~Third-Party~~Third-Party Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Third-Party Audits.
4. Notice to Committee of Management Initiated Audits – ~~District~~Valley Water management shall notify the Committee in writing of any planned Management Initiated Audits before commencing the same. Upon request by the Board Chair, ~~District~~Valley Water management shall provide a report to the Committee of the scope and nature of all planned Management Initiated Audits at the next scheduled Committee meeting. Where circumstances require any Management Initiated Audit to commence before the next regularly scheduled Committee meeting, the Committee Chair shall be advised of this need, and the audit need not be delayed. Where the Management Initiated Audit allows for a response by ~~District~~Valley Water staff before it is finalized, the Committee Chair shall be

immediately notified by email or telephone and shall determine whether to have the Committee review and comment on any draft ~~DistrictValley Water~~ response at a regularly scheduled or specially noticed Committee meeting. Where possible, ~~DistrictValley Water~~ management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular Management Initiated Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Management Initiated Audits.

5. Comment Upon Draft Audit Responses. The Committee Chair and the Committee may ask questions about or make comments upon any draft audit responses. However, they shall not attempt to direct ~~DistrictValley Water~~ staff in its response to any audit.
6. Audit Results – The Committee may request a report by ~~DistrictValley Water~~ Staff on any response to Management Initiated or Third-Party Audits and any plans by ~~DistrictValley Water~~ staff to implement changes as a result of the audits.
7. Board Report of Audit Results – In its periodic reports to the full Board, the Committee may include information regarding Third-Party Audits or Management Initiated Audits.

ARTICLE VIII – ANNUAL FINANCIAL STATEMENT AUDIT

1. Annual Financial Statement Audit - The Committee shall participate in ~~the DistrictValley Water~~'s procurement process for ~~the DistrictValley Water~~'s annual financial statement audit.
2. The Committee's participation shall include, but not be limited to, providing input to ~~DistrictValley Water~~ management on the selection criteria and desired qualifications of the public accounting firm. The selected external financial auditor shall submit to the Committee ~~the DistrictValley Water~~'s audited financial statements annually, including all related management letters to the Committee for review and comment.

ARTICLE IX – PERFORMANCE MANAGEMENT

1. The Committee shall periodically review the Audit Charter and shall make any recommendations regarding changes to the Board for final approval.
2. The Board may make any changes to the Audit Charter it deems to be appropriate.
3. Education – The Annual Work Plan shall include some component of Committee training on audit principles, practices, or standards. At least annually, the Independent Auditor shall provide Committee training and other knowledge transfer on some component of audit principles, practices, and standards
4. At least annually, the Committee shall conduct an evaluation of its performance to determine whether it is functioning effectively and to discuss with the Independent Auditor any observations related to the effectiveness of the Committee. The Committee shall prepare a formal report based upon each such self-evaluation and shall provide such report to the full Board following its adoption by the Committee.



Santa Clara Valley Water District

File No.: 20-0921

Agenda Date: 10/13/2020
Item No.: *4.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Board Committee Reports. (Previously Listed as Item 4.2)

ATTACHMENTS:

- *Handout 4.4-A: 091420 CIP Summary
- *Handout 4.4-B: 091620 BAC Summary
- *Handout 4.4-C: 092320 RWC Summary
- *Handout 4.4-D: 092820 BPPC Summary
- *Handout 4.4-E: 092920 WCDM Summary
- *Handout 4.4-F: 100820 FAHCE Agenda
- *Handout 4.4-G: 101920 EWRC Agenda



TO: Board of Directors FROM: Capital Improvement
Program Committee

SUBJECT: September 14, 2020 Capital Improvement DATE: September 22, 2020
Program Meeting Summary

This memorandum summarizes the Capital Improvement Program Committee (Committee) meeting held September 14, 2020, where the following workplan items were discussed:

1. Capital Project Monitoring - Construction.

The Committee reviewed status of water supply, flood protection, information technology projects that are under construction/implementation. No major issues were identified.

2. Receive Information on Upcoming Consultant Agreement Amendments for Capital Projects.

The Committee received an update on proposed amendments to the following agreements:

- Amendment No. 3 to Agreement A3967A with Wood Rogers, Inc. for the Lower Penitencia Creek Improvements Project
- Amendment No. 6 to Agreement A3356A with Mott MacDonald, LLC. for Permanente Creek Flood Protection Project
- Amendment No. 3 to Agreement A3675A with GEI Consultants, Inc. for Calero and Guadalupe Seismic Retrofits Project
- Amendment No. 4 to Agreement A3675A with GEI Consultants, Inc. for Calero and Guadalupe Seismic Retrofits Project
- Amendment No 4 to Agreement No A3902G with HDR Engineering, Inc. for Calero Dam Seismic Retrofit Design and Construction Project
- Amendment No. 1 to Agreement No. A4158A with Northgate Environmental Management, Inc. for On-Call Environmental Site Assessment, Remedial Design, and Storm Water Management and Engineering Services.

No major issues were identified and the Committee supported these proposed amendments”.

3. Contracts Compliance: New Approval Process for Consultant Agreement Amendments for Capital Projects.

The Committee supported the proposed new process steps and new tools for managing consultant agreements, however, the Committee questioned if they are adequate. Committee suggested staff to come back with a Compliance Program that emphasizes on ensuring consultants’ performance, not just budget and schedule, but also addressing quality of work and accountability.

4. Information on the Calabazas and San Tomas Aquino Creek Realignment Project, a Part of Salt Ponds A5-11 Restoration (Project Number 20444001), and the Availability of Grant Funds from the San Francisco Bay Restoration Authority (Measure AA) and from the Ocean Protection Council (Proposition 68).

The Committee received and update on the Calabazas and San Tomas Aquino (STA) Creek Realignment Project, a part of Salt Ponds A5-11 Restoration project, the availability of Measure AA and Proposition 68 grant funds for planning, permitting, design, data collection and analysis, and California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) documentation.

Board member comments and suggestions can be forwarded to Natalie Dominguez, Assistant Deputy Clerk II, by email to ndominguez@valleywater.org.

Thank you.

Nai Hsueh

Director, District 5
Capital Improvement Program Committee Chairperson

TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: 09/16/2020 Board Audit Committee
Meeting Notes Summary

DATE: September 17, 2020

This memorandum summarizes the Board Audit Committee (Committee) meeting held on September 16, 2020, where the following work plan Items were discussed:

4.1 Status Update on the Safe, Clean Water Program Grant Management Audit.

Recommendation: Receive a status update on the Safe, Clean Water Program Grant Management Audit.

Mr. Drummond Kahn, and Ms. Greta Macdonald, TAP International Inc., reviewed the information on this Item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee noted the information without formal action and requested the following:

- The Committee informed staff that Grantee Interviews are a priority and should be completed before staff is interviewed; and
- Chairperson Keegan acknowledged receipt of the attached Request to Speak from Ms. Trish Mulvey, Palo Alto resident, identified as Handout 4.1-A, herein, and read it into the record as follows: *I continue to be concerned about if-and-how the Auditors are considering the challenges of this grant program from the perspective of the grantees. It would be helpful if future Project Status Reports can include more insights as to how the current Safe, Clean Water Grant Management Program can become more responsive to its grantees.*

4.2 Management Response for the Real Estate Services Audit Conducted by TAP International, Inc.

Recommendation: Discuss the Management Response to the Real Estate Services Audit Report.

Ms. Kate Kousser, TAP International, Inc., reviewed the information on this Item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee noted the information without formal action and requested the following:

- The Committee requested staff to ensure that “follow through” on the target implementation of Recommendation 7 (Page 18) is completed and verified; and
- The Committee recommends that deputies of Capital Improvement Projects will ensure that each capital improvement project, that require acquisition of right-of-way, continue to have Real Estate Services Unit staff involved in meetings at the beginning of the project as key core team members.

4.3 Receive a Response to the Board Audit Committee's Inquiries Regarding the Real Estate Services Audit Report Findings.

Recommendation: Receive a response to the Board Audit Committee's inquiries regarding the Real Estate Services Audit Report Findings.

Mr. Eli Serrano, Real Estate Services Manager, reviewed the information on this Item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee noted the information without formal action and requested the following:

- The Committee requested that staff and IT develop a CRM tracking mechanism to effectively communicate with customers and members of the public, and to bring this back to the Committee for discussion at a future Committee meeting.

4.4 Review and Approve the Updated 2020 Board Audit Committee Work Plan.

Recommendation: A. Review and discuss topics of interest raised at prior Board Audit Committee (BAC) Meetings and make any necessary adjustments to the BAC Work Plan;
B. Approve the updated 2020 BAC Work Plan; and
C. Discuss next performance audit to be conducted.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this Item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee considered the attached update on the 2020 Board Audit Committee Work Plan, and it was moved by Director Kremen, seconded by Director LeZotte, and unanimously carried that staff bring to the full Board a recommendation that TAP International begin the Permitting Best Practices Audit; and that staff place the Desk Review of the Sponsorship Program on the November 18, 2020 Board Audit Committee Agenda for discussion by the Committee, by roll call vote.

4.5 Recommended Updates to Board Independent Auditor (TAP International, Inc.) Annual Audit Work Plan.

Recommendation: Discuss the Annual Audit Work Plan and approve any updates to recommend to the Board, if necessary.

Mr. Taylor reviewed the information on this Item, per the attached Committee Agenda Memorandum.

The Committee noted the information without formal action and requested the following:

- Staff to bring to the full Board an Agenda Item at a future Board meeting where the following will be discussed:
 - Staff to combine the two Community Engagement Audits (BAC Work Plan Line Items 21 and 30) into one audit assuming there are not objections from the full Board;
 - Staff to note that (BAC Work plan Line Item 3) will be deferred to the next Risk Assessment scheduled for October 2021, given that Valley Water is currently embarking on a SCADA Master Plan effort, and assuming there are no objections from the full Board; and
 - Staff to include in the following Committee request from Item 4.4:
 - Request for approval to start the Permitting Best Practices Audit, Page 49, Line 48.

- 4.6 Discuss the October 2021 Risk Assessment given that the Board Independent Auditing Services Agreement with TAP International expires on June 30, 2021.

Recommendation: Discuss the October 2021 Risk Assessment given that the Board Independent Auditing Services Agreement with TAP International expires on June 30, 2021.

Mr. Taylor reviewed the information on this Item, per the attached Committee Agenda Memorandum.

The Committee noted the information without formal action and requested the following:

- The Committee requested that staff bring this item back to the Committee for further discussion.

- 4.7 Discuss Proposed Updates to the Board Audit Committee Audit Charter.

Recommendation: Discuss proposed updates to the Board Audit Committee Audit Charter and decide whether or not to recommend for full Board adoption at a future Board meeting.

Mr. Brian Hopper, Senior Assistant District Counsel, reviewed the information on this Item, per the attached Committee Agenda Memorandum.

The Committee considered the proposed updates to the Board Audit Committee Audit Charter, and it was moved by Director LeZotte, seconded by Director Kremen, and unanimously carried that staff incorporate the proposed changes to the Board Audit Committee Audit Charter and present to the full Board for adoption at a future Board meeting, by roll call vote.

- 5.1 Receive an Update on the Status of the Board Agenda Preparation Ad-hoc Desk Review.

Recommendation: Receive an update on the status of the on-going Board Agenda Preparation Ad-hoc Desk Review.

Ms. Callahan reviewed the information on this Item, per the attached Committee Agenda Memorandum, and per the information contained in Supplemental Attachment 2.

The Committee noted the information without formal action and requested the following:

- The Committee requested staff to bring (to a future Board meeting) an Agenda Item to the full Board recommending that this item (Item 5.1) be referred to the Board Policy and Planning Committee for discussion and recommendations.

- 5.2 Valley Water Comprehensive Annual Financial Report Transparency and Policy Issues.

Recommendation: Discuss content and format of the Valley Water Comprehensive Annual Financial Report (CAFR) and determine whether or not to recommend policy changes to the full Board.

The Committee noted the information without formal action and requested the following:

- The Committee requested that this item be continued to a Special BAC Committee meeting to be scheduled within the next two weeks via a Zoom Teleconference meeting.

Board member comments and suggestions can be forwarded to Mr. Max Overland, Assistant Deputy Clerk at (408) 630-2749 or by email to moverland@valleywater.org.

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FC 14 (01-02-07)

SUBJECT: 09/23/20 RWC Committee Meeting Summary **DATE:** October 13, 2020

4.2 Update on the Public/Private Partnership Implementation Approach for Purified Water Projects.

The Committee received information on the processes leading to issuance of an RFQ and RFP, and information on key influencers to the P3 Procurement schedule. Staff also provided an update on direction to evaluate options that would grandfather established short-listed firms from prior P3 RFQ process. The next step for full Board of Directors action will be approval of a project concept which is anticipated in the second quarter of 2021.

Director Kremen expressed interest in the ability to preview a draft Request for Qualifications; and the Committee noted the information without formal action.

4.3 Countywide Water Reuse Master Plan - Update on the 6th Annual Independent Advisory Panel Meeting.

The Committee received a report on the July 29, 2020 6th annual IAP meeting, where over 85 participants attended including representatives of the Regional Water Board, EPA, and Countywide Water Reuse Master Plan (CWRMP) Stakeholders (CSJ, CSC, CPA, Mountain View, Sunnyvale, Gilroy, Morgan Hill, and Los Altos).

IAP's comments and recommendations were received on updated components of the CWRMP (Project Portfolios, Treatment Systems, Design, and Regulatory and Permitting Requirements), and prospective ROC management options. The IAP's preliminary report agreed with the general approach, analysis, and steps taken by Valley Water. Staff is currently reviewing the IAP report and will provide the responses to the Panel. Thereafter, it is anticipated that the IAP will finalize and submit their report in October 2020.

The Committee noted the information without formal action.

4.4 Discuss the 2020 Recycled Water Committee Work Plan, Upcoming Discussion Items, and Next Meeting Dates.

The Committee noted the meetings scheduled for the remainder of 2020 occurring on October 28, November 25, and December 23, at 12:00 p.m.; requested the schedule for planned discussion of Work Plan items remain flexible for the remainder of the year; requested staff discuss agenda planning with the Committee Chairperson as needed; and confirmed willingness to call special meetings to order to ensure continued progression of work.

5.1 Presentation of Public Perception Survey Poll Results on Advanced Purified Water and Public Outreach Update.

The Committee received information on the Annual Countywide Poll on Public Perception of Recycled and Advanced Purified Water (Countywide Poll), and other outreach engagement activities – all showing positive improvements in advanced purified water acceptance trends.

The Committee had no comments on outreach engagement activities; however, noting that the Countywide Poll (conducted by EMC Research) had collected input from Santa Clara County registered voters only, the Committee expressed concern that registered voters (constituents) only represented a portion of Valley Water's customer base.

The Committee requested that future polls include Valley Water customers who are not registered voters, and Director Kremen requested EMC Research representatives follow up with him individually to provide more information on the Countywide Poll's datapoints. This information was sent to Director Kremen by EMC Research, subsequently to the meeting.

The next regular Committee meeting will be held on October 28, 2020.

Board member comments and suggestions can be forwarded to Ms. Eva Sans, Assistant Deputy Clerk II, at (408) 630-2306, or by email to esans@valleywater.org

Tony Estremera

*Director, District 6
Recycled Water Committee Chairperson*

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MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Nai Hsueh,
BPPC Chairperson

SUBJECT: Board Policy and Planning Committee
(BPPC) September 28, 2020 Meeting
Summary

DATE: 10/01/20

Discuss Board Governance Ends Policy E-4 to Properly Document Board's Vision and Monitoring

The BPPC reviewed staff's proposed revisions to Ends Policy E-4 and the proposed new Climate Change Ends Policy E-5. The BPPC provided input on the revised policies and objectives, and requested that they reflect all components of the District's mission, that Environmental Justice language and an endangered species and fisheries in creek objective be incorporated, and ensure that they are stated in a way that are not open to interpretation. Staff is scheduled to return to the BPPC in November.

Update on Outreach Findings on the Untreated Surface Water Program.

The BPPC received an update on the Untreated Surface Water Program customer information, status of fire-suppression resources, water usage, and revenue, and provided input on the proposed revisions to the prior recommendations on the future of the program and the proposed stakeholder input outreach plan. The BPPC noted that the program must document the public benefit and requested the staff formalize the presented program recommendations and stakeholder outreach plan approach and return in November.

4.3 Fiscal Year 2021 Revised Board Policy Planning Calendar.

The BPPC reviewed the revised Board Policy Planning Calendar that was updated to include a comprehensive list of policy items that are scheduled to be presented to the Board and the Committees in FY21. The BPPC supported the revisions and requested that the calendar be presented to the full Board in October for approval.

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MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Water Conservation and Demand Management Committee

SUBJECT: Water Conservation and Demand Management Committee Meeting Summary for September 29, 2020

DATE: October 13, 2020

This memorandum summarizes agenda items from the Zoom meeting of the Water Conservation and Demand Management Committee held on September 29, 2020.

Attendees:

Board Members in attendance were: Director Nai Hsueh-District 5, Committee Vice Chair, Director Linda J. LeZotte-District 4, and Committee Chair, Director Richard P. Santos-District 3.

Staff members in attendance were: Antonio Alfaro, Aaron Baker, Neeta Bijoor, Glenna Brambill, Rick Callender, Domingo Candelas, Keila Cisneros, Jerry De La Piedra, Vanessa De La Piedra, Vincent Gin, Samantha Greene, Andrew Gschwind, Jason Gurdak, Garth Hall, Brian Hopper, Karen Koppett, Michael Martin, Melanie Richardson, Metra Richert, Ashley Shannon, Darin Taylor, Sunny Williams, and Jing Wu.

Guest Agencies in attendance were: Diane Asuncion (City of Santa Clara), Michael Bolzowski (California Water Service Company), Kurt Elvert (San Jose Water), Anthony Eulo (City of Morgan Hill), Dr. Andrew Fisher (UC Santa Cruz), Tim Guster (Great Oaks), Jack Kiefer (Hazen and Sawyer), Chelsea Spier (DWR), Bill Tuttle (San Jose Water), and Luke Wang (Hazen and Sawyer).

Public in attendance were: Kit Gordon, Dominic Felipe Gutierrez, Mike Halliwell, Charles Ice, Ava Lazor, Doug Muirhead, Trish, Esther Nigenda, and William Sherman.

ACTION ITEMS

4.1 WATER CONSERVATION STRATEGIC PLAN

Ms. Karen Koppett reviewed the following:

Summary from Meeting Agenda Memo.

Santa Clara Valley Water District (Valley Water) has a long-term water conservation goal of saving nearly 100,000 acre-feet per year by 2030 (base year of 1992), and nearly 110,000 acre-feet per year by 2040, as specified in Valley Water's Water Supply Master Plan 2040.

To achieve this savings goal, Valley Water and its retailers partner to implement nearly 20 different ongoing water conservation programs that use a mix of incentives and rebates, free device installation, residential and commercial landscape surveys, and educational outreach to reduce water consumption in homes, businesses and agriculture. Programs include replacing high-water using landscaping with low-water using landscape, installing efficient irrigation equipment, and offering incentives for graywater laundry-to-landscape systems. Valley Water also implements an annual water conservation campaign that typically includes an online component, social media, and traditional media ads.

As of Fiscal Year 2020, Valley Water has achieved approximately 74,200 acre-feet of water savings (base year of 1992). In order to reach the savings goals for 2030 and 2040, [the 2008 Water Use Efficiency Strategic Plan <https://www.valleywater.org/sites/default/files/Water%20Use%20Efficiency%20Strategic%20Plan.pdf>](https://www.valleywater.org/sites/default/files/Water%20Use%20Efficiency%20Strategic%20Plan.pdf) is being updated to analyze options for meeting Valley Water's long-term savings goals as well as strategies for addressing a water shortage.

To update the 2008 Water Use Efficiency Strategic Plan, Valley Water conducted a competitive bid process and selected the consulting firm EKI. The plan is currently in the data collection phase and is expected to be finalized this fiscal year. Updates will be provided at future committee meetings.

The Water Conservation and Demand Management Committee discussed the following: will the goal of acre-feet be achieved,

Ms. Kit Gordon questioned the rate of conservation and comparison to last 10 years.

Mr. Jerry De La Piedra was available to answer questions.

The Water Conservation and Demand Management Committee took no action.

4.2 WATER SUPPLY MASTER PLAN 2040 MONITORING AND ASSESSMENT PROGRAM

Mr. Michael Martin reviewed the following:

Summary from Meeting Agenda Memo.

The Water Supply Master Plan 2040 (Master Plan) is Santa Clara Valley Water District's (Valley Water) strategy for providing a reliable and sustainable water supply in a cost-effective manner consistent with Board Policy E-2.1 "There is a reliable, clean water supply for current and future generations". It informs investment decisions by describing the type and level of water supply investments Valley Water is planning to make through 2040, the anticipated schedule, the associated costs and benefits, and how the plan will be monitored and adjusted through the Master Plan's Monitoring and Assessment Program (MAP).

The Master Plan, which was adopted by the Board of Directors (Board) in November 2019, defines a new level of service goal, provides an investment strategy, and recommends water supply projects that achieve the investment strategy and level of service goal. However, new data, modeling, and project information is available each year and needs to be integrated into the Master Planning process to determine if the recommended projects will still achieve the level of service goal. Therefore, the MAP integrates new information and tracks changes forecasted for existing water supplies (e.g. imported contract supplies, local water supplies and infrastructure, etc.), potential future water supply projects, and forecasted demands. MAP helps ensure Valley Water is effectively and efficiently implementing the Master Plan and includes a report to the Board at least annually. This memorandum provides a MAP update and next steps in developing the annual report which will be presented to the Board in fall 2020.

Water Supply Master Plan 2040 Strategy

Valley Water's level of service goal is to "develop water supplies designed to meet at least 100 percent of average annual water demand identified in Valley Water's Water Supply Master Plan during non-drought years and at least 80 percent of average annual water demand in drought years." To ensure Valley Water achieves its level of service goal, the Master Plan recommends the following strategy:

- 1) Secure existing supplies and infrastructure
- 2) Expand water conservation and reuse
- 3) Optimize the use of existing supplies and infrastructure

Valley Water staff partner with internal and external stakeholders to ensure staff maintain an accurate understanding of the existing system and water demands, participate in the development of new water

supply projects, and fully evaluate whether investments are needed to meet Valley Water's level of service goal, and if so, which projects best achieve the Master Plan investment strategy summarized above.

MAP Evaluation

Existing Water Supply System

Valley Water staff updates and evaluates new information about the existing water supply system. This updated and new information is input into Valley Water's Water Evaluation and Planning (WEAP) model to evaluate how Valley Water will meet its level of service goal. Review of the existing water supply system primarily included:

- 1) Storage space in Valley Water's reservoirs using bathymetry information collected by the Raw Water Operations and Maintenance Unit
- 2) South Bay Aqueduct conveyance capacity using information from the Department of Water Resources and the South Bay Aqueduct Capacity Analysis being completed by the South Bay Contractors
- 3) Imported water contract language
- 4) Anderson seismic retrofit construction timeline and operations

Potential Future Water Supply Projects

Valley Water is actively participating in local, regional, and state water supply projects to help define project objectives and determine whether Valley Water should invest in those projects to meet the level of service goal. All projects in Appendix H of the Water Supply Master Plan (Attachment 1) are being reviewed and re-evaluated considering changes to each project's design and performance, operations of the existing system, and forecasted demands.

Forecasted Water Demands

The demand forecasts in the Master Plan were developed in 2016 with the best available data and assumed a rebound to pre-drought water use. Since 2016, drought rebound has been significantly less than in forecasts, there is more water-use data available, and new housing and economic development forecasts (e.g. Plan Bay Area) have been published. These factors warranted the development of a new Valley Water Demand Model. After a competitive bidding process, Valley Water contracted with Hazen and Sawyer (Consultant) to develop a new demand model. Valley Water staff are providing an update on the demand model effort, including initial results, at the September 29, 2020 Water Conservation and Demand Management Committee meeting.

Next steps

Staff are using Valley Water's Water Evaluation and Planning (WEAP) model to evaluate the updated projects in Attachment 1 with the new demands and water supply system updates. Using the WEAP model, staff will assess what level of investment is needed to meet the level of service goal and which projects, given the Master Plan investment strategy, can be used to achieve that goal. Staff plans to present the MAP report to the Board in fall 2020.

The Water Conservation and Demand Management Committee took no action.

4.3 AGRICULTURAL WATER USE BASELINE STUDY

Ms. Ashley Shannon reviewed the following:

Summary from Meeting Agenda Memo:

At the April 26, 2019, Water Conservation and Demand Management Board Advisory Committee (WCDM) meeting, the Committee discussed the need to better understand the conservation potential in the agriculture sector, including potentially developing a baseline study of agricultural water use. Once staff developed a summary of proposed components of a Santa Clara Valley Water District (Valley Water)

Agriculture Water Use Baseline Study (Study), staff presented the proposal at the June 18, 2019 WCDM meeting and provided a verbal update to the Agricultural Water Advisory Committee on July 1, 2019. Since that presentation, staff completed a competitive bidding process in which Valley Water contracted with Sherwood Design Engineers (Sherwood) to complete the Study.

Background

The goal of the Study is to better understand current agricultural water use practices and identify opportunities for additional water conservation. While Sherwood will develop and complete the Study, staff will also coordinate Sherwood's study with the local Farm Bureau and Santa Clara County staff.

Study components that Sherwood will address include:

- 1) Types of crops and associated acres of crops in the County
- 2) Types of irrigation systems used, by crop type
- 3) A survey of crop rotation and fallowing practices in the County that evaluates:
 - a. Trends by crop type
 - b. Geographical trends related to crop rotation and fallowing practices within the County (e.g., north vs. south, foothills vs. valley, position relative to a creek)
- 4) Water use by crop type and irrigation method, including comparing to crops' water budgets
- 5) Geographical trends/distribution of agricultural practices and crop types in the County (e.g., north vs. south, foothills vs. valley, position relative to a creek)
- 6) Agricultural producers' water use knowledge and mindsets regarding:
 - a. Concerns related to water supply
 - b. Water use and water conservation, including what motivates their irrigation method choices
 - c. Valley Water's conservation programs
- 7) Factors that determine farmer crop choice
- 8) Recommendation of projects or programs to increase agricultural water use efficiency.

The contract was awarded to Sherwood in June 2020. Since then, staff has met with the Sherwood to determine roles, stakeholders, and data requirements. Staff is currently gathering data and reports needed for Sherwood to complete the Study from internal and external stakeholders.

Next Steps

Sherwood and Valley Water staff will continue coordinating with the local Farm Bureau and Santa Clara County staff throughout the process to ensure we use the best approach and information for completing the Study. Once staff provides all the preliminary data to Sherwood, Sherwood will perform a preliminary analysis to help shape the questions and data needed from agricultural water users. Staff is working with Sherwood to refine a project timeline and approach given complications surrounding COVID-19 Social Distancing restrictions that could delay certain data collection efforts. Staff will update the Committee as the Study progresses.

The Water Conservation and Demand Management Committee thanked staff for conducting the study.

The Water Conservation and Demand Management Committee took no action.

4.4 COLLABORATION WITH UC WATER ON FLOOD MANAGED AQUIFER RECHARGE

Ms. Samantha Greene reviewed the following:

Summary from Meeting Agenda Memo:

Valley Water is exploring a program of collaboration with researchers from the UC Water Security and Sustainability Research Initiative (UC Water), which focuses on strategic research to support water resources management and decision-making. The proposed Water Resource Innovation Partnership (WRIP) includes a multi-year collaboration on two topics of common interest: Flood-Managed Aquifer

Recharge (Flood-MAR) Feasibility and Groundwater-Surface Water (GW-SW) Interaction. Flood-MAR and GW-SW interactions are topics that will help Valley Water sustainably manage groundwater and achieve Sustainable Groundwater Management Act management and reporting requirements. In particular, Valley Water staff has been working with UC Water researchers to develop a scope of work that would help to advance data, tools, and knowledge needed by Valley Water. UC Water is in a unique position to support Valley Water efforts to explore Flood-MAR and GW-SW Interaction due to their expertise, research, and involvement on these issues as they develop at both the local and statewide level.

The initial two years of the collaboration would focus on Flood-MAR planning and implementation in Santa Clara County. DWR generally considers Flood-MAR to be use of "...high flows from, or in anticipation of, rainfall or snowmelt, for managed aquifer recharge on agricultural lands, working landscapes, and natural managed lands." Flood-MAR is a decentralized approach to groundwater recharge that would recharge local stormwater at sites distributed across Santa Clara County. Unlike our centralized managed aquifer recharge program, Flood-MAR sites may be located on private or public lands that would not be owned by Valley Water.

Urbanization has made acquiring sufficiently sized new recharge lands in a location near our raw water distribution system more expensive and difficult. In addition, climate change is expected to increase storm intensity in Santa Clara County, making traditional approaches to water capture (i.e., dams and reservoirs) more difficult. The distributed nature of Flood-MAR, if successful, could help increase stormwater capture and recharge while minimizing floodwaters flowing to the Bay or creating nuisance flooding.

Valley Water staff have been working with UC Water researchers to develop a Flood-MAR work plan that achieves mutual goals of furthering water security and sustainability. As currently envisioned, the Flood-MAR collaboration aims to:

- 1) Evaluate options for implementing Flood-MAR projects in Santa Clara County, including assessing technical approaches, regulatory requirements, and incentive programs.
- 2) Develop GIS-based tools to quantify Flood-MAR suitability for the Valley Water region, including allowing assessment of properties and processes that influence Flood-MAR performance.

Flood-MAR is a project within the Board-approved Water Supply Master Plan 2040 "No Regrets Package" of stormwater capture and water conservation project. Collaborating with UC Water on Flood-MAR will support Valley Water's efforts to better understand the opportunities and challenges associated with implementing a Flood-MAR program in Santa Clara County.

The Water Conservation and Demand Management Committee discussed the following: This is a worthwhile effort, while moving to the next steps, keep the Committee and full Board informed. The Agricultural Water Advisory Committee may be a good stakeholder to give input, will this be a project for the Water Supply Master Plan, and keep South County in mind.

The Water Conservation and Demand Management Committee took no action.

4.5 SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Mr. Jason Gurdak reviewed the following:

Summary from Meeting Agenda Memo:

SGMA requires that local agencies managing basins ranked as medium- or high-priority submit a groundwater sustainability plan (GSPs) or prescribed Alternative to a GSP (Alternative) by the applicable statutory deadline.

The Santa Clara Valley Water District (Valley Water) submitted the 2016 Groundwater Management Plan (GWMP) for the Santa Clara and Llagas Subbasins to the Department of Water Resources (DWR) as an Alternative in December 2016. In July 2019, DWR approved the Alternative, confirming it satisfies SGMA objectives for sustainable groundwater management in both basins.

The DWR staff report for each basin includes recommended actions to facilitate DWR evaluation and improve the Alternative for the next five-year update due January 1, 2022. These recommended actions are summarized below:

1. Identify groundwater dependent ecosystems.
2. Incorporate climate change and expected population growth into the water budget over the 50-year planning and implementation horizon.
3. Create separate outcome measures for water quality in the Santa Clara and Llagas subbasins.
4. Develop specific seawater intrusion outcome measures in the Santa Clara Subbasin.
5. Clarify how meeting outcome measures relates to the avoidance of undesirable results and provide additional clarification and metrics, if needed, to determine what effects represent undesirable results.

In addition to the DWR recommended actions, the 2016 GWMP outlines several recommendations, which include the following:

1. Identify gaps and redundancies in monitoring networks.
2. Identify and implement groundwater modeling improvements.
3. Re-evaluate operational groundwater storage capacity.
4. Improve understanding of groundwater/surface water interaction.

Staff are conducting various technical analyses needed to incorporate both the DWR and 2016 GWMP recommendations into the next five-year update to the Alternative. As this work progresses further, staff will update the Water Conservation and Demand Management Committee and engage basin stakeholders through email updates and public meetings. A public review draft of the updated Alternative is expected to be available in late summer 2021 to solicit public input prior to consideration by the Board of Directors.

Valley Water will continue implementing its comprehensive Groundwater Management Plan, provide annual SGMA reports to DWR by April 1, and submit the updated Alternative to DWR by January 1, 2022.

The Water Conservation and Demand Management Committee discussed the following:
Thanked the Team for a great product, hard work, good report and that DWR accepted the proposal. Mr. Doug Muirhead stated that regarding subsidence being highly unlikely in South County because of different soil composition when making statements when it's more relevant in one basin over the other that it be highlighted to that fact. He's mentioned this to SCRWA, having an evaluation of depth of wells losing certain amount of the storage and could it be noted how many wells are impacted and communicate those impacts when groundwater levels drop.

Mr. Bill Tuttle questioned if the GWMP addresses the spread, fate, and transportation of PFAS.

Ms. Kit Gordon questioned when the GDE would be defined and the studies completed.

Ms. Vanessa De La Piedra was available to answer questions.

The Water Conservation and Demand Management Committee took no action.

4.6 WATER DEMAND FORECASTING

Ms. Samantha Greene and Dr. Andrew Fisher reviewed the following:

Summary from Meeting Agenda Memo:

In November 2019, the Santa Clara Valley Water District (Valley Water) Board of Directors (Board) adopted the Water Supply Master Plan 2040 (Master Plan), which sets a new level of service goal, defines an investment strategy, and recommends a suite of projects to achieve the investment strategy and level of service goal. To determine the level of new investments that may be needed to achieve our level of service goal through 2040, Valley Water uses a demand forecasting model. Valley Water developed the Master Plan demand forecasts in 2016 using the best available knowledge of how Santa Clara County would use water after the drought (i.e., drought rebound) and the best available housing and economic development data. Since 2016, significantly more is known about Santa Clara County's drought rebound, there is a longer water use dataset available, and new housing and economic development forecasts (e.g., Plan Bay Area). Through a competitive bid process, Valley Water contracted with Hazen and Sawyer (Consultant) to develop a new demand model that will provide new demand forecasts. The new demand model provides forecasted demands in 5-year increments out to 2045 to meet our current planning needs. Valley Water's recommended demand scenario forecasts 2040 demands to be approximately 335 thousand acre-feet (TAF). This memorandum summarizes the demand modeling purpose, results, and next steps.

Water Demand Model Development

The new demand model combines the latest science and data to forecast demands through 2045. A reliable water demand forecast helps determine what level of investment is necessary to meet Valley Water's level of service goal. The Master Plan defines Valley Water's level of service goal to be "to develop water supplies designed to meet at least 100 percent of average annual water demand during non-drought years and at least 80 percent of average annual water demand in drought years." The new demand forecasts will be used to complete the 2020 Urban Water Management Plan (UWMP) due in July 2021 and the Master Plan's Monitoring and Assessment Program (MAP) annual report that is provided to the Board each fall.

To develop the water demand model, Valley Water decided it would be best to use the expertise of a consultant that specializes on developing demand models. After a competitive bidding process, Valley Water contracted with Hazen and Sawyer (Consultant) to develop a new demand model. To support the Consultant in developing the model, Valley Water collected monthly sectoral water use data from our retailers for 2000-2019 (although certain retailers only had data from 2011 or 2013) and groundwater pumping data for Valley Water's independent pumpers (i.e., non-retailer well owners). In addition, the Consultant collected historic data on temperature, precipitation, water rates, water shortage restrictions, economic information, and housing information. The consultant collected historic data primarily from Valley Water, the US Census, Federal Reservoir, and California Department of Finance. Demand forecasts were developed using several forecasting variables, including housing information, median income, economic information, water rates, drought restrictions and weather projections from the Association of Bay Area Governments (ABAG), California Department of Finance (CDOF), and Prism (provides data on climate projections).

Demand Forecasts

The Demand Model can be used to evaluate different potential future scenarios by adjusting the forecasting variables. This supports Valley Water's efforts in understanding the uncertainty related to water demand forecasts. Recommended demand forecasts for planning evaluations, such as the 2020 UWMP and the MAP, focus on using forecasting variable information from regional and state agencies, such as ABAG and CDOF (table 1). In addition, an important modeling assumption in forecasting water demand is related to defining a drought rebound. Currently, Valley Water experienced a small rebound in 2017 and then demands have remained relatively stable through 2018 and 2019. Therefore, the

rebound has been relatively muted. Valley Water and the Consultant developed two demand scenarios to consider the range of drought rebounds that could be realistically achieved:

- 1) No further demand rebound beyond 2019
- 2) 50% rebound to pre-drought water use by 2025 and then no further rebound

Table 1. Forecasting variables used in the demand model

Forecasting Variable	Source
Water rates (by retailer and groundwater zone, inflation adjusted)	Valley Water
Drought Restrictions	Valley Water and retailers
Median income	US Census
Economic indices (e.g., unemployment)	Federal Reserve, Economic Cycle Research Institute (ECRI)
Housing density	Derived from US Census and CDOF
Persons per household	Derived from US Census and CDOF
Housing Units	ABAG
Sectoral employment	ABAG
Weather (temperature and precipitation)	Prism

The new demand forecasts include planned conservation goals of 99 thousand acre-feet (TAF) by 2030 and an additional 11 TAF by 2040. Valley Water is currently on target for meeting our 99 TAF of conservation by 2030, with a current savings of approximately 74 TAF (starting datum at zero in 1992).

Assuming no further drought rebound (scenario 1), planned conservation is forecasted to mitigate increases in growth on water demands with a forecasted 2040 demand of approximately 290 TAF (figure 1). A 50% drought rebound (scenario 2) by 2025 translates to a 13% increase in demands (approximately 40 TAF) by 2025 and results in a 2040 demand forecast of approximately 335 TAF (figure 1). The 50% drought rebound scenario is likely a conservative but realistic outlook for demand rebound. In comparison, the Master Plan 2040 demand forecast developed in 2016 was 389 TAF. Therefore, improving Valley Water's demand modeling to more accurately reflect expected drought rebound, integrating new water use data, and integrating new growth forecasts have reduced Valley Water's forecasted demands by approximately 55-100 TAF (table 2).

Figure 1: Historic and Projected Water Use including Planned Conservation (rounded to nearest 5 TAF)

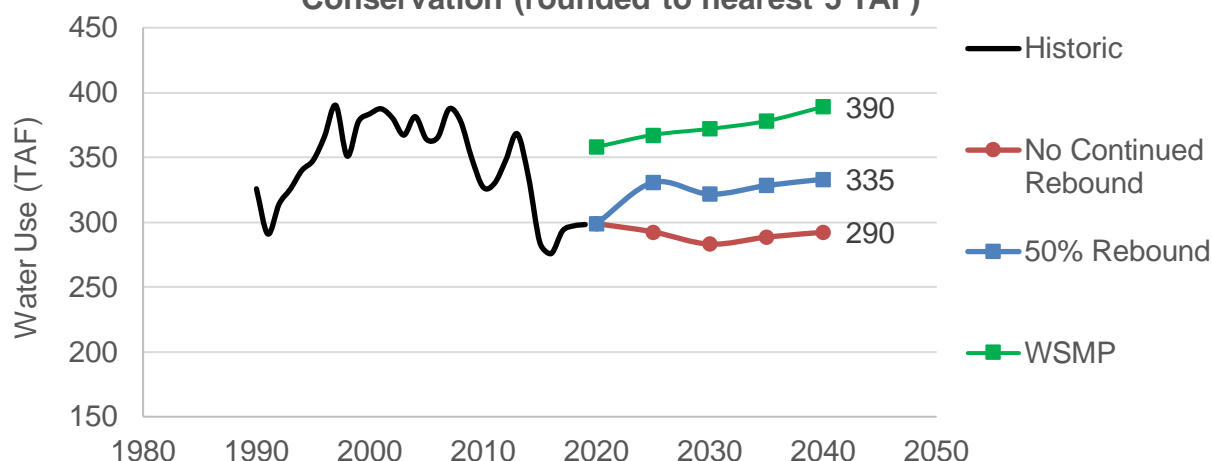


Table 2. Newly forecasted demands compared to the WSMP demands (rounded to the nearest 5 TAF), including planned conservation.

Demand Scenario	2020	2025	2030	2035	2040
50% Rebound	300	330	320	330	335
No Continued Rebound	300	295	285	290	290
WSMP	360	365	370	380	390
Difference ¹	60	35-70	50-85	50-90	55-100

¹The low bookend is the difference between the 50% Rebound scenario and the WSMP scenario while the high bookend is the difference between the No Continued Rebound scenario and the WSMP scenario.

Next Steps

Valley Water will use the 50% rebound scenario for the MAP analysis that will be presented to the Board in fall 2020. In addition to MAP, this demand model will be used for developing the 2020 UWMP. Valley Water will use the demand model and forecast results for internal UWMP analyses and in discussions with retailers related to the UWMP.

The Water Conservation and Demand Management Committee discussed the following: Mr. Anthony Eulo appreciates the endeavor as it is an important undertaking but had questions. 1. How with demands does it account for resiliency value in future water use and water planning adapting to climate change and imported water. 2. Revenue projections in line with which of the models. 3. Accounting for Agricultural Water pumping or water used by Retailers.

Mr. Bill Tuttle questioned 1. The 50% rebound scenario is based on what year/group of years for the baseline. 2. Projected rates for the next ten years or so went up from 6.6% to 9%, is this related.

Mr. Darin Taylor, Mr. Jack Kiefer and Mr. Jerry De La Piedra were available to answer questions.

Ms. Kit Gordon, echoed Mr. Eulo's sentiments, great presentation, and scenarios. Question about Australia, they have done an amazing job. How is our residential per capita use compare to whatever region in Australia that is similar in comparison to Santa Clara County's on the chart.

Mr. Sherman was available to answer questions.

Director LeZotte noted the 50% rebound does not coordinate with the historical water use and population chart. In 2013-2020, there was some drops in water usage and growth/increase in population, however, the information did not track.

Director Santos noted that we need to look at the rebound information, Australia-comparison data and the Stanford Scientific data on this subject and bring it back to the Committee.

Mr. Bill Sherman stated that he suggested some comments on the preliminary program. He thanked the Team (Jerry, Metra, Samantha, et al) for the work on today's excellent presentation. He noted that the scales on page 63 maybe misleading and the scales would need to be equal to do an actual comparison because the population is not growing as fast as it appears.

Director LeZotte noted that she is not a scientist but thanked staff for the chart and presentation as it is very helpful when she goes out to the community.

Director Hsueh thanked staff for the presentation and all the input from the guests. When this subject comes to the full Board staff should be prepared to go through the details fully and advise how Valley Water invests the people's money in the future.

The Water Conservation and Demand Management Committee took no action.

Any attachments noted in the agenda summaries can be supplied upon request as they are contained in the actual Water Conservation and Demand Management Committee 9/29/2020, meeting packet.

If you have any questions or concerns, you may contact me at, gbrambill@valleywater.org or 1.408.630.2408

Thank you!

Glenna Brambill, Management Analyst II,
Board Committee Liaison
Office of the Clerk of the Board



Santa Clara Valley Water District FAHCE Ad Hoc Committee Meeting

Teleconference Zoom Meeting

AGENDA

**Thursday, October 8, 2020
1:00 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

FAHCE AD HOC COMMITTEE

Barbara Keegan - District 2
Linda J. LeZotte - District 4
Tony Estremera - District 6

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District FAHCE Ad Hoc Committee

AGENDA

Thursday, October 8, 2020

1:00 PM

Teleconference Zoom Meeting

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Committee during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in the order requests are received and granted speaking access to address the Committee.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Join Zoom Meeting
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1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. INFORMATION AND ACTION ITEMS:

- 3.1. Proposed Conversion of Santa Clara Valley Water District (Valley Water) [20-0907](#)
Fish and Aquatic Habitat Collaborative Effort (FAHCE) Ad Hoc
Committee to a Standing Board Committee.

Recommendation: A. Discuss:

1. Proposed conversion of the Fish and Aquatic Habitat Collaborative (FAHCE) Ad Hoc Committee to a Standing Board Committee;
 2. Proposed additional committee purpose;
 3. Potential committee names;
 4. Path forward for the FAHCE Program; and
- B. Receive direction from the FAHCE Ad Hoc Committee.

Manager: Vincent Gin, 408-630-2633
Aaron Baker, 408-630-2135

Attachments: [Attachment 1: Stream Stewardship Flyer](#)
[Attachment 2: Board Governance Policy GP-8](#)

4. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

5. ADJOURN.



Santa Clara Valley Water District Environmental and Water Resources Committee Meeting

Teleconferencing ZOOM

Zoom Link:

<https://valleywater.zoom.us/j/96236113166>

REGULAR MEETING AGENDA

**Monday, October 19, 2020
6:00 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

Arthur M. Keller, Ph.D., Chair
Rev. Jethroe Moore, II., Vice Chair

Director Tony Estremera
Director Nai Hsueh
Director Linda J. LeZotte

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Ms. Sue Tippetts
(Staff Liaison)

Ms. Glenna Brambill
(Committee Liaison)
Management Analyst II
gbrambill@valleywater.org
1-408-630-2408

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Environmental and Water Resources Committee
REGULAR MEETING
AGENDA

Monday, October 19, 2020

6:00 PM

Teleconferencing ZOOM

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Committee during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in the order requests are received and granted speaking access to address the Committee.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to two minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes. [20-0851](#)

Recommendation: Approve the January 27, 2020, Meeting Minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 01272020 EWRC DRAFT Mins](#)

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

4.1. FY 2020-21 Groundwater Production Charges and Valley Water Budget Update. [20-0852](#)

Recommendation: This is an information only item, no action is required.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Budget in Brief FY20-21](#)

Est. Staff Time: 20 Minutes

4.2. Review FY2020-21 Board Work Plan. [20-0853](#)

Recommendation: Review the Board's work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: FY2020-21 Board Work Plan](#)

Est. Staff Time: 20 Minutes

- 4.3. Update from Environmental and Water Resources Committee's Working Groups. [20-0854](#)
Recommendation: Provide comments to the Board on implementation of Valley Water's mission applicable to working groups' recommendations.
Manager: Michele King, 408-630-2711
Attachments: [Attachment 1: Working Groups Spreadsheet](#)
Est. Staff Time: 10 Minutes
- 4.4. Review Environmental and Water Resources Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda. [20-0855](#)
Recommendation: Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.
Manager: Michele King, 408-630-2711
Attachments: [Attachment 1: 2020 EWRC Work Plan](#)
[Attachment 2: 012520021 EWRC Draft Agenda](#)
Est. Staff Time: 5 Minutes
- 5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.**
This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.
- 6. REPORTS:**
- 6.1. Director's Report
 - 6.2. Manager's Report
 - 6.3. Committee Member Report
 - 6.4. Links to Informational Reports
- 7. ADJOURN:**
- 7.1. Adjourn to Regular Meeting at 6:00 p.m., on January 25, 2021.



Santa Clara Valley Water District

File No.: 20-0893

Agenda Date: 10/13/2020

Item No.: *5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Report of Bids Received and Award of Construction Contract to C. Overaa & Co., for the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project, Project No. 93764004, Contract No. C0662 (San Jose, District 7).

RECOMMENDATION:

- A. Ratify Addenda No. 1, 2, and 3 to the Contract Documents for the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project;
- B. Award the Construction Contract to C. Overaa & Co. in the sum of \$1,457,000; and
- C. Approve a contingency sum of \$145,700 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

SUMMARY:

The Santa Teresa Water Treatment Plant (STWTP) is the largest of Santa Clara Valley Water District's (Valley Water) three potable water treatment plants, delivering up to 100 million gallons of water per day to retailers, businesses, and residents within Valley Water's service area. The plant supplies most of South San Jose, including Almaden Valley, Blossom Valley and Santa Teresa. It also has ability to supplement the demands of Penitencia Water Treatment Plant when needed.

The objective of the STWTP Air Wash Pipeline Replacement Project (Project) is to extend the useful life and increase the reliability of the plant's water filtration system. The air wash system scours the debris off of the filter media allowing the filters to be systematically cleaned in an efficient manner.

The Project scope consists of the rehabilitation, removal and replacement of the existing air wash pipelines. This includes replacement of approximately 900 LF of above-ground 12-inch stainless steel pipe and relining of approximately 670 LF of underground 12-inch steel pipe at the east and west filter basins and galleries. Phasing of this work in two stages will be necessary to maintain water production.

Addenda Ratification

Three addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. Staff recommends that the Board ratify the addenda to formally incorporate the changes into the Project Contract Documents.

Contract Award

A report of bids received at the bid opening for the Project on September 9, 2020 is summarized in Table 1. The apparent low bid was submitted by C. Overaa & Co. and is within 5% of the Engineer's estimate of \$1,391,385.

Staff reviewed the bid proposal and recommends that the construction contract for the Project be awarded to C. Overaa & Co., Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by C. Overaa & Co. are in order;
2. C. Overaa & Co.'s license is current, active, and in good standing;
3. C. Overaa & Co. is in compliance with the requirements of the California Labor Code §1771.1 because they and their subcontractors are registered with the California Department of Industrial Relations and qualified to perform public works pursuant to Section 1725.5 of the Labor Code.

Table 1 - Bid Opening Results		
Company, Location	Bid Amount	Award Amount
C. Overaa & Co., of Richmond	\$1,457,000	\$1,457,000
Anvil Builders Inc., of San Francisco	\$1,565,500	
Engineer's Estimate: \$1,391,385		

Staff recommends the Board award the contract to C. Overaa & Co. as the responsible bidder, submitting the lowest responsive bid.

Contingency Funds

To allow staff to quickly address unforeseen or changed site conditions and other unanticipated occurrences, without causing unnecessary delays or consequential costs to the Project, staff recommends the Board approve encumbering a contingency amount of \$145,700 which amounts to 10% of C. Overaa & Co.'s contract price.

The contingency amount was estimated due to the known and unknown risks, such as:

1. Unforeseen site conditions that result in changes that will need to be resolved during construction including the shutdown of the pipelines;
2. Differing site conditions;
3. Unanticipated variances in quantities associated with various bid items estimated in the Bid

Proposal;

4. Risks associated with weather conditions;
5. Coordination issues with operations and maintenance activities;

Approval of individual change orders is delegated for up to the designated amounts as follows:

Engineering Unit Manager:	\$100,000
Deputy Operating Officer:	\$145,700

Previous Board Actions Related to this Project

On May 28, 2019, the Board adopted Resolution 19-50 setting the time and date for a public hearing on the Engineer's Reports for the subject Project.

On June 11, 2019, the Board held a public hearing and adopted Resolution 19-51 approving the Engineer's Report, and approved the Project.

On July 28, 2020, the Board adopted the plans and specifications and authorized advertisement for bids for the Project.

Outreach to Bidders

The Notice to Bidders was sent to certified Small Business Contractors that have the appropriate license. Chambers of Commerce, plan rooms (Builder Exchanges), and Valley Water's own website were used to solicit interest in the Project work from prospective bidders. Contractors were contacted through the Building and Construction Trades Council and using Valley Water's own Master Contractor Database.

Next Steps

If the Board awards the contract as recommended, Staff will proceed with administering Project construction which is anticipated to begin in October 2020 and be completed by the end of March 2022.

FINANCIAL IMPACT:

This Project is included in the five-year FY 2021-25 CIP and there are adequate funds in the FY2020-21 Board-approved budget for the Water Treatment Small Capital Project, Project Number 93764004 to encumber the construction cost of \$1,457,000 and the contingency sum of \$145,700. The Project will be funded by the Water Enterprise Fund with 100% of the costs allocated to Zone W-2 (North County).

CEQA:

The Project qualifies for a Categorical Exemption under CEQA Guidelines Section 15301; Existing Facilities [Class 1 - operation, repair, maintenance, minor alteration of existing structures and facilities]. A Notice of Exemption has been prepared and filed with the County of Santa Clara Office of the Clerk/Recorder.

ATTACHMENTS:

Attachment 1: Addenda No. 1, 2, and 3

Attachment 2: Project Delivery Process Chart

Attachment 3: Map

UNCLASSIFIED MANAGER:

Heath McMahon, 408-630-3126



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*Santa Clara Valley Water District
Notification of this Addendum is transmitted via email to all current plan holders.
This Addendum is posted on the Valley Water website at
<https://www.valleywater.org/construction>*

August 6, 2020

**ADDENDUM NO. 1
TO CONTRACT DOCUMENTS FOR THE
SANTA TERESA WATER TREATMENT PLANT
AIR WASH PIPELINE REPLACEMENT PROJECT
Project No. 93764004 Contract No. C0662**

Notice is hereby given to Prospective Bidders that the Contract Documents are modified as hereinafter set forth.

BID DOCUMENTS

NOTICE TO BIDDERS

1. REPLACE the 1st paragraph under Item 8 in its entirety with:

“Pre-Bid Conference and Site Visit. A Pre-Bid conference/site visit will be conducted by the District on Tuesday, August 11, 2020. The conference will convene at 10:00 a.m. (by District time), at the Santa Teresa Water Treatment Plant, 7011 Graystone Lane, San Jose, CA 95120. Anyone not in attendance at the meeting by **the time prescribed above** will be considered late and as having not attended this **MANDATORY** Pre-Bid conference/site visit. A Bid submitted by any Bidder not represented at the entire mandatory Pre-Bid conference/site visit will not be considered, and its Bid will be returned unopened. Attendance at the Pre-Bid conference/site visit by subcontractors is not required.”

2. Under Item no. 11, Prevailing Wage Requirements.

ADD a 2nd paragraph after sub-item A:

“Due to the County of Santa Clara Public Health Officer’s Order, District offices remain closed to the public until further notice. The wage rates are therefore not currently available for review at the District offices.”

3. **REPLACE Item 13.A. in its entirety with:**

“A. **Join Zoom Meeting.** Any person interested in attending the live-stream bid opening, may do so by accessing the link below, or join via phone by calling the toll-free number listed below:

Join Zoom Meeting:

<https://valleywater.zoom.us/j/3796054075>

Meeting ID: 379 605 4075

One tap mobile:

+16699009128,,3796054075# US (San Jose)

+13462487799,,3796054075# US (Houston)

Dial by your location:

+1 669 900 9128 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 379 605 4075

Find your local number: <https://valleywater.zoom.us/j/3796054075>

BID FORM NO. 7

4. **REPLACE BID FORM NO. 7 Bidder's General Information with BID FORM NO. 7 (REV. 1) Bidders General Information (ATTACHMENT 1)**

SPECIFICATIONS AND CONTRACT DOCUMENTS

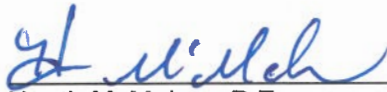
SPECIAL PROVISIONS

5. **REPLACE Item 12.03.C. in its entirety with:**

“Work shall include the following Milestones:

1. **Milestone 1** – Completion of all work required in the **East Filter Gallery, East Filters, and East Yard Piping.**
2. **Milestone 2** – Completion of all work required in the **West Filter Gallery, West Filters, and West Yard Piping.”**

THIS ADDENDUM NO. 1, WHICH CONTAINS 3 PAGES AND 1 ATTACHMENT (3 PAGES), IS ATTACHED TO AND IS A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THIS PROJECT.



Heath McMahon, P.E.
Deputy Operating Officer
Water Utility Capital Division

Date: August 6, 2020

Attachment 1: BID FORM NO. 7 (REV. 1) Bidder's General Information



ATTACHMENT 1
BID FORM NO. 7 (REV. 1)
Bidder's General Information

Page 1 of 3

*This form must be completed in **ink** and changes must be **initialed**.*

All Bidders must complete and submit this Bidder's General Information, Bid Form 7 (Rev. 1), including the required attachments. **The Bidder may be considered not responsible based on information provided on this Form.** Additional sheets may be attached as required.

1. Number of years as a contractor in construction work of this type: _____

2. Names and titles of all officers of Bidder's firm:

3. Name of person(s) who inspected site of proposed work for your firm:

Name: _____ Date of Inspection: _____

4. Name, address, and telephone number of surety company and agent who will provide the required bonds for this Contract:

5. Résumé of Designated Authorized Representative: Attach the résumé of the person who will be designated as authorized representative. **The Contractor's authorized representative must have requisite background and experience to administer and oversee the Work on behalf of the Contractor. The representative must have complete authority to represent and act for the Contractor as stated in Standard Provisions, Contractor Staffing, Article 3.03.**

6. Prior Construction Contracts: Bidder must provide **at least three (3)** construction contracts similar in scope and complexity to this Project that your organization has performed during the last 5 years. Use the PRIOR CONSTRUCTION CONTRACTS form (page 3 of this Bid Form 7) for each project.

7. Claims and lawsuits: if the answer to any of the questions below is "yes" explain the circumstances on an attached sheet.

7.1 Has your organization ever failed to complete an awarded contract?

☐ Yes ☐ No



BID FORM NO. 7 (REV. 1)
Bidder's General Information

Page 2 of 3

*This form must be completed in **ink** and changes must be **initialed**.*

7.2 Are there any judgments, claims, alternate dispute resolution proceedings or suits pending or outstanding against your organization or its officers?

☐ Yes ☐ No

7.3 Has your organization filed any lawsuits or requested an alternate dispute resolution with regard to construction contracts within the last 5 years?

☐ Yes ☐ No

8. The Bidder hereby declares that the Bidder has not been convicted, within the preceding 3 years, of any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of any public work contract with any public entity. The term "Bidder" includes any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof.

9. Has the Bidder, any officer of the Bidder, or any employee of the Bidder who has a proprietary interest in the Bidder, ever been disqualified, removed or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes ☐ No

If the answer is "yes," explain the circumstances in the following space:

10. The Bidder signing for Contractor certifies that neither Bidder nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

District reserves the right to verify the above information.

I STATE UNDER PENALTY OF PERJURY THAT EACH AND ALL OF THE STATEMENTS I HAVE MADE IN RESPONSE TO PARAGRAPHS 8, 9 & 10 ABOVE ARE TRUE AND CORRECT.

SIGNATURE BLOCK (Signature Block must be completed in *ink* and changes must be *initialed*.)

Bidder's Signature:

Date:

Bidder's Name and Title (Print):



*This form must be completed in **ink** and changes must be **initialed**.*

PRIOR CONSTRUCTION CONTRACTS

The Bidder may make as many copies of this page as necessary. Bidder may provide the required information on an alternative document. Bidder must submit a signed original of this page 3 of Bid Form 7.

Respond to each item, indicating "none" where appropriate.

- A. Name, address, and telephone number of owner: _____

- B. Name of project: _____
- C. Location of project: _____
- D. Brief description of the work involved: _____

- E. Contract amount: _____
- F. Claims amount: _____
- G. Liquidated damages assessed: _____
- H. Date of completion of contract: _____
- I. Name, address, and telephone number of design firm's architect or engineer:

- J. Name of owner's project manager: _____
- K. Declaration of Default (Yes or No): _____
- L. Litigation on questions of project performance: _____
- M. Determination of failure to pay prevailing wages or other state and/or federally required taxes or contributions: _____

- N. Citations by federal OSHA or CAL OSHA: _____

District reserves the right to verify the above information.

SIGNATURE BLOCK (Signature Block must be completed in <i>ink</i> and changes must be <i>initialed</i>.)	
Bidder's Signature:	Date:
Bidder's Name and Title (Print):	



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*Santa Clara Valley Water District
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August 25, 2020

**ADDENDUM NO. 2
TO CONTRACT DOCUMENTS FOR THE
SANTA TERESA WATER TREATMENT PLANT
AIR WASH PIPELINE REPLACEMENT PROJECT
Project No. 93764004 Contract No. C0662**

Notice is hereby given to Prospective Bidders that the Contract Documents are modified as hereinafter set forth.

PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS

SPECIAL PROVISIONS

1. Section 12. Work and Contract Time(s), Article 12.01. Summary of Work

REPLACE Article 12.01.B.3. in its entirety with:

- "3. Clean, reline, video inspect and disinfect approximately 670 LF of existing 12-inch steel cement mortar lined air wash pipe."

TECHNICAL PROVISIONS

2. Section 32., Article 32.02 Stainless Steel Piping and Fittings, under PART 2 PRODUCTS

REPLACE PART 2.01.B.9. in its entirety with:

- "9. Bird spikes shall be installed on top of all above ground/exposed pipe located in the east and west filters. Bird Barrier™, or equal per manufacturer's recommendation where the outside tines of the spikes must extend ½ inch past the effective ledge of the pipe."

3. Section 40, Article 40.01 Lining and Coating – Piping, under PART 2 PRODUCTS

REPLACE Article 2.01.E. and 2.01.E.1. in their entirety with:

“E. *Relining for Existing Buried Steel Cement Mortar Lined Pipe* – Lining for pipe shall be the following, as specified herein and as designated on the Drawing.

1. Liquid epoxy lining conforming to the requirements of AWWA Standards C210 and C620 as applicable and the requirements of these Specifications.”

APPENDIX D, PLAN SET FOR THE CONSTRUCTION OF STWP AIR WASH PIPELINE REPLACEMENT PROJECT

4. REPLACE Sheet G-05, General Site Plan (ATTACHMENT 1)

5. REPLACE Sheet M-08, Buried Air Wash Pipe Access Details (ATTACHMENT 2)

GENERAL QUESTIONS & RESPONSES

6. QUESTION: In article 32.02, Paragraph B. 9., bird spikes are specified to be installed (also see plans M-01 and M-02). Do Bird-X Stainless Steel Bird Spikes qualify as an approved equal product that can be used for this scope of work?

RESPONSE: Bird-X Stainless Steel Bird Spikes is acceptable as an equal product.

7. QUESTION: There are several problems with lining buried small diameter SST pipe with a liquid epoxy:

- a. Surface preparation – Liquid epoxies require a near white surface. There are no equivalent standards for stainless steel. Typically, stainless steel is prepared by wiping down with a solvent and blasting with a garnet sand to avoid contamination. This is dangerous from a flammability standpoint and the possibility of ground water contamination.
- b. Temperature and humidity are both critical for proper application. Maintaining the correct humidity will be difficult to correct and monitor. Temperature is nearly impossible to control as the pipe is buried in a huge heat sink. The amount of heat required to keep the pipe at 80°F for the Plasite 4500 (AWWA C210) is difficult.
- c. Checking the lining for thickness, holidays and adhesion would not be possible for any of the pipe except for a few feet from each end.
- d. Any warranty would be void as the material was not applied in accordance with the manufacturer's instructions.

RESPONSE: The corresponding responses are indicated below:

- a. Per this addendum, Section 12 – Work and Contract Time(s) above, buried pipe is steel cement mortar lined. See AWWA C210 and AWWA C620 for surface preparation procedures.
- b. Industry standards typically use dryers and blowers to regulate the humidity and temperature. Contractor can also regulate the temperature and humidity per pipe lining manufacturer's recommendation.
- c. Internal pipeline inspection is required per Article 32.09 1.01.A. of the contract documents upon the completion of pipe relining. The Contractor is referred to AWWA C620 Section 4.5 and the pipe lining manufacturer for acceptable processes and procedures in assuring lining quality.
- d. Not applicable, see item no. 7 response "c." above.

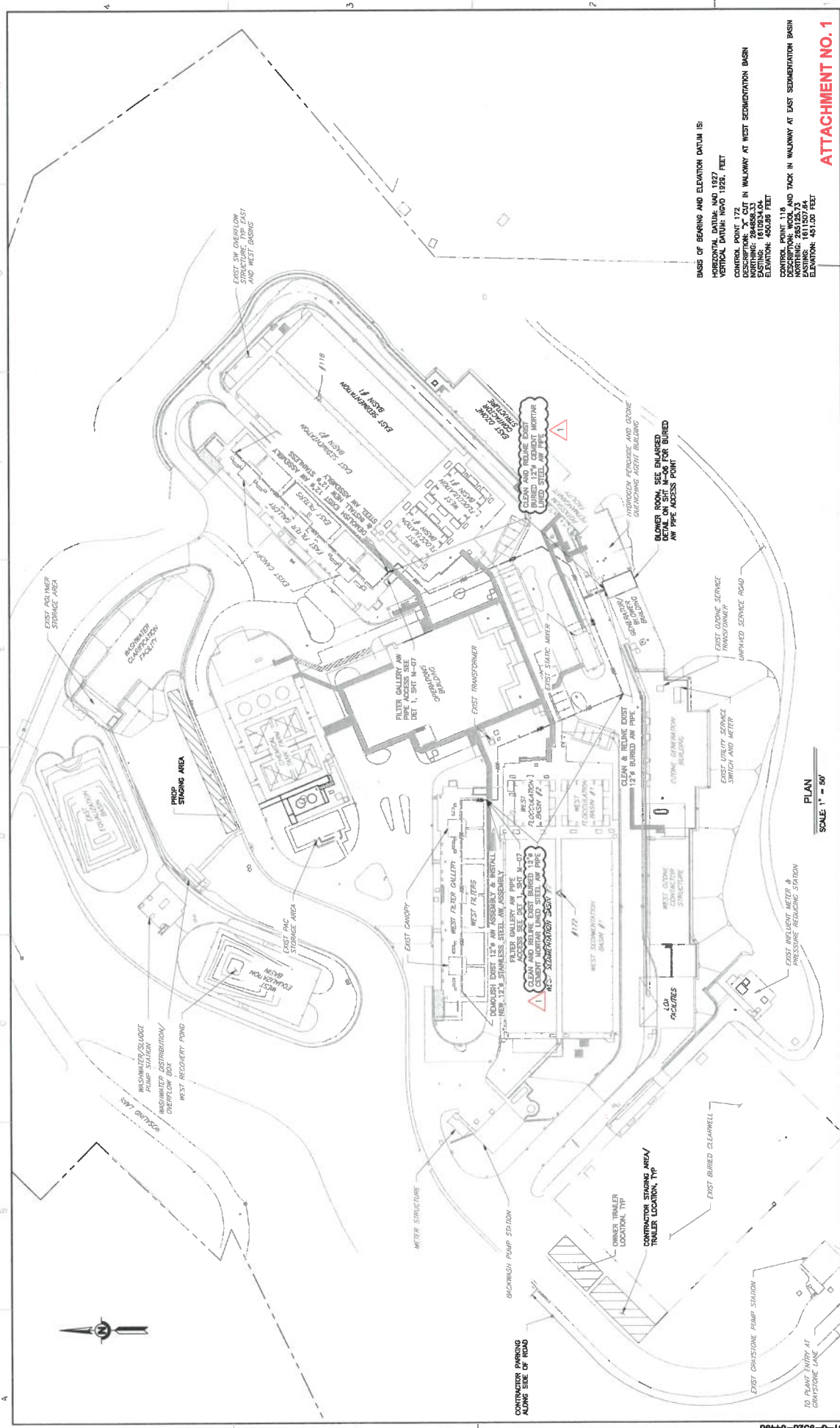
THIS ADDENDUM NO. 2, WHICH CONTAINS 3 PAGES AND 2 ATTACHMENTS (2 PAGES), IS ATTACHED TO AND IS A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THIS PROJECT.



Heath McMahon, P.E.
Deputy Operating Officer
Water Utility Capital Division

Date: August 25, 2020

ATTACHMENT 1: Revised Drawing - G-05
ATTACHMENT 2: Revised Drawing - M-08



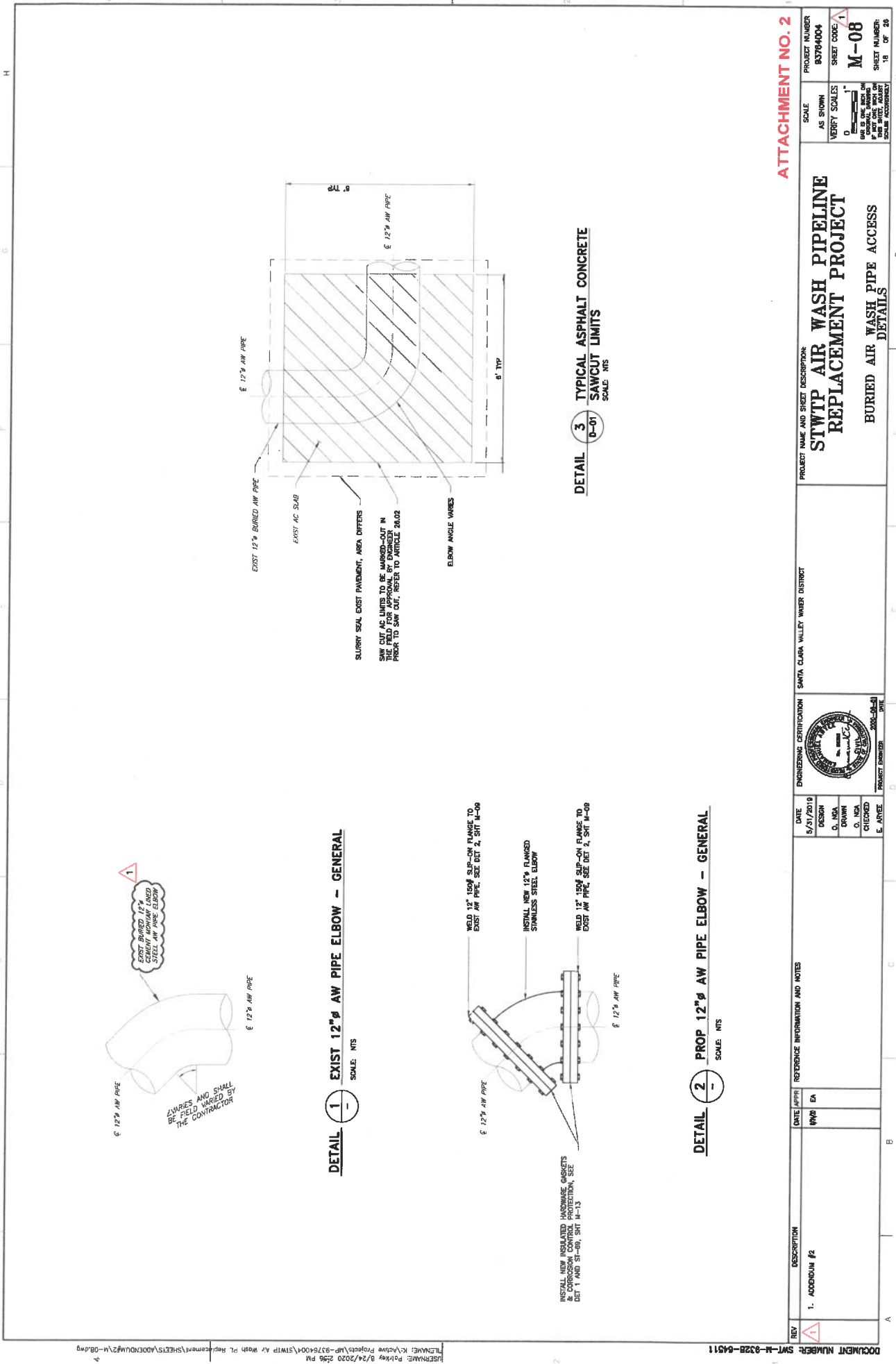
BASES OF BEARING AND ELEVATION DATUM IS:
 HORIZONTAL DATUM: NAD 1983
 VERTICAL DATUM: NGVD 1929, FEET
 CONTROL POINT 172
 DESCRIPTION: "X" CUT IN WALKWAY AT WEST SEDIMENTATION BASIN
 ELEVATION: 450.85 FEET
 CONTROL POINT 118
 DESCRIPTION: WOOD AND TACK IN WALKWAY AT EAST SEDIMENTATION BASIN
 ELEVATION: 451.00 FEET

ATTACHMENT NO. 1

PROJECT NAME AND SHEET DESCRIPTION		SCALE		PROJECT NUMBER	
STWTP AIR WASH PIPELINE REPLACEMENT PROJECT		AS SHOWN		93794004	
SANTA CLARA VALLEY WATER DISTRICT		VERIFY SCALES		SHEET CODE: 1	
ENGINEERING CERTIFICATION		DATE		G-05	
		9/31/2019		SHEET NUMBER: 5 OF 28	
REFERENCE INFORMATION AND NOTES		DESIGN			
		DRAWN			
		CHECKED			
		DATE			
1. ADDENDUM #2		9/30/20			
DESCRIPTION					
1. ADDENDUM #2					

USERNAME: K:\Active Projects\WP-93794004\STWTP Air Wash PL Replacement\Drawings\ADDENDUM\210-05.dwg
 USER: K:\Active Projects\WP-93794004\STWTP Air Wash PL Replacement\Drawings\ADDENDUM\210-05.dwg

DOCUMENT NUMBER: SWT-9-9328-64488





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Santa Clara Valley Water District
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This Addendum is posted on the Valley Water website at
<https://www.valleywater.org/construction>

September 3, 2020

ADDENDUM NO. 3
TO CONTRACT DOCUMENTS FOR THE
SANTA TERESA WATER TREATMENT PLANT
AIR WASH PIPELINE REPLACEMENT PROJECT
Project No. 93764004 Contract No. C0662

Notice is hereby given to Prospective Bidders that the Contract Documents are modified as hereinafter set forth.

GENERAL QUESTIONS & RESPONSE

1. QUESTION: Addendum 2 identifies the existing pipe to be relined as mortar lined steel air wash pipe. The pipe being replaced under this contract is identified as Stainless Steel. Section 40 Lining and Coating—Piping, states the new pipe is to be coated referencing AWWA Standard C213.

This is possible, however is not typical with Stainless Steel. It represents an Economic Waste to coat Type 316L pipe in nearly all circumstances. The properties of 316L provide a surface resistant to corrosion, inclusive of extreme PH levels, as well as an excellent visual appearance throughout the life of the pipe. Should this coating be eliminated as a cost exclusive of functional or economic benefit?

RESPONSE: The Contractor is referred to Addendum 2, and shall coat the pipe in accordance with Article 40.01

2. QUESTION: Sht. M-10, Sec. A: The pipe passing through the wall at El. 447.50 is in a sleeve that is smaller than the flange. Project plans show a dimension for the flanged elbow of 12 3/8" which is 3/8" longer than a short radius elbow. Plans specify an ANSI 150 lb. flange which is 1.25" thick. This requires field welding a flange on one side to pass the spool through the wall sleeve, followed by repair to the lining in the field. Is this the designers intent? Alternatively the use of a Victaulic coupling for the wall spool to elbow connection would serve to eliminate the epoxy repair and clearance issue (Victaulic couplings are currently in use on this pipe system and are available in Stainless Steel, if

deemed necessary, reference photo of Victaulic on M-06.) That solves the required field epoxy repair and clearance problem.

There is a clearance / interference issue, that being the back of the flange is forced up against the throat of the elbow resulting in the bottom two bolts being difficult, and likely impossible to install. It is strongly recommended this be addressed to avoid change work. The vertical flange on the elbow should be moved down to eliminate this interference, using a short segment (called a pup in industry vernacular) of pipe welded to the elbow during shop fabrication.

The same flange interference problem occurs at the lower elbow to the spool through the wall connection. In this instance the interference increases by the addition of an insulating bolt up set. This results in bolts protruding an additional ½" from the thickness of the insulating washer. We recommend the designer consider use of a long radius elbow to relieve this interference.

RESPONSE: The design intent is for the wall penetrating spool piece flange to be field welded within the filter basins. Victaulic couplings can be used in place of the flanged connection subject to its compliance with specification requirements and the Engineer's approval. A long radius elbow can be used to eliminate any interference with flanges.

3. QUESTIONS: Sht. M-10, Sec. A: Is the pipe passing through the wall at El. 433.00 to the insulating joint the existing pipe?

RESPONSE: Yes.

4. QUESTIONS: Clarification regarding pipe testing: Article 32.12 doesn't exist in the specifications. Please provide a specific test procedure/standard.

RESPONSE: The Contractor is referred to Article 32.02-3.02.

5. QUESTION: Is a third-party welding inspector required for pipe fabrication? Do we need to include flights and per diem for the Engineer to witness the pipe fabrication and shop coating?

RESPONSE: No, a third-party welding inspector is not required to witness the pipe fabrication and shop coating.

6. QUESTION: Blown-In Epoxy Lining Method: The spec mentions relining the buried pipe per AWWA C210 and AWWA C620. We propose using the blown-in method conforming to AWWA C210. This method uses liquid epoxy and is not CIPP.

Additionally, we propose relining the West & East buried lines in 1 mobilization. This method only takes 2 weeks to complete including prep, cleaning, drying, testing, CCTV, etc.

Can the West Gallery be back in service for 1 week and East Gallery shutdown for 1 week during the initial February shutdown? This will not affect

the 6-week shutdown constraint since replacing the SST pipe in the West gallery can be completed in under 4 weeks.

Sequence of Work (Feb 15 – March 29th, 2021);

- Reline West buried pipe (1 week)
- Reline East buried pipe (1 week)
- Replace SST at West Gallery (3 weeks)
- Replace SST at East Galley (October 2021)

RESPONSE: Liquid epoxy application methods conforming to AWWA C210 are acceptable. Sequencing of the air wash pipe shutdown shall be in accordance with Section 16.01.01 of the specifications.

THIS ADDENDUM NO. 3, WHICH CONTAINS 3 PAGES, IS ATTACHED TO AND IS A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THIS PROJECT.

DocuSigned by:



09E2E1708C2D418...

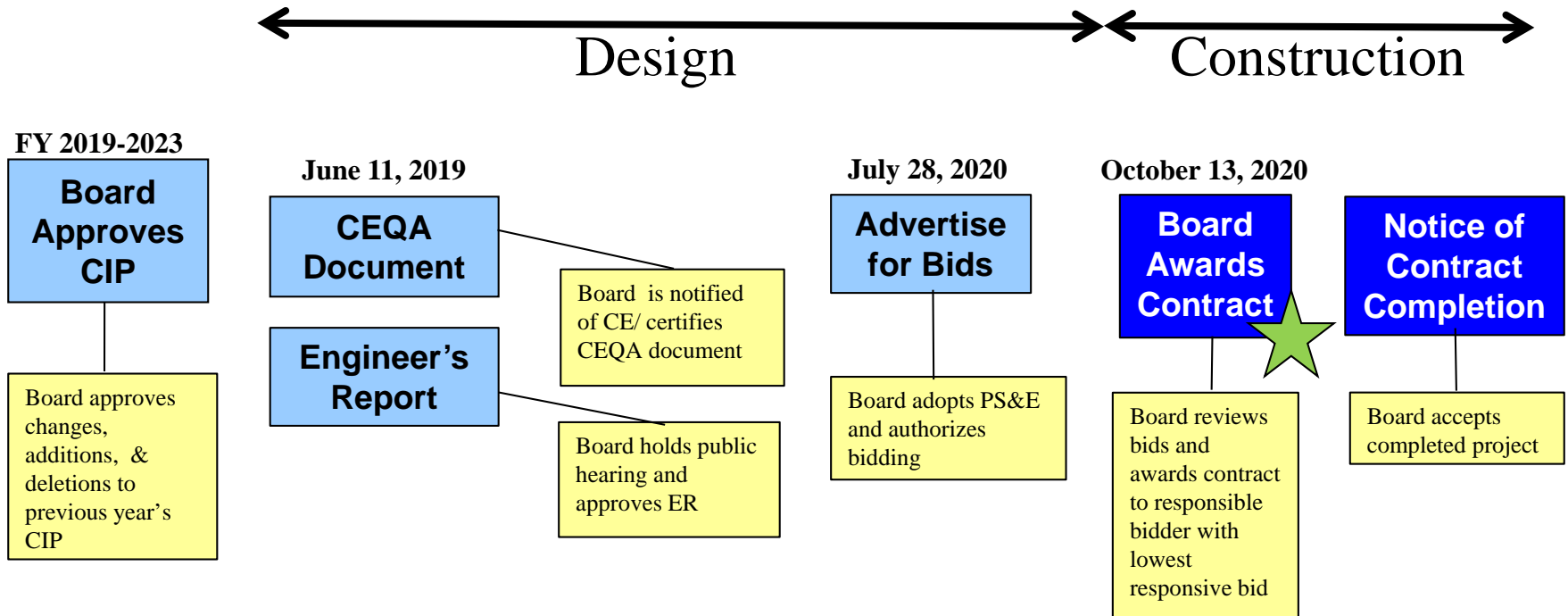
Heath McMahon, P.E.
Deputy Operating Officer
Water Utility Capital Division

Date: 9/3/2020

Project Delivery Process

Small Capital Improvement Project

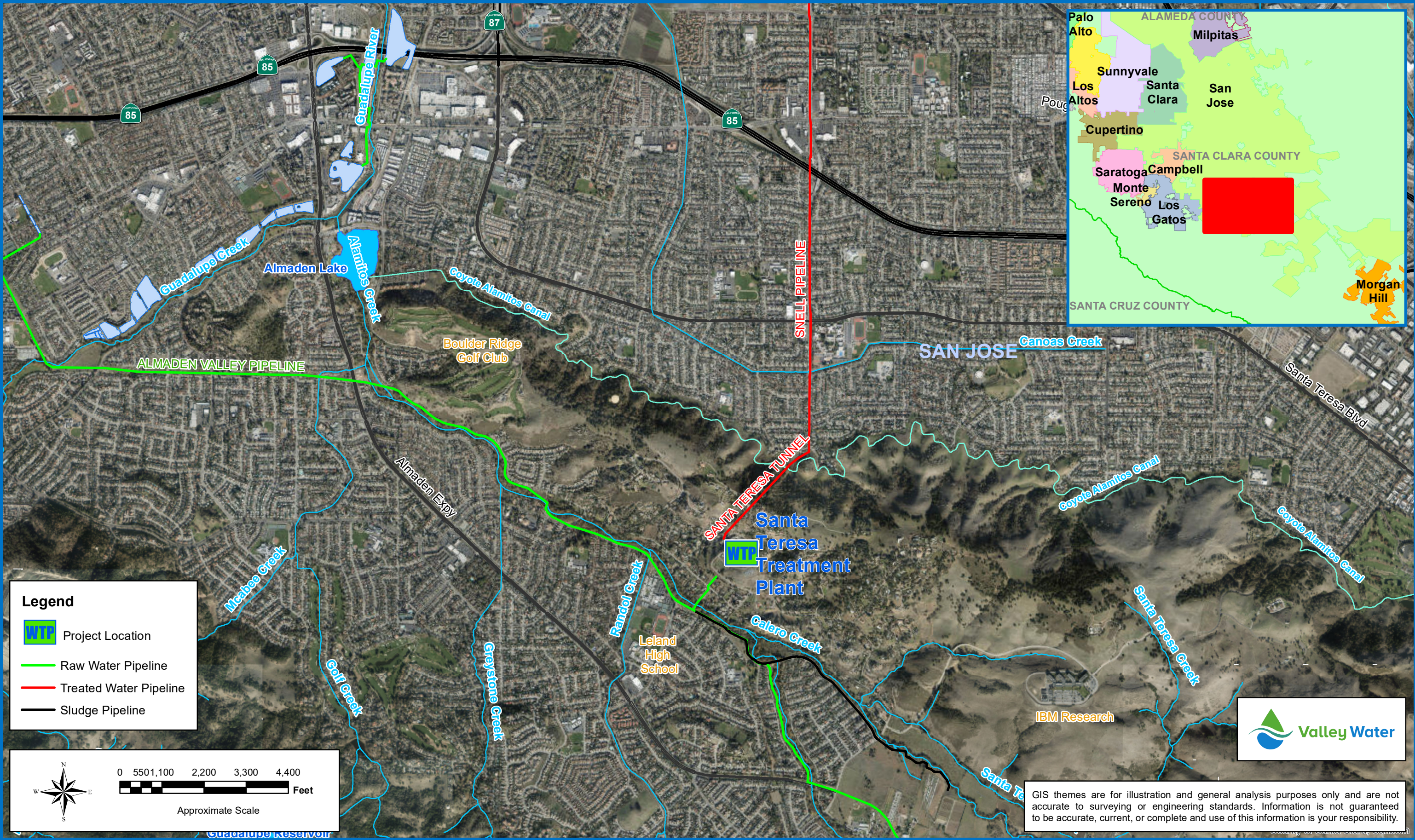
Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement, Project No. 93764004



Proposed Board Action(s) requested by this Item

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SANTA TERESA WATER TREATMENT PLANT SITE MAP



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Santa Clara Valley Water District

File No.: 20-0904

Agenda Date: 10/13/2020

Item No.: *5.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Report of Bids Received and Award of Construction Contract to Con-Quest Contractors, Inc., for the Central and Parallel East Pipelines Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0661 (San Jose and Unincorporated Santa Clara County), (Districts 1, 2, 4, 6, and 7).

RECOMMENDATION:

- A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Central and Parallel East Pipelines Inspection and Rehabilitation Project; and
- B. Award the Construction Contract to Con-Quest Contractors, Inc. in the sum of \$7,905,580; and
- C. Approve a contingency sum of \$1,185,837 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

SUMMARY:

The objective of the Central and Parallel East Pipelines Inspection and Rehabilitation Project (Project) is to increase the reliability and useful life of these pipelines.

The Project scope of work includes the dewatering and inspection of Central Pipeline, repair and rehabilitation of the appurtenances, replacement of a line valve, installation of an Acoustic Fiber Optic (AFO) monitoring system on Central Pipeline which provides Valley Water with real-time monitoring, and installation of other miscellaneous pipeline appurtenances.

Project Background

The Central and Parallel East Pipelines are included in the Valley Water's Pipeline Maintenance Program (PMP) and are an identified capital effort under the 10-Year Pipeline Inspection and Rehabilitation Program. The PMP defines the activities associated with maintenance and repair of water supply conveyance systems throughout the Valley Water's jurisdiction. The PMP serves as a comprehensive plan that defines how routine and preventative maintenance activities are to be carried out. The primary objectives of the PMP are to maintain the Valley Water's water conveyance systems to their specifications and design, coordinate the various aspects of maintenance to achieve this goal, reduce environmental impacts associated with maintenance, and assist in obtaining multi-year permits for these activities.

The purpose of the 10-Year Pipeline Inspection and Rehabilitation Project is to maintain the integrity

of the approximately 140 miles of large diameter raw and treated water transmission pipelines, extend their useful life, and address infrastructure reliability concerns. The Project is the fourth project to be undertaken, following Almaden Valley Pipeline, Pacheco Conduit, and Cross Valley and Calero Pipelines.

Central Pipeline

Central Pipeline consists of approximately 12.7 linear miles of primarily 66-inch prestressed concrete cylinder pipe (PCCP) that conveys raw water between the Piedmont Valve Yard and the Vasona Pumping Plant. The critical large diameter pipeline runs from northeast San Jose, through the urban streets of San Jose and Campbell, and then ends in Los Gatos. Central Pipeline was constructed in eight phases and was completed in 1966. It is typically used to convey untreated water from the South Bay Aqueduct to the Los Gatos Recharge System and the Rinconada Water Treatment plant.

In May and June of 2018, staff conducted a condition assessment of the Central Pipeline to evaluate and assess the overall condition of the pipeline and its appurtenances. The results indicated that replacement and renewal of the pipeline appurtenances must be performed at 63 sites which include air valves, guard valves, blowoff valves, two flowmeters, three energy dissipation valves, one 66-inch in-line isolation valve, ladders, and manholes.

An external third party, pursuant to a separate contract, will install an AFO monitoring system to allow for live monitoring of the structural condition of the pipeline.

Parallel East Pipeline

Parallel East Pipeline (PEP) consists of 2.3 miles of 54-inch welded steel pipe. It begins as a branch off the East Pipeline (EPL) on White Road and Ocala Road, runs south along White Road and ends by connecting back to the EPL near the intersection of White Road and Aborn Road in East San Jose.

The Parallel East Pipeline Rehabilitation Project was originally scheduled to be completed in 2021. In 2018, the project was split into two phases. The first phase was completed in the Spring of 2019 and included the refurbishment of the reducing spools, guard valves, air release valves (ARV), and removal of all failing 2-inch threaded branch connections in 14 underground vaults. This Phase II will include modifying air release valve vent piping from within underground vaults to above ground enclosures to comply with CA Waterworks Standard 64576(a) which requires vent openings to be above grade and above the calculated 100-year flood water level. This work requires traffic control and trenching along White Road and Ocala Road.

As part of Phase I, Valley Water staff requested a temporary waiver of compliance with the above CA Waterworks Standard from the State Water Resources Control Board - Division of Drinking Water (DDW). One of the conditions of granting the waiver is to install the air vents by the end of 2020 which has been defined as a milestone within the construction contract.

Addenda Ratification

Two addenda (Attachment 1) were issued during the bid period to clarify the Project Contract Documents. Staff recommends that the Board ratify the addenda to formally incorporate the changes into the Project Contract Documents.

Contract Award

A report of bids received at the bid opening for the Project on September 23, 2020 is summarized in Table 1. The apparent low bid was submitted by Con-Quest Contractors, Inc. and is within 15% of the Engineer's estimate of \$9,258,700.

Staff reviewed the bid proposal and recommends that the construction contract for the Project be awarded to Con-Quest Contractors, Inc. for the following reasons:

1. All bid entries and requirements in the proposal submitted by Con-Quest Contractors, Inc. are in order;
2. Con-Quest Contractors, Inc. license is current, active, and in good standing;
3. Con-Quest Contractors, Inc. is in compliance with the requirements of the California Labor Code §1771.1 because they and their subcontractors are registered with the California Department of Industrial Relations and qualified to perform public works pursuant to Section 1725.5 of the Labor Code.

Table 1 - Bid Opening Results		
Company, Location	Bid Amount	Award Amount
Con-Quest Contractors, Inc. Francisco, CA	\$7,905,580	\$7,905,580
Teichert Construction of Plea	\$8,433,600	
Kiewit Infrastructure West Co	\$9,592,590	
CA		
Ranger Pipelines of San Fra	\$9,727,500	
Mountain Cascade Inc. of Liv	\$9,986,077	
Engineer's Estimate: \$9,258,700		

Staff recommends the Board award the contract to Con-Quest Contractors, Inc. as the responsible bidder, submitting the lowest responsive bid.

Contingency Funds

To allow staff to quickly address unforeseen or changed site conditions and other unanticipated occurrences, without causing unnecessary delays or consequential costs to the Project, staff recommends the Board approve encumbering a contingency amount of \$1,185,837 which amounts to 15% of the lowest bid price.

The contingency amount was estimated due to the known and unknown risks, such as:

1. Unforeseen conditions that result in changes that will need to be resolved during the shutdown of the Central Pipeline;
2. Concealed conditions and field conditions that may be different from the baseline and as-built information used in preparation of the Project Contract Documents;
3. Differing site conditions;
4. Unanticipated variances in quantities and cost of various lump sum items estimated in the Bid Proposal;
5. Coordination issues and risks associated with weather conditions; and
6. Coordination issues with operations and maintenance activities.

Approval of individual change orders is delegated for up to the designated amounts as follows:

Engineering Unit Manager:	\$100,000
Deputy Operating Officer:	\$250,000
CEO:	Up to the Total Amount of the Contingency

Previous Board Actions Related to this Project

On November 13, 2007, the Board certified the PMP Environmental Impact Report (PMP EIR) and adopted the Mitigation Monitoring Plan.

On March 9, 2010, the Board adopted Resolution 10-24 specifying intent to consider undertaking the Project and setting the time and date for a public hearing on the Engineer's Report for the subject Project.

On April 13, 2010, the Board held a public hearing and adopted Resolution 10-29 approving the PMP Engineer's Report and approving the PMP.

On January 8, 2019, the Board approved a sole source purchase of equipment and services from Pure Technologies U.S., Inc. to provide electromagnetic inspection, AFO monitoring system, and AFO system services for the 10-Year Pipeline Inspection and Rehabilitation Program. The construction contract scope provides for the contractor to support and provide physical access to Pure Technologies U.S. to install the monitoring system.

On August 11, 2020, the Board adopted plans and specifications and authorized advertisement for bids for the Project.

Public Outreach

During construction, steps will be taken to minimize impacts associated with the Project such as noise and construction traffic. Before beginning the construction, a Project flyer will be mailed to the neighborhood community, informing them of potential issues, as appropriate. The Project will utilize social media to update stakeholders about the project which includes notifications, progress reports, and schedule updates. The Valley Water's blog (Valley Water News) will also serve as a digital outreach tool to ensure the Project remains highly visible. Valley Water is developing a web page on the Project that will be updated throughout the length of the Project.

Permits

Staff has received a Lake and Streambed Alteration Agreement from the California Department of Fish and Wildlife. Staff has also coordinated with the cities of San Jose and Campbell and the County of Santa Clara, and received conditional encroachment permits that will be finalized after contract award by the construction contractor and those public entities when its submittals for the encroachment permits are approved.

Outreach to Bidders

Staff performed outreach to advertise and solicit bids from the following: Chambers of Commerce, Builders Exchange/ Plan Rooms, Building Construction & Trade Council, The San Jose Post and Valley Water's Master Contractor Database. Staff also utilized Valley Water's website to solicit interest in the Project work.

Next Steps

If the Board awards the contract as recommended, Staff will proceed with administering the Project construction which is anticipated to begin in October 2020 and be completed by the end of August 2021.

FINANCIAL IMPACT:

The proposed construction contract for the Project is \$7,905,580. Combined with the contingency encumbrance of \$1,185,837, the total recommended for Board approval is \$9,091,417. The 10-year Pipeline Inspection and Rehabilitation Project (95084002) is included in the Five-Year 2021-25 Capital Improvement Program and in the Board-adopted FY 200-21 Budget. There is sufficient funding in the Project's budget to encumber the construction contract cost and contingency amount. The funding source for the Project is the Water Utility Enterprise Fund (Fund 61).

CEQA:

On November 13, 2007, the Board certified the PMP EIR [Resolution 07-71]. The PMP provides for the maintenance of the Valley Water's 14 raw water pipelines and 9 treated water pipelines.

In February 2019, Valley Water environmental staff reviewed the Project and concluded in a CEQA Internal Decision Memorandum that the PMP EIR can be relied on by Valley Water for this Project. Potential impacts related to all components of the Project have been evaluated and mitigation measures are specified in the PMP EIR. During Project implementation, Valley Water and the contractor will comply with all BMPs and mitigation measures per the PMP EIR, California Department of Fish and Wildlife Lake and Streambed Alteration Agreement, and Valley Habitat Plan's conditions.

ATTACHMENTS:

Attachment 1: Addenda Nos. 1 and 2
Attachment 2: Project Delivery Process Chart
Attachment 3: Site Map

UNCLASSIFIED MANAGER:

Heath McMahon, 408-630-3126



CAPITAL PROGRAM SERVICES
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SAN JOSE, CA 95118-3686
TELEPHONE (408) 630-3088
FACSIMILE (408) 979-5631
www.valleywater.org
scvwdplanroom@valleywater.org

Santa Clara Valley Water District
Notification of this Addendum is transmitted via email to all current plan holders.
This Addendum is posted on the Valley Water website at
<https://www.valleywater.org/construction>

September 15, 2020

ADDENDUM NO. 1
TO CONTRACT DOCUMENTS FOR THE
CENTRAL AND PARALLEL EAST PIPELINES
INSPECTION AND REHABILITATION PROJECT
Project No. 95084002 Contract No. C0661

Notice is hereby given to Prospective Bidders that the Contract Documents are modified as hereinafter set forth.

PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS

SPECIAL PROVISIONS

1. Various Sections

DELETE “Town of Los Gatos” from Articles 12.03.E.4.a.(2), 14.16.02.A.3, and 16.05.B.

2. Section 12. Work and Contract Times, Table 12.03-1. Tentative Schedule of Work

REPLACE the title of column:

“Duration (Work Days)” **with**

“Duration (Calendar Days)”

REPLACE the End Date of Milestone 5: Central Pipeline Dewatering Work:

“Friday, January 22, 2021” **with**

“Tuesday, January 19, 2021”

3. **Section 18. Permits and Regulations, Article 18.01.01. District-Obtained Permits**

DELETE Article 18.01.01.A.7. Town of Los Gatos Encroachment Permit in its entirety.

4. **Appendix E**

DELETE Town of Los Gatos Encroachment Permit in its entirety.

DRAWINGS

5. On Sheet C-01, **RELOCATE** the Piedmont Valve Yard callout on the plan and profile views to:

“STA -(00+21)
CP 0
PIEDMONT VALVE YARD
LINE VALVE VAULT
SEE C-32”

6. On Sheets G-06 and G-07, **ADD** “RTU CONTROL PANEL” to two (2) rows in the “DISTRICT-FURNISHED MATERIALS” column:

- a. Row CP 22-23
- b. Row CP 45

7. **DELETE** the last sentence from General Notes number 12 on sheet G-05.

8. Under the Reference Information and Notes on sheet C-19, **ADD** the following:

“3. Vault access for CP-81 is approximately 4’ lower than the Los Gatos Creek Trail. Contractor shall provide means of access to vault.”

9. **REPLACE** the callouts as follows:

- a. On sheet C-27 - Section B, 4” CARV Assembly and C-34 -Section B, 4” CARV Assembly, **REPLACE** callout:

“REINSTALL 4”Ø STEEL SPOOL” **with**

“REPLACE 4”Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT”

ADDENDUM NO. 1

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

Revision 3_9/15/2020

Page 2 of 7

Attachment 1

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- b. On sheet C-28 - Section B, 6" CARV Assembly, **REPLACE** callout:

"REINSTALL 6"Ø STEEL SPOOL" **with**

"REPLACE 6"Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT"

- c. On sheet C-29 - Section B, 8" CARV Assembly, **REPLACE** callout:

"REINSTALL 8"Ø STEEL SPOOL" **with**

"REPLACE 8"Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT"

- d. On sheet C-30 - Section B, 12" Pumpout Riser, **REPLACE** callout:

"REINSTALL 12"Ø STEEL SPOOL" **with**

"REPLACE 12"Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT"

10. ADD the callout as follows:

- a. On sheets C-31 - Section B, 12" Pumpout with 12" Plug Valve & Manhole Assembly; 5C-02 - Section B, Proposed Blowoff Assembly with MH Section View; and 6C-02 - Section B. 12" & 4" Pressure Relief Valve Assembly, **ADD:**

"NOTE: REPLACE 12"Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT"

- b. On sheet 4C-02 - Section B, 24" Manual BFV Vault Proposed Section View, **ADD:**

"NOTE: REPLACE 24"Ø FLANGED STEEL SPOOL, LENGTH VARIES, CONTRACTOR SHALL FIELD VERIFY LENGTH PRIOR TO PROCUREMENT"

GENERAL QUESTIONS & RESPONSES

QUESTION 1: (Date Received: 08/27/2020)

Please confirm that the NEMA rating of the vaults is NEMA 3R? There is no indications on the drawings overall, but we did find that Panel LLG on Drawing 2E-02 is NEMA 3R. Please confirm that remaining materials (supports, disconnect switches, conduits) can be based on a NEMA 3R environment?

RESPONSE 1:

A NEMA 3R rating for the vaults is acceptable. The contractor shall verify PG&E requirements to determine if an alternate rating will be required for electrical service entrance related equipment.

QUESTION 2: (Date Received – 08/31/2020)

Can you please clarify the flange requirements on the butterfly valves for this project? See below:

Article 34.02 Butterfly Valves does not specify whether the flanges are 125# or 250#. The models referenced, Mueller XP/XPII and Pratt HP250/250II, are both 125#/250#.

RESPONSE 2:

On sheet G-05 of the Drawings "PIPELINE AND PIPELINE APPURTENANCES - GENERAL NOTES", Note 1A: "UNLESS OTHERWISE SHOWN IN THE DRAWINGS, ALL FLANGES ARE AWWA CLASS E". Flanges shall also comply with all other requirements set forth in the Drawings and Specifications.

QUESTION 3: (Date Received – 08/31/2020)

Bailey Valve supplied the existing sleeve valve on this project about 20 years ago. Are you looking for an exact replacement?

RESPONSE 3:

Bailey Valve Model B14, or equal, is specified in Article 34.10-2.01.J. Sleeve valves shall meet all requirements specified in Article 34.10 – Sleeve valves.

QUESTION 4: (Date Received – 09/01/2020)

Precast concrete ground wells are indicated on sheets 2E-01 and 5E-01. Please clarify the specifications of the concrete ground wells.

RESPONSE 4:

Ground well shall be Oldcastle precast F08 Box or equal. Lid shall be reinforced concrete with etched label "Ground".

ADDENDUM NO. 1

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

Revision 3_9/15/2020

QUESTION 5: (Date Received – 09/01/2020)

Sheets 2E-01 and 5E-01 indicate that electrical metered service entrances are to be removed and replaced. Per Article 37.01, 1.04 A in the specs “For electrical service entrance installation or modification, the contractor shall coordinate with, and comply with, all PG&E requirements and the latest edition of the PG&E Greenbook.” What are the current specifications on the existing meters, panels, and power drops? What are the specifications and requirements on the new meters and power drops? Please confirm what work will be performed by PG&E.

RESPONSE 5:

New meter panel shall have minimum 100A bus rating. New service disconnect shall be a circuit breaker, rated 40A minimum. Please refer to the PG&E Greenbook for all other requirements. PG&E will perform disconnection of the service prior to the work, and reconnection after completion. Contractor shall be responsible for all other modifications.

QUESTION 6: (Date Received – 09/01/2020)

Sheet 2C-03 shows backfill around the flowmeter vault as Compacted Backfill. However, Article 24.01, Excavation and Backfill, states that Structure Backfill shall be Controlled Density Fill. Please confirm which is correct.

RESPONSE 6:

Article 24.01.2.01.F, Structure Backfill shall be controlled density fill.

QUESTION 7: (Date Received – 09/01/2020)

Electrical drawings 1E-01, 2E-01, 3E-01, 4E-01, 5E-01, 6E-01, 6E-02 are shown as Not To Scale. Will scaled drawings be provided?

RESPONSE 7:

Scaled electrical drawings will not be provided.

QUESTION 8: (Date Received – 09/01/2020)

Per note 12 in General Notes on page G-05, “District will perform all in-vault electrical, instrumentation and SCADA disconnection and connection.” However, per Note 3 on page 1E-01 “Contractor shall de-terminate existing field wiring for replacement of RTU cabinet under supervision of district maintenance staff. Contractor shall terminate wiring after replacement.” Please clarify who is responsible for all electrical, instrumentation, and SCADA terminations and de-terminations.

RESPONSE 8:

See Item 7. of Addendum No. 1. The contractor shall be responsible for all electrical, instrumentation, and SCADA terminations and de-terminations. As stated in Note 3 1E-01, the contractor shall perform de-termination/termination of RTU field wiring under supervision of District maintenance staff.

ADDENDUM NO. 1

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

Revision 3_9/15/2020

Page 5 of 7

Attachment 1

Page 5 of 48

QUESTION 9: (Date Received – 09/01/2020)

The majority of the air vent piping in the Parallel East line will be backfilled with Controlled Density Fill. Please confirm that concrete thrust blocks will still be required.

RESPONSE 9:

A thrust block is not required at all changes in pipe direction. A thrust block is required below the 10" air release valve vent pipe assembly.

QUESTION 10: (Date Received – 09/01/2020)

Specification Section 23.07 Pipeline Dewatering states a max of 3 CFS for discharge flow while dewatering the pipeline. Exhibit C, as part of the Streambed Alteration Agreement with California Department of Fish and Wildlife included in the specifications lists differing flow discharge rates depending on the location along the pipeline. Are we to base our pipe dewatering pumping off of 3 CFS or what is specifically shown in the permit for each location?

RESPONSE 10:

The discharge rate at each site varies based on CDFW and City requirements. The lowest discharge rate specified shall be used. See City-required discharge rates for storm drain use in Appendix E.

QUESTION 11: (Date Received – 09/01/2020)

Drawing C-06 (Sheet 17) shows the CP-25 (Pre-cast Vault at Grade See Note 3), but there is no work indicated for this vault in the drawings. Please confirm there is no work in this vault.

RESPONSE 11:

No work will occur at CP-25.

QUESTION 12: (Date Received – 09/01/2020)

Please confirm that Valley Water will be considered the generator of any pre-existing hazardous material encountered by the Contractor.

RESPONSE 12:

Refer to Specification Section 10 Environmental.

ADDENDUM NO. 1

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

Revision 3_9/15/2020

Page 6 of 7

Attachment 1

Page 6 of 48

QUESTION 13: (Date Received – 09/01/2020)

The payment procedures for Bid Item No. 7, Completion of Encroachment Permits state that “All bidders shall bid the amount shown on the bid form...”. However, no amount is shown. Please clarify the amount Contractors shall carry for this item.

RESPONSE 13:

Bid Item No. 7 shall have the following amount: \$95,000. The revised Bid Form No.1, Proposal and Bid Items, will be included in Addendum No. 2.

QUESTION 14: (Date Received – 09/01/2020)

With many City services limited due to COVID, delays have been experienced with the review and issuance of permits. Similar delays on this project could impact the schedule at no fault of the Contractor. Please clarify how much time we should assume for review of encroachment permit applications.

RESPONSE 14:

Refer to Specification Section 12.03 Contract Time(s).

NOTES:

A. Inquiries not responded in this Addendum No. 1 will be addressed in Addendum No. 2.

THIS ADDENDUM NO. 1, WHICH CONTAINS 7 PAGES, IS ATTACHED TO AND IS A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THIS PROJECT.

DocuSigned by:

09E2E1708C2D418...
Heath McMahon, P.E.
Deputy Operating Officer
Water Utility Capital Division

Date: 9/15/2020



CAPITAL PROGRAM SERVICES
5750 ALMADEN EXPRESSWAY
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TELEPHONE (408) 630-3088
FACSIMILE (408) 979-5631
www.valleywater.org
scvwdplanroom@valleywater.org

Santa Clara Valley Water District
Notification of this Addendum is transmitted via email to all current plan holders.
This Addendum is posted on the Valley Water website at
<https://www.valleywater.org/construction>

September 17, 2020

ADDENDUM NO. 2
TO CONTRACT DOCUMENTS FOR THE
CENTRAL AND PARALLEL EAST PIPELINES
INSPECTION AND REHABILITATION PROJECT
Project No. 95084002 Contract No. C0661

Notice is hereby given to Prospective Bidders that the Contract Documents are modified as hereinafter set forth.

NOTICE TO BIDDERS

1. **REPLACE** Paragraph 12.A. Bid Submittal Delivery in its entirety with:

“A. Bid Submittal Delivery. Bidders are allowed to submit a bid by third party carrier or by hand delivery;

THIRD PARTY CARRIER; Bidders are allowed to submit a bid by third party carrier such as: FEDEX, UPS, DHL, CA Overnight, Golden State Overnight, etc., and Bids must be addressed in accordance with instructions stated in this paragraph 12. Any Bid Proposal received after 2 p.m. will not be considered. Late Bids will be returned unopened.

HAND DELIVERY OF YOUR BID; Hand delivered Bids shall only be between the hours of 1:00 p.m. - 2:00 pm. on the bid due date, at the Windfield Warehouse located at 5905 Windfield Boulevard, San Jose, CA 95123. Drop off directions will be provided at the entrance gate. Bidder's must obtain a date and time stamp on their Bid. Bidders must observe all Public Health Officers orders and wear proper face covering when dropping off your Bid.

NO BIDS WILL BE ACCEPTED VIA USPS (US MAIL).

Address the outside delivery envelope as follows:
Santa Clara Valley Water District
Attention: Construction Program
C0661 – Central and Parallel East Pipelines Inspection and Rehabilitation Project
5905 Winfield Boulevard
San Jose, CA 95123-2428

Note: USPS (US Mail) does not deliver to 5905 Winfield Boulevard.”

2. **REPLACE** Bid Form No. 1, Proposal and Bid Items with Attachment 1 – Revised Bid Form No. 1
 - a. **ADD** on Bid Item No. 7, Completion of Encroachment Permits with Cities, County, Town, and Agency, Fixed Price amount of \$95,000 as the Unit Price and Total.
 - b. **ADD** Bid Item No. 96, Project Professionally Facilitated Project Partnering – SUPPLEMENTAL WORK, with Fixed Price amount of \$25,000 as the Unit Price and Total.

INSTRUCTION TO BIDDERS

3. **REPLACE** Paragraph 21. Award of Contract, sub-paragraph B. in its entirety with:

“B. The Contract, if awarded, will be to a responsible Bidder, submitting the lowest responsive Bid. The award, if made, will be within **60 calendar days** after the opening of the Proposals.

If the lowest responsible Bidder refuses or fails to execute the Contract, the award may be made to the second lowest responsible Bidder. The award, if made, within **60 additional calendar days** after District notifies the second lowest responsible bidder of the first low bidder’s failure to execute the Contract.

If the second lowest responsible Bidder refuses or fails to execute the Contract, the District may award the Contract to the third lowest responsible Bidder selected as above provided and such award, if made, will be made within **60 additional calendar days**.

If necessary, the same procedure may be utilized by the District for awarding the Contract to subsequent responsible Bidders.”

PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS

SPECIAL PROVISIONS

4. **REPLACE** Article 14.15. Partnering in its entirety with:

“**14.15. Partnering**

A. Professionally Facilitated Project Partnering (PFPP) is included as a supplemental bid item. The District or the Contractor may request the use of PFPP. The Contractor’s attention is directed to Standard Provisions Article 3.15.02, Professionally Facilitated Project Partnering.”

5. **REPLACE** Article 14.15.01. Payment in its entirety with:

“14.15. Payment

- A. All bidders shall bid the amount shown on the Revised Bid Form No. 1 for Bid Item No. 96, Professionally Facilitated Project Partnering. This amount is estimated only, and the Bid Item will be used to reimburse the Contractor for the District's share in accordance with Standard Provisions Article 3.15.02, Professionally Facilitated Project Partnering.”

6. **ADD** Article 21.01.02.T.

“T. Bid Item No. 96 - Professionally Facilitated Project Planning – SUPPLEMENTAL WORK

1. Scope of Work: This supplemental bid item shall include doing all work, providing all equipment, and furnishing all materials required to establish and maintain a professional partnering relationship with the District. See Article 3.15 for specific scope of work for this bid item.
2. Measurement and Payment: All bidders shall bid the amount shown on the bid form for Professionally Facilitated Project Partnering. This amount is estimated only, and the Bid Item will be used to reimburse the Contractor for the District's share in accordance with Standard Provisions Article 3.15.02, Professionally Facilitated Project Partnering.”

TECHNICAL PROVISIONS

7. **Article 38.01 General Instrumentation Requirements, Part 1 General**

DELETE Article 38.01.H.5 in its entirety.

APPENDICES

8. **ADD** Attachment 2:

“Appendix E – County of Santa Clara General Notes”

9. **ADD** Attachment 3:

“Appendix K - Electrical and Instrumentation Work Roles and Responsibilities”

DRAWINGS

10. Under the Reference Information and Notes on sheet 1C-04, **ADD** the following:

“1. THE TWO (2) 12" MANUAL BFVS BELOW THE AIR VALVE ASSEMBLIES IN THIS VAULT HAVE FLANGES WITH 250# DRILLING.”

ADDENDUM NO. 2

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

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11. On sheet 7C-14 – Detail 1, 2” Air Release Valve Vent Pipe Assembly, **DELETE** callout:
“INSTALL THRUST BLOCKS AT ALL CHANGES IN PIPE DIRECTION AND DIMENSION, TYP.”
12. On sheet 7C-14 – Detail 2, 10” Above Grade ARV Vent Pipe Assembly, **REPLACE** callout:
“INSTALL THRUST BLOCKS AT ALL CHANGES IN PIPE DIRECTION AND DIMENSION SEE DETAIL 7, SHT 7C-21, TYP” **with**
“INSTALL THRUST BLOCK, SEE DETAIL 7, SHT 7C-21, TYP.”
13. **REPLACE** the following sheets in their entirety. See Attachment 4:
 - a. C-32
 - b. 6C-01
 - c. 6C-04
 - d. 6C-05
 - e. E-01
 - f. E-02
 - g. 1E-02
 - h. 2E-01
 - i. 3E-01
 - j. 4E-01
 - k. 6E-01
 - l. 6E-02
 - m. 6E-03

GENERAL QUESTIONS & RESPONSES

QUESTION 15: (Date Received: 09/01/2020)

Per sheets 6E-02 and 6C-01, raceway is routed from the transformer to panel “PC” in the Pump Building. Please clarify the location of panel “PC” in the Pump Building.

RESPONSE 15:

See Item 13. of Addendum No. 2.

ADDENDUM NO. 2

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QUESTION 16: (Date Received: 09/01/2020)

On sheets 3E-01 and 4E-01, there is raceway running from the Existing RTU Cabinets to a Guard Valve Vault. Are these conduits existing or new? If new, what size conduit shall be installed? Where is the Guard Valve Vault located?

RESPONSE 16:

Refer to the attached Addendum drawings for clarification. See 3C-01 and 4C-01 for guard valve vault locations.

QUESTION 17: (Date Received: 09/01/2020)

Per Article 37.22, "general type of underground raceways shall be Schedule 40 Polyvinyl Chloride (PVC) conduit." On 1E-01, 2E-01 & 4E-01 the underground raceway is designated as Galvanized Rigid Conduit. Please clarify which type of conduit should be used.

RESPONSE 17:

See Item 13. of Addendum No. 2.

QUESTION 18: (Date Received: 09/01/2020)

On sheet 6C-01, conduit is shown to be installed between the pump building and the 48" motor operated BFV in vault. On this sheet, the conduit appears to be new and empty. On sheets 6E-02 and Detail 3 on 6E-03, the same conduits appear to be existing and contain wire. Please clarify the scope of the conduits and wire in this area. How many new conduits are required? Are we replacing the existing underground conduits to the pump building?

RESPONSE 18:

See Item 13. of Addendum No. 2.

QUESTION 19: (Date Received: 09/08/2020)

At PEP Station per Bid Schedule Item 76 to 89, there are 14 items with 10" CARV Assemblies and 2" ARV Assemblies respectively. However, it looks like these two details are not shown on the plans and we don't know what work items are involved. Could you provide these details?

RESPONSE 19:

See Specification Section 12.01.C. In addition, see sheet 7G-05 (Vault Maintenance Schedule) and 7C-07 through 7C-13 on the plans for the work associated with bid items 76 to 89.

ADDENDUM NO. 2

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QUESTION 20: (Date Received: 09/08/2020)

At Kirk Ditch Turnout (KDT) at 24" Flowmeter Vault per 4C-03, there is a Double Leaf Door of 6' x 6' OD. Is this a standard Hatch or is it a Fabricated Door? If Fabricated, what is the Material and Loading requirement of this door?

RESPONSE 20:

See Specification Article 36.12 - PART 2.

QUESTION 21: (Date Received: 09/08/2020)

At Vasona Pump Station (VPS) per 6C-03, the Platform ladder is shown as Steel. However, the material for the Platform, Grating & Railings is not shown. Are they Aluminum per Spec?

RESPONSE 21:

Platform ladder shall reference detail ST-43 on sheet C-42. For material of platform, grating, & railings see specification article 36.07 - Catwalks, Stairs, and Ladders.

QUESTION 22: (Date Received: 09/09/2020)

Will the Contractor be responsible for obtaining a permit from the San Jose/Santa Clara Water Pollution Plant for discharging into the storm system? If so, which bid item is this permit paid under?

RESPONSE 22:

See requirements in Specifications Section 19 – Environmental.

QUESTION 23: (Date Received: 09/09/2020)

Please confirm whether the project will be subject to California Public Contract Code Section 7105 (Acts of God statute).

RESPONSE 23:

This Contract is subjected to the California Public Contract Code Section 7105.

ADDENDUM NO. 2

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

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QUESTION 24: (Date Received: 09/09/2020)

Section 38.01 of the specifications states, "The contractor shall develop and complete the PLC programming, OIT database, displays, alarm summaries and reports per the Drawings and Specifications under the direction and the supervision of District staffs." However, Section 38.02 states, "District will furnish and program the back panels and OIT screens of the RTU's." Who is responsible for the programming of the RTU's? Also, please confirm the district will be furnishing the back panels (Hoffman Part # A72P36F1) and OIT screens (Maple Systems Part # HMI5102L). These items are not identified as district furnished per Section 14.07 District Furnished Material and Equipment. Will the district be furnishing any other parts of the RTUs?

RESPONSE 24:

See Item 6. of Addendum No. 1.

QUESTION 25: (Date Received: 09/09/2020)

Attachment A, Special-status Plant Species Occurrence Assessment, identified Loma Prieta hoita, arcuate bush mallow, Hall's bush mallow, and maple-leaved checkerbloom as being unlikely to occur on the sites, but said they were going to do a survey in the spring and the specifications don't have any results of that survey or any specific requirements for us to do plant surveys. Please confirm that the Contractor will not be responsible for plant surveys. Are there any known locations that will require exclusion fencing or avoidance?

RESPONSE 25:

The Contractor will not be responsible for any further plant surveys.

QUESTION 26: (Date Received: 09/09/2020)

Access to Central Pipeline Sta 440+65 is currently fenced off by another contractor performing work in the area and we were unable to investigate this location. Please confirm that this access will be reopened prior to Award.

RESPONSE 26:

Access will be provided during time of construction.

QUESTION 27: (Date Received: 09/09/2020)

Section 19.05.01, Asbestos Management, states that existing facilities may have been constructed using asbestos-containing material, but does not indicate any specific locations or features. Are existing gaskets or other locations expected to contain asbestos?

RESPONSE 27:

Existing gaskets are expected to contain asbestos.

ADDENDUM NO. 2

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Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

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QUESTION 28: (Date Received: 09/09/2020)

Sheet 7C-20, Excavation, Backfill and Paving - General Note 8 states that existing AC pavement may be as thick as 24-inches. Variation in this thickness will affect costs for sawcutting, removal & disposal, and replacement. What pavement thickness are Contractors to assume in their bid?

RESPONSE 28:

Contractors shall assume an AC pavement thickness of 24" for their bid.

QUESTION 29: (Date Received: 09/09/2020)

We had an issue with Fedex delivering our bid on time last week so we are skeptical of doing it a second time. They are not guaranteeing delivery times due to COVID. Is there any way we can arrange for a bid runner to drop it off somewhere? Other agencies are leaving boxes at the front door and then a representative picks them up before the due date time. Still a no contact delivery either way.

RESPONSE 29:

See Item 3. of Addendum No. 2.

QUESTION 30: (Date Received: 09/11/2020)

Sheet 4C-05 shows the replacement of a 14" cone valve inside of the Kirk Ditch Turnout Vault. It appears that there is no access to this location as the vault is enclosed on all sides. Please provide information on how the contractor should access this area.

RESPONSE 30:

See Note 1 on sheet 4C-05.

QUESTION 31: (Date Received: 09/11/2020)

Please provide pictures of the inside of the Vasona Cone Valve Vault and Kirk Ditch Vault

RESPONSE 31:

See Attachment 5 – Kirk Ditch 14" Cone Valve Vault and Vasona Valve Yard 30" Cone Valve Site Photos (For Information Only).

QUESTION 32: (Date Received: 09/11/2020)

Will the contractor be required to slurry seal the trench patch for the PEP locations along White Road?

RESPONSE 32:

See Specification Section 3.07 Slurry Seal and notes 1 and 8 on sheet 7C-20.

ADDENDUM NO. 2

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

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QUESTION 33: (Date Received: 09/12/2020)

Are burrowing owl surveys only necessary adjacent to the Guadalupe River Park Gardens site, or is this required at all sites?

RESPONSE 33:

The Contractor shall adhere to the Santa Clara Valley Habitat Plan (VHP) Condition 15 of Specifications Appendix D – Central Pipeline VHP Conditions, MMRPs, and BMPs.

QUESTION 34: (Date Received: 09/12/2020)

Are there any requirements for fish relocation for the project, in particular the designated locations of pipeline dewatering into the nearby watersheds? Is Valley Water responsible for these relocations?

RESPONSE 34:

See Section 4 of Specifications Appendix H – Central Pipeline Biological Report.

QUESTION 35: (Date Received: 09/12/2020)

The drawings show a hoist inside the Guadalupe Valve Vault. Is this available for the Contractor's use to remove and install the valves and pipe?

RESPONSE 35:

The hoist is available for the Contractor to complete the Work. The Contractor shall perform function testing and a visual inspection of the hoist and rail prior to use.

QUESTION 36: (Date Received: 09/12/2020)

We have received feedback from suppliers that the leadtime for the new sleeve valve and cone valves may be up to 30 weeks after submittals are approved. This makes it unlikely that they would be installed during the shutdown. Would Valley Water consider purchasing these valves in advance or could they be installed after the pipeline is back in service?

RESPONSE 36:

The replacement of the sleeve valve and cone valves may be completed after the pipeline is back in service. The 30" cone valve shall be isolated using the work shown in addendum drawing 6C-05.

QUESTION 37: (Date Received: 09/12/2020)

Section 18, Permits and Regulations, states that the Contractor shall observe restricted hours for traffic lane closure as stated on the permits. Depending on the results from Valley Water's electromagnetic inspection, CFRP repair locations may be in areas that require traffic control for staging equipment and access. Some equipment must run 24 hours per day during the CFRP installation work. Should Contractors assume that waivers work hours and traffic restrictions will be granted for these areas?

ADDENDUM NO. 2

Santa Clara Valley Water District

Central and Parallel East Pipelines Inspection and Rehabilitation Project – C0661

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RESPONSE 37:

See Specifications Appendix E for city encroachment permit requirements.

QUESTION 38: (Date Received: 09/12/2020)

Section 8.07.D states The Contractor shall provide confined-space rescue services for all Work performed in a permit-required confined space and for all entrants to required confined space regardless of the entrant's employer." Does this mean that the Contractor will be responsible for providing rescue services for Valley Water's work including pipeline inspection and AFO installation?

RESPONSE 38:

The contractor is not responsible for providing rescue services for Valley Water staff or its third party consultants/contractors. Section 8.07.D only applies to staff employed by the contractor and its subcontractors.

QUESTION 39: (Date Received: 09/12/2020)

Section 17.01.K states that the Contractor shall complete and submit the Contractor Safety Qualification Packet and Rescue Training Certification Form for review and that favorable review of these forms is required for Contract award. Please confirm that these forms are not required to be submitted with the bid.

RESPONSE 39:

The Contractor Safety Qualification Packet and Rescue Training Certification Form is not required to be submitted as part of the bid.

THIS ADDENDUM NO. 2, WHICH CONTAINS 10 PAGES AND 5 ATTACHMENTS (31 PAGES), IS ATTACHED TO AND IS A PART OF THE SPECIFICATIONS AND CONTRACT DOCUMENTS FOR THIS PROJECT.

DocuSigned by:
Rolando Bueno
F33337B11A1F422...

Rolando Bueno, PE
Acting Deputy Operating Officer
Water Utility Capital Division

Date: 9/17/2020

- ATTACHMENT 1: Revised Bid Form No. 1, Proposal and Bid Items.
- ATTACHMENT 2: Appendix E – County of Santa Clara General Notes
- ATTACHMENT 3: Appendix K – Electrical and Instrumentation Work Roles and Responsibilities
- ATTACHMENT 4: Revised Drawing – C-32 to 6E-03
- ATTACHMENT 5: Kirk Ditch 14" Cone Valve Vault and Vasona Valve Yard 30" Cone Valve Site Photos (For Information Only)

Attachment 1:
Revised Bid Form No. 1

NOTE:

Contractor must used this form along with Bid Form Nos. 2 to 7
(except Bid Form No. 4 - Not Used)



REVISED BID FORM NO. 1 Proposal and Bid Items

Page 1 of 7

This form must be completed in **ink** and changes must be **initialed**.

Honorable Board of Directors
Santa Clara Valley Water District (District)

Pursuant to, and in compliance with, the Notice to Bidders and the Contract Documents, relating to the **CENTRAL AND PARALLEL EAST PIPELINES INSPECTION AND REHABILITATION PROJECT**, the undersigned Bidder having become thoroughly familiar with the terms and conditions of the Contract Documents and with local conditions affecting the performance and costs of the Work and having fully inspected the Work site in all particulars, hereby proposes and agrees to fully perform the Work, including providing any and all labor and materials and performing all Work required to construct and complete said Work within the contract time stated and in accordance with the requirements of the Contract Documents, for the following sum of money.

The undersigned Bidder agrees to complete all the Work within **305** calendar days from the first chargeable day of the Contract, as stated in the Notice to Begin Work. The Bidder agrees to enter into a Contract with the District and provide the required bonds and insurance in accordance with the Instructions to Bidders, Contract Bonds, paragraph #22 and Execution of Contract, paragraph #23. If the Bidder fails to meet these requirements within the time specified in the Instruction to Bidders, Failure to Execute Contract, paragraph #24, the Bidder's security accompanying this Proposal may be forfeited and become the property of the District. No Contract exists until all Contract bonds and insurance documents have been accepted by the District.

TOTAL BID: \$ _____

Bidder acknowledges receipt of the following Addenda to the Bid Documents:
Addenda are posted online at <https://www.valleywater.org/construction>.

☐ **NO** Addenda received

☐ Addenda received as follows:

Addendum No. _____	Date _____	Addendum No. _____	Date _____
Addendum No. _____	Date _____	Addendum No. _____	Date _____

Failure to acknowledge receipt of an Addendum on the Bid Form is not, in itself, cause for withdrawal or rejection of Bid, if it can be established that Bidder did, in fact, receive such Addendum prior to Bid opening.

The undersigned Bidder has read and, understands, and will comply with, each and all of the requirements specified in these Bid Documents. This Proposal must be signed by an authorized representative of the Bidder with the authority to bind the Bidder.

BIDDER'S COMPANY INFORMATION	
NAME:	ADDRESS:
CONTRACTOR'S CALIFORNIA LICENSE NUMBER:	
DATE OF EXPIRATION:	
LICENSE CLASSIFICATION(S):	
PHONE NO.: ()	FAX NO.: ()
EMAIL ADDRESS:	

SIGNATURE BLOCK (Signature Block must be completed in ink and changes must be initialed .)	
Bidder's Signature:	Date:
Bidder's Name and Title (Print):	



REVISED BID FORM NO. 1
Proposal and Bid Items

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SECTION A — BASE BID

ITEM NO.	DESCRIPTION OF WORK	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
1	Mobilization	<u>Lump Sum</u> Lump Sum		
2	NPDES General Permit Requirements	<u>Lump Sum</u> Lump Sum		
3	Environmental Monitoring and Compliance	<u>Lump Sum</u> Lump Sum		
4	Painting and Coating	<u>Lump Sum</u> Lump Sum		
5	Work as Specified for Pipeline Dewatering	<u>Lump Sum</u> Lump Sum		
6	Support for Internal Pipeline Work	<u>Lump Sum</u> Lump Sum		
7	Completion of Encroachment Permits with Cities, County, Town, and Agency	FIXED COST	\$95,000.00	\$95,000.00
8	Developing and Implementing Traffic Control Plans	<u>Lump Sum</u> Lump Sum		
9	Clearing and Grubbing	<u>Lump Sum</u> Lump Sum		
10	Exploratory Utility Investigation	<u>Lump Sum</u> Lump Sum		
11	Sheeting, Shoring, and Bracing	<u>Lump Sum</u> Lump Sum		
12	Pavement Restoration	<u>Lump Sum</u> Lump Sum		
13	Work as Specified for CPL Station 273+24 - Guadalupe Line Valve (GRV)	<u>Lump Sum</u> Lump Sum		
14	Work as Specified for CPL Station 523+70 - Los Gatos Turnout (LLG)	<u>Lump Sum</u> Lump Sum		
15	Work as Specified for CPL Station 646+00 - Page Ditch Turnout (PDT)	<u>Lump Sum</u> Lump Sum		
16	Work as Specified for CPL Station 656+58 - Kirk Turnout (KDT)	<u>Lump Sum</u> Lump Sum		
17	Work as Specified for CPL Station 154+85 - Coyote Creek Blowoff (CYV)	<u>Lump Sum</u> Lump Sum		
18	Work as Specified for CPL Station 665+82 - Vasona Pump Station (VPS)	<u>Lump Sum</u> Lump Sum		

(Rev. 7/24/19)



REVISED BID FORM NO. 1
Proposal and Bid Items

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*This form must be completed in **ink** and changes must be **initialed**.*

ITEM NO.	DESCRIPTION OF WORK	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
19	Work as Specified for CPL Station 00+67 - 8" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
20	Work as Specified for CPL Station 13+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
21	Work as Specified for CPL Station 27+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
22	Work as Specified for CPL Station 41+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
23	Work as Specified for CPL Station 54+22 - 36" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
24	Work as Specified for CPL Station 71+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
25	Work as Specified for CPL Station 87+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
26	Work as Specified for CPL Station 103+00 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
27	Work as Specified for CPL Station 117+99 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
28	Work as Specified for CPL Station 126+20 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
29	Work as Specified for CPL Station 141+40 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
30	Work as Specified for CPL Station 156+90 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
31	Work as Specified for CPL Station -00+21 – Piedmont Valve Yard Vault	<u>Lump Sum</u> Lump Sum		
32	Work as Specified for CPL Station 170+10 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
33	Work as Specified for CPL Station 173+57 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
34	Work as Specified for CPL Station 186+25 - 12" Pumpout Riser with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
35	Work as Specified for CPL Station 191+19 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
36	Work as Specified for CPL Station 204+93 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
37	Work as Specified for CPL Station 215+17 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		

(Rev. 7/24/19)



REVISED BID FORM NO. 1
Proposal and Bid Items

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*This form must be completed in **ink** and changes must be **initialed**.*

ITEM NO.	DESCRIPTION OF WORK	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
38	Work as Specified for CPL Station 228+96 - 12" Pumpout Riser with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
39	Work as Specified for CPL Station 243+96 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
40	Work as Specified for CPL Station 259+47 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
41	Work as Specified for CPL Station 264+20 - 30" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
42	Work as Specified for CPL Station 283+40 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
43	Work as Specified for CPL Station 298+54 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
44	Work as Specified for CPL Station 317+80 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
45	Work as Specified for CPL Station 332+24 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
46	Work as Specified for CPL Station 348+60 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
47	Work as Specified for CPL Station 367+06 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
48	Work as Specified for CPL Station 371+24 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
49	Work as Specified for CPL Station 380+55 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
50	Work as Specified for CPL Station 386+62 - 24" Manhole with Tri-Cock Assembly	<u>Lump Sum</u> Lump Sum		
51	Work as Specified for CPL Station 400+40 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
52	Work as Specified for CPL Station 418+55 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
53	Work as Specified for CPL Station 424+22 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
54	Work as Specified for CPL Station 440+65 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
55	Work as Specified for CPL Station 450+99 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
56	Work as Specified for CPL Station 465+68 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		

(Rev. 7/24/19)

CENTRAL AND PARALLEL EAST PIPELINES
 INSPECTION AND REHABILITATION PROJECT

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Proposal and Bid Items

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*This form must be completed in **ink** and changes must be **initialed**.*

ITEM NO.	DESCRIPTION OF WORK	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
57	Work as Specified for CPL Station 481+98 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
58	Work as Specified for CPL Station 488+12 – Meter Box	<u>Lump Sum</u> Lump Sum		
59	Work as Specified for CPL Station 496+20 - 8" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
60	Work as Specified for CPL Station 508+94 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
61	Work as Specified for CPL Station 517+10 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
62	Work as Specified for CPL Station 522+95 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
63	Work as Specified for CPL Station 525+85 - 12" Pumpout Riser with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
64	Work as Specified for CPL Station 536+31 - 4" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
65	Work as Specified for CPL Station 552+13 - 12" Pumpout Riser with 12" Plug Valve Assembly	<u>Lump Sum</u> Lump Sum		
66	Work as Specified for CPL Station 567+39 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
67	Work as Specified for CPL Station 584+43 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
68	Work as Specified for CPL Station 599+28 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
69	Work as Specified for CPL Station 618+01 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
70	Work as Specified for CPL Station 631+20 - 8" CARV Assembly	<u>Lump Sum</u> Lump Sum		
71	Work as Specified for CPL Station 636+44 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
72	Work as Specified for CPL Station 658+30 - 8" CARV Assembly	<u>Lump Sum</u> Lump Sum		
73	Work as Specified for CPL Station 659+75 - 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		
74	Work as Specified for CPL Station 661+35 – Post Mounted Test Station	<u>Lump Sum</u> Lump Sum		
75	Work as Specified for CPL Station 665+22 - 6" CARV with 24" Manhole Assembly	<u>Lump Sum</u> Lump Sum		

(Rev. 7/24/19)



REVISED BID FORM NO. 1
Proposal and Bid Items

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*This form must be completed in **ink** and changes must be **initialed**.*

ITEM NO.	DESCRIPTION OF WORK	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
76	Work as Specified for PEP Station 11+75 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
77	Work as Specified for PEP Station 23+22 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
78	Work as Specified for PEP Station 28+30 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
79	Work as Specified for PEP Station 47+40 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
80	Work as Specified for PEP Station 57+60 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
81	Work as Specified for PEP Station 61+90 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
82	Work as Specified for PEP Station 69+90 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
83	Work as Specified for PEP Station 73+70 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
84	Work as Specified for PEP Station 84+90 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
85	Work as Specified for PEP Station 89+75 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
86	Work as Specified for PEP Station 95+00 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
87	Work as Specified for PEP Station 113+50 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
88	Work as Specified for PEP Station 120+46 – 2" ARV Assembly	<u>Lump Sum</u> Lump Sum		
89	Work as Specified for PEP Station 133+70 – 10" CARV Assembly	<u>Lump Sum</u> Lump Sum		
	TOTAL BASE BID			



REVISED BID FORM NO. 1
Proposal and Bid Items

Page 7 of 7

*This form must be completed in **ink** and changes must be **initialed**.*

SECTION B SUPPLEMENTAL BID ITEMS These Bid items may or may not be required. They may be deleted entirely or in part, By deductive change order(s), at the sole discretion of the District.				
ITEM NO.	DESCRIPTION OF ITEM	APPROXIMATE QUANTITY UNIT	UNIT PRICE	TOTAL
90	Carbon Fiber Reinforcement for PCCP – SUPPLEMENTAL WORK	<u>8</u> SECTIONS		
91	Cement Mortaring for Internal Pipeline Repairs – SUPPLEMENTAL WORK	<u>500</u> SQUARE FEET		
92	Welding for Internal Pipeline Repairs – SUPPLEMENTAL WORK	<u>100</u> LINEAR INCHES		
93	Internal Pipeline Debris Removal Work – SUPPLEMENTAL WORK	<u>150</u> CUBIC FET		
94	Internal Pipeline Weko-Seal Installation – SUPPLEMENTAL WORK	<u>5</u> EACH		
95	Additional Potholing to Locate Utilities – SUPPLEMENTAL WORK	<u>10</u> EACH		
96	Professionally Facilitated Project Partnering – SUPPLEMENTAL WORK	FIXED COST	\$25,000.00	\$25,000.00
Section B Subtotal				
TOTAL BID (Section A Subtotal + Section B Subtotal)				

Attachment 2:

Appendix E – County of Santa Clara General Notes

County of Santa Clara General Notes

Erosion and Sediment Control Notes:

1. The Utility Company, their employees, subcontractors, and/or any person performing construction activities shall install and maintain construction Best Management Practices (BMPs) on the project site and within the Santa Clara County Road Right of Way throughout the duration of construction and until the establishment of permanent stabilization and sediment control to prevent the discharge of pollutants including sediment, construction materials, excavated materials, waste materials into the Santa Clara County Road Right of Way, storm sewer waterways, and roadway infrastructure. BMPs shall include, but not be limited to, the following:
 - a. Prevention of pollutants in storm water discharges from the construction site and the contractor's material and equipment laydown/staging areas,
 - b. Prevention of tracking of mud, dirt and construction materials onto public road right of way, and
 - c. Prevention of discharge of water runoff during dry and wet weather conditions onto public road right of way.
2. The Utility Company, their employees, subcontractors, and/or any person performing construction activities shall ensure that all temporary construction facilities, including but not limited to construction materials, deliveries, hazardous and non-hazardous material storage, equipment, tools, portable toilets, concrete washout, garbage containers, laydown yards, secondary containment areas, etc. are located outside the Santa Clara County Road Right of Way.

Permanent Monuments/Monument Preservation Notes:

1. The landowner, contractor and/or any person performing construction activities that will or may disturb an existing monument, corner stake, or any other permanent surveyed monument shall cause to have a licensed land surveyor or civil engineer, authorized to practice surveying, ensure that a corner record and/or record of survey are filed with the County Surveyor's office prior to disturbing said monuments and reset permanent monument(s) in the surface of the new construction or set a witness monument(s) to perpetuate the location if any permanent monument could be destroyed, damaged, covered, disturbed, or otherwise obliterated. The licensed land surveyor or civil engineer shall file a corner record or record of survey with County Surveyor prior to final close-out of the Encroachment Permit by the Roads & Airports inspector.

Improvement Plan Construction Notes:

1. All Work in the County Road Right of Way requires an encroachment permit from the Roads and Airports Department. Each individual activity requires a separate permit – i.e. retaining walls, driveway approaches, temporary construction entrances, fences, landscaping, tree removal, storm drainage improvements, all utility operations (relocations, replacements, abandonments, temporary facilities, and/or new facilities for cable, electric, gas, sewer, water), etc.

Road Operations Notes:

1. There is a 5-yr warranty when the project is completed (Reference to County Ordinance NS-7039, Section B17-36.4). County's Roads Operations Engineering will be the one to determine what constitute failure based on acceptable industry standards including cracks and separation in the

microsurfacing, settlement where the trench repairs took place, damaged pavement edges along the trenches are considered failures.

2. When trenching is to occur on County Maintain Roads, trench plates are to be h-20 load rated, skid resistant, and recessed flush to the existing paved surface. Cut-back and/or cold mix will not be allowed as temporary roadway surface backfill in travelled ways unless prior approval is given.
3. When any pavement restoration at this site must be curb to curb/lane line and Microsurfaced using a Type II slurry mix per county standards, "111-12-.09 Micorsurfacing, Type II", The Micro-surfacing mixture shall be of the proper consistency at all times, so as to provide the application rate required by the surface condition. The average single application rate, as measured by the County, shall be **15 lb/sy(+/-1 lb/sy).**
4. Contractor shall be responsible for restoring pavement to like or better condition. Any striping in County ROW shall be thermoplastic and replaced per existing striping. All vertical asphalt cuts must be tack coated prior to asphalt placement.

Signal and Electrical Operations Notes:

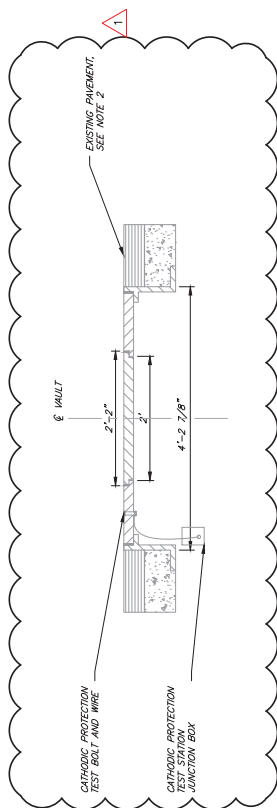
1. Existing County communication and electrical facilities are located in the project area. Communication fiber optic cable damaged by the Contractor's operations shall be temporarily restored and then replaced in accordance with CSS 86.01.06. Damaged fiber optic cable shall be replaced for the entire length between existing end-to-end splices.
2. Any damage to existing electrical or communication system such as loop detectors and fiber optics shall be temporarily restored to full operation or via microwave/video detection immediately and replaced prior to project closure.
3. All design within County's right-of-way shall comply with County standards.
4. Information shown on as-built plans is subject to change. Field-verify and update conductor schedule accordingly. Contractor will be responsible for any damage pertaining to loops/fiber. Contractor needs to replace detection loops within 24 hours if damaged. Contractor needs to provide temporary video detection during the construction period, and call USA before digging.

Attachment 3:

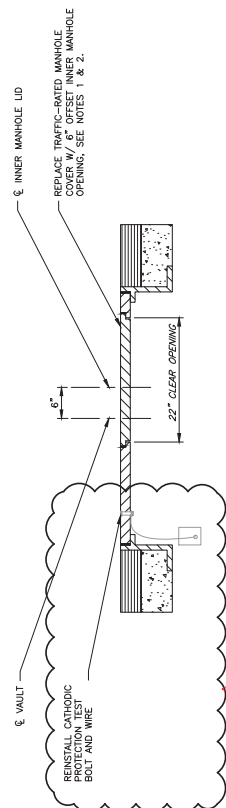
Appendix K – Electrical and Instrumentation Work Roles and Responsibilities

Description of Work	Responsible Party	Specification References
Electrical Service Disconnection at Coyote Blowoff and Lower Los Gatos Turnout	PG&E	N/A
Electrical Isolation/Lockout Tagout at all other sites	Contractor	37.01.1.01.B
Demolish and install new connection wires, cables, conduits, electrical equipment, and instrumentation	Contractor	37.04
Factory testing and field testing of actuators	Actuator Vendor	38.01.3.03.A.1 38.01.3.03.B 38.01.3.03.D
Provide temporary power for field actuator testing	Actuator Vendor	22.04.01.C.9
Connection to terminal of actuators and RTU panel	District Staff	37.01.1.01.B.4
Testing, Calibration, and Commissioning	Contractor	38.17.1.01.B
Electrical Meter Release Notice	District Staff	N/A

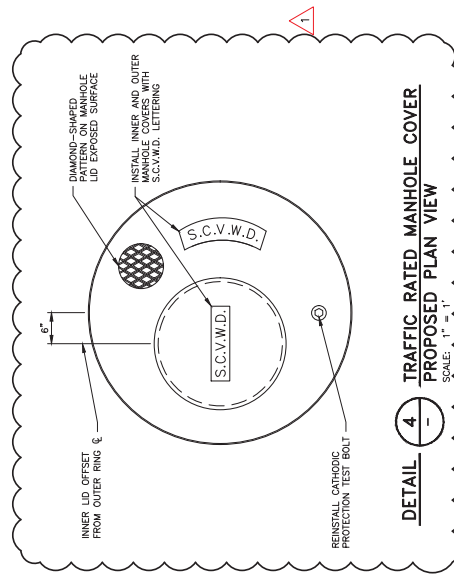
Attachment 4:
Revised Drawings – C-32 to 6E-03



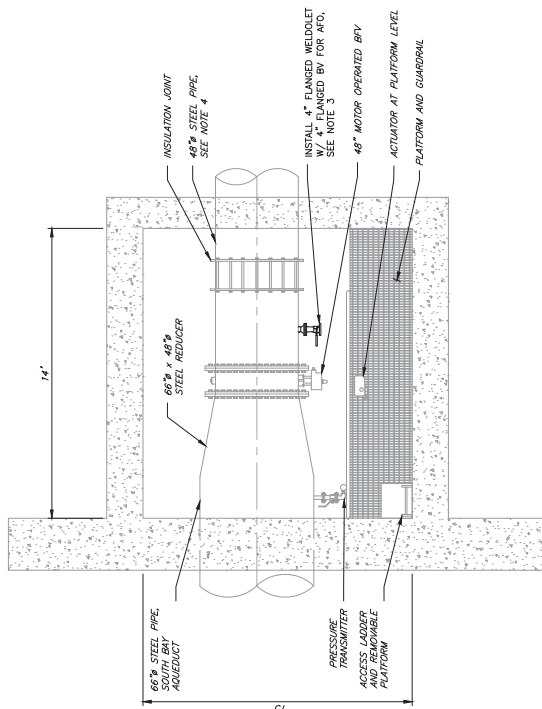
DETAIL 1 - EXISTING TRAFFIC RATED MANHOLE COVER
SCALE: 1" = 1'



DETAIL 2 - TRAFFIC RATED MANHOLE COVER
SCALE: 1" = 1'



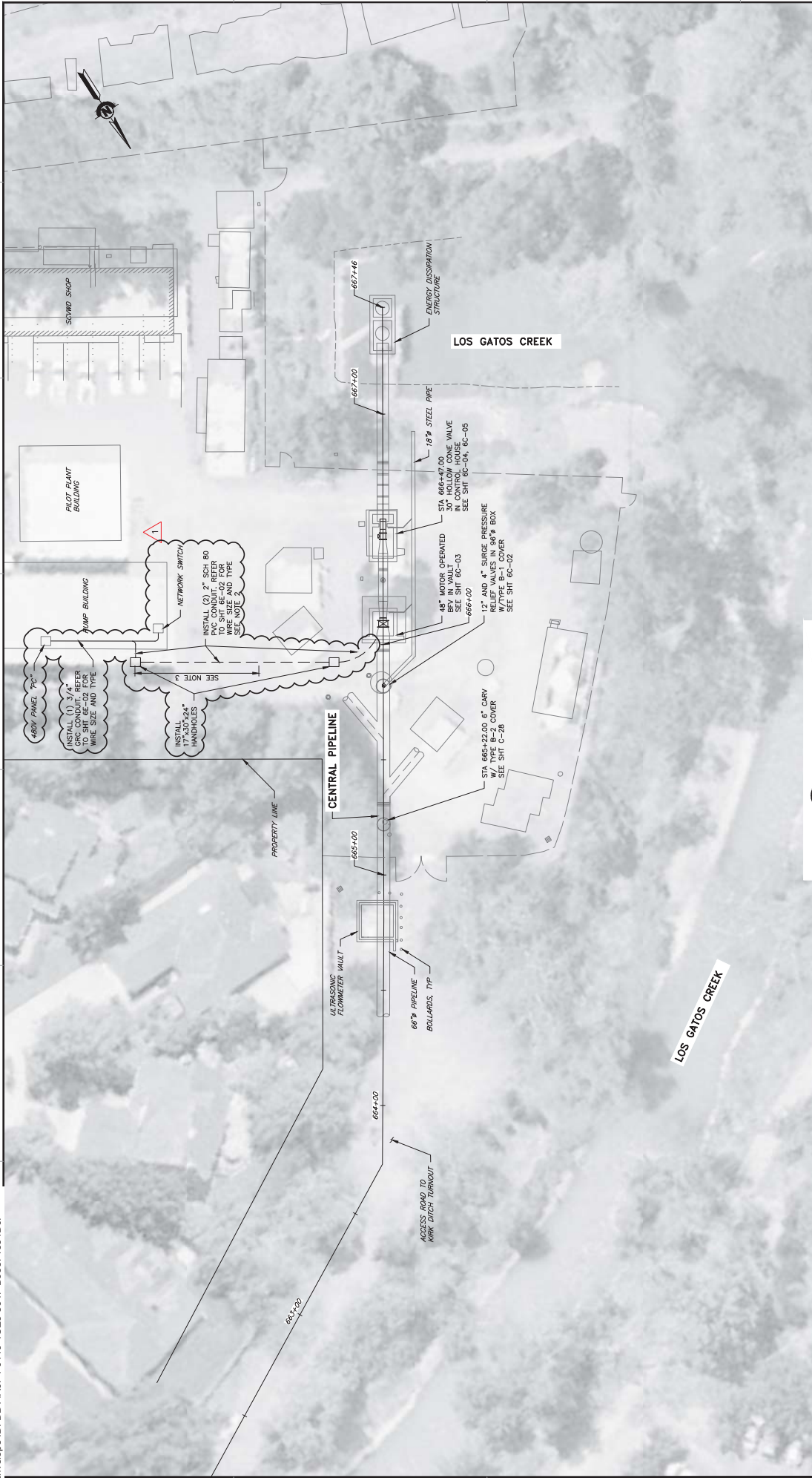
DETAIL 4 - TRAFFIC RATED MANHOLE COVER PROPOSED PLAN VIEW
SCALE: 1" = 1'



DETAIL 3 - EXISTING PIEDMONT VALVE YARD LINE VALVE VAULT
SCALE: 1" = 3'

ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	DATE	DESIGN	ENGINEERING CERTIFICATION	PROJECT NAME AND SHEET DESCRIPTION	SCALE	PROJECT NUMBER
1	ADDITION #1	7/20/20	A.G.	1. REQUIREMENTS: 2. CONTRACTOR SHALL REMOVE EXISTING PAVEMENT AS SHOWN AND REPAIR WITH NEW PAVEMENT TO MEET CITY AND COUNTY STANDARDS. 3. LOCATION OF ASSEMBLY SHALL BE FIELD LOCATED PRIOR TO CONSTRUCTION. 4. PIPE INCREASES TO 66".	5/29/2020	A. GALEGGIO	SEE ORIGINAL "AS-BUILT" DOCUMENTS FOR SIGNATURE AND DATE	CENTRAL PIPELINE REHABILITATION PROJECT	AS SHOWN VERIFY SCALES 0 1" = 10' (FOR VERTICAL DIMENSIONS) 1" = 10' (FOR HORIZONTAL DIMENSIONS) IF NOT ONE INCH ON SCALE, DIMENSIONS SHALL BE ACCORDING TO SCALE	95084002
						A. GALEGGIO		MANHOLE COVER & AFO SPECIAL NOZZLE		C-32
						C. NGUYEN	3/29/2020			43 OF 170

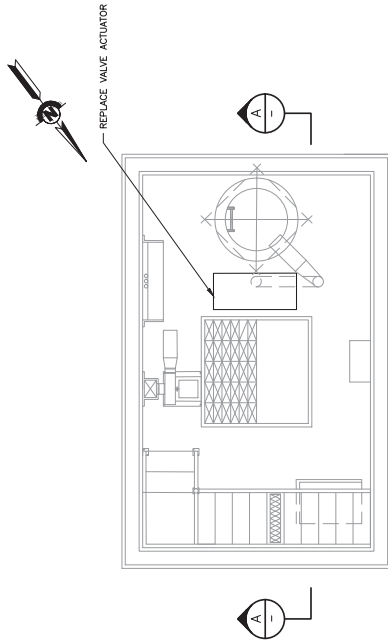


ADDENDUM DRAWING
07-20-2020

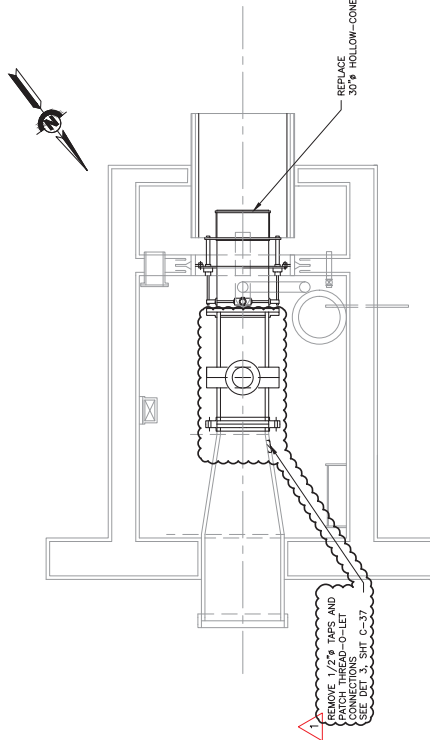
DETAIL 1 VASONA VALVEYARD
SITE PLAN
SCALE: 1" = 20'

REV	DESCRIPTION	DATE	APPROVED	REVISIONS	DATE	ENGINEERING CERTIFICATION	ENGINEERING CERTIFICATION	PROJECT NAME AND SHEET DESCRIPTION	PROJECT NUMBER
1	ADDENDUM #1	7/20/20	A.G.		5/29/2020			CENTRAL PIPELINE REHABILITATION PROJECT	95084002
					DESIGN	J. BAUTISTA		VASONA VALVEYARD	SHEET CODE: 1
					DRAWN	W. GARCIA			6C-01
					CHECKED	C. NGUYEN			SHEET NUMBER: 81 OF 170

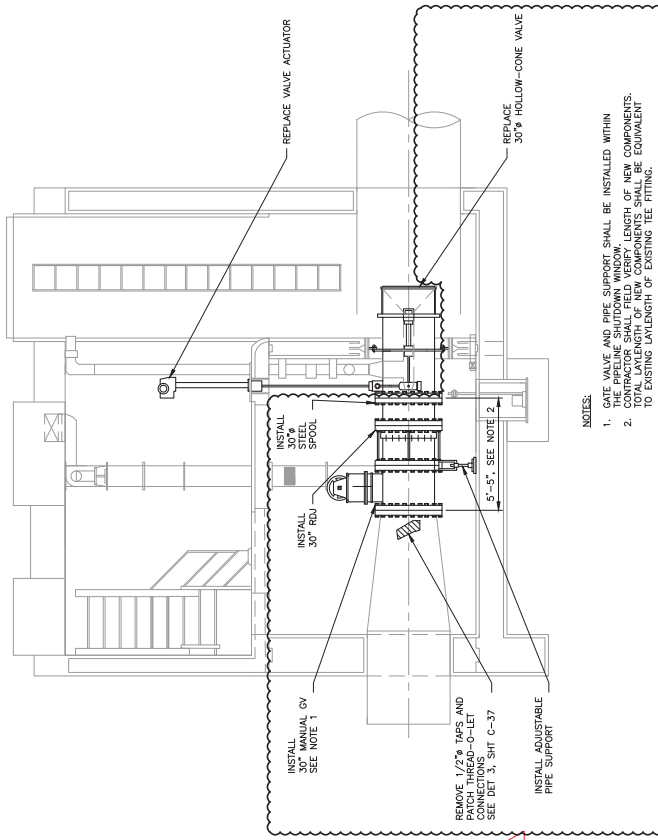




DETAIL 1 PROPOSED 30" CONE VALVE VAULT
TOP SLAB PLAN VIEW
SCALE: 1" = 3'



DETAIL 2 PROPOSED 30" CONE VALVE VAULT
BOTTOM SLAB PLAN VIEW
SCALE: 1" = 3'







SECTION A-A PROPOSED 30" CONE VALVE VAULT
SCALE: 1" = 3'




- NOTES:
1. GATE VALVE AND PIPE SUPPORT SHALL BE INSTALLED WITHIN THE PIPELINE SHUTDOWN WINDOW.
 2. CONTRACTOR SHALL FIELD VERIFY LENGTH OF NEW COMPONENTS. NEW COMPONENTS SHALL BE INSTALLED TO MATCH EXISTING TO EXISTING LENGTH OF EXISTING TEE FITTING.

ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	DATE	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	SCALE	PROJECT NUMBER
1	ADDENDUM #1	7/20/20	A.G.		5/29/2020	DATE DESIGN J. GONG DRAWN J. GONG CHECKED C. NGUYEN	ENGINEERING CERTIFICATION SEE ORIGINAL "SEAL AND SIGNATURE" DOCUMENTS FOR SIGNATURE AND DATE 3/29/2020 PROJECT ENGINEER DATE	CENTRAL PIPELINE REHABILITATION PROJECT PROPOSED VASONA VALVEYARD 30" EMO CONE VALVE & CONTROL HOUSE	AS SHOWN VERIFY SCALES 0 1" 2" BASED ON THE FOLLOWING: IF NOT ONE INCH ON SCALE, VERIFY SCALES ADDERMANN	95084002 SHEET CODE: 1 6C-05 SHEET NUMBER: 85 OF 170

ELECTRICAL SYMBOLS

 NEW CONDUIT
 EXISTING CONDUIT
 UNDERGROUND CONDUIT
 DENOTES EQUIPMENT FOR DEMOLITION

 NEW CONDUIT
 EXISTING CONDUIT
 UNDERGROUND CONDUIT
 DENOTES EQUIPMENT FOR DEMOLITION

GENERAL NOTES:

1. REFER TO C AND SP SHEETS FOR EXACT DIMENSIONS.
2. NEW WORK IS SHOWN AS DARK/ROD. EXISTING IS SHOWN AS GRAY.
3. ALL BUTT JOINTS IN PIPES/DRUMS IS APPROXIMATE.
4. ALL UNITS NOTED EXISTING AS EXISTING SHALL BE REUSED UNLESS OTHERWISE NOTED. EXISTING CONDUIT SHALL BE REMOVED AND REPLACED WITH NEW CONDUIT TO MAINTAIN THE SAME TYPE AND TYPE OF NEW CONDUIT AND WIRE SCHEDULE FOR SIZE AND TYPE OF NEW EQUIPMENT.
5. VERIFY EXISTING CONDUIT AS NECESSARY TO MAKE CONNECTION TO NEW EQUIPMENT.
6. ALL EXISTING CONDUIT SHALL BE REMOVED.
7. REFER TO SPECIFICATIONS FOR EXACT PRODUCT INFORMATION.
8. VERIFY EXISTING CONDUIT LOCATIONS FOR EXISTING UNDERGROUND UTILITIES BEFORE DIGGING AND NOTED 5" MIN. INDICATED TO BE REPLACED.
9. CONTRACTOR SHALL FIELD VERIFY EXISTING PANELBOARD SCHEDULE PRIOR TO BEING ORDERED.
10. MAKE (USING PVC) CEMENT RIGID METAL CONDUIT.

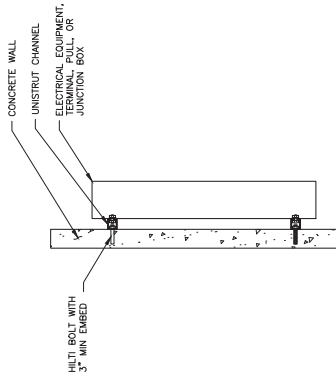
7. REFER TO C AND SP SHEETS FOR EXACT DIMENSIONS.
8. NEW WORK IS SHOWN AS DARK-BOLD, EXISTING IS SHOWN AS LIGHT-BOLD.
9. CONDUIT ROUTING SHOWN IN DRAWINGS IS APPROXIMATE. LESS THAN ONE FOOT OF CONDUIT SHALL BE REMOVED OR RELOCATED WITHOUT A CHANGE ORDER. OTHERWISE NOTED, REMOVE OR REPLACE WITH SAME SIZE AND TYPE OF NEW CONDUCTORS.
10. CONDUITS SHALL BE INSTALLED AS NECESSARY TO MAKE CONNECTION TO NEW EQUIPMENT.
11. EQUIPMENT IDENTIFIED FOR DEMOLITION SHALL BE REMOVED PRIOR TO THE START OF CONSTRUCTION.
12. REFER TO SPECIFICATIONS FOR EXACT PRODUCT INFORMATION, MANUFACTURER'S DATA, AND LOCATIONS OF EXISTING UNDERGROUND UTILITIES BEFORE BEGINNING WORK.
13. DOGS AND NOTIFY 511C.
14. CONTRACTOR SHALL FIELD VERIFY EXISTING PANELBOARD LOCATION AND DEPTH.
15. SCHEDULED TIME TO BEPANEL SHALL BE 1 DAY.
16. ALL WIRING SHALL BE MADE USING PVC COATED RIGID METAL CONDUIT.

SA	SURGE ARRESTER
SD	SHUTDOWN
SE	SEALING CASE
SG	SURFACE MOUNT
SI	SINGLE POLE
SP	SPECIFICATIONS
SSPT	SINGLE POLE, STATION STEEL
SSSC	STATION STEEL
ST	STAINLESS STEEL
TS	TWISTED PAIR
SWD	SWITCHBOARD
SY	SYMMETRICAL
TEST BLOCK	
TD	TIME DELAY RELAY
TEDR	TEMPERATURE DETERMINING
THN	THERM PLASTIC,
	HEAT RESISTANT,
	NYLON COATED
TRANSFORMER	
TRSP	TRANSFORMER SWITCH
TSB	TWISTED SHIELDED PAIR
TT	TELEPHONE TERMINAL
TVS	TRANSIENT VOLTAGE
VS	VOLTAIC SUPPLY
VSUP	SURGE SUPPRESSOR
	TRAP
VP	VARIABLE FREQUENCY
VR	VIBRATION SYSTEM
VSCH	VIBRATION SWITCH, HIGH-WARNING
VSH	VIBRATION SWITCH, LOW-WARNING
VSR	VOLTAGE REGULATOR
	WIRE WANTS
WA	WESTERN AREA
WP	POWER ADMINISTRATION
WT	WEATHER LOG
WMTH	WEATHER STATION
WNR	WINDMILL
	IMPEDANCE
Z	
3P	THREE POLE
3W	THREE WIRE
4W	FOUR WIRE
	POUND, NUMBER

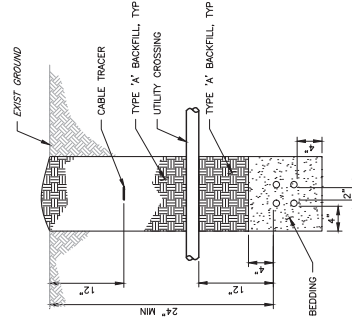
1. THIS DRAWING CONTAINS STANDARD SYMBOLS AND ABBREVIATIONS. NOT ALL SYMBOLS AND ABBREVIATIONS SHOWN ARE USED ON THIS PROJECT.

ADDENDA DRAWING
07-20-2020

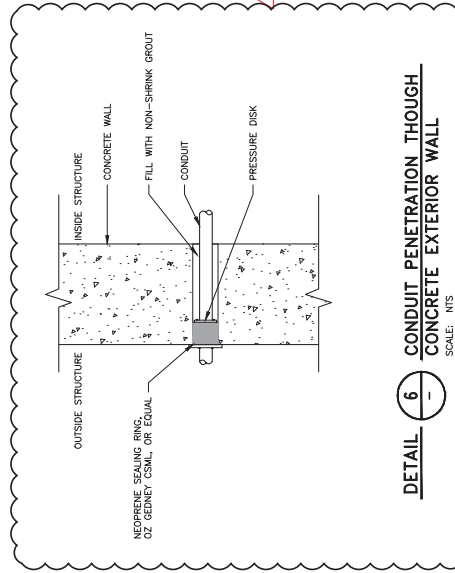
REV	DESCRIPTION	DATE APPR	REFERENCE INFORMATION AND NOTES	DATE	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	PROJECT NUMBER
1	ADDENDUM #1	7/2/20 A.G.		5/29/2020 PROJECT M. CALLEGOS DRAWN A. CALLEGOS CHECKED R. RAMIREZ	 <p>SEE ORIGINAL "AS-BID" DOCUMENTS FOR SHEET INFORMATION</p>		<p>CENTRAL PIPELINE REHABILITATION PROJECT</p> <p>ELECTRICAL PLANS TABLE OF CONTENTS AND GENERAL NOTES</p>	<p>SCALE AS SHOWN</p> <p>VERIFY SCALES 0" = 1' - 0" ON BAG IS ONE INCH ON ORIGINAL DRAWING THIS SHEET IS A JOINT DRAWING OF SHEET 86 OF 170</p> <p>PROJECT NUMBER 95084002</p> <p>SHEET NUMBER E-01</p>



DETAIL  ELECTRICAL EQUIPMENT WALL MOUNTING
SCALE: NTS



DETAIL **5** **ELECTRICAL TRENCH IN UNPAVED AREA**
SCALE: NTS

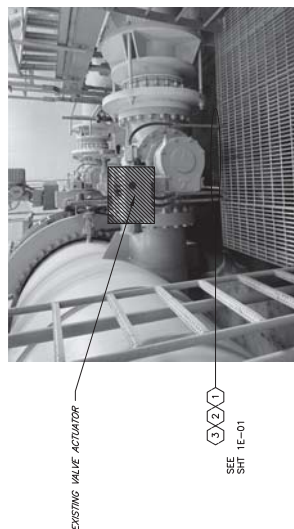


DETAIL 6 CONDUIT PENETRATION THROUGH
CONCRETE EXTERIOR WALL
SCALE: NTS

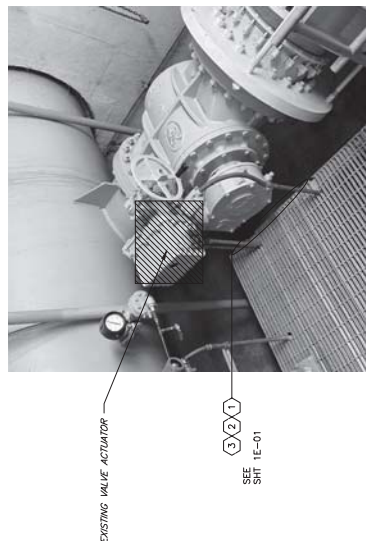
ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE APPR	DATE	REFERENCE INFORMATION AND NOTES	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION:	SCALE	PROJECT NUMBER
1	ADDENDUM #1	7/9/20	A.C.		<div><div>DATE: 5/15/2020</div><div>BY: M. CALLEJOS</div><div>DRAWN: A. CALLEJOS</div><div>CHECKED: R. RAMIREZ</div></div> <div><div>SEE ORIGINAL "AS-BID" DOCUMENTS FOR SPECIFICATIONS</div><div></div></div>	<div></div> <div><h1>CENTRAL PIPELINE REHABILITATION PROJECT</h1><h2>GENERAL ELECTRICAL DETAILS</h2></div>	<div>AS SHOWN</div> <div>VERIFY SCALES</div> <div>0' 1"</div> <div>BARS ARE ONE INCH ON CENTER UNLESS NOTED OTHERWISE. DIMENSIONS IF NOT NOTED, ASSUMED TO BE IN FEET AND INCHES.</div>	<div>SHEET CODE: A</div> <div>E-02</div> <div>SHEET NUMBER: 87 OF 170</div>	

DETAIL 1 GUADALUPE LINE VALVE VAULT
- 24" BLOWOFF BUTTERFLY VALVE ACTUATOR
SCALE: NTS



DETAIL 2 GUADALUPE LINE VALVE VAULT
24" WEST BUTTERFLY VALVE ACTUATOR
SCALE: NTS



DETAIL 4 GUADALUPE LINE VALVE VAULT
24" EAST BUTTERFLY VALVE ACTUATOR
SCALE: NTS

PANEL ID: PANEL A									
LOCATION: GUADALUPE LINE VALVE VAULT									
CAPACITY: 3# 4W DELTA, B HIGH									
VOLTAGE: 240/120V									
100 AMPS									
MAIN:									
DESCRIPTION	KVA	POLE	A/P	C/T	A	B	C	POLE	DESCRIPTION
1# 50" LINE VALVE	3.15	X	X	2	15	3			EAST BAYPASS VALVE
2# 50" LINE VALVE	3.15	X	X	2	15	3			
3# 50" LINE VALVE	3.15	X	X	2	15	3			
4# 50" LINE VALVE	3.15	X	X	6	15	3			
5# 50" LINE VALVE	3.15	X	X	6	15	3			WEST BAYPASS VALVE
6# 50" LINE VALVE	3.15	X	X	8	15	3			
7# 50" LINE VALVE	3.15	X	X	10	15	3			
8# 50" LINE VALVE	3.15	X	X	10	15	3			
9# 50" LINE VALVE	3.15	X	X	10	15	3			
10# 50" LINE VALVE	3.15	X	X	14	20	1			RECEPIGLES
11# 50" LINE VALVE	3.15	X	X	14	20	1			
12# 50" LINE VALVE	3.15	X	X	16					NOT USABLE
13# 50" LINE VALVE	3.15	X	X	18	20	1			PISTON COORD CENTER 103
14# 50" LINE VALVE	3.15	X	X	20	19	X			NOT USABLE
15# 50" LINE VALVE	3.15	X	X	20	21	X			NOT USABLE
16# 50" LINE VALVE	3.15	X	X	24	15	1			BATTERY CHARGER
17# 50" LINE VALVE	3.15	X	X	30	25	X			SPARE
18# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
19# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
20# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
21# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
22# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
23# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
24# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
25# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
26# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
27# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
28# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
29# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
30# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
31# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
32# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
33# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
34# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
35# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
36# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
37# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
38# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
39# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
40# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
41# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
42# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
43# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
44# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE
45# 50" LINE VALVE	3.15	X	X	30	25	X			NOT USABLE

DETAIL 3 GUADALUPE LINE VALVE VAULT
66³⁹ LINE BUTTERFLY VALVE ACTUATOR
SCALE: NTS

REV	DESCRIPTION	DATE	BY	REFERENCE INFORMATION AND NOTES	DATE	BY	ENGINEERING CERTIFICATION	<div>SANTA CLARA VALLEY WATER DISTRICT</div> <div></div>	PROJECT NAME AND SHEET DESCRIPTION:	SCALE	PROJECT NUMBER
1	ADDENDUM #1	7/9/20	A.G.		5/5/2020	M. COWELL	SEE ORIGINAL "AS-BUILT" DRAWING FOR SCHEDULE AND DETAILS		CENTRAL PIPELINE REHABILITATION PROJECT	AS SHOWN	90044002
						BROWN				VERIFY SCALES	SHEET CODE: 1E-02
						A. CALLEGOS				0" = 1"	
						CHECKED				BAR IS ONE INCH ON	
						R. RAMIREZ	PROJECT ENGINEER			" IF NOT ONE INCH ON	
							DATE			SCALE IS INDICATED	
							5/5/2020			SHEET NUMBER: 89 OF 170	



SEE NOTE 4
SEE DETAIL 6,
SHEET E-02

SEE NOTE 7
SEE DETAIL 6,
SHEET E-02

1

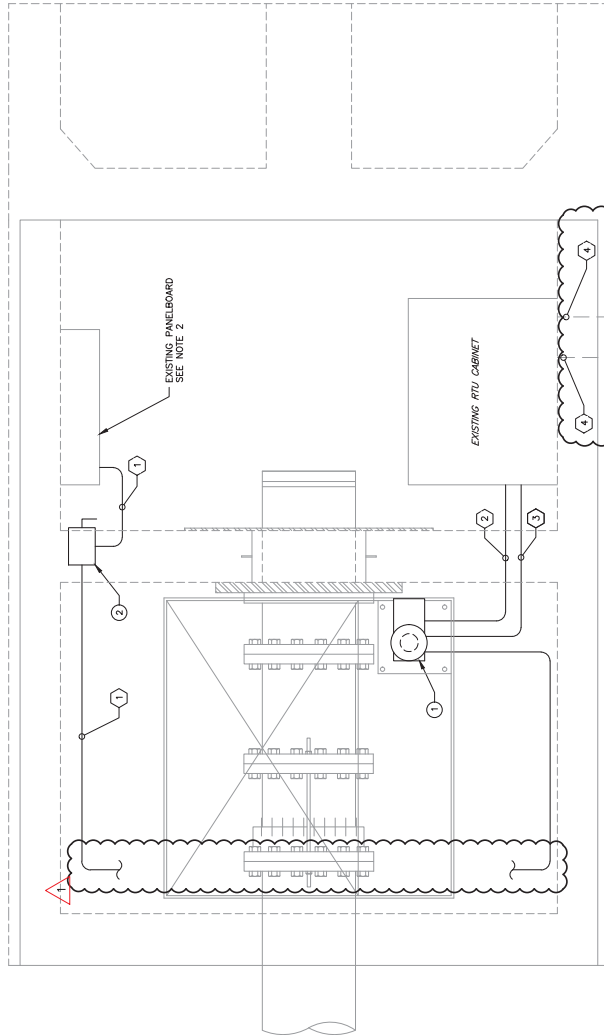
SEE NOTE 5

GENERAL NOTE:
1. CONTRACTOR SHALL ADJUST ELECTRICAL SERVICE INSTALLATION TO COMPLY WITH PG&E REQUIREMENTS. ELECTRICAL WORK FROM THE PG&E TRANSFORMER TO THE ELECTRIC METER SHALL COMPLY WITH THE PG&E GREENBOOK REQUIREMENTS.

1. DEMO EXISTING PANELBOARD AND REPLACE WITH NEW. EXISTING WIRING NOT LISTED IN CONDUIT AND CABLE SCHEDULE. CONTRACTOR SHALL VERIFY ALL EXISTING WIRING IS PROPERLY IDENTIFIED AND NECESSARY TO MAKE CONNECTION TO NEW PANELBOARD WHICH LED IN EXISTING INSTALLATION IS ON "C" PHASE. CONTRACTOR SHALL RECONFIGURE NEW INSTALLATION TO MAKE "B" PHASE HIGH LEG. CONTRACTOR SHALL VERIFY ALL EXISTING WIRING IS PROPERLY IDENTIFIED AND NECESSARY TO MAKE CONNECTION TO NEW PANELBOARD WHICH LED IN EXISTING INSTALLATION IS ON "C" PHASE.
2. NEW PACEWAY AS INDICATED, FOLLOWING THE EXISTING PATHWAY. CONTRACTOR SHALL BURY CONDUIT WHERE THE EXISTING TRANSITION TO BELOW GRADE OCCURS. SEE DETAIL 4-2E-02. ENSURE CONTRACTOR SHALL REMOVE EXISTING CONDUITORS AND EXISTING SWITCH IN VALVE ACTUATOR PIT.
3. EXTEND EXISTING CONDUIT AS NECESSARY TO MAKE FINAL CONNECTION TO VALVE ACTUATOR. CONTRACTOR SHALL VERIFY ALL EXISTING WIRING IS PROPERLY IDENTIFIED AND NECESSARY TO MAKE CONNECTION TO NEW VALVE ACTUATOR.
4. PROVIDE AND INSTALL NEW PRECAST CONCRETE WALL CONTAINING GROUND ROD.
5. EXISTING VALVE ACTUATOR SHALL BE REMOVED AND REPLACED WITH NEW.
6. EXISTING VALVE ACTUATOR SHALL BE REMOVED AND REPLACED WITH NEW.

64627

Attachment 1



DETAIL 1
PAGE DITCH TURNOUT
ELECTRICAL PLAN
SCALE: NTS

MATERIAL LIST	
REV	DESCRIPTION
1	18" TURNOUT VALVE ACTUATOR
2	30A NON-FUSED VALVE ACTUATOR DISCONNECT SWITCH

CONDUIT AND WIRE SCHEDULE				
#	SIZE	TYPE	WIRE	REMARKS
1	3/4"	PWR	3#12+1#2G	GRC
2	1"	CTRL	12#14 MTW	GRC
3	3/4"	PWR	1#6 TSP	GRC
4		CTRL	1#6 TSP	



DETAIL 2
PAGE DITCH TURNOUT
VALVE ACTUATOR
SCALE: NTS

NOTES:
1. DEMO EXISTING VALVE ACTUATOR AND REPLACE WITH NEW. DEMO EXISTING CONDUIT AND REPLACE WITH NEW. DEMO EXISTING CIRCUIT BREAKER IN PANELBOARD FOR VALVE ACTUATOR POWER CIRCUIT.
2. REUSE EXISTING CIRCUIT BREAKER IN PANELBOARD FOR VALVE ACTUATOR POWER CIRCUIT.

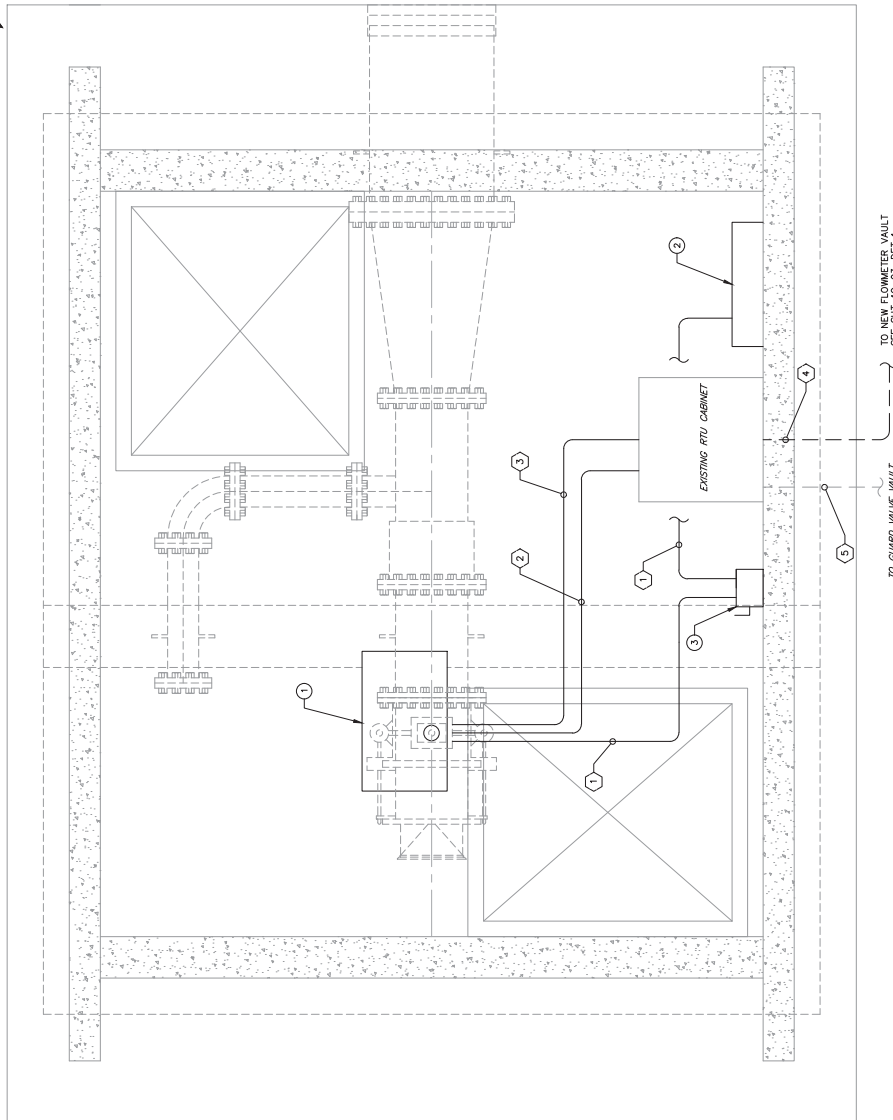
ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	DATE	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	SCALE	PROJECT NUMBER
1	ADDENDUM #1	7/20/20	A.G.		5/29/2020	DESIGN M. CAVALLERO DRAWN A. GALLEGO CHECKED R. RAMIREZ	SEE ORIGINAL "18-00" DOCUMENTS FOR SIGNATURE AND DATE	CENTRAL PIPELINE REHABILITATION PROJECT	AS SHOWN	95084002
								PAGE DITCH T/O (PDT) ELECTRICAL PLAN	VERIFY SCALES 0 1" 1"	3E-01
									BASED ON FIELD PHOTOGRAPH OF EXISTING CONDITIONS. IF NOT ONE INCH ON SCALE, SCALES ACCORDINGLY.	SHEET NUMBER: 92 OF 170



CONDUIT AND WIRE SCHEDULE					
④	SIZE	TYPE	WIRE	CONDUIT	REMARKS
①	3/4"	PWR	3#12-#10 THWN	GRG	SEE NOTES 2 AND 3
②	3/4"	CTRL	12#14 MTW	GRG	SEE NOTES 2 AND 3
③	3/4"	CTRL	1#16 TSP	GRG	SEE NOTES 2 AND 3
④	1"	CTRL	1#16 TSP	SPH 80 PVC	SEE NOTE 5, SEE DETAIL 6, SHEET E-09
⑤		CTRL	1#16 TSP		

MATERIAL LIST		
④	DESCRIPTION	REMARKS
①	14" THROUOUT VALVE ACTUATOR	
②	PANLEBOARD	SEE NOTE 1
③	30A NON-FLRSED VALVE ACTUATOR DISCONNECT SWITCH	SEE NOTE 3, SEE DETAIL 2 SHEET E-02



NOTES:

1. **EXISTING PANELBOARD AND REPLACE WITH NEW. EXISTING WIRING SHALL BE TERMINATED AFTER REPLACEMENT. NEW EXISTING CONDUIT AS NECESSARY TO MAKE CONNECTION WITH NEW PANELBOARD. EXISTING PANELBOARD IS MOVED FROM UPSTREAM PANEL LOCATED OUTSIDE OF KIRK DITCH BLOCKHOUSE. HIGH LEG IN EXISTING INSTALLATION IS ON "C" PHASE. CONTRACTOR SHALL RECONFIGURE NEW INSTALLATION TO BE "B" PHASE HIGH LEG.**
2. **CONDUCTOR AND WIRE SCHEDULE SEE DETAILS 1 AND 2 SHEET 4E-02. ACTUATOR AND REPLACE WITH NEW AS INDICATED IN SHEET 4E-02.**
3. **SUPPORT CONDUIT TO VALVE ACTUATOR ALONG ROOF STRUCTURAL MEMBERS. EXISTING UNISUPTR SUPPORT MAY BE REUSED IF IT IS IN GOOD CONDITION. NEW UNISUPTR SUPPORT IS REQUIRED.**
4. **SEE DETAILS 4 AND 5 SHEET F-02 FOR NEW ELECTRICAL TRUNK RENEW.**

DETAIL

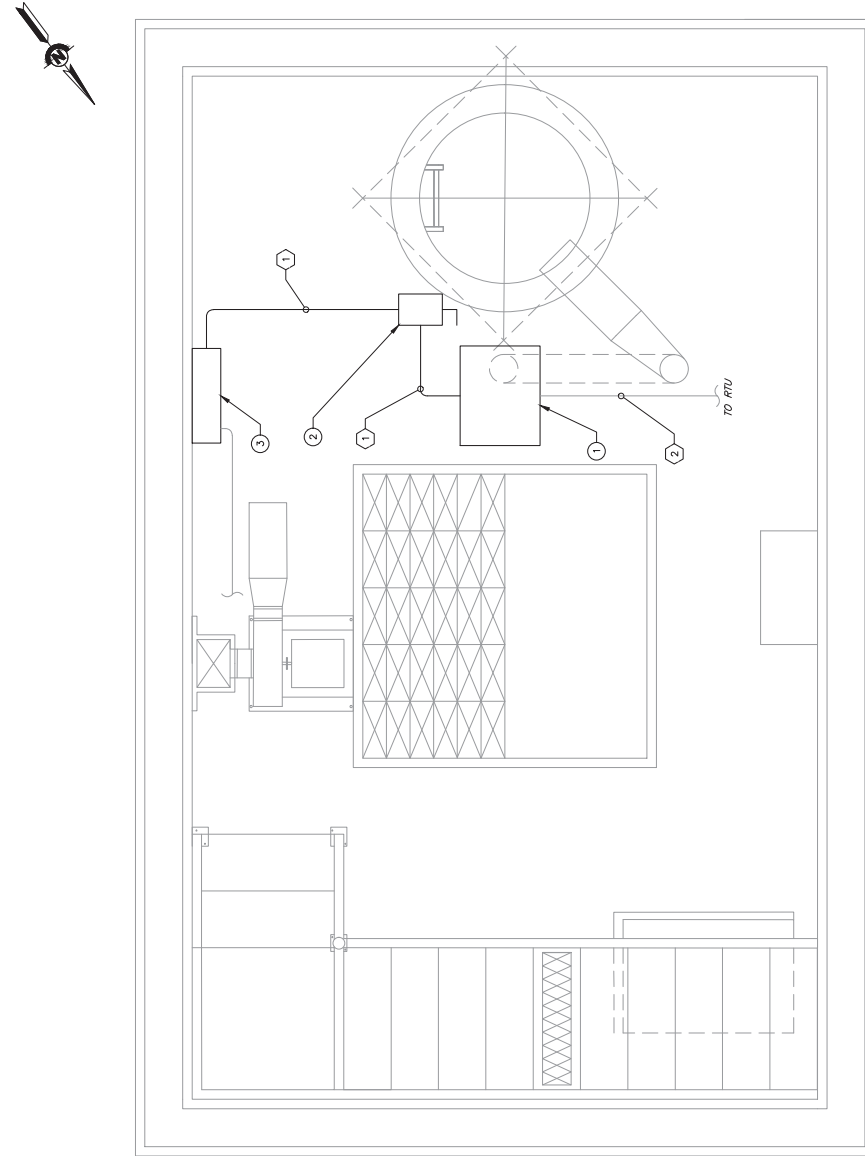
1
-

 EXISTING CONTROL HOUSE
ELECTRICAL PLAN VIEW

SCALE: NTS

ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	PROJECT NUMBER	
1	ADDENDUM #1	5/29/2020	A.G.		<div>DATE: 5/29/2020 BY: M. CALLEJOS CHECKED: A. GALLEZOS PROJECT ENGINEER: R. RAMIREZ DATE: 5/29/2020</div> <div>SEE ORIGINAL "AS-BID" DOCUMENTS FOR SHEET 4E-01 OF 170 SHEETS</div>		<div>CENTRAL PIPELINE REHABILITATION PROJECT</div> <div>KIRK DITCH TURNOUT ELECTRICAL PLAN</div>	<div>SCALE: AS SHOWN</div> <div>SHEET CODE: A</div> <div>VERIFY SCALES: 0 1" = 10'</div> <div>THIS DRAWING IS ONE OF SEVERAL SHEETS OF A PROJECT. SEE THE PROJECT MANUAL FOR THE COMPLETE LIST OF SHEETS.</div>	95084002 4E-01 93 OF 170



DETAIL 1 EXISTING 30" CONE VALVE VAULT
ELECTRICAL PLAN VIEW
SCALE: NTS

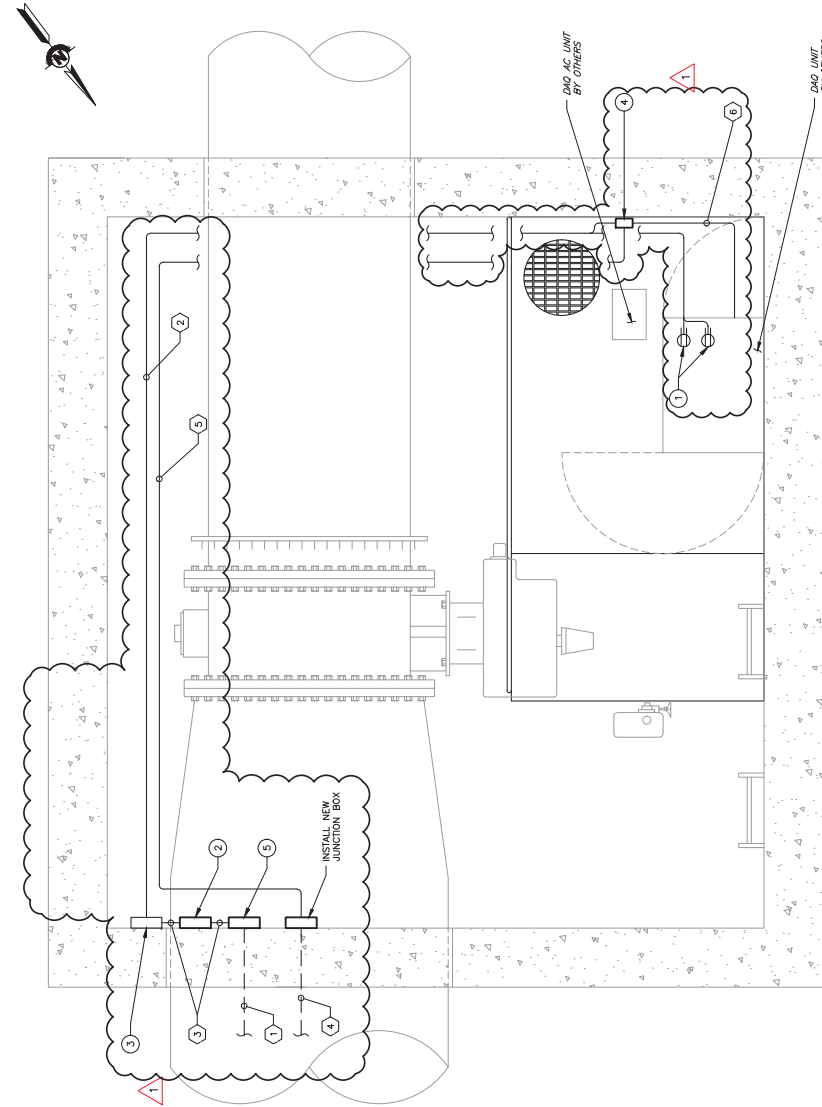
CONDUIT AND WIRE SCHEDULE				
#	SIZE	TYPE	WIRE	CONDUIT
1	3/4"	PWR	3#12+1#12G THWN	GRC
2	1"	CTRL	12#14 MTW 1#6 TSP	GRC

MATERIAL LIST	
#	DESCRIPTION
1	VALVE ACTUATOR
2	30A NON-FUSED VALVE ACTUATOR DISCONNECT SWITCH
3	PANELBOARD

NOTE:
1. REMOVE EXISTING PANELBOARD AND REPLACE WITH NEW EXISTING WIRING SHALL BE RE-TERMINATED AFTER REPLACEMENT.

ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	DATE	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	SCALE	PROJECT NUMBER
1	ADDENDUM #1	7/20/20	A.G.		5/29/2020	SEE ORIGINAL "AS-BUILT" DOCUMENTS FOR SIGNATURE AND DATE	Valley Water	CENTRAL PIPELINE REHABILITATION PROJECT VASONA VALVEYARD 30" EMO ELECTRICAL PLAN VIEW AND CONDUIT AND WIRE SCHEDULE	AS SHOWN VERIFY SCALES 0 1" = 10'-0" IF NOT ONE INCH ON DRAWING, SCALE ACCORDINGLY	95084002
										6E-01 SHEET NUMBER: 97 OF 170



DETAIL 1 LINE VALVE VAULT ELECTRICAL PLAN VIEW
SCALE: NTS

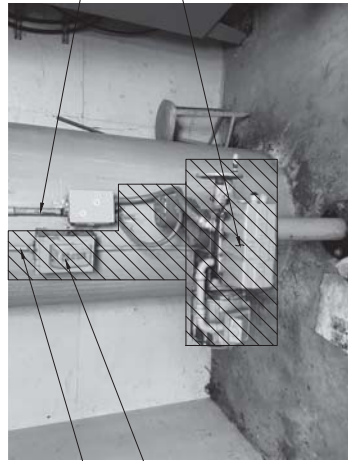
CONDUIT AND WIRE SCHEDULE				
#	SIZE	TYPE	WIRE	REMARKS
1	2"	PWR	3#12+1#12 THHN	SCH 80 PVC SEE NOTE 3
2	3/4"	PWR	6#12+1#12 THHN	GRC
3	3/4"	PWR	3#10+1#10 THHN	GRC SEE NOTE 1
4	2"		12 STRAND SINGLE MODE FIBER OPTIC	SCH 80 PVC SEE NOTE 3
5	1"		12 STRAND SINGLE MODE FIBER OPTIC	GRC SEE NOTE 3
6	3/4"		CAT 6E ETHERNET	GRC

MATERIAL LIST	
#	DESCRIPTION
1	(2) 120V SINGLE OUTLET SEE NOTE 4
2	480V-208V/120V 10KVA TRANSFORMER
3	PANELBOARD
4	24"x24"x12" NEMA 4 ENCLOSURE
5	60A NON-FUSED DISCONNECT SWITCH SEE NOTE 4

- NOTES:
1. INSTALL NEW 3P 15A CIRCUIT BREAKER IN 480/277V PANEL "PC" FOR NEW SUBPANEL IN LINE VALVE VAULT. SEE GC-01 FOR PANEL "PC" LOCATION.
 2. NEW WIRE SHALL BE INSTALLED WITHIN 18" OF THE EXISTING CONDUIT AND BE PROTECTED WITH DISTRICT IT STAFF FOR PROTECTION OF ASSETS. PREPARED NETWORKS AND CABLES SHALL BE INSTALLED WITHIN 18" OF THE EXISTING CONDUIT AND BE PROTECTED WITH DISTRICT IT STAFF FOR PROTECTION OF ASSETS. PREPARED NETWORKS AND CABLES SHALL BE INSTALLED WITHIN 18" OF THE EXISTING CONDUIT AND BE PROTECTED WITH DISTRICT IT STAFF FOR PROTECTION OF ASSETS.
 3. INSTALL ALL TERMINATIONS AND CABLES FOR COMPLETE NETWORK COMMUNICATIONS. ENSURE FIBER OPTIC CABLE BEND RADIUS IS NOT EXCEEDED. SEE GC-01 FOR CONTINUATION.
 4. INSTALL (2) 120V OUTLETS WITHIN DAQ UNIT ENCLOSURE FOR DAQ UNIT AND DAQ AC UNIT.

ADDENDA DRAWING
07-20-2020

REV	DESCRIPTION	DATE	APPROVED	REFERENCE INFORMATION AND NOTES	ENGINEERING CERTIFICATION	SANTA CLARA VALLEY WATER DISTRICT	PROJECT NAME AND SHEET DESCRIPTION	SCALE	PROJECT NUMBER
1	ADDENDUM #1	5/29/2020	DESIGN M. CAVALLERO DRAWN A. GALLEGO CHECKED R. RAMIREZ	DATE 5/29/2020	SEE ORIGINAL "16-00" FOR DOCUMENTS FOR SIGNATURE AND DATE		CENTRAL PIPELINE REHABILITATION PROJECT VASONA VALLEY 48" BFV VAULT ELECTRICAL PLAN AND CONDUIT AND WIRE SCHEDULE	AS SHOWN VERIFY SCALES 0 1" = 1' 0"	95084002
									SHEET CODE 6E-02
									SHEET NUMBER 98 OF 170




DETAIL 2 30" CONE VALVE VAULT
- EXISTING VALVE ACTUATOR
SCALE: NTS

PANEL ID: LINE VALVE VAULT PANELBOARD									
LOCATION: VASNOVA LINE VALVE VAULT					KACB RATING: 22 KACB				
VOLTAGE: 208Y/120V					CAPACITY: 60 AMPS				
MAIN:					40 AMPS				
DISC	UNIT	RECEPTACLE	KVA	POLE	AMP	CNT	A	B	C
1	20	1	X	2					
2	20	3	X	4					
3	20	3	X	4					
4	20	3	X	4					
5	20	3	X	4					
6	20	3	X	4					
7	20	3	X	4					
8	20	3	X	4					
9	20	3	X	4					
10	20	3	X	4					
11	20	3	X	4					
12	20	3	X	4					
13	20	3	X	4					
14	20	3	X	4					
15	20	3	X	4					
16	20	3	X	4					
17	20	3	X	4					
18	20	3	X	4					
19	20	3	X	4					
20	20	3	X	4					
21	20	3	X	4					
22	20	3	X	4					
23	20	3	X	4					
24	20	3	X	4					
25	20	3	X	4					
26	20	3	X	4					
27	20	3	X	4					
28	20	3	X	4					

PANEL ID: LINE VALVE VAULT PANELBOARD									
LOCATION: VASNOVA LINE VALVE VAULT					KACB RATING: 22 KACB				
VOLTAGE: 208Y/120V					CAPACITY: 60 AMPS				
MAIN:					40 AMPS				
DISC	UNIT	RECEPTACLE	KVA	POLE	AMP	CNT	A	B	C
1	20	1	X	2					
2	20	3	X	4					
3	20	3	X	4					
4	20	3	X	4					
5	20	3	X	4					
6	20	3	X	4					
7	20	3	X	4					
8	20	3	X	4					
9	20	3	X	4					
10	20	3	X	4					
11	20	3	X	4					
12	20	3	X	4					
13	20	3	X	4					
14	20	3	X	4					
15	20	3	X	4					
16	20	3	X	4					
17	20	3	X	4					
18	20	3	X	4					
19	20	3	X	4					
20	20	3	X	4					
21	20	3	X	4					
22	20	3	X	4					
23	20	3	X	4					
24	20	3	X	4					
25	20	3	X	4					
26	20	3	X	4					
27	20	3	X	4					
28	20	3	X	4					

ADDENDA DRAWING
07-20-2020

SCALE AS SHOWN	PROJECT NUMBER 95084002
VERIFY SCALES  0 1" BAR IS ONE INCH ON ORIGINAL DRAWING IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY	SHEET CODE: 1 6E-03 SHEET NUMBER: 99 OF 170

NAME AND SHEET DESCRIPTION:



CLARA VALLEY WATER DISTRICT

ENGINEERING CERTIFICATION

SEE ORIGINAL "AS-BID"
DOCUMENTS FOR
SIGNATURE AND DATE

PROJECT ENGINEER DATE 5/29/2020

DATE	5/29/2020
DESIGN	M. CAVALERO
DRAWN	A. GALLEGOS
CHECKED	R. RAMIREZ

DATE	APPR	REFERENCE INFORMATION AND NOTES
7/20/20	A.G.	

REV	DESCRIPTION
1	ADDENDUM #1

Attachment 5:
Kirk Ditch 14" Cone Valve Vault and
Vasona Valve Yard 30" Cone Valve Site Photos
(For Information Only)

Kirk Ditch 14" Cone Valve Vault Site Photos



Vasona Valve Yard 30" Cone Valve Vault Site Photos



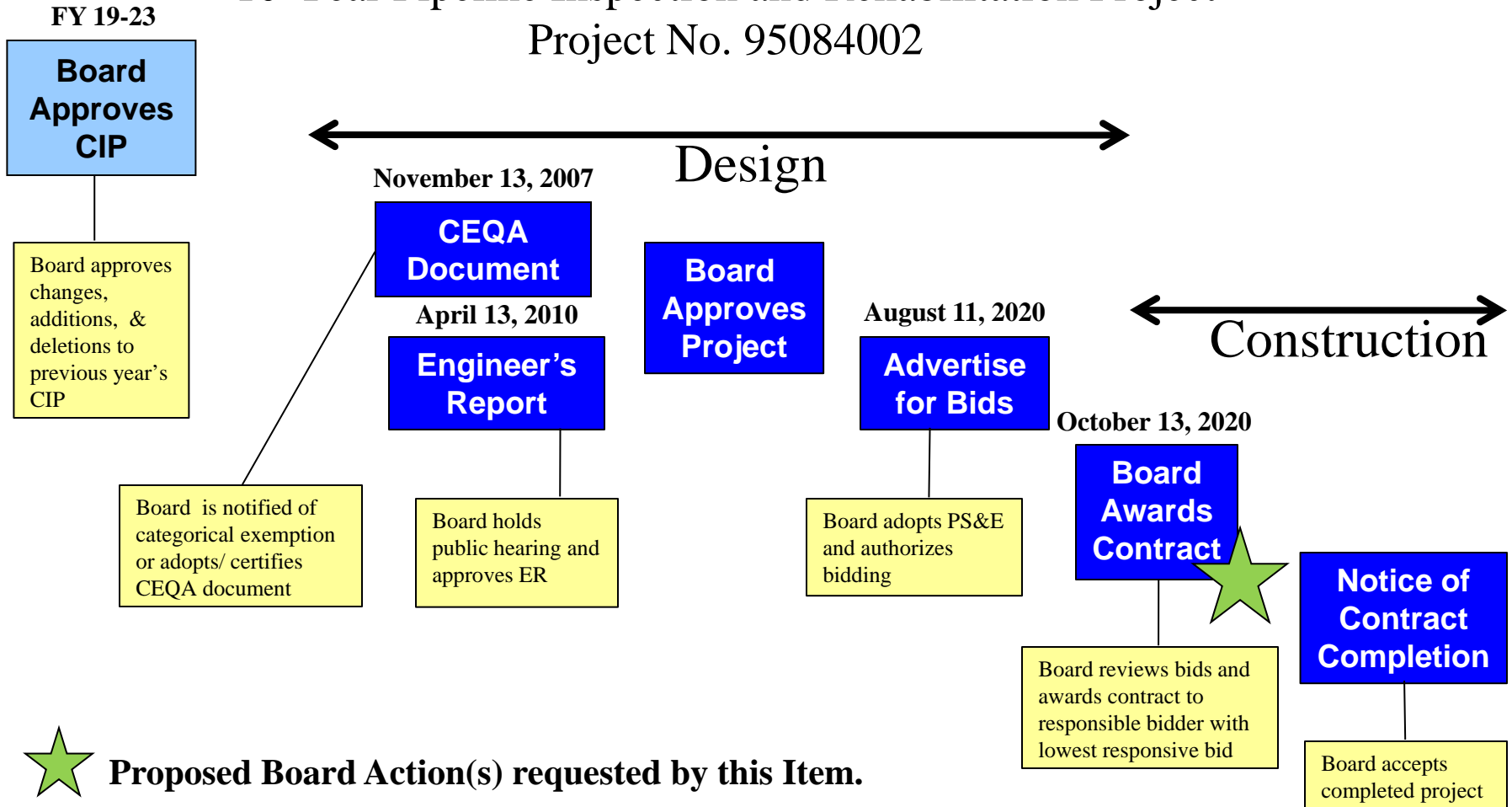
Project Delivery Process

Central and Parallel East Pipelines Inspection and Rehabilitation Project

as part of the

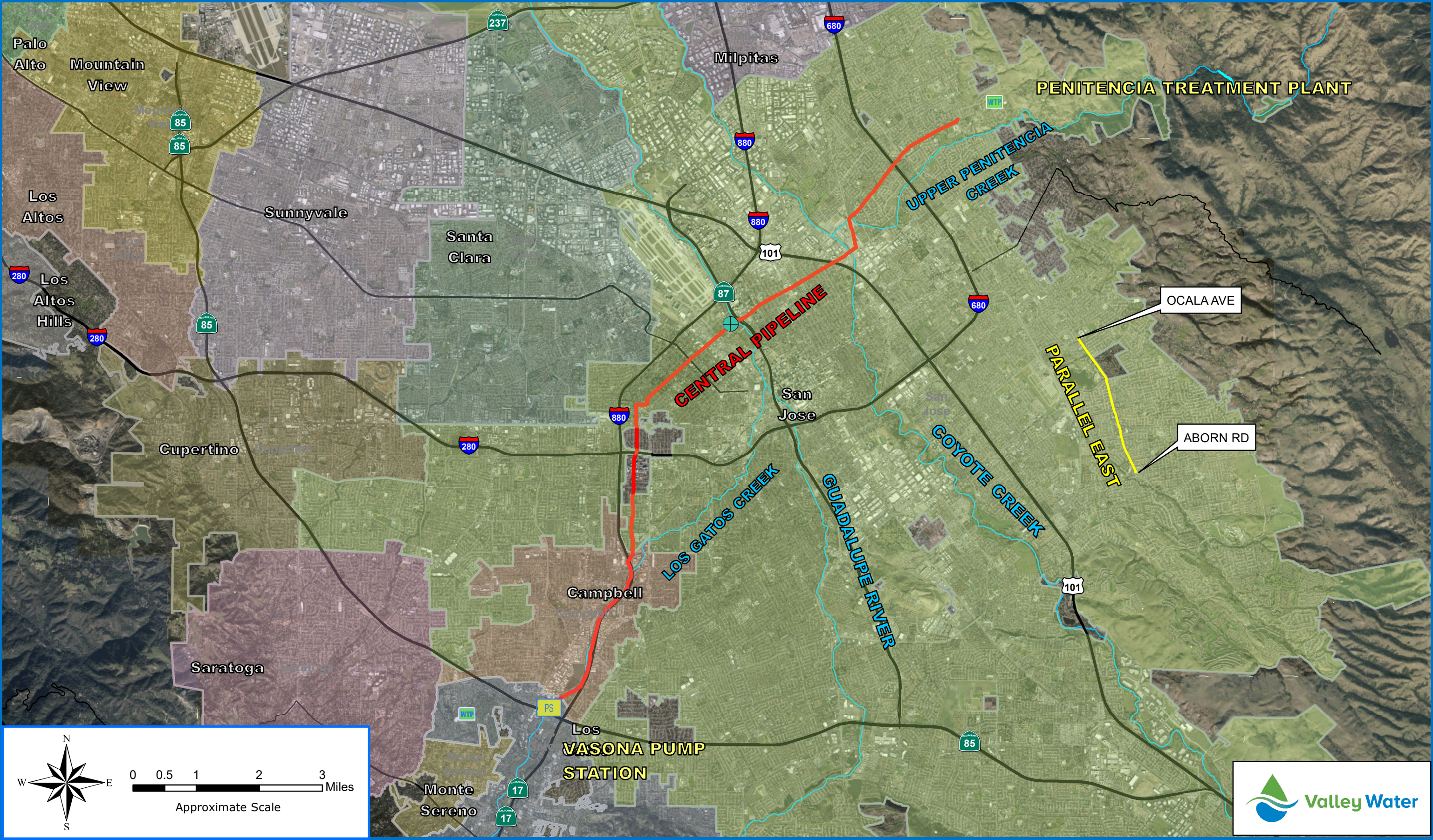
10-Year Pipeline Inspection and Rehabilitation Project

Project No. 95084002



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CENTRAL PIPELINE & PARALLEL EAST PIPELINE SITE MAP



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Santa Clara Valley Water District

File No.: 20-0906

Agenda Date: 10/13/2020

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Amendment No. 4 to Agreement No. A3675A with GEI Consultants, Inc., for Planning and Environmental Consultant Services for Calero and Guadalupe Dams Seismic Retrofits Project, Project No. 91084020 (San Jose) (District 1).

RECOMMENDATION:

Approve Amendment No. 4 to Agreement No. A3675A with GEI Consultants, Inc., for Planning and Environmental Consultant Services for Calero and Guadalupe Dams Seismic Retrofits Project, to increase the not-to-exceed fee by \$2,709,970, resulting in a total not-to-exceed fee of \$8,929,811.

SUMMARY:

Valley Water is undertaking the Calero and Guadalupe Dams Seismic Retrofits Project (Project) to address seismic stability deficiencies, rehabilitate aging appurtenant facilities, and to ensure compliance with current dam safety standards. The staff recommended alternatives have been selected for retrofit of the dams and Project design is underway.

Agreement A3675A with GEI Consultants, Inc. (Consultant) includes scope to complete the environmental analysis and documentation to comply with the California Environmental Quality Act (CEQA) and the acquisition of permits for construction. Approval of Amendment No. 4 is recommended in order to increase the not-to-exceed fee so that the Consultant can perform the remaining services described below.

Amendment No. 4 to this Agreement will increase the not-to-exceed fee by \$2,709,970 for the Consultant to perform:

1. Additional project management services during an extended planning and environmental services term;
2. Additional environmental documentation and permit support necessary to address regulatory agency requirements and comments received by Valley Water in 2018, on the Notices of Preparation (NOPs) of Draft Environmental Impact Reports for the two dam projects.
3. Add funds to the Supplemental Services task as previously budgeted funds were expended to perform various needed investigations and analyses.

Project Background and Previous Board Actions

In August 2009, Valley Water retained URS Corporation to perform a Seismic Stability Study (Study) for Calero and Guadalupe Dams. The Study concluded that during a large earthquake, the foundation of the dam could liquefy and the downstream slope of the Calero Dam embankment could become unstable. Similar evaluation of Guadalupe Dam indicated that the dam embankment could experience large deformations leading to excessive cracking of the dam during a large earthquake. Additionally, the study concluded that such an earthquake would also adversely impact Guadalupe Dam's intake structure.

Since 2005, both dams have been operated under reservoir level restrictions which were reviewed and accepted by the California Department of Water Resources, Division of Safety of Dams (DSOD). The reservoir restrictions have been implemented for these dams as interim risk reduction measures while the seismic retrofit projects are being designed.

On August 27, 2013, the Board approved a consultant agreement with GEI Consultants Inc. to perform Planning and Environmental Services for the Project. The resulting Planning Study Reports for Calero Dam and Guadalupe Dam were provided to the Board via non-Agenda Memoranda in June 2015 and December 2015, respectively.

On October 13, 2015, the Board approved a consultant agreement with HDR Engineering Inc. to perform Design Services for the Calero Dam Seismic Retrofit Project. On March 8, 2016, the Board approved a consultant agreement with GEI Consultants Inc. to perform Design Services for the Guadalupe Dam Seismic Retrofit Project.

Consultant Work Performed to Date

The planning and environmental services Agreement for the Calero and Guadalupe Dams includes the following tasks GEI has been performing:

- Task 1 - Project management
- Task 2 - Planning study (engineering planning)
- Task 3 - Environmental documentation and permit support
- Task 4 - Develop on-site borrow and spoil requirements
- Task 5 - Design support
- Task 6 - Supplemental services

The Agreement's planning phase tasks (Tasks 2 and 4) have been completed within their allocated budgets. The key deliverables from these tasks were two Planning Study Reports (one for each dam), which defined the problems, summarized the development and evaluation of Project alternatives, and documented the staff-recommended Alternatives. The Reports were prepared in 2015; both were provided to the Board.

During the planning phase work, field investigations were conducted as a part of Task 3, to collect baseline environmental data information for the environmental impact analysis. The remainder of Task 3 work is the preparation of an Environmental Impact Report for each dam retrofit project and preparation of permit applications. This work is currently underway in parallel with design phase preparation of plans and specifications.

Expanded Project Scope and Schedule

In responding to Valley Water's Notices of Preparation (NOPs) of Draft Environmental Impact Reports (EIRs) for both dams, regulators have required that the EIRs for the projects address the post-construction operations of both dams and reservoirs. These operations (management of water flows) have been identified under the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) Agreement as well as other non-water-flow FAHCE measures. The original Agreement No. A3675A assumed the EIR would study the impacts of dam construction only, as retrofitting would allow the facilities to return to their previous operations. Comments on the NOPs also emphasized the need to address the fish populations of the creeks below the dams during operations, particularly fish listed as endangered.

Valley Water is currently in the design phase of retrofitting three dams; Anderson Dam, Calero Dam and Guadalupe Dam. The Anderson Dam Seismic Retrofit Project team has been consulting, and negotiating permitting scenarios, with regulators. During these discussions, it has become clear that more rigorous data-gathering surveys related to fisheries, over a number of seasons, will be required for getting enough data to secure permits for the dam seismic retrofits. Temperature, turbidity and other evaluations are also required. These surveys will occur over next 18-24 months, along with further analysis. An 18-month timeframe is estimated to complete securing the necessary permits.

The additional Consultant work for both dams will increase the work effort and extend the time to complete the design phase and environmental documentation and permit acquisition task (Task 3).

Staff Management of Consultant Agreements

Staff has been actively monitoring and managing the Consultant's performance to ensure quality deliverables are produced on time and within budget. Weekly progress meetings and monthly design meetings are held with the Consultant to assess progress of the projects. As generally required in all District consultant agreements, consultants are required to submit detailed monthly progress / status reports with their invoices. These reports are scrutinized by District staff before approval of any payment to the consultants.

Another general requirement in Valley Water's consultant agreements is the consultant's preparation and implementation of an internal Quality Assurance and Quality Control (QA/QC) Plan for all deliverables transmitted to Valley Water. As part of the deliverable acceptance process, Valley Water also performs QA/QC review of all deliverables received from the Consultant for compliance with project scope, budget, and schedule.

For the subject Agreement, the implementation of both the Consultant's and Valley Water's QA/QC processes has ensured that good quality deliverables acceptable to Valley Water and the DSOD are consistently produced by the Consultant.

Amendment No. 4 to Agreement No. A3675A

Amendment No. 1 revised the Agreement to remove conflict of interest restrictions on the planning services consultant which precluded them from submitting a proposal for the design services for Guadalupe Dam. This amendment had no monetary impact and was approved by the CEO on June 11, 2015.

Amendment No. 2 revised the Agreement to incorporate in the Project scope additional findings of deficiencies at both Calero and Guadalupe Dams and design of a new outlet pipe in a tunnel and new spillways. The amendment extended the term by three years and added a not-to-exceed fee of \$1,316,011 to the Agreement. The amendment was approved by the Board on April 25, 2017.

Amendment No. 3 revised the Agreement to incorporate administrative updates and extended the term by three years to May 31, 2023. A three-year extension was necessary to complete the CEQA documents (estimated to be a two-year process) and for permit acquisition (estimated to be a one-and a half year process, with some overlap with CEQA document preparation activity). This was a "time only amendment" with the budget for the time extension and additional scope of work planned to be incorporated in a future Amendment No. 4 to the Agreement after sequencing of other dam retrofits was confirmed by management.

Staff recommends approval of Amendment No. 4, which will increase the fees for project management, environmental documentation, permit acquisition support, and supplemental services tasks. The total not-to-exceed fee for Amendment No. 4 is \$2,709,970. The tasks and the not-to-exceed additional fees are summarized below:

- Additional project management services for three years to manage the completion of the CEQA documents as well as acquisition of permits. (Task 1: \$368,904)
- As a result of unforeseen changes in Project development during the planning phase, delays in Project design, regulatory agency input, and recent changes to the CEQA guidelines, staff determined that additional environmental document preparation and review cycles were necessary to complete the CEQA process. (Task 3: \$841,066)
- Increase in the Supplemental Services budget to support additional environmental and engineering analysis and documentation that may be necessary to complete the CEQA and permitting process. The original fee for Supplemental Services was expended during the planning phase work to pay for additional investigation and analysis of Calero Pond; Calero Dam flood routing evaluation; preparation of design-level geotechnical investigation work plans for both Calero and Guadalupe Dams; biological and cultural surveys and analyses; Treatment options and other studies and investigations for the Bailey Fellows House historic structure relocation; and Calero Dam Benefit Cost Analysis studies. (Task 6: \$1,500,000)

The current not-to-exceed fee for this Agreement is \$6,219,841. Approval of this proposed amendment would increase the not-to-exceed fee to \$8,929,811. A summary of the tasks and fees for the proposed amendment is presented in Table 3.

Table 3 - Summary of Tasks and Fees for Amendment No.4

Task	Description	Original NTE* Fee	Amendment No. 1 NTE Fee	Amendment No. 2 NTE Fee	Amendment No. 3 NTE Fee	Amendment No. 4 NTE Fee	Revised NTE Fee
1	Project Management	\$559,722	-	\$420,921	-	\$368,904	\$1,349,547
2	Planning Study	\$1,642,112	-	-	-	-	\$1,642,112
3	Environmental Documentation and Permit Support	\$1,529,310	-	\$279,052	-	\$841,066	\$2,649,428
4	Develop On-Site Borrow and Spoil Requirements	\$360,862	-	-	-	-	\$360,862
5	Design Support	\$120,339	-	\$16,038	-	-	\$136,377
6	Supplemental Services	\$691,485	-	\$600,000	-	\$1,500,000	\$2,791,485
Total NTE Fee		\$4,903,830	\$0	\$1,316,011	\$0	\$2,709,970	\$8,929,811

* Not-to-Exceed

FINANCIAL IMPACT:

The current total Project cost for planning, environmental documentation, design, and construction of both the Calero and Guadalupe Dams is approximately \$260 million. The not-to-exceed fee increase of \$2.7 million for this amendment 4 has been included in the FY2021 - 25 Capital Improvement Program for this Project. There are adequate funds in the Board-adopted FY2020-21 Budget to encumber \$1.35 million for planning and environmental services in the current fiscal year. The remaining amount of \$1.35 million will be budgeted and encumbered in FY2021-22.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Amendment No. 4

File No.: 20-0906

Agenda Date: 10/13/2020
Item No.: 7.1.

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

**AMENDMENT NO. 4 TO AGREEMENT A3675A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND GEI CONSULTANTS INC.**

This Amendment No. 4 (Amendment), effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard Consultant Agreement A3675A (Agreement) dated August 27, 2013 as amended by Amendment No. 1 dated June 11, 2015, Amendment No. 2 dated April 25, 2017, and Amendment No. 3 dated September 3, 2020 between SANTA CLARA VALLEY WATER DISTRICT (District) and GEI CONSULTANTS, INC., (Consultant), collectively the Parties.

WHEREAS, Consultant is currently providing professional planning and environmental services for the Calero and Guadalupe Dams Seismic Retrofits (Project); and

WHEREAS, the Agreement currently expires on May 31, 2023; and

WHEREAS, the Parties desire to amend the Agreement to provide for additional planning and environmental consulting services for the Project; and

WHEREAS, the Parties desire to amend the Agreement to increase the Agreement Total Not-to-Exceed Amount to provide funds for Consultant to perform additional planning and environmental services.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding anything to the contrary in the Agreement and Amendments No. 1, 2, and 3, District and Consultant hereby agree to amend the Agreement as follows:

1. Revised Appendix One, Scope of Services, is amended as set forth in the Revised Appendix One, Scope of Services, to the Revised Standard Consultant Agreement, attached hereto and incorporated herein by this reference.
2. Revised Appendix Two, Fees and Payments, is amended as set forth in the attached Revised Appendix Two, Fees and Payments, to the Revised Standard Consultant Agreement, attached hereto and incorporated herein by this reference.
3. Revised Appendix Three, Schedule of Completion, is amended as set forth in the attached Revised Appendix Three, Schedule of Completion, to the Revised Standard Consultant Agreement, attached hereto and incorporated herein by this reference.
4. All other terms and conditions of Agreement A3675A, Amendment No.1, Amendment No. 2, and Amendment No. 3 not otherwise amended herein, remain in full force and effect.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND GEI CONSULTANTS INC.**

**IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO
THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 4 TO AGREEMENT A3675A
THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES.**

SANTA CLARA VALLEY WATER DISTRICT
District

By: _____
Nai Hsueh
Chair, Board of Directors

Date: _____

GEI CONSULTANTS INC.
Consultant

By: Mark Freitas, VP
on behalf of
William A. Rettberg, P.E.
Senior Vice President

Date: 09/22/2020

Firm Address:

180 Grand Avenue, Suite 1410
Oakland, CA 94612

ATTEST:

Michele L. King, CMC
Clerk, Board of Directors

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX ONE TO THE
REVISED STANDARD CONSULTANT AGREEMENT
SCOPE OF SERVICES**

CALERO AND GUADALUPE DAMS SEISMIC RETROFITS PROJECT

PLANNING AND ENVIRONMENTAL SERVICES

This Revised Appendix One Scope of Services, describes the professional planning and environmental services (Planning Consultant Services) tasks to be undertaken by the Consultant for the Calero and Guadalupe Dams Seismic Retrofit Project (Project), during the remainder of the Project planning and environmental services phase.

The purpose of the Planning Consultant Services is to provide planning and environmental studies that support District decisions and final designs (by others) to resolve seismic stability and flood and outlet risks at Calero and Guadalupe Dams.

I. PROJECT OBJECTIVES (UNCHANGED)

- A. The District's objectives for the Project are to make improvements necessary to:
1. Stabilize the Calero and Guadalupe Dams embankments for the Maximum Credible Earthquake (MCE), modify or replace the outlet works if inadequate, and modify the spillways to increase freeboard during a Probable Maximum Flood (PMF) event or for additional seismic freeboard, if required;
 2. Modify embankment/s of Calero Dam to support a potential future expansion of reservoir storage;
 3. Relocate the Guadalupe Dam intake structure out of the upstream berm;
 4. Breach Fellow's Dike and address affected historic structures;
 5. Incorporate other measures to address seismic and other deficiencies that are identified through the Project delivery process.
- B. Planning Consultant's Services will support the District's objectives for the Project as follows:
1. Resolve the seismic deficiencies per the State of California, Department of Water Resources, Division of Safety of Dams (DSOD) standards. Attachment Four—Reference Materials provides a list of technical reference material applicable to this Project;
 2. Meet the District's Dam safety and operation and maintenance requirements;

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3. Meet the requirements identified in the District's Quality Management System procedures. Attachment Five—District Procedures & Work Instructions provides a list of District procedures and work instructions to be performed by the Consultant;
4. Meet the requirements of all federal, state, and local laws and regulations required for Project delivery;
5. Meet requirements of the resource and regulatory agencies (permitting agencies) including DSOD;
6. Address all stakeholders' interests;
7. Provide a recommended alternative for each dam to resolve the seismic deficiencies per DSOD and all other applicable engineering standards; and
8. Develop sufficient information and analysis to enable District's Board of Directors to make Project decisions.

II. INTENT (REVISED)

- A. Consultant is responsible for the preparation of the planning study and environmental documents, and for providing Project management services associated with the Consultant's services. Consultant will be responsible for reviewing design work for consistency with the planning assumptions/requirements, and supporting the District in securing resource agency permits.
- B. Conflict of Interest—The District intends to retain construction management consultant services to support construction of the seismic retrofit of the Calero and Guadalupe Dams. The Consultant and its sub-consultants are precluded from being awarded a contract by the District for construction management or construction of these two Dam projects. However, subcontractors, vendors, and suppliers providing non-professional services, such as but not limited to lab testing, soil borings, or other technical services may propose and/or contract with prime consultants or the District for construction management services relating to the seismic retrofit of the Guadalupe and Calero Dams.

III. PROJECT BACKGROUND (UNCHANGED)

This Project will remediate seismic deficiencies at Calero and Guadalupe Dams identified in the Seismic Stability Evaluation of Calero and Guadalupe Dams (SSE1B-B & SSE1B-C) Reports dated October 26, 2012 and May 22, 2012, respectively. The SSE1B findings conclude that the Calero and Guadalupe Dams have inadequate seismic stability, under the anticipated Maximum Credible Earthquake. There are currently reservoir operating restrictions on both as interim risk reduction measures, until

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the seismic deficiencies are remediated. These restrictions have been approved by the Division of Safety of Dams (DSOD). DSOD also expects that the remedial construction work will be completed by June 2019. In order to meet the construction schedule, timely completion of this Project is essential.

A DSOD restriction on Calero Reservoir also exists due to deficiencies of Fellows Dike (which forms part of Calero Reservoir). A Planning Study Report for the Calero /Fellows Dike was prepared in March 2010 by District staff. The staff-recommended project was to breach the dike and allow waters of Calero Reservoir to inundate lands beyond the current area of inundation.

Calero Dam:

Description of Dam and Reservoir

The Calero Dam was constructed in 1936. Calero Reservoir has a capacity of 9,934 acre-feet. The reservoir stores watershed runoff, imported water, and water diverted from Almaden Reservoir through the Almaden-Calero canal. The reservoir stores water for replenishing the groundwater system and supply to the treatment plants. The County of Santa Clara Parks and Recreation Department also operates a recreation program on the reservoir.

The dam is a zoned earth fill dam with upstream and downstream embankment zones. The upstream embankment zone is constructed with less pervious material to limit seepage. No internal drainage or filter zones are incorporated in the dam.

Calero Reservoir normally operates at its maximum operating level each year during the winter and is drawn down during the period from late spring to early fall as the water is used. Water into the reservoir is regularly transferred from nearby Almaden Reservoir to Calero via the Almaden-Calero Canal, which has a capacity of about 100 cubic feet per second (cfs).

Spillway and Outlet Works

The spillway is a reinforced concrete channel located within the ridge about 900 feet from the right abutment of the dam. It has a weir length of about 82 feet and a capacity of 5,260 cfs.

The outlet works consist of a submerged intake structure with a hydraulically-operated slide gate, a 36-inch diameter, 481-foot long cast-in-place concrete outlet pipe with a steel liner under the dam, and a concrete outlet structure housing the control valves. The outlet is controlled downstream with a 30-inch butterfly valve operated from the outlet structure. The outlet pipe is connected to the Almaden Valley Pipeline downstream of the outlet structure at the Calero Valve Yard, about 700 feet downstream of the dam.

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Partial List of Issues to be Considered

Seismic deformation analysis has determined that unacceptable horizontal and lateral displacements will occur in Calero Dam and remediation of the seismic deficiencies are necessary.

Seepage at the abutment or through the embankment of Calero Dam has occurred since the first filling of the reservoir in 1937. Following investigations concrete lined ditches and weirs were installed in 1967 to collect and measure the seepage. The District also implemented a grouting program in 1991 to attempt to reduce seepage through the right abutment. However the grouting did not generally reduce the seepage at the dam. Given the complex relationship between the embankment and foundation it is likely that the design of an improved seepage collection system will require a more detailed understanding of the seepage sources for effective capture.

Over the years, the District has examined the feasibility of increasing the Calero Reservoir capacity by raising the dam. A 1966 study found it feasible to raise the dam by 30 feet. A subsequent study in 1982 updated the 1966 study findings.

The most recent PMF study was performed by DSOD in 1981 using HMR 36 and HMR 49. DSOD policy after the 1999 release of HMR 58/59 requires that new dams or major work be designed under HMR 59. HMR 59 has a tendency to increase Probable Maximum Precipitation (PMP) values in small watersheds. The Calero spillway may need modification if found to be inadequate.

Guadalupe Dam

Description of Dam and Reservoir

The Guadalupe Dam was constructed in 1936. The reservoir has a capacity of 3,460 acre-feet.

The Guadalupe Dam was designed as an earthfill dam with upstream and downstream embankment zones. The upstream and downstream slopes are approximately 2.5H: 1V. Subsequent investigations have shown the upstream and downstream embankment materials are similar in nature and engineering characteristics, thus the dam could essentially be treated as a homogeneous dam. No internal drainage or filter zones are incorporated in the dam.

The upstream embankment was buttressed in 1972 with a compacted clay berm designated as the upstream berm that starts at about El. 572.3 ft (NAVD88) and slopes down at about 5H: 1V into the reservoir. The new embankment berm was constructed on the upstream face to stabilize an incipient tension crack indicative of possible slope failure observed in the center of the embankment. A concrete parapet wall was also constructed along the crest of the dam, near the upstream face, to restore about 2.5 ft. freeboard lost to normal embankment settlement. The wall is about 536 ft. long.

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Spillway and Outlet Works

The spillway is a reinforced concrete-lined side-weir channel cut into the left abutment and has a capacity of 9,000 cfs.

The outlet works consists of an intake structure, an outlet pipe and an outlet structure. The intake is 72-inch-diameter reinforced concrete box-type structure which was modified in 1972. The estimated deformations of the upstream embankment / berm have the potential to impact the intake and associated hydraulic lines that control the slide gate in the intake structure. Centered underneath the dam is the low-level outlet pipe which is a 36-inch-diameter, 720-foot long cast-in-place concrete pipe with steel liner. The outlet structure is located at the downstream toe and includes a 30-inch butterfly valve used to control flow to Guadalupe Creek. The outlet pipe discharges to a stilling basin before reaching the creek channel.

Partial List of Issues to be Considered

The draft 2008 hydrology study using HMR 59 indicated that the spillway will pass the PMF. During the PMF, reservoir will be up against the parapet wall. It will need to be determined if the wall is structurally capable of withstanding the PMF behind the parapet wall.

Seismic deformation analysis has determined that unacceptable horizontal and lateral displacements will occur in Guadalupe Dam and remediation of the seismic deficiencies are necessary.

Seismic deformation analysis undertaken has determined that a lateral displacement near the upstream toe of the embankment could be as high as 4 feet. The existing intake structure is not expected to survive the lateral displacement. The inlet structure will need to be moved outside the footprint of the deformed embankment.

Fellows Dike

Fellows Dike is located along the southeast shore of Calero Reservoir. It is approximately 1,900 feet long, with a height that ranges from zero feet at the south end to a maximum of approximately 12 feet at the north end.

Total storage of Calero Reservoir is 9,934 acre-feet. In January 1998, DSOD inspected Fellows Dike and determined that the dike is under their jurisdiction. The dike was found to be in poor condition and DSOD requested that no water be stored against it which resulted in a reduction of 2,000 acre feet or 20% of total storage capacity at Calero Reservoir. Subsequently, a geotechnical investigation conducted on Fellows Dike in 2001 found that the dike would need improvement to bring the facility up to DSOD standards before it could impound water. The dike foundation adjacent to Calero Creek contains several pockets of soils that may liquefy under heavy earthquake shaking.

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A minimum operational level of 4,000 acre-feet of water in Calero Reservoir is required for emergency conditions. Therefore, the impact of the 2,000 acre-feet of water loss is that the active storage is reduced from approximately 6,000 acre-feet to 4,000 acre-feet.

A Planning Study Report for the Calero /Fellows Dike was prepared in March 2010 by District staff. The staff-recommended project was to breach the dike and allow waters of Calero Reservoir to inundate lands beyond the current area of inundation. The project components included demolishing existing facilities except the historic structures, relocating eight historic structures above the inundation elevation, treating contaminated soils to acceptable levels, breaching the mid-section of dike, and replanting lost vegetation from dike breach.

IV. PROJECT COMPONENTS AND ELEMENTS (UNCHANGED)

The Project involves improvements to three District facilities which are inter-related. This Project has two Components:

Component 1 refers to Calero Dam (including Fellows Dike), and,
Component 2 refers to Guadalupe Dam.

The improvements to these Components consist of:

- A. Component 1: Improvements to stabilize the Calero Dam embankments for the Maximum Credible Earthquake, possibly modify or replace the outlet works, possibly modify the spillway to increase freeboard during a PMF event, and possibly modify embankments of the dam, if required, to support a larger capacity reservoir. Improvements also include the breach of Fellow's Dike and relocation of historical structures.
- B. Component 2: Improvements to stabilize the Guadalupe Dam embankments for the Maximum Credible Earthquake, possibly modify or replace the outlet works, and possibly modify the spillway to increase freeboard during a PMF event.

All of the Project "Elements" for each Component have yet to be determined, pending District decisions based on investigation and analysis to be conducted by the Consultant under this Scope of Services. The Project Elements could include:

- a. Embankment
- b. Spillway
- c. Intake structure
- d. Outlet pipe
- e. Outlet structure
- f. Upstream concrete slope protection

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For Calero Dam (including Fellows Dike) (Component 1) the Elements currently known to be likely included are:

- a. Embankment
- b. Intake structure (to meet District requirement of out-of water inspectible hydraulic lines and controls)
- c. Outlet structure (as existing structure will most likely be buried by the downstream buttress)

For Guadalupe Dam (Component 2) the Elements currently known to be likely included are:

- a Embankment (except if a decision is made to notch the spillway)
- b Intake structure (to move it away from the footprint of the seismically deformed embankment).
- c Outlet structure (as existing structure will most likely be buried by the downstream buttress)

V. PROJECT TASKS (REVISED)

The Planning Consultant will perform the services described in this Scope of Services. The Consultant will prepare a Planning Study Report (PSR) for each of the Components 1 and 2. The PSR for Fellow Dike has previously been prepared by the District. The recommendations of that PSR will be incorporated by the Consultant into the PSR for Component 1. The California Environmental Quality Act (CEQA) document/s for the entire Project (both Components) will be prepared by the Consultant. The Consultant will prepare two CEQA documents, one for Component 1 and one for Component 2. The Consultant will submit the CEQA deliverables for Component 1 and Component 2 as independent documents on a staggered basis to facilitate District review.

Services to be provided by the Consultant are described in the tasks below.

Consultant must receive written authorization from the District Project Manager prior to initiating work on any of the tasks and subtasks identified as "conditional."

TASK 1 - PROJECT MANAGEMENT (REVISED)

- Subtask 1.1 Prepare Planning Phase Work Plan
- Subtask 1.2 Provide Monthly Project Status/Progress Reports
- Subtask 1.3 Attend Monthly Progress Meetings/Coordination
- Subtask 1.4 Plan and Attend Workshops/Coordination Meetings

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TASK 2 - PLANNING STUDY (UNCHANGED)

Subtask 2.1 Prepare Problem Definition

Subtask 2.1.1 Perform Background Review and Data Collection

Subtask 2.1.2 Conduct Investigations and Analysis

Subtask 2.1.2.1 Prepare PMP and PMF Hydrologic Studies for Calero and Guadalupe Reservoirs:

Subtask 2.1.2.2 Perform Additional Geotechnical Foundation Investigation for Downstream Buttress.

Subtask 2.1.2.3 Analyze Seepage at Calero Dam

Subtask 2.1.2.4 Provide Assessment of Outlet Works at Calero Dam and at Guadalupe Dam for Emergency Drawdown

Subtask 2.1.2.5 Perform Condition Assessment of Calero Reservoir Outlet Works - Conditional:

Subtask 2.1.2.6 Perform Condition Assessment of Guadalupe Reservoir Outlet Pipe - Conditional

Subtask 2.1.2.7 Inspect and Evaluate Upstream Concrete Slope Panels at Guadalupe Dam.

Subtask 2.1.3 Prepare Problem Definition Report

Subtask 2.2 Prepare Planning Study Report

Subtask 2.2.1 Develop Alternative Evaluation Methodology

Subtask 2.2.2 Prepare Cost-Benefit Analysis (Guadalupe Dam Only)

Subtask 2.2.3 Prepare Feasible Alternatives Report

Subtask 2.2.4 Develop Staff-Recommended Alternative

Subtask 2.2.5 Prepare Planning Study Report

Subtask 2.2.6 Prepare Transition Reports

TASK 3 - ENVIRONMENTAL DOCUMENTATION AND PERMIT SUPPORT (REVISED)

Subtask 3.1 Develop Initial Regulatory and CEQA strategy, and coordination with regulatory agencies

Subtask 3.2 Perform Environmental Investigations and Studies

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Subtask 3.2.1 Gather and Organize Environmental Information Relevant to the Project

Subtask 3.2.2. Prepare Base Map

Subtask 3.2.3 Summarize Environmental Conditions Based on Existing Data

Subtask 3.2.4 Prepare Field Investigation Plan

Subtask 3.2.5 Conduct Field Investigations

Subtask 3.3 Prepare Project Description and Initial Study Checklist (IS)

Subtask 3.3.1 Prepare Project Description

Subtask 3.3.2 Prepare Initial Study Checklist (IS)

Subtask 3.4 Prepare Draft Environmental Impact Report

Subtask 3.4.1 Prepare Notice of Preparation

Subtask 3.4.2 Conduct Environmental Scoping

Subtask 3.4.3 Prepare Administrative Draft EIR (ADEIR)

Subtask 3.4.4 Prepare Draft EIR

Subtask 3.5 CEQA Public Noticing and Participation Requirements

Subtask 3.5.1 Prepare Information for District Website and Filing Draft EIR with the State Clearinghouse

Subtask 3.5.2 Prepare Notice of Completion for Filing with State Clearinghouse

Subtask 3.5.3 Prepare for and Attend Public Hearing

Subtask 3.5.4 Respond to Public Comments

Subtask 3.6 Prepare Final Environmental Impact Report

Subtask 3.6.1 Prepare Final EIR

Subtask 3.6.2 Prepare Findings and Statement of Overriding Considerations

Subtask 3.6.3 Prepare Notice of Determination (NOD)

Subtask 3.6.4 Assist with Public Hearing and Certification of EIR

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Subtask 3.7 Prepare Regulatory Permitting

Subtask 3.7.1 Assist with Initial Regulatory Agency Consultation

Subtask 3.7.2 Prepare Draft Permit Applications

Subtask 3.7.3 Prepare NMFS Biological Assessment

Subtask 3.7.4 Prepare Habitat Mitigation and Monitoring Plan

Subtask 3.7.5 Prepare Final Permit Applications

Subtask 3.7.6 Provide Support during Permit Negotiation

Subtask 3.7.7 Prepare Reservoir Dewatering Plans, Fish Rescue And Relocation Plans And Flow Maintenance Plans

**TASK 4 - DEVELOP ON-SITE BORROW AND SPOIL REQUIREMENTS
(UNCHANGED)**

Subtask 4.1 Conduct a Borrow and Spoil Siting and Suitability Study

Subtask 4.2 Identify Preferred Borrow and Spoil Sites

TASK 5 - DESIGN SUPPORT (UNCHANGED)

Subtask 5.1 Review of 30% Design Deliverables

Subtask 5.2 Review of 60% Design Deliverables

Subtask 5.3 Review of 90% Design Deliverables

TASK 6 - SUPPLEMENTAL SERVICES (REVISED)

A detailed description of each task is given below along with the main assumptions and deliverables.

TASK 1 - PROJECT MANAGEMENT (REVISED)

The objective is to develop and integrate planning phase scope, schedule, cost, quality, risk, staffing, communication, and resources in a manner to fulfill the terms of the Agreement. The scope and deliverables will include the items described below.

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Subtask 1.1 - Prepare Planning Phase Work Plan

1. The Consultant will develop the work plan in accordance with District's Quality Environmental Management System (QEMS) document #W75102. The work plan will consist of a stand-alone document that provides discussions of Project Objectives identified above and detailed descriptions of the specific work to be performed. The work plan will detail the Consultant's approach to undertaking the two Components: Calero Dam (including Fellows Dike) (Component 1), and Guadalupe Dam (Component 2), Scope of Services, while integrating specific subtasks of the work for efficiency, where feasible. At a minimum, the Planning Phase Work Plan will include: the Consultant team organization; team member roles and responsibilities; stakeholder, management, document control, and team communication, coordination and protocols; technical and managerial work activities, quality assurance and quality control plan; key deliverables; task level resource and cost-loaded schedule; Project controls and reporting.
2. Consultant will provide a quality assurance and control (QA/QC) plan as a section of the Planning Phase Work Plan describing the Consultant's procedures to document that Consultant's services and deliverables meet District requirements and accepted practices and standards of Consultant's and its subconsultants professions. The QA/QC plan must contain details and methodology for reviewing Consultant deliverables including calculations, Technical Memorandums (TMs), cost estimates, plans and specifications, and inter-disciplinary and constructability reviews prior to submittal of such deliverables to District. Consultant must provide, upon District request, records to demonstrate that QA/QC reviews were performed on Consultant's and subconsultants' deliverables.
3. Consultant will prepare an overall Microsoft® Project Schedule for the Project services to lay out the tasks and milestones for the planning and environmental evaluations. Consultant will monitor compliance with the schedule, update it monthly as necessary, and distribute it for review at monthly progress meetings. The schedule will include all preparation, permitting, environmental compliance, geotechnical field investigations, survey, laboratory testing, engineering analyses, and report preparation, and time for the District to review deliverables necessary to meet the Project Objectives. The schedule will recognize and incorporate key milestones of the Project that are critical for the timely completion of the Project.
4. Consultant will update the Work Plan, QA/QC Plan and Project Schedule to reflect the extended schedule.

Subtask 1.1 - Assumption

None.

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Subtask 1.1 - Deliverables

1. Draft and Final Planning Phase Work Plan
2. Draft and Final Updated Planning Phase Work Plan

Subtask 1.2 - Provide Monthly Project Status/Progress Reports

1. The Consultant will provide monthly Project status/progress reports to the District. The status reports will provide a brief summary of the work performed and the remaining work for each task. The Project status/progress report will include milestones and deliverables completed to date, an updated schedule, estimate of work required to complete the Project, and any anticipated changes to the Agreement that may be necessary to complete this Scope of Services. Any fees or time constraints, and corrective actions if appropriate, will be documented in the monthly Project status/progress reports.
2. The monthly Project status/progress report will include:
 - a. An assessment of actual versus planned progress in completing the Scope of Services, including a description of the tasks, and deliverables completed to-date;
 - b. For each task, the percentage of services performed versus the percentage of fees incurred for such task, and explanation of any significant variances in percentage of services performed compared to percentage of fees incurred;
 - c. For each task, the percentage of the fees incurred for such task compared to dollar amount allocated to such task;
 - d. A statement that all tasks will be completed within the agreed upon not-to-exceed total amount of this Agreement described in Appendix Two, Fees and Payments;
 - e. A statement that progress in the performance of this Scope of Services required by this Agreement is on schedule within the time line set forth in Appendix Three, Schedule of Completion; or, if completion of the services is not on schedule, a statement of the anticipated length of the delay, the cause of the delay, measures proposed or taken to prevent or minimize the delay, and the timeline for implementation of such measures;
 - f. A look-ahead schedule listing deliverables and activities planned for the next 2 months;
 - g. A summary of proposed changes to the Scope of Services, if required, including justifications for such changes;

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- h. A Small Business Enterprise (SBE) participation report to document the level of SBE participation throughout the Project;
- i. Action Item and Decision Log: This log will document action items and Project concerns and issues throughout the term of the Agreement which require resolution by District and/or Consultant; and
- j. Draft billing statements, transmitted with the monthly Project status/progress reports, will be organized such that the billing categories correspond with the Scope of Services tasks. Draft billing statements will include a summary of labor expenditures, direct costs, and billed sub-consultant charges. Draft billing statements will be prepared in accordance with the requirements stated in the Standard Consultant Agreement, Section IV Fees and Payment, as well as Appendix Two, Fees and Payments. An Adobe PDF version will be provided by Consultant for preliminary review by District.

Subtask 1.2 - Assumptions

- 1. Monthly Project status/progress reports will be provided during the Agreement term as directed by District.
- 2. District will provide a billing and reporting template at kick-off meeting.

Subtask 1.2 - Deliverables

- 1. Monthly Project status/progress reports (Electronic MSWord and MS Excel)
- 2. Draft monthly billing statement

Subtask 1.3 - Attend Monthly Progress Meetings/Coordination

- 1. The Consultant will attend monthly progress meetings at the District offices (in San Jose, CA), as well at the DSOD offices (in Sacramento, CA) as necessary and directed by the District. At least one week prior to the meetings the Consultant will prepare and forward the meeting agenda to the District. Following each progress meeting, the Consultant will prepare and submit a draft electronic copy of the meeting summary notes to the District's Project Manager for review and comment. Consultant will incorporate review comments and will submit final meeting minutes notes to the District. The monthly meetings will inform the District and Project members of progress to date, key issues and critical activities.
- 2. Telephone conference calls (at least once every week) will occur between the District's Project Manager and Consultant Project Manager to coordinate specific activities occurring and to discuss Project issues and needs.
- 3. In addition to Consultant's monthly progress meetings, Consultant will provide Project management services that include coordination of its subconsultants,

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managing its subconsultant invoicing and payment, and managing the requirements for SBE participation and contracting.

4. Consultant will establish a password-protected website (SharePoint) where available information will be compiled for access by the District and Consultant team members.
5. All Project-related correspondence with DSOD will be through the District.

Subtask 1.3 - Assumptions

1. 36 Monthly Progress meetings will occur over the term of the original Agreement.
2. Each of the telephone conference calls will last no more than one hour.
3. Thirty-six (36) additional Monthly Progress meetings will occur from December 2016 to December 2019.
4. Thirty-six (36) additional Monthly Progress meetings will occur from January 2020 to December 2022.

Subtask 1.3 - Deliverables

1. Draft and Final meeting agendas and meeting notes
2. SharePoint site for shared access to compiled Project information

Subtask 1.4 -Plan and Attend Workshops/Coordination Meetings

1. The Consultant will plan and attend "issue specific" workshops and coordination meetings as detailed in this Scope of Services. These meetings and workshops will be held at key decision points, and when consensus or stakeholder outreach is required, as determined by the District. The Consultant will also prepare, organize, and attend a kick-off meeting with District to review the Project scope of services schedule, design requirements etc.
2. At least one week prior to the meeting/workshops, the Consultant will prepare and forward the meeting/workshop agenda to the District. Workshops will include topical presentations by the Consultant and District (as needed), discussion, documentation, and action items.

Subtask 1.4 - Assumptions

1. The Consultant will conduct 15 workshops/review meetings on Calero Dam (including Fellows Dike) (Component 1) and, Guadalupe Dam (Component 2) for the following topics:
 - a. Project kick-off meeting (combined meeting for Component 1 and Component 2).

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- b. PMP / PMF workshop (combined meeting for Component 1 and Component 2).
 - c. Project Requirements and Risk Management workshop (combined meeting for Component 1 and Component 2).
 - d. Development of alternatives criteria (combined meeting for Component 1 and Component 2).
 - e. Borrow and spoil siting (combined meeting for Component 1 and Component 2).
 - f. Evaluation and ranking of Alternatives (separate meetings for Component 1 and Component 2).
 - g. Feasible Alternatives workshop (separate meetings for Component 1 and Component 2).
 - h. Planning Study Report review meeting (separate meetings for Component 1 and Component 2).
 - i. Environmental (CEQA) kick-off (combined meeting for Component 1 and Component 2).
 - j. Environmental permitting (separate meetings for Component 1 and Component 2).
 - k. Additional review meeting for CEQA documentation. (NEW)
2. The meetings/workshops will appropriately consider Fellows Dike.

Subtask 1.4 - Deliverables

- 1. Meetings / Workshops
- 2. Draft and Final Meeting materials (agenda and handouts)
- 3. Draft and Final Meeting minutes

TASK 2 - PLANNING STUDY (UNCHANGED)

- 1. The Consultant will prepare two Planning Study Reports (PSRs), one for Calero Dam and Fellows Dike (Component 1) and one for Guadalupe Dam (Component 2). These separate PSRs will be used as the basis for separate CEQA documents.
- 2. The Consultant will develop and evaluate alternatives which meet the Project Objectives and will identify a recommended Project for the design phase for both Calero Dam (including Fellows Dike) and Guadalupe Dam, which maximizes the benefit to life-cycle cost ratio for the District. Project requirements and objectives will be established by the

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District and reviewed by the Consultant. The Planning Study Scope of Services and deliverables will be performed and prepared in accordance with the District's QEMS procedures included in Appendix One, Attachment Seven. The Planning Phase investigations and analysis shall be consistent with the District's Water Supply and Infrastructure Master Plan (WSIMP) incorporated herein by this reference.

Subtask 2.1 - Prepare Problem Definition

Under subtask 2.1 Consultant will prepare draft and final Problem Definition Reports (PDRs). The PDRs will incorporate all activities required to define the Project problem, background research and data collection, field investigations, understanding of the subject facilities and related facilities, and confirmation of objectives, constraints, and opportunities. The PDRs will also include a section on technical and Project risks. The Consultant will perform the following subtasks in close coordination with the District staff to develop PDRs that will provide a sound basis for the subsequent PSRs.

Subtask 2.1.1 - Perform Background Review and Data Collection

Subtask 2.1.1 - Consists of Activities A through E as described below:

- A. Assemble Available Information. The Consultant will assemble available information provided by the District as well as collecting information/data that may be available from other sources, as identified by the District, to confirm and document the problem, constraints, and options. The Consultant will also consult with District staff to confirm the customer/partner/stakeholder list, Project challenges, Project Requirements, objectives, and operational and environmental constraints. The Consultant will be responsible for obtaining all Project requirements and constraints from the District, DSOD, resource agencies and other stakeholders. The Consultant will work through the District to conduct stakeholder interviews to confirm Project interests, determine and rank selection criteria.

Review Existing Data. The Consultant will review existing analyses, reports, memoranda, and, correspondence relative to the Project. The review will include documents relevant to the potential Dam modification, outlet modification, and, spillway modification. The Consultant will review and confirm Project specific and District-wide objectives with the District, DSOD, and other resource agencies and stakeholders.
- B. Collect Right-of-Way Information. Consultant will collect property boundaries and delineation/tract register information.
- C. Collect Utility and Encroachment Information. Consultant will collect utility and encroachment information within the maximum probable Project footprint.

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- D. Field Reconnaissance. Consultant will perform field reconnaissance of the Project site and potential borrow areas to support feasibility level design activities.

Subtask 2.1.1 - Assumptions

1. District will provide electronic copies (if available) of information for use by the Consultant.
2. The District will provide boundary information in a hard copy format and electronic files (GIS and/or AutoCAD) for incorporation into Consultants maps.
3. Activity C includes one meeting with the District's Real Estate Services Unit to discuss strategies and schedules for reconnaissance/field study access onto adjacent properties, and District procedures for field clearances to incorporate in Consultant's field work plans. Meeting will also include discussion of temporary construction or permanent easements that may be needed for conceptual alternatives to be considered in the planning phase.
4. Activity D assumes review of existing utility and encroachment information is limited to expected on-site use areas of District reservoirs. If utility and encroachment studies are required for off-site areas, these services would be developed under Task 6, Supplemental Services.
5. Field reconnaissance under Activity E will be conducted by Consultant in the company of District staff who are familiar with the dams and can arrange access, and includes visual inspections and photographs of the following key facilities/areas:
 - a. Spillway areas of both dams, to evaluate potential modifications to the spillway and prepare for the PMP and PMF studies, as described in Subtask 2.1.2 1.
 - b. The right abutment and other areas of Calero Dam to observe the extents of historic seepage and to assist in the scoping any additional geologic reconnaissances or subsurface exploration programs that would be necessary for the seepage evaluation described in Subtask 2.1.2.3.
 - c. Outlet works of both dams to observe downstream areas such as the stilling box and downstream outlet structures, and visible portions of the upstream control facilities above the reservoir waterline. The Corrosion and ROV sub-consultants will also be on-site during this reconnaissance to observe the upstream outlet condition, and plan for underwater video inspections and of the intake towers and outlet pipes and hydraulic lines, as described in Subtasks 2.1.2.5 and 2.1.2 6.

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- d. Upstream concrete slope panels at Guadalupe Reservoir to photograph and observe visible portions of the concrete above the reservoir waterline.
6. Except for deliverables noted below, information, observations and conclusions from Subtask 2.1.1 will be incorporated into the PDRs pursuant to Subtask 2.1.3.

Subtask 2.1.1 - Deliverables

1. Memoranda listing documents reviewed (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Memoranda confirming Project Objectives and Project Requirements (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 2.1.2 - Conduct Investigations and Analysis

Consultant will perform the following:

Subtask 2.1.2.1 - Perform PMP and PMF Hydrologic Studies for Calero and Guadalupe Reservoirs

The Consultant will perform a modified HMR Report No. 58/59 study for Calero and Guadalupe Reservoirs following DSOD Interim Hydrology Policy. Based on the PMP results, a PMF analysis will be prepared to calibrate and verify the PMF runoff models and propose spillway modifications necessary to pass the PMF. The Consultant will support the District in its negotiations with DSOD regarding spillway modifications designed to pass 1) the HMR 36 PMF or 2) the modified HMR 58/59 PMF. The result of the PMP/PMF studies will be selection of the design basis flood for subsequent planning and future design.

Subtask 2.1.2.1 - Assumption

None.

Subtask 2.1.2.1 - Deliverable

1. PMF Report (one each for Calero and Guadalupe Reservoirs) including spillway modification details

Subtask 2.1.2.2 - Perform Additional Geotechnical Foundation Investigation for Downstream Buttress.

The Consultant will drill and sample up to 6 exploratory borings downstream of the existing Calero and Guadalupe Dam embankments (3 at each dam) to identify the thickness and stratigraphy of existing alluvium and the depth of and lateral extent of work necessary for conceptual design of a stability buttress. The Consultant shall be responsible for obtaining all permits, permissions, approvals and preparing all CEQA documentation required for investigations to be performed. The geotechnical data

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obtained under this subtask will be appended to the Transition to Design Report prepared under Subtask 2.2.6.

Subtask 2.1.2.2 - Assumptions

Consultant will design the geotechnical studies with the goal of avoiding impacts through the proper timing and placement of study locations. Consultant will attempt to design the studies to avoid impacts to wetlands, sensitive species habitat, and cultural resources sites and include avoidance and minimization measures such as pre-study surveys to avoid impacts. If impacts can be avoided, it is assumed that the work can be conducted under a CEQA Section 15306 (Class 6) Categorical Exemption for information collection and Consultant will prepare Categorical Exemption documentation under District guidance for their preferred format. If impacts cannot be reasonably avoided then Consultant will prepare a brief Initial Study and Negative Declaration or Mitigated Negative Declaration to satisfy CEQA requirements under Task 6, Supplemental Services.

Subtask 2.1.2.2 - Deliverables

1. Geotechnical Exploration Memorandum (one each for Calero and Guadalupe Dam) summarizing the results of the additional exploration at the dams
2. Geotechnical data Appendix to the Transition to Design Report (one each for Calero and Guadalupe Dam)
3. CEQA documentation for approvals and permits required for site investigations

Subtask 2.1.2.3 - Analyze Seepage at Calero Dam

1. The Consultant shall review existing information and assess the areas of historic seepage at the embankment of Calero Dam. Seepage conditions at Calero Dam are generally due to the combined effects of challenges faced during dam construction and complex geologic conditions in the dam foundation. Seepage appears to daylight in three distinct areas termed by the District as the "right abutment," the "embankment," and the "left toe" areas. The Consultant will address the District's requirement to improve the overall seepage monitoring and collection system.

The Consultant shall submit a Technical Memorandum to the District on the problem with recommendations for any geotechnical investigation as needed. After such geotechnical investigation, the Consultant shall submit a Report to the District outlining options for an improved seepage collection and monitoring system as well as recommendations. The recommendations, if approved, shall eventually be incorporated in the Staff-Recommended Alternative.

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Subtask 2.1.2.3 - Assumptions

Consultant will design the geotechnical studies, if needed, with the goal of avoiding impacts through the proper timing and placement of study locations. Consultant will attempt to design the studies to avoid impacts to wetlands, sensitive species habitat, and cultural resources sites and include avoidance and minimization measures such as pre-study surveys to avoid impacts. If impacts can be avoided, it is assumed that the work can be conducted under a CEQA Section 15306 (Class 6) Categorical Exemption for information collection and Consultant will prepare Categorical Exemption documentation under District guidance for their preferred format. If impacts cannot be reasonably avoided then Consultant will prepare a brief Initial Study and Negative Declaration or Mitigated Negative Declaration to satisfy CEQA requirements as a Supplemental Services task.

Subtask 2.1.2.3 - Deliverables

1. Technical Memorandum on historic seepage at Calero Dam
2. Report on Improved Seepage Collection and Monitoring System at Calero Dam
3. CEQA documentation for approvals and permits required for site investigations

Subtask 2.1.2.4 - Provide Assessment of Outlet Works at Calero Dam and Guadalupe Dam for Emergency Drawdown

Based on information collected and existing data reviewed in Subtask 2.1.1 the Consultant shall analyze the hydraulic capacity of the outlet works at both Calero Dam and Guadalupe Dam and their ability to meet DSOD emergency drawdown requirements as well as other District operational requirements. The Consultant will present the information with analysis and recommendations in Technical Memoranda, one for Calero Dam and one for Guadalupe Dam.

Subtask 2.1.2.4 - Assumption

None.

Subtask 2.1.2.4 - Deliverable

1. Draft and Final Technical Memoranda on Assessment of Outlet Works for Emergency Drawdown (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 2.1.2.5 - Perform Condition Assessment of Calero Reservoir Outlet Works - Conditional

The outlet works include the intake structure with hydraulically operated slide gates in the reservoir, a 36-inch diameter 481-foot long concrete jacketed steel outlet pipe under the main dam and a concrete outlet containing a stilling box and a weir.

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1. If the existing outlet has adequate hydraulic capacity to meet emergency drawdown and expected operational requirements (based on the review of existing information from Subtask 2.1.1, the ability of the existing outlet facilities to meet DSOD emergency drawdown requirements and District operating requirements) the Consultant shall inspect and perform a condition assessment of the Calero Reservoir outlet works
2. The Consultant shall inspect and evaluate replacement of the hydraulic system lines and related appurtenances at Calero Reservoir. The replacement options evaluated would keep the hydraulic lines away from contact with water. Some of these options may mean modifying the inlet structure to locate all valves and hydraulic lines from the reservoir so that their maintenance can occur without lowering the reservoir.
3. The Consultant will conduct a condition assessment using under water video for accessible submerged areas as well as Remote Operated Vehicles (ROV) for inspection of the outlet pipe. Prior to underwater or conduit inspections, Consultant and marine subcontractor will prepare a detailed work plan for the condition assessment in concert with District operations and maintenance staff; such plan will consider stream-flow maintenance requirements identified in the Dam Maintenance EIR, District operational and access procedures, and health and safety requirements.

Subtask 2.1.2.5 - Assumptions

1. A 1-day dive inspection of the intake structure at Calero Dam to visually observe conditions and obtain video documentation and inspector observations of conditions at the intake structure. The dive inspection will be performed by a diver with experience doing underwater condition assessments of structural concrete and steel, and mechanical equipment.
2. A 1- to 2-day ROV inspection of the outlet conduit at Calero Dam using either: (1) in-the-dry inspection with the upstream gate closed and the downstream valve open, and using a track-mounted ROV inserted from the downstream end; or (2) in-the-wet inspection with the upstream gate open and the downstream valve closed, and using a neutral-buoyancy ROV inserted from the upstream end that can be "flown" down the pipe. The ROV will obtain video images and a real time narrative of observations by the inspector that are approximately registered along the length of the pipe by tether length. Depending on the size and capabilities of equipment that can access the pipe through the gates/valves, for the in-the-dry option, it may also be possible to gather supplemental quantitative data such as UT tests and or laser/sonar profile information to gather dimensional information about the pipe, sediment and any potential obstructions.
3. During dive and ROV inspections, District will provide pump-over of reservoir water during shutdown of the outlet works as needed to maintain minimum stream flows called for in the Dam Maintenance EIR.

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4. District staff will open valves and remove pipe flanges/manways as necessary to insert and retrieve the ROV, and provide operation and lockout/tagout of gates valves as needed during the inspections.
5. Hydraulic system inspections include: (1) inspection of the underwater hydraulic line/gate connections during dive inspections , (2) visual inspection of the upper connections at the control house and exposed conduits above the reservoir water levels, and (3) interview of operations staff to obtain anecdotal information about O&M procedures and past leakage issues and repairs.

Subtask 2.1.2.5 - Deliverable

1. Section in Problem Definition Report detailing the assessment and evaluation

Subtask 2.1.2.6 - Perform Condition Assessment of Guadalupe Reservoir Outlet Pipe - Conditional

The outlet works consists of a 72-inch-diameter reinforced concrete intake tower housing a 48-inch-diameter corrugated steel riser, a low-level outlet pipe which is a 36-inch-diameter 720-foot long welded steel outlet pipe encased in concrete, and an outlet structure located at the downstream toe that includes a 30-inch butterfly valve used to control flow to Guadalupe Creek.

1. If the existing outlet has adequate hydraulic capacity to meet emergency drawdown and expected operational requirements (based on the review of existing information from Subtask 2.1.1, the ability of the existing outlet facilities to meet DSOD emergency drawdown requirements and District operating requirements) the Consultant shall inspect and perform a condition assessment of the Guadalupe Reservoir outlet pipe.
2. Replacement of the intake structure and hydraulic lines is required due to the requirement to move the inlet structure away from the seismically deformed embankment footprint. The outlet structure will also need to be replaced as it will most likely be buried by the downstream buttress. Therefore only the outlet pipe will be inspected by Consultant.
3. Consultant will conduct the condition assessment using under water video for accessible submerged areas as well as ROV for inspection of the outlet pipe. Prior to underwater or conduit inspections, Consultant will prepare a detailed workplan for the condition assessment in concert with District operations and maintenance staff; such plan will consider stream-flow maintenance requirements identified in the Dam Maintenance EIR; District operational and access procedures; and health and safety requirements.

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Subtask 2.1.2.6 - Assumptions

1. A 1-day dive inspection of the intake structure at Guadalupe Dam to visually observe conditions and obtain video documentation and inspector observations of conditions at the intake structure, and possibly for positioning the ROV at the base of the inlet structure will be performed by Consultant. The dive inspection will be performed by a diver with experience doing underwater condition assessments of structural concrete and steel, and mechanical equipment.
2. A 1- to 2-day ROV inspection of the outlet conduit at Guadalupe Dam using either: (1) in-the-dry inspection with the upstream gate closed and the downstream valve open, and using a track-mounted ROV inserted from the downstream end; or (2) in-the-wet inspection with the upstream gate open and the downstream valve closed, and using a neutral-buoyancy ROV inserted from the upstream end that can be "flown" down the pipe will be performed by Consultant. The ROV will obtain video images and a real time narrative of observations by the inspector that are approximately registered along the length of the pipe by tether length. Depending on the size and capabilities of equipment that can access the pipe through the gates/valves, for the in-the-dry option, it may also be possible to gather supplemental quantitative data such as UT tests and or laser/sonar profile information to gather dimensional information about the pipe, sediment and any potential obstructions.
3. During dive and ROV inspections, District will provide pump-over of reservoir water during shutdown of the outlet works as needed to maintain minimum stream flows called for in the Dam Maintenance EIR. The District will also lower Guadalupe reservoir to provide a maximum water depth of 80-feet over the bottom of the intake structure. Also, District staff will open valves and remove pipe flanges/manways as necessary to insert and retrieve the ROV, and provide operation and lockout/tagout of gates valves as needed during the inspections.

Subtask 2.1.2.6 - Deliverable

1. Section in Problem Definition Report detailing the assessment and evaluation

Subtask 2.1.2.7 - Inspect and Evaluate Upstream Concrete Slope Panels at Guadalupe Dam.

The Consultant will inspect and evaluate the condition of upstream concrete slope protection panels at Guadalupe Reservoir.

Subtask 2.1.2.7 - Assumption

1. Consultant's inspection of concrete panels will include visual inspection of panels exposed above the water line. No below-water inspection and no destructive testing will be performed.

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Subtask 2.1.2.7 - Deliverable

1. Section in Problem Definition Report detailing the assessment and evaluation

Subtask 2.1.3 - Prepare Problem Definition Report

- A. Based on information reviewed and collected in Subtask 2.1, the Consultant will prepare a Problem Definition Report for each dam consistent with District QEMS guidelines. The Problem Definition Report will fully establish existing conditions, define the problems and causes, identify constraints and options, and Project Requirements. The Consultant will prepare a draft report, provide response to comments, and submit a final report.
- B. The Consultant will assist the District in confirming stakeholder list; provide input on the strategic outreach to stakeholders plan (prepared by the District), and assist District in developing presentation materials and stakeholder meeting preparation.
- C. The Consultant will organize and conduct a Project Requirements Workshop with all stakeholders. The workshop will be combined with the Risk Management Workshop described in 2.1.3.D. The workshop scope and not-to-exceed fees are included in Subtask 1.4.
- D. The Consultant will prepare and submit a Project-Risk Management Plan for District's consideration and approval. The plan will identify the risks and recommend strategies for overcoming the risks. This subtask includes conducting a Risk Management Workshop during the Planning Phase to serve as the basis for a Risk Management Plan. The workshop scope and not-to-exceed fees are included in Subtask 1.4.

Subtask 2.1.3 - Deliverables

1. Draft and Final Problem Definition Reports (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Meeting materials (including stakeholder lists) and attendance at stakeholder outreach meeting run by District (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
3. Project Requirements Workshop and Risk Management Workshop
4. Draft and Final Project-Risk Management Plan

Subtask 2.2 - Prepare Planning Study Report

The following subtask sections describe the Consultant's scope to complete the Planning Study Report.

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Subtask 2.2.1 - Develop Alternative Evaluation Methodology

Consultant will develop a model for use in screening and evaluation of conceptual and feasible alternatives. This task will rely on determination and confirmation of Project Objectives and Project Requirements and stakeholder interests and criteria determined under Subtask 2.1. Based on information received during stakeholder interviews, a model will be prepared and submitted by Consultant to the District for presentation and review. Following review of model algorithms, hierarchy, criteria, and measurement metrics, the model will be revised by Consultant based on comments received. The final model will be submitted by Consultant to the District.

Subtask 2.2.1 - Assumptions

1. Screening model will be an Excel-based spreadsheet that incorporates approximately 10 to 20 specific criteria that will serve as qualitative or quantitative metrics for evaluation of various alternatives. The model will allow independent weighting of criteria to reflect District and stakeholder priorities, as well as sensitivity testing of results based on different weighting factors. Model will allow comparison of alternatives using a total numerical score as well as a visual representation in a bar chart.
2. Subtask includes a combined 1/2-day workshop with District staff to review the draft model and proposed criteria and metrics, and agree on preliminary weighting factors for initial use in alternative comparison. The workshop scope and not-to-exceed fee is included in Subtask 1.4.

Subtask 2.2.1 - Deliverable

1. Draft and Final Alternatives Evaluation Models (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 2.2.2 - Prepare Cost-Benefit Analysis (Guadalupe Dam Only)

The Guadalupe Dam retains one of the smaller capacity (3,460 acre-feet) reservoirs owned and operated by the District. The District seeks to determine if the anticipated expenditure of a seismic retrofit would be worth the realized benefits. The Consultant will, therefore, consider a range of alternatives for Guadalupe Dam to remediate the seismic deficiencies of the embankment. These will include a full retrofit, or a complete or partial dam removal. The Consultant will perform a cost benefit analysis (CBA) for the identified dam modification alternatives. The CBA will be a systematic process for calculating and comparing the benefits and costs of the various alternatives. The CBA analysis will be used to inform the conceptual alternatives process.

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Subtask 2.2.2 - Assumptions

1. Cost-benefit analysis will be prepared after conceptual alternatives have been identified under Subtask 2.2.3, Activity A.
2. The cost of various alternatives will be estimated by Consultant as part of conceptual evaluations performed under Subtask 2.2.3.
3. Consultant will work collaboratively with District to identify cost/benefit categories, and assign cost/benefit values for operational (e.g., water supply, O&M), intangible (e.g., flood protection, recreation, habitat, water quality) or/and other non-infrastructure items. Where possible, values will be estimated by applying established methodologies that rely on standard indices of costs of goods and services; where this is not possible, techniques used by federal agencies such as the U.S. Army Corps of Engineers and the Bureau of Reclamation will be applied to impute values through use of procedures such as shadow pricing. Federal guidelines for economic evaluation will also be used in determining parameters such as time horizons and discount rates to be applied in the CBA.

Subtask 2.2.2 - Deliverable

1. Draft and Final Technical Memorandum on Cost-Benefit Analysis (Guadalupe Dam)

Subtask 2.2.3 - Prepare Feasible Alternatives Report

Subtask 2.2.3 consists of Activities A through F as described below:

- A. Development of Conceptual Alternatives. The Consultant will develop conceptual-level designs for each conceptual alternatives along with a description of features and function. Level of development will be sufficient to allow initial screening for fatal flaws and initial comparison based on cost, implementability, operational and environmental considerations. The conceptual designs will identify general location, configuration, and size/operational features of major components, and identify significant uncertainties or technical feasibility issues that may exist in the alternative at this stage of design development. The configuration and key features will be illustrated by conceptual drawings or figures, with key Project data/quantities summarized in a concise, standardized table or narrative.
- B. Screening Evaluation of Conceptual Alternatives. The Consultant will evaluate the conceptual alternatives based on the initial screening criteria identified as part of the model development process (Subtask 2.2.1). The screening process for conceptual alternatives, however, will be less rigorous than the process that will be followed by Consultant for identification of the staff-recommended alternative. Consultant will assess the conceptual alternatives based on their ability to satisfy overall objectives and meet Project criteria. A weighted-criteria

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approach will be utilized by Consultant to screen the conceptual alternatives with close coordination and input from District. At the end of the screening process a number of feasible alternatives will be identified for further evaluation.

- C. Summary of Conceptual Alternatives. Following development and screening of the conceptual alternatives, the Consultant will prepare draft and final conceptual alternatives section of the Feasible Alternatives Report that includes screening rationale and initial identification of the array of feasible alternatives.
- D. Refinement of Feasible Alternatives. The Consultant will further refine the feasible alternatives identified under Activity B to allow for additional evaluation and identification of a staff-recommended alternative. Consultant will provide level of detail (designs 10% stage of Project definition) for the feasible alternatives sufficient enough to provide comparative analyses and support environmental compliance documents. Consultant's engineering analyses will be carried out to the extent that enables each feasible alternative to meet design and performance criteria. The criteria identified by Consultant during model development will clearly identify data requirements for alternative analyses, the level of detail for feasibility design, and prevent unnecessary efforts. The design is intended to allow designation of a preliminary footprint and construction requirements appropriate for consideration under CEQA, and provide a more refined estimate of Project costs and other features for use in final comparison of alternatives. The configuration and key features will be illustrated by drawings or figures, with key Project data/quantities summarized in a concise, standardized table or narrative.
- E. Comparison of Feasible Alternatives. The Consultant will update the previously developed decision model from Activity B with new metric information from the feasibility designs and review the model results and conduct sensitivity testing in a workshop with the District. Following completion of initial decision model analyses, Consultant will prepare a table (Feasible Alternatives Matrix) that summarizes the key features of each feasible alternative along with the relative score of each alternative along with the sub-score of each individual criterion.
- F. Feasible Alternatives Report. The Consultant will summarize the forgoing analysis and comparison of alternatives in a Feasible Alternatives Report that includes a discussion of the various alternatives and the methodology and assessment criteria used to compare the alternatives and presents the Feasible Alternatives Matrix. The Consultant will participate in a workshop with District staff and DSOD to review the draft Feasible Alternatives Report.

Subtask 2.2.3 - Assumptions

- 1. Activity A includes development of up to 15 conceptual alternatives each for Calero and Guadalupe Reservoirs, with the alternatives based on the previously identified seismic remediation concepts for the dam embankments (5 at Calero and 4 at Guadalupe) combined with up to 2 or 3 outlet rehabilitation /

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replacement concepts, and 1 or 2 spillway modification concepts at each reservoir that may be possible depending on the embankment concept and the level of reservoir drawdown allowed for construction. Construction cost opinions developed under Activity A are considered commensurate with an Association for the Advancement of Cost Engineering (AACE) International Class 5 estimate.

2. Activity D includes development of up to 5 feasible alternatives each for Calero and Guadalupe Dams. Construction cost opinions developed under Activity D are considered commensurate with an AACE International Class 4 estimate.
3. Activity E includes two 1/2-day workshops with District staff (one for Calero and one for Guadalupe). The first part of each workshop will present/discuss the feasible designs for each alternative. The second part will review the preliminary decision model results for the feasible alternatives, and identify the need for any re-weighting of criteria, either for sensitivity testing, or for inclusion in the final model. Based on the modeling and sensitivity testing, it is expected that the Staff Recommended Alternative to be carried forward will be identified. The workshops scopes and not-to-exceed fees are included in Subtask 1.4.
4. Activity F includes two workshops meetings with the District and DSOD together (one for Calero and one for Guadalupe) to review the draft Feasible Alternatives Report before finalization. The workshops scopes and not-to-exceed fees are included in Subtask 1.4.

Subtask 2.2.3 - Deliverables

1. Draft and Final Feasible Alternatives Report (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Two Feasible Alternatives Workshops with the District and DSOD together (one for Calero and one for Guadalupe)

Subtask 2.2.4 - Develop Staff-Recommended Alternative

Following the identification of the staff-recommended alternative, Consultant will develop the alternative in more detail sufficient to develop a budget level cost estimate. The Consultant will prepare a narrative description and drawings of the staff recommended alternative that will be included as a section in the Planning Study Report. The narrative will describe the key design features, construction and operational requirements, preliminary engineering design criteria, construction cost for the alternative.

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Subtask 2.2.4 - Assumptions

1. The staff-recommended alternative will be developed to a level of detail sufficient to prepare an opinion of probable construction cost commensurate with an AACE (Association for the Advancement of Cost Engineering) International Class 3 estimate.
2. Report section will include preliminary engineering design drawings (approximate 20% stage of design development) to illustrate the general configuration and typical sections/details of key components of the alternative sufficient to prepare budgetary cost estimates.

Subtask 2.2.4 - Deliverable

1. Draft and Final Staff-Recommended Alternative section of the Planning Study Report (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 2.2.5 - Prepare Planning Study Report

The Consultant will prepare a Planning Study Report that describes the Project background, objectives, problem definition, conceptual alternatives analysis, public outreach process, feasible alternatives analysis, staff-recommended alternative, and the basis for its selection. The staff-recommended alternative will be fully described in the report including life-cycle operation and maintenance guidelines and costs, real estate needs, estimated construction costs, schedule, and funding. Supporting calculations and preliminary engineering drawings for the staff recommended alternative prepared will be include as appendices. The Consultant will coordinate a meeting with District staff and the DSOD to review the draft Planning Study Report (PSR) prior to finalization.

Subtask 2.2.5 - Assumptions

1. The PSR body will include a summary of the previously prepared Problem Definition (PDR) and Feasible Alternatives Reports (FAR), with the PDR and FAR to be included as separate appendices.
2. This subtask included two workshops with the District and DSOD together (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam) to review the Draft Planning Study Report before finalization. The workshop scopes and not-to-exceed fees are included in Subtask 1.4.

Subtask 2.2.5 - Deliverables

1. Draft and Final Planning Study Reports (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Two PSR Workshops with the District and DSOD together (one for Calero Dam (including fellows Dike) and one for Guadalupe Dam)

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Subtask 2.2.6 - Prepare Transition Reports

Consultant will prepare the Planning-to-Design Phase Transition Report to properly transfer Project information to the District. The Transition Report will provide all relevant Project information to the District so that decisions and requirements identified during the Planning Phase will be addressed as Project requirements in the Design Phase. This will assure design deliverables meet Planning Phase objectives, and assure Planning Phase activities are not duplicated during design. Consultant will prepare a draft and final Transition Report.

Subtask 2.2.6 - Deliverable

1. Draft and Final Planning-to-Design Transition Report (one for Calero Dam including Fellows Dike) and one for Guadalupe Dam)

TASK 3 - ENVIRONMENTAL DOCUMENTATION AND PERMIT SUPPORT (REVISED)

1. The Consultant will prepare two Environmental Impact Reports (EIRs), one for Calero Dam and Fellows Dike (Elements E1 and E3) and another for Guadalupe Dam (Element E2) that comply with the requirements of the California Environmental Quality Act (CEQA) in a manner such that these documents may be presented to the District's Board of Directors as the CEQA Lead Agency, to enable them to certify the Final Environmental Impact Reports (EIRs) and adopt the Mitigation Monitoring and Reporting Plans (MMRPs). The Consultant will obtain the necessary environmental permits for construction of the Project, as well as permits/clearance needed for field investigations including supplemental geotechnical and borrow investigations.
2. The Consultant will support the District, in their role as the CEQA Lead Agency and primary contact with regulatory agencies for the Project. The regulatory agencies are as follows: State of California Department of Water Resources Division of Safety of Dams (DSOD), United States Army Corp of Engineers (USACE), United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), Regional Water Quality Control Board (RWQCB), and California Department of Fish and Wildlife (CDFW), the Valley Habitat Plan Implementing Entity and the County of Santa Clara (CSC). Under the direction of the District, Consultant will engage key agencies once sufficient Project design details exist, in order to formulate Project design alternatives that address agency concerns, and to develop appropriate CEQA mitigation measures consistent with the anticipated permitting requirements.
3. The Consultant may utilize a staggered scheduling of the two EIRs so that the Consultant may incorporate any applicable comments from the District on the first document into the second document prior to submitting it to the District.
4. The Consultant assumes that the Santa Clara Valley Habitat Conservation Plan (Valley HCP) will be operational, and impacts to upland species and habitat impacts will be permitted under the HCP. The Three Creeks Habitat Conservation Plan (Three Creeks

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HCP) is not expected to be operational in time for this Project, and impacts to fisheries will need be permitted under the traditional NMFS Section 7 process.

5. Costs for environmental tasks assume economies of scale and a staggered schedule for the two dam projects. Should either dam project be cancelled or substantially delayed, estimated costs for the active dam project will be up to 65 percent of the Task 3 cost for both dam projects.

Subtask 3.1 - Develop Initial Regulatory and CEQA strategy, and coordination with regulatory agencies

1. The Consultant will inventory the regulatory permitting needs for the Project, and will work with the District to develop a strategy for pursuing regulatory approvals necessary for the design and schedule requirements of the Project.
2. Environmental permits or approvals for this Project are anticipated to include:
 - a. Individual Permits under Clean Water Act Section 404, administered by the U.S. Army Corps of Engineers.
 - b. Regional Water Quality Control Board authorization under Clean Water Act Section 401, as well as Waste Discharge Requirements pursuant to the State's Porter-Cologne Water Quality Control Act.
 - c. Approval from the California Department of Fish and Wildlife, including Streambed Alteration Agreements (Fish and Game Code Section 1602).
 - d. Biological Assessments for submittal to the National Marine Fisheries Service (NMFS) under Section 7 of the federal Endangered Species Act.
3. This task will result in production of Regulatory and CEQA Strategy Technical Memoranda which will outline the various requirements and develop a clear and comprehensive plan and timeline for addressing each.

Subtask 3.1 - Assumptions

1. One in-person meeting with District staff and one phone-call with District Staff to discuss CEQA and regulatory lessons learned from the ongoing District projects at Anderson Dam and Almaden Dam, and consider the regulatory and CEQA strategy for the Project.
2. The strategy memorandum will be comprehensive and summarize District and Consultant consensus on regulatory strategy.
3. Consultant will prepare and submit two draft memoranda per dam and one final memorandum per dam.

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Subtask 3.1 - Deliverables

1. Preliminary Draft Regulatory and CEQA Strategy Memoranda (one for Calero Dam (including Fellow's Dike) and one for Guadalupe Dam). (electronic)
2. Final Draft Regulatory and CEQA Strategy Memoranda (one for Calero Dam (including Fellow's Dike) and one for Guadalupe Dam). (electronic for second review)
3. Final Regulatory and CEQA Strategy Memoranda (one for Calero Dam (including Fellow's Dike) and one for Guadalupe Dam). (electronic and hardcopy)

Subtask 3.2 - Perform Environmental Investigations and Studies

The Consultant shall perform investigations and studies needed to evaluate environmental impacts of the Project as required by CEQA and other applicable laws and regulations.

Subtask 3.2.1 - Gather and Organize Environmental Information Relevant to the Project

1. Consultant will collect and review existing materials provided by the District as referenced in Attachment Four, Reference Materials, of this Appendix One. Consultant will work with the District to identify any other existing environmental data not provided in Attachment Four. In addition to this information, Consultant will gather other pertinent information from other sources, including:
 - a. The Santa Clara Valley Water District Dam Maintenance Program Final PEIR.
 - b. CEQA document for projects in the vicinity.
 - c. Planning documents including relevant general plans and/or master plans.
 - d. The Valley Habitat Plan.
 - e. Previous reports prepared by H.T. Harvey for District work in the Project area.
 - f. California Natural Diversity Database (CNDDDB) occurrences from the Project vicinity.
 - g. Species occurrence data and status information compiled by the California Native Plant Society.
 - h. Water quality and sediment data from RWQCB reports and information used to develop TMDLs for the area.

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- i. A delineation of the Area of Potential Effects (APE) in consultation with Project engineers and the District. Consultant will conduct a record search of the APE at the Northwest Information Center of the California Historical Resources Information System (NWIC), and compile all documents pertaining to cultural resources identification and evaluation within the APE.
 - j. For information on potential hazardous materials sites, Consultant will utilize information provided by the District and a database search vender such as Environmental Data Resources Inc. (EDR) to provide data from a large number of databases and will investigate identified sites as needed.
2. Consultant will review the information gathered above and provide the District a list of additional environmental data needs and copies of information materials gathered (not originally provided by the District).

Subtask 3.2.1 - Deliverables

1. Environmental data and documents for the Project (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
Lists of additional environmental data needs, (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.2.2 - Prepare Base Map (REVISED)

1. Consultant shall prepare base maps for the Project areas. The maps shall be prepared in a Geographic Information System (GIS) format compatible with the District's GIS system; have an appropriate level of detail to serve as a basis for the analysis associated with Subtask 3.2.3, and subsequent environmental analysis; be constructed in a manner consistent with the protocol for information sharing of District's GIS department pursuant to Attachment Four, Reference # 19, District Standards for GIS Products; and be consistent with applicable metadata requirements.
2. The base maps will highlight previously mapped environmental resources in the Project areas. The base maps will serve as a platform for additional investigations and use in the CEQA analysis and permitting.

Subtask 3.2.2 - Assumptions

1. The District will provide relevant existing and available GIS information currently in their possession.
2. Consultant will utilize existing GIS-compatible data; digitizing or creating new GIS data would require authorization of additional scope and costs by the District under Supplemental Services.

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3. The base map will include the entirety of each reservoir and an approximate 2.5-mile wide buffer. Additional offsite areas, such as borrow sites or access roads outside of this buffer could be added as necessary through authorization under Supplemental Services.

Subtask 3.2.2 - Deliverable

1. Base maps for Project (one for Calero Dam (including Fellow's Dike) and one for Guadalupe Dam) along with metadata

Subtask 3.2.3 - Summarize Environmental Conditions Based on Existing Data

1. Consultant will review existing reports, plans and policies and other information relevant to the Project, as identified in Subtask 3.2.1, including an assessment of environmental conditions as required by CEQA, the Migratory Bird Treaty Act, state and federal Endangered Species Acts, Clean Water Act, Porter Cologne Act, Fish and Game Code Section 1602, cultural and archaeological statutes, local ordinances, and air quality regulations.
2. Results of Consultant's analysis will be summarized by Consultant in CEQA and permitting documents. Brief memoranda will be produced which identify additional data requirements and environmental issues not previously identified. The memoranda will be submitted to District for review.

Subtask 3.2.3 - Deliverable

1. Brief Memoranda identifying additional data required and environmental issues not previously identified. (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.2.4 - Prepare Field Investigation Plan

1. Consultant will prepare separate field investigation plans for field studies pertaining to Calero (including Fellow's Dike) and Guadalupe Dams including identified borrow sources /sites and spoil disposal areas as described in Subtask 3.2.5.
2. Based on the data requirements identified under Subtask 3.2.2 and 3.2.3, Consultant will develop draft and final field investigation plans and submit them to District for review. Field investigations for the dams will include habitat surveys for sensitive biological resources, archeological surveys, baseline visual resources, and baseline traffic counts. The investigation plans will provide a description of the work to be conducted, locations, and approximate dates of field surveys, and methods to be used. In cases where equipment must be set up, such as for traffic counts, a drawing will be provided that illustrates approximate locations.

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Subtask 3.2.4 - Assumptions

1. Existing water and sediment quality data in reports gathered under Task 3.2.1 will be sufficient for CEQA and permitting purposes.
2. No additional baseline air quality data is required because ambient air quality data is available from local air monitoring stations operated by Bay Area Air Quality Management District (BAAQMD).

Subtask 3.2.4 - Deliverable

1. Draft and Final Field Investigation Plans (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.2.5 - Conduct Field Investigations

Field investigations will be conducted in accordance with the Final Field Investigations Plans reviewed by the District. Proposed field investigations are as follows:

A. Biological Resources

1. Biological field surveys for this task will gather the information needed for the EIR, permits, and other agency authorizations. Biological field surveys will consist of habitat assessments at each dam location, conducted by two biologists over a three-day period at each dam. Consultant will map and characterize habitats at a level suitable for the CEQA impact evaluation purposes and to satisfy the requirements of permitting through the Valley Habitat Plan. The habitat data will include the two Project components, including up to four proposed on-site borrow and/or spoil sites at each dam location.
2. The Consultant will evaluate the availability and potential suitability of existing habitats for special-status species. The dominant biotic communities of the Project area will be characterized based on dominant plant and associated wildlife and will be mapped on the base map developed in Task 3.2.2 (described above).

B. Jurisdictional Delineation

The Consultant will conduct field studies at each dam sufficient to identify potentially jurisdictional waters of the U.S. including wetlands, as well as waters of the state. A preliminary jurisdictional delineation will be prepared using the 2008 Corps Regulatory Guidance Letter, the 2007 Memorandum re: Clean Water Act (CWA) Jurisdiction Following U.S. Supreme Court Discussion in "Rapanos v. United States," the 2012 National Wetland Plant List, and the 2008 Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Version 2.0).

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C. Cultural Resources

1. Consultant will conduct field surveys for archaeological and historic-era built environment resources within the Area of Potential Effect (APE), consisting of a pedestrian-level survey at each dam (including Fellows Dike for Calero Dam), and up to four proposed on-site borrow areas and/or spoil sites at each dam location. Consultant proposed level of effort assumes that the existing documentation of historic-era resources at Fellows Dike is complete and will not require updates.
2. The Consultant will contact the State of California Native American Heritage Commission (NAHC), and individuals identified by the NAHC, in order to notify individuals with an interest or potential knowledge of cultural resources in the area.
3. All gathered data will be used by Consultant to compile a technical report adhering to Secretary of the Interior Guidelines, which can be used in support of CEQA and Section 106 documentation, and the acquisition of federal permits.

D. Aesthetics

The Consultant will conduct field visits to each dam to assess existing visual resource conditions in the Project area. The field visits will include an inventory, including photo documentation of the following existing conditions: viewpoints; notable visual resources; and vividness, intactness, and unity of the Project area. Photographs will be taken at the time to be used in the analysis and for graphics.

E. Traffic

The Consultant will perform a field traffic assessment to qualitatively describe site conditions and will conduct daily traffic counts at up to five locations for each dam using machine traffic counting equipment.

F. Hazardous Materials

The Consultant will conduct a hazardous materials site database search for the Calero and Guadalupe Dams locations, using a vendor such as Environmental Data Resources, Inc. (EDR). After reviewing the database records, the Consultant will conduct a field visit to sites with known contamination that have the potential to be disturbed during construction to gather additional site-specific information.

Subtask 3.2.5 - Assumptions

1. Noise surveys will not be performed. Consultant will assume noise typical for rural environments.

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2. Simplified technical memoranda: Field notes will be typed for internal Consultant use, in sufficient detail to prepare primary regulatory documents (EIR and permits), but individual technical memoranda for each field investigation will not be provided to the District.
3. Existing mercury sampling data will be sufficient to meet regulatory requirements. Should preparation of a mercury sampling plan and field sampling for mercury be necessary, it will be conducted under a separate cost and scope as Supplemental Services.
4. Species-specific or protocol level surveys are not included in the scope for Task 3. If necessary for this Project, protocol level surveys for special status plants will be conducted under Task 6, Supplemental Services.
5. Suitable borrow material will be available on-site and surveys of potential borrow areas at an off-site or a distant location will be conducted under Task 6, Supplemental Services.
6. Fisheries field work is not included in the scope for Task 3. Consultant will rely on existing data from the District and others regarding fisheries resources within the Project area.
7. Existing hazardous materials data will be sufficient to meet regulatory requirements. Should preparation of a hazardous materials sampling plan and field sampling be necessary, it will be conducted under a separate cost and scope as Supplemental Services.

Subtask 3.2.5 - Deliverables

1. Technical Memoranda summarizing all field investigations, with major findings, implications for Project, fatal flaws, and outstanding data needs. (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.3 - Prepare Project Description And Initial Study Checklist (IS)

The purpose of this task is to accurately describe the elements of the proposed Project based on the Staff-Recommended Alternative and the Planning Study Report. The description of the proposed Project Components will be used in the environmental review process and to document the level of environmental review that will be undertaken to meet CEQA requirements through development of an Initial Study (IS) and Internal Decision Memorandum prepared by the District (IDM). The IS will also indicate resource areas requiring more detailed analysis and those areas that do not involve significant issues.

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Subtask 3.3.1 - Prepare Project Description

Consultant will work with District to produce draft and final detailed Project descriptions for each EIR for use in the CEQA process, based on the review and analyses conducted in the previous two tasks. Some elements of the proposed Project such as borrow areas, staging areas, haul routes, dewatering, stream flow bypasses, and access areas will also be described. The Project Descriptions will include descriptions of design for intakes, outlets, and spillways; description of surrounding areas influenced by the reservoir and flow releases; construction techniques and equipment to be used; and construction phasing for each dam and typical operation and maintenance requirements.

The Project descriptions will be subject to District review prior to completion of the final Project descriptions by Consultant.

Subtask 3.3.1 - Deliverable

1. Draft and Final CEQA Project Descriptions (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.3.2 - Prepare Initial Study Checklist (IS)

The Initial Studies for each dam will be used by Consultant to determine issues requiring detailed analysis in the EIRs and to screen out certain topics that would not require further review in the EIRs. The Checklist will be based on the current CEQA Guidelines Appendix G: Environmental Checklist and District guidance. Consultant will provide supporting text to explain the basis for its conclusions stated in the Checklist. The Consultant will also provide conceptual level information related to impacts and potential qualitative, early conceptual level mitigation.

Subtask 3.3.2 - Assumptions

1. Once Final Project Descriptions are developed, there will be no subsequent substantive changes in Project designs and plans that would necessitate changes to the Project Description or substantively alter the scope of the environmental analysis.
2. The evaluation described in Task 3.4 below will focus on the potentially significant impacts identified in the IS checklist, or as appropriate, those raised during the scoping period.
3. The following resource topics will be dismissed from further consideration in the Initial Study (others may be eliminated as well): agricultural and forest resources, mineral resources, and population/housing.
4. The District will prepare the Internal Decision Memorandum as required by QEMS guidelines using information from this task.

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5. Initial Study analyses will be qualitative. Substantive analyses, as needed, will be performed under Task 3.4.3.

Subtask 3.3.2 - Deliverables

1. Preliminary Draft Initial Studies (one for Calero (including Fellows Dike) and one for Guadalupe Dam)(electronic)
2. Final Draft Initial Studies (one for Calero (including Fellows Dike) and one for Guadalupe Dam)(electronic)
3. Final Initial Studies (one for Calero (including Fellows Dike) and one for Guadalupe Dam)(electronic)

Subtask 3.4 - Prepare Draft Environmental Impact Report

Following completion of Task 3.3, development of Draft Environmental Impact Reports will be undertaken by Consultant. This task includes the steps to prepare two Draft EIRs, in addition to the Notices of Preparation to announce the upcoming environmental review, administrative drafts for District review and public drafts to be circulated for comment.

Subtask 3.4.1 - Prepare Notice of Preparation

Consultant will prepare Notices of Preparation (NOP) for each dam to announce the upcoming environmental review and solicit public input on the scope and content of the EIR. The NOPs will include the IS's developed under Task 3.3, to inform public input regarding the environmental analysis. The two IS's developed under Task 3.3 above will be included with the NOP as an attachment, to help obtain public input regarding the impact topics to be included or dismissed from the EIR.

Subtask 3.4.1 - Assumptions

1. District will provide an initial list of interested parties.
2. District will provide a mailing list for each dam.
3. District will distribute the NOPs.

Subtask 3.4.1 - Deliverable

1. Draft NOPs (electronic); Final NOPs (15 paper copies plus one electronic copy) (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)

Subtask 3.4.2 - Conduct Environmental Scoping

1. In collaboration with District, Consultant will schedule and plan up to four public scoping meetings required by CEQA (two for each dam). At District's direction, Consultant will attend the meeting, answer questions, and solicit comments from the public and prepare detailed meeting notes. Consultant will prepare

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informational and presentation materials for the meeting. The location for the scoping meetings will be determined in consultation with the District Project Manager. Consultant will compile comments received at the scoping meeting and in response to the NOP and prepare a Scoping Summary Report.

2. Consultant will document and provide public comments to District.

Subtask 3.4.2 - Assumptions

1. District will provide service to capture public comments.
2. Consultant will not provide a meeting transcript.
3. District will make meeting place arrangements, facilitate the meeting, and make the presentation.

Subtask 3.4.2 - Deliverables

1. Draft and final public scoping meeting materials (paper and electronic) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam), scoping materials will include comment cards and up to two boards per dam
2. Scoping Summary Reports (electronic) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.4.3 - Prepare Administrative Draft EIR (ADEIR)

Consultant will prepare separate Administrative Draft EIRs for each dam including assessments of up to four (4) borrow and/or spoil areas for each dam. The ADEIR will incorporate the data and information collected and reviewed during previous tasks including Task 3.2, as well as comments submitted during the public scoping period. Technical analyses and impact assessments will be prepared using the impact topics and significance thresholds prescribed in Appendix G of the CEQA Guidelines, District input, and other applicable standards provided by the District. Only those impacts identified in the IS as a "potentially significant impact" will be evaluated in the ADEIRs. Appropriate mitigation measures will be identified for significant impacts, including the use of approved BMPs normally implemented by the District. Consultant will use mitigation measures developed for the Districts Dam Maintenance Program EIR to the extent that they are applicable to impacts of the Seismic Retrofit Project. Proposed borrow sites will be also assessed in the environmental analysis.

The approaches to each of the environmental topics that Consultant will address in the EIR are described below.

A. Aesthetics

Consultant will describe the existing aesthetic conditions, including sensitive visual resources and sensitive visual receptors, and will analyze temporary aesthetic impacts from construction as well as long-term changes in aesthetic

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character. Consultant will use CEQA significance thresholds from the San Jose Envision 2040 visual resources policies and the County of Santa Clara's General Plan scenic resources policies to analyze impacts to aesthetic resources.

B. Air Quality/Greenhouse Gas

1. Consultant will analyze the potential significance of the Project's air quality and greenhouse gas emissions associated with Project construction. Each EIR will describe the existing air quality conditions of the Project area and San Francisco Bay Area Air Basin, the federal, state, and Bay Area Air Quality Management District regulations applicable to the Project, and the potential impacts from the Project's emission-generating activities. These activities include fuel combustion in construction equipment and fugitive dust generation during dam stabilization, breaching of Fellow's Dike, and borrow and spoils material transport.
2. Each EIR's impact analysis (prepared by the Consultant) will assess the significance of: 1) construction equipment emissions; 2) the health risks associated with the Project's emissions (i.e., carcinogenic and non-carcinogenic health risks); and 3) odors associated with the Project's emissions. The analysis would use methodologies consistent with the most recent guidelines available from the BAAQMD.
3. If necessary, the EIR (prepared by the Consultant) will acknowledge and disclose the potential for risks associated with airborne asbestos fibers or other contaminants associated with borrow area soils or dredge spoils, however, the EIR will not model or quantify the incremental risks associated with this impact because federal and state regulatory processes are in place to quantify and control the risks associated with this potential impact (e.g., BAAQMD Regulation 11, Rule 14 - Asbestos Containing Serpentine).
4. Consultant will prepare a discussion of the potential impacts associated with implementation of the proposed Project in the context of existing BAAQMD guidance. Consultant will use the 2011 CEQA thresholds to complete the air quality impact analysis as they still provide substantive thresholds for the analysis since there is substantive evidence for the use of these thresholds (BAAQMD CEQA Guidelines Update, Appendix D: Threshold of Significance Justification, May 2010).
5. Greenhouse gas impact analyses (prepared by the Consultant) will be based on the construction traffic projections, as described below. The impact analysis will be completed by evaluating whether the Project will comply with state Assembly Bill (AB) 32 GHG goals, consistent with BAAQMD, however, since this is a construction-only Project, no long-term greenhouse gas impacts are expected.

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C. Biological Resources

1. Consultant will use the information collected in Task 3.2 and experience on similar dam projects in the region to evaluate the biological resources in the ADEIR. The biological resource evaluations will address each of the components of the Project in the context of the biotic resources of the Project sites and vicinity and identify site-specific direct, indirect and cumulative impacts. Consultant will assess potential impacts to special-status species, sensitive habitats, as well as jurisdictional waters. This analysis will include an evaluation of the effects of reservoir dewatering and stream flow reductions on downstream fisheries habitats at Calero Dam and Guadalupe Dam. Consultant will evaluate impact significance using the thresholds provided in the CEQA Guidelines and the District's guidance.
2. Mitigation will be developed by the Consultant in coordination with the District to address potentially significant impacts of the Project on biotic resources on and off the Project site. Potential mitigation options to be evaluated will include avoiding the impact, minimizing the impact by decreasing the timing and locations of the proposed actions, restoring the biotic resource to its former condition after the impact has occurred, reducing or eliminating the impact over time by appropriate preservation and maintenance operations during the life of the Project, and/or compensating for the impact by replacing elsewhere those habitats or those biota that have been adversely affected.

D. Cultural Resources

Consultant will conduct a cultural resources evaluation for both dams in compliance with CEQA, NEPA, and Section 106 of the National Historic Preservation Act (Section 106). Consultant will use the results of recent cultural resources studies conducted within the Project areas and collected as part of Task 3.2—such as those in support of the Final Program Environmental Impact Report for the Santa Clara Valley Water District (SCVWD) Dam Maintenance Program—in order to assess Project effects, make mitigation recommendations, and make recommendations of eligibility for listing on the National Register of

Historic Places (NRHP) and/or the California Register of Historical Resources (CRHR).

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E. Geology and Soils

Using prior site-specific knowledge and existing data, Consultant will analyze the Project's potential to expose people or structures to substantial adverse effects from the rupture of a known earthquake fault, strong seismic ground shaking, seismic-related ground failure, or landslides. Consultant will also address the potential for soil erosion and liquefaction, and will recommend mitigation measures to minimize the loss of topsoil and erosion during construction.

F. Hazards and Hazardous Materials

Consultant will evaluate potential threats to public health and safety from hazardous materials and other hazards that could result from Project construction. Consultant will review available environmental database reports collected under Task 3.2, describe the regulatory framework, and potential impacts from construction. Potential disturbance of existing hazardous materials/contamination sites located within the area of construction disturbance and 1/8 mile around construction disturbances will be evaluated.

G. Hydrology and Water Quality

Consultant will evaluate impacts to hydrology, flood control, and water quality, and in particular assess construction impacts on water quality and hydrology parameters, along with applicable federal, state, and local regulations. Consultant will evaluate potential water-quality impacts that could stem from reservoir dewatering, construction of cofferdams, and other in-water and near-water Project construction activities. Consultant will evaluate the potential for Project activities to expose or mobilize mercury (a greater concern at Guadalupe Reservoir), both during and following construction activities. Consultant will also prepare an analysis for potential bioaccumulation of contaminants resulting from aqueous mobilization due to drawdown, cofferdam, and in-water construction activities. This analysis will consist of a qualitative evaluation of the construction work relying on water and sediment contaminant data supplied by the District (if available) or otherwise publically available.

H. Noise

1. Noise and vibration impacts associated with the Project are anticipated to be limited to temporary noise from on-site construction activities and haul trucks traveling on local streets to and from the two dam locations. Consultant will describe in each EIR the existing noise and vibration environment of the Project area, identify sensitive receptors, and compare projected construction noise to local noise standards (i.e., County of Santa Clara and City of San Jose).
2. Consultant will, in each EIR, identify typical construction equipment sound levels, quantify peak and typical construction activity noise levels (including attenuation due to topography and ground cover), and, if

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necessary, identify best management practices or mitigation measures to reduce the magnitude of potential construction noise impacts, such as restricted work hours or blasting noise management plans if blasting is proposed.

I. Land Use and Planning

Although the Project would be exempt from local building and zoning ordinances under California Government Code Section 53091, Consultant will assess whether the Project would conflict with local land use plans, policies and regulations adopted for the purpose of avoiding or mitigating an environmental effect. The impact analysis will consider relevant policies from local jurisdictions including the City of San Jose General Plan and Zoning Ordinance, County of Santa Clara General Plan and Zoning Ordinance and County of Santa Clara Parks and Recreation Department policies (related to the breaching of Fellow's Dike).

J. Traffic and Transportation

The transportation analysis will focus on construction impacts only. Working with the Project engineers, Consultant will prepare Project trip and vehicle miles travelled (VMT) estimates including construction vehicles and workers. The VMT due to the Project will be used in modeling for air quality and greenhouse gas (GHG) emissions estimation in the EIR. Consultant studies will also evaluate site access and roadway systems near the dams in terms of roadway widths, curvatures, capacities, pavement strength, and integrity to identify appropriate access routes, seeking the least impact and shortest distance. Consultant will identify local roadways near the access points to the dam construction area that may experience short-term construction impacts in the section and will discuss potential delay on these roadways related to construction activities in terms of "time spent following" construction vehicles.

K. Recreation

Each EIR will contain an analysis of the relevant Project Component's impacts to recreational resources during Project construction and long-term operation of the dams and reservoirs once the retrofit Project is completed. Significance thresholds from the San Jose Envision 2040 Parks, Open Space and Recreation policies and the Santa Clara County General Plan recreation policies will be used to analyze impacts to recreation facilities.

Utilities and Service Systems

The primary function of Calero and Guadalupe Dams is to store and convey water supply. Construction of the proposed dam improvements may temporarily affect water supply availability and distribution, the impacts of which the Consultant will evaluate. Other public utilities, such as electricity, gas,

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stormwater, and wastewater facilities would not likely be affected. While the intent of the Project is to avoid alterations to public services such as police enforcement and fire protection, Consultant will evaluate the potential effects on these services. If necessary, Consultant will identify feasible and appropriate measures for avoiding or reducing impacts to public utilities and services.

L. Cumulative Impacts

1. Consultant will prepare a cumulative analysis for projects that may occur at the same time or near the Project vicinity. This may include other District dams such as Almaden or Anderson, depending on how construction schedules for those projects coincide with the construction schedules of the Guadalupe and Calero Project Components.
2. The documents will also contain sections on CEQA alternatives and other statutory considerations, including growth inducement or irreversible impacts, as well as lists of preparers and appropriate appendices.

Subtask 3.4.3 - Assumptions

1. The study area for biological and cultural field surveys will be limited to the core Project areas, including Guadalupe Reservoir and Dam, Calero Reservoir and Dam (including Fellows Dike) and immediate environs. Surveys in additional Project areas outside the core areas such as off-site borrow areas, staging, disposal; water storage and release areas would require additional scope and not-to-exceed fees and may be performed as Supplemental Services.
2. Borrow areas will be identified on-site.
3. Land Cover Maps produced for the ADEIRs will be appropriate to meet the requirements of the Valley Habitat Plan application package in Task 3.7.
4. The District will provide a list of its concurrent projects to be analyzed for cumulative impacts. Consultant will contact County of Santa Clara for a list of other projects in the area to include in the cumulative analysis.
5. No visual simulation modeling will be needed, and photography of the existing areas will be sufficient to present the analysis of aesthetic impacts.
6. Consultant work effort does not include recreation counts, surveys, or outreach to the recreation community.
7. No field work or laboratory analysis is necessary to evaluate hydrology and water quality for this task.

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8. District's engineering consultant will provide conceptual engineering for turbidity control during reservoir dewatering and when reservoir is empty during construction. (NEW)

Subtask 3.4.3 – Deliverable (REVISED)

1. Three (3) hard copies of each Administrative Draft EIR (ADEIR), and electronic copies in PDF and MS Word formats (one set for Calero (including Fellow's Dike) and one set for Guadalupe Dam)

Subtask 3.4.4 - Prepare Draft EIR

Based on District comments provided to Consultant on the ADEIR, Consultant will revise the Administrative Draft EIR and issue a second draft ADEIR. The Consultant will respond to comments on the second ADEIR and the resulting document/s will be the Public Draft (DEIRs). District will be provided screen check copies of the Draft EIRs to ensure that comments have been incorporated prior to printing.

Subtask 3.4.4 - Assumptions

1. District will provided consolidated comments. (NEW)
2. One in-person meeting at the District's office or conference call for each DEIR to review District comments.
3. Hardcopy documents will be comb bound or in binders.

Subtask 3.4.4 - Deliverables

1. Second ADEIR (3 paper and 1 electronic copy) incorporating comments on the initial ADEIR (one set for Calero Dam including Fellows Dike and one set for Guadalupe Dam)
2. Screen-check Draft EIR (3 paper and 1 electronic copy) (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam).
3. 75 copies of the Public Draft EIRs (20 paper and 55 electronic copies on CDs), along with an unbound, reproducible copy. Electronic copies will be submitted on CD in both high resolution and low resolution versions (less than 4 MB), suitable for downloading from the District's website. The electronic copy will include separate files by chapter or resource section for ease of downloading. (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam).

Subtask 3.5 - CEQA Public Noticing and Participation Requirements

This task identifies the steps required for release and public review of the Draft Environmental Impact Report.

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Subtask 3.5.1 - Prepare Information for District Website and Filing Draft EIR with the State Clearinghouse

1. Consultant will prepare a Notice of Availability (NOA) for each dam for public mailing and posting on the Districts website. The NOAs will be developed in compliance with CEQA Guidelines Sections 15087 and 15105.
2. The Consultant will send the NOAs to the County of Santa Clara Clerk/Recorder for recording and all responsible and trustee agencies, and the State Clearinghouse. The NOAs will be mailed to the public by the District. The District will publish the NOA in a newspaper of general circulation consistent with District public outreach procedures.

Subtask 3.5.1 - Assumptions

1. District will prepare and pay for newspaper advertisements.
2. District will distribute materials except as noted above.

Subtask 3.5.1 - Deliverables

1. Draft and Final NOA or publication on District website and State Clearinghouse filing. (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)
2. Newspaper advertisements, if these must be formatted differently from the NOA. (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)

Subtask 3.5.2 - Prepare Notice of Completion for Filing with State Clearinghouse

In coordination with District, Consultant will prepare the Notice of Completion (NOC) that contains a brief Project description and location, address where the Draft EIR is available for public review, and the dates of the review period. The Consultant will submit the NOC to the State Clearinghouse, along with the NOA prepared under this Task to start the 45-day public review period in compliance with CEQA Guidelines Section 15085.

Subtask 3.5.2 - Deliverables

1. Draft and Final NOC for Calero Dam (including Fellows Dike) and Guadalupe Dam
2. State Clearinghouse filing materials for Calero Dam (including Fellows Dike) and Guadalupe Dam (15 CDs and 15 copies each of the Executive Summary)

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Subtask 3.5.3 - Prepare for and Attend Public Hearing

During the public comment period Consultant will support the District in preparing for public meetings or hearings for the District Board of Directors. Consultant will assist the District in presenting the Project, describe the CEQA process, and answer questions on the EIR from the Board of Directors and public. Consultant will record notes during the public meetings and hearings. As part of this task, Consultant will prepare meeting notices / announcements, public hearing and meeting displays, handouts, presentations in coordination with the District. Consultant will record written public comments during these hearings and meetings.

Subtask 3.5.3 - Assumptions

1. One public meeting will be held for each dam EIR at a community facility near each project location. The District will handle arrangements for the meeting rooms and will facilitate the meetings and present the Project.
2. District will provide service to capture public comments.
3. Consultant will respond only to written comments submitted on the EIRs by mail or on comment cards at the meetings, or notes captured by the District.
4. Consultant will maximize use of master responses and will respond to up to 30 comment letters or 300 total comments per dam EIR.

Subtask 3.5.3 - Deliverables

1. Public Hearing Display Material (up to 4 presentation boards for each dam) (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)
2. Agenda(s) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
3. Presentation(s) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
4. Handouts (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
5. Public comment cards (paper)
6. Meeting Notes (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.5.4 - Respond to Public Comments

After the close of the public comment period on the Draft EIRs, Consultant will review comment letters provided by the District and will prepare a numbered matrix of all public comments received. Consultant will assess whether they can address certain comments with "Master Responses." For comments that require individual responses, Consultant will prepare those as appropriate.

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Subtask 3.5.4 - Assumptions

1. One conference call for each dam EIR to discuss comment matrix and strategy to respond to comments.

Subtask 3.5.4 - Deliverables

1. Draft Responses to Comments (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.6 - Prepare Final Environmental Impact Report

Following completion of the public review process for the Draft EIR, the Final EIR will be completed by Consultant.

Subtask 3.6.1 - Prepare Final EIR

1. Based on the public comments and the Draft Response to Comments in Subtask 3.5.4, Consultant will prepare the Administrative Final EIR, incorporating public comments, responses to comments and content of the Draft EIR. The Administrative Final EIRs (AFEIR) for each dam will include copies of the comment letters received on the Public Draft EIR, a specific response to each comment (from revised (after District comments) Response to Comments Report), and any text edits to the Draft EIR as a result of public comments. Based on District comments, Consultant will revise the response to comments to develop a Final Response to Comments. The Final Response to Comments Report will be included in the Final EIRs.
2. The AFEIRs will also include the Mitigation, Monitoring, and Reporting Program (MMRP). Consultant will prepare Draft MMRPs for each dam in compliance with CEQA Guidelines Section 15097 and District QEMS guidelines. The MMRPs will incorporate the mitigation measures proposed in the Draft EIRs with information including, but not limited to responsibility for performing the measures, standards of performance, and the entity responsible for ensuring the mitigation is carried out as specified.
3. Consultant will complete the Final EIRs based on comments received from the District on the Screen Final EIRs. Preparation of the Final EIRs is assumed primarily related to document layout, format, and final editing.
4. A copy of the Final EIRs (on CD) will be provided by the Consultant to any public agency that submitted comments on the Public Draft EIRs and per CEQA Guidelines Section 15089(b), the Final EIR will be distributed to commenting agencies at least ten days prior to certification of the Final EIR.

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Subtask 3.6.1 - Assumptions

1. One in-person meeting at the District's office or conference call for each AFEIR to review District comments. The District will provide a set of consolidated comments on the Draft Response to Comments Reports with any discrepancies resolved.
2. Quantitative reanalysis to respond to Draft EIR comments and changes to the Project Description that require EIR updates between Draft and Final versions may be performed under to Task 6, Supplemental Services.

Subtask 3.6.1 - Deliverables

1. Initial Administrative Final EIRs with MMRPs - 10 hard copies, along with an electronic copy of each AFEIR in both PDF and MS Word format. (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)
2. Administrative Final EIRs with MMRPs incorporating comments, as appropriate, on the initial AFEIR (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam) 10 hard copies, along with one electronic copy
3. Screen Check Response to Comments on AFEIRs and MMRPs – 3 bound copies plus a CD with PDF and MS Word versions (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)
4. Final EIRs—20 hard copies, plus one unbound, reproducible copy, of the Final EIR for the District's internal use, reproduction, and distribution. Consultant will also produce PDF and MS Word versions of the document on CD. (one set for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)

Subtask 3.6.2 - Prepare Findings and Statement of Overriding Considerations

In coordination with the District, Consultant will prepare draft Findings for each Project Component for each significant impact, and a Statement of Overriding Consideration for significant impacts found to be unavoidable, if applicable, for the District's use in certifying the Final EIRs and approving the Project. The Statements of Overriding Considerations, if required, will express the District's reasons for approving a Project that would have significant, unavoidable impacts on the environment. The Statement of Overriding Considerations will be based on supporting evidence in the administrative record. Consultant will prepare the findings in compliance with CEQA Guidelines Section 21081 and 21081.5. Following review and comment of the draft Findings, Consultant will finalize the Findings for adoption.

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Subtask 3.6.2 - Deliverable

1. Draft and Final Findings and Statement of Overriding Considerations. (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.6.3 - Prepare Notice of Determination (NOD)

Consultant will prepare draft Notices of Determination for District review and filing once the Project has been approved by the District Board of Directors. Within 5 days of Project approval, Consultant will file the Notice of Determination with the County of Santa Clara clerk and mail it to anyone who requested a copy of the notice.

Subtask 3.6.3 - Deliverable

1. Draft and Final Notice of Determination (one for Calero Dam (including Fellows Dike) and one set for Guadalupe Dam)(electronic)

Subtask 3.6.4 - Assist with Public Hearing and Certification of EIR

Consultant will provide support to District for the public meeting(s) or hearing(s) where the District Board of Directors considers the EIR for approval. Consultant (as needed) will attend the Board's meeting, as requested. Consultant will record notes of public comments during the meeting and provide those comments to the District.

Subtask 3.6.4 - Assumptions

1. Two hearings (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam) to be held at the District's boardroom. District will present Project to the Board.
2. No official transcription will be provided. Notes from the public meeting will be prepared for the District's review. Copies of all comments received in writing will be provided to the Consultant by the District.

Subtask 3.6.4 - Deliverables

1. Public Hearing Displays, Handouts (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Meeting notes from public meeting (hearing) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7 - Prepare Regulatory Permitting

The purpose of this task is for Consultant to produce permit applications, environmental documents and other supporting material needed for Project implementation. District will take the lead in negotiations with regulatory agency staff. Consultant will provide support with negotiations as noted below.

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Subtask 3.7.1 - Assist with Initial Regulatory Agency Consultation

Under the direction of District, Consultant will plan and participate in initial consultation(s) with regulatory agency personnel. Consultant will be responsible for keeping detailed notes of meeting(s).

Subtask 3.7.1 - Assumptions

1. Up to two pre-application consultation meetings and two post application consultation meetings with regulatory agency personnel either at their offices in Santa Rosa, Sacramento or the San Francisco Bay Area.

Subtask 3.7.1 - Deliverables

1. Initial Consultation Meeting Agenda and Notes. (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7.2 - Prepare Draft Permit Applications

1. In consultation with the District, Consultant will prepare draft permit applications for compliance with applicable regulations for the following agencies:
 - a. United States Army Corp of Engineers (USACE);
 - b. San Francisco Bay Regional Water Quality Control Board (RWQCB);
 - c. California Department of Fish and Wildlife (CDFW); and
 - d. Valley Habitat Plan Implementing Entity.
2. For each application, Consultant will first prepare a draft version of the application for review by the District. Based on District comments, Consultant will revise the draft applications. Consultant will finalize the applications for submittal to the regulatory and local agencies under Task 3.7.5.
3. The Draft Permit Applications are listed below:
 - a. U.S. Army Corps of Engineers

The Project will require approval from the USACE under Section 404 of the federal Clean Water Act (CWA). An Individual Permit Application will be prepared for each Project Component (one for Calero Dam (including Fellow's Dike), and one for Guadalupe Dam) that will consist of the following:

 - 1) Cover Letter.
 - 2) Engineer Form 4345, Application for Standard Permits. This is the standard permit application form for USACE permits. The Jurisdictional Delineation conducted as part of Task 3.2 and the

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Project description utilized in the EIR, along with USACE discussions, will determine if the Project Component qualifies for authorization under an existing Nationwide Permit or if a USACE Individual Permit is required. Consultant assumes that USACE Individual Permits will be required for work at both dams due to the locations and types of work required upstream and downstream of the two dams.

- 3) 404(b)(1) Alternatives analysis and Environmental Assessment (if necessary). If an Individual Permit is required, Consultant will prepare the following supporting documents: 1) an alternatives analysis pursuant to CWA Section 404(b)(1), and 2) an analysis of compliance with the National Environmental Policy Act (NEPA). The alternatives analysis will identify the least environmentally damaging practicable alternative. These analyses are not necessary if the Project Component qualifies for authorization under a Nationwide Permit.
- 4) Mitigation and Monitoring Plan. Consultant will utilize the Mitigation and Monitoring Plan (MMP) developed under Task 3.7.4 to support the USACE Application.
- 5) Public Notice (if necessary). For each Individual Permit, Consultant will prepare a draft of the public notice for USACE's finalization and publishing in the Federal Register.
- 6) Jurisdictional Delineation and Biological Assessments. Consultant will utilize the Jurisdictional Delineation conducted as part of Task 3.2 to support this application. Consultant will prepare a Biological Assessment under Task 3.7.3 to support the USACE formal consultation with the National Marine Fisheries Services (NMFS). However, Consultant assumes that the requirements for formal consultation with the United States Fish and Wildlife Services (USFWS) will be minimal because the proposed Project is covered under the Valley Habitat Plan Section 10 Permit. Therefore, the USFWS Biological Assessment will consist of a brief letter summarizing compliance with the terms of the Section 10 permit.
- 7) Cultural Resources Investigation for Section 106 Compliance. The background research and field studies under Task 3.2 will be used to prepare a Section 106 complaint cultural resource technical document required by the Corps in their 404 permitting process. In support of the 404 permit applications, Consultant will prepare a Draft and Final Finding of Effect (FOE) cover letter. The cover letter will briefly describe the Project and the Project activities that are subject to permitting. The FOE will describe any

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NRHP/CRHR-eligible resources potentially affected by the Project. Consultant will support the District's role to work with the federal Section 106 lead agency (USACE) in order to ensure appropriate consultation with Native American representatives and the State Office of Historic Preservation, successful compliance with Section 106, and issuance of federal permits.

Consultant will prepare a Memorandum of Agreement (MOA) prior to completion of the Section 106 process and issuance of the 404 permit per USACE and the State Historic Preservation Office (SHPO) requirements. It is anticipated that a Treatment Plan for the affected structures at Fellows Dike would be required prior to construction, but not necessary for 404 permit issuance. If required by the USACE for permit issuance, Consultant will prepare a Treatment Plan if authorized as a Supplemental Service.

b. San Francisco Bay Regional Water Quality Control Board

Both Components of the proposed Project will require authorizations from the San Francisco Bay RWQCB including a water quality certification (WQC) under Section 401 of the CWA and waste discharge requirements (WDR) under the state Porter-Cologne Water Quality Control Act.

Consultant will prepare the following items in support of the RWQCB permit applications for each Project Component (One for Calero Dam including Fellow's Dike and one for Guadalupe Dam):

- 1) Cover Letter.
- 2) Form R2C502-E, Application for 401 WQC and/or Report of Waste Discharge. This is the standard permit application form for RWQCB 401 WQC and/or WDR.

c. California Department of Fish and Wildlife

The proposed Project will require approval from CDFW pursuant to Fish and Game Code Section 1602 (Lake or Streambed Alteration Agreement [LSAA]).

Consultant will prepare the following items to support acquisition of a LSAA for each Project Component (One for Calero Dam including Fellow's Dike and one for Guadalupe Dam):

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- 1) Cover Letter.
- 2) Form FG2023, Notification of Lake or Streambed Alteration. This is the standard permit application form for a Streambed Alteration Agreement.

d. Santa Clara Valley Habitat Conservation Plan Implementing Entity

Consultant anticipates that the Incidental Take Permits issued by USFWS and CDFW under the Valley Habitat Plan will be issued and available for use by the Project in accordance with the Federal Endangered Species Act (FESA) and California Endangered Species Act (CESA) by the time this Task is started. The Valley Habitat Plan requires submittal of project-specific documentation to the Implementing Entity. The process for review and approval of the documentation has not yet been established and may be subject to change.

Consultant will use District's existing documentation of resources, and the habitat level studies scoped under Task 3.2, to evaluate potential impacts to biological resources within the Project area and vicinity to satisfy the Valley Habitat Plan species-specific survey. The conditions for the following biological resources will be addressed as appropriate:

- 1) California red-legged frog, foothill yellow-legged frog, and western pond turtle
- 2) Contra Costa goldfields
- 3) Serpentine-endemic rare plants
- 4) Bay checkerspot butterfly habitat
- 5) Blue and valley oaks
- 6) Western Burrowing Owl
- 7) Least Bell's Vireo
- 8) Tricolored Blackbird

Consultant will prepare the following items in support of the Valley Habitat Plan Implementation Applications. One package will be prepared for each Project Component (One for Calero Dam including Fellow's Dike and one for Guadalupe Dam):

- 1) Cover Letter.

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- 2) Reservoir-Specific Dewatering Plan.
- 3) Habitat Plan Application Package. The Habitat Plan Application Package will include the following information as specified in the Valley Habitat Plan:
 - (a) A description of the Project and a map showing the location;
 - (b) Documentation of existing land cover types in the Project area from District-provided information;
 - (c) A map of wetlands and other waters in the Project area;
 - (d) Results of species surveys previously conducted within the proposed Project region; and
 - (e) Documentation of additional avoidance and minimization measures that will be implemented.

Subtask 3.7.2 - Assumptions

1. USACE

- a. Project design changes following finalization of the HMMP may require revisions to the HMMP. If so, it may be conducted under Supplemental Services.
- b. Mitigation design plans and specifications are not included in the Consultant scope of work and may be conducted under Supplemental Services.
- c. The USACE will verify the preliminary jurisdictional determination based on the delineation conducted as part of Task 3.2. Typically, this is adequate for most projects evaluated by the USACE. If not adequate, preparation of additional materials required for an approved determination may be conducted under Task 6, Supplemental Services.
- d. Field delineations for waters and wetlands for upstream water storage opportunities or downstream water release locations are not included. However, Fellows Dike area is included.
- e. For permitting purposes, a Treatment Plan for Historic Resources at Fellow's Dike is not required for Section 106 compliance. A Treatment Plan will be required prior to construction and may be prepared during final design.

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- f. Task will include permits for one round of geotechnical investigations, which assumes the need for permits from CDFW (1600 LSAA) and Valley Habitat Plan. (NEW)

2. RWQCB

- a. The preliminary jurisdictional delineation in Task 3.2 will identify waters of the state and the HMMP prepared for the USACE will contain elements required by the state and will be sufficient for the RWQCB review.
- b. Sediment and water quality data sufficient for RWQCB review and approval is available and will be provided by the District.

3. CDFW

- a. The HMMP prepared for the USACE will be prepared with enough content and detail to be sufficient for the CDFW review.
- b. The Jurisdictional Delineation submitted to the USACE will be acceptable to CDFW for waters of the state.

4. Valley Habitat Plan Implementing Entity

- a. Where the District is unable to supply data to meet the species-specific surveys, additional surveys may need to be performed under Task 6, Supplemental Services.
- b. USACE consultation with USFWS for Section 7 and/or additional agency review as required by the Valley Habitat Plan will be limited to USFWS review of the Habitat Plan Application Package and the Reservoir-Specific Dewatering Plan. No additional documents will be prepared.
- c. If preparation of a Project specific Biological Assessment for Section 7 consultation with the USFWS is determined to be required, it may be conducted under Task 6, Supplemental Services.

Subtask 3.7.2 - Deliverables

- 1. Initial Draft Permit Applications for each agency referenced in this Subtask 3.7.2. (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam). Draft Permit Applications include:
 - a. USACE Section 404 Nationwide Permit Pre-construction Notification or Individual Permit Application
 - b. San Francisco Bay RWQCQ 401 WQC/WDR Application
 - c. CDFW LSAA Notification

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- d. Valley Habitat Plan Implementation Application
2. Final Draft Permit Applications for each agency referenced in this Subtask 3.7.2 (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam) incorporating District comments.

Subtask 3.7.3 - Prepare NMFS Biological Assessment

1. In consultation with District, Consultant will prepare for District review the draft and final Biological Assessment (BA), as appropriate, for each dam to facilitate the USACE's formal Section 7 consultation with NMFS regarding potential Project impacts to listed fish species and critical habitat regulated by NMFS.
2. During or prior to preparation of the BAs, Consultant will participate in two meetings between the District and NMFS in order to review potential impacts of Project, related issues, avoidance and minimization measures, conservation measures and potential Project benefits to listed fish. Both Calero and Guadalupe Dams will be addressed within the two meetings.
3. Substantial existing information is available regarding the fisheries habitat associated with Calero and Guadalupe Creeks downstream of the two dams. The Consultant will utilize existing fisheries information to address the potential for the District's Project to result in "take" of the Central California Coast Steelhead DPS in Alamitos, Calero, and Guadalupe Creeks, as well as adverse modification of their habitat, as well as adverse effects on Essential Fish Habitat (EFH), as defined by Section 9 of the federal Endangered Species Act (ESA) and the EFH provisions of the Magnuson-Stevens Act.
4. Consultant will include the following in the BA:
 - a. Detailed analysis of direct, indirect, and cumulative effects of actions affecting waters of the United States, associated listed species, critical habitat, and selected Essential Fish Habitat (EFH) species (as applicable).
 - b. Review of downstream water release alternatives.
 - c. Identification of the potential for "take" of the Central California Coast Steelhead DPS, adverse modification of critical habitat, and adverse effects to EFH (as applicable), and avoidance and minimization measures.
 - d. Where appropriate, identification of additional actions that would assist in species conservation and are tied to tasks identified in recovery plans.
 - e. Description of monitoring and reporting programs.

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- f. Potential Project effects on the listed species, considering intensity, duration, frequency, and severity of actions.
5. Once complete and approved by the District, the Consultant will submit the BAs to USACE during the CWA Section 404 permitting process under Task 3.7.2. It is assumed that the USACE will then submit the BAs to NMFS for subsequent development of biological opinions (BOs).

Subtask 3.7.3 - Assumptions

1. Development of species specific conservation measures for California Central Coast steelhead would be developed under Task 6, Supplemental Services, if required.
2. The BAs will be based on the flow schedules currently utilized by the District or other flow schedules provided by the District.
3. Fisheries field work is not required.

Subtask 3.7.3 - Deliverables

1. Draft and Final Biological Assessment (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7.4 - Prepare Habitat Mitigation and Monitoring Plan

1. Consultant will prepare a Draft Habitat Mitigation and Monitoring Plan (HMMP) separate from, but consistent with, the MMRP developed as part of the CEQA process. The final HMMP will be in the form of a report detailing mitigation plans, which will be sent to the resource agencies with the permit applications finalized in Subtask 3.7.5.
2. In the HMMP, the Consultant will identify measures that will be implemented to mitigate temporary and permanent impacts to biological resources resulting from the activities of the proposed Project. This will utilize, as needed, any Fish Rescue and Relocation Plan for each reservoir, and, Flow Maintenance Plan for each reservoir. These plans will be developed as needed, by the Consultant depending on the Staff- Recommended alternative/s. In the HMMP, the Consultant will identify timelines for the implementation of other wetland, waters, and fisheries mitigation defined in the CEQA document, responsible parties, reporting procedures, and other logistics, the frequency of occurrence, and performance standards, as necessary.
3. Consultant will develop a Final HMMP based on District comments on the Draft plan (one-round of comments).

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Subtask 3.7.4 - Assumptions

1. The HMMP will summarize proposed wetlands, waters, and fisheries mitigation developed in the permitting tasks (Subtask 3.7.1 and 3.7.2). This task will not include the development of additional mitigation design drawings or specifications.
2. Mitigation for Calero and Guadalupe Dams will be coordinated, so that impacts for both dams will be analyzed together, and proposed mitigation for both will be packaged to the extent allowed by regulatory agencies. Since Almaden Dam is also in the Guadalupe Watershed, coordination will be required with respect to aquatic habitat impact evaluation.
3. Mitigation for upland species/habitats is available through purchase of conservation credits through the SCV HCP process and a detailed plan is not required for these species/habitats. If the HCP process is not in effect, a separate HMMP for upland species / habitats will be developed under Task 6, Supplemental Services.
4. Tree removal is exempt from the County of Santa Clara Tree Removal Ordinance.

Subtask 3.7.4 - Deliverable

1. Draft and Final Habitat Mitigation and Monitoring Plan (HMMP) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7.5 - Prepare Final Permit Applications

Based on the comments received from District, Consultant will prepare the final permit applications for the Project, which District will distribute, as appropriate. Consultant will submit, in one package, all technical information that went into the biological assessment and permit applications. This may include, but not be limited to, GIS files, vegetation or wildlife survey results, cultural, and resource data.

Subtask 3.7.5 - Deliverable

1. Final Permit Applications (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7.6 - Provide Support during Permit Negotiation

Consultant will provide support to District during permit negotiations. This support may take the form of strategizing with District, preparing handouts and/or displays, attending meetings to answer questions and/or give short presentations. At District discretion, Consultant may be responsible for preparing meeting notes to document meeting discussions and outcomes.

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Subtask 3.7.6 - Assumption

1. Six (6), four-hour joint agency meetings in Santa Rosa, Sacramento, San Francisco, or District Offices.

Subtask 3.7.6 - Deliverables

1. Negotiation meeting(s) material and displays (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
2. Attendance at negotiation meeting(s) (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)
3. Meeting Notes (one for Calero Dam (including Fellows Dike) and one for Guadalupe Dam)

Subtask 3.7.7 - Prepare Reservoir Dewatering Plans, Fish Rescue and Relocation Plans and Flow Maintenance Plans

1. The Consultant will prepare up to two reservoir-specific dewatering plans, one for each dam, as required under the Santa Clara Valley Habitat Conservation Plan (SCVHCP) and CEQA if dewatering is required for the preferred alternative. Each plan will cover the schedule and method of dewatering and will refer to both a Fish Rescue and Relocation Plan and a Flow Maintenance Plan to address potential impacts to fisheries resources within and downstream of the reservoir.
2. The Fish Rescue and Relocation Plan will be prepared according to the requirements of the SCVHCP and the requirements of CDFW for preparation of a 1602 Lake and Streambed Alteration Agreement for the proposed Project.
3. Consultant will utilize existing information to evaluate potential fish relocation needs at each reservoir. The Fish Rescue and Relocation Plan will address methods, personnel qualifications, schedule, and monitoring for proposed fish rescue activities. Consultant will coordinate agency contact with the District, as appropriate, to identify specific issues for fish rescue including relocation locations and strategies to address non-native, invasive species.
4. Consultant will develop a Construction Period Flow Maintenance Plan for the stream reaches located downstream of each dewatered reservoir. This plan will identify feasible measures that would be implemented by the District during construction to maintain minimum flows to maintain downstream fisheries habitats.

Subtask 3.7.7 - Assumptions

1. This task will be based on existing flow and habitat data available to the Consultant.
2. District will provide available background information related to fisheries at the designated relocation sites.

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3. District will provide information on current operations, operation during construction, and planned post-construction operations such as current instream flow releases, expected releases (if any) to downstream creeks during construction and expected operation of the multi-port intakes and downstream releases post-construction. (NEW)
4. Two meetings with District staff and agencies as appropriate to discuss measures incorporated into these plans.
5. Collection of field data, if required, would require a separate scope and cost estimate under Supplemental Services.

Subtask 3.7.7 - Deliverables

1. Draft and Final Reservoir Dewatering and Fish Rescue Plan.
2. Draft and Final Flow Maintenance Plan

TASK 4 - DEVELOP ON-SITE BORROW AND SPOIL REQUIREMENTS (UNCHANGED)

The Planning Study Report will include an assessment of potential borrow and spoil disposal sites at Calero and Guadalupe dams. Consultant will identify on-site quarry/quarries and on-site spoil disposal/stockpile areas for both dams, starting during the planning phase to allow permits to be obtained commensurate with certification of the environmental documents.

1. Borrow Sites

The dam retrofit (buttressing) alternatives, as documented in the previously prepared Seismic Stability Evaluation reports, will require several hundred thousand cubic yards of material (borrow) that will need to meet certain density and gradation requirements. Preliminary quantity estimates indicate up to 225,000 cubic yards at Calero Dam and 135,000 cubic yards at Guadalupe Dam (subject to confirmation based on further engineering analysis) will be needed.

2. Spoil Disposal Sites

Downstream buttressing options will require removal of soils and weathered rock to suitable foundation material and will need to be spoiled on-site. In addition, inlet and outlet improvements including tunneling (or other) work will generate spoils that require disposal on or off-site.

The borrow and spoil evaluation will include the following subtasks with a goal of a two-step process that allows the results from Subtask 4.1 to inform the scope and direction of Subtask 4.2.

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Subtask 4.1 - Conduct a Borrow and Spoil Siting and Suitability Study

1. To assess potential rock and general embankment fill borrow areas, the Consultant will perform the following Activities A through G, for Calero and Guadalupe Dam / Reservoirs:
 - a. Evaluate the preliminary quantities and quality of borrow needed for the alternatives
 - b. Assess potential staging areas for material handling for the Project alternatives.
 - c. Review available on-site and regional information to identify candidate on-site borrow sources, stockpile and spoil disposal areas at the reservoirs.
 - d. Develop screening criteria to prioritize candidate on-site borrow and spoil locations based on environmental, accessibility, and engineering considerations.
 - e. Conduct a meeting with the District to screen the borrow source and spoil disposal areas to select sites for field reconnaissance level studies.
 - f. Perform a geologic field reconnaissance of potential borrow areas by an engineering geologist from the Consultant. The goals of the reconnaissance will be to: a) confirm/define the limits of rock types potentially useful and b) categorize rock exposures within these limits according to a four-class ranking (A through D) that takes into account rock strength, rock hardness, and degree of weathering. Observations made during the geologic reconnaissance will be documented on a field geologic map and photographs will be taken of each area.
 - g. Perform a geotechnical reconnaissance of potential borrow and spoils disposal areas by a geotechnical engineer and environmental specialists from the Consultant. The goals of the spoils disposal reconnaissance will be to: a) review the apparent geotechnical conditions at each location; b) assess the potential slope stability and erosion impacts at each location; c) assess the sites from an environmental impact perspective. Observations made during the reconnaissance will be documented on a field map and photographs of each site will be taken and catalogued.
2. The desktop and field reconnaissance studies will be documented by the Consultant in a draft and final Borrow and Spoil Siting Technical Memorandum. The Technical Memorandum will provide a summary of the findings of the Task 4.1 activities and present recommendations for a preferred on-site borrow and spoil site for Task 4.2 studies.

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Subtask 4.1 - Assumptions

1. On-site borrow and/or spoil sites are assumed.
2. The geologic, geotechnical and environmental reconnaissance will be conducted in four days (two days per reservoir location).
3. The Consultant will conduct up to two meetings with the District to screen candidate sites for the Task 4.1 reconnaissance, and then select preferred borrow and spoil site/s for Task 4.2 studies
4. Field reconnaissance will be performed at up to four (4) total borrow and/or spoil sites for each reservoir location.
5. Up to four (4) borrow and/or spoil sites will be identified for each reservoir for Task 4.2 studies.
6. One consolidated set of District comments will be incorporated into the Borrow and Spoil Siting memorandum to finalize the draft document.

Subtask 4.1 - Deliverable

1. Draft and Final Technical Memorandum on Borrow Sites and Spoil Disposal Areas (one for Calero Dam and one for Guadalupe Dam)

Subtask 4.2 - Identify Preferred Borrow and Spoil Sites

The Consultant will develop a footprint of borrow and spoil site disturbance areas to be used in the preparation of the Staff-Recommended alternative for preliminary design. The Consultant will also provide initial design parameters to allow the design phase consultant to prepare plans and specifications, and allow early consultation for potential permits.

Task 4.2 - Activities will include the following:

- A. Preparation of a geotechnical work plan addressing the following elements:
 1. Proposed types of exploration (test pit, boring, or seismic velocity survey).
 2. Specific purpose of each exploration.
 3. Location, size, depth, and means of completing each exploration.
 4. Means of accessing the location where the exploration will be completed, along with any necessary right of entry protocols.

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5. Identification of the excavation, drilling, and/or other subcontractors who will execute the exploration work, including proof of insurance and appropriate licensing.
 6. Identification of the professionals from the Consultant team who will manage and undertake the exploration work.
 7. Means of clearing the proposed exploration locations for underground utilities/improvements.
 8. Permitting needs specific to the exploration activities (including CEQA, as applicable). This will include depiction of exploration footprints, staging and laydown areas and access routes on site plans to assist with environmental clearances and right of entry permits.
 9. Environmental monitoring needs during the exploration.
 10. Site restoration requirements.
- B. Perform a geotechnical exploration program including 6 borings up to 40 feet in depth, 20 excavation pits up to 15 feet in depth, and 4 seismic refraction lines with a total length of up to 2,000 feet (combined for both reservoir sites).
- C. Perform a geotechnical laboratory testing program to characterize suitability of borrow materials, and determine whether the sites will yield suitable materials based on anticipated excavation volumes, requirements for new fills, and shrink/swell factors. Spoil sites will also be characterized to determine geotechnical suitability for receiving either temporary stockpile materials or permanent spoils and waste rock from processing.
- D. Perform preliminary engineering evaluation using geotechnical field and laboratory data to develop the following:
1. An initial estimate of rock production (usable vs. wastage).
 2. Identification of the depth to competent material, its density, and initial range of suitable gradation needed for buttressing that could affect the size or footprint of disturbance that will need to be evaluated under CEQA.
 3. Identification of the presence of any large-scale subsurface variations that may affect the size of the quarry site to confirm the suitability of the preferred site or adverse geotechnical conditions to assist the District in selecting other sources of borrow.
- E. Develop maps as part of a preliminary borrow and spoil plan. These maps will be developed using available County of Santa Clara Light Detection and Ranging

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(LIDAR) data files (or District files, if available) to create AutoCAD Civil 3D files that will allow for readily estimating the amount of land needed for a) topsoil spoil; b) rock processing and stockpiling areas; c) proposed haul roads to/from the dams; and d) proximity to local communities and species of concern that may be affected by the noise (blasting, rock processing, & trucks), dust, lighting associated night-time work, etc.).

- F. Evaluate the preferred borrow and spoil sites for potential cultural or paleontological impacts. This work will be incorporated into the proposed borrow plan to avoid critical sites and minimize other impacts to obtain an environmentally permissible approach.
- G. Prepare a Technical Memorandum summarizing the findings of the borrow and spoil siting suitability study for the activities described above, including a presentation of excavation, grading and restoration plans, test pit and boring logs, and laboratory test results, and findings of the preliminary engineering evaluation.

Subtask 4.2 - Assumptions

- 1) This Scope of Services is limited to the pre-feasibility through feasibility-level of analysis.
- 2) Test pit, boring, and seismic refraction survey exploration progress dependent upon terrain and environmental monitoring requirements.
- 3) The on-site studies will be conducted at up to two (2) borrow and/or spoil / staging locations per reservoir location.
- 4) The construction and subsequent restoration of haul roads will not be necessary to conduct geotechnical explorations.
- 5) Geotechnical exploration will be conducted on District property only.
- 6) The Consultant will perform the exploration work in accordance with the best management practices described in the District's approved Dam Maintenance EIR.
- 7) Consultant will design the geotechnical studies with the goal of avoiding impacts through the proper timing and placement of study locations. Consultant will attempt to design the studies to avoid impacts to wetlands, sensitive species habitat, and cultural resources sites and include avoidance and minimization measures such as pre-study surveys to avoid impacts. If impacts can be avoided, it is assumed that the work can be conducted under a CEQA Section 15306 (Class 6) Categorical Exemption for information collection and Consultant will prepare Categorical Exemption documentation under Task 2.1.2.7 using District guidance for their preferred format. If impacts cannot be reasonably avoided then

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Consultant will prepare a brief Initial Study and Negative Declaration or Mitigated Negative Declaration to satisfy CEQA requirements as described under Supplemental Services Task 6.7.

- 8) Hazardous materials testing and disposal will not be necessary at exploration locations.
- 9) Dredging associated with work upstream of Guadalupe Dam may contain trace amounts of mercury that will need to be addressed. Sampling immediately in advance of dredging could allow non-hazardous soils to be disposed of on-site while soils deemed hazardous would need to be disposed of at an approved off-site location. No over-water exploration work or environmental sampling and testing is included in the Task 4 Scope of Services. If such services are needed, they would be performed under Task 6 Supplemental Services.
- 10) Two preliminary excavation, haul road grading and restoration plans (one per each reservoir location) will be prepared for the borrow areas for use in planning-level mass balance estimates for the sites. These plans will be included in the Report documenting Footprint of Disturbance (See Task 4.2 Deliverables).
- 11) One consolidated set of District comments will be incorporated into the Geotechnical Work Plan, Feasibility Level Geotechnical Study, and Documentation of Footprint Disturbances to finalize the draft documents.

Subtask 4.2 - Deliverables

1. Draft and Final Geotechnical Study of Preferred Borrow (Quarry) Site/s (one for Calero Dam and one for Guadalupe Dam)
2. Draft and Final Report documenting the Footprint of Disturbance associated with the preferred borrow and spoil sites (one for Calero Dam and one for Guadalupe Dam)

TASK 5 - DESIGN SUPPORT (UNCHANGED)

In a supportive role, the Consultant will be responsible for reviewing the design consultant's work for consistency with the planning assumptions and requirements (Design Review). The Design Review is not meant to replace or absolve the Engineer of Record of its roles and responsibilities relative to the design. It is understood that the Engineer of Record assumes full responsibility for the design.

Subtask 5.1 - Review of 30% Design Deliverable

1. Consultant will meet with the District and design consultant to receive 30% design deliverables and discuss design progress, considerations, and challenges. Consultant will perform a comprehensive review of plans, specifications, and cost estimates; and provide comments and recommendations

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in a 30% Design Review Memorandum. It is assumed that 30% design documents will include outline specifications and minimally developed details.

Subtask 5.1 - Deliverable

1. Draft and Final 30% Design Review Memorandum

Subtask 5.2 - Review of 60% Design Deliverable

1. Consultant will meet with the District and design consultant to receive 60% design deliverables and discuss design progress, considerations, and challenges. Consultant will prepare a comprehensive review of plans, specifications, and cost estimates; and provide comments and recommendations in a 60% Design Review Memorandum. It is assumed that 60% design documents will include first draft complete specifications and substantially developed details.

Subtask 5.2 - Deliverable

1. Draft and Final 60% Design Review Memorandum

Subtask 5.3 - Review of 90% Design Deliverable

1. Consultant will meet with the District and design consultant to receive 90% design deliverables and discuss design progress, considerations, and challenges. Consultant will perform a comprehensive review of plans, specifications, and cost estimates; and provide comments and recommendations in a 90% Design Review Memorandum. It is assumed that 90% design documents will be considered "bid ready."

Subtask 5.3 - Deliverable

1. Draft and Final 90% Design Review Memorandum

Subtask 5.4 - Other Design Support

1. Consultant will meet with the District and design consultant to review preliminary design documents, technical memoranda and reports. The Consultant will provide review comments and recommendations. The Consultant will also review other design documents and provide comments.

Subtask 5.4 - Deliverable

- 1 Review comments on design documents

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TASK 6 - SUPPLEMENTAL SERVICES (REVISED)

1. The District may require, and Consultant will perform, Supplemental Services on an as-needed basis. Prior to performing any Supplemental Services, Consultant must receive an approved Task Order issued by the District and executed by both Parties as specified in Section VI. Additional Terms and Conditions, paragraph E. Task Orders. Refer to the Revised Appendix One, Task Order Template.
 - A. Details of the specific scope, deliverable, schedule, and fees for any Supplemental Services will be developed with the District and submitted in writing prior to approval to begin work.
 - B. The Not-To-Exceed Fees for each Supplemental Services Task Order will be based upon the Hourly Rate Schedule (time and material) as described in Revised Appendix Two, Fees and Payments, of this Agreement, and must include all of the following information:
 1. The agreed upon scope of services requested by the District,
 2. The total not-to-exceed amount for Consultant to complete the Supplemental Services Task Order on a Time and Materials basis,
 3. The schedule for completing the Supplemental Services Task Order; and
 4. Consultant key staff and classifications that will be assigned to complete the Supplemental Services.
 - C. Under no circumstances will Consultant commence the Supplemental Services until:
 1. The Supplemental Services Task Order is received, reviewed, and executed by the District's Project Manager; and
 2. The Consultant receives an Task Order Notice-To-Proceed from the District's Project Manager.

2. Specific Supplemental Services

Specific examples of possible Supplemental Services include but are not limited to:

Task 6.1 Implement Value Engineering / Constructability Review (UNCHANGED)

Consultant will perform Value Engineering (VE) and Constructability reviews according to the following subtasks.

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Subtask 6.1.1- Arrange and Conduct Value Engineering (VE) Sessions

Value Engineering (VE) studies will be used to compare conceptual designs by evaluating their comparative economic advantages and disadvantages in addressing seismic retrofit issues, PMF issues and inlet/outlet issues. Consultant will include early cost benefit analysis using a one-page high-low business case model for each of the ideas formulated to address potential failure modes and remedial alternatives. The Consultant will:

- a. Conduct a feasibility-level VE session of the proposed retrofit scope of work during the Planning Phase.
- b. Provide Certified Value Engineering Specialist or Associated Value Engineering Specialist as Value Engineering team leader.
- c. Provide necessary design disciplines and cost estimator/scheduler.
- d. Include operability and maintainability assessments.
- e. Prepare draft and final Value Engineering Report.
- f. Identify strategies for accelerating the Project's completion.

Subtask 6.1.1 - Assumptions

1. The anticipated not-to-exceed fee includes preparation of one page business case evaluation for ideas early-on, which will assist the Project team in developing conceptual designs that will accelerate the Project's completion.
2. The anticipated not-to-exceed fee also assumes that the VE workshop for each dam will consist of a 4-day workshop located at a District-provided facility, with the Consultant providing 3 technical discipline staff in addition to the VE Team Leader and a cost estimator/scheduler.
3. District will provide a participant familiar with the site issues and with operation and maintenance of each dam, as well as its integration into District water delivery facilities.

Subtask 6.1.1 - Minimum Deliverables

1. Value Engineering session
2. Value Engineering Draft and Final Report

Subtask 6.1.2 - Arrange and Conduct Constructability Reviews

Calero Dam and Guadalupe Dam each have challenging operational, engineering and permitting needs, and separate constructability reviews will be performed for each. The Consultant will arrange for and conduct feasibility-level constructability reviews and

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prepare a Constructability Review Memorandum for each dam and submit for District's consideration and approval. The constructability review sessions will lay out the proposed designs, construction sequence, relationship between construction activities and the construction methodology envisioned for retrofits to the dams and include the effects of potential CEQA permitting constraints that may limit some construction techniques. The construction challenges identified will be outlined to the engineering team, estimator/scheduler, environmental planners, and District operations staff and their input will be included in the Constructability Review Memorandum. The constructability review will also take into account the risk management strategy to refine construction sequences and methods in order to minimize the potential for disruption of reservoir during construction.

Prior to the constructability review sessions, the Consultant will prepare an agenda for review and approval by the District that includes session purpose and goals, summary of key issues and timing of key segments planned for the sessions.

Subtask 6.1.2 - Assumptions

1. The constructability review workshops will be performed after refinement of Feasible Alternatives under Subtask 2.2.3 but prior to identification of the Staff Recommended Alternative in Subtask 2.2.4, when design concepts have been developed to approximately the 10% stage of design development.

Subtask 6.1.2 - Minimum Deliverables

1. Constructability review session
2. Constructability Review Memorandum

Task 6.2 - Additional Geotechnical Investigations (REVISED)

1. Consultant will perform additional geotechnical investigations if site conditions warrant additional data needs. Recommendations will include a draft scope of services and draft sampling plan, rationale for the additional services, fees, and schedule of completion. Additional geotechnical investigation may include but not limited to:
 - a. Design of Seepage monitoring, collection and disposal at Calero Dam.
 - b. Calero Dam site.
 - c. Guadalupe Dam site.
 - d. Potential new tunnel outlet for the two dams.
 - e. Potential new weir.
 - f. Spillway modifications.
 - g. Borrow site investigations.
2. Identified Seepage Areas at Calero Dam: Based on the recommendations provided in the Calero Main Dam Forensic Geologic Report (Forensic Report) subsurface exploration consisting of rotary borings in foundation and embankment areas may be considered. Areas of exploration may include the right abutment foundation,

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embankment and downstream left toe seepage areas. Recommendations for additional subsurface exploration will be made, if any, after Consultant's site reconnaissance and seepage evaluation studies as described in Task 2.1.2.3.

3. Calero and Guadalupe Dam sites: The earthfill buttress alternatives for Calero and Guadalupe Dams would result in new embankments extending outside the current dam footprints. As scoped in Task 2.1.2.2 three (3) borings per dam site are planned near the toe of Calero Dam and Guadalupe Dam to provide information on stratigraphy and assist with preliminary estimates of foundation excavation extents and quantities for a given alternative. Additional explorations beyond those scoped in Task 2.1.2.2, if determined necessary, will be performed under this Task 6 Supplemental Services.
4. Potential New Tunnel Outlets and Weir and Spillway Modifications: The existing geotechnical and geologic studies of the Guadalupe and Calero sites may be sufficient to characterize tunnel outlet alignments for the development and screening of conceptual alternatives. However, geophysical surveys at tunnel outlet and spillway areas could further characterize subsurface conditions, could be used to determine candidate locations for future explorations once the configurations of the preferred alternatives are better defined, and would be relatively economical to perform while planning concepts and footprints are under development. The geophysical data can also be integrated with existing and future geotechnical and geologic data.
5. Geophysical studies would consist of seismic refraction surveys in overland areas of the outlet alignments, and in weirs and spillway areas to determine the depth of alluvial or colluvial materials. The Consultant will analyze the results from the seismic refraction surveys and geologic mapping in conjunction with established criteria to evaluate the relative rippability and excavatability of harder rock units in spillway, weir, and outlet areas.

Task 6.2 - Assumptions

1. Consultant anticipated not-to-exceed fees for this subtask 6.2 includes costs for preparation of additional exploration workplan, drilling permits, mobilization/demobilization of field exploration equipment, 6 days of exploration, (generally equivalent to one 80-foot boring or two 40-foot borings per day), obtaining samples of soil and rock, logging of borings, clean up and grouting of boreholes, nominal physical laboratory testing on samples, and providing final boring logs with descriptions of soil and rock encountered and laboratory test results.
2. Consultant anticipated not-to-exceed fees for this subtask 6.2 includes two days of seismic refraction surveys.
3. The anticipated scope of services for this subtask 6.2 is limited to the pre-feasibility through feasibility-level of analysis.
4. The construction and subsequent restoration of access roads will not be necessary to conduct geotechnical explorations.

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5. Geotechnical exploration will be conducted on District property only.
6. The Consultant will perform the exploration work in accordance with the best management practices described in the District's approved Dam Maintenance EIR.
7. Any necessary CEQA documentation /permitting will be limited to preparation of Categorical Exemptions, Negative Declarations or Mitigated Negative Declarations.
8. Hazardous materials testing and disposal will not be necessary at exploration locations. (NEW)

Task 6.2 - Minimum Deliverable

1. Draft and Final Reports (Various)

Task 6.3 - County of Santa Clara Permit Application (UNCHANGED)

Construction of the Project and property acquisition will require permits/authorizations from the County of Santa Clara (County) to ensure consistency with County's planning, zoning, building, and public works regulations. If requested by the District, Consultant will assist the District in obtaining permits/authorizations from the County. Consultant will prepare a permit application package for compliance with the County for Calero and/or Guadalupe Dams.

Consultant will prepare the following items in support of the permit applications:

- a. Determine the need for permits/authorizations based on engineering specifications and County Requirements.
- b. Draft and Final Cover Letter. The cover letter will briefly describe the Project and the Project activities that are subject to permitting. The cover letter will describe the contents of the permit application binder.
- c. Draft and final County Permit Application Forms.

Task 6.3 - Assumption

1. The level of effort to support this supplemental service is assumed to be 100 hours per dam.

Task 6.3 - Minimum Deliverables

1. Draft and Final Cover Letter
2. Draft and Final County Planning, Building, and Public Works Permit Application Forms

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Task 6.4 - Tree Removal Permits (UNCHANGED)

Construction of the Project may require impacts to trees protected by County ordinances. For each dam, The Consultant will determine the need for a County Tree Removal Permit, and, as needed, conduct a tree survey, consult with the County on appropriate revegetation, prepare a revegetation plan, and prepare a County tree removal permit for Calero and/or Guadalupe Reservoirs. Tree impacts may also need to be addressed in an Encroachment Permit from the County Department of Roads and Airports. If riparian trees are impacted, riparian tree impacts will need to be addressed for CDFW. Finally, impacts to oak woodlands are anticipated and will need to be addressed under the California Public Resources Code 20183.4, the Oak Woodland Conservation Act. Impacts to oak woodlands will need to be evaluated (significance, mitigation measures) as part of the environmental analysis for CEQA.

Task 6.4 - Assumptions

1. Four, 2-hour phone calls with the County.
2. Tree surveys at additional Project sites would require a separate scope and cost.
3. Tree surveys will be limited to 100 person-hours, and would address up to 2.5 miles of access road as well as the Project work area at the dam site.
4. Revegetation plans will be integrated with all relevant CEQA mitigation plans related to mitigation for vegetation impacts.

Task 6.4 - Minimum Deliverables

1. Draft and Final County Tree Permit Application
2. Draft and Final Tree Survey Map with the accurate location, number, species, size (diameter measured four and one-half feet above ground, approximate height, and approximate canopy diameter), general health, and approximate age, if known, of trees to be removed.
3. Draft and Final Revegetation Plan

Task 6.5 - Special Status Plant Protocol Surveys (UNCHANGED)

As stated in Condition 13 of the SCVHCP, special status plant surveys are required in sensitive habitats. For this Task 6.5, a qualified botanist will perform surveys as specified in the SCVHCP, where the Project could impact sensitive habitat areas, or in other areas, including up to 5 borrow sites per dam, where protocol level plant surveys may be required.

Task 6.5 - Assumptions

1. Three rounds of surveys will be required to cover all potential bloom seasons. Each round will require two botanists for one field day each.

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2. Project will avoid any special status plants documented during the plant surveys. A salvage plan, if required, may be performed under Task 6.13, Other Supplemental Services.

Task 6.5 - Minimum Deliverable

1. Draft and Final Plant Surveys Technical Memorandum.

Task 6.6 - Monitoring for Geotechnical Studies

Depending on the location, habitat, soil type and other factors, field geotechnical investigations may require monitoring of biological or cultural resources for compliance with regulatory permits. Consultant will provide qualified staff monitors with the permits, approval, or training required by relevant permits. The monitors shall provide initial environmental training materials to the geotechnical contractor.

Task 6.6 - Assumptions

1. Up to 10 days of biological monitoring.
2. Up to 4 days of cultural resource monitoring.
3. Ongoing environmental training of new field personnel shall be performed by the geotechnical contractor using provided materials.

Task 6.6 - Minimum Deliverable

1. Draft Monitoring Results Memorandum

Task 6.7 - CEQA & Regulatory Compliance for Geotechnical Studies (UNCHANGED)

As described under Task 2.1.2, Investigations and Analysis for the Planning Study, Consultant has assumed that impacts can be avoided through planning of the geotechnical investigations. If impacts cannot be reasonably avoided then Consultant will prepare a brief Initial Study and Negative Declaration or Mitigated Negative Declaration (IS/ND-MND) under this task to satisfy CEQA requirements. Consultant will use the District's existing documentation of resources and habitat level studies to evaluate potential impacts to biological resources within the survey area and vicinity to meet Valley Habitat Plan species-specific survey requirements, and recommend avoidance measures wherever possible to avoid impacts to special status species and waters of the US or State of California. The Initial Study checklist will be accompanied by discussions of resources area that may be impacted, including the nature of the impacts and proposed minimization and avoidance measure or mitigation measures.

Consultant will provide an administrative draft document for District review and will finalized this based on District comments. Consultant will work with the District to obtain approval of the ND-MND and will submit a Notice of Intent to adopt a Negative Declaration along with 15 copies of the documents to the State Clearinghouse to begin the 30-day public review period. Consultant will provide notification to the public in the form a notice in a local newspaper.

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Task 6.7 - Assumptions

1. No public meeting or other hearings will be necessary.
2. The District will receive up to three public comment letters that require formal responses.
3. District will pay for newspaper advertisements directly.

Task 6.7 - Minimum Deliverables

1. Administrative Draft and Final IS/MND for geotechnical studies at each dam, as needed
2. Fifteen (15) copies of Document to State Clearinghouse
3. Draft and final text for newspaper notice

Task 6.8 - CDFW Incidental Take Permit Application (California Fish and Game Code Section 2081) (REVISED)

1. If the SCVHCP is not approved prior to initiation of permitting for Calero and Guadalupe dams, the Consultant will prepare a CDFW Incidental Take Permit (ITP) Application (under California Fish and Game Code Section 2081). Separate Incidental Take Permit Applications will be prepared for each of the dams to address potential take of state-listed species during construction or operation of the dams.
2. The Consultant will use the District's existing documentation of resources and habitat level studies to evaluate potential impacts to state-listed species within the Project areas and vicinity. To the extent possible, the ITP applications will be based on the information provided in the Biological Assessment submitted to the USFWS for federally listed species.
3. The ITP applications will address each state-listed species under the jurisdiction of CDFW and will incorporate the following components:
4. Detailed analysis of direct, indirect, and cumulative effects of actions affecting state listed species and associated habitats.
5. Identification of the potential for "take" of state-listed species and specific measures to avoid or minimize potential take to the extent practicable.
6. Where appropriate, identification of additional actions that will assist in species conservation including actions identified in the Habitat Mitigation and Monitoring Plan will be developed under Supplemental Services.
7. Description of the monitoring and reporting programs necessary to assure CDFW that they will know when the authorized amount or extent of take is approached or exceeded.
(NEW)

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Task 6.8 - Assumptions

1. The ITP will utilize existing data or data collected under other tasks performed by the Consultant under this Agreement.
2. Development of habitat mitigation and monitoring plans, if required, will be conducted under subtask 6.13 Other Supplemental Services.
3. Consultant will prepare two administrative drafts and one final version of the ITP applications and will attend two meetings with CDFW and the District during preparation of the documents.

Task 6.8 - Minimum Deliverables

1. First administrative draft ITP applications
2. Second administrative draft ITP applications
3. Final ITP applications

Task 6.9 - Habitat Mitigation and Monitoring Plan (UNCHANGED)

In the event that the SCVHCP is not approved prior to initiation of permitting, Consultant will prepare a Habitat Mitigation and Monitoring Plan (HMMP) for upland species (including special status amphibians) in addition to the HMMP for fisheries developed in Task 3. The HMMP will identify conceptual measures that will be implemented by the District to mitigate temporary and permanent impacts to upland (including amphibians) federal and state listed species and sensitive habitats resulting from each of the Projects, including construction and operation. The HMMP would also address actions required to mitigate impacts to wetlands and other waters regulated by the USACE and the RWQCB under the federal Clean Water Act and the riparian habitats regulated by the CDFW under Section 1600 of the California Fish and Game Code.

Separate documents would be prepared for each of the dams. The HMMP documents will identify and describe the following information:

- a. Upland habitats and species requiring mitigation.
- b. Goals of mitigation.
- c. Proposed mitigation measures.
- d. Proposed mitigation locations.
- e. Conceptual Implementation Plans.
- f. Conceptual Maintenance and Monitoring.
- g. Performance standards and criteria.
- h. Contingency Measures.

Task 6.9 - Assumptions

1. The HMMP will provide conceptual level details of proposed habitat mitigation and monitoring for the two Project Components consistent with the Planning Phase of the Project.

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2. Consultant will provide 5 hard copies and one electronic version of the Final HMMP. The District will submit the Final HMMP to the regulatory agencies with the final permit applications developed in Task 3.
3. If requested by the District, the Consultant will prepare one revised version of the Final HMMP based on input from the resource agencies up to and equal to the level of effort required to produce the final version of the HMMP.
4. Collection of data not already acquired by the District or the Consultant in other tasks for the Project, including focused surveys for wetlands, waters or special status species, will be addressed under subtask 6.13 Supplemental Services.
5. The HMMP will summarize information developed in the permitting Tasks (Task 3.7). This task will not include the development of final plans or specifications required to construct and implement the proposed mitigation.

Task 6.9 - Minimum Deliverables

1. First administrative draft HMMP
2. Second administrative draft HMMP
3. Final HMMP

Task 6.10 - Fisheries Technical Memorandum (UNCHANGED)

Steelhead conservation measures will be required to support the formal consultation with the National Marine Fisheries Service (Task 3.7.3). The Consultant will prepare a technical memorandum that will identify and evaluate feasible steelhead conservation measures within the Guadalupe River watershed including Guadalupe Creek below Guadalupe Dam, Alamos Creek below Almaden Dam and Calero Creek below Calero Dam. This information will be developed concurrent with the planning phase of the Project so that any data gaps can be addressed prior to the initiation of the permitting tasks (Task 3.7).

This memorandum will specifically include the following elements:

1. Summary of existing studies and agreements for steelhead habitat in the Guadalupe River watershed;
2. Description of existing steelhead passage conditions below Guadalupe and Calero dams;
3. Description of the extent and condition of existing steelhead spawning and rearing habitat above and below Guadalupe and Calero dams;
4. Feasible measures to improve or maintain steelhead habitat in the Guadalupe River watershed; and
5. Potential Data gaps that would require additional studies and analysis.

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Task 6.10 - Assumptions

The anticipated not-to-exceed amount associated with this Task is based on the following assumptions:

1. The technical memorandum will provide conceptual level details of potential fisheries conservation measures consistent with the Planning Phase of the Project.
2. Collection of data not already acquired by the District or the Consultant in other tasks for the Project will be addressed under subtask 6.13 Other Supplemental Services.
3. Feasibility of fisheries conservation measures will be evaluated based on existing information available to the Consultant.

Task 6.10 - Deliverables

1. Draft Fisheries Technical Memorandum
2. Final Fisheries Technical Memorandum

Task 6.11 - Treatment Plan for Historic Resources (UNCHANGED)

If required as a condition for the completion of Section 106 compliance and issuance of the USACE 404 permit, Consultant will prepare a Treatment Plan for the relocation of National Register of Historic Places (NRHP)-eligible structures associated with the Bailey/Fellows Ranch. The Treatment Plan will serve as a guide for the conservation, treatment, relocation, and rehabilitation of the structures. The Treatment Plan will be prepared in consultation with the USACE and SHPO and will be consistent with the *Secretary of the Interior's Standards for Rehabilitation* and the *Secretary of the Interior's Standards for the Treatment of Historic Properties*.

Task 6.11 - Assumption

1. The Treatment Plan will be based on previously completed studies of the ranch structures including the analysis and recommendations from those studies.

Task 6.11 - Deliverables

1. Draft Historic Resources Treatment Plan
2. Final Historic Resources Treatment Plan

Task 6.12 - Additional Quantities of Services and Deliverables (UNCHANGED)

Consultant will provide additional services and deliverables beyond the quantities of services and deliverables stated in Task 1 through 5 to include but not limited to:

1. Additional meetings, including meetings and phone calls of longer duration than specified.
2. Additional status/progress reports.

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3. Additional technical studies.
4. Technical services including CADD, hazardous materials, right-of-way, environmental and biological studies.
5. Additional public outreach support.

Task 6.13 - Other Supplemental Services

Other Supplemental Services, Consultant may perform at the request of District in accordance with Task 6, may include but not be limited to:

1. Additional data collection that could include but is not limited to bald eagle surveys, fisheries surveys in Guadalupe Creek, and data collection efforts associated with off site staging areas not part of the original Project footprint.
2. Salvage plans for special status plants.

Task 6.14 - Studies to Support Operations in lieu of Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) (NEW)

Consultant will conduct studies required to assess operations after the retrofit is complete in lieu of having the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) Agreement rule curves apply to the post-construction conditions. The Consultant will develop details in a separate proposal, after discussions and negotiations with the resource agencies. The Task Order Scope of Services could include but not be limited to:

1. Develop data collection work plan
2. Develop water temperature model
3. Temperature data collection using automated recorders at a number of locations in the reservoirs and downstream areas
4. Fisheries data collection using seines, nets or electrofishing at downstream areas
5. Fisheries habitat assessment of downstream areas
6. Agency coordination
7. Report preparation

Task 6.15 - Water Quality Investigations (NEW)

Consultant will develop studies to assess baseline water quality conditions (turbidity, temperature, Dissolved Oxygen) in the reservoir and in Guadalupe Creek downstream of the dam. Potential changes to water quality during initial dewatering and sediment transport during periods when stormwater flows through the empty reservoir beds downstream into Guadalupe Creek will also be evaluated. Consultant will develop details in a separate proposal, after discussions and negotiations with District and the resource agencies. The Task Order Scope of Services could include but not be limited to:

1. Review available baseline data and identify any data gaps
2. Develop data collection work plan

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3. Develop sediment transport model
4. Collect baseline water quality measurements in the reservoir and downstream areas using automated recorders at a number of locations
5. Conduct sediment modelling and impact analysis
6. Develop potential mitigation options
7. Agency coordination
8. Draft and final report preparation

VI. ADDITIONAL TERMS AND CONDITIONS (UNCHANGED)

A. Consultant as Independent Contractor

1. Consultant will perform all Services as an independent contractor and not an agent or employee of District.
2. The expertise and experience of Consultant are material considerations for District's award and execution of this Agreement. Consultant will not assign or transfer any interest in this Agreement nor the performance of any of Consultant's obligations hereunder, without prior written consent of District, in the form of an Amendment executed by both Parties, and any attempt to so assign this Agreement, or any rights, duties or obligations arising hereunder, will be void and of no effect. Any assignment of moneys due or to become due in accordance with this Agreement, will be to the extent permitted by law, and will be subject to all proper set-offs, deductions, and withholdings in favor of the District.

B. Consultant's General Responsibilities

1. Standard of Care
 - a. Consultant and its sub-consultants must perform services in accordance with those standards of care that are generally recognized as being used by competent persons in Consultant's area of specialty in the State of California.
 - b. Consultant and its sub-consultants must perform services in compliance with all applicable written federal, state and local codes, statutes, laws, regulations and ordinances, including, but not limited to, environmental, energy conservation, and disabled access requirements.
2. Unless the requirements for the Scope of Services described in this Agreement are specifically modified in writing, Consultant must provide its services and deliverables as required.

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3. Consultant shall provide staff designated in Revised Attachment One, Consultant's Key Staff and Subconsultants. Any designated staff changes proposed by Consultant are subject to approval at the administrative staff level by the District Representative.

C. Confidentiality

1. Due to the nature of the services the Consultant will provide under the Agreement, there may be disclosure to the Consultant of detailed information about the District's operations, including on a need-to-know basis information which may be protected from public disclosure by confidentiality laws, the attorney-client privilege, and/or other provisions of law which govern the nature and timing of disclosure of public information.
2. The Consultant understands and acknowledges that District staff members providing information to the Consultant do so with the understanding that such information will be handled appropriately. In the event the Consultant receives such restricted or confidential information, the Consultant will limit access to the information to only those of the Consultant's employees, its subcontractors, and its subconsultants authorized by the District to have the information.
3. Consultant will notify the District's Project Manager immediately of any request by any third party to have access to the information, and will not disclose the requested information without first receiving express written authorization from the District's Project Manager. The requirements of this section will survive completion, termination, suspension, and expiration of the Agreement.

D. Project Management

1. The Project Manager for the District is Bal Ganjoo, Senior Project Manager.
2. The Project Manager for Consultant is as indicated in Revised Attachment One to Revised Appendix One, Consultant's Key Staff and Subconsultants, of this Appendix.
3. The District's Project Manager or his designee is the only person authorized to accept Consultant's deliverables on behalf of the District.

E. Task Orders

1. Supplementary Services will be assigned to the Consultant through issuance of Task Orders. After Supplementary Services to be performed under this Agreement are identified and communicated to Consultant by

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the District Project Manager, the Consultant will prepare a proposed Task Order. The proposed Task Order must identify the following:

- a. Description of the services, including deliverables.
 - b. The total not-to-exceed amount for Consultant to complete the services, including estimated number of hours per assigned staff to complete the services.
 - c. Proposed staff that will be assigned to complete the services, including resumes if not previously provided to the District Project Manager.
 - d. Estimated cost of each reimbursable expense, including any applicable fees.
 - e. Time schedule for completing the services.
 - f. Copies of applicable state, federal, and local permits required to complete the services, unless previously provided to the District Project Manager.
2. Consultant agrees that the not-to-exceed amount specified in a proposed Task Order will be the product of a good faith effort in exercising its professional judgment. After an agreement has been reached on the negotiable items, the finalized Task Order will be signed by representatives of both Parties.
 3. Consultant must not commence performance of services on a Task Order until it has been approved by the District's Water Utility Capital Division Deputy Operating Officer and notice to proceed has been issued by the District's Project Manager. No payment will be made for any services performed prior to approval or after the period of performance of the Task Order. The period of performance for Task Orders will be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Agreement. The total amount payable by the District for an individual Task Order will not exceed the amount agreed to in the Task Order.
 4. Prevailing Wage Requirements: The Scope of Services may be considered by the District to be "Public Works" requiring the payment of prevailing wages. See the Revised Standard Consultant Agreement Section II Duties of Consultant; Revised Appendix Two, Fees and Payments, paragraph L. Prevailing Wages, and Attachment Three Task Order Template.

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F. Conflict of Interest

1. Consultant represents that there exists no actual or potential conflict of interest concerning the services to be performed under this Agreement.
2. Consultant represents that Consultant's performance under the Agreement does not require the breach of any agreement or obligation to keep in confidence the proprietary information of another party.
3. Consultant will not bring to the District or use in the performance of Consultant's duties under the Agreement any materials or documents of another party considered confidential or proprietary unless Consultant has obtained written authorization from such party, and the informed consent of the District, for the possession and use of such materials.
4. Consultant represents and warrants that during the term of the Agreement, Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant will not act as a consultant or expert for any party in support of any potential or active claim or legal action against the District by such party.
5. Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant will not submit a proposal: (i) for any contract to be awarded for construction management, or the construction of any project that is related to the services provided under the Agreement; or (ii) in response to any request for proposal or District solicitation developed or prepared by or with the assistance of Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant; and (iii) for any single or sole source products/services related to the services under this Agreement, or have a financial stake in any single or sole source products/services resulting from this Agreement.

G. Term & Termination

This paragraph G. Term and Termination and the following paragraph H. Compensation Upon Termination or Suspension, of Article VI. Additional Terms and Conditions, replaces the second paragraph stated in the Revised Standard Consultant Agreement portion of this Agreement, at Section VI. Changes in Work.

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1. Term & Automatic Termination

This Agreement encompasses all services for which Consultant is responsible to provide within the time limits and not-to-exceed amount set forth herein. Consultant will not undertake to provide services where it reasonably appears that the services cannot be provided and expenses cannot be incurred within said total compensation limit and the applicable not-to-exceed amount of any Task Order.

District's Rights

- a. **Suspension:** District may, by written notice to Consultant, suspend any or all services pursuant to this Agreement or to any individual Task Order. District may subsequently terminate this Agreement or any Task Order for convenience, or determine to proceed. If a decision to proceed is not made within ninety (90) days from the date of the notice of suspension, any decision to proceed must be conditioned upon execution of a new Notice-To-Proceed or Task Order.
- b. **Termination for Convenience:** District may, by written notice to Consultant, terminate all or part of this Agreement or any Task Order at any time for District's convenience. Upon receipt of such notice, Consultant will immediately cease all work as specified in the notice. If this Agreement or any Task Order is so terminated, Consultant will be compensated as set forth in section H., Consultant's Compensation Upon Termination of Suspension, referenced below.
- c. **Termination for Breach:** If Consultant violates any of the covenants, agreements or stipulations of this Agreement or a Task Order, or if Consultant fails to fulfill in a timely and proper manner its obligations pursuant to this Agreement or any Task Order, and does not cure such failure or violation within thirty (30) days (or a reasonable extension thereof, if requested, which extension will not be unreasonably withheld) after receipt of written notice from District specifying such failure or violation, District will thereupon have the right to terminate this Agreement and any or all uncompleted Task Orders by giving written notice to Consultant of such termination.

Such notice will specify the effective date thereof, and Consultant will not be entitled to compensation for services or expenses beyond the specified termination date.
- d. If, after notice of termination for breach of this Agreement or any Task Order, it is determined that Consultant did not breach the Agreement or Task Order, the termination will be deemed to have been effected for District's convenience, and Consultant will

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receive payment that is allowed by this Agreement for a termination for convenience.

- e. The rights and remedies provided herein to District are in addition to any other rights and remedies provided by law, this Agreement, or a Task Order.

H. Consultant's Compensation Upon Termination or Suspension

- 1. In the event of termination of this Agreement or any Task Order, or suspension of services by District, Consultant shall receive compensation based on satisfactory performance, accepted by the District Project Manager, as follows:

- a. For Direct Labor - Consultant shall be entitled to receive compensation for all authorized direct labor performed prior to termination pursuant to the provisions of this Agreement or Task Order and all authorized labor expenses incurred to demobilize from the Project after the date of termination.
- b. For Reimbursable Expenses - Consultant shall be entitled to receive compensation for all authorized Reimbursable Expenses incurred prior to termination and all authorized expenses incurred to demobilize from the Project after the date of termination.
- c. In no event shall the total compensation paid for any item of service exceed the payment specified in the applicable Task Order for that item of service.

I. CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION STATEMENT OF ECONOMIC INTEREST FORM 700 ("FORM 700"): Upon District's request, Consultant employees, officers, agents, subconsultants, and subcontractors shall complete, execute, and submit a Form 700 as described below.

- 1. Consultant employees, officers, agents, subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, shall file, in a manner prescribed by the District, an Assuming Office Statement. The Assuming Office Statement shall be filed:
 - a. Within 30 calendar days of the effective date of this Agreement; and
 - b. Within 30 calendar days of Consultant hiring, adding or promoting to a designated filer position, employees, officers, agents, Subconsultants, and subcontractors to perform services to this Agreement.

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2. Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file, in a manner prescribed by the District, an amendment to their Form 700 any time there is a change to their disclosure information.
3. Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file an Annual Statement in a manner prescribed by the District, during the District's annual filing season as determined by the District.
4. Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file, in a manner prescribed by the District, a Leaving Office Statement when one of the following occurs:
 - a. Upon termination of this Agreement; or
 - b. Within 30 calendar days of Consultant employees, officers, agents, Subconsultants, and subcontractors vacating a designated filing position (i.e., removed from the Project, promotion, demotion, transfer to non-designated position, end of employment, or as a result of changes in designated filer positions in the District's Conflict of Interest Code).
5. Consultant understands and agrees that its employees, officers, agents, Subconsultants, and subcontractors may be disqualified from providing services to the District pursuant to the California Political Reform Act, Gov. Code Sections 81000 et. seq. and Government Code Section 1090. If any of Consultant's employees, officers, agents, subconsultants, and subcontractors are disqualified from providing services, on written notice from District's Project Manager, Consultant will have 15 calendar days to remove that employee(s), officer, agent(s), subconsultant's, and subcontractor's person from the Project and provide a replacement acceptable to the District.
6. The failure of Consultant's employees, officers, agents, Subconsultants, and subcontractors to file an Assuming Office, Annual, Amended, or Leaving Office Statement within the time prescribed by the District is deemed a material breach and may result in termination of the Agreement for cause.

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- J. District Quality and Environmental Management System (QEMS) Fact Sheet
(see Revised Attachment Seven to Revised Appendix One)

As an on-site provider of services that has the potential to result in significant environmental impacts, Consultant is required to review the QEMS Fact Sheet, incorporated herein by this reference hereto, with any of the employee(s), sub-contractor(s), and/or subconsultant(s) ("Staff") performing services on behalf of the District, and make Staff aware of the District's Quality and Environmental Policy and their role and responsibility in achieving conformity with the expectations.

- K. Release of Information Prohibited

Consultant is not permitted to provide any information concerning the Project to the media nor anyone other than authorized District personnel. Consultant will not release any information pertinent to the Project under design or construction for publication, public disclosure, or in any other manner without first obtaining clearance and a release in writing from the District. Any media inquiry at any time to Consultant relating to any matter concerning Services provided or requested to be provided under this Agreement will be referred immediately to the District. Consultant will not communicate with the media regarding any such matter.

- L. Formation of Agreement

1. No agreement between the Parties is formed until all applicable actions have been completed to the satisfaction of the District. The District Project Manager will not issue a Notice to Proceed until all required documents have been submitted and accepted by the District.
2. Formation of this Agreement between the Parties requires accomplishment of the following, as applicable:
 - a. Execution of the Agreement by Consultant;
 - b. Submission by the Consultant, and acceptance by the District, of evidence of all required insurance coverages and documents;
 - c. Submission by the Consultant, and acceptance by the District, of evidence of all required Form 700 documents, if applicable;
 - d. Submission by the Consultant, and acceptance by the District, of evidence of the QEMS Awareness and Training certification (see Revised Attachment Seven to Appendix One);
 - e. Submission by the Consultant, and acceptance by the District, of all required Non-Disclosure Agreements ("NDA") documents, if applicable;

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- f. Submission by the Consultant, and acceptance by the District, of a Health and Safety Plan, if applicable;
- g. Any other requirements that are deemed necessary by the District, and
- h. Execution of the Agreement by the District.

M. Notices

Unless otherwise specified in this Agreement, all requests for written approval or legal notices must be sent to the representatives below. All notices will be deemed to have been given when made in writing and when delivered or mailed to the representatives of the District and the Consultant at their respective addresses as follows:

District:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638
Attention: Chris Hakes, Deputy Operating Officer
Dam Safety and Capital Division
Email: chakes@valleywater.org
Direct: (408) 630-3796

Consultant:

GEI Consultants, Inc.
180 Grand Avenue, Suite 1410
Oakland, CA 94612
Attention: William Rettberg, P.E., Senior Vice President
Email: wrettberg@geiconsultants.com
Direct (510) 350-2910
Fax: (510) 350-2901

N. Good Neighbor

The District always strives to be a good neighbor to the community adjacent to its facility. The Consultant will ensure that disturbance to neighbors is minimized. Consultant, its staff, and Subconsultants will always interact with the members of the public in a polite and professional manner.

O. Choice of Law and Venue

The Parties agree that this Agreement is to be governed, construed, and enforced in accordance with the laws of the State of California. The Parties also

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agree that the venue of any litigation arising out of or connected with this Agreement will lie exclusively in the state trial court or Federal District Court located in Santa Clara County in the State of California, and the Parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

P. Nonwaiver of Rights

The failure of either Party to this Agreement to object to or to take affirmative action with respect to any conduct of the other Party that is in violation of the terms of this Agreement will not be construed as a waiver thereof, or as waiver of any future breach or subsequent wrongful conduct.

Q. No Third-Party Beneficiaries

Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity, other than the Parties hereto, any legal or equitable right, remedy, or claim under or in respect of this Agreement or any covenants, conditions, or provisions contained herein.

R. Severability

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

S. Debt Limitation

This Agreement is contingent on the appropriation of sufficient funding by Valley Water for the services described in this Agreement. The District is subject to laws or policies which limit its ability to incur debt in future years. Nothing in this Agreement shall constitute an obligation of future legislative bodies of the District to appropriate funds for purposes of this Agreement.

T. Revised Appendix One, Scope of Services and Revised Attachments
The following listed Attachments referred to herein are incorporated in this Revised Appendix One - Scope of Services as though set forth in full:

Revised Attachment One - Consultant's Key Staff and Subconsultants
(UNCHANGED)

Revised Attachment Two - Dispute Resolution (UNCHANGED)

Revised Attachment Three - Task Order Template (UNCHANGED)

Revised Attachment Four - Reference Materials (UNCHANGED)

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Revised Attachment Five - District Procedures and Work Instructions
(UNCHANGED)

Attachment Six - DSOD Interim Hydrology Policy (UNCHANGED)

Revised Attachment Seven - QEMS Fact Sheet (UNCHANGED)

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CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

1. Consultant's key staff assigned to the Project are as follows: (UNCHANGED)

Team Member	Project Role	Contact Info
Bill Rettberg-Senior Consultant Grade 8	Project Manager	180 Grand Avenue, Suite 1410 Oakland, CA 94612 wrettberg@geiconsultants.com P: (510) 350-2910 C: (510) 910-2201
Mark Freitas-Senior Professional Grade 8	Deputy Project Manager, Engineering Planning, Geotechnical Engineering,	180 Grand Avenue, Suite 1410 Oakland, CA 94612 mfreytas@geiconsultants.com P: (510) 350-2906 C: (510) 410-4964
Len Sansone-Senior Professional Grade 7	Geotechnical Engineering, Borrow Studies	180 Grand Avenue, Suite 1410 Oakland, CA 94612 lsansone@geiconsultants.com P: (510) 350-2903 C: (510) 407-0513
Steve Verigin-Senior Consultant Grade 8	Principal-in-Charge	180 Grand Avenue, Suite 1410 Oakland, CA 94612 sverigin@geiconsultants.com P: (916) 631-4574 C: (916) 365-6124
Alberto Pujol-Senior Consultant Grade 8	QA/QC, Design Support and Design Review	180 Grand Avenue, Suite 1410 Oakland, CA 94612 apujol@geiconsultants.com P: (510) 350-2908 C: (510) 551-3959
Dan Wanket-Senior Professional Grade 7	Project Controls, Cost Estimating	180 Grand Avenue, Suite 1410 Oakland, CA 94612 dwanket@geiconsultants.com P: (510) 350-2916 C: (510) 913-7901
Matt Powers-Senior Professional Grade 7	Project Engineer	180 Grand Avenue, Suite 1410 Oakland, CA 94612 mpowers@geiconsultants.com P: (510) 350-2902 C: (805) 801-8583
Todd Crampton-Senior Professional Grade 7	Engineering Geology	180 Grand Avenue, Suite 1410 Oakland, CA 94612 tcrampton@geiconsultants.com P: (510) 350-2934 C: (510) 759-9470

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT ONE TO
REVISED APPENDIX ONE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

Team Member	Project Role	Contact Info
Dave Gutierrez-Senior Consultant Grade 8	Technical and Design Review, DSOD Liaison	180 Grand Avenue, Suite 1410 Oakland, CA 94612 dgutierrez@geiconsultants.com P: (916) 631-1799 C: (916) 799-4121
Mark Fortner-Senior Professional Grade 7	Hydraulics and Hydrology	180 Grand Avenue, Suite 1410 Oakland, CA 94612 mfortner@geiconsultants.com P: (916) 631-4534 C: (916) 505-4106

2. If necessary and appropriate, Consultant will employ subconsultants it deems appropriate to the complexity and nature of the required Services. All subconsultants must, if their specialty is licensable, be licensed by the State of California to perform their specific Services. Consultant must obtain District's approval of all subconsultants. Upon District's request, Consultant must provide copies of all subconsultant contract agreements. Any delegation or subcontracting of any services by Consultant will not operate to relieve Consultant of its responsibilities under this Agreement.

- A. The following subconsultants are authorized to work on the Project:
(UNCHANGED)

Firm	Project Role	Contact Info
URS	Environmental, CEQA, Permitting, Dam Engineering Support	300 Lakeside Drive, Suite 400 Oakland, CA 94612 Contact: Bill Martin T: (510) 893-3600 P: (510) 874-3020 (direct) Bill.H.Martin@aec.com
Cal Engineering & Geology	Geotechnical Investigations, Geotechnical Engineering	1870 Olympic Boulevard, Suite 100 Walnut Creek, CA 94596 Contact: Phil Gregory, G.E. P: (925) 935-9771 pgregory@caleng.com
David Ford Consulting Engineers	Hydraulics and Hydrology	2015 J Street, Suite 200 Sacramento, CA 95811 Contact: David Ford P: (916) 447-8779 F: (916) 447-8780 ford@ford-consulting.com

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT ONE TO
REVISED APPENDIX ONE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

Firm	Project Role	Contact Info
H. T. Harvey & Associates	CEQA and Permitting Support, Biological Impacts, HCP Compliance	983 University Avenue Building D Los Gatos, CA 95032 Contact: Steve Rottenborn T: (408) 458-3246 F: (408) 458-3210 P: (408) 722-0931 (direct) srottenborn@harveyecology.com
JDH Corrosion Consultants, Inc.	Corrosion Engineering and Evaluations	100 Willow Pass Court Concord, CA 94520 Contact: J. Darby Howard, Jr. P: (925) 927-6630 ext.121 F: (925) 927-6634 dhoward@jdhcorrosion.com
Pacific Geotechnical Engineering	Geotechnical Investigations, Engineering Geology, Geotechnical Engineering	16055 Caputo Drive, Suite D Morgan Hill, CA 95037 Contact: Reid Fisher P (408) 778-2818 ext. 402 F: (408)779-6879 rfisher@pacific-geotechnical.com
PHA Transportation Consultants (Pang Ho & Associates)	Traffic and Transportation Impacts	2711 Stuart Street Berkeley, CA 94705 Contact: Pang Ho T: (510) 848-9233 P: (510) 848.9233 pang@pangho.com
TRA Environmental Sciences, Inc.	Environmental, CEQA and Permitting Support, Land Use and Planning, Air Quality/GHG, Noise, Population/Housing, Recreation, Visual, HCP Compliance	545 Middlefield Road, Suite 200, Menlo Park, CA 94025 Contact: Barbara Beard, Director of Environmental Analysis T: (650) 327-0429 P: (650) 464-5217 (direct) beard@traenviro.com
Underwater Resources	Underwater Investigations	Pier 26, The Embarcadero San Francisco, CA 94105 www.underwater-resources.com Contact: Tom Belcher P: (415) 974-5464 F: (415) 974-1749 tblcher@underwater-resources.com

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT ONE TO
REVISED APPENDIX ONE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

3. Consultant Key Staff and Subconsultants

- A. Consultant's key staff and subconsultants assigned to perform the Services are identified in this Revised Attachment One to Revised Appendix One, Scope of Services.
- B. The Project team organization chart and delegated responsibilities of each team member will be submitted to the District for concurrence.
- C. Consultant may utilize subconsultants, subcontractors, suppliers, or vendors it deems appropriate to the complexity and nature of the required Services.
 - 1. Consultant must obtain the District's approval of all subconsultants. Upon the District's request, Consultant must provide copies of all subconsultant agreements.
 - 2. Consultant must require its delegates or subconsultants to agree, in writing, to adhere to terms and conditions of this Agreement.
- D. Any delegation or use of subconsultants by Consultant will not operate to relieve Consultant of its responsibilities as described in this Agreement.
- E. If any of Consultant's designated key staff persons or subconsultants fail to perform to the satisfaction of the District, on written notice from the District, Consultant will have fifteen (15) calendar days to remove that person from the Project and provide a replacement acceptable to the District.
- F. Consultant will not charge the District for the time it takes Consultant's replacement personnel to obtain the District-specific Project knowledge in the possession of the person(s) being replaced.
- G. Consultant's Key Staff

The District Project Manager may approve any revisions to Consultant's list of key staff assigned to the Project as an administrative modification to this Agreement, and such approval will be confirmed in writing.
- H. Consultants Subconsultants
 - 1. The District Project Manager may approve any revisions to Consultant's list of authorized Subconsultants when the Subconsultant is deleted from the list and the scope of services is deleted from the Agreement or such services are assumed by the Consultant; such approval will be confirmed in writing.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT ONE TO
REVISED APPENDIX ONE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

2. The District's authorized representative may approve any revisions to Consultant's list of authorized Subconsultants when a listed Subconsultant is replaced (to perform the same scope) or a new Subconsultant is added (to perform new scope), provided the firm complies with all insurance requirements established by the District for such work; such approval will be confirmed in writing.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT TWO TO
REVISED APPENDIX ONE
DISPUTE RESOLUTION**

1. CONSULTANT'S QUESTIONS AND CONCERNS

Questions regarding the terms, conditions and services relating to this Agreement will be decided by the District who will furnish the decisions to Consultant in writing within thirty (30) days after receiving a written request from Consultant.

2. DISPUTE RESOLUTION

A. Alternate Dispute Resolution (ADR)

1. District intends to use ADR techniques including partnering and mediation to resolve disputes relating to the Project.

B. Consultant and its subconsultants are expected to participate in all ADR efforts.

C. The cost of partnering training facilities and facilitator will be borne by District.

3. NEGOTIATIONS BEFORE AND DURING MEDIATION

Negotiations to resolve disputes before and during mediation are initiated for settlement purposes only and are not binding unless otherwise agreed by District and Consultant.

4. VOLUNTARY MEDIATION

A. In the event a dispute or issue is not resolved by the Internal Review process stated in the Standard Consultant Agreement, Section VIII. Resolution of Disputes, District and Consultant agree to attempt to resolve the matter by mediation. The External Review paragraph of Section VIII. is hereby deleted.

B. Said mediation is voluntary, non-binding, and intended to provide an opportunity for the Parties to evaluate each other's cases and arrive at a mutually agreeable solution.

C. These provisions relating to voluntary mediation shall not be construed or interpreted as mandatory arbitration.

5. INITIATION OF MEDIATION

Any Party to a dispute or claim may initiate mediation by notifying the other Party or Parties in writing.

6. REQUEST FOR MEDIATION

A request for mediation must contain a brief written statement of the nature of the dispute or claim, and the names, addresses, and phone numbers of all Parties to the dispute or claim, and those who will represent them, if any, in the mediation.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT TWO TO
REVISED APPENDIX ONE
DISPUTE RESOLUTION**

7. SELECTION OF MEDIATOR

- A. Upon receipt of a written request for mediation, unless otherwise agreed by the Parties, within fourteen (14) Days, the Parties will confer to select an appropriate mediator agreeable to all Parties.
- B. If the Parties cannot agree on a mediator, they hereby agree to accept a mediator appointed by a recognized association such as the American Arbitration Association.

8. QUALIFICATIONS OF A MEDIATOR

- A. Any mediator selected must have expertise in the area of the dispute and be knowledgeable in the mediation process.
- B. No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation.
- C. Before accepting an appointment, the prospective mediator must disclose any circumstances likely to create a presumption of bias or prevent a prompt meeting with the Parties. Upon receipt of such information, the Parties will confer and decide whether to select another mediator.

9. VACANCIES

If any mediator becomes unwilling or unable to serve, another mediator will be selected unless the parties agree otherwise.

10. REPRESENTATION

- A. Any Party may be represented by person(s) of their choice who must have full authority to negotiate.
- B. The names and addresses of such person(s) must be communicated in writing to both Parties and to the mediator.

11. TIME AND PLACE OF MEDIATION

- A. The mediator will set the time of each mediation session.
- B. The mediation will be held at a convenient location agreeable to the mediator and the Parties, as determined by the mediator.
- C. All reasonable efforts will be made by the Parties and the mediator to schedule the first session within sixty (60) Days after selection of the mediator.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT TWO TO
REVISED APPENDIX ONE
DISPUTE RESOLUTION**

12. IDENTIFICATION OF MATTERS IN DISPUTE

- A. The Parties shall comply with the process as required by the mediator, with regard to providing the mediator with memorandum setting forth its position with regard to the issues that need to be resolved. At the discretion of the mediator, or otherwise agreed by the Parties, the Parties may mutually exchange such memoranda.
- B. At the first session, the Parties will be expected to produce all information reasonably required for the mediator to understand the issue(s) presented. The Mediator may require each Party to supplement such information.

13. AUTHORITY OF MEDIATOR

- A. The mediator does not have authority to impose a settlement on the Parties but will attempt to assist the parties in reaching a satisfactory resolution of their dispute.
- B. The mediator is authorized to conduct joint and separate meetings with the Parties and to make oral and written recommendations for settlement.
- C. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the Parties agree and assume the expenses of obtaining such advice. Arrangements for obtaining such advice will be made by the mediator or the Parties, as determined by the mediator.
- D. The mediator is authorized to end the mediation whenever, in the mediator's judgment, further efforts at Mediation would not contribute to a resolution of the dispute between the Parties.

14. PRIVACY

- A. Mediation sessions are private.
- B. The Parties and their representatives may attend mediation sessions.
- C. Other persons may attend only with the permission of the Parties and with the consent of the mediator.

15. CONFIDENTIALITY

Except as provided by California or federal law or regulation:

- A. The mediator will not divulge confidential information disclosed to a mediator by the Parties or by witnesses in the course of the mediation.
- B. All records, reports, or other documents received by a mediator while serving as

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT TWO TO
REVISED APPENDIX ONE
DISPUTE RESOLUTION**

mediator, are confidential.

- C. The mediator must not be compelled to divulge such records or to testify in regard to the mediation in any adversary proceeding or judicial forum.
- D. The Parties must maintain the confidentiality of the mediation and must not rely on, or introduce as evidence in any arbitration, judicial or other proceedings:
 - 1. Views expressed or suggestions made by the other Party with respect to a possible settlement of the dispute.
 - 2. Statements made by the other Party in the course of the mediation proceedings.
 - 3. Proposals made or views expressed by the mediator.
 - 4. Whether the other Party had or had not indicated willingness to accept a proposal for settlement made by the mediator.

16. NO STENOGRAPHIC RECORD

There shall be no stenographic record of the mediation.

17. TERMINATION OF MEDIATION

- A. The Mediation shall be terminated:
 - 1. By the execution of a Settlement Agreement by the Parties;
 - 2. By a written declaration of the mediator to the effect that further efforts at mediation are no longer worthwhile; or
 - 3. By a written declaration of a party or parties to the effect that the mediation proceedings are terminated.

18. EXCLUSION OF LIABILITY

No mediator shall be a necessary Party in judicial proceedings related to the mediation.

19. INTERPRETATION AND APPLICATION OF THESE MEDIATION PROVISIONS

The mediator will interpret and apply these mediation provisions insofar as they relate to the mediator's duties and responsibilities.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT TWO TO
REVISED APPENDIX ONE
DISPUTE RESOLUTION**

20. EXPENSES

- A. The expenses of witnesses for each Party must be paid by the Party producing the witnesses.
- B. All other expenses of the mediation, including required travel and other expenses of the mediator, and the expenses of any witness called by the mediator, or the cost of any proofs or expert advice produced at the direct request of the mediator, will be apportioned as the mediator finds appropriate or as otherwise agreed to by the Parties.

21. COMPENSATION FOR PARTICIPATION IN MEDIATION

Neither Consultant nor the District is entitled to compensation for time spent in or for negotiations or mediation to resolve questions or disputes between Consultant and District arising out of this Agreement.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT THREE TO
REVISED APPENDIX ONE
TASK ORDER TEMPLATE**

Task Order No. _____

Title: _____

Agreement: Standard Consultant Agreement _____ ("Agreement") Between the Santa Clara Valley Water District ("District") and _____ ("Consultant"), dated _____.

District: _____

Consultant: _____

Dollar Amount of Task Order: Not-to-Exceed \$ _____

1. Upon full execution of this Task Order No. _____, as set forth in the Revised Standard Consultant Agreement, Revised Appendix One Scope of Services, Article VI. Additional Terms and Conditions, paragraph E. Task Orders, and the issuance of a Notice to Proceed by the District Project Manager, the Consultant is hereby authorized to perform the Services described in Attachment A to this Task Order. Any costs incurred, Services performed or expenditures by the Consultant before this Task Order is executed or before the issuance of the Notice to Proceed will be considered outside the contracted Scope of Services and will not be eligible for payment.
2. Both the Scope of Services to be performed and the deliverables to be provided in accordance with this Task Order are described in Attachment A which is attached hereto and incorporated by this reference. Attachment A shall include at a minimum the following:
 - A. The Consultant personnel to be assigned to perform the Services, including resumes if not previously provided to the District;
 - B. The total not-to-exceed fees amount for Consultant to complete the Services, including estimated number of hours required to perform the Services assigned to each Consultant classification;
 - C. Estimated cost of each other direct cost and reimbursable expense, including any applicable fees; and
 - D. Project schedule for completing the Scope of Services.
3. The Consultant shall be compensated at fixed fees or at the hourly rates established in the Revised Standard Consultant Agreement, Revised Appendix Two, Fees and Payments. The Consultant agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted in the Attachment A.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT THREE TO
REVISED APPENDIX ONE
TASK ORDER TEMPLATE**

4. This Task Order becomes effective on the date of full execution by authorized representatives of the Parties and remains in effect until the earlier of: completion of the tasks set forth in Attachment A; or [expected completion date].
5. Copies of applicable local, state and federal permits required to perform the Services described in Attachment A are attached to this Task Order, unless the Consultant previously provided the appropriate permits to the District.
6. The Consultant shall perform all Services described in Attachment A to this Task Order in accordance with the Terms and Conditions of the Agreement.
7. Prevailing Wage Requirements [NOT USED]
 - A. The Scope of Services described in this Task Order is considered by the District to be "Public Works" requiring the payment of prevailing wages. See Revised Standard Consultant Agreement, Revised Appendix Two, Fees and Payments, Article IV. Terms and Conditions, paragraph L. Prevailing Wages.
 - B. In accordance with prevailing wage laws, the Director of the California Department of Industrial Relations (Director) has ascertained the general prevailing rate of wages and employer payments for health and welfare, pension, vacation, and similar purposes available to the particular craft, classification, or type of workers employed on the Project. These rates are set forth in the latest determination obtained from the Director, which is on file in the District's Office of the Clerk of the Board of Directors and incorporated herein by reference the same as though set forth in full. The rates are also available on the State of California Department of Industrial Relations website at <http://www.dir.ca.gov>.
8. Signatures:

Signature:

NAME OF CONSULTANT FIRM
[PRINT NAME]
[PRINT TITLE]

DATE

Signature:

SANTA CLARA VALLEY WATER DISTRICT
[PRINT NAME]
[PRINT TITLE]

DATE

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT FOUR TO
REVISED APPENDIX ONE
REFERENCE MATERIALS**

Ref #	Description
1	Santa Clara Valley Water District , April 2012, Supporting Technical Information Document (STID) for Calero Main and Auxiliary Dams
2	Santa Clara Valley Water District , April 2012, Supporting Technical Information Document (STID) for Guadalupe Dam
3	URS Corporation, 2012, Final Report SSE1B-B Volume 1 & Volume 2- Appendices, Seismic Stability Evaluation of Calero Main Dam and Calero Auxiliary Dam, October 26, 2012.
4	URS Corporation, 2012, Final Report SSE1B-C Volume 1 & Volume 2- Appendices, Seismic Stability Evaluation of Guadalupe Dam, May 22, 2012.
5	URS Corporation, 2012, Design Memorandum No. 7A (DM-7A), Recommended Reservoir Restriction, Seismic Stability Evaluation SSE1B, Calero Reservoir, October 26, 2012.
6	URS Corporation 2012, Design Memorandum No. 8B (DM-8B), Conceptual Remedial Alternatives, Seismic Stability Evaluation SSE1B, Calero Main Dam, October 26, 2012.
7	URS Corporation AMEC, 2012, Design Memorandum No. 7, Recommended Reservoir Restriction, Seismic Stability Evaluation SSE1B, Almaden and Guadalupe Reservoirs, February 28, 2012.
8	URS Corporation AMEC, 2012, Design Memorandum No. 8A (DM-8A) , Conceptual Remedial Alternatives, Seismic Stability Evaluation SSE1B, Guadalupe Dam, March 7, 2012.
9	Nelson, J. L., 2007, Calero Main Dam (No. 72-3) Forensic Geologic Report, Santa Clara Valley Water District, October 2007.
10	Draft Application Report: Calero Reservoir Enlargement, Santa Clara Valley Water District, June 1982.
11	DSOD Letter dated April 25, 2012 regarding operating restrictions and Project Schedule for Guadalupe Dam
12	DSOD Letter dated March 23, 2012 regarding operating restrictions and Project Schedule for Calero Dam
13	Archives & Architecture, 2006, Historical and Architectural Evaluation, Bailey / Fellows Ranch site, Calero County Park, November 28, 2005 (Rev. January 3, 2006)

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT FOUR TO
REVISED APPENDIX ONE
REFERENCE MATERIALS**

Ref #	Description
14	Santa Clara Valley Water District, 2012, Dam Maintenance Program, Final Program Environmental Impact Report, January 2012.
15	Santa Clara Valley Water District, 2012, Dam Maintenance Program, Final Program Environmental Impact Report- Appendices, January 2012.
16	Santa Clara Valley Water District, 2012, 2012 Water Supply and Infrastructure Master Plan, October 2012
17	Black & Veatch, 2012, Guadalupe Dam Intake Structure Evaluation, (memorandum), August 1, 2012
18	Santa Clara Valley Water District, 2010, Calero/Fellows Dike, Planning Study Report, March 2010.
19	Santa Clara Valley Water District, Standards for GIS Products, April 2015.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT FIVETO
REVISED APPENDIX ONE
DISTRICT PROCEDURES AND WORK INSTRUCTIONS**

Reference #	Document Title
1	Capital Project Delivery – Document #Q-751-013
2	Create Work Plan – Document #W75102
3	Planning Phase WBS Item Descriptions and Instructions – Document #W73002
4	Environmental Planning – Document #Q520D01
5	Purpose of Environmental Planning and CEQA – Document #W520M01
6	CEQA Documentation Guidelines – Document #W-520-070
7	Mitigation Monitoring and Reporting Programs – Document #W520M03
8	Responsible Agency – Document #W-520-069
9	Best Management Practices Handbook – Document #W-751-037
10	Design Phase WBS Item Descriptions and Instructions – Document #W73004

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT SIX TO
REVISED APPENDIX ONE**

DIVISION OF SAFETY OF DAMS (DSOD) - INTERIM HYDROLOGY POLICY (6/21/2012)

SOD policy after the 1999 release of HMR 58/59 was to not actively require new hydrology studies as a result of the updated HMR. If a new dam was proposed or major work was being performed that affected the spillway, then those projects would be analyzed under HMR 59 with the requirement of 1.5 feet of residual freeboard.

Also, if dam owners initiated an updated hydrological study on their own using HMR 59, we would then follow and do our evaluation of the spillway with HMR 59.

Otherwise, dams that were previously analyzed using HMR 36 and were able to pass the PMF without overtopping the dam were considered adequate. If a dam was not able to pass the PMF based on HMR 36, then the spillway remediation would need to be designed to pass the PMF based on HMR 59.

So, now after learning more about the methodologies used to derive HMR 59 and the fact that the NOAA Atlas 14 has recently been released, DSOD is in a transition period with our hydrology policy with respect to HMR 59.

DSOD still requires as before that new dams and major projects be designed under HMR 59, and if an existing dam previously analyzed using HMR 36 can adequately pass a PMF, then no additional work is required at this time.

If an existing dam was previously shown to not adequately pass a PMF based on HMR 36 (overtops the dam), then the dam owner has the following options to consider. It may be advantageous for the dam owner to do a phased approach in evaluating the level of study required as outlined below:

1. Using HMR 59, determine if the precipitation is higher or lower than that of HMR 36. In some areas, HMR 59 is similar to HMR 36 or may show a reduction. If HMR 59 is equal to or lower than HMR 36, then the adequacy of the spillway is based on HMR 59.
2. If the results from HMR 59 are higher than HMR 36, then the owner can either remediate the spillway with those results which may be conservative, or develop a modified HMR 59 accounting for the updated NOAA Atlas 14 data as compared to NOAA Atlas 2 data. In this approach, the results from the HMR 36 should be used as a lower bound in evaluating the results from the modified HMR 59 study. If the results are reasonable, then the modified HMR 59 may be used as the basis for the PMF to evaluate the adequacy of the spillway.
3. Lastly, if the modified HMR 59 study continues to show a significant increase in precipitation as compared to HMR 36, then the dam owner may choose to have a SSPMP analysis performed. If this option is chosen, then the input parameters and methods used need to be thoroughly discussed with us before initiating the study. Results of the SSPMP may or may not be accepted based on the reasonableness of the results compared to HMR 36, historical storms, etc. It would be advantageous for the dam owner to have an independent technical advisor to review the parameters and methodologies used by the consultant performing the SSPMP study since there currently is not a standardization in place for SSPMP studies.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT SEVEN TO
REVISED APPENDIX ONE
QEMS FACT SHEET**

Fact sheet

Quality and Environmental Management System (QEMS)



What is ISO?

The International Organization for Standardization (ISO) is the world's largest developer of voluntary international standards, which are state of the art specifications for products, services, and good practices, helping make industry more efficient and effective. For the Santa Clara Valley Water District's (district) customers and public, this means greater confidence in consistent, high quality products and services the district provides.

The district has extensive history of ISO commitment, having first been registered to ISO 9001 in 2002 for Quality Management Systems and to ISO 14001 in 2004 for Environmental Management Systems.

Principles of ISO

- *Customer Focus: take care of your customers*
- *Leadership on purpose and direction: requires Management's attention*
- *Involvement of people at all levels: everyone is involved*
- *Process approach to resources and activities: process consistency and stability*
- *Systems approach to management: plan the work; work the plan*
- *Continual improvement as a permanent objective: seek regular, constant improvement*
- *Factual approach to decision making: ensure the facts before making decisions*
- *Mutually beneficial relationships: if they fail, then the organization fails*

What are the Benefits of ISO?

- *Improves efficiency and productivity*
- *Reduces variation, waste, inefficiencies, and defects*
- *Facilitates continual improvement*
- *Improves process consistency and stability*
- *Improves employee motivation and participation*
- *Improves customer confidence and satisfaction*
- *Improves conformity to quality and environmental requirements*

District's Quality and Environmental Policy

The Santa Clara Valley Water District is committed to organizational excellence and environmental stewardship, and as such, maintains an integrated Quality and Environmental Management System (QEMS) conforming to ISO standards. The QEMS supports the organization's continual improvement through the development of a robust employee knowledge base, which ensures continuity of daily operations and facilitates succession planning. Compliance with this policy is the responsibility of each individual working for or on behalf of the District.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT SEVEN TO
REVISED APPENDIX ONE
QEMS FACT SHEET**

Fact sheet

**Quality and Environmental
Management System (QEMS)**



Purpose:

- *Provide Silicon Valley safe, clean water for a healthy life, environment, and economy.*

Customers:

- *Meet customer requirements and enhance customer satisfaction.*

Environmental Stewardship:

- *Provide environmental stewardship through prevention of pollution and minimizing and managing environmental impacts by setting and regularly reviewing quality and environmental objectives.*

Continual Improvement:

- *Ensure the QEMS is regularly monitored and improved in accordance with ISO requirements to ensure that all District products and services offer the highest level of quality while maximizing the District's environmental stewardship efforts.*

Compliance:

- *Compliance with Board policies and statutory and regulatory requirements related to the District's quality and environmental processes.*

Policy, Objectives, and Targets:

- *Ensure this policy is documented, maintained, and implemented, and, in addition to the District's quality and environmental objectives and targets, reviewed for continuing suitability through periodic Management Reviews.*

Awareness and Competence:

- *Ensure, through workforce development, training, communication, and succession planning, that each individual working for and on behalf of the District has the awareness, skills, and knowledge to carry out this policy in a manner that maximizes effectiveness, ensures continuity of daily operations, promotes continual improvement, and contributes to environmental stewardship.*

Public:

- *Ensure this policy is available to the public.*

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT SEVEN TO
REVISED APPENDIX ONE
QEMS FACT SHEET**

Fact sheet

**Quality and Environmental
Management System (QEMS)**



District's Significant Environmental Aspects

For each type of activity, product, or service, the district has identified its unique environmental aspects and determined the most significant environmental aspects that have or could have a significant environmental impact.

Management recognizes the following two major activities, within the scope of the QEMS, as having or could have a significant impact on the environment:

Bulk Chemical Storage

The district water treatment plants utilize several bulk chemicals in the water treatment process. The chemical of greatest concern, which could create a significant impact, is 19.5% aqueous ammonia. This chemical is regulated under the California Accidental Release Program. This chemical is singled out for greater control because accidental releases have the potential to create offsite consequences that could spread to residential neighborhoods adjacent to the water treatment plants.

Construction of water utility and flood protection capital projects.

Construction of water utility infrastructure and flood protection projects can involve significant changes to riparian environments and other landforms. The district recognizes the impact of these changes by integrating projects into watersheds as a whole, ensuring that ecological functions and processes are supported, ensuring that the quality and availability of water are protected for ecological and water supply functions, and that environmental impacts of projects are avoided, minimized, or mitigated.

District's Quality and Environmental Objectives

The district has identified operational objectives throughout the organization. Specifically, in support of ISO, the district analyzes and determines goals for meeting customer product requirements and overall environmental goals consistent with the environmental policy.

The following in-scope quality and environmental objectives act as a general framework for continual improvement in the organization.

Quality Objectives:

- *Prepare and respond effectively to flood emergencies countywide to protect life and property*
- *Respond effectively to historic drought conditions*
- *Reliable high quality drinking water is delivered*

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED ATTACHMENT SEVEN TO
REVISED APPENDIX ONE
QEMS FACT SHEET**

Fact sheet

Quality and Environmental Management System (QEMS)



- *Maintain effective relationships with the retailer and other stakeholder to ensure high quality, reliable drinking water.*
- *Provide natural flood protection for residents, businesses, and visitors by removing parcels from flooding, applying an integrated watershed management approach that balances environmental quality and protection from flooding.*

Environmental Objectives:

- *Prepare for and respond to emergencies that threaten local waterways.*
- *Reduce greenhouse gas emissions to achieve carbon neutrality by 2020.*

Environmental Impacts

Pollution prevention is the cornerstone of ISO's environmental standard. ISO requires that every individual working for or on behalf of the District is responsible for being aware of how their work could impact or potentially impact the environment. ISO specifies that staff, vendors, and contractors are aware of the QEMS policy, the District's significant environmental aspects, and the impacts of their work on the environment. Processes and programs are designed and implemented to help control environmental impacts resulting from District operations and therefore, deviating from these could have unintended adverse impacts on the environment.

Assessing the QEMS for Effectiveness

To ensure that the district is continually improving its QEMS and conforms to the ISO standards, regularly scheduled audits of the system are conducted by an external third-party. This organization, known as a registrar, audits the QEMS and makes findings based on interviews and review of district procedures and records. Any deviations from the ISO standards are captured as non-conformities and require the district to take the necessary corrective and preventive actions to prevent reoccurrence. If the district is found to be in conformance to the ISO standards of which it is registered, the registrar recommends certification.

For More Information:

Your District contact can provide more information or answer any questions.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

I. GENERAL (UNCHANGED)

Payment for all services performed by Consultant to the satisfaction of the District as described in Appendix One and Revised Appendix One - Scope of Services for this Agreement will be based on the Total Not-to-Exceed (NTE) Fees stated in this Revised Appendix Two for the completion of the associated tasks. The District will make payments to the Consultant according to the terms provided for in this Revised Appendix Two. Payments made by the District to the Consultant for services rendered will be considered full compensation for all personnel, materials, supplies, subconsultant(s), and equipment including reimbursable, travel, and per diem expenses incurred by the Consultant to complete the work.

II. TOTAL AUTHORIZED FUNDING (REVISED)

Total payment for services performed, as described in Appendix One and Revised Appendix One - Scope of Services, will not exceed a total amount of **\$8,929,811** during the term of this Agreement. Under no conditions will the total compensation to the Consultant exceed this amount without prior written approval in the form of an amendment to this Agreement executed by the District's Board of Directors ("Board"), or Chief Executive Officer, or designee, as authorized by the Board. The Consultant guarantees that it will complete the contracted Scope of Services for the Total NTE Amount stated herein.

III. COST BREAKDOWN (REVISED)

The not-to-exceed total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in Appendix One and Revised Appendix One of this Agreement.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

COST BREAKDOWN (REVISED)

Task	Description	Original Total Fixed NTE Fees	Amendment No. 1 NTE Fee	Amendment No. 2 NTE Fee	Amendment No. 3 NTE Fee	Amendment No. 4 NTE Fee	Revised Total Fixed NTE Fee
1	Project Management	\$559,722		\$420,921		\$368,904	\$1,349,547
2	Planning Study	\$1,642,112		-			\$1,642,112
3	Environmental Documentation and Permit Support	\$1,529,310		\$279,052		\$841,066	\$2,649,428
4	Develop On-site Borrow and Spoil Requirements	\$360,862		-			\$360,862
5	Design Support	\$120,339		\$16,038			\$136,377
6	Supplemental Services						
		\$691,485		\$600,000		\$1,500,000	\$2,791,485
Total Not-to-Exceed Amount		\$4,903,830	\$0	\$1,316,011	\$0	\$2,709,970	\$8,929,811

NOTES: Amendment No. 1 and Amendment No. 3 were no-cost amendments.

IV. TERMS AND CONDITIONS (UNCHANGED)

- A. Payments for work completed, as described in Revised Appendix One and Revised Appendix One, Scope of Services, will be based on the following terms:
- District will pay for services provided by the Consultant according to the schedule of rates for professional, technical, and administrative personnel as listed below in the Hourly/Unit Rate Schedule.
 - The stated hourly rates are effective for the term of this Agreement unless otherwise revised as indicated. After twelve (12) months from the date this Agreement is entered into by parties ("anniversary date"), and each 12 months thereafter, these hourly rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly rates ninety (90) calendar days prior to the anniversary date of this Agreement. Both parties will use as a benchmark for negotiations the percent change for the previous twelve (12) months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2.0%, whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District Deputy Operating Officer.

Amendment No. 4 to Agreement A3675A
Calero and Guadalupe Dams Seismic Retrofits Project
Planning and Environmental Services
Ver. 9/14/20

CAS File No. 4479

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

HOURLY RATE SCHEDULE (UNCHANGED)

Classification/Staff	Original Rates	Rates Effective October 1, 2016	Rates Effective October 1, 2018	Current Rates Effective June 1, 2020
PRIME – GEI INC				
Senior Consultant-Grade 8	\$239	\$243.78	\$248.66	\$253.63
Senior Professional-Grade 7	\$212	\$216.24	\$220.56	\$224.98
Senior Professional-Grade 6	\$179	\$182.58	\$186.23	\$189.96
Senior Professional-Grade 5	\$157	\$160.14	\$163.34	\$166.61
Project Professional-Grade 4	\$133	\$135.66	\$138.37	\$141.14
Project Professional-Grade 3	\$118	\$120.36	\$122.77	\$125.22
Staff Professional-Grade 2	\$108	\$110.16	\$112.36	\$114.61
Staff Professional-Grade 1	\$98	\$99.96	\$101.96	\$104.00
Senior CADD Drafter and Designer	\$118	\$120.36	\$122.77	\$125.22
CADD Drafter/Designer and Senior Technician	\$108	\$110.16	\$112.36	\$114.61
Technician, Word Processor, Administrative Staff	\$88	\$89.76	\$91.56	\$93.39
SUBCONSULTANT(S)				
URS Corporation				
Principal	\$232	\$236.67	\$241.40	\$246.23
Principal Engineer/Geologist/Scientist	\$200	\$204.00	\$208.08	\$212.24
Senior Project Engineer/Geologist/Scientist IV	\$170	\$173.40	\$176.87	\$180.41
Senior Project Engineer/Geologist/Scientist III	\$160	\$163.20	\$166.46	\$169.79
Senior Project Engineer/Geologist/Scientist II	\$140	\$142.80	\$145.66	\$148.57
Senior Staff GIS/CADD	\$129	\$131.58	\$134.21	\$136.90
Senior Project Engineer/Geologist/Scientist I	\$125	\$127.50	\$130.05	\$132.65
Project Engineer/Geologist/Scientist	\$115	\$117.30	\$119.65	\$122.04
Senior Engineer/Geologist/Scientist II	\$110	\$112.20	\$114.44	\$116.73
Senior Engineer/Geologist/Scientist I	\$100	\$102.00	\$104.04	\$106.12
Staff Engineer/Geologist/Scientist II	\$90	\$91.80	\$93.64	\$95.51
Staff GIS/CADD	\$85	\$86.70	\$88.43	\$90.20
Staff Engineer/Geologist/Scientist I	\$85	\$86.70	\$88.43	\$90.20

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

Classification/Staff	Original Rates	Rates Effective October 1, 2016	Rates Effective October 1, 2018	Current Rates Effective June 1, 2020
Administrative Professional	\$70	\$71.40	\$72.83	\$74.28
Cal Engineering & Geology				
Principal Engineer or Geologist	\$198	\$201.96	\$206.00	\$210.12
Consulting Geotechnical Engineer	\$195	\$198.90	\$202.88	\$206.94
Associate Engineer		\$196.32	\$192.47	\$196.32
Senior Engineer or Geologist	\$140	\$142.80	\$145.66	\$148.57
Project Engineer or Geologist	\$110	\$112.20	\$114.44	\$116.73
Staff Engineer or Geologist	\$95	\$96.90	\$98.84	\$100.81
Field Technician (Prevailing Wage)	\$105	\$107.10	\$109.24	\$111.43
Project Assistant	\$70	\$71.40	\$72.83	\$74.28
David Ford Consulting Engineers				
Principal	\$265.78	\$271.10	\$276.52	\$282.05
Sr H&H Engineer	\$188.61	\$192.38	\$196.23	\$200.15
Mid-level H&H Engineer	\$131.60	\$134.23	\$136.92	\$139.65
Jr H&H Engineer	\$88.41	\$90.18	\$91.98	\$93.82
Project Coordinator	\$88.59	\$90.36	\$92.17	\$94.01
Admin/Clerical	\$66.87	\$68.21	\$69.57	\$70.96
Planner/technical writer	\$111.67	\$113.90	\$116.18	\$118.51
H.T. Harvey & Associates				
Principal	\$215	\$219.30	\$223.69	\$228.16
Principal (Sr. Wetlands/Plant Ecologist)	\$215	\$219.30	\$223.69	\$228.16
Associate (Restoration Ecologist)	-	\$182.58	\$186.23	\$189.96
Sr. Ecologist 1 (Project Manager/Wildlife Ecologist)	\$147	\$149.94	\$152.94	\$156.00
Sr. Ecologist 1 (Herpetologist)	\$147	\$149.94	\$152.94	\$156.00
Ecologist 1 (Plant Ecologist)	\$116	\$118.32	\$120.69	\$123.10
GIS Specialist	\$105	\$107.10	\$109.24	\$111.43
Support	\$80	\$81.60	\$83.23	\$84.89
JDH Corrosion Consultants, Inc.				
Principal-Project Manager	\$191.40	\$195.23	\$199.13	\$203.12
Asst. Project Manager	\$175.45	\$178.96	\$182.54	\$186.19
Project Engineer	\$127.28	\$129.83	\$132.42	\$135.07
Sr. Corrosion Tech.	\$127.28	\$129.83	\$132.42	\$135.07
Project Engineer	\$143.55	\$146.42	\$149.35	\$152.34
Field Engineer	\$98.12	\$100.08	\$102.08	\$104.13
Field Technician	\$109.96	\$112.16	\$114.40	\$116.69
Field Technician	\$111.65	\$113.88	\$116.16	\$118.48

Amendment No. 4 to Agreement A3675A
Calero and Guadalupe Dams Seismic Retrofits Project
Planning and Environmental Services
Ver. 9/14/20

CAS File No. 4479

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

Classification/Staff	Original Rates	Rates Effective October 1, 2016	Rates Effective October 1, 2018	Current Rates Effective June 1, 2020
Drafting – AutoCAD	\$95.70	\$97.61	\$99.57	\$101.56
Pacific Geotechnical Engineering				
Supervising Engineer	\$177	\$180.54	-	-
Senior Geologist	\$156	\$159.12	-	-
Project Geologist	\$131	\$133.62	-	-
Senior Engineer	\$156	\$159.12	-	-
Staff Geologist	\$91	\$92.82	-	-
Staff Geologist	\$91	\$92.82	-	-
Geologist	\$121	\$123.42	-	-
Drafting	\$76	\$77.52	-	-
PHA Transportation Consultants				
Principal	\$160	\$163.20	\$166.20	\$169.79
Senior Engineer	\$140	\$142.80	\$145.66	\$148.57
TRA Environmental Sciences, Inc.				
Senior Project Manager	\$160	\$163.20	\$166.46	\$169.79
Senior Biologist II	\$140	\$142.80	\$145.66	\$148.57
Senior Analyst II	\$140	\$142.80	\$145.66	\$148.57
Analyst III	\$110	\$112.20	\$114.44	\$116.73
Support Staff	\$75	\$76.50	\$78.03	\$79.59
Underwater Resources, Inc.				
Project Manager	\$135/hr.	\$137.70	\$140.45	\$143.26
Diving Supervisor	\$1,100/shift	\$1,122.00/Shift	\$1,144.44/Shift	\$1,167.33/Shift
Diving Supervisor OT	\$170/OT hr.	\$173.40/OT hr.	\$176.87/OT hr.	\$180.41/OT hr.
Diver	\$1,640/shift	\$1,672.80/shift	\$1,706.26/shift	\$1,740.39/shift
Diver OT	\$265/hr.	\$270.30	\$275.71	\$281.22
Shop Labor	\$85/hr.	\$86.70	\$88.43	\$90.20

NOTES: Revised rates listed above were approved by District per letter dated October 3, 2018 to Consultant stating effective date of 10/3/18 and were formally incorporated in Amendment No. 3.

- B. Upon the written approval of the District's Deputy Operating Officer stated herein, unused fees from a completed or cancelled task may be reallocated to an uncompleted task provided that the Agreement Total Not-to-Exceed Amount is not exceeded. Transferring fees from an uncompleted task to another task will not be permitted.
- C. Upon the written approval of the District's Deputy Operating Officer referenced herein, the scope of services described in a task may be reduced or eliminated. If the scope of services is reduced or eliminated, the portion of the fees attributable to that reduced or eliminated task may be allocated to revised existing tasks, or transferred to a Supplemental Services task, if provided for herein.
- D. Any reduction or elimination of tasks and any inter-task transfers will be clearly noted and described in the subsequent monthly progress report to the District.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

- E. Services to be performed pursuant to the Supplemental Services task, if provided for herein, will commence only after issuance of a fully executed Task Order. Expenses incurred by the Consultant for subconsultants providing professional services and for subcontractor, including lab services, will be reimbursed at actual cost plus 5%. Consultant shall provide invoices for all lab services regardless of cost.
- F. All other direct expenses not included in overhead including, but not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting, and supplies, will be billed monthly at cost linked to each Agreement Task, as approved by the District's Project Manager.
- G. Reimbursable Expenses
 - 1. Automobile travel mileage expenses will be paid at the current IRS rate. District will not reimburse Consultant and its subconsultants for mileage and travel time to and from District Headquarters and surrounding campus located at 5700 Almaden Expressway, San Jose, California. District will reimburse Consultant and its subconsultants for mileage incurred from District Headquarters or Consultant's and subconsultants' firm addresses, whichever is closer to the destination, to Project site(s) community outreach meetings, partnering meetings, Dispute Review Board meetings, and meetings with regulatory agencies, if directed or authorized by the District.
 - 2. Travel, including air travel, overnight accommodations, and per diem, required for performance of this Agreement will be paid at reasonable cost not-to-exceed the U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior approval for such travel has been obtained from the District Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, District will pay the total cost of taxi, rideshare or a rental car, which may include insurance, gas, car fee, and taxes, and will be paid for the actual costs incurred. Vehicle rental is limited to a compact or economy model, unless prior approval has been obtained from the District Project Manager for a different type of vehicle.
- H. Consultant's monthly invoices will be prepared in accordance with the terms of this Revised Appendix Two and the Standard Consultant Agreement Section IV, Fees and Payments, and represent work performed and reimbursable costs incurred during the identified billing period and will be consistent with Appendix One and Revised Appendix One and include the following:
 - 1. Personnel Category and employee name itemized with all labor charges by Scope of Service Task.
 - 2. Direct charges by Scope of Service Task.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

3. Consultant's summary of the amount Consultant has been billed by their subconsultants and subcontractors and further detailed by Scope of Service Task.
4. Direct charges must reflect actual fees versus the Agreement not to exceed fees in this Revised Appendix Two.
- I. Before submitting monthly invoices, the Monthly Progress Report and draft invoice (in Adobe PDF format) will be provided by the Consultant for preliminary review by the District Project Manager. Upon preliminary approval by the District, the Consultant will mail the complete signed and dated hardcopy invoice, including all supporting documentation. District's preliminary review of the draft invoice does not represent final approval of the hardcopy invoice, but is intended to reduce potential for re-submittals of hardcopy invoice by Consultant.
- J. Invoices will include a summary of labor expenditures, direct costs, and billed subconsultant charges. Billing statements, transmitted separately from the Monthly Progress Reports, will be organized such that the billing categories correspond with the Scope of Services tasks.
- K. District's Project Manager will review invoice within five (5) working days of receipt, address any questions with Consultant's Construction Manager, and approve the undisputed amount of the invoice within ten (10) working days of receipt of the invoice. District will pay undisputed invoices within thirty (30) calendar days from date invoice is approved by District's Project Manager.
- L. Prevailing Wages
 1. A portion of the Services to be performed pursuant to this Agreement may be considered "Public Works" subject to California Labor Code §1771, et. seq. and the applicable implementing regulations.
 2. Labor Code §1720 includes "Inspection and Land Surveying" in its definition of "Public Works." If Consultant's Services includes such work, Consultant and its Subconsultants must comply with all Labor Codes applicable to prevailing wages.
 3. The Consultant and its Subconsultants shall not engage in the performance of public work, as defined in California Labor Code §1771.1, unless currently registered and qualified to perform public work pursuant to California Labor Code §1725.5.
 4. The General Prevailing Wage Rates issued by the California Department of Industrial Relations may be adjusted by the State throughout the term of this Agreement. Notwithstanding any other provision of this Agreement, Consultant will not be entitled to any adjustment in compensation rates in the event there are adjustments to the General Prevailing Wage Rates.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX TWO
FEES AND PAYMENTS**

5. This Agreement is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations. Upon request, the Consultant and Subconsultants must furnish the records specified in Labor Code §1776 directly to the Labor Commissioner, in a format prescribed by the Labor Commissioner.
6. All records or documents required to be kept to verify statutory compliance with the prevailing wage requirement such as certified payroll records must be made available for audit at no cost to the District, at any time during regular business hours, upon written request by the District.

7. **California State Department of Industrial Relations Contractor and Sub-Contractor Registration Requirements**

Prior to the District executing a Task Order for Services involving public works, as defined herein, the Consultant, and its Subconsultant(s) performing public works, must provide evidence, in the form required by the District, that Consultant and its Subconsultant(s) are in compliance with the California State Department of Industrial Relations Contractor and Sub-Contractor Registration Requirements.

- M. Consultant's services will be performed by its staff members and subconsultants' staff members at the lowest hourly rates commensurate with the complexity of the required services.
- N. Consultant's attention is directed to Section IV of the Revised Standard Consultant Agreement regarding Fees and Payments and the corresponding retention clause.
- O. Small Business Enterprise (SBE) Participation

This Agreement provides for the Consultant to include California Department of General Services certified Small/Micro Businesses in the performance of the services, estimated to be 30 percent or more of the Total Not to Exceed Amount stated in this Revised Appendix Two and Consultant agrees to use its best efforts to meet this goal. With each monthly progress report, Consultant shall provide level of Small Business Enterprise (SBE) participation.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX THREE
SCHEDULE OF COMPLETION**

1. This Agreement commences on the date specified in the introductory paragraph of the Standard Consultant Agreement portion of this Agreement. The term of this Agreement expires **May 31, 2023**, unless, prior to its expiration, its term is modified by a written amendment hereto, signed by both Parties.
2. Consultant will commence Tasks listed in Appendix One and Revised Appendix One of this Agreement upon receipt of the Notice-to-Proceed (NTP) issued by the District.
3. Consultant will perform and complete the Services described in Appendix One and Revised Appendix One, Scope of Services, in accordance with the Project Schedule table as shown below. Consultant will coordinate services with the District to provide the timeline of all tasks and subtasks including the site visits, document review, meetings, and Deliverables.
4. The approved Project Schedule will be monitored monthly. Changes to the schedule for performance of Tasks and Deliverables are subject to advance written approval by District. Consultant's attention is directed to District's Revised Standard Consultant Agreement, Section VII. Delays and Extensions.
5. Project Delays - The Consultant will make all reasonable efforts to comply with the Project Schedule as shown here in Revised Appendix Three. In the event the Project Schedule will be delayed, Consultant will notify the District as soon as possible, providing the reason why, the length of the delay, and a description of the actions being taken to address the delay. In the event Consultant is delayed in performance of its services by circumstances beyond its control, District may in its discretion grant a reasonable adjustment in the Project Schedule. This language will prevail should any conflict or discrepancy occur between this provision and the Revised Standard Consultant Agreement portion of this Agreement, Section VII. Delays and Extensions.
6. District's Project Manager and Consultant may agree to modify the schedule specified for Consultant's performance as a written administrative modification to the Agreement and such approval will be confirmed in writing.

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**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX THREE
SCHEDULE OF COMPLETION**

PROJECT SCHEDULE (REVISED)

Task	Description	Duration from NTP
1	Project Management Services	Duration of the Agreement
1.1	Planning Phase Work Plan - Calero and Guadalupe Dams Combined	Duration of the Agreement
2.1.3	Problem Definition Report - Calero Dam	5 months from NTP (Completed)
2.1.3	Problem Definition Report - Guadalupe Dam	7 months from NTP (Completed)
2.2.5	Planning Study Report - Calero Dam	12 months from NTP (Completed)
2.2.5	Planning Study Report - Guadalupe Dam	14 months from NTP (Completed)
2.2.6	Transition Reports - Calero Dam	13 months from NTP (Completed)
2.2.6	Transition Reports - Guadalupe Dam	15 months from NTP (Completed)
3.4.4	Draft Environmental Impact Report - Calero Dam	Duration of the Agreement
3.4.4	Draft Environmental Impact Report - Guadalupe Dam	Duration of the Agreement
3.6	Final Environmental Impact Report - Calero Dam	Duration of the Agreement
3.6	Final Environmental Impact Report - Guadalupe Dam	Duration of the Agreement
3.7	Regulatory Permitting	Duration of the Agreement
4	Develop On-site Borrow and Spoil Requirements - Calero Dam	5 months from NTP (Completed)
4	Develop On-site Borrow and Spoil Requirements - Guadalupe Dam	7 months from NTP (Completed)
5	Design Support	Duration of the Agreement
6	Supplemental Services	Duration of the Agreement

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

Please Note: Failure to comply with the instructions below could result in a delay in receiving the Notice to Proceed. The District will not be responsible for time lost or costs incurred due to failure to comply with these requirements. Please note the check-list of documents needed at the end of this Revised Appendix Four Insurance Requirements.

Without limiting the Consultant's indemnification of, or liability to, the Santa Clara Valley Water District ("District"), the Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions as listed below.

Consultant must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Consultant's insurance agent(s) and/or broker(s), who have been instructed by Consultant to procure the insurance coverage required herein.

In addition to certificates, Consultant must furnish District with copies of all original endorsements affecting coverage required by this Revised Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the Agreement is executed.**

In the event of a claim or dispute, District has the right to require Consultant's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Revised Appendix insurance document.

If your insurance broker has any questions about the above requirements, please advise him/her to call Mr. David Cahen, District Risk Manager at (408) 630-2213.

Certificates of Insurance

Consultant shall furnish the District with a Certificate of Insurance. The certificates will be issued on a standard ACORD Form.

Consultant shall instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to the designated District Contract Administrator and email a copy to: valleywater@ebix.com

The certificates will:

1. Identify the underwriters, the types of insurance, the insurance limits, the deductibles and the policy term;
2. Include copies of all the actual policy endorsements required herein; and
3. In the "Certificate Holder" box include:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement/CAS No. A3675A / CAS No. 4479**

IMPORTANT: The agreement or CAS number must be included.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

In the Description of Operations/Locations/Vehicles/Special Items Box:

1. Certificate Holder shall be named as Additional Insured;
2. District agreement or project number shall appear;
3. The list of policies scheduled as underlying on the Umbrella policy shall be listed; and
4. Waiver of Subrogation must be indicated as endorsed to all policies.

If Consultant receives any notice that any of the insurance policies required by this Revised Appendix Four Insurance Requirements may be cancelled or coverage reduced for any reason whatsoever, Consultant or insurer shall immediately provide written notice to the designated District Contract Administrator that such insurance policy required by this Revised Appendix Four Insurance Requirements is canceled or coverage is reduced.

Maintenance of Insurance

If Consultant fails to maintain such insurance as is called for herein, District, at its option, may suspend payment for work performed and/or may order Consultant to suspend all Consultant's work at Consultant's expense until a new policy of insurance is in effect.

Renewal of Insurance

Consultant will provide the District with a current Certificate of Insurance and endorsements within thirty (30) business days from the expiration of insurance.

Consultant shall instruct its insurance broker/agent to:

1. Submit all renewals of insurance certificates and required notices electronically in PDF format to: valleywater@ebix.com
2. Provide the following information in the "Certificate Holder" box:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement/CAS No. A3675A / CAS No. 4479**

IMPORTANT: The agreement or CAS number must be included.

Consultant must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

Required Coverages

1. **Commercial General/Business Liability Insurance** with coverage as indicated:

\$2,000,000 per occurrence / **\$2,000,000** aggregate limits for bodily injury and property damage

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

General Liability insurance must include:

- a. Coverage at least as broad as found in standard ISO form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Consultant must be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest.
- e. Broad Form Property Damage liability.

2. Business Auto Liability Insurance with coverage as indicated:

\$2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

3. Professional/Errors and Omissions Liability with coverage as indicated:

\$5,000,000 per claim/ **\$5,000,000** aggregate

Professional/Errors and Omission Liability appropriate to the Consultant's profession, and must include:

- a. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars (\$100,000) per occurrence/event.
- b. Coverage shall include contractual liability
- c. If coverage is claims-made:
 - i. Certificate of Insurance shall clearly state that the coverage is claims-made.
 - ii. Policy retroactive date must coincide with or precede the Consultant's start of work (including subsequent policies purchased as renewals or replacements).
 - iii. Policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - iv. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

4. Workers' Compensation and Employer's Liability Insurance

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than \$1,000,000 per occurrence.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

1. **Additional Insured Endorsement(s):** Consultant must provide an additional insured endorsement for Commercial General/Business Liability (for both on-going and completed operations) and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Consultant will be notified of such requirement(s) by the District. **NOTE:** This section does not apply to the Workers' Compensation and Professional Liability policies.

(NOTE: Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037, or CG 2038. Editions dated 07/04 are not acceptable.)

2. **Primacy Clause:** Consultant will provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that consultant's insurance is primary with respect to any other insurance which may be carried by the District, its Directors, its officers, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss. **NOTE:** This section does not apply to the Workers' Compensation policies.
3. **Cancellation Clause:** Consultant will provide endorsements for all policies stating that the policy will not be cancelled without 30 days prior notification to the District.
4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Manager. Non-Admitted companies may be substituted on a very limited basis at the Risk Manager's sole discretion.
5. **Self-Insured Retentions or Deductibles:** Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses. Consultant agrees that in the event of a claim they will pay down any agreed upon SIR in a prompt manner as soon as bills are incurred in order to trigger the insurance related to the SIR.
6. **Subconsultants:** The Consultant shall secure and maintain or shall be responsible for ensuring that all subconsultants performing the Contract Services secure and maintain all insurance coverages appropriate to their tier and scope of work in a form and from insurance companies reasonably acceptable to the District.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Consultant for the benefit of the District must not be deemed to release or limit any liability of Consultant. Damages recoverable by the District for any liability of Consultant must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** Except for Professional Liability, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Consultant agrees to waive subrogation against the District to the extent any loss suffered by Consultant is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy described in **Required Coverages** above. Consultant agrees to advise its broker/agent/insurer and agrees to provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that subrogation has been waived by its insurer.
10. **Non-compliance:** The District reserves the right to withhold payments to the Consultant in the event of material noncompliance with the insurance requirements outlined above.

**AMENDMENT NO. 4 TO AGREEMENT A3675A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

CHECK LIST OF DOCUMENTS NEEDED

General Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Auto Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Umbrella:	A.	Limits (\$)	
	B.	Primacy (Endorsement or policy language)	
Workers Comp:	A.	Limits (\$1,000,000)	
	B.	Waiver of Subrogation (Endorsement or policy language)	
	C.	Cancellation Endorsement	
Professional Liability:	A.	Limits (\$5,000,000)	
	B.	Cancellation Endorsement	

Appendix IV ConsultantGL2AL2PL5_rev. 7.20.20/CAS rev. 9.8.20

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Santa Clara Valley Water District

File No.: 20-0885

Agenda Date: 10/13/2020

Item No.: 9.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Board Confirmation of the Chief Operating Officer, Water Utility Enterprise.

RECOMMENDATION:

Confirm the appointment of Aaron Baker as the Chief Operating Officer of Water Utility Enterprise for the Santa Clara Valley Water District.

SUMMARY:

Board Governance Policy Executive Limitation 3.8 states that a “Board Appointed Officer (BAO) shall present an appointment of a Chief-level position to the Board for Confirmation.”

Following a competitive open recruitment process, the Chief Executive Officer (CEO) has selected a candidate for the position of Chief Operating Officer, Water Utility Enterprise (WUE), and recommends that the Board confirm the appointment.

POSITION SUMMARY

The Chief Operating Officer, WUE is a key member of the executive leadership team and has oversight over Valley Water’s largest business area that includes the divisions of Water Utility Capital, Raw Water, Water Supply, and Treated Water. The Chief Operating Officer, WUE is responsible for overseeing the operations, maintenance, and capital improvements for the entirety of Valley Water’s water utility infrastructure, from surface water reservoirs to pipeline delivery systems. The position must also manage relationships with water wholesalers, water retailers, local, state and federal agencies, elected officials, and other external stakeholders. The Chief Operating Officer, WUE, must have current knowledge of local, regional, and state-wide water issues, as well as provide leadership in short- and long-term strategic planning for the business area.

The Chief Operating Officer, WUE reports to the Assistant Chief Executive Officer (ACEO), serves at the will of the CEO, and is accordingly employed in Valley Water’s unclassified service. The Chief Operating Officer, WUE is a key member of the executive leadership team and represents the CEO and Valley Water in interactions

SELECTION PROCESS

The Chief Operating Officer, WUE position was a competitive opportunity that included internal and external candidates. Qualified candidates were evaluated in multiple rounds by interview panels

consisting of an external subject matter expert, employees, labor union representatives, mid-managers, and executives from across the organization, as well as a final interview with the CEO and ACEO. Diversity in race, gender, work area, and classification were all considered in the makeup of each of the interview panels.

CANDIDATE

The selected candidate is Aaron Baker, who has over 20 years of progressively broadening experience and responsibility in the Water Utility Enterprise. He began his career at Valley Water in 1999 as an Assistant Engineer and then took on incrementally greater roles as Associate Engineer, Engineering Unit Manager, Assistant Operating Officer, and most recently, as Deputy Operating Officer.

As the Deputy Operating Officer of the Raw Water Division since September 2019, Mr. Baker oversees an approximate annual budget of \$45M and 93 full-time employees. He has a decade or more of experience in key areas such as operations and maintenance, the Capital Improvement Program (CIP), raw water, and treatment plant oversight. He has earned respect at Valley Water with his proven track record of project completion and collaborative problem solving. Mr. Baker is already familiar with most major stakeholders and has existing relationships with Valley Water's water retailers, imported water suppliers, and environmental regulators.

Mr. Baker holds a Bachelor of Science degree in Civil Engineering from the University of Southern California and certification as a Professional Engineer.

Mr. Baker has demonstrated key leadership, sound judgement, critical thinking, and collaborative management throughout his career. His extensive knowledge and understanding of the organization, broad water utility experience, and ability to successfully move Valley Water projects to completion uniquely qualify him for the role of Chief Operating Officer, Water Utility Enterprise.

FINANCIAL IMPACT:

Aaron Baker will assume the position of Chief Operating Officer, Water Utility Enterprise on October 14, 2020 with an annual starting salary of \$289,515.20. The salary has been budgeted for in the Office of the Chief Operating Officer, Water Utility Enterprise Project No. 95061038 (WUE Administration).

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Recruitment Brochure

File No.: 20-0885

Agenda Date: 10/13/2020
Item No.: 9.1.

UNCLASSIFIED MANAGER:
Rick Callender, 408-630-2017

CHIEF OPERATING OFFICER

WATER UTILITY ENTERPRISE

Valley Water

Annual Salary: **\$253,593–\$313,123**

VALLEY WATER, ONE OF THE LARGEST WATER DISTRICTS in the State of California, is looking for a Chief Operating Officer (COO) of the Water Utility Enterprise (WUE). This position is one of the top executive team members reporting directly to the Assistant CEO. The COO WUE has oversight of the District's largest department, which includes the divisions of: Water Utility Capital, Raw Water, Water Supply, and Treated Water and encompasses the entirety of the water utility infrastructure for the organization from surface water reservoirs to pipeline delivery systems. We are looking for an exceptional leader with excellent interpersonal skills who has experience working across a large water utility, addressing statewide water policy, imported water challenges, and interfacing with other state and federal agencies such as: Department of Water Resources, US Bureau of Reclamation, water retailers, and water customers. This leader will have exceptional ability to communicate with elected officials, be a strategic thinker and planner, and ideally have familiarity and demonstrated ability to effectively work with water wholesalers, and retail customers. *Come join an amazing organization and be a part of our leadership team where you can make a difference in the lives of millions.*





the COMMUNITY

HOME TO TECHNOLOGY GIANTS in Silicon Valley such as Google, Apple, Microsoft, Facebook, eBay, and more, Santa Clara Valley has earned the reputation around the world as the center of technology and innovation, as well as an ideal location to work, live and raise a family. Santa Clara County is roughly 50 miles south of San Francisco, 200 miles from Lake Tahoe, and 35 miles from Santa Cruz; the close proximity to beaches, mountains and city life provides a year-round calendar of great things to do including: surfing, festivals, concerts, theatre, snow skiing, waterskiing, biking, hiking, fishing, and much more.



the ORGANIZATION

VALLEY WATER HAS AN OPERATING AND CAPITAL BUDGET of \$610 million, over 850 employees and is governed by a seven-member Board of Directors, each elected by their district. Valley Water serves nearly two million people in Santa Clara County, which stretches 1,300 square miles and encompasses 15 cities and unincorporated areas. With headquarters in San Jose, Valley Water provides water supply, enhances streams and watersheds through creek restoration and habitat protection, and provides flood protection for homes, schools, businesses and roadways. In addition, Valley Water partners with other agencies to provide trails and open space for the community. The District manages ten dams and surface water reservoirs, three water treatment plants, an advanced recycled water purification center, state-of-the-art water quality laboratory, nearly 400 acres of groundwater recharge ponds, and more than 275 miles of streams.



CURRENT and FUTURE DISTRICT PROJECTS and OPPORTUNITIES

- ▶ **Anderson Dam Seismic Retrofit**
- ▶ **Rinconada Water Treatment Plant Reliability Improvement**
- ▶ **Bay-Delta Conveyance**
- ▶ **San Francisco Bay Shoreline Protection**
- ▶ **Pacheco Reservoir Expansion Project**

FOR MORE DETAILS GO TO:

wbcpsc.com/wp-content/uploads/2020/07/Projects-C00-Santa-Clara-Water.pdf

the DEPARTMENT

WATER UTILITY ENTERPRISE (WUE) is the largest Department in the District and encompasses the crux of Valley Water's Mission— to provide Silicon Valley safe, clean water for healthy life, environment and economy. With an operating budget of approximately \$182 million, a capital budget of \$203 million and a staff of 294, the C00 for WUE is responsible for 10 dams and surface water reservoirs, three water treatment plants, an advanced recycled water purification center, water quality laboratory, nearly 400 acres of groundwater recharge pond, and raw and treated water conveyance system; and operations and maintenance of the Central Valley Project (CVP) San Felipe Division and SFPUC-SCVWD intertie facilities.

Org Chart: wbcpsc.com/wp-content/uploads/2020/07/WUE-org-chart_FY2021.pdf



the JOB

THE CHIEF OPERATING OFFICER OF WATER UTILITY ENTERPRISE (COO WUE) is an at-will position that reports directly to the Assistant CEO and oversees a staff of 294 and an approximate annual operating and CIP budget of \$385 million. The COO WUE will guide and oversee the protection and augmentation of water supplies, provide treated water to the San Jose Valley, and ensure efficient and effective operations. In this effort, this position oversees the planning, management, performance, and improvement of the District's Water Utility Enterprise which includes four divisions: Water Utility Capital, Raw Water, Water Supply, and Treated Water, and over 20 units that report up through those Divisions.

The COO WUE also represents the District to the public and partner organizations, and serves as the key spokesperson for the Water Utility Enterprise, and will interface regularly with the Valley Water Board of Directors, and other local, state and federal elected officials, and a number of regulatory agencies, such as the: U.S. Bureau of Reclamation, Department of Water Resources, East Bay MUD, and more.

This position will lead and direct:

- ▶ Water policy discussions and relationships with our water wholesalers and 13 water retailers.
 - ▶ Communications with Valley Water's executive leadership and Board, as well as multiple other local, state and federal agencies, stakeholders and elected officials.
 - ▶ The water utility infrastructure, including operations, maintenance, and capital improvements.
 - ▶ Local surface water supplies and water rights; groundwater sub-basins; groundwater recharge operations; imported water program, including supplies from the federal Central Valley Project and the State Water Project, Semi-tropic Groundwater Storage Bank and other water transfers and exchanges; recycled and purified water supplies; and water conservation programs.
 - ▶ The Annual Report on the Protection and Augmentation of Water Supplies including Groundwater and treated water rate setting process.
- ▶ Short- and long-term strategic planning processes including
 - ▷ 5 Year Operations Plan;
 - ▷ Groundwater Management Plan;
 - ▷ Urban Water Management Plan;
 - ▷ Water Supply Master Plan;
 - ▷ Recycled and Purified Water Master Plans;
 - ▷ Annual Water Operations Plan;
 - ▷ Water Shortage Contingency and Drought Management Plan;
 - ▷ Emergency Operations Plans; and
 - ▷ Support environmental initiatives within the entire water district.



the IDEAL CANDIDATE

THIS COO WUE MUST BE an excellent relationship builder, who thinks well on their feet, facilitates consensus, and is decisive, transparent, and communicative. The ideal candidate will be a strategic leader with a solid understanding of large scale water utilities operations, an ability to lead statewide water policy discussions and address issues related to imported water and water supply. The incumbent will be solutions oriented, with an excellent understanding of the regulatory environment, and an action focused professional who operates at the big picture level but keeps an eye on getting things done.

The next COO WUE will...

- ▶ Have current and ongoing knowledge of state-wide water issues including the California Water Action Plan, Bay-Delta Conveyance, and issues under consideration before the State Water Resources Control Board.
- ▶ Understand the complexity of the rate setting process on both the operations and finance sides.
- ▶ Represent the agency to other governmental entities, water agencies, water retailers, community groups, employee organizations, and the general public with a high level of political savvy and emotional intelligence; and develop and maintain public private partnerships to advance key projects.
- ▶ Oversee capital treated water, imported water, water supply, and related statewide policy work,
- including participation in the ongoing Bay Delta issues, Design Construction Authority, etc.
- ▶ Foster excellent working relationships with staff, fellow Chiefs, the Chief Executive Office, and the Board to be a strategic business partner for the organization.
- ▶ Focus on the whole picture of how water moves through the system while having the background and knowledge to understand the day to day operations and details of the process.
- ▶ Delegate effectively while keeping a handle on all of the moving pieces to address challenges as they arise and find the best way to keep projects moving forward.
- ▶ Understand the importance of fostering a culture that aligns with the Board's vision with an emphasis on inclusiveness, diversity, and cohesion throughout the entire District.
- ▶ Be an effective problem solver and decision-maker to isolate causes from symptoms, act decisively and show good judgement.
- ▶ Be highly productive, manage time wisely and prioritize multiple competing projects effectively.
- ▶ Demonstrate a high level of energy, motivation, passion, and ambition to move projects forward.
- ▶ Be an effective team manager and player, empower, coach and develop staff into future leaders.
- ▶ Be an effective communicator in writing, presentation, and informal communication skills to effectively inform or persuade an audience.



MINIMUM QUALIFICATIONS

- ▶ Bachelor's degree from an accredited college or university preferably in civil engineering, business administration, environmental sciences, public administration, or a closely related field or a field specifically related to the assigned area.
- ▶ Eight years of recent and increasingly responsible administrative or managerial experience in the public sector, water, or related industry, ideally, with experience managing multiple water utility functions is highly desirable.
- ▶ Possession a valid California Driver's license and maintain a satisfactory driving record.

HIGHLY DESIRED:

- ▶ Possess and maintain a valid license as a Professional Engineer issued by the California Board for Professional Engineers, Land Surveyors, and Geologists.
- ▶ Master's Degree in a related field such as in civil engineering, business administration, environmental sciences or public administration.

SALARY+ BENEFITS

ANNUAL SALARY:

\$253,593–\$313,123 DOE/DOQ, and an attractive benefits package that includes:

RETIREMENT/PENSION: 2% at age 60 or 2% at age 62 based on provisions of the California Public Employees' Pension Reform Act of 2013 (PEPRA).

HEALTH INSURANCE: Medical, Dental, Vision Care and EAP benefits are provided by the District. Employees pay 15% towards the District's monthly premium cost for medical coverage. Dental, Vision Care and EAP coverage is provided by the District with no monthly premium cost to the employee; Medical, Dental, Vision Care and EAP benefits are provided to all regular employees and their eligible dependents.

OTHER INSURANCE: Group Life and Disability Insurance.

DEFERRED COMP: Available to employees as an option with up to \$8,000 in annual District matching contributions.

FLEXIBLE SPENDING ACCOUNT: Health Care and Dependent Care Spending.

VACATION: Newly hired employees receive 224 hours (28 days/year) of prorated vacation.

LEAVES: 3 days of bereavement leave; 24 hours of executive leave and 32 hours of prorated personal leave; up to 96 hours per year sick leave.

HOLIDAYS: 12 designated days per calendar year.



HOW *to* APPLY

For first consideration apply by **AUGUST 14, 2020**
at: wbcpinc.com/job-board

SECURE THE DATES

INTERVIEWS WILL BE HELD ON SEPTEMBER 9 + 10, 2020 (candidates invited to interview will need to be available for both days)

Please contact your recruiter, Wendi Brown, with any questions:
866.929.WBCP (9227) toll free or **541.664.0376** (direct) or wendi@wbcpinc.com



Santa Clara Valley Water District

File No.: 20-0969

Agenda Date: 10/13/2020
Item No.: *9.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

CEO and Chiefs' Report.

ATTACHMENTS:

- *Handout 9.3-A: Office of Civic Engagement Update
- *Handout 9.3-B: Office of Communications Update
- *Handout 9.3-C: NAACP Cert Program, Sea Level Rise/Flood Mgmt

Office of Civic Engagement

September 2020 Activities Update



YOUTH COMMISSION

Staff has been working with the Youth Commission Chair and Vice Chair to organize the Annual Youth Commission Retreat, which will take place on October 10, 2020. The retreat will be an opportunity for the Youth Commissioners to get to know each other better, learn more about Valley Water and their role, develop their workplan for the new school year, and finalize this year's working groups and assignments.

Recruitment and outreach for the vacant seat in District 7 continues. Staff reached out to teachers from high schools located in District 7 to help spread the word. Social media and Nextdoor posts have gone out and staff shared the posts with our networks, including current Youth Commissioners to reshare on their own social media pages. The application closes on October 2, 2020.

CREEK STEWARDSHIP

Valley Water hosted its very first socially distanced California Coastal Cleanup month in September and received a lot of positive feedback on the event this year. Volunteers were asked to clean-up around their own neighborhoods to prevent neighborhood trash from making its way into the local waterways. Supplies were distributed to volunteers who requested it. Every Saturday in September was designated as Coastal Cleanup Day. The preliminary results for the month-long event are as follows:

DATE	# VOLUNTEERS	# LBS OF TRASH	# MILES
September 5	164	2,179.5	96.5
September 12*	82	1,188	49.5
September 19	262	3,788	114
September 26	299	11,727	68
TOTAL**	807	18,882.50	328

*9/12 numbers were impacted by the poor air quality due to statewide wildfires

**Data are still coming in from volunteers, therefore, these numbers are preliminary and subject to change.

Here are a few quotes from our volunteers:

"It was an easy way to help the community while also getting to catch up with my friends"
- Branda Wipatothai

"So satisfying! In two hours, we cleaned up a very dirty part near a creek and the paths to get to it"
- Christine Walravas

"Great experience. We'll be doing it again next weekend"
- Josh, Emily, and Elizabeth Ross

"It was a great experience and it felt good because I was helping my community. People also thanked us as we walked around"
- Sarah Pham

"I didn't expect to collect so much trash close to our neighborhood. Overall, it was a great experience"
- Adarsh Nallapa

"Was great to get around the neighborhood. My friend and I might make it a weekly or bi monthly thing on our socially distanced walks"
- Sharon Gloster

"Thank you all so much for this wonderful opportunity, I enjoyed doing this even more the second time, especially with the cleanup supplies! There was less trash, but I'm still disappointed by the amount"
- Adarsh Nallapa



On September 19, the Cardenas Family geared up to save the day by cleaning up in San Jose! William and Samuel collected 4 full bags of trash around their high school on September 12. Water Ambassador Shari Carlet, Cub Scout Pack 611, and friends rolled up their sleeves on September 19 to clean Upper Penitencia Creek.



PUBLIC ARTS & SIGNAGE

Adopt-A-Bench Project with Youth Commission: Staff continues to work with the cities of Gilroy (District 1) and Santa Clara (District 2) on their review processes for the benches in their city boundaries. Paul J. Gonzalez, local artist, continues to finish painting the tiles for the benches that have been approved. Next, staff will work with a vendor to begin installation of the artwork, which may be dependent on weather conditions. However, staff anticipates all artwork to be installed by summer next year.

Signage Inventory with Silicon Valley Bicycle Coalition (SVBC): Due to the poor air quality from the Bay Area wildfires, the Great Sign Hunt 2020 was extended by two weeks and will run through October 29. As of September 23, more than 340 participants are registered and more than 7,300 signs have been submitted, of which approximately 3,500 are unique signs (not duplicated). SVBC and Valley Water staff continue to promote the scavenger hunt by highlighting different watershed areas through blog posts and the event website, announcing monthly prize winners and boosting social media posts.



Participants of the Great Sign Hunt have submitted 7000 Valley Water signs found across Santa Clara County.

SAFE, CLEAN WATER GRANTS AND PARTNERSHIPS

2021 Grant Cycle Open for Applications from Sept. 28 to Dec. 1:

This year, more than \$900,000 in grant funding is available for B7: Volunteer Cleanup Efforts & Education (\$200,000 total funding) and D3: Access to Trails and Open Space (\$571,000 total funding). The mini-grant opportunities continue to be available for A2: Water Conservation (\$100,000 total funding) and D3: Restore Wildlife Habitat (\$200,000 total funding). The grant cycle is being announced via Nextdoor, social media, media advisory, stakeholder outreach, promo video, eblasts, and more. Staff is hosting virtual grant cycle informational workshops on Oct. 14 and Oct. 22.

continued on back »



The 2021 grant cycle is open now through December 1.

EDUCATION OUTREACH

In the month of September, Education Outreach (EO) virtually reached 107 students and three teachers from two classrooms and one virtual presentation to City of San Jose Public Library. EO also presented to 118 members of the public through four Wonders of Water Wednesdays engagements.

- The Education Outreach Program kicked off the 2020-2021 school year with virtual presentations of Watershed Maps to Stevens Creek's 4th and 5th grade classrooms. 66 students learned about watersheds and created their own 3D watershed map. Students enthusiastically engaged in learning how to protect local watersheds.
- The Education Outreach Program continues its relationship with the San Jose Public Library, providing hands-on educational activities for their "Science for Kids", an after-school program series for the 2020-21 school year. The first presentation piloted "Plastic Voyages," the newest addition to EO's virtual, distance learning programs. During "Plastic Voyages" students discovered the negative impact of single-use plastic on our environment while also engaging their critical thinking skills to come up with solution-oriented approaches to help reduce ocean pollution.

MONTH	STUDENTS AND EDUCATORS	PUBLIC ATTENDEES	YEAR TO DATE
July to August	555	69	671
September	110	118	228
TOTAL	665	187	899

FY21 Goal: Reach at least 10,000 students and 1,500 members of the public

WATER SUPPLY OUTREACH

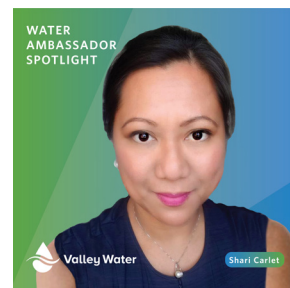
In September, the Water Supply Outreach team launched the Water Infrastructure Virtual Tour series, which includes four individual stops with content highlighting each of the agency's mission pillars -- safe, clean water; flood protection, and environmental stewardship. Each stop also highlights one or more current projects and a Q&A panel with subject matter experts. The team also hosted two private tours of the Silicon Valley Advanced Water Purification Center, with a third that will be rescheduled at another time for a larger audience.

DATE	PURIFICATION CENTER TOURS	FY 21 TOTAL ATTENDEES
July - August		215
September 3	SVAWPC with SJ Public Library (Public)	26
September 8	SVAWPC -- Sunny View Retirement Community (Private)	8
September 10	Water Infrastructure Tour (Public)	14
September 15	WIT - Water Supply (Public)	12
September 17	WIT - Water Treatment & Water Quality (Public)	9
September 22	WIT - Flood Protection & SCW (Public)	7
September 23	SVAWPC - West Valley College (Private)	28
September 24	WIT - Purified Water & Water Reuse (Public)	7
TOTALS		327

FY 21 Goal: Conduct public/private tours of the SVAWPC for at least 750 attendees

YEAR-ROUND VOLUNTEER PROGRAM

In preparation for the second issue of the quarterly Water Ambassador newsletter, Newsplash, staff published the second Water Ambassador Spotlight featuring Shari Carlet, District 3. Shari is a graduate of the first Water 101 Academy cohort and is passionate about conservation and creek stewardship. The team is also working on updating promotional materials and the website for Water 101 Academy to launch the application period next month.



Shari Carlet, a graduate of the first Water 101 Academy, was featured on Valley Water's blog and social media channels.

COMMUNITY RATING SYSTEM

Staff continue to work on the 2020 Santa Clara County Multi-Jurisdictional Program for Public Information (PPI). Staff are working on scheduling a CRS Users Group meeting with all CRS community members (cities) to review and discuss the PPI.

Staff have finalized plans for California Flood Preparedness Week scheduled for October 17-24th. This year's Flood Preparedness Week theme is "Federal, State, and Local Community Partnership in Flood Risk Reduction" and includes the slogan, "Be Aware, Be Prepared, Take Action". The week's activities for staff include, a lunch and learn with the National Weather Service, distribution of a 1-person emergency bag to all permanent staff before the end of the year, and discounts on additional family emergency bags.

Staff have also partnered with Second Harvest Food Bank in distributing 4,600 emergency totes in the community starting October 17th.

LOOKING AHEAD

- Wonders of Water Wednesday Afterschool Science Enrichment Series
 - 10/7-Plastic Voyage
 - 10/14-H2O On the Go
 - 10/21- Imagine a Day Without Water
 - 10/28- The 3 Little Pigs and the Bad Weather Wolf
- New Water Infrastructure Virtual Bus Tour series:
 - 10/6 & 10/20 - Water Supply
 - 10/8 & 10/22 - Water Treatment & Water Quality
 - 10/13 & 10/27 - Flood Protection & Safe, Clean Water
 - 10/15 & 10/29 - Purified Water & Water Reuse
- Private tours of the SVAWPC:
 - 10/9 - MAES Program
 - 10/20 - San Jose City College class
 - 10/23 - SJSU MESA Engineering Program
 - 10/29 - American Chemical Society
- Applications for Spring 2021 Water 101 Academy open - **Oct. 6**
- Water Educator Committee Water & Wellness Conference - **Oct. 8 & Oct. 13**
- Youth Commission Retreat - **Oct. 10**
- Bench artwork presentation to the Gilroy Arts & Culture Commission - **Oct. 13**
- 2021 Grant cycle informational workshops - **Oct. 14 & Oct. 22**
- California Flood Preparedness Week - **Oct 17-24**
- Imagine a Day Without Water - **Oct. 21**
- The Great Sign Hunt 2020 signage inventory scavenger hunt - extended through - **Oct. 29**
- 2021 Grant applications being accepted - **closes Dec. 1**

Office of Communications Activities Summary of September 2020



Community Engagement – CEO and Board of Directors



Chair Hsueh and CEO Rick Callender welcoming participants to the Ask the CEO virtual meeting.

On Sept. 21, Valley Water launched the “Ask the CEO” series to inform the public on current and future Valley Water projects. Composed of seven virtual meetings, each meeting provides an opportunity for the CEO and a board member to connect with their district. Three virtual meetings were hosted this month; on Sept. 21 with Director Santos (District 3), on Sept. 25 with Chair Hsueh (District 5) and on Sept. 30 with Director Varela (District 1).

- Valley Water makes green investments today for a cleaner tomorrow
- Water matters: a family affair
- Valley Water to discuss impacts of lowering Anderson Reservoir at virtual community meeting
- Valley Water prepared for fires, potential power outages
- Valley Water rescues, relocates threatened Steelhead in Coyote Creek ahead of Anderson Reservoir drawdown

Staff created and published two videos promoting the Coastal Cleanup events taking place every weekend in September. A media advisory highlighting the event was distributed. KCBS interviewed staff about the event.

During the month of September, staff continued to produce and lead the biweekly townhalls to provide staff with updates and bring awareness of resources, engagement opportunities, and other relevant items.

Staff supported the Emergency Operations Center activation with a variety of communications and outreach efforts.

Staff responded to media inquiries on the following topics: Request of information on Safe, Clean Water and Natural Flood Protection Program from Ethnic Media Services regarding a story on Measure S; Mercury News contacted staff regarding Safe, Clean Water renewal; Interview request from KCBS and Metro/San Jose Inside regarding the Coyote Creek Fish Rescue.

Staff prepared Nextdoor messages for board members on the following topics: The Great Sign Hunt extended to October 29; Soil work at Almaden Lake Park; Guadalupe River – Tasman Drive to Interstate 880 Project virtual meeting; Ask the CEO invitation; Apply to join a Valley Water Committee; Lowering Anderson Reservoir water levels – virtual public meeting; Quimby Creek Well removal work notice; Join the Valley Water Safe, Clean Water and Natural Flood Protection Program Committee; Join the Valley Water Environmental and Water Resources Committee; Join the Valley Water Agricultural Water Advisory Committee; Reminder – Holiday Lake Estates virtual meeting; Dirt Hauling for the Rancho San Antonio County Park Flood Detention Basin Project; Youth Commission application reminder; Stream Maintenance Program work along Lower Penitencia Creek; New water infrastructure virtual bus tour series, the Anderson Dam Seismic Retrofit Project and the Holiday Lake Estates Neighborhood virtual meeting.

Statistics for Facebook, Twitter, valleywaternews.org blog, video, and eNews are below. Impressions are the number of times a post is displayed in a newsfeed, Twitter stream, etc. Engagement is the number of times a user interacts with a post, such as a retweet, click, and more.

	34,300 video views	19 videos posted
	819,127 impressions	19,575 engagements 6,114 message clicks
	9,243 impressions	115 engagements 23 link clicks
	valleywaternews.org blog	18,507 views 3,263 visitors
	213,147 impressions	549 engagements
	September e-news	28% open rate 23% click through rate

Internal Communications

News You Can Use was sent to all employees each Tuesday and Thursday, and 17 all user e-mails were sent in September.

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Public Education Campaign

Valley Water’s public education campaign launched in September. The first phase of the campaign continues the successful run of the We’re Water People ads featuring Valley Water employees. Ads in four languages are running on digital, print, social media and radio platforms through November.



Media, Communications and Social Media

Valley Water hosted its first-ever virtual news conference on the lowering of Anderson Reservoir and activities surrounding it. A media advisory in attendance included Mercury News, ABC7 News, NBC Bay Area, and KCBS radio.

Staff sent out media advisory with Santa Clara County Parks on the recreation closures around Anderson Reservoir and Dam.

Staff wrote and posted six stories on valleywaternews.org on the following subjects:

- What to expect when valley water begins lowering water levels in Anderson Reservoir

Community Outreach

Pacheco Reservoir Expansion Project (Director Varela)

- Updated project shell
- Drafted invitation and newspaper ads for virtual public scoping meeting
- Working to finalize new dates for virtual public scoping meetings

Guadalupe River Tasman Drive to I-880 Project (Director Santos)

- Mailed Oct. 1 virtual meeting invitation
- Posted meeting details for Oct. 1 via Nextdoor and Constant Contact
- Update project shell

Upper Llagas Creek Flood Protection Project (Director Varela)

- Drafted content and collected images for the fall progress mailer

Anderson Dam Seismic Retrofit Project (Director Varela)

- Hosted Holiday Estates Virtual Public Meeting on Sept. 9 and the FERC Virtual Meeting on Sept. 17

Quimby Creek Well Removal (Director Varela)

- Posted a public notice on Nextdoor the week of Sept. 7

Palo Alto Flood Basin Tide Gate Structure Replacement Project (Director Kremen)

- Updated project website and uploaded project video to the project website
- Sent Constant Contact Newsletter week of Sept. 14

Calabazas Creek Bank Rehabilitation Project (Chair Hsueh)

- Updated project website
- Follow up with resident inquiries on the project scope

Stream Maintenance Program (SMP) work (All Directors)

- Posted weekly status updates made to the SMP website

Ask the CEO Virtual Meeting series (All Directors)

- Produced and drafted speaking points for Valley Water CEO for Sept. 21, 25, and 30 virtual meetings and for Directors Santos, Chair Hsueh, and Director Varela
- Hosted virtual meetings on Sep 21, 25, and 30 for Districts 3, 5, and 1 respectively

Water Conservation

- Zoom and Facebook technical support to Water Conservation Education series - "How to Lose Your Lawn with Valley Water's Landscape Rebate Program" on Sept. 23

Graphics and Design

Rebranding

- FY 2021-22 book report cover design template
- Tabs template

Publications created

- Board Work Plan for FY 2020-21
- Recycled and Purified Water Program Accomplishments report
- Brochure for Threat Response on Board Room
- 2019 Annual Groundwater report
- Fluoridation-at-a-Glance flyer update

Mailer, Event and Outreach Materials created

- Mailers for 2020 Countywide Mailer, Quimby Creek Well Removal and Central and Parallel East Pipeline
- Rancho San Antonio trail map closure
- Lower Guadalupe, Tasman Drive public meeting postcard
- Get Flood Ready Campaign proposal plan

Signage created

- Almaden Lake Signage (Guadalupe River)
- COVID-19 Posters for Facilities
- Rancho San Antonio Trail Closure update patch
- Native planting banners for Creek Restoration

Public Notice and Newspaper Advertisement created

- We're Water People newspaper ad for Bay Area Monitor
- 2020 California Coastal Cleanup Day newspaper ad
- Anderson Dam public meeting notice
- Calabazas Creek Bank Rehabilitation project public notice

Internal Support Materials created

- Water 101 Academy Flyer for 2021
- Youth Commission Flyer update and appreciation certificates
- Budget long-term forecasting datasheet and infographics
- Logo Support for IT
- Community programs & resources flyer for the Office of Civic Engagement program
- SCW draft community-preferred program report polishing, postcard graphic element and fact sheet update
- Fact sheet for Ask the CEO Zoom/Facebook virtual event
- One-pager update for Office of Communications and Civic Engagement, August 2020
- One-Pager update for Office of Government Relations, September 2020
- Water infrastructure tour flyer update
- American Red Cross card print/crop mark settings

Digital Graphics supported

- Flipbook for FY 2021-25 CIP report
- Social Media posts for the Ask the CEO, Water Infrastructure tour series and Water Purification Center Virtual Tour
- Valley Water and Santa Clara County Park media advisory release
- E-Newsletter support for September and October 2020
- Education outreach E-newsletter
- Grants Table update
- Budget Report PDF hyperlink feature
- Water Ambassador spotlight for Q2
- SCW Grants photo for social media

Virtual Background supported

- California Flood Preparedness Week
- Water Conservation Facebook Events public meeting
- Ask the CEO Facebook event
- Holiday Lake Estates
- Guadalupe River - Tasman Drive to Interstate 880 project

Upcoming October Activities

Pacheco Reservoir Expansion Project

- Develop blog post, Nextdoor post, social media content for virtual public scoping meetings
- Create flipbook for updated project shell and post to project page

Coyote Creek Flood Protection Project (Vice Chair Estremera, Directors Keegan and Santos)

- Complete the development of the frequently asked questions document (FAQ #3)

Guadalupe River - Tasman Drive to Interstate 880 Project (Director Santos)

- Host virtual public meeting

Upper Llagas Creek Flood Protection Project (Director Varela)

- Mail the fall progress mailer to neighbors

Rancho San Antonio Detention Basin (Chair Hsueh and Director Kremen)

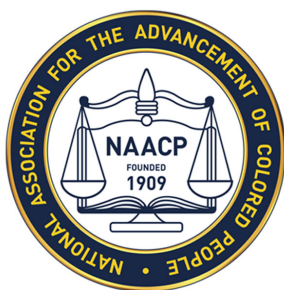
- Post updated project trail signage and website update

Ask the CEO series

- Virtual meetings on Oct. 2, 6, 7 and 14

Water Conservation

- Technical support for conservation education webinar



The National Association for the Advancement of Colored People (NAACP) Environmental and Climate Justice Program presents:

Just and Equitable Sea Level Rise and Flood Management Response Certification

Day 1: Friday, October 16th, 2020, 1:00 - 5:00 p.m. PST

Day 2: Saturday, October 17th, 2020, 10:00 - 3:00 p.m. PST
(Participation in both days of training is a requirement for certification.)

**Register for
FREE here:**

<https://tinyurl.com/naacpsealevel>

Register by October 14, 2020, 12:00 p.m. PST

Join us for this FREE training that will help you advance an equity-based sea level rise and flood management response in your own communities. This two-day workshop will cover policies, protocols, programs, and practices that can be implemented to help protect our communities of color from the devastating effects of sea level rise and flooding. This training will allow you to engage and activate a curated collection of tools, resources, information and technical partners to support this critical endeavor.

Goal: To train and empower Communities of Color to develop a customized action plan to advance a just and equitable response to sea level rise & flooding at the state and local levels, in their own communities.

Benefits: Work towards NAACP Certification in Sea Level Rise & Flood Management Equity and receive a free one-year membership to the NAACP.

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Follow NAACP Environmental and Climate Justice at: <http://naacp.org/issues/environmental-justice>