



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING TUESDAY, JUNE 5, 2018 – 9:30 A.M.

AGENDA

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** (Susan Lien Longville, Chair)
2. **ROLL CALL**
3. **PUBLIC COMMENTS**
Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. **CONSENT CALENDAR**
All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
 - A. **APPROVAL OF MEETING MINUTES: MAY 15, 2018**.....7
Recommendation: Approve as posted.
 - B. **TREASURER’S REPORT – APRIL 2018**.....13
Recommendation: Approve as posted.
5. **NEW BUSINESS**
 - A. **CLOSED SESSION ATTENDANCE AND RECORDKEEPING POLICY (CM#2018.55)**.....19
Presenter: Larry McKenney
Recommendation: Adopt Resolution No. 2018-6, establishing a policy regarding attendance in closed sessions and recordkeeping related to closed session deliberations, and supplementing Resolution No. 434 and Resolution No. 2012-10, previously adopted.
 - B. **PROJECT AGREEMENT 24 (CM#2018.56)**35
Presenter: Rich Haller
Recommendation: Approve Project Agreement 24 and proposed Joint Powers Agreement (JPA) amendments; and, direct staff to submit the agreement and the amendments to the appropriate SAWPA member agencies for approval.

- C. [RISK SCIENCES GSA AND TO APPROVAL \(CM#2018.58\)](#)51
Presenter: Rick Whetsel
Recommendation: Approve execution of the following documents:
1) General Services Agreement (GSA) with Risk Sciences to serve as regulatory strategist and compliance expert for a number of SAWPA Task Force efforts through December 2019;
2) Change Order No. RISK374-07 with Risk Sciences for a no cost time extension through December 2018 to serve as regulatory strategist and compliance expert for the Basin Monitoring Task Force;
3) Task Order No. RISK384-09 with Risk Sciences for an amount not-to-exceed \$49,340 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Middle Santa Ana River Pathogen TMDL Task Force; and,
4) Task Order No. RISK386-10 with Risk Sciences for an amount not-to-exceed \$46,820 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Regional Water Quality Monitoring Task Force.
- D. [MEMBERSHIP IN CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES \(CAL MUTUALS\) JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY \(JPRIMA\) \(CM#2018.57\)](#)81
Presenter: Karen Williams
Recommendation: Approve SAWPA becoming a member of the Joint Powers Risk and Insurance Management Authority (JPRIMA) and authorize the General Manager to sign all required documentation
- E. [IT INFRASTRUCTURE REPLACEMENT \(CM#2018.59\)](#)177
Presenter: Dean Unger
Recommendation: Approve the previously budgeted upgrade of the IT Infrastructure which includes the purchase of 3 HP Servers and disk storage for Western States Contracting Alliance (WSCA) pricing of \$69,000.
6. **INFORMATIONAL REPORTS**
Recommendation: Receive for information.
- A. **MEETING ATTENDANCE REPORTS – COMMISSIONERS AND ALTERNATES**
Commissioners and Alternate Commissioners will provide an oral report on meetings attended during the month of May, 2018.
- B. [CITY OF BEAUMONT UPDATE \(CM#2018.60\)](#).....183
Presenter: Carlos Quintero
- C. [SAWPA GENERAL MANAGERS MEETING NOTES](#)203
May 15, 2018
- D. **CHAIR’S COMMENTS/REPORT**
- E. **COMMISSIONERS’ COMMENTS**
- F. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

7. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)

Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

8. ADJOURNMENT

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, please call (951) 354-4230 or email kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, May 31, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2018 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

January 1/2/18 Commission Workshop [cancelled] 1/16/18 Regular Commission Meeting	February 2/6/18 Commission Workshop 2/20/18 Regular Commission Meeting
March 3/6/18 Commission Workshop 3/20/18 Regular Commission Meeting	April 4/3/18 Commission Workshop 4/17/18 Regular Commission Meeting
May 5/1/18 Commission Workshop 5/8 – 5/11/18 ACWA Spring Conference, Sacramento 5/15/18 Regular Commission Meeting	June 6/5/18 Commission Workshop 6/19/18 Regular Commission Meeting
July 7/3/18 Commission Workshop 7/17/18 Regular Commission Meeting	August 8/7/18 Commission Workshop 8/21/18 Regular Commission Meeting
September 9/4/18 Commission Workshop 9/18/18 Regular Commission Meeting	October 10/2/18 Commission Workshop 10/16/18 Regular Commission Meeting
November 11/6/18 Commission Workshop 11/20/18 Regular Commission Meeting 11/27 – 11/30/18 ACWA Fall Conference, San Diego	December 12/4/18 Commission Workshop 12/18/18 Regular Commission Meeting

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SAWPA COMPENSABLE MEETINGS

Commissioners and Alternate Commissioners will receive compensation for attending the meetings listed below, pursuant to the Commission Compensation, Expense Reimbursement, and Ethics Training Policy.

IMPORTANT NOTE: These meetings are subject to change. Prior to attending any meetings listed below, please confirm meeting details by viewing the website calendar using the following link:

<http://www.sawpa.org/sawpa-events/>

MONTH OF: JUNE

DATE	TIME	MEETING DESCRIPTION	LOCATION
6/5/18	8:30 AM	PA 23 Committee Mtg	SAWPA
6/13/18	10:00 AM	Climate Risk/Response Pillar Mtg	SAWPA
6/18/18	1:30 PM	Lake Elsinore/Canyon Lake TMDL Mtg	SAWPA
6/19/18	1:30 PM	MSAR TMDL Task Force Mtg	SAWPA
6/20/18	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
6/20/18	3:00 PM	CEQA Scoping Meeting - Development of a Basin Plan Amendment to Incorporate Updates to the TDS/N Management Plan for the Santa Ana Region	SAWPA
6/25/18	2:00 PM	OWOW Disadvantaged & Tribal	SAWPA
6/27/18	4:00 PM	LESJWA Board of Directors Mtg	Elsinore Valley MWD 31315 Chaney Street Lake Elsinore, CA
6/28/18	8:00 AM	PA 22 Committee Mtg	SAWPA
6/28/18	9:30 AM	OWOW Pillar Integration Mtg	SAWPA

MONTH OF: JULY

DATE	TIME	MEETING DESCRIPTION	LOCATION
7/11/18	10:00 AM	Climate Risk/Response Pillar Mtg	SAWPA
6/13/18	10:00 AM	Climate Risk/Response Pillar Mtg	SAWPA
6/19/18	1:30 PM	MSAR TMDL Task Force Mtg	SAWPA
6/20/18	1:30 PM	Basin Monitoring Program Task Force Mtg	SAWPA
6/21/18	4:00 PM	LESJWA Board of Directors Mtg	Elsinore Valley MWD 31315 Chaney Street Lake Elsinore, CA
7/23/18	2:00 PM	OWOW Disadvantaged & Tribal	SAWPA
7/26/18	8:00 AM	PA 22 Committee Mtg	SAWPA
7/26/18	11:00 AM	OWOW Steering Committee Mtg	SAWPA

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**SAWPA COMMISSION
REGULAR MEETING MINUTES
MAY 15, 2018**

COMMISSIONERS PRESENT

Susan Lien Longville, Chair, San Bernardino Valley Municipal Water District
Ronald W. Sullivan, Vice Chair, Eastern Municipal Water District
Jasmin A. Hall, Secretary-Treasurer, Inland Empire Utilities Agency
Bruce Whitaker, Alternate, Orange County Water District
Thomas P. Evans, Western Municipal Water District

COMMISSIONERS ABSENT

Philip L. Anthony, Orange County Water District

**ALTERNATE COMMISSIONERS
PRESENT; NON-VOTING**

None.

STAFF PRESENT

Rich Haller, Larry McKenney, Karen Williams, Mark Norton, Dean Unger, David Ruhl, Carlos Quintero, Ian Achimore, Kelly Berry

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by Chair Longville at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. ROLL CALL

Roll call was duly noted and recorded by the Clerk of the Board.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: MAY 1, 2018

Recommendation: Approve as posted.

MOVED, approve the May 1, 2018 meeting minutes.

Result:	Adopted (Unanimously)
Motion/Second:	Evans/Hall
Ayes:	Evans, Hall, Longville, Slawson, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

5. NEW BUSINESS

The Commission first considered Agenda Item No. 5.F.

A. AUDIT SERVICES FYE 2018, 2019 AND 2020 (CM#2018.47)

Karen Williams provided a PowerPoint presentation with the results of the Request for Proposals for Audit Services authorized by the Commission on February 20, 2018, and recommending award of contract to Teaman, Ramirez & Smith, Inc., for FYE 2018, 2019 and 2020.

MOVED, award of contract for Audit Services for FYE 2018, 2019 and 2020 to Teaman, Ramirez & Smith, Inc.

Result: **Adopted (Unanimously)**
Motion/Second: Evans/Hall
Ayes: Evans, Hall, Longville, Slawson, Whitaker
Nays: None
Abstentions: None
Absent: None

B. REQUEST FOR PROPOSALS (RFP) FOR INFORMATION TECHNOLOGY (IT) SERVICES (CM#2018.48)

Dean Unger provided a PowerPoint presentation on the proposed Request for Proposals (RFP) for IT Services and outlined the scope of services which includes a significant equipment upgrade and integration project. Future hardware acquisition will utilize state procurement contracts such as with the National Association of Statement Procurement Officers (NASPO). Commissioner direction to staff was to consider the time and expense involved on behalf of the companies submitting proposals.

MOVED, authorize the issuance of a Request for Proposals (RFP) for Information Technology (IT) services commencing in fiscal year 2018-2019.

Result: **Adopted (Unanimously)**
Motion/Second: Sullivan/Longville
Ayes: Evans, Hall, Longville, Slawson, Whitaker
Nays: None
Abstentions: None
Absent: None

C. BRINE LINE REACH 4 PROTECTION PROJECT (CM#2018.54)

Carlos Quintero provided a PowerPoint presentation regarding adoption of Resolution No. 2018-04 approving Form Cal OES 130 relating to acceptance of Disaster Recovery funds for the late-January 2017 storm events resulting in the washout of a portion of the Brine Line Reach 4 access road.

MOVED, adopt Resolution No. 2018-04 approving Form Cal OES 130 designating the General Manager as the SAWPA authorized representative to accept Disaster Recovery funds under Public Law 93-228.

Result: **Adopted (Unanimously)**
Motion/Second: Hall/Whitaker
Ayes: Evans, Hall, Longville, Slawson, Whitaker
Nays: None
Abstentions: None
Absent: None

D. INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2018.53)

Carlos Quintero provided a PowerPoint presentation regarding adoption of Resolution No. 2018-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2018 (Fiscal Year 2019).

Based on receipt of a comment after posting of the agenda for this May 15, 2018 meeting, staff proposed the following change in paragraph 4 on page 3 of Resolution No. 2018-05:

4. A sampling surcharge shall be applied to all BOD and TSS dischargers to account for the actual cost of necessary sampling and shall be assessed to all dischargers. Increased sampling is defined as any and all costs in excess of one sample per month. Increased sampling shall be determined solely by SAWPA and billed monthly. High BOD, TSS, or high variability dischargers will be sampled ~~weekly~~ or more frequently as required, and low BOD/TSS or low variability dischargers will be sampled monthly or quarterly as required to obtain reliable data.

Sanjay Gaur of Raftelis Financial Consultants, Inc., provided a PowerPoint presentation on the recently developed financial rate model. Future recommendations are to assess the replacement cost of the Brine Line (enhance development of appropriate Pipeline Replacement Reserve levels); conduct an asset criticality assessment (assist in determining minimum and target pipeline Replacement Reserve levels); and, evaluate costs associated with issuing permit fees (permit fees for infrequent small users may not recover administrative costs). Commissioner Evans voiced his desire we remain mindful of the budget percentage kept in operating reserves given the fact we are collecting these funds from customers.

MOVED, adopt Resolution No. 2018-05 establishing the new Inland Empire Brine Line rates to be effective July 1, 2018 (Fiscal Year 2019).

Result:	Adopted by Roll Call Vote(Unanimously)
Motion/Second:	Sullivan/Hall
Ayes:	Evans, Hall, Longville, Slawson, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

E. SANTA ANA SUCKER HABITAT PROTECTION AND BENEFICIAL USE ENHANCEMENT PROJECT -- NOTICE INVITING BIDS (CM#2018.50)

Ian Achimore provided the PowerPoint presentation contained in the agenda packet (pages 117-120) regarding the issuance of a Notice Inviting Bids for the Santa Ana Sucker Habitat protection and Beneficial Use Enhancement Project.

MOVED, authorize the General Manager to issue a Notice Inviting Bids for the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project.

Result:	Adopted (Unanimously)
Motion/Second:	Evans/Hall
Ayes:	Evans, Hall, Longville, Slawson, Whitaker
Nays:	None
Abstentions:	None
Absent:	None

F. MEMORANDUM OF UNDERSTANDING (MOU) WITH THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE (CM#2018.49)

Materials provided to the Commission and members of the public relating to Agenda Item No. 5.F. included a March 10, 2018 news article titled, *'Eye-popping' number of hypodermic needles, pounds of waste cleared from Orange County riverbed homeless encampment*, and a November 19, 2013 Master of Science thesis titled, *Environmental Impacts of Homeless Encampments in the Guadalupe River Riparian Zone*. Mark Norton provided a brief oral presentation and reviewed the information contained in the agenda packet for Agenda Item No. 5.F. General Manager Haller noted the water quality study referenced in the agenda packet materials could certainly be considered but would take some time to accomplish and would need to occur over at least one winter season, if not two to ensure the necessary amount of rainfall to do water quality sampling of the Santa Ana River flows. Commissioner Evans voiced his support of a water quality study; meanwhile the issues associated with the homeless within the watershed are not going to change.

Commissioner Evans moved approval of the Memorandum of Understanding (MOU) between SAWPA and the Housing Authority of the City of Riverside, with the following revision to the MOU, which was seconded by Chair Longville:

Attachment "A" Partnership Roles and Responsibilities: At the end of the first paragraph, after the sentence ending with "...improved flood protection for all community members." and before the sentence beginning with "Accomplishing these outcomes...", add the following sentence: SAWPA's role will be expressly limited to providing technical assistance as described in the Proposition 1 – Integrated Regional Water Management Disadvantaged Community Involvement Grant, Agreement #4600011889."

Commissioner Sullivan noted the clarification that no basin planning funds will be utilized; only technical assistance funding as provided in that grant agreement.

Chair Longville expressed her gratitude for the thoughtful feedback provided by EMWD and OCWD; she has always believed that a comprehensive technical analysis should come in time.

Alternate Commissioner Whitaker noted his appreciation for the one additional month to seek input from his Board, yet voiced concern in not having the opportunity to more fully discuss what could be a fairly major direction change in SAWPA activities with his Board. As he had anticipated, there is hesitance by his Board to move this swiftly; his Board has provided direction they would like to take a little more time to consider and approach this in a way they normally would – to focus on our core mission and seeing how it relates with what the City of Riverside and/or its Housing Authority is doing in that regard. His Board thought perhaps the process would take several months; apparently there has been some internal agreement with the City to move more swiftly than that. The fact that it was on the agenda for today's meeting led him to believe that we are probably not going to find agreement in this area. Whitaker noted OCWD direction had been provided on proposed changes and language; the MOU came back without much improvement from his standpoint. Chair Longville invited a motion by Alternate Commissioner Whitaker to consider an MOU with his proposed changes. Whitaker again voiced concern with the urgency of the decision; if the decision had to be made today then that probably would not make a difference, especially after his Board weighed in as they had previously that they desire to proceed more slowly. There are some issues where there is no unanimity; given that and the sense of expressed urgency not shared by his Board, if pressed for a vote today he would not support the MOU.

Commissioner Sullivan noted EMWD is supportive of collaboration and firmly believes there is a homeless issue which is pervasive throughout the entire watershed and not necessarily centered in the

City of Riverside. One of EMWD's concerns is that because of this MOU we are giving the City of Riverside priority over any other city that wishes to do something on a homeless basis because of the existence of this partnership. The City of Riverside will then have a leg up over any application submitted for an OWOW grant. Sullivan voiced his support of first conducting technical studies prior to entering into such an agreement; at this point we have nothing stating there is an impact. Accordingly to his research, numerous cities in the County of Riverside are impacted by the homeless, yet the homeless population in the City of Riverside had actually declined. He voiced concerned the other cities within the watershed are not receiving equal consideration.

Commissioner Evans noted his recollection that the MOU had been first considered by the Commission in October 2017 and had been before the General Managers for months. Evans stated we should also work with other cities coming forward as the City of Riverside has come forward. He does not believe this gives preferential status to the City of Riverside – the MOU simply states we are going to collaborate. Commissioner Sullivan stated his opinion that the MOU formally establishes a partnership with the City of Riverside, which in turn gives them an advantage over everyone else relating to future OWOW grant funding. Chair Longville commended the City of Riverside and its focus in addressing the homeless within its community and wished other municipalities were as focused and action-oriented; if other communities wanted to come forward and seek like support, she would welcome those cities.

Chair Longville requested a Roll Call vote taken on Agenda Item No. 5.F.

Further, staff was directed to provide as promptly as possible their recommendations to the Commission for a technical study on the water quality habitat, flood control, and other operational impacts of homeless encampments on the Santa Ana River, to include scope, cost, timeline, etc.

MOVED, approve the proposed Memorandum of Understanding (MOU) by and between SAWPA and the Housing Authority of the City of Riverside, with the following language added as the second-to-last sentence in the preamble paragraph of Attachment "A": SAWPA's role will be expressly limited to providing technical assistance as described in the Proposition 1 – Integrated Regional Water Management Disadvantaged Community Involvement Grant, Agreement #4600011889.

Result:	Adopted by Roll Call Vote (Passed)
Motion/Second:	Evans/Longville
Ayes:	Evans, Hall, Longville
Nays:	Sullivan, Whitaker
Abstentions:	None
Absent:	None

The Commission next considered Agenda Item No. 5.A., and followed the order of the agenda for the remainder of the meeting.

6. INFORMATIONAL REPORTS

The following oral/written reports/updates were received and filed.

- A. CASH TRANSACTIONS REPORT – MARCH 2018**
- B. INTER-FUND BORROWING – MARCH 2018 (CM#2018.51)**
- C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – MARCH 2018 (CM#2018.52)**

D. GENERAL MANAGER REPORT

Reach 4D pipeline inspections proceeded as scheduled on May 6 and 7 without incident. A full report as to findings will be presented to the Commission at a future meeting.

E. SAWPA GENERAL MANAGERS MEETING NOTES

May 1, 2018

F. STATE LEGISLATIVE REPORT

G. CHAIR'S COMMENTS/REPORT

Chair Longville invited folks to attend the First Annual Santa Ana River Science Symposium on Thursday, June 7th at SBVMWD.

H. COMMISSIONERS' COMMENTS

Commissioner Evans requested staff include PowerPoint presentations in the meeting agenda packet materials.

I. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

There were no further requests for future agenda items.

7. CLOSED SESSION

There was no Closed Session.

8. ADJOURNMENT

There being no further business for review, Chair Longville adjourned the meeting at 10:51 a.m.

Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 5, 2018.

Susan Lien Longville, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

*Santa Ana Watershed
Project Authority*



Finance Department

Santa Ana Watershed Project Authority
TREASURER'S REPORT

April 2018

During the month of April 2018, the Agency's actively managed temporary idle cash earned a return of 1.68%, representing interest earnings of \$19,375. Additionally, the Agency's position in overnight funds L.A.I.F. and CalTRUST generated \$31,860 and \$4,346 in interest, resulting in \$55,581 of interest income from all sources. Please note that this data represents monthly earnings only, and does not indicate actual interest received. There were zero (0) investment positions purchased, zero (0) positions sold, zero (0) positions matured, and zero (0) positions were called.

This Treasurer's Report is in compliance with SAWPA's Statement of Investment Policy. Based upon the liquidity of the Agency's investments, this report demonstrates the ability to meet customary expenditures during the next six months.

May 10, 2018

Prepared and
Submitted by:

A handwritten signature in blue ink, which appears to read "Karen L. Williams". The signature is written in a cursive style and is positioned above a horizontal line.

Karen L. Williams, Chief Financial Officer

Santa Ana Watershed Project Authority
INVESTMENT PORTFOLIO - MARKED TO MARKET - UNREALIZED GAINS & LOSSES
April 30, 2018

SAWPA primarily maintains a "Buy and Hold" investment philosophy, with all investments held by the Citizens Business Bank via a third-party safekeeping contract.

Investment Type	Security Type	CUSIP	Dealer	Purchase Date	Maturity Date	Call Date (if appl)	Par Value	Yield To Maturity	Investment Cost	Market Value Current Month	Unrealized Gain / (Loss)	Coupon Rate	Interest Earned
Agency	FHLMC	3137EACA5	WMS	03-27-14	03-27-19	No Call	\$ 500,000.00	1.790%	\$ 546,650.00	\$ 506,520.50	\$ (40,130)	3.750%	\$ 735.62
Agency	FHLMC	3137EAEC9	WMS	09-16-16	08-12-21	No Call	\$ 1,000,000.00	1.335%	\$ 990,060.00	\$ 950,518.00	\$ (39,542)	1.125%	\$ 1,097.22
Agency	FHLMC	3137EADB2	WMS	04-17-17	01-13-22	No Call	\$ 500,000.00	2.375%	\$ 512,767.00	\$ 492,826.00	\$ (19,941)	2.375%	\$ 976.03
Agency	FHLB	313379EE5	WMS	05-26-15	06-14-19	No Call	\$ 500,000.00	1.420%	\$ 504,015.00	\$ 495,881.00	\$ (8,134)	1.625%	\$ 583.65
Agency	FHLB	313383HU8	WMS	06-16-16	06-12-20	No Call	\$ 1,000,000.00	1.080%	\$ 1,026,088.00	\$ 982,962.00	\$ (43,126)	1.750%	\$ 887.69
Agency	FHLB	313379Q69	WMS	12-14-17	06-10-22	No Call	\$ 1,000,000.00	2.150%	\$ 998,930.00	\$ 973,318.00	\$ (25,612)	2.125%	\$ 1,767.21
Agency	FNMA	3135GOZA4	WMS	03-27-14	02-19-19	No Call	\$ 500,000.00	1.800%	\$ 501,975.00	\$ 498,476.50	\$ (3,499)	1.875%	\$ 739.73
Agency	FNMA	3135G0H55	WMS	12-28-15	12-28-20	No Call	\$ 1,000,000.00	1.830%	\$ 1,002,140.00	\$ 980,561.00	\$ (21,579)	1.875%	\$ 1,504.12
Agency	FNMA	3135G0F73	WMS	06-16-16	11-30-20	No Call	\$ 1,000,000.00	1.150%	\$ 1,015,157.00	\$ 971,967.00	\$ (43,190)	1.500%	\$ 945.21
Agency	USTN	912828A34	WMS	11-17-15	11-30-18	No Call	\$ 1,000,000.00	1.166%	\$ 1,002,500.00	\$ 995,000.00	\$ (7,500)	1.250%	\$ 958.27
Agency	USTN	912828WC	WMS	11-17-15	10-31-20	No Call	\$ 1,000,000.00	1.638%	\$ 1,005,312.50	\$ 980,078.00	\$ (25,235)	1.750%	\$ 1,346.17
Agency	USTN	912828G61	WMS	11-17-15	11-30-19	No Call	\$ 1,000,000.00	1.469%	\$ 1,001,210.94	\$ 985,742.00	\$ (15,469)	1.500%	\$ 1,207.35
Agency	USTN	912828L32	WMS	06-17-16	08-31-20	No Call	\$ 500,000.00	1.030%	\$ 507,070.31	\$ 486,699.00	\$ (20,371)	1.375%	\$ 423.42
Agency	USTN	912828L65	WMS	06-16-16	09-30-20	No Call	\$ 500,000.00	1.041%	\$ 506,992.19	\$ 486,133.00	\$ (20,859)	1.375%	\$ 427.69
Agency	USTN	912828L99	WMS	06-16-16	10-31-20	No Call	\$ 500,000.00	1.051%	\$ 506,914.06	\$ 485,527.50	\$ (21,387)	1.375%	\$ 431.71
Agency	USTN	912828S76	WMS	12-14-17	07-31-21	No Call	\$ 1,000,000.00	2.013%	\$ 969,062.50	\$ 951,953.00	\$ (17,110)	1.125%	\$ 1,654.36
CORP	Toyota Motor Credit Corp	89236TCP8	WMS	09-15-16	07-13-18	No Call	\$ 500,000.00	1.100%	\$ 504,057.50	\$ 499,370.00	\$ (4,688)	1.550%	\$ 452.08
CD	Ally Bank	02006L2F9	WMS	01-13-15	04-20-20	No Call	\$ 248,000.00	1.800%	\$ 248,000.00	\$ 248,000.00	\$ -	1.800%	\$ 366.90
CD	American Express	02587DP85	WMS	04-19-17	04-19-21	No Call	\$ 248,000.00	2.250%	\$ 248,000.00	\$ 248,000.00	\$ -	2.250%	\$ 458.63
CD	American Express BK FSB	AN4199708	WMS	05-10-17	05-10-21	No Call	\$ 248,000.00	2.200%	\$ 248,000.00	\$ 248,000.00	\$ -	2.200%	\$ 448.44
CD	National Bank of NY	634116CA3	WMS	06-18-14	06-18-18	No Call	\$ 248,000.00	1.300%	\$ 248,000.00	\$ 247,702.04	\$ (298)	1.300%	\$ 264.99
CD	Capital Bank FI Miami	139800CC8	WMS	05-27-15	05-29-18	No Call	\$ 248,000.00	1.100%	\$ 248,000.00	\$ 247,828.89	\$ (171)	1.100%	\$ 224.22
CD	Capital One NA	14042RAG6	WMS	09-30-15	10-01-18	No Call	\$ 248,000.00	1.650%	\$ 248,000.00	\$ 247,469.99	\$ (530)	1.650%	\$ 336.33
CD	Capital One Bank USA NA	140420VZ0	WMS	09-30-15	10-01-18	No Call	\$ 248,000.00	1.650%	\$ 248,000.00	\$ 247,469.99	\$ (530)	1.650%	\$ 336.33
CD	Wells Fargo Bank NA	9497482W6	WMS	12-02-15	12-03-18	No Call	\$ 245,000.00	1.450%	\$ 245,000.00	\$ 243,774.62	\$ (1,225)	1.450%	\$ 291.99
CD	Goldman Sachs Bank USA	38148PUV7	WMS	12-20-17	12-20-22	No Call	\$ 248,000.00	2.500%	\$ 248,000.00	\$ 248,000.00	\$ -	2.500%	\$ 509.59
Total Actively Invested Funds							\$ 15,229,000.00		\$ 15,329,902.00	\$ 14,949,778.03	\$ (380,124)	1.680%	\$ 19,374.92
Total Local Agency Investment Fund									\$ 23,337,058.20			1.661%	\$ 31,859.88
Total CalTRUST Investment Fund									\$ 2,175,868.71			2.430%	\$ 4,345.78
Total Invested Cash							\$ 15,229,000.00		\$ 40,842,828.91			1.709%	\$ 55,580.58

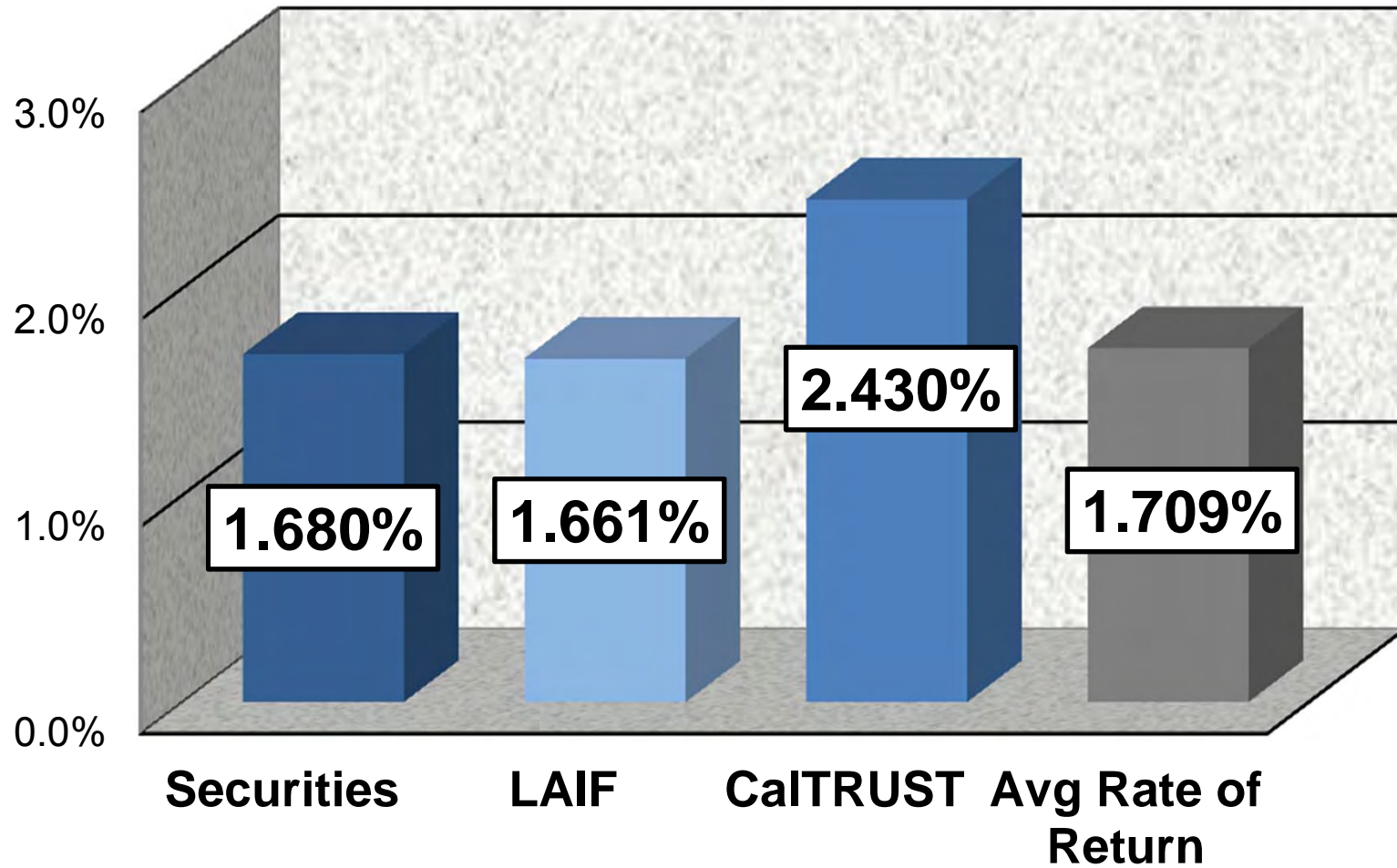
Key to Security Type:

FHLB	= Federal Home Loan Bank
FHLMC	= Federal Home Loan Mortgage Corporation
FNMA	= Federal National Mortgage Association
USTN	= US Treasury Note
CORP	= Corporate Note
CD	= Certificate of Deposit
GDB	= Goldman Sachs Bank
AEC	= American Express Centurion

Key to Dealers:

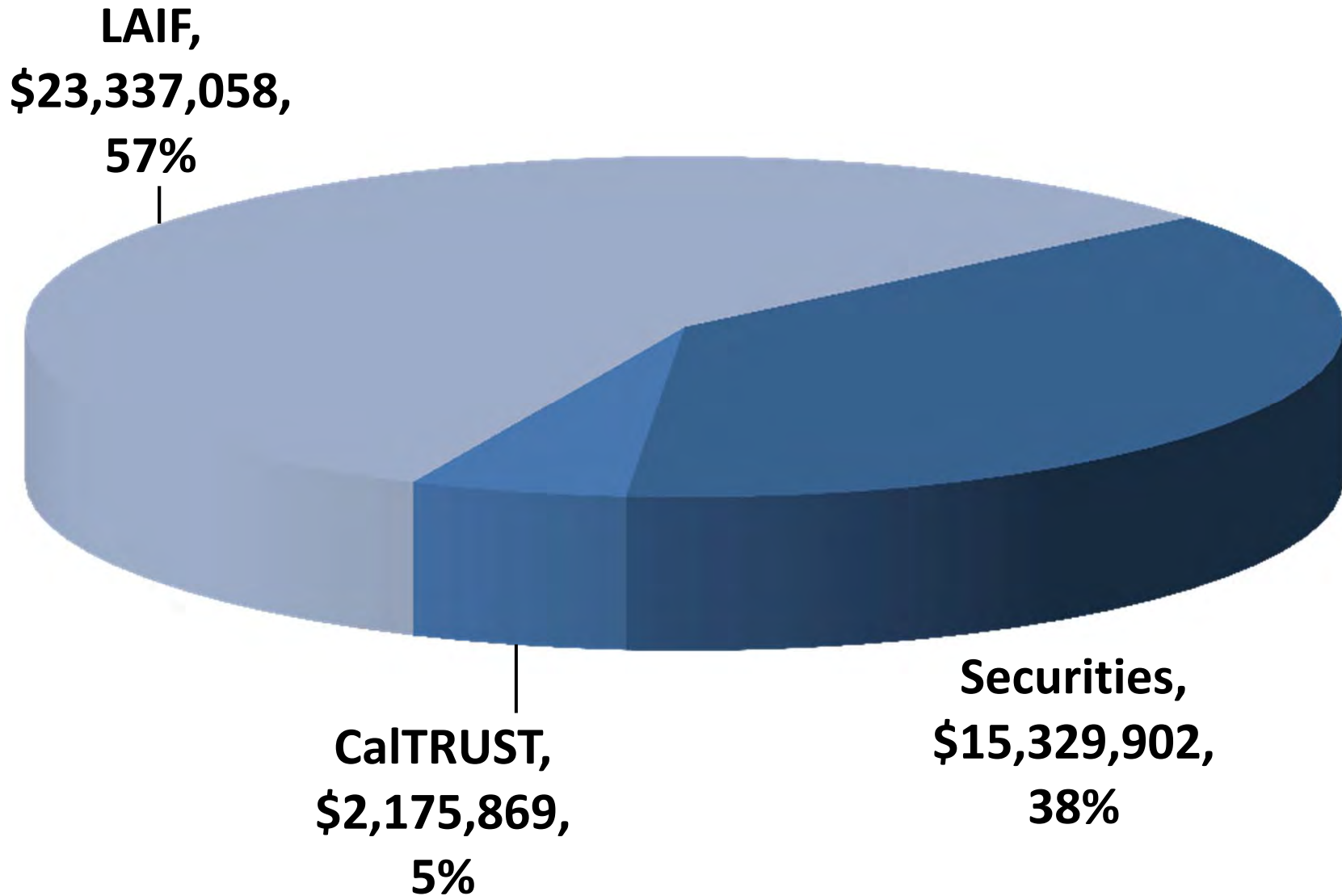
FCS	= FinaCorp Securities
MBS	= Multi-Bank Securities
MS	= Mutual Securities
RCB	= RBC Dain Rauscher
SA	= Securities America
TVI	= Time Value Investments
WMS	= Wedbush Morgan Securities

Interest Rate Analysis

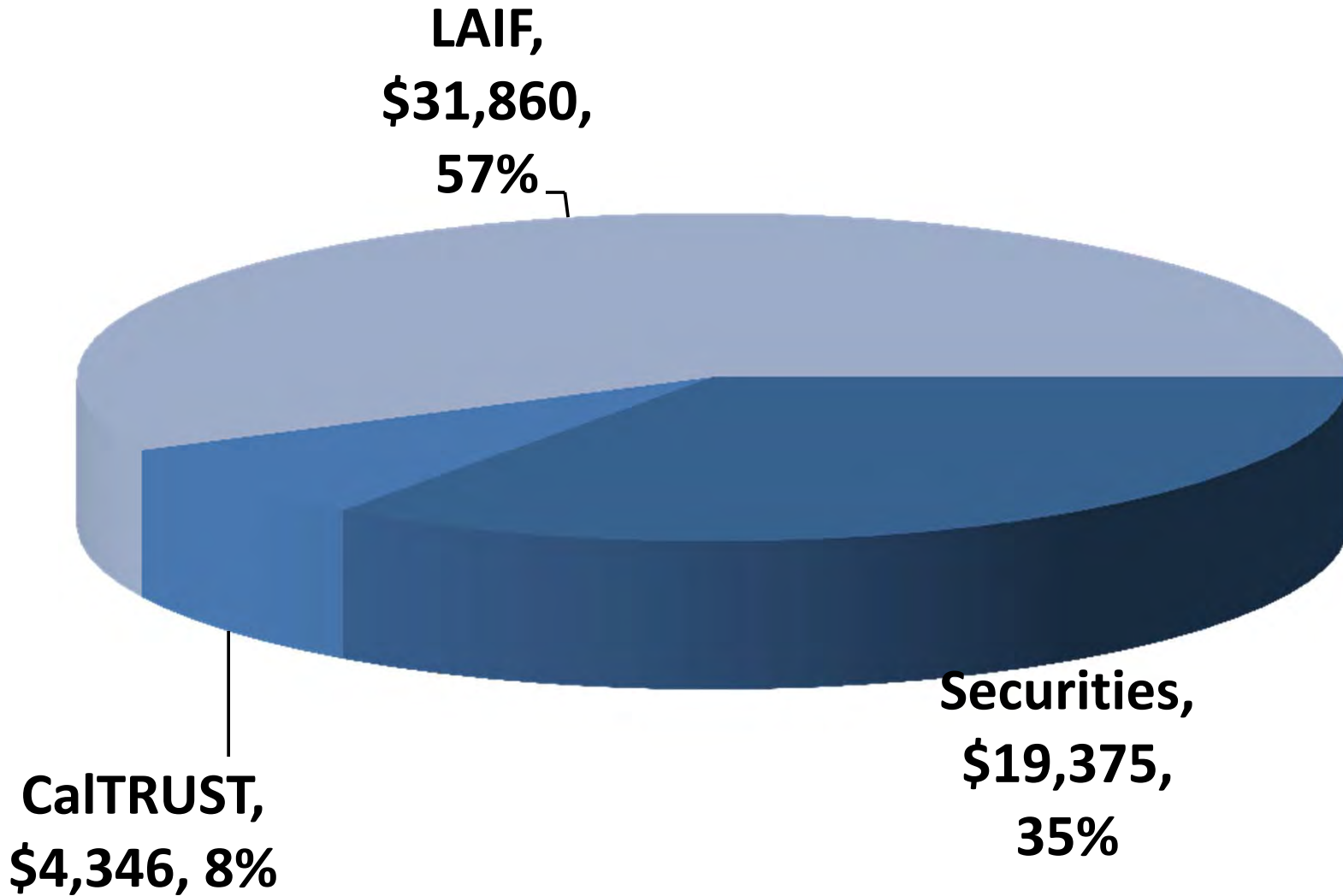


Investments

\$40,842,829



Interest \$55,581



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COMMISSION MEMORANDUM NO. 2018.55

DATE: June 5, 2018
TO: SAWPA Commission
SUBJECT: Closed Session Attendance and Recordkeeping
PREPARED BY: Larry McKenney

RECOMMENDATION

It is recommended that the SAWPA Commission adopt Resolution No. 2018-6, establishing a policy regarding attendance in closed sessions and recordkeeping related to closed session deliberations, and supplementing Resolution No. 434 and Resolution No. 2012-10, previously adopted.

DISCUSSION

Per the Brown Act, SAWPA business is conducted by the Commission in open, public meetings. Closed sessions of the Commission are limited to specific exceptions described in the Brown Act where the confidentiality of the subject matter is of greater public importance than allowing the session to be open. In those limited circumstances, the confidentiality of the discussion in closed session is protected by limiting attendance to participants whose presence is reasonably necessary to the purpose of the closed session.

Information received in closed session must be kept confidential and may not be disclosed unless specifically authorized by the Commission. The proposed Resolution would supplement and not amend Resolution No. 434 (2004; attached hereto) regarding sharing closed session information with member agencies under certain circumstances.

The proposed Resolution has been reviewed by the member agency general managers over several months and discussed at several general managers' meetings.

The Brown Act requires that Commission meetings be open and public unless one of the specific exceptions listed in the statute applies and a closed session is properly noticed, citing the relevant exception. The general rule is that no one should attend a closed session meeting, other than Commissioners, unless their participation in the meeting is reasonably necessary for the subject matter of the meeting. Allowing unnecessary attendees defeats the purpose of confidentiality of the proceedings and may risk waiver of privilege or protections against required disclosure.

Commissioners may attend any closed session, unless they have a conflict of interest. By long practice, SAWPA Alternate Commissioners have been allowed to attend SAWPA closed sessions. This is an unusual practice, rooted in SAWPA's practice of treating Alternate Commissioners more as additional commissioners during most of the agency's history. The proposed Resolution would continue this practice.

Other than Commissioners and Alternate Commissioners, only those whose presence is reasonably necessary for the Commission's deliberation should attend the closed session. The proposed Resolution would require that any other essential participants be identified by staff when the closed session is announced. When there are multiple closed session items on the agenda, only the essential staff for each item will attend during the Commission's consideration of that individual item.

In addition to SAWPA staff, the Commission may also decide to allow consultants or experts to participate in specific closed session discussions. The proposed Resolution would require that such third parties be under contract to SAWPA, and that the contract include confidentiality provisions appropriate to the subject matter of the closed session.

For closed sessions based on the statutory exceptions for litigation, an attorney for SAWPA must be present. In all other cases, staff and consultants may attend closed session only at the discretion of the Commission.

CRITICAL SUCCESS FACTORS

None identified for this function.

RESOURCE IMPACTS

None

Attachments:

1. **Resolution No. 2018-6** – Policy Regarding Closed Session Attendance and Record Keeping (redlined)
2. **Resolution No. 434** – Policy Permitting Commissioners and Alternates to Disclose Closed Session Discussions and Actions to their Member Agency’s Government Board and Legal Counsel Under Certain Circumstances.
3. **Resolution No. 2012-10** – Amending SAWPA’s Retention and Destruction of Agency Records Policy

RESOLUTION NO. 2018-6

**RESOLUTION ESTABLISHING A POLICY
REGARDING ATTENDANCE IN CLOSED SESSIONS
AND RECORDKEEPING RELATED TO
CLOSED SESSION DELIBERATIONS**

WHEREAS in accordance with the Ralph M Brown Act (Brown Act) and the California Public Records Act, the business of SAWPA is conducted in the public view, except when specific statutory exceptions provide for confidentiality; and

WHEREAS SAWPA Commission meetings are open, public meetings except for when the Commission deliberates in closed session under the authority of specific exceptions provided in the Brown Act; and

WHEREAS the SAWPA Commission has previously adopted Resolution No 434 regarding closed sessions and an allowable procedure for sharing closed session information with a member agency board of directors; and

WHEREAS the SAWPA Commission has previously adopted Resolution 2012-10 establishing a records retention policy;

NOW, THEREFORE, the Commission hereby resolves to adopt the following policy:

1. Closed session deliberations occur in circumstances defined by the Brown Act as exceptions to the open meeting requirement of the law and where recognized interests in confidentiality outweigh the public's interest in open deliberation regarding the agency's business. In such circumstances, the confidentiality of closed session deliberations must be maintained by the participants in the closed session and those staff members charged with preparing records of the closed session and maintaining the confidentiality of those records.
2. Commissioners and Alternate Commissioners may attend all closed sessions unless a Commissioner or Alternate Commissioner has a potential or existing conflict of interest.
3. SAWPA staff may only attend a closed session if their participation will further the interest of the SAWPA Commission in the closed session or when their participation is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which the closed session is held. In accordance with the Brown Act, legal counsel must be present during the discussion of attend any closed session item based on one of the litigation exceptions in the Brown Act.
4. For certain matters, the Commission members, or the SAWPA General Manager, ~~or SAWPA General Counsel~~ may wish to engage the services of third parties, such as experts or consultants, to assist in accomplishing the purpose of the closed session. Such third parties may only attend a closed session if the Commission determines that their participation is reasonably necessary for the transmission of the

information or the accomplishment of the purpose for which the closed session is held. Such third parties must enter into a contract for consulting services with SAWPA which contract shall include confidentiality provisions applicable to the subject matter of the closed session.

5. Unless requested otherwise by the Commission or General Manager, and excluding discussions regarding personnel matters, the Clerk of the Board will attend all closed sessions. Records of closed sessions will be limited to a confidential file maintained by the Clerk of the Board containing any written materials provided to Commissioners during the closed session.
6. It is the Commission's intent in this policy to comply with the Brown Act and the California Public Records Act as those laws are interpreted by the courts, and to supplement but not amend Resolution No. 434 and Resolution No. 2012-10, previously adopted.

ADOPTED this 5th day of June, 2018.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Susan Lien Longville, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

RESOLUTION NO. 434

RESOLUTION ESTABLISHING A POLICY PERMITTING
COMMISSIONERS AND ALTERNATES TO DISCLOSE
CLOSED SESSION DISCUSSIONS AND ACTIONS TO THEIR
MEMBER AGENCY'S GOVERNING BOARD AND LEGAL COUNSEL
UNDER CERTAIN CIRCUMSTANCES

WHEREAS, Assembly Bill 2782 ("AB 2782") has been signed into law amending the Ralph M. Brown Act ("Brown Act") to allow disclosure to the Santa Ana Watershed Project Authority's ("SAWPA") member agencies' legal counsel and governing boards of SAWPA's Closed Session discussions and actions under certain circumstances; and

WHEREAS, SAWPA has occasion to conduct closed session meetings in accordance with the Brown Act that may have a direct financial or liability implication for one or more of its member agencies; and

WHEREAS, advice, discussion, direction and general participation of the governing board of one or more of the SAWPA's member agencies may provide assistance to SAWPA concerning such SAWPA Closed Session Meetings and will improve communications between SAWPA and its member agencies on confidential matters that may affect such member agencies; and

WHEREAS, AB 2782 (Government Code, Sections 54954.5 and 54956.96) requires SAWPA, as a Joint Powers Authority, to adopt a specific policy permitting SAWPA's member agencies, upon advice of their respective legal counsel, to conduct a Closed Session in order to receive, discuss, and take action concerning information obtained in a SAWPA Closed Session meeting. This policy would also allow a member of the Commission to discuss the substance of any SAWPA Closed Session meeting with the member agency's legal counsel. However, such disclosures are permitted only where the SAWPA Closed Session involved matters posing a direct financial or liability implication for the member agency. Finally, this policy would recognize the permissibility of Commission alternates to attend SAWPA Closed Session meetings.

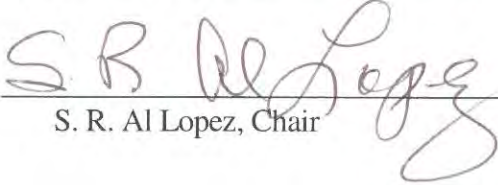
NOW, THEREFORE, the Commission hereby resolves to adopt the following policy:

1. Upon advice of a SAWPA member agency's legal counsel, that member agency's representatives on the SAWPA Commission may disclose to legal counsel and the member agency's governing board in a Closed Session the substance of any discussion and action taken in a SAWPA Closed Session meeting where the matters discussed have a direct financial or liability implication for that member agency.
2. Section 54956.96 of the Government Code makes explicit the authority to allow designated alternate members of the Commission to attend Closed Session meetings of the SAWPA Commission.

3. This policy shall not apply to any adversarial litigation, arbitration or mediation between SAWPA and one of its member agencies, and a member agency of SAWPA involved in such an adversarial action with SAWPA shall be precluded from participating in any SAWPA Closed Session involving such adversarial action.
4. This Resolution shall be effective January 1, 2005, consistent with the effective date of the above-referenced revisions to the Brown Act.

Approved and adopted this 12th day of October, 2004.

SANTA ANA WATERSHED PROJECT AUTHORITY

By  _____
S. R. Al Lopez, Chair

RESOLUTION NO. 2012-10

**A RESOLUTION OF THE COMMISSIONERS OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY
AMENDING ITS RETENTION AND
DESTRUCTION OF AGENCY RECORDS POLICY**

WHEREAS, the Santa Ana Watershed Project Authority (SAWPA) has determined the need to amend its Retention and Destruction of Agency Records Policy (Attachment No. 1) by incorporating formal guidelines regarding the retention of electronic media/email, updating retention schedules (Attachment No. 2), and establishing a policy review every three years; and

WHEREAS, SAWPA manages its records to ensure that all agency records will be retained as long as necessary, and will be destroyed when they are no longer needed in accordance with this policy and all relevant public records laws and regulations.

NOW, THEREFORE, BE IT RESOLVED that the SAWPA Commission hereby resolves that the Retention and Destruction of Agency Records Policy is hereby adopted, as amended, incorporating formal guidelines regarding the retention of electronic media/email, updating retention schedules, and establishing a policy review every three years.

BE IT FURTHER RESOLVED that the SAWPA Commission hereby authorizes the destruction/disposition of any record in accordance with this Amended Policy upon written approval by the General Manager or designee, Executive Counsel, Department Manager, and the Agency's Records Manager or designee, of any request for "Authority to Destroy Obsolete Records" (Attachment No. 3); and

BE IT FURTHER RESOLVED that the SAWPA Commission rescinds Resolution No. 389 in its entirety, and authorizes the implementation of this Amended Policy to coincide with the OnBase Enterprise Content Management System application effective immediately.

ADOPTED this 18th day of September, 2012.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: 
Terry Catlin, Chair

Attachments:

1. Policy
2. Retention Schedule
3. "Authority to Destroy Obsolete Records" Form

Policy Name	Retention and Destruction of Agency Records
Policy Number	
Date/Authorized	9-18-12



Practice Name: Retention and Destruction of Agency Records

History:

Application: SAWPA Staff

GENERAL POLICY:

As a public agency, SAWPA must operate transparently and accountably. Therefore, SAWPA records must be preserved for public review, with adequate safeguards against loss or destruction of records that are relevant to the agency’s business. In addition, SAWPA staff needs preserved and accessible information about the operation of SAWPA’s business, which includes extensive planning activities and building, operating, and maintaining a regional utility. At the same time, both SAWPA’s operational needs and the public’s right to information about SAWPA are frustrated if important records are overwhelmed by the retention of transitory, nonessential information.

It is therefore SAWPA’s policy that agency records will be managed and retained as long as necessary and destroyed when they are no longer needed, subject to all applicable laws and regulations regarding retention of specific types of records.

In addition, both SAWPA’s and the public’s interests are best served by ensuring that SAWPA’s records are as easily accessible and searchable as possible, that physical storage costs are minimized, and that the agency’s environmental footprint is reduced. Therefore, it is SAWPA’s policy to maintain and manage official records in electronic format. Once physical records are converted to fully-legible electronic format, the electronic record becomes the agency’s official record, unless hard copy records are specifically required as provided herein.

SPECIFIC PROVISIONS/PRACTICE:

Section 1. Legal Requirements

SAWPA will manage its records to ensure that all agency records will be retained as long as necessary, and will be destroyed when they are no longer needed in accordance with this policy and all relevant public records laws and regulations. For example, Government Code Sections 60200 through 60204 provide specific regulations for retention and destruction of records of special districts that are applicable to the operations of SAWPA. Other relevant requirements include, but are not limited to, the Public Records Act, Public Contracts Code, and in applicable accounting standards.

Section 2. Definitions

Record – Any writing containing information relating to the conduct of SAWPA’s business prepared, owned, used, or retained by SAWPA, regardless of physical form or characteristics. For purposes of this definition of “record,” a “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof, regardless of the manner in which the record has been stored. Records include, for example, letters, memos, emails, technical reports, PowerPoint presentations, design drawings, accounting documents, audio and video recordings, photographs, and contracts etc. The words “record” and “document” are interchangeable in this policy.

Policy Name	Retention and Destruction of Agency Records
Policy Number	
Date/Authorized	9-18-12



Original record - A hard copy that is handwritten or drawn or that includes official signatures, stamps, or seals. Originals are not automatically considered to be the primary record at SAWPA.

Vital record - Any record the permanent loss of which would be a substantial detriment to SAWPA's ability to conduct business.

Historical record - Any record that is deemed to have historical value or significance to the formation or long-term operations of SAWPA.

Confidential record – Records exempt from public disclosure, pursuant to Section 6254 of the California Government Code.

Section 3. Electronic Records are the Official Records - SAWPA will maintain and manage its agency records in an electronic format. Once records are converted into a fully-legible electronic format, the electronic record becomes the agency's official record and hard copies need not be retained unless the hard copy or original has been designated in the retention schedule as a vital record or as having intrinsic historical value.

Section 4. Retention Schedule - Attachment No. 1 identifies retention times of SAWPA records by categories. Records shall be destroyed at the end of the retention time. The Retention Schedule will be adopted by resolution of the SAWPA Commission.

Section 5. Backups – Staff will take reasonable and prudent measures to ensure that disaster-recovery backups are made of all electronic records, including off-site storage of these records on a weekly basis. However, backup copies of email and information management system files will be kept for no more than four (4) weeks. These backups are for system restoration and disaster recovery purposes, and are not designed to facilitate retrieval of deleted messages.

In addition to the backup of imaged records, hard copy vital records shall be protected from destruction in case of possible disasters, either through storage in fire-proof cabinets or storage off-site.. This may include information needed to file insurance claims (assets lists, insurance contacts, policy numbers), financial data for tax purposes (wages paid, income and expenses), contacts lists to inform or restart the business (vendors, customers, investors and employees), contracts and agreements, and any other data that would assist in rebuilding the business (business plans, intellectual property, or proprietary information).

Section 6. Working Materials – This policy does not require retention of working materials that occur as duplicates, cover copies, drafts, preliminary and interim versions, or other working materials needed by staff to perform their day-to-day job functions, but of only transitory significance. These materials may be destroyed as deemed appropriate by staff, and should not be retained when not in active use. If any working materials take on significance for SAWPA's business, e.g. because of important annotations, they shall be scanned or converted to electronic format for appropriate filing and retention.

Section 7. Email Policy - An email message created or received is a record. However, most email is primarily for routine communication or information exchange, and does not have lasting relevance to SAWPA's business. Messages of this type should be deleted by the user as soon as no longer being used. SAWPA's email system is configured to treat all email in individual accounts as having a 12-month retention, after which it will be deleted automatically. This automatic deletion will apply to all folders (inbox folders, sent file folders, draft file folders, deleted file folders etc.) stored on active email servers.

Policy Name	Retention and Destruction of Agency Records
Policy Number	
Date/Authorized	9-18-12



Users are therefore required within that time to identify email messages that have continuing relevance to SAWPA’s business and move them into SAWPA’s record storage off of the email servers, i.e., OnBase Enterprise Content Management System (OnBase).

Roles and Responsibilities

IT will:

- Establish and publish standards for email and IM account administration, storage allocations, and automatic archiving of messages to users’ local computer folders/files;
- Provide facilities and instructions for moving messages with lasting value to dedicated storage on departmental/office networked file systems;
- Provide the required end user training and help desk support;
- Remove deletion rights on server folders that are affected by a litigation hold;
- Suspend automatic deletion processes to preserve electronic records during a litigation hold.

Department heads and managers are responsible for providing records retention guidance to staff in accordance with this policy and Retention Schedule.

Email users are responsible for:

- Appropriately identifying and retaining messages with more than transitory value in accordance with this policy and Retention Schedule;
- Seeking assistance from their respective department managers when unsure about how to categorize specific types of messages; and
- Employees who have been notified by management of a litigation hold are responsible for preserving all messages, records, and information that fall within the scope of the hold that they have downloaded and/or stored locally.

Section 8. Document Destruction - The destruction of certain records is authorized and directed after such records have been retained for the minimum time as set forth in the Records Retention Schedule.

Destruction Approval - Any hard copy record not expressly required by law to be filed and preserved for a specific period of time is hereby authorized to be destroyed after it is imaged in conformance with the requirements of Government Code Section 60203 by using the “Authority to Destroy Obsolete Records” form (Attachment No. 2). These approved request forms shall be maintained by the Records Manager, or designee.

Destruction Criteria - Certain records are to be kept in hard copy format permanently because either the law requires it or the record has historical or vital value. All other records will be destroyed at the end of their retention period once approved using Attachment No. 2 unless the destruction date is postponed by the General Manager, or designee.

Destruction Exemptions - No hard copy page of any record shall be destroyed before the end of its retention period if any page cannot be captured electronically with clean, full legibility.

Destruction Methods: Upon receipt of an approved “Authority to Destroy Records” form, hard copy records may be destroyed by shredding (whether sent off-site to be shredded or shredded in house), or by recycling without shredding. SAWPA has services in place for recycling of paper; however, shredding is the preferred method of document destruction.

Policy Name	Retention and Destruction of Agency Records
Policy Number	
Date/Authorized	9-18-12



Section 9. Litigation Hold Directive – When SAWPA becomes involved in litigation, or reasonably expects that it will become involved in litigation, a litigation hold will be placed on records related to the litigation. The litigation hold overrides normal destruction practices described in this policy until the litigation hold is removed. The litigation hold applies to all records including all electronically stored information. While a litigation hold is in effect, no employee may alter or delete an electronic record that falls within the scope of that hold. Those employees are required to provide access to or copies of any electronic records that they have downloaded and saved, or moved to some other storage account or device.

Section 10. Managing Exempt and Confidential Records - SAWPA is responsible for ensuring that exempt and confidential records are properly safeguarded. Electronic recordkeeping systems must have appropriate security in place to protect information that is confidential or exempt from disclosure. When providing access to or destroying electronic records containing confidential or exempt information, agencies must take steps to prevent unauthorized access to or use of the exempt information.

Section 11. Public Information Requests - Addressed in a separate policy.

Section 12. Long-Term Storage

On-site Storage of Archived Records - Vital and historical hard copy records and records required by law to be maintained as hard copies will be maintained on site in metal fire-resistant file cabinets.

Off- site Storage of Archived Records - The IT Manager and Records Manager, or designee, will maintain an offsite storage facility. Access to this area will be limited to the appropriate staff (i.e., Records Manager or designee, file managers, and/or officers of the Agency). Files will be stored in file boxes. Each file box will be labeled on the front with the contents, dates covered, and destruction date if applicable. Files are to be stored only in boxes with similar items, dates, and retention periods. A log will be maintained by the Records Manager or designee, of all off-site records/boxes and their location.

Section 13. “Retention and Destruction of Agency Records” Policy Review - Staff shall review this policy every three years to determine if any updates are necessary.



RETENTION SCHEDULE

Accounting/Finance	Retention Period
AP Invoices/Vouchers	8 years
AR Invoices	8 years
Audit Reports	Permanent
Audit Work Papers	8 years
Bank Deposit	8 years
Bank Statements	8 years
Budgets – adopted	Permanent
Cash Receipts (checks)	10 years
Cash Reserve and Investment Reports	Permanent
Cash Transaction Reports	Permanent
Check Registers	10 years
Checks Paid and Cancelled	Permanent
Checks, Warrants	Permanent
Deposits	Permanent
Financial Indicators Reports	8 years
Financial Statements	Permanent
Journal Entries	Permanent
Labor Hour Reports	Permanent
Payroll Register/Records	10 years
Treasurer’s Reports	Permanent
Pay Sheets – SAWPA Commission/LESJWA Board	Permanent
Employee Timesheets	8 years
Employee W-9s	Permanent
Administration	Retention Period
Correspondence and Email (NOTE - letters pertaining to any specific category identified herein are to be kept according to the retention schedule of the associated record/category)	
Emails (NOTE - emails with business relevance to any specific category identified herein are to be moved within 12 months of generation into On Base and then retained according to the schedule of the associated record/category)	
Public Outreach (i.e., SAWPA articles, newsletters, press releases, events, conferences, etc.)	4 years
Legislation	2 years
Speeches, Publications, Testimony	2 years
Facility Maintenance	Permanent
Library Resources	Permanent
Policies/Practices	Permanent
Commission/LESJWA/Other JPA s	Retention Period
Agenda Packets (related handouts)	Permanent
Closed Sessions	Permanent
Minutes	Permanent
Resolutions	Permanent

Ordinances	Permanent
Campaign and FPPC filings	7 years
Commission Correspondence	Permanent
Commission Memoranda/Packets	Permanent
Joint Powers Authority/Amendments	Permanent

Above schedule also refers to any and all future Joint Power Authorities that may be established by/ through SAWPA.

Contracts Administration

Retention Period

Construction - Change Orders, Task Orders	Completion of construction + 10 yrs
Construction – Contracts	Completion of construction + 10 yrs
Construction - General Service Agreements	Completion of construction + 10 yrs
Construction - RFP/Bid Documents, unawarded	2 years
Construction – RFP/Bid Documents, awarded	Completion of construction + 4 yrs
Construction - Request for Quotes	Completion of construction + 4 yrs
General Services – General Service Agreements (professional services/vendor)	Completion of work + 4 yrs
General Services – Task Orders, Change Orders	5 years after completion
Capacity Agreements	Until superseded
Multi-jurisdictional Pre-treatment Agreements	Until terminated + 3 yrs

Engineering

Retention Period

As-built drawings	Life of Project + 4 years
Field Reports	Life of Project + 4 years
Final Shop Drawings	Life of Project + 4 years
NEPA/CEQA Documents	Life of Project + 4 years
Notices (i.e., Determination, Intent, Exemption, Proceed, Stop, Preliminary, Completion etc.)	Life of Project + 4 years
Dig Alerts	3 years
Field Reports	Life of Project + 4 years
Operation Reports	Life of Project + 4 years
O&M Manuals	Life of Project
Maps and Drawings	Life of Project
Construction Permits	Permanent
Discharger Permits	5 years
Plans and Specifications	Life of Project
Project Correspondence	Completion of construction + 10 yrs
Project Schedules	Completion of construction + 4 yrs
Construction Project Photos	Life of Project
Request for Information (RFIs)	Completion of construction + 10 yrs
Utility Requests	4 years
SARI Meter Readings	Permanent
Stringfellow	Permanent
Technical Reference Papers/Studies/Reports	Permanent

Human Resources

Retention Period

Employment applications (non-employees)	2 years
Resumes (solicited and unsolicited)	Solicited: 2 years; Unsolicited: 1 year
Medical/Dental/Vision Benefits – employee	Until superseded

Correspondence	4 years
Employee Records	Termination + 7 years
Employee Handbook	Until superseded
Job Descriptions	Until superseded
EEO Reports	3 years
Workers' Compensation Reports	7 years after termination

- Refer to Accounting/Finance Section for additional employee records (i.e., W9, payroll, timesheets etc.)

Information Technology

Retention Period

Aerial Photos	5 years
Software Licenses and Manuals	Until superseded
Hardware Inventory	Until superseded
Hardware Warranty documents	Until superseded
IT Master Plan	Until superseded
GIS Maps/Drawings	10 years
GIS Storage Files	5 years
GIS Spatial Data	5 years
Network Diagrams	Until superseded
Photo Gallery	4 years (*upon review for historical value)
Workplans	4 years

Insurance

Retention Period

Accident Reports	11 years
Appraisals	Permanent
Claims – automobile	10 years
Claims – group life	4 years
Claims – hospital	7 years
Claims – loss or damage	7 years
Claims – Worker's Comp	10 years
Expired policies (fire, life, etc.)	10 years
Expired policy (surety)	30 years
Certificates of Insurance	5 years, unless construction

Legal

Retention Period

Affidavits	10 years
Claims and Litigation	Permanent
Court Orders	Permanent
Depositions	Permanent
Legal Correspondence	10 years
Releases/Settlements	25 years
Subpoenas	Permanent

Planning

Retention Period

Task Forces (Meeting Agendas, Meeting Notes, Related Handouts, Budgets, Task Force Correspondence)	Permanent
OWOW Documents	Permanent
OWOW Pillars, Steering Committee, Master Craftsmen	Permanent

(Agendas, Meeting Notes, and Related Handouts, White Papers)	
OWOW Correspondence	Permanent
Reports (i.e., Monitoring, IRWMP, UWMP, etc.)	Permanent
Technical Reports/Reference Papers/Studies	Permanent

Purchasing

Retention Period

Bid, Awarded	7 years
Bid, Unawarded	2 years
Bid, Rejected	2 years
Purchase Orders/Requisitions/Work Orders	4 years
Purchase Order Requests	2 years after termination
Purchase Orders	4 years
Quotations	3 years
Work Orders	4 years
Correspondence	2 years

Real Property

Retention Period

Appraisals	Permanent
Damage Reports	7 years
Depreciation Schedules	3 years
Grant Deeds, Easements	Permanent
Leases	10 years
Office Inventory Records	6 years
Maintenance and Repairs	10 years

Safety

Retention Period

Occupational Injuries/Illnesses	7 years after termination
Injury and Illness Prevention Safety Plan	Until superseded
Required training records (e.g. confined space)	Until validity expired

Approved: September 18, 2012

**Attachment 2
AUTHORITY TO DESTROY OBSOLETE RECORDS**



Record Type:
 Hard Copy _____
 Electronic _____

RETENTION SCHEDULE VERSION: Resolution No. 2012-10

ITEM	RECORD SERIES TITLE	RETENTION	Date of Records		QUANTITY/COMMENTS
			FROM	TO	

The above records are submitted for destruction in accordance with Resolution No. 2012-10.

Requested by:

Date:

APPROVED:

Approved (Dept Manager):

Date:

Executive Counsel:

Date:

Approved (Records Manager):

Date:

General Manager:

Date:

NOTE: These approved forms must be retained by the Records Manager.

COMMISSION MEMORANDUM NO. 2018.56

DATE: June 5, 2018
TO: SAWPA Commission
SUBJECT: Project Agreement 24
PREPARED BY: Rich Haller, General Manager

RECOMMENDATION

Approve Project Agreement 24 and proposed Joint Powers Agreement (JPA) amendments; and, direct staff to submit the agreement and the amendments to the appropriate SAWPA member agencies for approval.

DISCUSSION

In a series of meetings last year, the Commission discussed the use of and need for project agreements per Section 18 of the JPA that formed SAWPA. The Commission directed staff to draft new project agreements covering significant activities of SAWPA and to coordinate with the member agency general managers regarding the draft agreements. The attached draft Project Agreement 24 (PA24) is the first of the new agreements, and would address all aspects of owning and operating the Inland Empire Brine Line (Brine Line).

The draft agreement has been shared among the general managers in several draft versions since December 2017 and has been discussed at length in a number of meetings. During these discussions, several JPA amendments were also proposed. These proposed amendments have also been reviewed and discussed by the member agency general managers.

Amendments to the JPA must be approved by all of the members, and the proposed PA24 would have to be approved by the four participating member agencies.

SAWPA staff recommends approval of both the new project agreement and the proposed JPA amendments. This memorandum summarizes the agreement and highlights several aspects of the agreement that represent important policy choices for the Commission.

The proposed project agreement would be between SAWPA and all member agencies except Orange County Water District. The project that the agreement addresses is to establish policy and provide oversight to Brine Line operations, maintenance, planning, administration, implementation, and improvements, including rate setting, and permit issuance and enforcement. The agreement would form a project committee, per Section 18 of the JPA, with representatives of the participating member agencies to be appointed by the members as provided in that JPA provision. The agreement includes SAWPA's standard provisions about the project committee having autonomous decision making authority over the project and the participating members accepting financial responsibility for the project, since not all SAWPA member agencies are participating.

The PA24 project committee would have control of the Brine Line enterprise funds. Use of funds for Brine Line purposes would be described in a project budget adopted unanimously by the project committee and approved by the participating member agencies per the JPA. The proposed agreement specifically addresses the responsibility of participating members to fund their respective shares of the costs of administration of the Brine

Line and of capital improvements for which SAWPA has already contracted in the event of the failure of approval of a new project budget.

Several aspects of the proposed PA24 reflect policy choices that the Commission should be aware of.

Committee representatives and current meetings and schedules. The Commission's discussion during its October workshop reflected the view that the development of new project agreements was not intended to disrupt the current Commission meeting schedule or format, and that there would simply be agenda items on which only certain members would vote. Allowing committee representatives other than commissioners or alternate commissioners might not be consistent with that view. The JPA provides that representatives on the project committee may be any director from the member agency's board or its general manager. Within these general rules, previous project agreements have made specific decisions about project committees and representation that suited the particular project. Project Agreement 22 specified that a project committee would be formed even though all five member agencies were participating. That agreement also specified that the committee representatives would be the member agency general managers. Project Agreement 23 also created a project committee even though all five member agencies were participating, but it left it to the member agencies to appoint representatives per Section 18 of the JPA. The proposed PA24 proposes simply to use the existing JPA provisions and allow committee representatives other than commissioners to be appointed.

What, if any, project decisions should require a unanimous vote? The JPA requires approval of SAWPA's budget by all of the member agencies and of project budgets by all of the participating member agencies, and that expenditures that are within the budget are approved by the Commission or the project committee by majority vote. Section 18 of the JPA, however, states that, "All budget and operating decisions with regard to any project shall require the unanimous consent of the members of the Project Committee or the Agency, as the case may be." Views have differed about what this provision means, whether it refers to unanimous committee decisions as opposed to approval of all of the participating agencies, and what constitutes an "operating decision." The term "operating decision" appears nowhere else in the JPA and is not defined. A 2002 amendment to the JPA added another sentence reaffirming the JPA provisions about member agencies approving project budgets. One alternative to address the confusion this provision creates would be simply to remove the provision and simply require unanimous approval of the budget. The recommended action here takes a different approach. The proposed PA24 attempts to define what an operating decision is in the context of the Brine Line. At the same time, the proposed JPA amendments would change Section 18 of the JPA to clearly require operating decisions for all projects to be by unanimous vote, rather than by unanimous consent of the member agencies. PA24 would also specify that project budget adoption would require a unanimous vote of the project committee before sending the budget to the participating member agencies. While this approach adds clarity about decision making, it would remove the member agency approval of such decisions, and might create confusion about what a "budget decision" is, as opposed to actually approving the budget. And while "operating decision" would be better defined, the definition inevitably cannot be comprehensive, and questions may arise in the future about whether a decision is an "operating decision," and therefore requires a unanimous vote, versus a normal decision within the approved budget, which would require a majority vote.

Should the PA24 project committee be allowed to overrun the approved project budget? Currently, neither SAWPA nor any project committee may exceed its approved budget. The proposed PA24 would allow this project committee to overrun its budget with a unanimous committee vote. Allowing exceedance of the approved budget is a change in policy from the existing JPA, a central premise of which is that financial commitments require the consent of all of the participating agencies. Allowing more latitude for the Brine Line function may be appropriate since the Brine Line is funded from enterprise funds and State loans, and not member agency contributions. The proposed JPA amendments preserve the idea that "no expenditures in

excess of those budgeted shall be made without the unanimous consent and approval of all members of the Project Committee” It is staff’s view that this would require approval of the participating agencies to any project budget overrun, except where addressed differently in a project agreement, such as with PA24. However, the language of the proposed PA24, that budget overruns require a unanimous committee vote “consistent with Section 29” of the JPA, suggests an interpretation of the JPA that would apply to all SAWPA projects, and not just the Brine Line. The Commission therefore should decide whether to allow the PA24 committee to authorize exceedances of the approved project budget, and may wish to clarify its policy views on budget overruns by projects of all types.

CRITICAL SUCCESS FACTORS

None identified for the governance function.

RESOURCE IMPACTS

None

Attachments:

1. PowerPoint Presentation
2. Draft Project Agreement 24
3. Proposed amendments to the SAWPA Joint Powers Agreement

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PROJECT AGREEMENT 24 INLAND EMPIRE BRINE LINE

Rich Haller, General Manager
June 5, 2018
Item 5.B.



RECOMMENDATION

- Approve Project Agreement 24 and proposed Joint Powers Agreement (JPA) amendments; and, direct staff to submit the agreement and the amendments to the appropriate SAWPA member agencies for approval.



BACKGROUND

- Commission directed use of Project Agreements be evaluated including non-traditional “projects” such as Brine Line, OWOW activities, and Task Forces
- Creation of PA24 (Brine Line) proposed along with changes to JPA Agreement
 - Other new PAs to follow
- PA24 requires Commission approval and approval of four participating member agency Boards
- JPA amendment requires approval of Commission and all member agency Boards



PROJECT AGREEMENT 24

- 4 of 5 member agencies will participate
 - OCWD will not participate
- PA24 to provide policy direction and oversight previously provided by the Commission
- Project Committee to be formed
- Project budget, operating decisions adopted unanimously



JPA AMENDMENT

Section 18 – requires unanimous consent for budget and operating decisions

Section 18 change – administrative providing text clarity

Section 26 – defines project budget and restates unanimous consent requirement

Section 26 change – defines components of project budget

Section 29 – expenditures within the approved budget are authorized by majority vote of the Committee

Section 29 change – allows for a project budget to be exceeded when approved by unanimous vote



JPA AMENDMENTS/ PA24

Issues to consider

- Committee representatives and meeting efficiency: PA Committee meetings should be coincident with Commission meetings (1st and 3rd Tuesday of month) using a single agenda packet
- Decisions requiring unanimous vote: includes operating decisions require unanimous vote
- Exceeding approved project budget: would be allowed by unanimous vote



RECOMMENDATION

- Approve Project Agreement 24 and proposed Joint Powers Agreement (JPA) amendments; and, direct staff to submit the agreement and the amendments to the appropriate SAWPA member agencies for approval.



SANTA ANA WATERSHED PROJECT AUTHORITY

PROJECT AGREEMENT 24

INLAND EMPIRE BRINE LINE

THIS AGREEMENT is made on _____, 2018, by and between the **SANTA ANA WATERSHED PROJECT AUTHORITY (“SAWPA”)**, a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 24 (“PA24”) Committee Members: **EASTERN MUNICIPAL WATER DISTRICT (“EASTERN”); INLAND EMPIRE UTILITIES AGENCY (“IEUA”); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (“VALLEY”);** and **WESTERN MUNICIPAL WATER DISTRICT (“WESTERN”)**. The PA24 Committee members and SAWPA are jointly referred to herein as the “Parties.”

RECITALS

- A. The PA24 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region and to protect and preserve the quality of the surface and subsurface water supplies within their respective boundaries.
- B. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA’s exercise of the shared powers of the Member Agencies, and recognizes SAWPA shall function through the identification and implementation of specific projects. The JPA establishes that such specific projects will be administered through individual project agreements and by project committees (“Project Committees”) when less than all of the SAWPA member agencies are participating.
- C. SAWPA owns and operates the Inland Empire Brine Line (“BRINE LINE”). The BRINE LINE is a wastewater pipeline conveyance system and was constructed for the transmission of non-reclaimable wastewater. The pipeline extends from its connection to the Orange County Sanitation District’s (“OCSD”) Santa Ana River Interceptor (“SARI”) at the Riverside County-Orange County boundary into the upper Santa Ana River watershed. As of the date of this Agreement SAWPA owns a 30-million gallons per day capacity right in the SARI that is subject to certain payment obligations and other terms and conditions including a Waste Water Interceptor Capacity Agreement with OCSD dated April 12, 1972 and subsequently amended.
- D. SAWPA member agencies formed a number of separate project agreements pursuant to Section 18 of the SAWPA Joint Powers Agreement for the study, design, or construction of parts of the BRINE LINE. Some of those project agreements also purported to address maintenance. In practice, SAWPA has operated the BRINE LINE as one infrastructure system as components were completed and added on, and currently none of the earlier project agreements or project committees related to BRINE LINE development remain active.

- E. As of the date of this Agreement SAWPA also owns a treatment and disposal capacity right of 17 million gallons per day, with a right to purchase additional capacity, in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right is subject to certain payment obligations and other terms and conditions including a Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996.
- F. Since the early 1980s, SAWPA has entered into various written agreements with EASTERN, IEUA, VALLEY, WESTERN, and Orange County Water District regarding purchase and sale of pipeline capacity rights and treatment and disposal rights in the SARI and BRINE LINE.
- G. BRINE LINE policies are established by Ordinances and Resolutions that have been adopted by the SAWPA Commission, including Ordinance No. 8: "An Ordinance of the Santa Ana Watershed Project Authority Establishing Regulations for the Use of the Inland Empire Brine Line." Current Resolutions establish local limits on discharges, establish the purchase price for treatment and disposal capacity rights, and establish rates. SAWPA implements a comprehensive pretreatment program and issues or directly oversees issuance of permits to all dischargers. SAWPA complies with its agreements with OCSD through implementation of a 1991 MOU, which clarified roles and responsibilities in that relationship. In terms of water quality compliance, SAWPA's program documents clearly recognize OCSD as the Control Authority for discharges to the BRINE LINE, and SAWPA as the Delegated Control Authority. SAWPA and OCSD formed a Joint Policy Committee in 2013 to provide a regular forum to discuss and coordinate policy positions and avoid or manage conflicts. Two SAWPA Commissioners are appointed by SAWPA to serve on the Joint Policy Committee.
- H. SAWPA complies with the State Water Resources Control Board Order No. 2006-0003, a General Waste Discharge Requirement for all publicly owned sanitary sewer collection systems in California with more than one mile of sewer pipe. One component of Order No. 2006-0003 is the development and implementation of a Sewer System Management Plan ("SSMP") that defines provisions for management of the system to limit Sanitary Sewer Overflows. SAWPA adopted its SSMP in April 2009 and has been implementing its provisions since then.
- I. SAWPA maintains insurance policies covering BRINE LINE operations, including risks of wastewater spills and property damage.
- J. Operating the BRINE LINE is complex, requiring short- and long-term planning regarding future use and flows, capital improvements, financial modeling, recurring and nonrecurring operations and maintenance, regulatory compliance, relations with OCSD, marketing and community relations, and other evolving issues. Consistent with the requirements of the SAWPA Joint Powers Agreement, a Project Committee is required to oversee the administration and implementation of these and other project-related activities for the BRINE LINE.

- K. By this Agreement, the Parties wish to supersede and replace Project Agreement 21, originally executed on December 21, 2010, per Section 18 of the SAWPA Joint Powers Agreement. The Parties hereto desire to create Project Committee 24 to provide policy direction and oversight of the BRINE LINE.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA24 Committee Members and SAWPA, it is agreed that:

1. The PA24 Committee is hereby established for the purpose of establishing policy and providing oversight of the BRINE LINE operations, maintenance, planning, administration, implementation, and improvement of the BRINE LINE, including but not limited to rate-setting and revenue collection, permit issuance and enforcement, and usage of the Brine Line Enterprise Fund. The PA24 Committee shall consist of the Commissioners or Alternate Commissioners on the SAWPA Commission who represent each of the Parties, or their respective General Managers, at the sole discretion of the participating agencies. The PA24 Committee will appoint SAWPA's two Commissioners to the Joint Policy Committee with OCSD.
2. Facilities constructed for the purposes of this Project Agreement will be owned by SAWPA for the benefit of the PA24 Committee. The PA24 Committee shall approve any necessary agreements that specify how existing BRINE LINE infrastructure and all future facility improvements will be financed, designed, constructed, operated, and maintained.
3. The PA24 Committee will be operated as a distinct account within SAWPA's accounting system for the administration by SAWPA of Brine Line Enterprise Funds and for any other funds that may be made available to the PA24 Committee for actions within the Committee's purpose.
4. The PA24 Committee will be constituted as set forth in Section 18 of the SAWPA Joint Powers Agreement. The PA24 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement.
5. All budget and operating decisions of the PA24 Committee will be made by unanimous consent of the PA24 Committee Members. The Parties agree that "operating decisions" are those that involve significant, system-wide decisions about how the BRINE LINE will function, including decisions concerning: physical repairs or alterations that could result in an impairment of use of the BRINE LINE. "Operating decisions" are not intended to include those involving day-to-day functioning or to matters mandated by law, regulation, or permits, or in response to emergencies.
6. The PA24 Committee will have, without further ratification by the PA24 Committee Members or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA24 budget. Consistent with Section 29 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by a unanimous vote of the PA24 Committee. Any expenditures or contractual commitments within the designations and limitations of the approved PA24 budget shall be made on the authorization of a majority of the PA24 Committee.

This section does not limit the authority the SAWPA General Manager has to respond to emergencies. This section does not impact the unanimous vote requirements for operating decisions as set forth in Section 5.

7. SAWPA has funded all aspects of BRINE LINE operations, maintenance, planning, administration, and improvements through rates set by the Commission that are paid by the Parties and other contractual dischargers as a fee for service. SAWPA has used debt financing for some BRINE LINE improvements that is guaranteed by a pledge of rate revenue for repayment. Rates that are established by the PA24 Committee and adopted by SAWPA take effect upon adoption and are not dependent on the approval of the PA24 budget.
8. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA24 BRINE LINE project (PA24 budget) that shall address the sources and uses of funds and the respective financial obligations and functions of the PA24 Committee Members, including the matching funds included in any grant agreements. The budget shall include costs for SAWPA support of the PA24 Committee. If any PA24 Committee Member fails or refuses to approve any PA24 budget, said budget shall be returned to the PA24 Committee for restudy and revision. In the event a budget acceptable to all of the PA24 Committee members is not obtained prior to the start of the fiscal year, SAWPA shall continue to operate the BRINE LINE at the level of total expenditure authorized by the last approved PA24 budget for administrative, operations and maintenance activities, and shall continue with the construction of contractually authorized capital improvement projects included in the last approved PA24 budget. The PA24 Committee Members shall be obligated to fund such administrative, operations and maintenance activities to the same extent as in the previously approved budget, and to fund capital improvement projects under contract at previously authorized expenditure and contracting limits. The PA24 budget, unanimously adopted by the PA24 Committee, shall be included in the SAWPA budget for approval by the SAWPA member agencies' governing boards per the SAWPA Joint Powers Agreement. Approval of the proposed PA24 budget shall not be unreasonably withheld by the SAWPA member agencies. SAWPA shall provide a quarterly report to the PA24 Committee of actual expenses relative to the approved budget.
9. The PA24 Committee Members shall be solely financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA24 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA24 Committee to the extent not otherwise covered by PA24 revenues or funds, or SAWPA's liability insurance. Unless otherwise specified by unanimous Committee action, PA24 Committee Members shall have an equal share in such financial obligation.
10. The PA24 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA24 Committee from any and all financial liability, including claims or disputes, arising from or in connection with the operation, maintenance, or repair of the BRINE LINE and other PA24 facilities, and any project-related contracts or actions, to the extent such liability is not fully covered by budgeted PA24 revenues or funds, or SAWPA's insurance.
11. PA24 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency,

including any liabilities related to any grant agreement or other financing commitment associated with PA24, will be determined according to the PA24 budget then in effect or by the PA24 Committee. Pursuant to Section 8 of the SAWPA Joint Powers Agreement, no withdrawal shall relieve the withdrawing agency from financial obligations theretofore incurred by it under this Agreement.

- 12. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.
- 13. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
- 14. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency’s board of directors of this Agreement.
- 15. This Project Agreement may be executed in counterparts.
- 16. The Recitals are incorporated herein and made an operative part of this Agreement.
- 17. Except as otherwise specifically provided for in this Agreement, the provisions of the SAWPA Joint Powers Agreement, as amended, shall be controlling in regard to the performance of this Agreement.

IN WITNESS WHEREOF, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By _____

Its _____

EASTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

INLAND EMPIRE UTILITIES AGENCY

By _____

Its _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____

Its _____

WESTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

Section 18

Specific Projects. Except for preliminary studies and matters of general administration, the Agency shall function through the identification and implementation of specific projects. A project may involve all or less than all members of the Agency, provided that no member shall be involved without its approval. A separate budget and agreement of the parties shall be established for each such project, which shall determine the respective obligations, ~~function, and rights of the members involved and of the Agency.~~ The initial projects of the agency are (1) construction and operation of the Santa Ana Regional Interceptor through Prado Dam, together with acquisition of and use of appropriate treatment facilities, and (2) control of water quality degradation caused by dairy wastes. Said projects shall be further defined in project agreements to be concluded between the participating members before they shall become obligated with respect thereto. functions, and rights of the members involved and of the Agency. To the extent that any specific project is undertaken which affects less than all members of the Agency, ~~the Commissioners representing each of the members who will be involved in financing said project shall be and constitute each participating member agency shall appoint its Commissioner, Alternate Commissioner, or General Manager to the~~ Project Committee of the Commission for purposes of administration and implementation of such project. ~~Notwithstanding anything to the contrary in this Agreement or in any agreement establishing a Project Committee, a member participating in a Project Committee may directly appoint any member of its governing board or its general manager as its representative and/or alternate to the Project Committee.~~ All budget and operating decisions with regard to any project shall require the unanimous consent of the ~~members of the Project Committee or the Agency, as the case may be.~~ Consistent with Sections 7 and 26 of this Agreement, the budget of a Project Committee shall require the approval of the governing board of every member participating in the Project Committee, or of the Commission if there is not a Project Committee.

Section 26

Project Budgets. ~~The~~ A project budget ~~or other is the expenditure and contractual~~ commitment of funds for the study, ~~implementation or design, permitting,~~ construction, operation, and maintenance of any specific project or works ~~to be constructed by the Agency.~~ A project budget shall be adopted by the Project Committee of the Commission concerned with the specific project. Each such project budget ~~or commitment~~ must be approved by the unanimous consent of the members represented on the Project Committee of the Commission, or by all members of the Agency if all are involved in the specific project.

Section 29.

Expenditures Within Approved Budgets:

All expenditures within the designations and limitations of approved general or project budgets shall be made on the authorization of a majority of the Commission or the Project Committee of the Commission which is supervising such expenditure. No expenditures in excess of those budgeted shall be made without the unanimous consent and approval of all members of the ~~Agency~~ Project Committee or the Agency, as the case may be, to a revised or amended budget which may from time to time be submitted by the Commission.

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COMMISSION MEMORANDUM NO. 2018.58

DATE: June 5, 2018
TO: SAWPA Commission
SUBJECT: Risk Sciences General Services Agreement (GSA)
PREPARED BY: Rick Whetsel, Senior Watershed Manager

RECOMMENDATION

It is recommended that the Commission approve execution of the following documents:

- 1) General Services Agreement (GSA) with Risk Sciences to serve as regulatory strategist and compliance expert for a number of SAWPA Task Force efforts through December 2019;
- 2) Change Order No. RISK374-07 with Risk Sciences for a no cost time extension through December 2018 to serve as regulatory strategist and compliance expert for the Basin Monitoring Task Force;
- 3) Task Order No. RISK384-09 with Risk Sciences for an amount not-to-exceed \$49,340 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Middle Santa Ana River Pathogen TMDL Task Force; and,
- 4) Task Order No. RISK386-10 with Risk Sciences for an amount not-to-exceed \$46,820 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Regional Water Quality Monitoring Task Force.

DISCUSSION

Over the years, Risk Sciences has provided important regulatory compliance support and facilitation for a number of SAWPA Task Force efforts. As such, members of each of these Task Forces have reviewed and recommended for approval of task orders for services by Risk Sciences through FY 2018-19. Under each of these Task Orders, Risk Sciences will work closely with the scientists and technical experts who are assisting the Task Force to implement actions to facilitate the following tasks:

Basin Monitoring Task Force

- Develop Basin Plan Amendment & Staff Report for Waste Load Allocation Model
- Prepare Drought & Conservation Policy Proposal
- Prepare Clarifications to existing Water Quality Objectives in the current Basin Plan Amendment

Middle Santa Ana River Pathogen TMDL Task Force

- Assist Task Force in responding to CBRP audits
- Develop quantitative compliance metrics for CBRP progress
- Develop criteria to define "uncontrollable natural sources"
- Assist development of 2019 TMDL Triennial Progress Report
- Identify appropriate follow-on activities in Arlington area
- Develop Scope-of-Work for synoptic reassessment of watershed
- Identify priorities and develop strategic plan for updating the CBRP
- Evaluate impact of new bacteria standards on TMDL and CBRP

Regional Water Quality Monitoring Task Force

- Address revisions to statewide bacteria standards
- Resolve inconsistency between Antidegradation Targets and 303(d) Impairment Assessment
- Regulatory alternatives analysis for 303(d) listed streams
- Review Regional Bacteria Monitoring Program data reports

The attached project Change Order and Task Orders provide a detailed description of key tasks including a budget and schedule of tasks for FY 2018-19 to be completed under the General Services Agreement.

CRITICAL SUCCESS FACTORS

- SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
- Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
- Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
- Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.

RESOURCE IMPACTS

Sufficient funds are available to administer each the following task forces as defined in the SAWPA FY 2018-19 Budget.

- Basin Monitoring Task Force
- Middle Santa Ana River Pathogen TMDL Task Force
- Regional Water Quality Monitoring Task Force

All funding would be provided by the respective Task Force to conduct the proposed work.

Attachments:

1. PowerPoint Presentation
2. General Services Agreement Risk Sciences
3. Change Order No. RISK374-07; Request for no cost extension to Task Order No. RISK374-07
4. Task Order No. RISK384-09; Scope-of-Work for MSAR TMDL Task Force in 2018-19
5. Task Order No. RISK386-10; Scope-of-Work for the Regional Bacteria Monitoring Program Task Force in 2018-19

Risk Sciences General Services Agreement & Task Orders to Provide Regulatory Support to SAWPA Task Forces

Rick Whetsel, Senior Watershed Manager

SAWPA Commission Meeting
June 5, 2018



Roundtable Business Line - Critical Success Factors

SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.

Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.

Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.

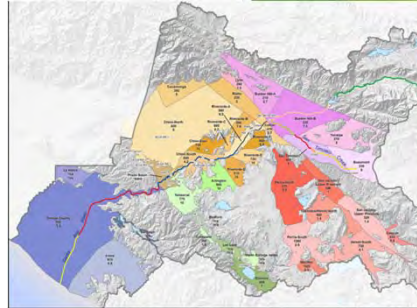
Adequate professional staff and resources to effectively provide facilitation, management, administrative and technical support to collaborative work efforts.



Basin Monitoring Task Force

Role of the Task Force

- ▶ Management and protection of water quality in the Santa Ana River Watershed through implementation and periodic updates of the Regional Board's Salt Management Plan
- ▶ Conducts analysis of TDS and nitrate in watershed groundwater every three years to identify trends
- ▶ Annual Santa Ana River (SAR) water quality report
- ▶ SAR Wasteload Allocation to confirm compliance of river discharges with ground water quality objectives



Basin Monitoring Task Force

Risk Science Change Order

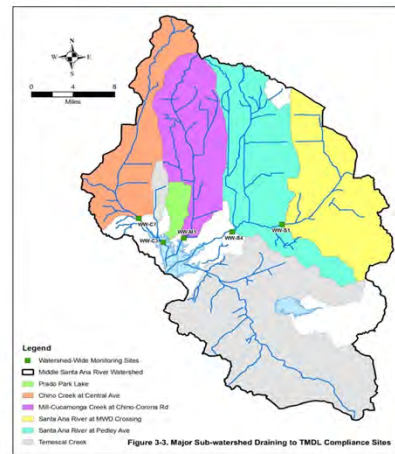
- ▶ Develop Basin Plan Amendment & Staff Report for Waste Load Allocation Model
- ▶ Prepare Drought & Conservation Policy Proposal
- ▶ Prepare Clarifications to existing Water Quality Objectives in the current Basin Plan Amendment



Middle Santa Ana River Pathogen TMDL Task Force

Role of the Task Force

- ▶ TMDL Compliance Monitoring
- ▶ Conduct Source Evaluations
- ▶ Prepare Triennial Report
- ▶ Support Implementation of Comprehensive Bacteria Reduction Plans
- ▶ Integrate proposed bacteria water quality standards by SWRCB



Middle Santa Ana River Pathogen TMDL Task Force

Risk Science Task Order

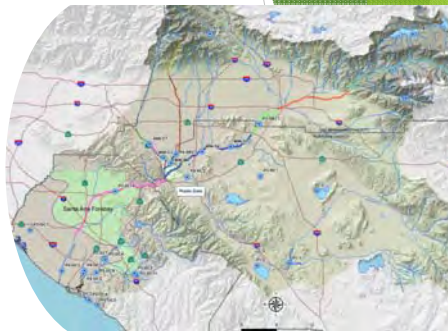
- ▶ Assist Task Force in responding to CBRP audits
- ▶ Develop quantitative compliance metrics for CBRP progress
- ▶ Develop criteria to define "uncontrollable natural sources"
- ▶ Assist development of 2019 TMDL Triennial Progress Report
- ▶ Identify appropriate follow-on activities in Arlington area
- ▶ Develop Scope-of-Work for synoptic reassessment of watershed
- ▶ Identify priorities and develop strategic plan for updating the CBRP
- ▶ Evaluate impact of new bacteria standards on TMDL and CBRP



Regional Water Quality Monitoring Task Force

Role of the Task Force

- ▶ Implement Santa Ana River Regional Bacteria Monitoring Program
- ▶ Assist Regional Board with future triennial reviews and future amendments of the Basin Plan
 - ▶ 303(d) listings for Bacteria Indicators
 - ▶ Statewide bacteria Standards



Regional Water Quality Monitoring Task Force

Risk Science Task Order

- ▶ Address revisions to statewide bacteria standards
- ▶ Resolve inconsistency between Antidegradation Targets and 303(d) Impairment Assessment
- ▶ Regulatory alternatives analysis for 303(d) listed streams
- ▶ Review Regional Bacteria Monitoring Program data reports



Sole Source Justification

Risk Sciences

- ▶ Basin Monitoring Program (BMP) Task Force Committee conducted an evaluation of Risk Sciences undertaking due diligence on consulting support
- ▶ Consultant Review Committee and Task Force stakeholders unanimously agreed to continue support of Risk Sciences. Key findings:
 - ▶ Risk Sciences support is unique and specialized
 - ▶ Risk Sciences support cannot be competitively obtained
 - ▶ Risk Sciences has unique and positive relationship with Regional Board and BMP Task Force
 - ▶ Risk Sciences has maintained rates for past 3 years and has not charged any change order for over five years
 - ▶ Issuing RFP would cause undue delay and expense to BMP Task force



The Memorandum Recommends:

It is recommended that the Commission approve:

- ▶ General Services Agreement (GSA) with Risk Sciences to serve as regulatory strategist and compliance expert for a number of SAWPA Task Force efforts through December 2019.
- ▶ Change Order No. RISK374-07 with Risk Sciences for a no cost time extension through December 2018 to serve as regulatory strategist and compliance expert for the Basin Monitoring Task Force.
- ▶ Task Order No. RISK384-09 with Risk Sciences for an amount not-to-exceed \$49,340 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Middle Santa Ana River Pathogen TMDL Task Force.
- ▶ Task Order No. RISK386-10 with Risk Sciences for an amount not-to-exceed \$46,820 for FY 2018-19 to serve as regulatory strategist and compliance expert for the Regional Water Quality Monitoring Task Force.





SANTA ANA WATERSHED PROJECT AUTHORITY
AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT

This Agreement is made this 5th day of June, 2018 by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Avenue, Riverside, CA, 92503 and **Risk Sciences** ("Consultant") whose address is 125 New Dawn Road, Rockvale, TN 37153.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- SAWPA desires to engage the professional services of Consultant to perform such professional consulting services as may be assigned, from time to time, by SAWPA in writing;
- Consultant agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement and has represented and warrants to SAWPA that Consultant possesses the necessary skills, qualifications, personnel, and equipment to provide such services; and
- The services to be performed by Consultant shall be specifically described in one or more written Task Orders issued by SAWPA to Consultant pursuant to this Agreement.

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, SAWPA and Consultant agree to the following:

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until **December 31, 2019** unless extended or sooner terminated as provided for herein.

ARTICLE II

SERVICES TO BE PERFORMED

2.01 Consultant agrees to provide such professional consulting services as may be assigned, from time to time, in writing by the Commission and the General Manager of SAWPA. Each assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

2.02 Consultant may at Consultant's sole cost and expense, employ such competent and qualified independent professional associates, subcontractors, and consultants as Consultant deems necessary to perform each assignment; provided that Consultant shall not subcontract any work to be performed without the prior written consent of SAWPA.

ARTICLE III

COMPENSATION

3.01 In consideration for the services to be performed by Consultant, SAWPA agrees to pay Consultant as provided for in each Task Order.

3.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients.

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.

3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA's Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV

CONSULTANT OBLIGATIONS

4.01 Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement including those specified in each Task Order. In performing the services required by this Agreement and any related Task Order Consultant shall comply with all local, state and federal laws, rules and regulations. Consultant shall also obtain and pay for any permits required for the services it performs under this Agreement and any related Task Order.

4.02 Except as otherwise provided for in each Task Order, Consultant will supply all personnel and equipment required to perform the assigned services.

4.03 Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA. Consultant hereby covenants and agrees to:

4.03a Obtain a Commercial General Liability and an Automobile Liability insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than \$2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement, or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable;

4.03b Obtain a policy of Professional Liability (errors and omissions) insurance appropriate to the Consultant's profession in a minimum amount of \$2,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects' and engineers' coverage shall include contractual liability;

~~**4.03c** Obtain a policy of Employer's Liability insurance in a minimum amount of \$1,000,000.00 per accident for bodily injury and property damage. waived~~

~~**4.03d** Provide worker's compensation insurance or a California Department of Insurance approved self insurance program in an amount and form required by the State of California and the Employer's Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities; waived (no employees)~~

4.03e Consultant shall require any subcontractor that Consultant uses for work performed for SAWPA under this Agreement or related Task Order to obtain the insurance coverages specified above.

4.03f Consultant hereby agrees to waive subrogation, which any insurer of Consultant may seek to require from Consultant by virtue of the payment of any loss. Consultant shall obtain an endorsement that may be necessary to give effect to this waiver of subrogation. In addition, the Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of SAWPA for all work performed by Consultant, and its employees, agents and subcontractors.

All such insurance policy or policies shall be issued by a responsible insurance company with a minimum A. M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California. If the insurance company is not admitted in the State of California, it must be on the List of Eligible Surplus Line Insurers (LESLI), shall have a minimum A.M. Best Rating of "A", Financial Category "X", and shall be domiciled in the United States, unless otherwise approved by SAWPA in writing. Each such policy of insurance shall expressly provide that it shall be primary and noncontributory with any policies carried by SAWPA and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of SAWPA that might otherwise result in forfeiture of coverage. Evidence of all insurance coverage shall be provided to SAWPA prior to issuance of the first Task Order. Such policies shall provide that they shall not be canceled or amended without 30 day prior written notice to SAWPA. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully indemnify and hold SAWPA free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the negligence, recklessness, or willful misconduct of Consultant in performing services assigned by SAWPA.

4.04 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. Consultant shall hold harmless, defend and indemnify SAWPA and its officers, employees, agents and volunteers from and against any and all liability, loss, damage, fines, penalties, expense and costs, including, without limitation, attorneys' fees and litigation expenses and costs, of every nature arising out of or related to Consultant's negligence, recklessness, or willful misconduct related to or arising from the performance of the work required under this Agreement and any related Task Order or Consultant's failure to comply with any of its obligations contained in this Agreement and any related Task Order, except as to such loss or damage which was caused by the active negligence or willful misconduct of SAWPA.

4.05 In the event that SAWPA requests that specific employees or agents of Consultant supervise or otherwise perform the services specified in each Task Order, Consultant shall ensure that such individual(s) shall be appointed and assigned the responsibility of performing the services.

4.06 In the event Consultant is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished with a registered professional engineer's number and shall conform to local, state and federal laws, rules and regulations. Consultant shall obtain all necessary permits and approvals in connection with this Agreement, any Task Order or Change Order. However, in the event SAWPA is required to obtain such an approval or permit from another governmental entity, Consultant shall provide all necessary supporting documents to be filed with such entity, and shall facilitate the acquisition of such approval or permit.

ARTICLE V

SAWPA OBLIGATIONS

5.01 SAWPA shall:

5.01a Furnish all existing studies, reports and other available data pertinent to each Task Order that are in SAWPA's possession;

5.01b Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.

ARTICLE VI

ADDITIONAL SERVICES, CHANGES AND DELETIONS

6.01 During the term of this Agreement, the Commission of SAWPA may, from time to time and without affecting the validity of this Agreement or any Task Order issued pursuant thereto, order changes, deletions, and additional services by the issuance of written Change Orders authorized and approved by the Commission of SAWPA.

6.02 In the event Consultant performs additional or different services than those described in any Task Order or authorized Change Order without the prior written approval of the Commission of SAWPA, Consultant shall not be compensated for such services.

6.03 Consultant shall promptly advise SAWPA as soon as reasonably practicable upon gaining knowledge of a condition, event, or accumulation of events, which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions, and/or requests for additional services shall be reduced to writing for review and approval or rejection by the Commission of SAWPA.

6.04 In the event that SAWPA orders services deleted or reduced, compensation shall be deleted or reduced by a comparable amount as determined by SAWPA and Consultant shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Article III above.

ARTICLE VII

CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

7.01 In the event SAWPA authorizes Consultant to perform construction management services for SAWPA, Consultant may determine, in the course of providing such services, that a Change Order should be issued to the construction contractor, or Consultant may receive a request for a Change Order from the construction contractor. Consultant shall, upon receipt of any requested Change Order or upon gaining knowledge of any condition, event, or accumulation of events, which may necessitate issuing a Change Order to the construction contractor, promptly consult with the liaison, General Manager and Commission of SAWPA. No Change Order shall be issued or executed without the prior approval of the Commission of SAWPA.

ARTICLE VIII

TERMINATION OF AGREEMENT

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving a 10-day written notice to Consultant, whether or not a Task Order has been issued to Consultant.

8.03 In the event of termination, the payment of monies due Consultant for work performed prior to the effective date of such termination shall be paid after receipt of an invoice as provided in this Agreement.

ARTICLE IX

CONSULTANT STATUS

9.01 Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.

9.02 Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

ARTICLE X
AUDIT AND OWNERSHIP OF DOCUMENTS

10.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and Consultant shall promptly deliver all such materials to SAWPA. Consultant may retain copies of the original documents, at its option and expense. Use of such documents by SAWPA for project(s) not the subject of this Agreement shall be at SAWPA's sole risk without legal liability or exposure to Consultant. SAWPA agrees to not release any software "code" without prior written approval from the Consultant.

10.02 Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.01 This Agreement supersedes all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 Consultant shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of SAWPA. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 In the event Consultant is an individual person and dies prior to completion of this Agreement or any Task Order issued hereunder, any monies earned that may be due Consultant from SAWPA as of the date of death will be paid to Consultant's estate.

11.04 Time is of the essence in the performance of services required hereunder. Extensions of time within which to perform services may be granted by SAWPA if requested by Consultant and agreed to in writing by SAWPA. All such requests must be documented and substantiated and will only be granted as the result of unforeseeable and unavoidable delays not caused by the lack of foresight on the part of Consultant.

11.05 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages.

11.06 SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.

11.07 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.

11.08 During the performance of the Agreement, Consultant and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status and denial of family care leave. Consultant and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12290 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Consultant shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

In witness whereof, the parties hereby have made and executed this Agreement as of the day and year first above-written.

SANTA ANA WATERSHED PROJECT AUTHORITY

Richard E. Haller, General Manager Date

RISCK SCIENCES

Timothy F. Moore, President Date



**SANTA ANA WATERSHED PROJECT AUTHORITY
CHANGE ORDER NO. 1
to Task Order No. RISK374-07**

CONTRACTOR: Risk Sciences **VENDOR NO.** 1174
125 New Dawn Road
Rockvale, TN 37153

PROJECT: Compliance Expert – Basin Monitoring Program Task Force

COST/CHANGE: \$0 - Term Extension Only

REQUESTED BY: Mark Norton, Water Resources & Planning Manager June 5, 2018

FINANCING SOURCE: Acct. Coding: 374BASIN-6113-01
Acct. Description: Consulting - General

COMMISSION AUTHORIZATION REQUIRED FOR THIS CHANGE: YES (X) NO ()
Authorization: June 5, 2018; CM#2018.58

Contractor is hereby directed to provide the extra work necessary to comply with this change order.

DESCRIPTION OF CHANGE(S): A no cost term extension is being requested to allow time for the consultant to serve as regulatory strategist and compliance expert for the Basin Monitoring Program Task Force. In that role the consultant will facilitate the following:

1. Task 3 Wasteload Allocation BPA – has been delayed pending completion of the WLAM work by Geosciences.
2. Task 5 Drought and Conservation Policy – following completion of SCSC’s TDS Trends Study.
3. Task 6 Clarification of Basin Plan Objectives – is scheduled to occur concurrently with adoption of the WLAM BPA.

The Tasks are detailed in *Attachment A*; request for extension.

CHANGE IN CONTRACT TIME: December 31, 2018

Original Task Order Amount:	\$ 73,150.00
Change Order No. 1:	<u>\$ 0</u>
Contract Total:	\$ 73,150.00

ACCEPTANCE:

Contractor accepts the terms and conditions stated above as full and final settlement of any and all claims arising from or related to this Change Order. Contractor agrees to perform the above described work in accordance with the above terms and in compliance with applicable sections of the Contract Specifications. This Change Order is hereby agreed to, accepted and approved, all in accordance with the General Provisions of the Contract Specifications.

SANTA ANA WATERSHED PROJECT AUTHORITY

Richard E. Haller, General Manager Date

RISK SCIENCES

Timothy F. Moore, President Date



May 18, 2018

Attn: Mark Norton
SAWPA
11615 Sterling Ave.
Riverside, CA 92503

RE: Request for Extension to Task Order No. RISK374-07

Dear Mr. Norton:

I believe my current Task Order to support the Basin Monitoring Program Task Force is due to expire on June 30, 2018. At present, including all invoices submitted to-date, less than \$29,000 (39%) of the \$73,150 total contract value has been expended.

Task 1 (Chino-South BPA) and Task 2 (Ambient Water Quality Update) have been successfully completed and Task 4 (Annual Report of SAR Water Quality) will be finished before the end of the fiscal year. Task 3 (Wasteload Allocation BPA) has been delayed pending completion of the WLAM work by Geosciences. Work on Task 5 (Drought and Conservation Policy) has just begun following completion of SCSC's TDS Trends Study in late March. Work on Task 6 (Clarification of Basin Plan Objectives) is schedule to occur concurrently with adoption of the WLAM BPA.

Since many of the tasks identified in my current contract are still on-going and work is proceeding apace, I respectfully request that expiration date be revised and extended to December 31, 2018. I believe the remaining balance available will likely be sufficient to cover the level of effort required to support the Task Force for the rest of this calendar year. I will prepare and submit new Scope-of-Work and cost estimate for any projected follow-on efforts sometime in the fall of 2018.

Respectfully submitted,



Risk Sciences

125 New Dawn Rd.
Rockvale, TN 37153

Office: 615-274-2745

Email: tmoore@risk-sciences.com

Timothy F. Moore, President



SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. RISK384-09

CONSULTANT: Risk Sciences **VENDOR NO.** 1174
125 New Dawn Road
Rockvale, TN 37153

COST: \$49,340.00

PAYMENT: Upon Receipt of Invoice

REQUESTED BY: Rick Whetsel, Senior Watershed Manager **June 5, 2018**

FINANCE: _____
Karen Williams, CFO Date

FINANCING SOURCE: Acct. Coding 384CHINO-6113-01
Acct. Description Consulting General

COMMISSION AUTHORIZATION REQUIRED: YES (X) NO ()
Authorization: June 5, 2018; CM#2018.58

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Risk Sciences (Consultant) pursuant to the Agreement for Services between SAWPA and Consultant, entered into on June 5, 2018, expiring December 31, 2019.

I. PROJECT NAME OR DESCRIPTION

Compliance Expert – Middle Santa Ana River Pathogen TMDL Task Force

II. SCOPE OF WORK AND DELIVERABLES

Consultant shall provide all labor, materials, and equipment for the Project to perform the task of serving as a regulatory strategist and compliance expert for the Middle Santa Ana River TMDL Task Force. In that role, the Consultant shall facilitate the following:

1. Assist Task Force in responding to CBRP audits
2. Develop quantitative compliance metrics for CBRP progress
3. Develop criteria to define “uncontrollable natural sources”
4. Assist development of 2019 TMDL Triennial Progress Report
5. Identify appropriate follow-on activities in Arlington Area
6. Develop scope-of-work for synoptic reassessment of watershed, Identify priorities and develop strategic plan for updating the CBRP
7. Evaluate impact of new bacteria standards on TMDL and CBRP

The Scope of Work and Fee Schedule are detailed in *Attachment A*, proposed Scope of Work.

Please refer to *Appendix X* for acceptable formats, also found at www.sawpa.org/html/e_req.htm

III. PERFORMANCE TIME FRAME

Consultant shall begin work July 1, 2018 and shall complete performance of such services by or before **June 30, 2019**.

IV. SAWPA LIAISON

Rick Whetsel and/or Mark Norton shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$49,340.00** including travel expenses. Payment of the fees shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed. The compensation to be paid herein is subject to SAWPA's receipt of funds for this Task Order from third parties. The Consultant shall limit activities to ensure they do not expend funds that have been collected, and will curtail activities, as required, to stay within the funds available. SAWPA will endeavor to obtain the funds needed to fully fund the scope of work.

VI. CONTRACT DOCUMENTS PRECEDENCE

In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

- a. The Agreement for Services by Independent Consultant/Contractor.
- b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
- c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
- d. Specifications incorporated by reference.
- e. Drawings incorporated by reference.

In witness whereof, the parties have executed this Task Order on the date indicated below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Richard E. Haller, General Manager

Date

RISK SCIENCES

Timothy F. Moore, President

Date



14 May 2018

Rick Whetsel
Santa Ana Watershed Project Authority
11615 Sterling Ave.
Riverside, CA 92503

RE: Proposed Scope-of-Work for MSAR TMDL Task Force in 2018-19

Dear Mr. Whetsel:

Per your request, I have prepared the following preliminary scope of work and cost estimate to support the Middle Santa Ana River TMDL Task Force in FY 2018-19. In accordance with direction provided by the Task Force, this proposal focuses exclusively on tasks related to implementing the subject TMDL. A separate proposal that addresses other regulatory issues associated with bacteria standards has been prepared and submitted to the Regional Bacteria Monitoring Program Task Force.

Project Background

The Santa Ana Regional Water Quality Control Board (Regional Board) adopted a Total Maximum Daily Load (TMDL) for pathogen indicator bacteria in the Middle Santa Ana River (MSAR) watershed in 2005. That TMDL was subsequently approved by U.S. EPA and became effective in 2007. Local stakeholders formed the MSAR-TMDL Task Force and initiated a large-scale water quality monitoring and Urban Source Evaluation Program (USEP) to investigate the cause(s) of elevated bacteria levels in the river.

In 2010, the Regional Board reauthorized the Municipal Separate Storm Sewer (MS4) permits governing Urban Runoff from San Bernardino County and Riverside County to the MSAR and its major tributaries. This MS4 permit requires stakeholders to develop a Comprehensive Bacteria Reduction Plan (CBRP) to achieve the goals established by the TMDL. The CBRP was prepared in 2011 and approved by the Regional Board, as a Water Quality-based Effluent Limit (WQBEL), in 2012. The cities and counties must now implement the approved CBRP as a mandatory condition of their MS4 permits and have been doing so for the last six years. These activities are summarized in an annual report for each county's MS4 program. In addition, a special TMDL progress report must be submitted to the Regional Board every three years. Water quality monitoring data from these reports indicates that, over the last 10 years, bacteria loads have been reduced by at least 40% in the mainstem of the Santa Ana River and by more than 90% in Chino Creek and Mill-Cucamonga Creek.

Task Force Priorities in FY2018-19

In December of 2017, the Regional Board initiated a CBRP audit for the MS4 programs in both counties. At the time this proposal is being prepared these audits are still underway and the results are not yet known. Nevertheless, it is apparent that more effort will be required to respond to additional Regional Board inquiries and to address any subsequent findings and recommendations likely to arise from the audit. Our audit experience to-date has also revealed the need to develop more robust quantitative metrics to evaluate progress improving water quality in response to TMDL implementation efforts. Similarly, it is now evident that we need to develop formal evaluation criteria to distinguish controllable anthropogenic sources from uncontrollable natural sources. These will be critical new initiatives for the Task Force and Risk Sciences will take the lead on this effort.

There are several other tasks that must also be addressed in the coming year. The next TMDL Triennial Progress Report must be submitted in early 2019. As in the past, Risk Sciences will assist the consultants selected by the Task Force to prepare this report. In addition, the preliminary Tier-2 Source Investigation for the Arlington area has been completed. Risk Sciences will facilitate the Task Force discussions focused on developing strategies to mitigate excess bacteria loads from this portion of the watershed.

For several years the Task Force has been focused on Tier-2 Source Investigations and the related follow-on remediation projects. Successful implementation of the CBRP relies on a phased approach which focuses available resources based on relative risks to public health. The last synoptic evaluation of the entire MSAR-TMDL watershed was completed in 2011-12 as part of the CBRP development effort. Many changes have occurred since then and it is now time to undertake a comprehensive review in order to establish program implementation priorities for the next five years. Risk Sciences will assist the Task Force in developing an appropriate Scope-of-Work for this review and selecting a qualified contractor to perform the study.

Finally, the MS4 permits that were adopted in January of 2010 were due to be renewed in in early 2015. Both counties submitted timely Reports of Waste Discharge (ROWDs) in the summer of 2014 and the existing permits have since been administratively extended. The Board may issue new draft permits sometime in the next 12 months. These draft permits will likely require the stakeholders to update the CBRP or the Board may require a similar submission under the current permit. In either case, Risk Sciences will assist the Task Force in developing a strategic plan to prepare the next generation CBRP.

It should be noted that there is still a critical need to revise the current TMDL to reflect the Basin Plan amendment that was approved by the Regional Board in 2012. This amendment changed recreational water quality standards in the Santa Ana region, as such, has a significant effect on both the bacteria TMDL and the related CBRP. The Task Force petitioned the Regional Board to reopen and revise the TMDL as part of the 2015 Triennial Review process. Action on this request was deferred as it made more sense to undertake such an effort after the State Board establishes new statewide bacteria objectives based on the new 304(a) criteria that EPA published in late 2012. The State Board is expected to do so later this year. Risk Sciences will evaluate the impact of these new standards on the existing TMDL/CBRP.

As in the past, my role will be to serve as regulatory strategist and compliance expert for the Task Force. In that role, my foremost responsibility is to develop implementation strategies that assure compliance with the approved CBRP. Historically, the Task Force has also contracted with highly-qualified engineering firms to perform key studies and prepare the TMDL Triennial Progress Report. Risk Sciences will continue to coordinate closely with any contractors selected by the Task Force.

Table 1 summarizes the level of effort that Risk Sciences estimates will be required to address the Task Force priorities described above.

Table 1: Schedule of Tasks for 2018-19

Task #	Task Description	Est. Effort
1	Assist Task Force in responding to CBRP audits	32 hrs.
2	Develop quantitative compliance metrics for CBRP progress	16 hrs.
3	Develop criteria to define "uncontrollable natural sources"	16 hrs.
4	Assist development of 2019 TMDL Triennial Progress Report	24 hrs.
5	Identify appropriate follow-on activities in Arlington area	8 hrs.
6	Develop Scope-of-Work for synoptic reassessment of watershed	16 hrs.
7	Identify priorities and develop strategic plan for updating the CBRP	16 hrs.
8	Evaluate impact of new bacteria standards on TMDL and CBRP	16 hrs.
Total Estimate Level of Effort		144 hrs.

Proposed Compensation

My professional fee is \$315 per hour and I am proposing no increase in that rate which has remained unchanged since 2015. All other direct expenses (phones, postage, photocopies, etc.) are already included in the hourly fee. Travel expenses are routinely shared among several different projects thereby reducing the cost to each individual client and I do not seek reimbursement for travel time or meal expenses. The total estimated cost, including travel to four quarterly Task Force meetings, is shown in Table 2.

Table 2: Proposed Compensation for FY18-19

Description	Amount
Professional Fees (144 hours * \$315/hr.)	\$45,360
Travel Expenses (4 trips * \$995/trip)	\$3,980
Sub-Total	\$49,340

I genuinely appreciate the opportunity to continue supporting the Middle Santa Ana River TMDL Task Force and look forward to working together in the coming year.

Respectfully submitted,



Timothy F. Moore, President

Risk Sciences
125 New Dawn Rd.
Rockvale, TN 37153

Office: 615-274-2745
Fax: 615-370-5188
Email: tmoore@risk-sciences.com



SANTA ANA WATERSHED PROJECT AUTHORITY

TASK ORDER NO. RISK386-10

CONSULTANT: Risk Sciences
125 New Dawn Road
Rockvale, TN 37153

VENDOR NO. 1174

COST: \$46,820.00

PAYMENT: Upon Receipt of Invoice

REQUESTED BY: Rick Whetsel, Senior Watershed Manager

June 5, 2018

FINANCE: _____
Karen Williams, CFO Date

FINANCING SOURCE: Acct. Coding 386MONIT-6113-01
Acct. Description General Consulting

COMMISSION AUTHORIZATION REQUIRED: YES (X) NO ()
Authorization: June 5, 2018; CM#2018.58

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Risk Sciences (Consultant) pursuant to the Agreement for Services between SAWPA and Consultant, entered into on June 5, 2018, expiring December 31, 2019.

I. PROJECT NAME OR DESCRIPTION

Compliance Expert – Regional Water Quality Monitoring Task Force

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the Project to perform the task of serving as a regulatory strategist and compliance expert for the Middle Santa Ana River TMDL Task Force. In that role, the Consultant shall facilitate the following:

1. Address revisions to statewide bacteria standards
2. Resolve inconsistency between Antidegradation Targets and 303(d) Impairment Assessment
3. Regulatory alternatives analysis for 303(d) listed streams
4. Review Regional Bacteria Monitoring Program data reports

The Scope of Work and Fee Schedule are detailed in *Attachment A*, proposed Scope of Work.

Please refer to Appendix X for acceptable formats, also found at www.sawpa.org/html/e_req.htm

III. PERFORMANCE TIME FRAME

Consultant shall begin work July 1, 2018 and shall complete performance of such services by or before **June 30, 2019**.

IV. SAWPA LIASION

Rick Whetsel and/or Mark Norton shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION

For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of **\$46,820.00** including travel expenses. Payment of the fees shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed. The compensation to be paid herein is subject to SAWPA's receipt of funds for this Task Order from third parties. The Consultant shall limit activities to ensure they do not expend funds that have been collected, and will curtail activities, as required, to stay within the funds available. SAWPA will endeavor to obtain the funds needed to fully fund the scope of work.

VI. CONTRACT DOCUMENTS PRECEDENCE

In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

- a. The Agreement for Services by Independent Consultant/Contractor.
- b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
- c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
- d. Specifications incorporated by reference.
- e. Drawings incorporated by reference.

In witness whereof, the parties have executed this Task Order on the date indicated below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Richard E. Haller, General Manager

Date

RISK SCIENCES

Timothy F. Moore, President

Date



18 May 2018

Rick Whetsel
Santa Ana Watershed Project Authority
11615 Sterling Ave.
Riverside, CA 92503

RE: Proposed SOW for the Regional Bacteria Monitoring Program Task Force in 2018-19

Dear Mr. Whetsel:

Per your request, I have prepared the following preliminary scope of work and cost estimate to support the Regional Bacteria Monitoring Program Task Force in FY 2018-19. In accordance with direction provided by the Task Force, this proposal focuses exclusively on tasks related to setting standards and monitoring for pathogen indicator bacteria. A separate proposal that addresses issues associated with implementing the Comprehensive Bacteria Reduction Plan (CBRP) been prepared and submitted to the MSAR TMDL Task Force.

Project Background

In 2005, the Santa Ana Watershed Project Authority (SAWPA) formed the Stormwater Standards Task Force to review and, where appropriate, recommend revisions to the water quality regulations intended to protect recreational activities in local creeks and streams. The Task Force was comprised of representatives from the three county area-wide stormwater control programs¹, environmental advocacy groups, and the Santa Ana Regional Water Quality Control Board. The Task Force met monthly, in an open public forum, over the next seven years to fulfill their assignment.

In June of 2012, the Regional Water Quality Control Board (Regional Board) amended the Santa Ana River Basin Plan to modify some beneficial use designations and update the water quality objectives for pathogen indicator bacteria (see Res. No. R8-2012-0001). These amendments were subsequently approved by U.S. EPA and became effective in August of 2015.

¹ The area-wide stormwater control programs are governed by three discrete discharge permits issued to the Municipal Separate Storm Sewer Systems (MS4) of Orange County, Riverside County and San Bernardino County (NPDES Permit No. 618030, No. 618033 and No. 618036, respectively).

The Basin Plan amendment required local stakeholders to develop a Regional Bacteria Monitoring Plan for the Santa Ana watershed. A new Task Force was formed by the three county MS4 programs to prepare this plan. The Regional Board approved the proposed plan in March of 2016 (Res. No. R8-2016-0022) and the Regional Bacteria Monitoring Program (RBMP) Task Force is responsible for implementing that plan. SAWPA administers the Task Force and contracts with qualified consultants to collect and analyze samples and prepare detailed water quality reports for submission to the Regional Board.

The primary purpose of the RBMP is to test water quality in local lakes and streams and determine if measured bacteria concentrations meet the revised Basin Plan standards. The RBMP is also tasked with evaluating water quality trends in order to assess progress toward attaining the bacteria targets established in the Middle Santa Ana River TMDL and to gauge compliance with the state's Antidegradation Policy (Res. 68-16).

Until recently, the RBMP Task Force was focused exclusively on implementing the approved monitoring program. However, in 2017, two events stimulated renewed interest in regulatory issues related to bacteria standards: 1) the updated 303(d) list of impaired water bodies and 2) the proposed statewide water quality objectives for bacteria. Since the RBMP has its roots in the Stormwater Standards Task Force (SSTF), and is comprised of the same membership, it would be more efficient to merge these efforts into the existing administrative structure rather than rejuvenating the SSTF to address the recent regulatory concerns that have arisen.

Because Risk Sciences has served as the regulatory compliance advisor to both the SSTF and the RBMP since their inception, we were asked to prepare a comprehensive Scope-of-Work and cost estimate to cover all bacteria-related issues outside of the MSAR-TMDL. That proposed SOW and cost estimate follows.

Task Force Priorities in FY2018-19

1) Proposed Revisions to the Statewide Bacteria Standards

In late 2012, U.S. EPA published new 304(a) water quality criteria for pathogen indicator bacteria. Since then, the State Board has been working on a plan to adopt EPA's recommended criteria as statewide water quality objectives for bacteria. The proposed draft document was originally scheduled for adoption in early 2018 but was recently postponed in order to provide staff with more time to review new epidemiological studies. It is likely that this item will now be considered by the State Board sometime in the coming fiscal year (FY18-19).

If the proposed statewide objectives are approved by the State Board, the new water quality standards will supersede those that were enacted by the Regional Board when the Santa Ana Basin Plan was amended in 2012. This, in turn, means that the Regional Bacteria Monitoring Plan will likely need to be revised to properly implement the new statewide requirements. This is particularly true for data needed to demonstrate compliance with new Statistical Threshold Values (STVs, formerly Single Sample Maximums or SSMs).

2) Recent 303(d) Listings Based on Exceedances of Antidegradation Targets

In 2017 California's 303(d) list of impaired waterbodies was updated. During that process, the State Board staff determined that Mill-Cucamonga Creek should be listed as "impaired" based on their conclusion that more than 10% of the measured data exceeded the Antidegradation Target value established when the Santa Ana Basin Plan was amended in 2012. The State Board affirmed staff's recommendation despite comments submitted by the RBMP Task Force that compliance with the target value had been evaluated improperly and that incorrect historical data had been used in the analysis. State Board staff dismissed these concerns as irrelevant because the Basin Plan amendment purportedly has no bearing on how the 303(d) water quality assessment is implemented.

In order to resolve this issue, it will be necessary to petition the Regional Board to amend the Basin Plan once again. The methodology used to establish the Antidegradation Targets for bacteria, in waterbodies designed REC2-Only, must be revised so that they are consistent with the methods and procedures specified in the State Board's 303(d) Listing Policy. This effort should be completed in the coming fiscal year because the official request for new data to support the next 303(d) assessment is likely to be posted in late 2019 or early 2020. Risk Sciences will assist the Task Force in preparing the aforementioned petition and in seeking Regional Board approval of that petition.

3) Existing 303(d) Listings for Bacteria that Require Development of a TMDL

There are several streams, in the Santa Ana watershed, on California's 303(d) list of impaired waterbodies due to elevated bacteria concentrations. And, several more were added to that list in 2017. All of these creeks are shown in a category that indicates a TMDL must be developed. In some cases, the TMDL is due in the next two years. Stakeholders must now choose how they wish to proceed.

The first option is to assist the Regional Board in developing an appropriate TMDL where needed. The second option, in lieu of drafting a TMDL, is to develop a regulatory implementation program designed to assure re-attainment of the applicable bacteria standards. And the final option is to prepare the Use Attainability Analysis (UAA) documentation necessary to justify reclassifying waterbodies that may have been improperly designated in the past. Risk Sciences will assist the Task Force in undertaking a site-specific evaluation of these options for each of the freshwaters presently identified on the 303(d) list.

4) Regional Bacteria Monitoring Program Reports

The primary mission of the Task Force is still to implement the Regional Bacteria Monitoring Plan that was previously approved by the Regional Board. Historically, Risk Sciences has reviewed the data and analysis presented in these reports with a particular focus on: 1) identifying potential outliers and anomalies, 2) evaluating water quality trends, 3) assessing compliance with relevant regulatory requirements, and 4) recommending appropriate site-specific follow-on investigations. We will continue to provide similar services in the coming fiscal year.

As in the past, my role will be to serve as regulatory strategist and compliance expert for the Task Force. Historically, the Task Force has also contracted with highly-qualified engineering firms to perform key studies and prepare the TMDL Triennial Progress Report. Risk Sciences will continue to coordinate closely with any other contractors selected by the Task Force. Table 1 summarizes the level of effort that Risk Sciences estimates will be required to address the Task Force priorities described above.

Table 1: Schedule of Tasks for 2018-19

Task #	Task Description	Est. Effort
1	Address revisions to statewide bacteria standards	32 hrs.
2	Resolve inconsistency between Antidegradation Targets and 303(d) Impairment Assessment	40 hrs.
3	Regulatory alternatives analysis for 303(d) listed streams	40 hrs.
4	Review Regional Bacteria Monitoring Program data reports	24 hrs.
Total Estimate Level of Effort		136 hrs.

Proposed Compensation

My professional fee is \$315 per hour and I am proposing no increase in that rate which has remained unchanged since 2015. All other direct expenses (phones, postage, photocopies, etc.) are already included in the hourly fee. Travel expenses are routinely shared among several different projects thereby reducing the cost to each individual client and I do not seek reimbursement for travel time or meal expenses. The total estimated cost, including travel to four quarterly Task Force meetings, is shown in Table 2.

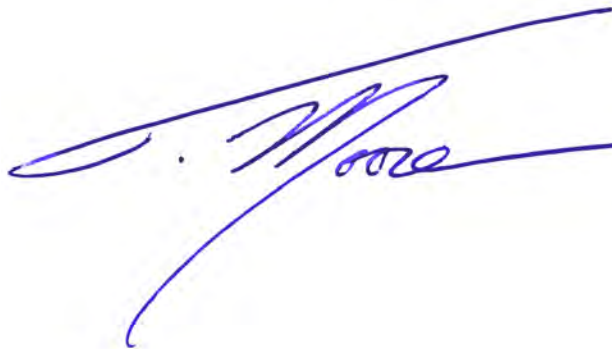
Table 2: Proposed Compensation for FY18-19

Description	Amount
Professional Fees (136 hours * \$315/hr.)	\$42,840
Travel Expenses (4 trips * \$995/trip)	\$3,980
Sub-Total	\$46,820

The estimated cost is higher than previously budgeted because the proposed Scope-of-Work now includes several regulatory tasks that were formerly the province of the Stormwater Standards Task Force. However, because our previous efforts on behalf of the SSTF came in well under budget, there should be a large reserve of unexpended funds being held in escrow for that Task Force that could be reallocated to this newly combined effort.

I genuinely appreciate the opportunity to continue supporting the Regional Bacteria Monitoring Program Task Force and look forward to working together in the coming year.

Respectfully submitted,



Risk Sciences

125 New Dawn Rd.
Rockvale, TN 37153

Office: 615-274-2745

Fax: 615-370-5188

Email: tmoore@risk-sciences.com

Timothy F. Moore, President

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COMMISSION MEMORANDUM NO. 2018.57

DATE: June 5, 2018

TO: SAWPA Commission

SUBJECT: Membership in California Association of Mutual Water Companies (Cal Mutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA)

PREPARED BY: Karen Williams, Chief Financial Officer

RECOMMENDATION

It is recommended that the Commission approve SAWPA becoming a member of the Joint Powers Risk and Insurance Management Authority (JPRIMA) and authorize the General Manager to sign all required documentation.

DISCUSSION

SAWPA uses Alliant Insurance Services, Inc. as our insurance broker. Each year Alliant shops our general liability and casualty insurance policies to find the best coverage at the lowest cost. With insurance costs continuing to rise, our current insurance policy premium increased 7.5% for FYE 2019, Alliant determined that joining CalMutuals Joint Powers Risk and Insurance Management Authority (JPRIMA) would result in significant cost savings to the Agency now and in the future.

CalMutuals JPRIMA was formed in January 2016 after Assembly Bill 656 became law. It was organized by mutual water companies to manage risk management and loss prevention programs for smaller water systems. The Authority provides customized insurance solutions to small water districts and other water management agencies, such as public water districts, sewer districts, conservation districts, and community service districts. They also offer a safety training and technical assistance program as well as operations and management resources.

To be eligible for coverage SAWPA must become a member of the CalMutuals JPRIMA for a minimum of three years. The JPRIMA is administered by Allied Public Risk, LLC (APR), a full-service Managing General Underwriter (MGU) that provides a broad spectrum of services to CalMutuals JPRIMA. APR assists in the management of property & liability and workers' compensation insurance and reinsurance solutions. The JPRIMA is different from ACWA's Joint Powers Insurance Authority (JPIA) in that there is no risk sharing among the agencies.

Attached are the insurance proposals from our current provider, Allied World Assurance Company, and the CalMutuals JPRIMA. APR is the administrator for each program and you will see that the coverage provided for each is basically the same. The JPRIMA does have slightly better coverage at a lower cost.

Coverage	Allied World Assurance Company	CalMutuals JPRIMA
Property	\$7,977.00	\$7,116.00
Commercial Crime	1,750.00	1,581.33
Commercial General Liability	71,281.00	61,062.67
Public Officials & Management Liability	20,769.00	17,560.00
Business Auto	7,126.00	6,090.67
Commercial Excess Liability	34,463.00	29,521.33
Other Fees	100.00	12,393.00
Total Annual Premium	\$143,466.00	\$135,324.00

The proposal from CalMutual JPRIMA in the packet shows \$101,922.00. This amount is for 9 months since there renewal date is April. The amounts shown above are for a full 12 month period. Staff will also be looking at using the JPRIMA for workers' compensation if it provides lower costs that the State Fund.

RESOURCE IMPACTS

Amount included in the budget for Insurance for FYE 2019 is \$181,249.00.

Attachments:

1. SAWPA AWAC Commercial Package Proposal 18-19
2. SAWPA Cal Mutual JPIMA Comm Package Proposal 18-19
3. CalMutuals JPRIMA Member Application Form
4. JPRIMA Member Agreement 2016
5. Member Agreement to Join JPRIMA 2016
6. JPRIMA Members – So California as of 05.18.18
7. JPRIMA Marketing Packet 2017
8. 2018 Dues Schedule

Santa Ana Watershed Project Authority

Allied World Assurance Company
(Allied Public Risk)

2018 – 2019

Commercial Package Insurance Proposal - Revised

Presented on May 18, 2018 by:

Seth Cole, ARM
Senior Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415.403.1400
F 415.874.4813

CA License No. 0C36861

Your Service Team

Seth Cole, ARM

Senior Vice-President

scole@alliant.com

Phone: 415.403.1419

Cell:

Marilyn Schley, AU, CISR

Account Manager-Lead, Team Lead

mschley@alliant.com

Phone: 415.403.1432

Fax: 415.874-7813

Named Insured / Additional Named Insureds

Named Insured(s)

Santa Ana Watershed Project Authority

Additional Named Insured(s)

Additional named insured(s) here.

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a “Subsidiary” pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter’s acceptance of any proposed amendments to the policy, including expansion of the scope of “Insureds” under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.



INSURANCE PROPOSAL
Santa Ana Watershed Project Authority

EFFECTIVE DATE
6/30/2018

PRESENTED BY:
Apex Insurance Services



PROGRAM MANAGER
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
Agency License No. 733176
CA License No. 0L01269



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by your insurance broker. It may or may not contain all terms requested on the application. Proposed coverages are provided by the Allied Public Risk WaterPlus policy forms and are subject to the terms, exclusions, conditions and limitations of those policy forms. Actual policies should be reviewed for specific details. Specimen policies are available from your insurance broker.

PAGE	COVERAGE SECTION	PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment)	\$ 7,977.00
8	SECTION 2. COMMERCIAL CRIME	\$ 1,750.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$ 71,281.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices, Employee Benefits, Privacy & Network Risk)	\$ 20,769.00
12	SECTION 5. BUSINESS AUTO	\$ 7,126.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$ 34,463.00

	TOTAL ANNUAL PREMIUM (excludes state-imposed taxes, surcharges, and fees)	\$ 143,366.00
	TERRORISM PREMIUM	\$ 793.00
	FULLY EARNED POLICY FEE	\$ 100.00
	STATE-IMPOSED TAXES, SURCHARGES, AND FEES	\$ N/A
	TOTAL AMOUNT DUE* *Payment is due in accordance with the producer agreement.	\$ 144,259.00

NOTES:

INSURED: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 1. PROPERTY*

*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Special Causes of Loss
- Proprietary
- Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$6,150,118
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	\$2,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (Scheduled):	N/A
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$25,000
Mobile Equipment (borrowed, rented & leased):	N/A
Earthquake (earth movement excluded):	N/A
Flood Zone AE:	N/A
Flood Zone X (shaded/unshaded)	N/A

DEDUCTIBLES:

\$5,000	Property
\$1,000	Mobile Equipment
\$5,000	Equipment Breakdown (aboveground & less than 50 feet belowground)
\$5,000	Equipment Breakdown (greater than 50 feet belowground)
N/A	Earthquake (earth movement excluded)
N/A	Flood Zone X (per occurrence)
N/A	Flood Zone AE ¹ (per occurrence)
N/A	Flood Zone AE ¹ (per damaged structure / per occurrence)
	¹ the greater of the deductibles will be applied
N/A	Wind/Hail ² (per occurrence)
N/A	Wind/Hail ² (per damaged structure / per occurrence)
	² the greater of the deductibles will be applied

POLICY HIGHLIGHTS:

- Blanket Policy Limits
- Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Broad Definition of Covered Property
- Proprietary Coverage Extensions

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

INSURED: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SPECIAL COVERAGES:

- **New Locations Or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the policy period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$100,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$100,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.



KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 1000 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.



KEY DEFINITIONS *(continued)*

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins;
- Hydrants; or
- Electric utility power transmission and distribution lines and related equipment owned by the insured.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage	Limit
Accounts Receivable	\$500,000
Valuable Papers and Records	\$500,000
Contamination	\$100,000
Tools and Equipment Owned by Your Employees	\$5,000
Personal Effects and Property of Others	\$5,000
Outdoor Property (unscheduled)	\$25,000
New Locations or Newly Constructed Property	\$1,000,000
Business Personal Property at New Locations	\$1,000,000
Utility Services - Direct Damage	\$250,000
Utility Services – Business Income and Extra Expense	\$250,000
Dependent Business Premises	\$250,000
Property at Other Locations	\$250,000
Pollution Remediation Expense (specified cause of loss)	\$250,000
Pollution Remediation Expense (covered cause of loss)	\$100,000
Contract Penalties	\$100,000
SCADA Upgrades	\$100,000
Property in Transit	\$100,000
Backup/Overflow of Water from Sewer, Drain, Sump	\$100,000
Fine Arts	\$25,000
Limited Coverage for “Fungus”, Wet Rot or Dry Rot	\$25,000
Trees, Shrubs & Plants (maximum \$1,000 any one item)	\$25,000
Indoor and Outdoor Signs (unscheduled)	\$25,000
Arson Reward	\$10,000
Fire Department Service Charge	\$5,000
Non-Owned Detached Trailers	\$5,000
Cost of Inventory or Adjustment	\$5,000
Patterns, Dies, Molds, Forms	\$2,500
Fire Protection Devices	\$2,500
Debris Removal	25% of scheduled limit
Ordinance or Law Provision	25% of scheduled limit

NOTES:

Premium is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Earthquake and Flood coverages are excluded.



SECTION 2. COMMERCIAL CRIME *

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary
- Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
\$1,000,000	\$250,000	\$250,000	\$5,000	\$250,000	\$100,000	\$100,000	\$100,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

POLICY HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

INSURED: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 3. COMMERCIAL GENERAL LIABILITY *

***IS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence
- Proprietary

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$1,000,000
General Aggregate	\$3,000,000
Products & Completed Operations Aggregate	\$3,000,000
Personal & Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You	\$1,000,000
Medical Payments	\$10,000

DEDUCTIBLE:

N/A

POLICY HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Insured
- Fellow Employee
- Per Location Aggregate
- Blanket Additional Insured Endorsement

OPTIONAL COVERAGES INCLUDED IN QUOTE:

INSURED: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**
Coverage is provided for bodily injury or property damage arising out of the failure of any insured to adequately supply water.
- **Waterborne Asbestos:**
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
 - Potable water which you supply to others;
 - Chemicals you use in your water or wastewater treatment process;
 - Natural gas or propane gas you use in your water or wastewater treatment process;
 - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
 - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
 - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
 - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
 - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
 - Sudden and accidental events that are neither expected nor intended by an Insured. However, no coverage is provided under this exception for petroleum underground storage tanks.

NOTES:

INSURED: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY *

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence

DEFENSE COSTS:

- Outside the Limits of Liability

LIMITS:

Wrongful Acts	\$1,000,000	per act
Employment Practices <i>(including third party discrimination)</i>	\$1,000,000	per offense
Employee Benefit Plans	\$1,000,000	per offense
Injunctive Relief	\$5,000	per act
	\$3,000,000	aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	\$1,000,000	per act
Breach Consultation Services	\$50,000	per act
Breach Response Services	\$50,000	per act
Public Relations & Data Forensics	\$50,000	per act

¹Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date: 6/30/2012. Privacy Deductible: \$1,000.

SPECIAL COVERAGES:

- Inverse Condemnation: No

DEDUCTIBLE

\$1,000 each claim including expenses

RETROACTIVE DATE:

POLICY HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Named Insured including Past and Future Employees
- Outside Directorship
- Punitive Damages are Covered Where Insurable by Law
- No Intentional Acts, Assault & Battery or Bodily Injury Exclusions

NOTES:

INSURED: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 5. BUSINESS AUTO*

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- ISO Business Auto

PORTFOLIO:

	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
"No-Fault" or Statutory Personal Injury Protection (each person)	No Coverage	N/A
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$50,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV

DEDUCTIBLE:

Liability: None
 Comprehensive: \$500
 Collision: \$500

NOTES:

Please refer to Auto terms provided for per unit coverage.
CA 20 48 (10/13) – Designated Insured for Covered Autos Liability coverage for City of Riverside Risk Management will be attached to the policy.

Proposal Letter

POLICY NUMBER	Coverage is provided by:	Agency Code
	Allied World Assurance Company	
POLICY PERIOD:		
From: 06/30/2018 To: 06/30/2019 (12:01 AM Standard time at the address shown in Named Insured)		
NAMED INSURED:		
Santa Ana Watershed Project A-C137139 11615 Sterling Avenue Riverside, CA 92503		AGENT:

Location 1

11615 Sterling Avenue
Riverside, CA 92503

Territories	
Liability	006
Property	1
Business Auto	058
Location Totals	
Business Auto	\$7,126
Total Premium	\$7,126

Business Auto		
11615 Sterling Avenue Riverside, CA 92503		
Liability Limit	Liability Deductible	Type of Fleet
\$1,000,000		Fleet

Non-Owned Auto		
Coverage	Limit / Deductible	Premium
Liability	See Above	
Number of Employees	27	\$223
	NOA Premium :	\$223

Vehicle Schedule				
Vehicle #	Year Make/Model	Class Code	VIN #	Type
1	2002 Ford/F250	01499	1FTNW21L2ED59727	Truck
2	2011 Ford/Escape	7398	1FMCU5K38BKC64964	Private Passenger Type
3	2013 GMC/Sierra	01499	1GT22ZCG5DZ239996	Truck
4	2015 Ford/F550 with Morgan Crane Body	21499	1FD0X5HT5FEB32458	Truck
5	2015 Pacific Tek/PV800DHO	68499	1P9BU1420FS470045	Trailer
6	2017 Ford/F 250	01499	1FT7X2B68HEC65433	Truck

Vehicles				
Vehicle #	Cost New:	Territory:	Total Premum:	
1	\$25,000	058	\$1,228	
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$906	
Medical	\$5,000		\$63	
Comp	\$500		\$44	
Collision	\$500		\$110	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 2	Cost New: \$25,000	Territory: 058	Total Premium:	\$1,008
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$640	
Medical	\$5,000		\$28	
Comp	\$500		\$34	
Collision	\$500		\$172	
Uninsured	\$1,000,000		\$134	
Underinsured	\$1,000,000		Incl	

Vehicle # 3	Cost New: \$39,589	Territory: 058	Total Premium:	\$1,326
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$906	
Medical	\$5,000		\$63	
Comp	\$500		\$64	
Collision	\$500		\$188	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 4	Cost New: \$115,243	Territory: 058	Total Premium:	\$1,612
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$951	
Medical	\$5,000		\$63	
Comp	\$500		\$80	
Collision	\$500		\$413	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 5	Cost New: \$55,950	Territory: 058	Total Premium:	\$306
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$90	
Medical	\$5,000		\$6	
Comp	\$500		\$41	
Collision	\$500		\$169	

Vehicle # 6	Cost New: \$35,000	Territory: 058	Total Premum:	\$1,423
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$906	
Medical	\$5,000		\$63	
Comp	\$500		\$80	
Collision	\$500		\$269	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Business Auto Policy Level Totals

Liability	\$4,622
Medical	\$286
Uninsured	\$554
Comprehensive	\$343
Collison	\$1,321
Total	\$7,126
Vehicle Totals	\$6,903
Drive Other / Hired Auto / Non Owned Total	\$223

Taxes & Fees

Item #	State	Line of Business	Description	Tax Code	Return Method	Rating Method	Basis	Basis Value	Factor	Premium
1	CA	BusinessAuto	Vehicle Fee	CA Veh Fee	Fully Earned	Per	TotalVehicles	6	1.76	10.56

Policy Totals

Business Auto	\$7,126.00
Taxes and Surcharges	\$10.56
Policy Total	\$7,136.56



SECTION 6. COMMERCIAL EXCESS LIABILITY *

***IS THIS SECTION IS INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary
- Following Form

LIMITS:

\$5,000,000 / \$5,000,000

RATING BASIS:

- On file with underwriter
- Non auditable

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability - Yes
 Hired and Non-Owned Auto Liability - Yes
 Public Officials & Management Liability - Yes
 Wrongful Acts - Yes
 Employment Practices - Yes
 Employee Benefit Plans - Yes
 Owned Auto Liability - Yes
 Employer's Liability (minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000) - Yes
 Other:

NOTABLE EXCLUSION:

- Workers' Compensation

NOTES:

Employers' Liability subject to Allied World security requirements.
Please provide current WC declaration page for EL consideration in Excess.

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Premium Summary

Coverage	Expiring*	Renewal*
Commercial Package	\$ 132,566.00	\$ 143,366.00
Terrorism Premium (Optional)	Not Purchased	\$ 793.00
Privacy 101 (Cyber Liability)	2,201.00	\$ Included Above
Surplus Lines Taxes & Fees	70.43	\$ N/a
Company/Policy Fee	100.00	\$ 100.00
Total Annual Premium	\$ 134,737.43	\$ 144,259.00

***Note: Terrorism Coverage not purchased in 2017-2018**

Payment Terms

- Premium is due within 20 days of policy inception

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Disclosures - Continued

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Shown above are the disclosures / disclaimers that are attached to all Property & Casualty insurance proposals. Please acknowledge receipt and review.

Signature

Date

Title

Printed / Typed Name

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Binding Requirements Recap

Below is a recap by Line of Coverage. **All coverages require a written request to bind coverage from the client.**

Commercial Package Policy

- Notice of Terrorism Disclosure – Completed & Signed
- California Uninsured Motorists Coverage Selection/Rejection Form – Completed and Signed
- Alliant Disclosure & Disclaimer Form Signed (Page 9)
- Alliant Request to Bind Coverage Form – Signed (Page 12)

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

Request to Bind Coverage

Santa Ana Watershed Project Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage	Effective Date
Commercial Package Insurance Policy	

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

Santa Ana Watershed Project Authority

Allied Public Risk
(California Association of Mutual Water Companies-
JPRIMA)

2018 – 2019

Commercial Package Insurance Proposal - Revised

Presented on May 18, 2018 by:

Seth Cole, ARM
Senior Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415.403.1400
F 415.874.4813

CA License No. 0C36861

Your Service Team

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Account Manager-Lead, Team Lead

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Fax: 415.874-7813

Named Insured / Additional Named Insureds

Named Insured(s)

Santa Ana Watershed Project Authority

Additional Named Insured(s)

Additional named insured(s) here.

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a “Subsidiary” pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter’s acceptance of any proposed amendments to the policy, including expansion of the scope of “Insureds” under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

**COVERAGE PROPOSAL
Santa Ana Watershed Project Authority**

**COVERAGE PERIOD
6/30/2018 - 4/1/2019**

**PRESENTED BY:
Apex Insurance Services**



**Insurance Administrator
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
CA License Number: 0L01269
National Producer Number: 17536322**



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by you or insurance broker. It may or may not contain all terms requested on the application. Coverage is provided by the JPRIMA Memorandum of Coverage (MOC) and subject to its terms, exclusions, conditions and limitations. A specimen MOC is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (Cal Mutuals).

PAGE	COVERAGE SECTION		PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment)	\$	5,337.00
8	SECTION 2. COMMERCIAL CRIME	\$	1,186.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	46,164.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk)	\$	13,170.00
12	SECTION 5. BUSINESS AUTO	\$	4,568.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	22,141.00
		MEMBER CONTRIBUTION	\$ 92,566.00
		JPRIMA ADMINISTRATION FEES	\$ 9,356.00
		TOTAL AMOUNT DUE*	\$ 101,922.00
*Payment is due within thirty (30) days of binding.			

NOTES:

The JPRIMA MOC has a common anniversary date of April 1, 2018.
Your proposal is being pro-rated from your current effective date to April 1 2019.
Annual Contribution: \$122,931 + \$12,393 (Fees) = \$135,324
Terrorism coverage is automatically included for Property and General Liability.

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority
EFFECTIVE DATE: 6/30/2018 - 4/1/2019
DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 1. PROPERTY*

***PROPERTY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$6,150,118
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	\$2,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (scheduled):	N/A
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$25,000
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X: (shaded/unshaded)	N/A

DEDUCTIBLES:

\$5,000	Property
\$1,000	Mobile Equipment
\$5,000	Equipment Breakdown (aboveground & less than 50 feet belowground)
\$5,000	Equipment Breakdown (greater than 50 feet belowground)
N/A	Flood Zone X (per occurrence)

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Foundations as Covered Property

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

KEY EXCLUSIONS:

- Earthquake & Earth Movement
- Flood (unless coverage is designated above, such coverage would be limited to locations in Zone X only)

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018 - 4/1/2019

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **New Locations or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the coverage period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$250,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Foundations;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 100 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

KEY DEFINITIONS *(continued)*

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins; or
- Hydrants.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage			Limit		
Accounts Receivable	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Valuable Papers and Records	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Contamination	X	\$250,000			
Tools and Equipment Owned by Your Employees	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
Personal Effects and Property of Others	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
New Locations or Newly Constructed Property		\$1,000,000			
Business Personal Property at New Locations		\$1,000,000			
Backup/Overflow of Water from Sewer, Drain, Sump		\$250,000			
Utility Services - Direct Damage		\$250,000			
Utility Services –		\$250,000			
Business Income and Extra Expense					
Dependent Business Premises		\$250,000			
Property at Other Locations		\$250,000			
Pollution Remediation Expense (specified cause of loss)		\$250,000			
Outdoor Property (unscheduled)		\$100,000			
Contract Penalties		\$100,000			
Pollution Remediation Expense (covered cause of loss)		\$100,000			
Property in Transit		\$100,000			
SCADA Upgrades		\$100,000			
Indoor and Outdoor Signs (unscheduled)		\$50,000			
Limited Coverage for “Fungus”, Wet Rot or Dry Rot		\$50,000			
Fine Arts		\$25,000			
Fire Department Service Charge		\$25,000			
Fire Protection Devices		\$25,000			
Key and Lock Replacement Expenses		\$25,000			
Trees, Shrubs & Plants (maximum \$1,000 any one item)		\$25,000			
Arson Reward		\$10,000			
Rental Reimbursement – Mobile Equipment		\$10,000			
Cost of Inventory or Adjustment		\$5,000			
Non-Owned Detached Trailers		\$5,000			
Water Contamination Notification Expenses		\$5,000			
Patterns, Dies, Molds, Forms		\$2,500			
Debris Removal		25% of scheduled limit plus \$250,000			
Ordinance or Law Provision		100% of scheduled limit plus 25%			

NOTES:

Contribution is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Flood and Earthquake coverages are excluded.

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018 - 4/1/2019

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 2. COMMERCIAL CRIME*

***COMMERCIAL CRIME IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
X	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

COVERAGE HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018 - 4/1/2019

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 3. GENERAL LIABILITY*

***GENERAL LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence
- Defense Costs Outside the Limit
- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$ 1,000,000
General Aggregate	\$10,000,000
Products & Completed Operations Aggregate	\$10,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Damage to Premises Rented to You	\$ 1,000,000
Medical Payments	\$ 10,000

DEDUCTIBLE:

N/A

COVERAGE HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Enrolled Named Member
- Blanket Additional Enrolled Named Member
- Water & Wastewater Testing Errors & Omissions
- Expanded Pollution Liability
- Failure to Supply (no ISO limitation)
- Lead (potable water)
- Waterborne Asbestos (potable water)
- Product Recall
- Impaired Property
- Fungi & Bacteria

OPTIONAL COVERAGES:

- Hired & Non Owned Automobile Liability
- Employee Benefits Liability
- Dam, Levee & Dike Structural Failure

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018 - 4/1/2019

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**
Coverage is provided for bodily injury or property damage arising out of the failure of any Enrolled Named Member to adequately supply water.
- **Waterborne Asbestos:**
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
 - Potable water which you supply to others;
 - Chemicals you use in your water or wastewater treatment process;
 - Natural gas or propane gas you use in your water or wastewater treatment process;
 - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
 - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
 - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
 - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
 - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
 - Sudden and accidental events that are neither expected nor intended by an Enrolled Named Member. However, no coverage is provided under this exception for petroleum underground storage tanks.
- **Damage to Impaired Property or Property Not Physically Injured**
Coverage is provided for bodily injury or property damage arising from your potable water, nonpotable water, or wastewater as well as any loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.
- **Fungi or Bacteria**
Coverage is provided for bodily injury or property damage arising from any “fungi” or bacteria that are, are on, or are contained in a good or product intended for consumption; or to any injury or damage arising out of or caused by your water, irrigation, or wastewater intake, outtake, reclamation, treatment and distribution processes.
- **Recall of Products, Work or Impaired Property**
Coverage applies to any injury or damage arising out of or caused by your potable water, nonpotable water, or wastewater for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: “Your product”; “Your work”; or “Impaired property”; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

NOTES:



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY*

***PUBLIC OFFICIALS & MANAGEMENT LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Wrongful Acts	\$1,000,000 per act
Employment Practices (including third party discrimination)	\$1,000,000 per offense
Employee Benefit Plans	\$1,000,000 per act
Injunctive Relief	\$5,000 per act
	\$10,000,000 aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	1,000,000 per act
Breach Consultation Services	1,000,000 per offense
Breach Response Services	100,000 per offense
Public Relations & Data Forensics	100,000 per act
¹ Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date:6/30/2012. Privacy Deductible: None.	
*\$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.	

SPECIAL COVERAGE:

- Inverse Condemnation: **NO – IC coverage is excluded**

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$1,000 each claim including expenses

COVERAGE HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Enrolled Named Member including Past and Future Employees
- Outside Directorship

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Santa Ana Watershed Project Authority

EFFECTIVE DATE: 6/30/2018 - 4/1/2019

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 5. BUSINESS AUTO*

***BUSINESS AUTO IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

PORTFOLIO:

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$100,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV
Towing & Rental Car Reimbursement (covered accident)		\$75 per Day up to 30 Days
Fleet Automatic		Included

DEDUCTIBLE:

Liability: None
Comprehensive: \$500
Collision: \$500

NOTES:

**Please refer to auto terms provided for per unit coverage.
Designated Enrolled Named Member Endorsement for Covered Autos Liability coverage for
City of Riverside Risk Management will be attached to the policy.**

Proposal Letter

POLICY NUMBER	Coverage is provided by:	Agency Code
	Joint Powers Risk and Insurance Management Authority	
POLICY PERIOD:		
From: 06/30/2018 To: 04/01/2019		
(12:01 AM Standard time at the address shown in Named Insured)		
NAMED INSURED:		
Santa Ana Watershed Project Authority 11615 Sterling Avenue Riverside, CA 92503		AGENT:

Location 1

11615 Sterling Avenue
Riverside, CA 92503

Territories	
Liability	006
Property	1
Business Auto	058
Location Totals	
Business Auto	\$4,568
Total Premium	\$4,568

Business Auto		
11615 Sterling Avenue Riverside, CA 92503		
Liability Limit	Liability Deductible	Type of Fleet
\$1,000,000		Fleet

Non-Owned Auto		
Coverage	Limit / Deductible	Premium
Liability	See Above	
Number of Employees	27	\$139
	NOA Premium :	\$139

Vehicle Schedule				
Vehicle #	Year Make/Model	Class Code	VIN #	Type
1	2002 Ford/F250	01499	1FTNW21L2ED59727	Truck
2	2011 Ford/Escape	7398	1FMCU5K38BKC64964	Private Passenger Type
3	2013 GMC/Sierra	01499	1GT22ZCG5DZ239996	Truck
4	2015 Ford/F550	21499	1FD0X5HT5FEB32458	Truck
5	2015 Pacific Tek/PV800DHO	68499	1P9BU1420FS470045	Trailer
6	2017 Ford/F 250	01499	1FT7X2B68HEC65433	Truck

Vehicles				
Vehicle #	Cost New:	Territory:	Total Premium:	
1	\$25,000	058	\$790	
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$567	
Medical	\$5,000		\$47	
Comp	\$500		\$28	
Collision	\$500		\$69	
Uninsured	\$1,000,000		\$79	
Underinsured	\$1,000,000		Incl	

Vehicle # 2	Cost New: \$25,000	Territory: 058	Total Premium:	\$652
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$401	
Medical	\$5,000		\$21	
Comp	\$500		\$21	
Collision	\$500		\$108	
Uninsured	\$1,000,000		\$101	
Underinsured	\$1,000,000		Incl	

Vehicle # 3	Cost New: \$39,589	Territory: 058	Total Premium:	\$851
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$567	
Medical	\$5,000		\$47	
Comp	\$500		\$40	
Collision	\$500		\$118	
Uninsured	\$1,000,000		\$79	
Underinsured	\$1,000,000		Incl	

Vehicle # 4	Cost New: \$115,243	Territory: 058	Total Premium:	\$1,031
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$596	
Medical	\$5,000		\$47	
Comp	\$500		\$50	
Collision	\$500		\$259	
Uninsured	\$1,000,000		\$79	
Underinsured	\$1,000,000		Incl	

Vehicle # 5	Cost New: \$55,950	Territory: 058	Total Premium:	\$193
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$56	
Medical	\$5,000		\$5	
Comp	\$500		\$26	
Collision	\$500		\$106	

Vehicle # 6	Cost New: \$35,000	Territory: 058	Total Premium:	\$912
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$567	
Medical	\$5,000		\$47	
Comp	\$500		\$50	
Collision	\$500		\$169	
Uninsured	\$1,000,000		\$79	
Underinsured	\$1,000,000		Incl	

Business Auto Policy Level Totals

Liability	\$2,893
Medical	\$214
Uninsured	\$417
Comprehensive	\$215
Collison	\$829
Total	\$4,568
Vehicle Totals	\$4,429
Drive Other / Hired Auto / Non Owned Total	\$139

Policy Totals	
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Business Auto	\$4,568.00
Policy Total	\$4,568.00



SECTION 6. EXCESS LIABILITY*

***EXCESS LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Following Form
- Occurrence
- Defense Costs Outside the Limits

LIMITS:

\$5,000,000/\$5,000,000

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability - Yes
 Hired and Non-Owned Auto Liability - Yes
 Owned Auto Liability - Yes
 Public Officials & Management Liability - Yes
 Wrongful Acts - Yes
 Employment Practices - Yes
 Employee Benefit Plans - Yes
 Employers' Liability: *(minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000)* - Yes
 Other:

NOTABLE EXCLUSION:

- Workers' Compensation
- Uninsured Motorists / Underinsured Motorists
- Underlying Limits < \$1,000,000 except for Employers' Liability

NOTES:

Employers' Liability subject to JPRIMA security requirements.
Please provide current WC declaration page for EL consideration in Excess line.

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Premium Summary

Coverage	Expiring*	Renewal Offer through JPRIMA
Commercial Package	\$ 132,566.00	Term- 6/30/18– 4/2/2019** \$ 92,566.00
Terrorism Premium (Optional)	Not Purchased	\$ Included above
Privacy 101 (Cyber Liability)	2,201.00	\$ Included Above
Surplus Lines Taxes & Fees	70.43	\$ N/a
Company Fee / JPRIMA Administration Fees	100.00	\$ 9,356.00
Total Annual Premium	\$ 134,737.43	\$ 101,922.00

***Note: Terrorism Coverage not purchased in 2017-2018**

**** - The JPRIMA Memorandum of Coverage has a common anniversary date of April 1, 2018.
This proposal is being pro-rated from your current effective date to April 1, 2019.
The Annual Contribution/Premium is \$122,931 + \$12,393 (FEES) = \$135,324**

Payment Terms

- Premium is due within 20 days of policy inception

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Disclosures - Continued

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Shown above are the disclosures / disclaimers that are attached to all Property & Casualty insurance proposals. Please acknowledge receipt and review.

Signature

Date

Title

Printed / Typed Name

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Binding Requirements Recap

Below is a recap by Line of Coverage. **All coverages require a written request to bind coverage from the client.**

Commercial Package Policy

- Notice of Terrorism Disclosure – Completed & Signed
- California Uninsured Motorists Coverage Selection/Rejection Form – Completed and Signed
- Alliant Disclosure & Disclaimer Form Signed (Page 9)
- Alliant Request to Bind Coverage Form – Signed (Page 12)

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

Request to Bind Coverage

Santa Ana Watershed Project Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage	Effective Date
Commercial Package Insurance Policy	

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

APPLICATION FOR MEMBERSHIP



Section 1: Information

Applicant Name _____ Date _____

Company Name _____ Year Founded _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Email _____ Website _____

General Manager _____ Email _____

Board President or Chair _____ Email _____

of Connections _____ # of Wells _____ # of Homes Served _____ # of Businesses Served _____

Annual Revenues _____

May we use your company's name and logo on our website and publications: Yes No

Section 2: Select Dues Level (Please check one)

REGULAR MEMBERS (any duly created business entity operating in California as a mutual water company)

- TIER D: Annual revenues up to \$100,000 - **\$50/year**
- TIER C: Annual revenues \$100 K - \$1 M - **\$250/year**
- TIER B: Annual revenues \$1 M - \$4 M - **\$500/year**
- TIER A: Annual revenues over \$4 M - **\$1,000/year**

AFFILIATE MEMBERS (non-mutual water company water suppliers and non-potable drainage, reclamation, or conservation districts)

- Public Water Systems TIER D: Annual revenues up to \$100,000 - **\$50/year**
- Public Water Systems TIER C: Annual revenues \$100 K - \$1 M - **\$250/year**
- Public Water Systems TIER B: Annual revenues over \$1 M - **\$500/year**
- Non-Potable Districts - **\$100/year**

www.calmutuals.org

**Amended Joint Powers Agreement
Creating the
California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority**

THIS AGREEMENT is made and entered into in the County of Los Angeles, State of California, by and among the Companies and Districts, as defined herein, organized and existing under the laws of the State of California, which are parties signatory to this Agreement and listed in Appendix "A," which is attached hereto and made a part hereof. Said Companies and Districts are sometimes referred to herein as "parties" or "Members."

RECITALS

WHEREAS, subdivision (a) of California Government Code Section 6525 authorizes a mutual water company and a public agency to enter into a joint powers agreement for the purpose of jointly exercising any power common to those contracting parties, and, effective January 1, 2016, subdivision (b)(1) of California Government Code Section 6525 provides that a mutual water company and a public agency may enter into a joint powers agreement for the purpose of risk-pooling in accordance with Government Code Section 990.8; and

WHEREAS, California Government Code Section 990 authorizes the self-insurance against tort liabilities and inverse condemnation by public entities and California Labor Code Section 3700 provides for self-insurance of liabilities imposed by Labor Code Section 3200, et seq.; and

WHEREAS, California Government Code Section 990.8 states that a mutual water company and a public agency may, by a joint powers agreement, provide coverage for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties desire to establish a structure to provide such coverage products at contributions competitive with the insurance market and in a manner that alleviates risk through coverage products that are reinsured; and

WHEREAS, the parties to this Agreement desire to join together for the purpose of purchasing insurance or reinsurance at reduced rates and to provide technical support, continuing education, safety engineering, and operational and managerial advisory assistance to said parties in order to reduce risk liabilities and further the technical, managerial and financial capacity of those parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1 — Definitions

The following definitions shall apply to the provisions of this Agreement:

- (a) **"Association"** shall mean the California Association of Mutual Water Companies.
- (b) **"Auditor/Controller"** shall mean that person, designated by the Board of Directors who is required to draw, or cause to be drawn, checks, warrants, and electronic payments on behalf of the Authority.
- (c) **"Authority"** shall mean the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CAMWC-JPRIMA) created by this Agreement.
- (d) **"Board of Directors" or "Board"** shall mean the governing body of the Authority.
- (e) **"Chief Executive Officer"** shall mean that employee or other agent of the Authority who is so appointed by the Board of Directors.
- (f) **"Company"** shall mean a mutual water company, as defined in California Corporations Code Section 14300, which is a "Regular Member" of the Association, as defined in Article III, Section 1(a) of the Association's Bylaws; or a ditch company that is formed and operates as a non-profit mutual benefit corporation under California law and is an "Affiliate Member" of the Association, as defined in Article III, Section 1(c) of the Association's Bylaws.
- (g) **"Director"** shall mean an individual elected by the Members to serve on the Authority's Board of Directors.
- (h) **"District"** shall mean any public agency that is an "Associate Member" or "Affiliate Member" of the Association, as defined in the Association's Bylaws.
- (i) **"Duly Constituted Board Meeting"** shall mean any Board of Directors meeting noticed and held in the required manner and at which a quorum was determined to be present at the beginning of the meeting.
- (j) **"Finance and Audit Committee"** shall mean the committee of the Authority composed of financial staff of Members appointed by the Board President and ratified by the Board of Directors.
- (k) **"Fiscal Year"** shall mean the calendar year.
- (l) **"Insurance"** shall mean any Program of the Authority providing

coverage against losses to Members who are participants in the Program, regardless of the exact nature of the coverage to be provided by or on behalf of the Authority.

(m) **"Insurance Program Administrator"** shall mean the individual or firm retained by the Board of Directors to administer the Authority's Programs.

(n) **"Member"** shall mean any **"Company"** or **"District"** which is a signatory to this Agreement.

(o) **"Program"** or **"Programs"** means the specific type of Insurance as set forth in the terms, conditions and exclusions of any coverage documents for Insurance provided to a Member.

(p) **"Re-Insurance"** shall mean that insurance or reinsurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members against catastrophic losses.

(q) **"Secretary"** shall mean the person appointed by the Board of Directors to record or cause to be recorded, and keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of the Board of Directors.

(r) **"Services"** shall mean various services and programs offered from time to time or on an ongoing basis by or on behalf of the Authority to increase Members' technical, managerial and financial capacity, and to reduce risks of losses.

(s) **"Treasurer"** shall mean the person appointed by the Board of Directors to keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority and who will act as a liaison with the Authority's outside auditor in preparing the Authority's annual audit.

Article 2 — Purposes

This Agreement is entered into by the Members pursuant to the provisions of California Government Code sections 990, 990.4, 990.8 and 6500 *et seq.*, in order to provide comprehensive and economical general liability, public liability, property damage, auto liability, boiler and machinery, directors' and officers' errors and omissions, employment practices, employee dishonesty, employee benefits liability coverage, workers' compensation coverage, and coverage for such other risks as the Board of Directors may determine from time to time; and to allow the Authority to undertake necessary administrative actions pursuant to Government Code Section 6525(a) in advance of the effective date of AB 656 on January 1, 2016.

Additional purposes are to reduce the amount and frequency of losses, to decrease the cost incurred by Members in the handling and litigation of claims and to assist the Members through the Services in building their technical, managerial and financial capacity. These purposes shall be accomplished through the exercise of the powers of such Members jointly in the creation of the Authority as a separate entity in accordance with applicable law.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and members of the Authority, subject to approval by the Board of Directors as set forth herein.

Article 3 — Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories to this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article 19 or Article 20, shall not be considered the completion of the purpose of this Agreement or affect this Agreement or such party's intent to contract as described above with the other parties to the Agreement then remaining. All parties to this Agreement must be either a Company or a District.

Article 4 — Term of Agreement

This Agreement became effective January 1, 2016, and it shall continue until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of any initial contribution as the Board of Directors may determine. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5 — Creation of Authority

Pursuant to Section 6500 *et seq.* of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall be solely its own, no District member shall be responsible for the underlying debts or liabilities of the Authority, and such debts, liabilities or obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement or of any Company or District. Such Company and District Members shall be fully indemnified by the Authority against such debts, liabilities or obligations, to the extent permitted by law, specifically including Government Code Section 6525(b)(1). The Authority exists separately and apart from the Member Agencies.

The Authority is not an insurer, and the Programs offered by or on behalf of the Authority are to be interpreted in conformance with Government Code sections 990, 990.4, 990.8 and 6500 *et seq.* and contract law. The laws of insurance shall not apply.

Article 6 — Powers of Authority

(a) The Authority shall have the powers common to Members and the powers set forth in Government Code Section 6525(b), and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:

- (1) To make and enter into contracts;
- (2) To incur debts, liabilities or obligations as necessary, including to finance any Programs and Services offered to Members;
- (3) To receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (4) To acquire, hold, lease or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (5) To employ agents and employees, and/or to contract for services rendered by such agents and employees;
- (6) To sue and be sued in its own name;
- (7) To exercise all powers and perform all acts as otherwise provided for in the Bylaws; and
- (8) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law. In accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers applicable to North of the River Municipal Water District.

Article 7 — Board of Directors

(a) Subject to the limitations of this Agreement and the laws of the State of California, the Authority shall be governed by a Board of Directors which is hereby established and designated to administer this Agreement pursuant to Government Code Section 6506. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify bylaws and other policies and procedures for that purpose and for the conduct of its meetings as it may deem proper.

(b) The Board of Directors shall be composed of between five (5) and nine (9) directors, as determined upon the formation of the Authority by the initial Members and thereafter determined by the Board of Directors from time to time. The initial Board of Directors shall be appointed by the original Members and upon expiration of that initial term, the directors shall be elected by the Members who have executed this Agreement, as it

may be amended. The terms of directors, procedures for election of directors and procedures for meetings shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

(c) The Board of Directors shall meet as specified in the Bylaws. All meetings of the Board of Directors, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Sections 54950 *et seq.*

Article 8 — Powers of the Board of Directors

The Board of Directors of the Authority shall have the powers and functions as set forth in the Bylaws.

Article 9 — Officers of the Authority

The officers of the Authority shall be a President, Vice President, Chief Executive Officer, Secretary, Treasurer and Auditor/Controller, whose duties shall be as set forth in the Bylaws or as prescribed by applicable provisions of law. The position of Treasurer and Auditor/Controller may be held by the same person concurrently.

Article 10 — Standing Committees

The Bylaws shall establish standing committees deemed necessary for the management of the Authority. In addition to those standing committees established in the Bylaws, the Board of Directors may establish other standing or temporary committees from time to time, as provided in the Bylaws.

Article 11 — Insurance Program Administrator and Other Staff

(a) **Insurance Program Administrator.** The Board of Directors shall appoint an Insurance Program Administrator who shall be responsible for the general administration of the Authority's Programs and related activities as directed by the Board of Directors.

(b) **Legal Counsel.** The Board of Directors shall appoint an attorney at law who shall serve as general Legal Counsel to the Authority.

(c) **Other Staff.** The Board of Directors shall provide for such other staff of the Authority, to be hired by the Chief Executive Officer, as may be necessary for the efficient and productive administration and operation of the Authority.

Article 12 — Insurance Coverage

(a) The Authority shall provide for such types and levels of coverage for Programs as the Board of Directors, with the advice of the Authority's Advisory Committee, shall determine.

(b) The Programs provided for Members by or on behalf of the Authority may include protection for comprehensive and economical general liability, public liability, property damage, directors' and officers' errors and omissions, auto liability, boiler and machinery, employment practices, employee benefits liability coverage, workers' compensation, and/or coverage for other risks which the Board of Directors may determine to be advisable. The Board of Directors may arrange for the purchase of insurance or Reinsurance.

Article 13 — Accounts and Records

(a) **Annual Budget.** The Board shall annually adopt an operating budget. As deemed appropriate by the Board of Directors, that budget may include separate budgets for individual Programs and individual types of Services to be provided to the Members.

(b) **Funds and Accounts.** The Treasurer shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members as otherwise required by law. Quarterly unaudited financial statements shall be produced and distributed to all Members. The Authority shall adhere to the standard of strict accountability set forth in Government Code Section 6505.

(c) **Financial Reports.** The Auditor-Controller shall present a complete written report of all financial and investment activities of the Authority for the most recently completed fiscal year to the Board of Directors and to all Members no later than ninety (90) days after completion of the Authority's fiscal year, and shall prepare quarterly reports as required under Government Code Section 53646, and such reports as are required by law.

(d) **Annual Audit.** The Auditor/Controller shall cause to be made by an outside certified public accountant experienced in local governmental agency auditing an annual audit of the accounts and records of the Authority, which audit shall conform to generally accepted auditing standards. Such report shall be presented to the Board of Directors for approval and concurrence. Costs of the audit shall be considered a general expense of the Authority.

Article 14 — Responsibility for Monies

(a) The Auditor-Controller shall have the authority to delegate the signatory function of the Auditor-Controller to such persons as are authorized by resolution of the Board of Directors.

(b) The Auditor-Controller shall perform, and to the extent allowed by law, may cause to be performed, all duties set forth in Government Code Section 6505.5.

(c) A bond in an amount determined adequate by the Board of Directors shall be required of all officers and personnel authorized to disburse funds of the Authority. The premium for such bond shall be paid for by the Authority.

(d) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:

- (1) Receive and acknowledge receipt for all money of the Authority and place it in the treasury of the Authority;
- (2) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;
- (3) Pay, when due, out of money of the Authority so held by him or her, all sums payable on any outstanding bonds or other liabilities of the Authority;
- (4) Pay any other sums due from Authority money only upon checks, warrants, or electronic payments approved by the Chief Executive Officer or his or her designee. The checks, warrants, or electronic payments shall be reviewed by the President of the Board and either the Treasurer or the Chair of the Finance and Audit Committee.

Article 15 — Services Provided by the Authority

The Authority may provide, at the sole discretion of the Board of Directors, the following services to the Members:

- (a) Establish Programs through which Members shall procure coverage as necessary.
- (b) Assist each Member's designated risk manager with the implementation of that risk management function as it relates to risks faced by Members in their ordinary course of business.
- (c) Provide, or cause to be provided, the Services to Members, as well as loss prevention and safety consulting services, as required.
- (d) Review Member contracts to determine sufficiency of indemnity and Insurance provisions when requested.
- (h) Conduct risk assessments for each Member.
- (i) The Authority shall provide such other services and have such other responsibilities as deemed necessary by the Board of Directors.

Article 16 — Responsibilities of Members

Members shall have the following responsibilities:

- (a) Each Member shall appoint an employee or other representative of the Member to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.
- (b) Each Member shall maintain an active safety program through a designated safety officer.
- (c) Each Member shall timely pay its contributions for any Programs.
- (e) Each Member shall cooperate fully with the Authority and any insurer or reinsurer under any Program in determining the causes of losses, in the settlement of losses and in any other matters relating to this Agreement.
- (f) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement.
- (g) Each Member shall comply with all Bylaws and policies and procedures adopted by the Board of Directors.
- (h) Each Member shall remain a “Regular Member,” “Affiliate Member” or “Associate Member,” as defined in the Association’s Bylaws and as applicable in relation to that Member’s entity status, in good standing of the Association.

Article 17 - Programs and Services

The Authority may develop and implement Programs and provide Services the Authority deems necessary, advisable and beneficial to Members. The Authority, through the Board of Directors, shall use its best efforts to develop outside funding sources to avoid imposing on the Members any monetary obligations other than contributions to be paid as consideration for participation in the Programs. Each Member may apply for membership and participation in any Program conducted by the Authority and to receive any Service provided by the Authority, but acceptance in any Program shall be subject to the approval of the Insurance Program Administrator or the Board of Directors.

Article 18 — New Members

The Authority shall allow new Members to join the Authority and participate in the Programs and receive the Services upon approval by the Board of Directors, and upon any conditions or limitations that the Board deems appropriate. Members entering under this Article may be required to pay their share of the Authority’s organizational expenses as determined by the Board of Directors. Any such new Member must be a “Regular

Member,” “Associate Member” or “Affiliate Member” of the Association, as may be applicable. Any new Member of the Authority must commit to membership for an initial term of three (3) years, subject to earlier withdrawal only in accordance with the provisions of Article 19, below.

Article 19 — Withdrawal

(a) A Member may withdraw as a party to this Agreement upon thirty (30) days' advance written notice to the Authority if it has never been a participant in any Program, or if it has withdrawn from all Programs in which it was a participant in accordance with subdivision (b), below; provided, however, that no Member may withdraw before the expiration of its initial three (3) year membership term unless: (i) there is an increase of fifteen percent (15%) or more in any single year in that Member's contribution(s) for any particular Program(s) that does not result from the Member's actions or misconduct; or (ii) the Insurance Program Administrator in place at the time the Member joined the Authority separates from the Authority for any reason, including, but not limited to, the Authority's termination of the Insurance Program Administrator's engagement with the Authority or the Insurance Program Administrator's resignation from the Authority.

(b) Subject to the provisions of subdivision (a), above, after becoming a participant in a Program, a Member may withdraw from that Program only at the end of a coverage year, or as may otherwise be allowed by the Board of Directors; and only if the Member has given the Authority at least six (6) months' advance written notice of that proposed withdrawal.

(c) A former Member who again desires to participate in an Authority Program after having withdrawn from that Program must again join the Authority as a new Member before it may participate in that Program. The terms of each Program shall determine whether any benefits will be held over from that Member's former status as a previous Program participant.

(d) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the Programs of the Authority.

(e) Notwithstanding any other provision of this Article 19, a District that is the only District that is a Member of the Authority at a particular time may not withdraw from the Authority until the first of the following occurs: (i) six (6) months have elapsed since that District has given the Authority written notice of its desire to withdraw; or (ii) the Authority has secured a written commitment from another District to join the Authority.

Article 20 — Cancellation by Authority of Membership or Participation

(a) Notwithstanding the provisions of Article 19, the Authority shall have the right to cancel any Member's participation in any Program upon a two-thirds vote of the Directors present at any Duly Constituted Board Meeting, provided that a reasonable time shall be afforded, at the discretion of the Board of Directors, to place coverage

elsewhere before that cancellation shall be effective. For purposes of this subdivision, a reasonable time shall consist of at least ninety (90) days' prior written notice, unless the cancellation results from a material increase in hazard as a result of the Member's operations, in which case at least ten (10) days' written notice shall be provided. Such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

(b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs and receiving any of the Services, shall cease and be canceled automatically at the end of the next complete coverage year for each Program and Service whenever such Member's membership in the Association ceases. Such automatic cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

(c) Notwithstanding any other provisions of this Agreement, the participation of any Member, including participation in any of the Authority's Programs and Services, may be canceled at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the discretion of the Board of Directors, to place coverage elsewhere. Any such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

Article 21 — Effect of Withdrawal or Cancellation

(a) The withdrawal or cancellation of any Member from this Agreement shall not terminate the Agreement and a Member by withdrawing or being canceled shall not be entitled to payment or return of any contribution, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets, except as provided in Article 22(c).

(b) The withdrawal or cancellation of any Member after the effective date of any Program shall not terminate its responsibility to pay its share of the costs of that Program until all claims, or other unpaid liabilities, covering the Program period any part of which the Member was signatory thereto have been finally resolved

Article 22 — Termination and Distribution

(a) This Agreement may be terminated at any time by the written consent of three-fourths (3/4) of the Members, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distributing assets and all other functions necessary to wind up the affairs of the Authority. This Agreement shall also terminate if a District that is the only District then a Member of the Authority withdraws in accordance with Section 19(e), above, and no other District becomes a Member of the Authority before that withdrawal becomes effective.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority.

(c) Upon termination of this Agreement, all properties and cash of the Authority shall be distributed only among the Members that have been signatories hereto, including any of those Members which previously withdrew pursuant to Article 19(d) or were canceled pursuant to Article 20 of this Agreement, in accordance with and proportionate to their cash contributions (including payments and property contributions at market value when received) made during the term of this Agreement. The Board of Directors shall determine such distribution within six (6) months after satisfaction of the last remaining liability of the Authority.

(d) In the absence of a Board of Directors, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or, in the absence of a Board of Directors, the Chief Executive Officer under this Article shall be final.

Article 23 -- Enforcement

The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24 – Non-liability of Directors, Officers and Employees

In accordance with Government Code Sections 825 et seq., the Board of Directors, and the officers and employees of the Authority, including former Directors, officers and employees, shall not be liable to the Authority, to any Member or former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such Director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its Directors, officers and employees, including former Directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such Directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or former Members, against any such acts or omissions by its Directors, officers and employees, including former Directors, officers and employees.

Article 25 — Provision for Bylaws and Mission Statement

As soon as practicable after the first meeting of the Board of Directors, the Board shall cause to be developed Authority Bylaws and a Mission Statement.

Article 26 — Notices

Notices to Members hereunder shall be sufficient if delivered to the principal office of the respective Member.

Article 27 — Amendment

This Agreement may be amended at any time by a majority vote of the Members, and any such amendment shall be binding on the Members to the extent allowed by law.

Article 28 — Prohibition against Assignment

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29 -- Counterparts

This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

Article 30 -- California Law

This Agreement shall be governed by and construed under the laws of the State of California.

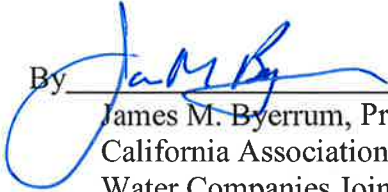
Article 31 -- Severability

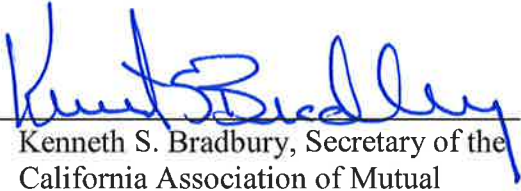
Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 32 — Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, this Amended Joint Powers Agreement Creating the California Association of Mutual Companies Joint Powers Risk and Insurance Management Authority was unanimously approved pursuant to Article 27 of the original Joint Powers Agreement Creating the California Association of Mutual Companies Joint Powers Insurance Authority (the "Authority") by the Authority's Board of Directors, by action taken at a duly noticed and held public meeting on January 28, 2016.

By  _____
James M. Byerrum, President of the
California Association of Mutual
Water Companies Joint Powers Risk
and Insurance Management Authority

By  _____
Kenneth S. Bradbury, Secretary of the
California Association of Mutual
Water Companies Joint Powers Risk
and Insurance Management Authority

APPENDIX A

**INITIAL MEMBERS OF THE
CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY**

North of the River Municipal Water District (public agency member)

Bellflower-Somerset Mutual Water Company (mutual water company member)

California Domestic Water Company (mutual water company member)

Covina Irrigating Company (mutual water company member)

Montebello Land & Water Company (mutual water company member)

Oildale Mutual Water Company (mutual water company member)

Rubio Cañon Land and Water Association (mutual water company member)

South Mesa Water Company (mutual water company member)

Sunny Slope Water Company (mutual water company member)

Valencia Heights Water Company (mutual water company member)

**AGREEMENT TO BECOME A PARTY TO THE
AMENDED JOINT POWERS AGREEMENT
CREATING THE
CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY**

_____ [insert name of company or district]
(referred to as "Member") hereby agrees to become a party to the Amended Joint Powers Agreement Creating the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (the "Authority"), in the form attached hereto as Exhibit A, and agrees to abide by the terms and conditions of that agreement.

Member hereby represents that its action to become a party to the above-referenced agreement and to participate in the Authority has been duly authorized by action of its governing board taken at a duly called and noticed meeting.

Executed this _____ day of _____, 201__ at
_____, California.

[Company or District name]

By _____

Printed Name: _____

Title: _____

Organization	Mailing Address
Beasore Mutual Water Company	1034 E. Everett
Del Rey Community Service District	P.O. Box 186
East Acres Water Association	PO Box 11
Firebaugh Canal Water District	2412 Dos Palos Rd Hwy 33
Huntington Pines Mutual Water Company	125 E Barstow Ave Ste 109
Shaver Lake Point #2 Mutual Water Company	437 La Verne Avenue
Westlands Water District	P.O. Box 6056
Lower Rock Creek Mutual Water Company	245 Upper Canyon Road
Alta Sierra Mutual Water Company	10502 Sequoia Drive 11
Brock Mutual Water Company, Inc.	11715 Brockridge Ct.
Buttonwillow County Water District	P.O. Box 274
Cuyama Basin Water District	1800 30th St, Ste 280
Krista Mutual Water Company	7025 Cuddy Valley Rd #H
Lake of the Woods Mutual Water Company	3534 Me. Pinosway
Lost Hills Utility District	21331 State Highway 46
North of the River Municipal Water District	P.O. Box 5638
Oildale Mutual Water Company, Inc.	2836 McCray Street
Sierra Bella Mutual Water Company	PO Box 3694
Stockdale Rancho Mutual Water Company	2031 F Street
Vaughn Water Company	10014 Glenn St
Wini Mutual Water Company	3646 S Fairfax Road
Armona Community Service District	P.O. Box 486
Kettleman City Community Service District	P.O. Box 179
Tulare Lake Drainage District	PO Box 985
Amarillo Mutual Water Company	PO Box 6932
Averydale Mutual Water Company	P.O. Box 191
Bellflower Home Gardens Water Company	17447 Lakewood Blvd
Bellflower-Somerset Mutual Water Company	10016 Flower St.
Central Basin Municipal Water District	6252 Telegraph Road
Covina Irrigating Company	146 E. College St.
Lake Elizabeth Mutual Water Company	14960 Elizabeth Lake Road
Lincoln Avenue Water Company	564 W Harriet Street
Maywood Mutual Water Company #1	5953 Gifford Avenue
Maywood Mutual Water Company #2	3521 E Slauson
Maywood Mutual Water Company #3/ Tri-City Mu	6151 Heliotrope Avenue
Montebello Land and Water Company	344 E. Madison Ave
Rubio Canon Land and Water Association	PO Box 398
Sundale Mutual Water Company	PO Box 6708
Sunny Slope Water Company	1040 El Campo Dr.
Temescal Valley Water District	22646 Temescal Canyon Road
Tract 180 Mutual Water Company	4544 Florence Ave
Tract 349 Mutual Water Company	4630 Santa Ana Street
Valencia Heights Water Company	3009 E. Virginia Ave.
Valley View Mutual Water Company	13730 Los Angeles St.
Valley Water Company	4524 Hampton Road
Walnut Park Mutual Water Company	2460 East Florence Ave
Webb Oak Mutual Water Company	PO Box 8175
Bass Lake Annex #3 Mutual Water Company	51168 Bon Veu Drive
Henry Miller Reclamation District #2131 / San Lu	11704 Henry Miller Avenue
Lone Tree Mutual Water Company	5002 W El Nido Rd
Midway Community Service District	P.O. Box 218
South Dos Palos County Water District	9095 W M St
Water Quality JPA of the Dos Palos Area	PO Box 218
Winton Water & Sanitary District	P.O. Box 970
Little Bear Water Company	51201 Pines Canyon Road 125

Liberty Park Water Association	7922 Speer Avenue
Midway City Mutual Water Company	PO Box 11150
Banning Heights Mutual Water Company	7091 Bluff Street
Cabazon Water District	PO Box 297
Chiriaco Summit Water District	62450A Chiriaco Road, #C
High Valleys Water District	47781 Twin Pines Road
Home Gardens County Water District	3832 Grant St
Jurupa Community Services District	11201 Harrel St
Lake Hemet Municipal Water District	26385 Fairview Avenue
Nuevo Water Company	30427 11th Street
South Mesa Water Company	
The Farm Mutual Water Co.	33383 Mill Pond Drive
Alpine Water Users Association	
Bar H Mutual Water Company, Inc.	P.O. Box 844
Cedarpines Park Mutual Water Company	PO Box 9259
Devore Water Company	18185 Kenwood Ave
Forest Park Mutual Water Company	39060 Cherry Valley Blvd, #62
Green Valley Mutual Water Company	PO Box 8300
Lucerne Vista Mutual Water Company	PO Box 677
Rancheritos Mutual Water Company	21832 Viento Rd
Riverside Highland Water Company	12374 Michigan Street
San Antonio Water Company	139 N. Euclid Ave
Sheep Creek Water Company	PO Box 291820
West End Consolidated Water Company	460 N. Euclid Avenue
Western Heights Water Company	32352 Avenue D
Cuyamaca Water District	P. O. Box 609
Del Dios Mutual Water Company	19938 2nd Place
Fairbanks Ranch Community Service District	605 Third Street
Lazy H Mutual Water Company	c/o Yuima Municipal Water District, P.O
Rancho Estates Mutual Water Company	PO Box 1025
Rancho Santa Fe Community Service District	605 Third Street
Richardson Beardsley Park Water System	P.O. Box 1615
San Diego County Water Authority	4677 Overland Ave
West Cuca Mutual Water Company	PO Box 144
Whispering Palms Community Service District	605 Third Street
Atascadero Mutual Water Company	PO Box 6075
Avila Valley Mutual Water Company Inc	11549 Los Osos Valley Rd, Ste 202
Bear Valley Water Company	PO Box 5333
Green River Mutual Water Company	PO Box 3112
Oceano Community Service District	1655 Front St
San Miguelito Mutual Water Company	PO Box 2120
Walnut Hills Mutual Water Company	240 Nutwood Circle
Redwood Terrace Water Company	PO Box 81
La Cumbre Mutual Water Company	695 Via Tranquila
Green Acres Mutual Water Company	PO Box 461
New Avenue Mutual Water Company	P.O. Box 1133
Raineri Mutual Water Company	PO Box 11
Rockwood Estates Mutual Water Company	2375 Rockwood Ranch Rd
Villa Del Monte Mutual Water Company	P. O. Box 862
Rubidoux Community Services District	P. O. Box 1838
San Andreas Mutual Water Company	166 Palm View Lane
Consolidated Peoples Ditch Company	
East Orosi Community Service District	P.O. Box 213 / 41842 Lone Rd
Friant Water Authority	854 N. Harvard Ave.
Pleasant Valley Canal Company	173 West Cherry Avenue
Porter Vista Public Utility District	P.O. Box 2280

South Fork Estates Water Company	PO Box 597
Springville Public Utility District	P.O. Box 434
Stone Corral Irrigation District	PO Box 367
Wutchumna Water Company	598 S Valencia Blvd
Community Mutual Water Company	PO Box 973
Crestview Mutual Water Company	328 Valley Vista Drive
Farmers Irrigation Co., Inc.	133 N Tenth ST.
Fuller Falls Mutual Water Company	530 Los Angeles Ave.#115-195
Middle Road Mutual Water Company	133 N. Tenth Street
North Fork Springs Mutual Water Company	16080 Maricopa Highway
Old Creek Road Mutual Water Company	9990 Old Creek Road
Pleasant Valley Mutual Water Company	1863 East Las Posas Rd
Senior Canyon Mutual Water Company	603 W Ojai Ave., Ste.A
Sisar Mutual Water Company	1295 Cliff Avenue
Tico Mutual Water Company	1790 South Rice Road
Waters Road Domestic Users Group, Inc.	134 Davis St

City	State	Zip	County
Fresno	CA	93720	Fresno
Del Rey	CA	93616	Fresno
Firebaugh	CA	93622	Fresno
Mendota	CA	93640	Fresno
Fresno	CA	93710	Fresno
Clovis	CA	93611	Fresno
Fresno	CA	93703	Fresno
Bishop	CA	93514	Inyo
Wofford Heights	CA	93285-9426	Kern
Bakersfield	CA	93312	Kern
Buttonwillow	CA	93206	Kern
Bakersfield	CA	93301	Kern
Frazier Park	CA	93225	Kern
Frazier Park	CA	93225	Kern
Lost Hills	CA	93249	Kern
Bakersfield	CA	93388	Kern
Bakersfield	CA	93308	Kern
Wofford Heights	CA	93285	Kern
Bakersfield	CA	93301	Kern
Bakersfield	CA	93312	Kern
Bakersfield	CA	93307-8100	Kern
Armona	CA	93202	Kings
Kettleman City	CA	93239	Kings
Corcoran	CA		Kings
Rosemead	CA	91770	Los Angeles
Lancaster	CA	93584	Los Angeles
Bellflower	CA	90706	Los Angeles
Bellflower	CA	90706	Los Angeles
Commerce	CA	90040	Los Angeles
Covina	CA	91723	Los Angeles
Elizabeth Lake	CA	93532	Los Angeles
Altadena	CA	91001	Los Angeles
Huntington Park	CA	90255	Los Angeles
Maywood	CA	90270	Los Angeles
Maywood	CA	90270	Los Angeles
Montebello	CA	90640	Los Angeles
Altadena	CA	92509	Los Angeles
Lancaster	CA	93539	Los Angeles
Pasadena	CA	91107-5506	Los Angeles
Temescal Valley	CA	92883	Los Angeles
Bell	CA	90201	Los Angeles
Cudahy	CA	90201	Los Angeles
West Covina	CA	92835	Los Angeles
Baldwin Park	CA	91706	Los Angeles
La Canada Flintridge	CA	91011	Los Angeles
Walnut Park	CA	90255	Los Angeles
La Verne	CA	91750	Los Angeles
Oakhurst	CA	93644	Madera
Dos Palos	CA	93620	Merced
El Nido	CA	95314	Merced
South Dos Palos	CA	93665	Merced
South Dos Palos	CA	93665	Merced
South Dos Palos	CA	93665	Merced
Winton	CA	95388	Merced
King City	CA	93930	Monterey

Huntington Beach	CA	92647	Orange
Westminster	CA	92685	Orange
Banning	CA	92220	Riverside
Cabazon	CA	92230	Riverside
Chiriaco Summit	CA	92201	Riverside
Banning	CA	92220	Riverside
Corona	CA	92879	Riverside
Jurupa Valley	CA	92509	Riverside
Hemet	CA	92544	Riverside
Nuevo	CA	92567	Riverside
			Riverside
Wildomar	CA	92595	Riverside
			San Bernardino
Lucerne Valley	CA	92356	San Bernardino
Cedarpines	CA	92322	San Bernardino
San Bernardino	CA	92407	San Bernardino
Cherry Valley	CA	92223	San Bernardino
Green Valley Lake	CA	92341	San Bernardino
Lucerne Valley	CA	92356-0677	San Bernardino
Apple Valley	CA	92308	San Bernardino
Grand Terrace	CA	92313	San Bernardino
Upland	CA	91786	San Bernardino
Phelan	CA	92329-1820	San Bernardino
Upland	CA	91786	San Bernardino
Yucaipa	CA	92399	San Bernardino
Julian	CA	92036	San Diego
Escondido	CA	92029	San Diego
Encinitas	CA	92024	San Diego
Pauma Valley	CA	92061-0177	San Diego
Pauma Valle	CA	92061	San Diego
Encinitas	CA	92024	San Diego
Julian	CA	92036	San Diego
San Diego	CA	92123	San Diego
Valley Center	CA	92082	San Diego
Encinitas	CA	92024	San Diego
Atascadero	CA	93422	San Luis Obispo
San Luis Obispo	CA	93405-6481	San Luis Obispo
San Luis Obispo	CA	93403	San Luis Obispo
Paso Robles	CA	93446	San Luis Obispo
Oceano	CA	93445	San Luis Obispo
Avila Beach	CA	93424	San Luis Obispo
Paso Robles	CA	93446	San Luis Obispo
La Honda	CA	94020	San Mateo
Santa Barbara	CA	93110	Santa Barbara
Morgan Hill	CA	95038	Santa Clara
San Martin	CA	95046	Santa Clara
Los Gatos	CA	95031	Santa Clara
Morgan Hill	CA	95037	Santa Clara
Los Gatos	CA	95031	Santa Clara
Watsonville	CA	95077	Santa Cruz
Watsonville	CA	95076	Santa Cruz
			Tulare
Orosi	CA	93647	Tulare
Lindsay	CA	93247	Tulare
Porterville	CA	93257	Tulare
Porterville	CA	93258	Tulare

Three Rivers	CA	93271	Tulare
Springville	CA	93265	Tulare
Ivanhoe	CA	93235	Tulare
Woodlake	CA	93286	Tulare
Santa Paula	CA	93061	Ventura
Camarillo	CA	93010	Ventura
Santa Paula	CA	93060	Ventura
Moorpark	CA	93021	Ventura
Santa Paula	CA	93060	Ventura
Ojai, CA 93023	CA	93023	Ventura
Ventura	CA	93001	Ventura
Camarillo	CA	93010	Ventura
Ojai	CA	93023	Ventura
Fillmore	CA	93015	Ventura
Ojai	CA	93023-3806	Ventura
Santa Paula	CA	93060	Ventura



COVERAGE CHECKLIST

CAL MUTUALS IS DEDICATED TO MUTUAL WATER COMPANIES. OUR COVERAGES ARE CUSTOMIZED AND PRICING AFFORDABLE FOR SMALL PUBLIC WATER SYSTEMS.



CAL MUTUALS	THEM	COVERAGE CHECKLIST
		Does your Property policy include Blanket protection without a coinsurance penalty for all your scheduled locations and separate Blanket protection for key coverages such as business income and extra expense?
		Does your Property policy include special extensions such as Unintentional Errors, Off Premises Utility Services, SCADA Upgrades (above replacement cost), Property in Transit, Contract Penalties, Rental Reimbursement – Mobile Equipment, and Water Contamination Notification Expense?
		Does your Property policy include Contamination for \$100,000 (not limited to just ammonia), Pollution Remediation Expense for either \$250,000 (Specified Cause of Loss)* or \$100,000 (Covered Cause of Loss), Outdoor Property (w/ windstorm) for \$100,000, and \$50,000 for Fungus, Wet Rot or Dry Rot?
		Does your Crime policy provide minimum limits of \$100,000 for Employee Dishonesty, Theft of Money & Securities, Computer Fraud, Funds Transfer Fraud, and Money orders?
		Does your General Liability policy include aggregate limits of \$10,000,000 as well as special coverage for Water & Wastewater Testing E&O, Waterborne Asbestos, Lead, Fungi & Bacteria, Product Recall, and Impaired Property?
		Does your General Liability policy include Failure to Supply Water and Dam Failure Liability as well as Pollution for your potable water, treatment chemicals, natural gas, hostile fire, smoke drift, sewer or wastewater backup/line breaks, and any pollution event that is sudden & accidental?
		Does your Public Officials & Management Liability policy include aggregate limits of \$10,000,000 for Wrongful Acts, Employment Practices, and Employee Benefit Plans as well as inverse condemnation and outside directorship?
		Does your Automobile policy include \$100,000 Hired Physical Damage, \$75 per Day Rental Reimbursement/Towing, and Fleet Automatic?
		Does your Excess Liability insurance policy follow the coverages in your underlying policies?
		Does your Cyber Liability policy include Credit Monitoring Costs for \$1,000,000 without a deductible or retention?

*180 day reporting period required



POOL CHECKLIST



CAL MUTUALS IS DEDICATED TO MUTUAL WATER COMPANIES. WE ESTABLISHED THE FIRST POOL IN THE NATION FOR MUTUAL WATER COMPANIES AND SPONSORED THE LEGISLATION.

CAL MUTUALS	THEM	CHECKLIST
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did your pool's association partner sponsor the legislation allowing mutual water companies the right to participate in a joint powers authority like other special districts? Did they provide any support via letters or testimonials?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool's association partner exclusively serve as a legislative advocate and technical solutions provider for mutual water companies?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool have an independent board of directors comprised of fellow mutual water companies? How many mutual water companies are on the board? Do the members own your pool and control its future?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool offer workers' compensation and property & liability on a fully reinsured, non risk to member basis?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool offer a dividend plan on the workers' compensation coverage?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did your pool remove all minimum premiums for their property & liability coverages?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool permit members to exit without penalty if rate increases exceed 15% in any one calendar year?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Will your pool be working with other stakeholders, including regulatory agencies, in support of grants and project advancements for mutual water companies?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has your pool partnered with California's largest insurance specialist in public water systems and a network of supportive, knowledgeable and local insurance brokers?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has your pool's Insurance Administrator grown their California portfolio of water accounts to almost 1,000 public water systems in the past four years?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has your pool's Insurance Administrator <u>never</u> doubled minimum premiums for small mutual water companies in the past?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has your pool engaged a third party consultant to submit a formal coverage and rate analysis to ensure its products are exceptionally competitive and meaningful for its mutual water company members?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does your pool have the same coverages referenced in the preceding checklist?

ABOUT CAL MUTUALS

OUR MISSION

The mission of the California Association of Mutual Water Companies (CAMWC) is to bring together California's mutual water companies, facilitate the exchange of quality information, offer valuable resources, and represent its members through grassroots activities and statewide lobbying.

CAMWC is a non-profit trade association under Internal Revenue Code Section 501 (c)(6) organized under the non-profit mutual benefit corporation law (Federal Tax ID: 46-3976195). The specific purpose of this corporation is to act as a statewide association for mutual water companies and to pursue issues of common interest among mutual water companies throughout California.

CAMWC was founded in 2013 by 14 mutual water companies. These *Charter Members* recognized the need to bring together leaders of the industry and to give a voice to small water systems that serve residential, small business, farms, municipalities and disadvantaged communities throughout the state.

CAMWC retains a staff and governmental relations team who operate under the direction of the Board of Directors. The Board of Directors currently meets on a monthly basis and is supported by Legislative, Executive and Membership committees.

CAMWC provides its members compliance seminars, training opportunities, technical knowledge and resources, people-to-people networking, conferences, government relations support, and statewide lobbying.

CAMWC established the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA) as a result of California's legislature passing AB 656 in September 2015.

This legislation, which allows mutual water companies to participate in a joint powers authority for purposes of insurance and supporting services, was initiated by Cal Mutuals and supported by Valley **(Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies** as well as independent insurance agencies.

Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public agency, we are committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security.

What's Ahead for CAMWC

We started 2015 with more than 100 members and are adding new members on a regular basis. It was the support of our members and the Board of Directors last year that enabled the incorporation of mutual water companies as eligible applicants in the water bond – Proposition 1 – approved by voters last November, and preserved duplication of service protections once threatened by AB 2443 (Rendon). We also increased our visibility among California's state agencies and, most importantly, the State Water Resources Control Board, which is now seeking Cal Mutuals assistance in providing statewide training on the NPDES potable water system permit, along with cutting edge data exchange and technical assistance programs.

CAL MUTUALS JPRIMA BOARD & STAFF

Board:

Jim Byerrum, President & Chairman of the Board (California Domestic Water Company)

Dave Michalko, Vice President (Valencia Heights Water Company)

Ken Bradbury, Secretary (Montebello Land and Water Company)

Lisa Yamashita-Lopez, Director (Rubio Cañon Land and Water Company)

Doug Nunneley, Director (Oildale Mutual Water Company)

Dave Armstrong, Director (South Mesa Water Company)

Ken Tchong, Director (Sunny Slope Water Company)

Staff:

Jim Byerrum, Executive Officer

Adan Ortega, Executive Director

Jim Ciampa, General Counsel

Denise Peralta Gailey, Managing Director



"A pool dedicated to mutual water companies and supported by a committed network of local independent insurance agencies."

California Association of Mutual Water Companies

Joint Powers Risk and Insurance Management Authority (JPRIMA)

www.calmutuals.org

www.waterinsuranceauthority.com



Insurance Administrator:

Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC

Attn: Mia Garza, JPRIMA P&C/WC Manager

mgarza@alliedpublicrisk.com

T: 830 837 4369

CA License No. 0L01269

NPN 17536322



I N S U R A N C E A D M I N I S T R A T O R

Allied Public Risk, LLC is a specialty program manager that provides a broad spectrum of products and services to select brokers and clients throughout the United States. Our water practice comprises various water-related entities such as public water systems, investor-owned utilities, irrigation districts, sewer districts, reclamation districts, conservation districts, and special service districts. National enrollment is approaching three thousand (3,000) entities, including several regional water authorities and hundreds of mutual water companies. Our experience with California water-related entities exceeds 20 years, the longest of any specialty program manager.

The California Association of Mutual Water Companies (Cal Mutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA) is fully reinsured by an AM Best "A XV" rated carrier and distributed through independent insurance brokers. Marketplace differential is maintained via consequential non-insurance benefits such as technical support, advisory assistance, and regulatory compliance. There is no financial risk to members.

For more information, please contact your broker or visit us at www.alliedpublicrisk.com.

Insurance Administrator:
Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC
Attn: Mia Garza, JPRIMA P&C/WC Manager
mgarza@alliedpublicrisk.com, T: 830-837-4369
CA License No. 0L01269 NPN 17536322



California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority

**JPRIMA
PRODUCT GUIDE**





C U S T O M C O V E R A G E • C O M P E T I T I V E R A T E S • L O C A L B R O K E R S

PROPERTY

- Proprietary Policy Form
- Property, Equipment Breakdown & Mobile Equipment
- No Coinsurance Penalty
- Blanket Policy Limit
- Real Property
- Business Personal Property
- Blanket Coverage Extension Limit
- A separate limit applies to the following:
 - Business Income
 - Extended Business Income
 - Civil Authority
 - Commandeered Property
 - Extra Expense
 - Tenant Leasehold Interest
 - Electronic Data
 - Preservation of Property
 - Coverages Specific to Water Related Entities
- Property in Transit
- Mobile Equipment
- Pollution Remediation Expenses
- Fungus, Wet Rot or Dry Rot
- SCADA Upgrades
- Contamination
- Additional Coverages
- Accounts Receivable
- Arson Reward
- Backup/Overflow of Water from Sewer, Drain, Sump
- Water Contamination Notification Expenses
- Lock and Key Replacement

- Rental Reimbursement - Mobile Equipment
- Business Personal Property at New Locations
- Collapse
- Contract Penalties
- Debris Removal
- Indoor & Outdoor Signs (unscheduled)
- New Locations or Newly Constructed Property
- Ordinance or Law Provision
- Outdoor Property (unscheduled)
- Patterns, Dies, Molds, Forms
- Personal Effects & Property of Others
- Tools & Equipment Owned by Your Employees
- Trees, Shrubs & Plants
- Unintentional Errors & Omissions
- Utility Services
- Valuable Papers & Records

CRIME

- Proprietary Policy Form
- Faithful Performance
- Employee Benefit Plans
- Available Coverage for Designated Agents
- Coverages
- Employee Theft
- Forgery or Alteration
- Inside The Premise - Theft of Money & Securities
- Inside The Premise - Robbery or Safe Burglary
- Outside The Premise

- Computer Fraud
- Funds Transfer of Fraud
- Money Orders & Counterfeit Paper Currency

GENERAL LIABILITY

- Proprietary Policy Form
- Duty to Defend
- Nonauditable
- Broad Definition of Insured
- Blanket Additional Insured
- \$10M Aggregate Limit
- Coverage Extensions
- Failure to Supply Water (no sublimit)
- Water & Wastewater Testing E&O
- Medical Payments
- Sewage from Backups & Breaks (no sublimit)
- Fire Damage Legal Liability
- Pollution Liability
- Contractual Liability-Railroads
- Dam, Levee & Dike Structural Failure & Existence Hazard
- Lead from Potable Water
- Product Recall Exceptions
- Impaired Property Exceptions
- Waterborne Asbestos from Potable Water
- Watercraft
- Nonowned Aircraft

BUSINESS AUTO

- Coverages
- Combined Single Limit
- Uninsured Motorists

- Hired & Non Owned Auto Liability
- Medical Payments/ Personal Injury Protection
- Hired Physical Damage
- Comprehensive & Collision
- Fleet Automatic
- Towing & Rental Car Reimbursement

PUBLIC OFFICIALS & MANAGEMENT LIABILITY

- Proprietary Policy Form
- Duty to Defend
- Nonauditable
- Broad Definition of Insured
- \$10M Aggregate Limit
- Coverages
- Wrongful Acts
- Employment Practices
- Employee Benefit Plans
- Coverage Extensions
- Inverse Condemnation
- Outside Directorship
- Third Party Discrimination

PRIVACY LIABILITY & NETWORK RISK

- Coverages
- \$1M Privacy & Network Security
- \$1M Notification & Credit Monitoring Costs
- \$100K Data Forensic & Public Relations

EXCESS LIABILITY

- Proprietary Policy Form
- Following Form
- \$10 Million Capacity





JPRIMA and Zenith Insurance Company
...a partnership of service, alignment, and member advocacy.

The California Association of Mutual Water Companies (Cal Mutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA) was established as a result of California's legislature passing AB 656 in September 2015. This legislation was initiated by Cal Mutuals and supported by Valley (Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies. It allows mutual water companies to participate alongside water-related special districts in a joint powers authority for purposes of insurance and supporting services. Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public agency, we are committed to providing quality insurance products that blend competitive rates with meaningful value-added services and impeccable financial security.

Our reinsurance partner, which bears all the risk, is Zenith Insurance Company. They are an indirect, wholly-owned subsidiary of Fairfax Financial Holdings Limited and a specialist in workers' compensation. Zenith's reputation as an industry leader is built upon providing its customers superior services and consistently achieving results that outperform the industry. These attributes have created one of the largest, oldest and most stable workers' compensation carriers in California. Zenith is committed to workplace safety and health, quality medical care, managing claim costs, returning employees to work, and fighting fraud and abuse. Zenith proudly distributes its products through its network of appointed insurance agents and brokers.

Insurance Administrator:
 Allied Public Risk, LLC

CA DBA: Allied Community Insurance Services, LLC
 Attn: Mia Garza, JPRIMA P&C/WC Manager
mgarza@alliedpublicrisk.com, T: 830-837-4369

CA License No. 0L01269 NPN 17536322



JPRIMA and Zenith Insurance Company
 California Association of Mutual Water Companies
 Joint Powers Risk and Insurance Management Authority

JPRIMA
WORKERS' COMPENSATION
 PRODUCT GUIDE



ELIGIBILITY	PRIMARY CLASSIFICATION CODES		
<ul style="list-style-type: none"> • Mutual Water Companies • Public Water / Sewer Districts • Irrigation / Drainage Districts • Reclamation / Levee Districts • Community Services Districts • Other Special Districts 	CODE	CLASSIFICATION	DESCRIPTION
<p>HIGHLIGHTS</p> <ul style="list-style-type: none"> • Workers Compensation <ul style="list-style-type: none"> ▶ Statutory Benefits for the State of CA • Employers' Liability <ul style="list-style-type: none"> ▶ \$1M Policy Limit ▶ Per Accident / Per Disease • Twelve Month Policy (<i>unless pro-rated</i>) <ul style="list-style-type: none"> ▶ Auditable • Rates per \$100 of payroll <ul style="list-style-type: none"> ▶ Adjustments based on: ▶ Experience Modification Factor ▶ Premium Size Credit ▶ Scheduled Credits & Debit ▶ Territorial Factor • Flexible Payment Plans (<i>annual to monthly</i>) <ul style="list-style-type: none"> ▶ Direct Bill & EFT Options ▶ \$750 Minimum Premium 	0251	Irrigation, Drainage, or Reclamation Works Operation	This classification is applicable to all work incidental to maintenance and operation of irrigation or drainage systems, pumps, valves, and control gates. This classification does not contemplate the construction of these systems. The cleaning of mains, ditches, lateral flow lines, and the spreading or spraying of oil performed in connection with mosquito control is included in this classification. Examples of operations are water districts and other public agencies.
<p>SPECIAL FEATURE</p> <ul style="list-style-type: none"> • Dividend Plan <ul style="list-style-type: none"> ▶ 100% Proceeds to JPRIMA / Members 	7520	Waterworks	This classification applies to the operations of publicly or privately operated water companies that supply potable water to communities. This classification includes but is not limited to the construction of water mains and lateral lines, the treatment of water, the operation and maintenance of pumping stations and the installation and repair of water meters. Repair, maintenance and installation of water mains, taps, meters and fire hydrants are included in this classification.
<p>VALUE ADDED SERVICES</p> <ul style="list-style-type: none"> • Zenith Claims Handling & Loss Prevention • In House Examiners & Nurses • In House Safety & Health Engineers • 24 / 7 Concierge Service • Website Portal • Video & Online Training Library • Onsite Visits • Specialized Services 	7580	Sanitary or Sanitation Districts Operations	This classification shall apply to all work incidental to the maintenance and operation of sewer systems or sewage disposal plants. Additions to, alterations or construction of sewer lines or sewage disposal plants shall be separately classified.
	8742	Salespersons	Outside salespersons are defined as those employees (1) who are engaged exclusively in sales or collection work away from the premises of the employer or (2) who are engaged in such work for any portion of their time and devote the balance of their time to clerical office duties. The statement of payroll shall include the entire remuneration of all outside salespersons, including those whose duties take them outside the State of California. When salespersons are required to pay their own traveling expenses out of their remuneration, not less than two-thirds of such remuneration shall be included as payroll.
	8810	Clerical Office Employees	Clerical office employees are those employees engaged exclusively in bookkeeping, in record keeping, in correspondence, or in other office work where books and other records are kept or correspondence is conducted. This classification applies only to employees who work in areas physically separated from other operations by structural partitions and in which work of clerical office employees as defined in this rule is performed exclusively. If such an employee has any other duty, the total payroll of that employee shall be assigned to the highest rated classification of operations to which the employee is exposed.





2018 DUES SCHEDULE

CAMWC/JPRIMA REGULAR MEMBERS

(any duly created business entity operating in California as a mutual water company, insured through JPRIMA for property and liability and/or workers' comp)
CalMutuals Dues Waived for first year of membership.

Tier A: \$4M+ in annual revenues	\$1,000/year
Tier B: \$1M+ in annual revenues	\$500/year
Tier C: \$100k+ in annual revenues	\$250/year
Tier D: < \$100k in annual revenues	\$50/year

CAMWC ONLY REGULAR MEMBERS

(any duly created business entity operating in California as a mutual water company)

Tier A: \$4M+ in annual revenues	\$5,000/year
Tier B: \$1M+ in annual revenues	\$2,500/year
Tier C: \$500k+ in annual revenues	\$1,250/year
Tier D: \$250k+ in annual revenues	\$600/year
Tier E: \$100k+ in annual revenues	\$350/year
Tier F: < \$100k in annual revenues	\$150/year

AFFILIATE MEMBERS

(fnon-mutual water company water suppliers and non-potable drainage, reclamation, or conservation districts)

Public Water Systems	Per tiered structure above with max dues of \$500/year
Non-Potable Districts	\$100/year

ASSOCIATE MEMBERS

(any person or business that provides goods or services to Regular Members, or otherside desires to support CAMWC)

Company or Corporation (National or International)	\$1,000/year
Company or Corporation (California)	\$500/year
Individual Members	\$100 minimum

COMMISSION MEMORANDUM NO. 2018.59

DATE: June 5, 2018
TO: SAWPA Commission
SUBJECT: IT Infrastructure Replacement
PREPARED BY: Dean Unger, Information Systems and Technology Manager

RECOMMENDATION

That the Commission approve the previously budgeted upgrade of the IT Infrastructure which includes the purchase of 3 HP Servers and disk storage for Western States Contracting Alliance (WSCA) pricing of \$69,000.

DISCUSSION

SAWPA's current IT Infrastructure includes 5 hardware servers (virtual hosts) hosting 10 virtual servers. These virtual servers provide support for all major applications and file shares to SAWPA staff members. The current hardware will be approximately 6 years old in the fall of 2018. These older servers will no longer support the software and need to be upgraded on a regular basis for increased functionality and security. In addition, the disk space at SAWPA is getting critically low and is spread out across these 5 servers which complicates backups. We currently backup 6 terabytes locally and 4.6 terabytes to the cloud. Full backups require the whole weekend due to fragmented storage locations and server speed.

The proposed solution is to purchase 3 robust hardware servers (virtual hosts) and a large disk array to support the applications used throughout SAWPA. The new servers will be more consolidated and smaller, requiring less square footage and cooling, whilst providing greater capacity. The large storage array allows for quick backups and for future storage needs. This solution will provide the IT Infrastructure needs of SAWPA over the next 5 to 7 years.

RESOURCE IMPACTS

No resource impacts as this is already included in the SAWPA FYE 18 budget.

Attachments:

1. PowerPoint Presentation

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IT INFRASTRUCTURE REPLACEMENT

PURCHASE OF 3 NEW SERVERS AND DISK STORAGE



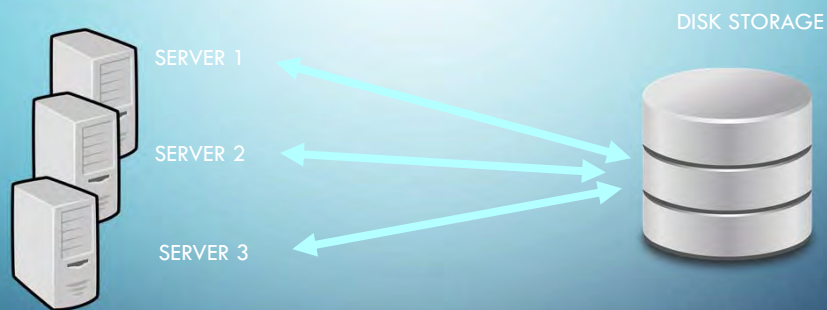
RECOMMENDATION

- That the Commission approve the previously budgeted upgrade of the IT Infrastructure which includes the purchase of 3 HP Servers and disk Storage for Western States Contracting Alliance (WSCA) pricing of \$69,000
- 

REASONS FOR REPLACEMENT

- 5 Hardware Servers aging out by December 2018
 - 5 to 6 years old
- Lack of Disk Storage Space
 - 6.5 Terabytes available with 6 currently used
 - Disk Space spread across 5 servers and attached storage devices
- Backups having trouble completing during weekend
 - Location of diskspace and speed of current hardware

CONFIGURATION – 3 PHYSICAL SERVERS AND DISK SPACE



HARDWARE WILL SUPPORT VIRTUAL SERVERS AND SUPPORTED APPLICATIONS

- 10 Virtual Servers Supporting:
 - Microsoft Dynamics GP (Accounting)
 - IPACS Permitting System (Engineering)
 - OnBase Document Management (All Departments)
 - GIS and Web GIS
 - Phone System

INFRASTRUCTURE SUMMARY

- Hardware to be installed by Mid September
- Virtual Servers to be setup per Application Migration
- Applications to be moved from Mid September thru December
- Total Cost of 3 Hardware Servers and Disk Storage is \$69,000

RECOMMENDATION

- That the Commission approve the previously budgeted upgrade of the IT Infrastructure which includes the purchase of 3 HP Servers and disk storage for Western States Contracting Alliance (WSCA) pricing of \$69,000.

COMMISSION MEMORANDUM NO. 2018.60

DATE: June 5, 2018
TO: SAWPA Commission
SUBJECT: City of Beaumont
PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

Receive and file.

DISCUSSION

The City of Beaumont is currently exploring alternatives to comply with the Regional Water Quality Control Board basin plan objectives related to Total Dissolved Solids. The City of Beaumont made a request to SAWPA on December 13, 2016 to discharge to the Inland Empire Brine Line. SAWPA has been in close coordination with the City of Beaumont, San Bernardino Valley Municipal Water District, and OCSD to obtain the required approvals and be able to issue a discharge permit. OCSD has made a request for information on March 30, 2017 which is currently being addressed by the City of Beaumont. The City of Beaumont is outside of the SBVMWD service area and per the SAWPA/OCSD 1996 Agreement, it requires special approval by OCSD.

The City of Beaumont has a deadline of March 2020 to be operational with their reclamation plant and lateral to the Brine Line. The connection to the Brine Line is proposed on Reach 4E, in the City of San Bernardino.

The City of Beaumont will need to acquire both pipeline and treatment and disposal capacity rights for Brine Line discharges. The City of Beaumont is currently under discussion with Dairy Farmers of America (DFA) to purchase 550,000 gallons per day of both pipeline and treatment and disposal capacity rights. DFA is no longer discharging to the Brine Line since their facility has been sold. Transfer of capacity rights from DFA to the City of Beaumont will require some upgrades to existing Brine Line maintenance access structures to accommodate higher ultimate flows.

Transfer of capacity from DFA to the City of Beaumont will require approval from the Western Municipal Water District Board, San Bernardino Valley Municipal Water District Board, and the SAWPA Commission.

Staff will continue in close coordination with all the agencies and the City of Beaumont to ensure that all outstanding information is provided and reviewed, as well as ensuring that the proposed connection to the Brine Line meets engineering standards.

CRITICAL SUCCESS FACTORS

6. Conduct proactive capital and O&M planning to improve efficiency and maintain needed capacity in the long and medium terms.

7. Maintain strong relationships with OCSD and regulatory agencies

RESOURCE IMPACTS

Funds to prepare agreements and review documentation is budgeted under Fund 240 (Brine Line Enterprise)

Attachments:

1. Project area map
2. Request Letter from City of Beaumont to SAWPA (December 13, 2016)
3. OCSD Letter requesting additional information (March 31, 2017)



Attachment 1

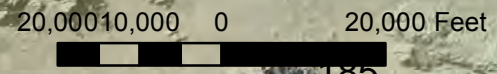
Inland Empire Brine Line

- SBVMWD
- Brine Line
- Brine Line Laterals

SBVMWD

BEAUMONT

DFA (formerly Golden Cheese)





CITY OF BEAUMONT

December 13, 2016

WO: 16-0171

Mr. Richard Haller
Executive Manager of Engineering & Operation
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, California 92503

RECEIVED

DEC 15 2016

SANTA ANA WATERSHED
PROJECT AUTHORITY

RE: POTENTIAL SAWPA INLAND EMPIRE BRINELINE CONNECTION

Dear Mr. Haller:

The City of Beaumont (City) is actively exploring alternatives and developing plans to upgrade the City's existing wastewater treatment plant (WWTP). These plans include a salinity management strategy to comply with the stringent basin plan objectives set by the Regional Water Quality Control Board (RWQCB) for the Beaumont and San Timoteo Groundwater Management Zones. The proposed improvements are contingent on the ability to tie into the Inland Empire Brine Line (IEBL) for brine conveyance and being able to utilize Orange County Sanitation District's (OCSD) brine treatment facility. The intent of this letter is to provide sufficient background information about the City's proposed plans to begin discussions between the City, SAWPA, and OCSD. It is understood that the City of Beaumont is not within the IEBL service area but does lie within the Santa Ana River Watershed. The City also understands that, if allowed to connect to the IEBL, a pretreatment program will need to be implemented in accordance with OCSD and SAWPA's rules and regulations.

The City's WWTP discharges to Cooper's Creek, which is tributary to San Timoteo Creek. San Timoteo Creek is tributary to the Santa Ana River. The Proposed WWTP upgrades will remove salt and minerals from the upper Santa Ana watershed and provide an overall benefit to the region. As part of the City's plans, a 22 mile extension of the Inland Empire Brine Line from San Bernardino to Beaumont will be constructed.

As shown on **Figure 1**, the City's wastewater service area is within the Santa Ana Watershed. Portions of the City's Sphere of Influence (SOI) reside within the San Geronio Pass Water Agency (SGPWA) and Eastern Municipal Water District (EMWD). EMWD is a member agency of SAWPA as shown on **Figure 2**.

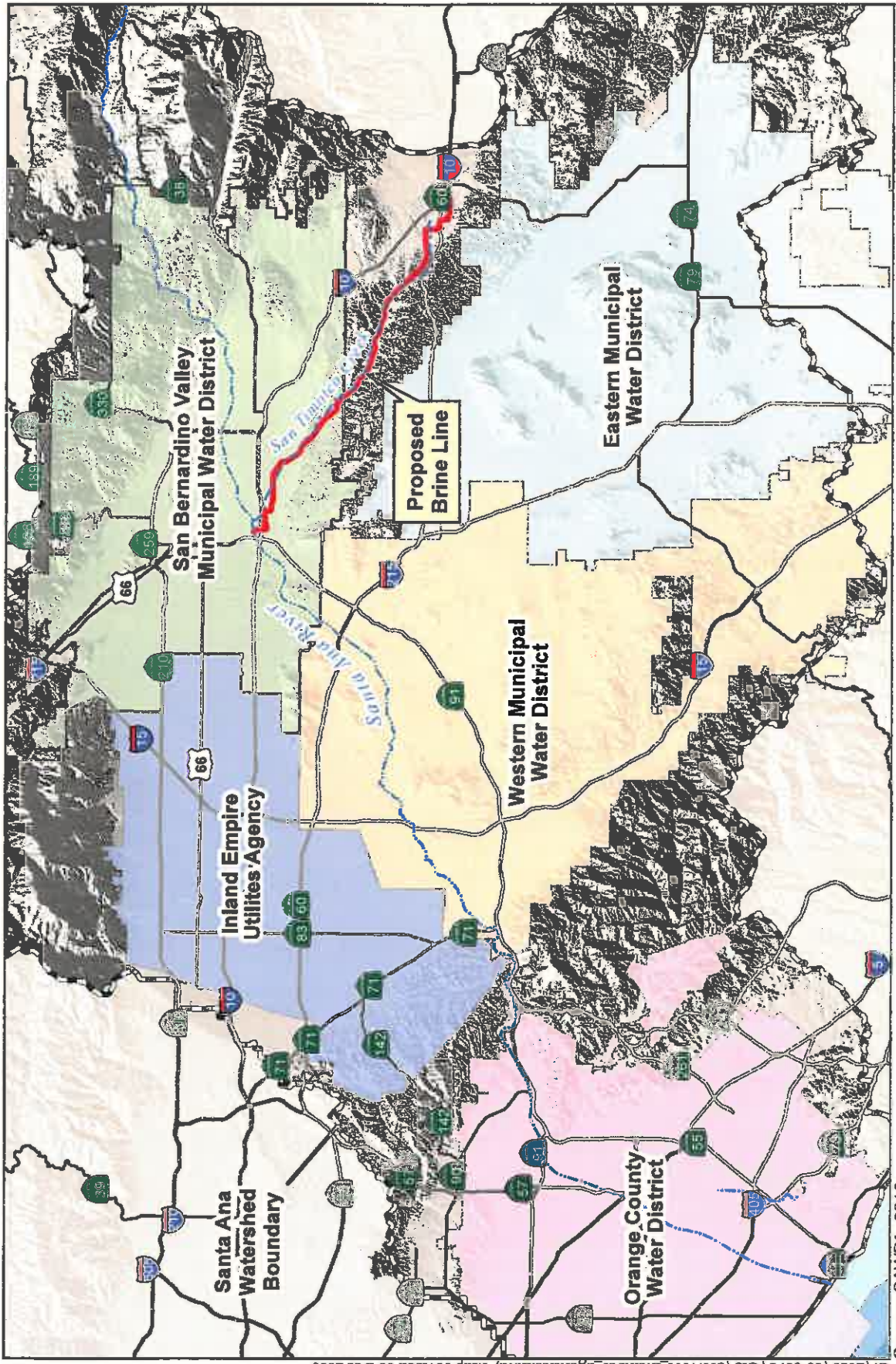


Figure 2 - SAWPA Member Agencies
 City of Beaumont Brine Line



BRINE LINE

Currently, the City is in the preliminary alignment phase of a proposed 22 mile brine line which will tie into the existing IEBL at the San Bernardino WWTP as shown on Figure 3. This brine lateral will parallel a portion of the recently installed brine line for Yucaipa Valley Water District (YVWD) in San Timoteo Canyon Road downstream of the intersection of Live Oak Canyon Road. The City of Beaumont's proposed brine line will continue south east in San Timeteo Canyon Road to its starting point at the City's WWTP as shown on Figure 4. No provisions are planned for additional connections other than the Beaumont WWTP. However, the City will request for a provision for an inter-tie connection to the YVWD brine line so either party will have the ability to use excess capacity in each other's line for maintenance or repairs when mutually agreed upon.

BEAUMONT WWTP

Recently the City completed a feasibility study prepared as required by the RWQCB. Based on the findings of this study, the City decided to proceed with the option to expand the existing WWTP from 4.0 MGD to 6.0 MGD utilizing membrane bioreactor (MBR) technology, with a reverse osmosis (RO) system for TDS reduction. Of the options explored, this option was the most beneficial from an economic, environmental, and engineering standpoint. The preliminary layout of the WWTP improvements is shown in **Figure 5**. The new facilities will meet the waste discharge requirements, be able to produce recycled water, and meet the basin plan objectives for salt mitigation. The design of the WWTP improvements will leave space for future/ultimate expansion to 8.0-8.5 MGD. The modifications to the WWTP are detailed below and are illustrated in **Figure 5** with a process flow diagram provided in **Figure 6**.

Headworks

The headworks screening consists of two systems. A recently completed new headworks screen and the original headworks screen. The "New Headworks" will be expanded to provide redundancy in treating the design peak flows. This will be accomplished by constructing a second concrete channel adjacent to the existing channel and installing a second mechanical screen. The "Original Headworks" could then be decommissioned or removed. A screenings washer and compactor unit will also be installed in conjunction with the new screen. The mechanical screen and washpactor will be of the same construction and type as the new headworks for ease of maintenance and repairs.

This project will also install a grit removal system. Grit that passes through to downstream processes has the potential to damage mechanical equipment or reduce treatment capacity in

various processes. A vortex grit removal system will be installed and will include the concrete structure, grit pumps and a grit classifier. The system will be located downstream of the new headworks and before the influent pump station.

Influent Pump Station

To meet design peak flows, the pumping capacity of the influent pump station will need to be upgraded. The existing pump station consists of four pumps and space for a fifth pump. The smaller existing pumps will remain to provide pumping capacity for commonly occurring low flows. The other two pumps will be removed and new larger pumps will be installed in their place, along with a third pump filling the fifth and final space in the pump station. The five pumps will have the combined capacity to pump both low flows as well as the peak design flows while maintaining redundancy in the larger pumps.

Fine Screening

Since this design uses membranes in a downstream process, additional screening of the wastewater must be completed to protect the membranes. This includes the installation of a fine screening system, with openings no larger than 2 mm. Due to hydraulic limitations, these screens will be installed downstream of the influent pump station just before the aeration basin distribution structure. Screened wastewater will then gravity flow into the distribution structure.

Conversion to Conventional Activated Sludge

This design will install new aeration tanks. The activated sludge process utilizes a smaller retention time than the extended aeration process, which results in smaller volume requirements. Additionally, because the mixed liquor in the aeration basins can be run at a higher concentration with MBRs than with clarifiers, treatment efficiency increases

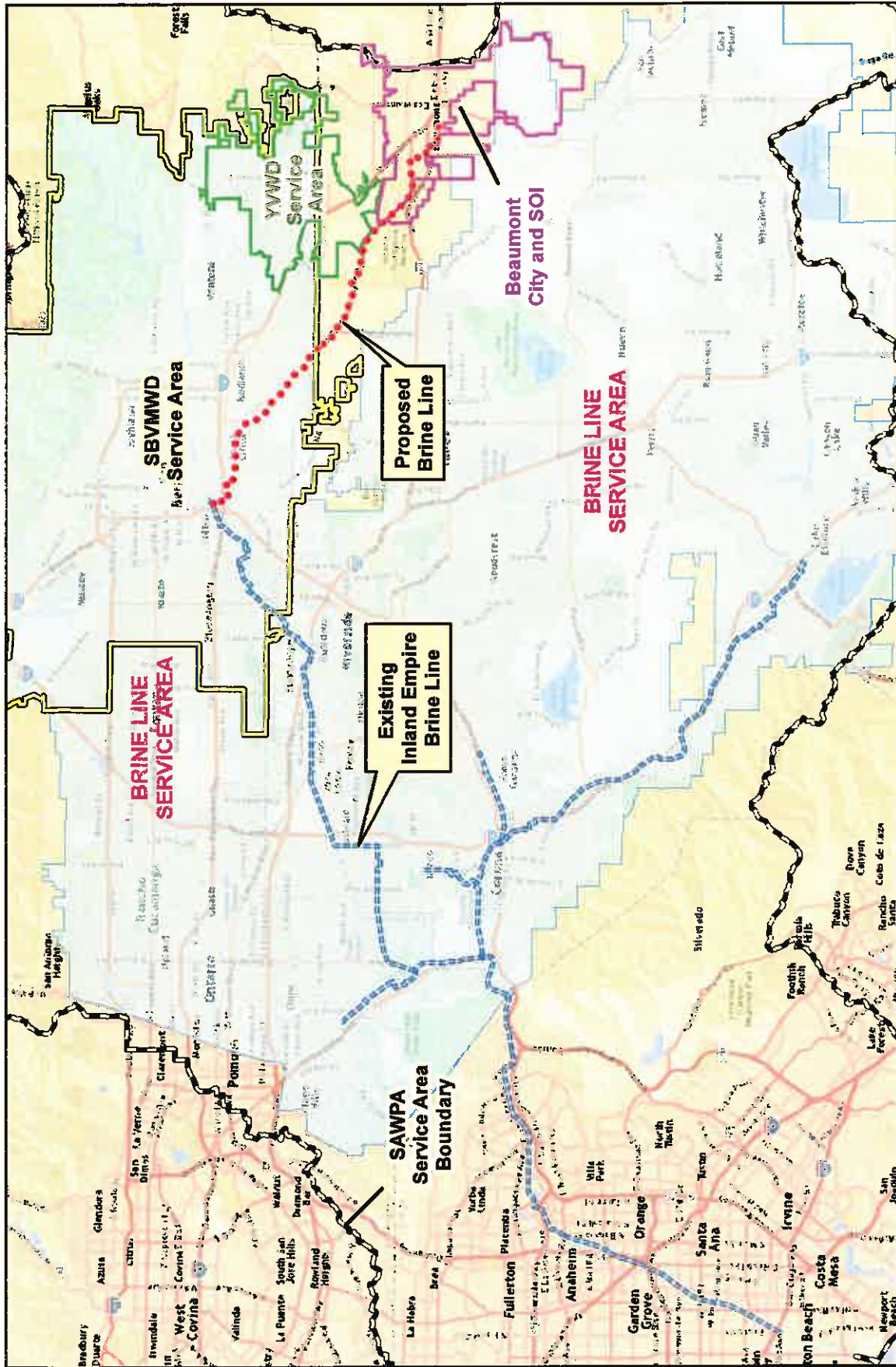
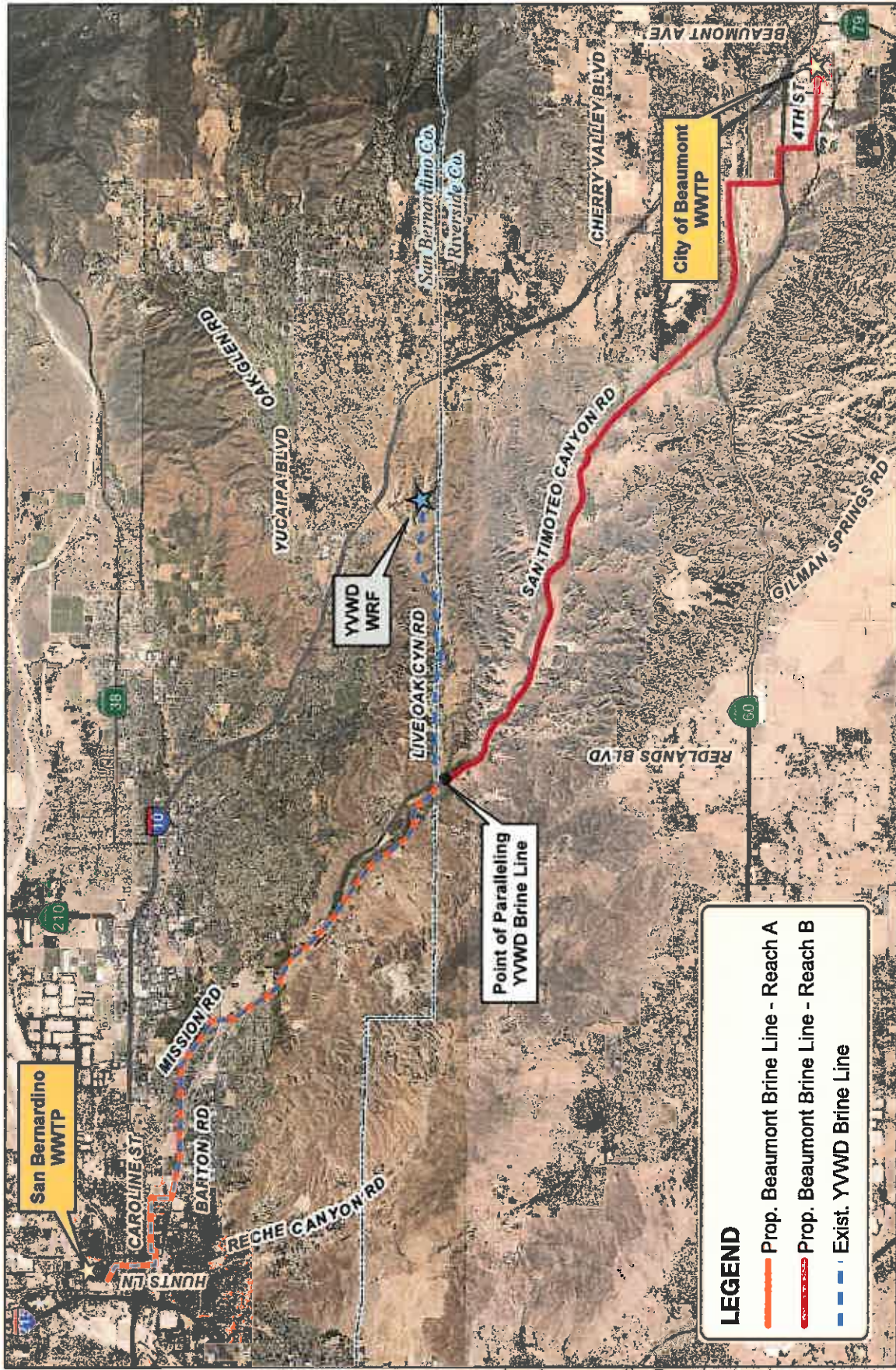


Figure 3 - Existing and Proposed Brine Lines
 City of Beaumont Brine Line



Source: SAWPA, 2016

G:\2016\16-0171\GIS\EBrine_Line.mxd; Map created 18 Nov 2016



C:\2016\16-0171\GIS\Proposed Alignment.mxd; Map created 06 Dec 2016

Figure 4 - Proposed Alignment
City of Beaumont Brine Line





CITY OF BEAUMONT
BEAUMONT WASTEWATER TREATMENT PLANT
CIVIL
OPTION #1A MBR

AQUA
ENGINEERING

WERB
ASSOCIATES
ALBERTA
CIVIL ENGINEERS
REG. (P.E.) 284-1288
REG. (P.E.) 284-1288
REG. (P.E.) 284-1288

SHEET
1A

0 1/2" = 1'
DRAWING IS TO SCALE
PLAN TO FULL SCALE
1" = 100'
1/4" = 100'

Figure 5 - WWTP Site Plan

and the design flow can be treated in a smaller volume. Thus, with an MLSS concentration of approximately 8,000 mg/L, a single tank with multiple trains will be constructed to treat the full 6 MGD. This tank will be installed in the location of one of the existing basins. One of the other existing basins will be retrofitted to provide equalization storage to dampen peak flows. The remaining basins will be decommissioned.

The new concrete process tank will be divided into four trains, each with a dedicated anoxic and aerobic zone. Bubble mixers will be installed in the anoxic zones. These units mix the anoxic zones by creating a large bubble of air near the bottom of the basin that displaces an equal volume of water as the bubble moves to the surface of the liquid. These mixers require little air and could receive any air required from the blowers. A ceramic disk or EPDM tube diffuser system will be installed in the aerobic portion of the basins.

The existing basin which will serve as the equalization basin will be modified by removing the existing Biolac system and installing pumps and piping that will allow the basin to automatically receive flow during peak events, and then pump liquid to the aeration basins when flows dropped below the ADF. By using this equalization basin, all downstream equipment (membrane bio-reactors, reverse osmosis system and UV disinfection) will only need to be sized to treat the average daily flow.

With new, more efficient diffusers, air requirements in the basins are lessened. However, the existing blower stations are not large enough to meet design conditions. Additionally, these blowers are nearing the end of their useful life. As such, four new high speed turbo blowers will be installed, with one dedicated to each train.

Secondary Clarification

Because the MBR process removes suspended solids, the existing secondary clarifiers and tertiary filters are not required and will be decommissioned or removed as needed. Return activated sludge pumping, however, will still be required. A new RAS pump station will be installed after the MBR tanks and will pump recycle flow at a rate of 4Q back to the process tank.

Membrane Bio-Reactors and Reverse Osmosis

To meet permit limits, the clarified effluent must be filtered and disinfected. Additionally, the total dissolved solids (TDS) concentration in the effluent must be reduced to meet basin plan objectives and permit limits at every discharge point. This design will use membrane bio-reactors to filter solids, followed by reverse osmosis to remove TDS. The MBR system will be sized to treat the full design flow of 6 MGD and will remove TSS, reduce turbidity and generally provide a high enough quality effluent to feed the RO system. The flow will then split such that 2.67 MGD will pass through the RO to have TDS removed. The water passing through this

system will then pass through a separate disinfection channel than the remaining 3.33 MGD out of the MBRs. After disinfection, the streams will be blended with and will have a combined TDS concentration below permit levels.

UV Disinfection

Effluent from an RO system requires less dosage in disinfection than effluent from the MBRs. If these streams were blended prior to disinfection, UV equipment will be required to be sized for dosing the water with the lowest quality, i.e., MBR effluent. It will be more economical to dose the flows separately and recombine them downstream of disinfection. Each existing UV channel can be dedicated to disinfecting one of the streams. The channel disinfecting MBR effluent will require three duty banks. The channel disinfecting RO effluent will only require one or two banks. The use of both UV channels will require the installation of accurate flow metering in both channels to properly operate the UV equipment. No additional equipment or modifications will be required

Solids Handling

Waste sludge from the MBR process will be pumped to a new solids handling process. The existing solids handling equipment is reaching the end of its useful life and may not have adequate capacity for the design flows. Additionally, the equipment is located outdoors, which has detrimental impacts on the longevity of the equipment. The upgrades will include a new building, dewatering equipment, solids conveyors and loading facility

Other Improvements

A new emergency generator and upgrades to yard piping, mechanical piping and electrical control will also be completed as part of the work.

Water Quality

This design provides additional treatment beyond what is required in the discharge permit. The expected effluent quality from this design is as follows:

BOD < 5 mg/L

TSS < 1 mg/L

TN < 5 mg/L

Turbidity < 0.2 NTU

Total Coliform < 2.2 MPN/100 mL

TDS < 300 mg/L

Expansion to 8 MGD

This design allows for easy expansion to 8.0-8.5 MGD. The required modifications to achieve this capacity are briefly discussed:

Headworks: Construct third screening channel and install additional screen and washpactor. The grit system installed as part of the 6 MGD upgrade, will have built-in capacity for 8 MGD.

Influent Pump Station: The smaller jockey pumps will need to be replaced with pumps matching the size and capacity of the three other pumps installed during the 6 MGD expansion.

Fine Screening: A third fine screen will need to be installed adjacent to the two screens installed as part of the 6 MGD expansion.

Secondary (Biological) Treatment: The process tank will be expanded with a fifth train. An additional blower and another RAS pump will be required. The equalization basin will have adequate capacity to dampen peak flows associated with the 8 MGD ADF.

Membrane Bio-Reactors and Reverse Osmosis: The MBRs are modular and additional units would be purchased and installed to provide capacity for 8 MGD. The RO system will also need to be expanded to provide capacity to treat up to 4.0 MGD. The buildings in which they would be located will be originally constructed with adequate capacity for this and will not require additional expansion.

UV Disinfection: The existing UV channels will have adequate capacity to treat up to 4.12 MGD per channel and will not require additional equipment.

EXISTING AND PROJECTED FLOWS

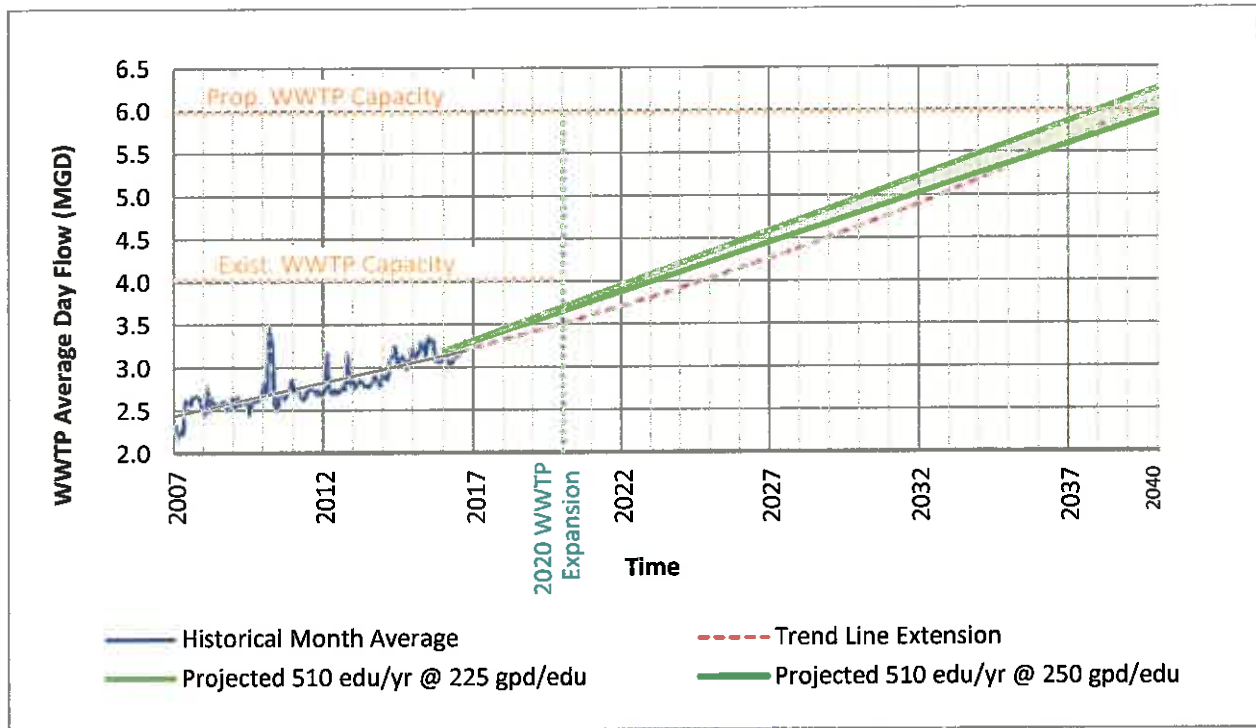
Currently the existing average daily flows at the WWTP are about 3.1 MGD. The influent wastewater conditions are as follows:

TABLE 1 - INFLUENT EXISTING CONDITIONS

Influent Parameters	
Existing Average Daily Flow (ADF)	3.1 MGD
Average BOD Concentration	333 mg/L
Average TSS Concentration	240 mg/L

Based on historical flow data and the number of final permits issued by the City each year, the growth projection for the City is 510 EDU's per year. At an assumed sewer generation of 250 gpd/EDU, sewer flows at the WWTP will reach 4.0 MGD in 2022 and 6.0 MGD around the year 2038 as shown in the following graph.

FIGURE 7 - BEAUMONT WWTP HISTORICAL FLOW DATA



Wastewater generated within the City is from a wide variety of land use types with single family residential being the primary contributor. Future flows are also expected to be predominantly from residential use as well. For your reference a list of existing non-residential users is provided in **Appendix A**.

The City of Beaumont has a Maximum Benefit Monitoring Program in place and the results for the year 2014 have been provided in **Appendix B**.

We are of the opinion that the proposed design for the Beaumont WWTP and brine line extension for disposal of brine concentrate to the Inland Empire Brine Line is consistent with the intent of the existing agreement between the SAWPA and OCSD. We believe that the construction of our new treatment facilities and brine line connecting to the IEBL will enhance the water quality in the Santa Ana Watershed. Therefore, the City of Beaumont is requesting permission from SAWPA and OCSD to connect to the IEBL for the discharge and treatment of RO brine from the City's WWTP process. We look forward to further communication with SAWPA as we continue our efforts to purchase brine conveyance and treatment capacity through agreements with SAWPA and OCSD. Should you need any further information regarding the City's existing and planned facilities, please feel free to contact me.

Sincerely,



Todd Parton
City Manager
City of Beaumont

Serving:

- Anaheim
- Brea
- Buena Park
- Cypress
- Fountain Valley
- Fullerton
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March 30, 2017

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**SANTA ANA WATERSHED
PROJECT AUTHORITY**

Celeste Cantú, General Manager
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503

SUBJECT: Approval Request for City of Beaumont Connection to the Inland Empire Brine Line

The Orange County Sanitation District (OCSD) has received and is currently reviewing a request submitted by the Santa Ana Watershed Project Authority (SAWPA) on March 1, 2017 for OCSD's approval¹ of discharge originating from the City of Beaumont (outside of SAWPA's SARI Service Area²) and proposed to be discharged through SAWPA to OCSD's Santa Ana Regional Interceptor. This request is made in accordance with SAWPA and OCSD's 1996 Wastewater Treatment and Disposal Agreement Section C.24 which requires OCSD's approval for discharges originating outside of SAWPA's SARI Service Area.

It is OCSD's understanding that SAWPA requests permission for the City of Beaumont to discharge reverse osmosis reject flow from its planned wastewater treatment plant expansion on a continuing basis. SAWPA believes that discharging this wastewater to OCSD will serve the objective to remove salt (measured as total dissolved solids (TDS)) from the City of Beaumont's discharge prior to discharge to groundwater. The proposed discharge is expected to originate from the domestic, commercial, and industrial community in the City of Beaumont's local sewer service area and to be treated at the City of Beaumont's Publicly Owned Treatment Works (POTW), which is being expanded to include reverse osmosis. Reverse Osmosis (RO) brine (reject flow) will be discharged initially at a rate of 0.25 MGD in 2020 (and expand upon full build-out to 0.75 MGD in 2038) to San Bernardino Valley Municipal Water District's connection to SAWPA's brine line. In recognition of our agencies' mutual goals to manage salinity in the watershed and our agreements setting forth provisions regarding quantity and quality of SAWPA's discharge, OCSD is evaluating SAWPA's request.

OCSD seeks additional information on the proposed discharge as it relates to pretreatment issues and conformance to our agency's memorandum of understanding and agreements:

1. **Discharge Goals:** The proposal presents that the City of Beaumont is being required by the Santa Ana Regional Water Quality Control Board to proactively manage salinity in two groundwater basins. OCSD's recent local limits update implemented a narrative ammonia limit.
 - a. In addition to removing TDS from the upper watershed, what other pollutants (such as nitrogen compounds), if any, are targeted by the proposed discharge?

¹ Wastewater Treatment and Disposal Agreement, 24 July 1996, Section C.24

² Wastewater Treatment and Disposal Agreement, 24 July 1996, Section A.15

Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.





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- b. For any additional pollutants, please provide documentation that describes these pollutant objectives (such as a copy of the Regional Water Quality Control Board Order directing the POTW expansion).
2. **Wet Weather Flow Conditions:** The proposal describes an initial proposed discharge volume in 2020 and details ultimate anticipated discharge rates in 2038.
 - a. How will the City of Beaumont manage wet-weather flows during this time?
 - b. Will wet-weather flows be captured for eventual treatment through the RO system?
 - c. Will some or all of the wet weather flows be discharged to the groundwater basin?
3. **Industry Load:** The proposed discharge request identifies nine CIUs and SIUs contributing to the City of Beaumont's wastewater flow.
 - a. What percent does the combined flow from these discharges represent of the total POTW influent?
 - b. What CIUs or SIUs are already identified or being presently considered as part of the future flows?
 - c. Please provide the monitoring data collected from the CIUs and SIUs and information regarding compliance history and enforcement actions under the existing pretreatment program with these facilities over the last three years.
4. **Legal Ties to OCSD:** The discharge request indicates that the City of Beaumont will enter a Multi-Jurisdictional Pretreatment Agreement (MJPA) with SAWPA similar to the existing MJPA with the six agencies currently discharging to SAWPA's brine line. The proposal further indicates that the proposed MJPA will be sent to SAWPA's commission and the City of Beaumont for approval. What timeline will SAWPA use to gain concurrence of the proposed MJPA from OCSD (1996 MOU Section 6.D) prior to adoption?
5. **Local Limits:** One of the critical components of a Pretreatment Program is establishing and implementing Local Limits. The discharge proposal lacks a discussion of evaluating and revising local discharge limits; incorporating OCSD local discharge limits in the pretreatment program; and loading data which OCSD needs to consider for its own potential Local Limits reevaluation if this discharge is accepted.
 - a. What currently known and expected pollutants are present in the proposed discharge (include the past three year's Annual Water Quality Reports for the existing POTW, associated Basin Plan, appropriate Toxic Release Inventory and Enforcement Compliance History Online (ECHO) data; and additional relevant documents which would present contaminant loading information of the proposed discharge)?



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- b. In consideration of OCSD's Local Limits development needs and the impact that this proposed discharge would have on that process, please present the current ratio of discharger community flow broken down by discharge segment (residential, commercial, and industrial).
6. **Pretreatment Program Implementation Approach:** OCSD is unfamiliar with a pretreatment program in the City of Beaumont's service area. From a review of the discharge proposal, it remains unclear who will implement pretreatment activities in the City of Beaumont and the source(s) of funding which will support the pretreatment program.
 - a. How will SAWPA ensure sufficient resources and qualified personnel will be available for pretreatment program activities?
 - b. What labor is SAWPA planning to use to implement pretreatment program functions?
 - c. Please provide a discussion as to how SAWPA will ensure permitting, monitoring, inspection, enforcement, and reporting which will be conducted by qualified personnel both in accordance with SAWPA's pretreatment program and substantially similar to OCSD's pretreatment program.
 - d. What transition period and long-term plans does SAWPA intend to implement to ensure that users tributary to this discharge proposal will be permitted with control documents (permits) substantially similar to OCSD's permits?
7. **Transition Plan:** Over time, SAWPA and OCSD have worked to reach a clearer understanding of the components of OCSD's pretreatment program so that SAWPA can evolve and implement a pretreatment program substantially similar to OCSD.
 - a. What differences between the existing and proposed pretreatment program does SAWPA anticipate need to be addressed with users tributary to this discharge?

It is OCSD's intent to complete its evaluation in a timely manner after consideration of relevant information. Upon receipt of responses to this request for information, OCSD will continue its evaluation and issue a response to SAWPA's request.

If you have any questions or would like to discuss this matter further, please contact Roya Sohanaki at 714-593-7437.

James D. Herberg
General Manager

JDH:JC:RS:MHK:MIZ:on

GENERAL MANAGERS MEETING NOTES

TUESDAY, MAY 15, 2018

PARTICIPANTS PRESENT

Paul Jones
Michael Markus
Doug Headrick
Craig Miller
Rich Haller
Karen Williams
Mark Norton
Larry McKenney
David Ruhl
Carlos Quintero
Sara Villa

REPRESENTING

Eastern Municipal Water District
Orange County Water District
San Bernardino Valley Municipal Water District
Western Municipal Water District
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority
Santa Ana Watershed Project Authority

PARTICIPANTS ABSENT

Halla Razak
Inland Empire Utilities Agency

CALL TO ORDER

The meeting was called to order at 8:03 a.m. at SAWPA, 11615 Sterling Avenue, Riverside, California.

FUTURE SAWPA COMMISSION AGENDA ITEMS

Rich Haller referenced the handout that was provided of the Agenda Planning Matrix (SAWPA Commission, OWOW Steering Committee, PA22, and PA23).

Project Agreement 24 (PA24)

Larry McKenney informed the General Managers that there was an exchange of emails between himself, Jeff Ferre, and Steven O'Neill regarding the language in reference to "operating decision" within the PA24. He noted that "operating decision" is not defined within the JPA, and this provision seeks to define the term for purposes of the Brine Line. Western's proposed amendments are intended to provide more detail to the definition. McKenney's concern is attempting to further define the term actually raises more questions. Significant discussion ensued about not requiring unanimous votes on day-to-day issues, how decisions regarding litigation might be handled, and the relationship between important decisions and the budget. Craig Miller noted that he is comfortable with moving forward with the PA24 as is, and bringing the issue to the PA24 Committee, once formed for further clarification. It was noted that the PA24 will be presented to the SAWPA Commission on June 5.

CLOSED SESSION ATTENDANCE RESOLUTION

Larry McKenney provided an oral update on the Closed Session Attendance Resolution and noted that he is content with EMWD's suggested revisions, though he wants Section No. 4 language to be clear that it is SAWPA's Commission decision to engage any third parties to attend a closed session. Paul Jones recommended that McKenney make the revision to Section No. 4 of the Resolution and distribute. McKenney questioned the General Managers if they were okay with the concept, and they concurred. It was noted that the Closed Session Attendance Resolution will be presented to the SAWPA Commission on June 5.

MOU WITH RIVERSIDE HOUSING AUTHORITY

Rich Haller provided an oral update and referenced the handout that was provided of the MOU with the Riverside Housing Authority. He noted that comments were incorporated to the MOU that were provided by the Commission, and will be brought forward in today's SAWPA's Commission for approval along with the two letters that were submitted by EMWD and OCWD. Haller referenced a handout that was provided of a Master's of Science thesis titled "Environmental Impacts of Homeless Encampments" and noted that trash does affect water quality. Larry McKenney noted that the changes made to the MOU clarifies that SAWPA's role is to provide technical assistance under the Proposition 1 Integrated Regional Water Management Disadvantaged Community Involvement Grant Agreement. SAWPA's grant is to provide technical assistance to projects; City of

Riverside came to us with their project and SAWPA is to provide technical assistance under this MOU, to help them figure out how they can be competitive enough for other sources of funding in the future. Paul Jones stated that at the end of the day, this should just go to a split vote and move on. Paul Jones noted that the purpose of a study under this MOU is not only to identify the level of water quality impacts to the river but also to look at the river from end to end where you know there are substantial homeless encampments and prioritize what should be done. Haller questioned if a Project Committee should be formed to do the study, and Paul Jones said that we should come back with a scope of work and recommendations and see the possible funding sources for the member agencies contributions.

OWOW UPDATE

Mark Norton provided an oral status update on the OWOW planning efforts. Norton noted that the OWOW Pillar Chairs met on May 7 to discuss the project selection criteria of weighting and ranking. DWR provided an update of their process and will be holding Pre-Application Workshops from November 2018-April 2019 with each funding area sharing what the most critical needs are within each funding area. The final funding decisions will be made by mid-summer of 2019. Norton noted that DWR is suggesting that all projects have to be CEQA ready/completed after six (6) months after completion of the funding awards with DWR. The Steering Committee meeting is scheduled for May 24 to discuss DWR requirements and go over projects rating/ranking, and the weighting factors. Norton noted that progress is being made in all OWOW efforts and the OWOW Plan Update 2018.

ROUNDTABLES UPDATE

Mark Norton provided an oral status update on the Roundtable efforts. He noted that it will be recommended that the SAWPA Commission today authorize SAWPA staff to issue a Notice Inviting Bids for the Santa Ana Sucker Habitat Protection and Beneficial Use Enhancement Project. Norton provided a handout of the brochure of the Middle Santa Ana River TMDL Task Force where it describes the benefits and provides detailed information of that task force. He noted that a brochure will be done for each of the task forces. A meeting is being scheduled with the Imported Water Recharge (IWR) signatories and the Regional Water Quality Control Board to discuss the Amendment to the Cooperative Agreement. There has been discussion in incorporating the IWR under the Basin Monitoring Task Force; more discussion to follow.

SARI RELOCATION IN OC – OCFCD PROPOSAL

David Ruhl provided a brief background on the SARI Mainline relocation and the SAWPA/OCSD loan agreements with OC Public Works. OC Public works recently contacted OCSD/SAWPA staff to request a meeting to provide a status update on the project and loan agreements. David Ruhl speculates OCPW may request OCSD/SAWPA to amend the loan agreements to defer interest payments or increase the total project costs to include recent claim settlements for the project. The terms of the loan is that SAWPA provides 10%, OCSD 60% and OCFCD 30% of the project costs. As of today the total project cost is \$92 M, and the outstanding balance on the loan is \$3.4 M. Ruhl noted that there are about \$7.6 M in fees that are non-reimbursable and OC Public Works asked that this conversation be taken to the General Managers and then provide feedback to them. It was suggested that OC Public Works submit their request. Michael Markus suggested it be presented to the SAWPA Commission during closed session.

FIELD INVESTIGATION REACH IV-D – MAY 6, 2018

David Ruhl provided a brief update on the May 6 field investigation for Reach IV-D. All brine line dischargers shut down on May 6. There were four CCTV crews from Houston and Harris and three CCTV crews from ProPipe. Results are anticipated in three to four weeks.

BRINE LINE UPDATE

David Ruhl provided an oral status update on the City of Beaumont's request to discharge to the Brine Line. Valley District had a meeting with their capacity owners and they all want to retain their owned capacity. Further, though they are okay with DFA's capacity transfer if some improvements are made (sealing of maintenance access structures). A meeting is scheduled between DFA, Valley District, Beaumont, and SAWPA on May 22 to further discuss.

SCHEDULING – NEXT GM MEETING

The next General Managers meeting is scheduled for June 12, 2018, at 9:17 a.m. at SAWPA.

The meeting adjourned at 9:17 a.m.

COMMISSION REVIEW: June 5, 2018

2018-5-15 GM Mtg Notes