

NOVATO SANITARY DISTRICT

Meeting Date: April 23, 2012

The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:30 p.m., Monday, April 23, 2012, at the District Offices, 500 Davidson Street, Novato.

Materials related to items on this agenda are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours. They are also available on the District's website: www.novatosan.com.

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

3. PUBLIC COMMENT (Please observe a three-minute time limit):

This item is to allow anyone present to comment on any subject not on the agenda, or to request consideration to place an item on a future agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Board at this time as a result of any public comments made.

4. CONSENT CALENDAR:

The Manager-Engineer has reviewed the following items. To her knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

- a. Review Quarterly Investment report.
- b. Approve disbursements including payroll and payroll-related disbursements.

5. FACILITY OPERATIONS:

- a. Wastewater Operations Committee Report.

6. ANNUAL COLLECTION SYSTEM REPAIRS PROJECT 72803:

- a. Review bids and consider acceptance of the lowest responsive bid and authorize the Manager-Engineer to execute the contract for manhole repairs.

7. RECYCLED WATER:

- a. Consider approval of Resolution approving Proposition 84 grant agreement with Bay Area Clean Water Agencies.

8. AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND NOVATO SANITARY DISTRICT:

- a. Consider adoption of Final Resolution to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of Novato Sanitary District to Provide Section 20475 (Different Level of Benefits) Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) Providing a Second Tier of Different Level of Benefits for New Miscellaneous Members.
- b. Authorize execution of Amendment to Contract.
- c. Authorize Board Clerk/Secretary to execute Certification of Final Action of Governing Body.

9. BOARD OF DIRECTORS

- a. Consider approval of a letter regarding the Governor's proposals for pension reform.

10. STAFF REPORTS:

- a. California Water Environment Association (CWEA) Annual Conference.

11. BOARD MEMBER REPORTS:

- a. North Bay Watershed Association (NBWA) conference.

12. MANAGER'S ANNOUNCEMENTS:

13. ADJOURNMENT:

Next resolution no. 3043

Next regular meeting date: Monday, May 14, 2012, 6:30 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 892-1694 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

QUARTERLY INVESTMENT REPORT -- For Quarter Ended March 2012

INVESTMENT	ACTIVITY	January	February	March	QTR TOTAL
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	808,000	2,245,000	1,137,000	4,190,000
	Total transfers out	1,618,000	1,536,000	1,303,000	4,457,000
	Minimum daily balance	5,886,988	5,886,988	6,429,988	5,886,988
	Current Yield 0.38%	6,692,788	6,595,988	6,595,988	6,692,788
	Interest earned			6,379	6,379
TRUST ACCOUNT					
BANK OF NEW YORK MELLON For COP Bond Funds	Total deposits/transfers in	0	0	0	0
	Total transfers out	733,437	0	1,408,332	2,141,769
	Minimum daily balance	16,765,739	16,765,739	17,498,799	16,765,739
	Maximum daily balance	17,499,028	16,765,826	19,003,517	19,003,517
	Interest earned	149	86	14	249
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Code Section 53646(e)					
CHECKING ACCOUNTS					
Interest Rate	Regular Warrants Account				
0.05%	Total deposits & transfers in	2,491,831	4,091,310	2,217,397	8,800,538
	Total checks & transfers out	2,615,093	3,721,595	2,363,873	8,700,561
	Minimum daily balance	49,441	18,519	11,964	11,964
	Maximum daily balance	1,704,288	2,177,966	1,186,512	2,177,966
	Interest earned	10	7	5	22
	Payroll Account				
	Total transfers in	152,100	125,300	123,800	401,200
	Total checks & transfers out	152,200	125,735	123,593	401,528
	Minimum daily balance	1,019	45	583	45
	Maximum daily balance	109,189	109,806	110,241	110,241
	Project Account				
	Total transfers in	10,200	2,907,075	713,700	3,630,975
	Total checks & transfers out	19,576	2,311,070	1,266,035	3,596,681
	Minimum daily balance	2,531	2,531	2,591	2,531
	Maximum daily balance	12,834	2,132,406	660,091	2,132,406
	Interest earned		2	4	6
	ARRA Grant Project Account				
	Total transfers in	0	181,498	0	181,498
	Total checks & transfers out	0	182,100	0	182,100
	Minimum daily balance	690	88	88	88
	Maximum daily balance	690	690	88	690
	Interest earned				

NOTES: (1) The above investments are consistent with the annual Statement of Investment Policy approved by the board on an annual basis, most recent approval was July 21, 2011.

The District has the ability to meet six months cash needs.

(2) LAIF interest rate is currently .38%. This represents no change for the last three quarters, but it is a slight decrease from .48% in June 2011.

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
3/28/2012	0.37	0.39	240
3/29/2012	0.37	0.39	239
3/30/2012	0.38	0.39	243
3/31/2012	0.38	0.39	243
4/1/2012	0.38	0.38	242
4/2/2012	0.38	0.38	243
4/3/2012	0.38	0.38	241
4/4/2012	0.38	0.38	242
4/5/2012	0.37	0.38	244
4/6/2012	0.37	0.38	243
4/7/2012	0.37	0.38	243
4/8/2012	0.37	0.38	243
4/9/2012	0.38	0.38	243
4/10/2012	0.38	0.38	243

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

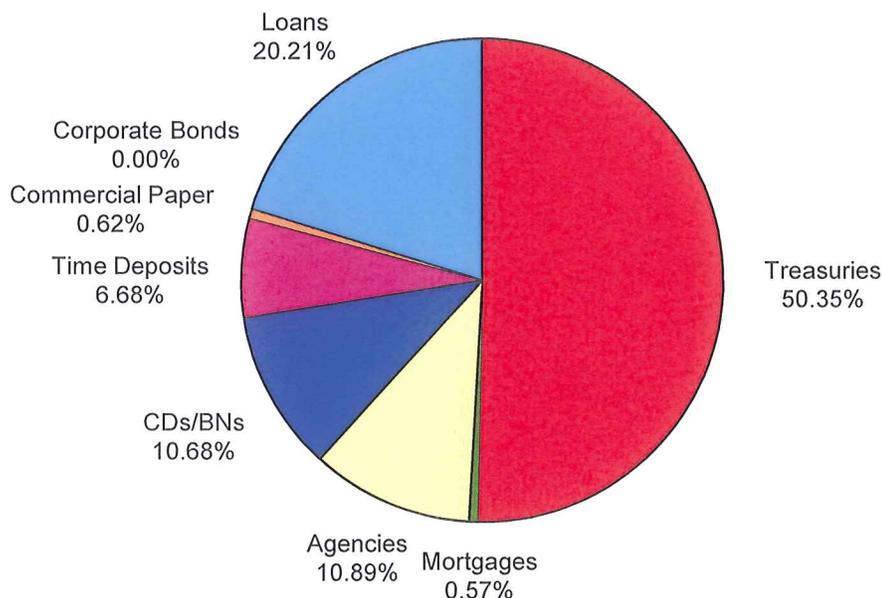
Quarter ending 03/31/2012

Apportionment Rate: 0.38%
 Earnings Ratio: .00001033084098709
 Fair Value Factor: 1.001211113
 Daily: 0.38%
 Quarter To Date: 0.39%
 Average Life: 243

PMIA Average Monthly Effective Yields

MAR 2012 0.383%
 FEB 2012 0.389%
 JAN 2012 0.385%

Pooled Money Investment Account
 Portfolio Composition
 \$64.3 Billion
 03/31/12



**State of California
Pooled Money Investment Account
Market Valuation
3/31/2012**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 17,422,080,482.50	\$ 17,436,902,610.82	\$ 17,437,805,500.00	NA
Notes	\$ 14,977,688,026.40	\$ 14,977,532,097.26	\$ 15,019,802,000.00	\$ 24,833,290.00
Federal Agency:				
SBA	\$ 534,134,101.92	\$ 534,134,101.92	\$ 534,481,633.25	\$ 560,284.25
MBS-REMICs	\$ 364,494,180.83	\$ 364,494,180.83	\$ 398,517,355.21	\$ 1,734,748.09
Debentures	\$ 976,090,670.91	\$ 976,089,837.57	\$ 975,898,250.00	\$ 1,898,749.25
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 4,791,501,388.76	\$ 4,797,382,500.10	\$ 4,798,731,000.00	NA
GNMA	\$ 23,601.72	\$ 23,601.72	\$ 23,791.92	\$ 231.18
IBRD Debenture	\$ 399,921,857.92	\$ 399,921,857.92	\$ 400,000,000.00	\$ 588,888.00
IBRD Deb FR	\$ 300,000,000.00	\$ 300,000,000.00	\$ 300,084,000.00	\$ 445,456.67
CDs and YCDs FR	\$ 400,000,000.00	\$ 400,000,000.00	\$ 400,000,000.00	\$ 292,546.67
Bank Notes	\$ -	\$ -	\$ -	\$ -
CDs and YCDs	\$ 6,475,010,947.96	\$ 6,475,010,947.96	\$ 6,474,105,775.80	\$ 7,969,493.06
Commercial Paper	\$ 399,835,583.34	\$ 399,997,999.98	\$ 399,996,666.67	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 4,300,640,000.00	\$ 4,300,640,000.00	\$ 4,300,640,000.00	NA
AB 55 & GF Loans	\$ 13,005,304,171.26	\$ 13,005,304,171.26	\$ 13,005,304,171.26	NA
TOTAL	\$ 64,346,725,013.52	\$ 64,367,433,907.34	\$ 64,445,390,144.11	\$ 38,323,687.17

Fair Value Including Accrued Interest

\$ 64,483,713,831.28

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.001211113). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,024,222.26 or \$20,000,000.00 x 1.001211113.

PAR VALUES MATURING BY DATE AND TYPE
Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	\$ 1,100	\$ 500	\$ 4,100	\$ 3,400		\$ 1,100	\$ 2,200	\$ 3,250	\$ 5,450	\$ 5,300	\$ 6,050		
REPO													
TDs	\$ 1,507	\$ 787	\$ 991	\$ 656	\$ 231	\$ 129							
AGENCY	\$ 1,059		\$ 3,803	\$ 264	\$ 175		\$ 200	\$ 1,250	\$ 200	\$ 1,177	\$ 731		
BAs													
CP	\$ 400												
CDs + BNs	\$ 2,100	\$ 1,725	\$ 2,300		\$ 400	\$ 150		\$ 200					
CORP BND													
TOTAL	\$ 6,166	\$ 3,012	\$ 11,194	\$ 4,320	\$ 806	\$ 1,379	\$ 2,400	\$ 4,700	\$ 5,650	\$ 6,477	\$ 6,781	\$ -	\$ -
PERCENT	11.7%	5.7%	21.2%	8.2%	1.5%	2.6%	4.5%	8.9%	10.7%	12.2%	12.8%	0.0%	0.0%

Notes:

1. SBA Floating Rate Securities are represented at coupon change date.
2. Mortgages are represented at current book value.
3. Figures are rounded to the nearest million.
4. Does not include AB55 and General Fund loans.

Novato Sanitary District Operations Check Register

For April 23, 2012

Date	Num	Name	Credit
Apr 23, 12			
4/23/2012	54364	Veolia Water North America, ...	157,266.37
4/23/2012	54358	Pacific, Gas & Electric	50,825.34
4/23/2012	54331	Central Marin Sanitation District	16,901.89
4/23/2012	54336	E & M Electric & Machinery, I...	7,065.32
4/23/2012	54322	Aqua Science	6,740.00
4/23/2012	54357	Novato, City	6,611.63
4/23/2012	54321	American Express-22062	4,494.49
4/23/2012	54324	Bartle Wells Assoc, Inc	3,710.21
4/23/2012	54352	North Bay Truck Service	3,312.93
4/23/2012	54353	North Marin Water District	3,120.10
4/23/2012	54329	CASA	2,125.00
4/23/2012	54328	Cantarutti Electric, Inc	2,068.00
4/23/2012	54363	Valin Corporation	2,049.61
4/23/2012	54333	CT Promotions	1,984.18
4/23/2012	54339	IDEXX Distributing Corp.	1,754.04
4/23/2012	54366	Zenith Instant Printing, Inc.	1,555.22
4/23/2012	54326	Cagwin & Dorward Inc.	1,522.00
4/23/2012	54356	Novato Chamber of Commerce	1,500.00
4/23/2012	54338	Grainger	1,419.50
4/23/2012	54343	Irvine Consulting Services Inc.	1,189.00
4/23/2012	54327	California Diesel & Power	1,083.12
4/23/2012	54340	IEDA, INC	1,020.00
4/23/2012	54354	North Marin Water District Pa...	906.28
4/23/2012	54362	Triple T Autobody	776.11
4/23/2012	54323	Barg, Coffin, Lewis & Trapp	766.50
4/23/2012	54342	Internal Revenue Service	750.00
4/23/2012	54337	Empire Mini Storage - Novato	730.00
4/23/2012	54319	3T Equipment Company Inc.	648.83
4/23/2012	54345	Johnson Controls, Inc.	625.25
4/23/2012	54330	CDW Government, Inc.	625.00
4/23/2012	54341	Ikon Office Solutions, Inc.	535.69
4/23/2012	54325	Bay Area Air Quality	487.00
4/23/2012	54320	Able Tire & Brake Inc.	463.69
4/23/2012	54346	Labworks Equipment, Inc.	418.34
4/23/2012	54332	Clarence & Dyer LLP	396.00
4/23/2012	54350	MME	374.04
4/23/2012	54361	Siemens Industry Inc. - Lab	272.00
4/23/2012	54334	Datco Billing Inc.	245.70
4/23/2012	54355	Northgate Office Equip	236.21
4/23/2012	54347	Levy, Larry	200.00
4/23/2012	54344	Jackson's Hardware Inc.	195.27
4/23/2012	54359	Petty Cash	171.98
4/23/2012	54351	North Bay Portables, Inc.	92.22
4/23/2012	54335	Don Johnsons Pool Service	75.94
4/23/2012	54360	Redwood Empire Chapter MSA	75.00
4/23/2012	54349	Metal Service Center	59.14
4/23/2012	54348	Liebert, Cassidy, Whitmore	55.00
4/23/2012	54365	VWR International Inc.	47.36
Apr 23, 12			289,546.50

Novato Sanitary District Check Register Detail All Transactions

	Date	Account	Debit
3T Equipment Company Inc.			
	04/13/2012	65100 · Operating Supplies	648.83
Total 3T Equipment Company Inc.			<u>648.83</u>
Able Tire & Brake Inc.			
	04/13/2012	66150 · Repairs & Maintenance	463.69
Total Able Tire & Brake Inc.			<u>463.69</u>
American Express-22062			
	04/13/2012	66090 · Office Expense	797.17
	04/13/2012	66170 · Travel, Meetings & Training	1,991.80
	04/13/2012	64170 · Pollution Prevention/Public Ed	75.00
	04/13/2012	60100 · Operating Supplies	80.00
	04/13/2012	60193 · Telephone	207.00
	04/13/2012	61000-4 · Water/Permits/Telephone	100.66
	04/13/2012	65193 · Telephone	380.62
	04/13/2012	66100 · Engineering Supplies	238.86
	04/13/2012	66150 · Repairs & Maintenance	277.87
	04/13/2012	66193 · Telephone	345.51
Total American Express-22062			<u>4,494.49</u>
Aqua Science			
	04/05/2012	64160 · Research & Monitoring	6,740.00
Total Aqua Science			<u>6,740.00</u>
Barg, Coffin, Lewis & Trapp			
	04/10/2012	66122 · Attorney Fees	766.50
Total Barg, Coffin, Lewis & Trapp			<u>766.50</u>
Bartle Wells Assoc, Inc			
	04/06/2012	66123 · O/S Contractual	3,710.21
Total Bartle Wells Assoc, Inc			<u>3,710.21</u>
Bay Area Air Quality			
	04/10/2012	65201 · Permits & Fees	487.00
Total Bay Area Air Quality			<u>487.00</u>
Cagwin & Dorward Inc.			
	04/05/2012	63150 · Repairs & Maintenance	1,522.00
Total Cagwin & Dorward Inc.			<u>1,522.00</u>
California Diesel & Power			
	03/30/2012	65150 · Repairs & Maintenance	1,083.12
Total California Diesel & Power			<u>1,083.12</u>
Cantarutti Electric, Inc			
	04/06/2012	65150 · Repairs & Maintenance	2,068.00
Total Cantarutti Electric, Inc			<u>2,068.00</u>
CASA			
	04/15/2012	66170 · Travel, Meetings & Training	2,125.00
Total CASA			<u>2,125.00</u>
CDW Government, Inc.			
	04/02/2012	66124 · IT/Misc Electrical	625.00
Total CDW Government, Inc.			<u>625.00</u>
Central Marin Sanitation District			
	04/11/2012	66123 · O/S Contractual	14,432.37
	04/12/2012	64170 · Pollution Prevention/Public Ed	2,469.52
Total Central Marin Sanitation District			<u>16,901.89</u>
Clarence & Dyer LLP			
	02/07/2012	66122 · Attorney Fees	396.00
Total Clarence & Dyer LLP			<u>396.00</u>
CT Promotions			
	04/10/2012	67500 · Household Hazardous Waste	1,154.06
	04/19/2012	67500 · Household Hazardous Waste	830.12
Total CT Promotions			<u>1,984.18</u>
Datco Billing Inc.			
	04/01/2012	66123 · O/S Contractual	245.70
Total Datco Billing Inc.			<u>245.70</u>

Novato Sanitary District
Check Register Detail
All Transactions

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Don Johnsons Pool Service			
	03/31/2012	65100 · Operating Supplies	75.94
Total Don Johnsons Pool Service			<u>75.94</u>
E & M Electric & Machinery, Inc.			
	03/29/2012	61000-3 · Major Repair/Replacement	7,065.32
Total E & M Electric & Machinery, Inc.			<u>7,065.32</u>
Empire Mini Storage - Novato			
	04/18/2012	66123 · O/S Contractual	730.00
Total Empire Mini Storage - Novato			<u>730.00</u>
Grainger			
	04/05/2012	63100 · Operating Supplies	206.20
	04/05/2012	65100 · Operating Supplies	206.21
	04/06/2012	65150 · Repairs & Maintenance	1,007.09
Total Grainger			<u>1,419.50</u>
IDEXX Distributing Corp.			
	04/12/2012	64100 · Operating Supplies	1,754.04
Total IDEXX Distributing Corp.			<u>1,754.04</u>
IEDA, INC			
	04/01/2012	66123 · O/S Contractual	1,020.00
Total IEDA, INC			<u>1,020.00</u>
Ikon Office Solutions, Inc.			
	04/05/2012	66090 · Office Expense	535.69
Total Ikon Office Solutions, Inc.			<u>535.69</u>
Internal Revenue Service			
	04/20/2012	66020 · Employee Benefits	750.00
Total Internal Revenue Service			<u>750.00</u>
Irvine Consulting Services Inc.			
	04/06/2012	66124 · IT/Misc Electrical	1,189.00
Total Irvine Consulting Services Inc.			<u>1,189.00</u>
Jackson's Hardware Inc.			
	02/12/2012	60100 · Operating Supplies	195.27
Total Jackson's Hardware Inc.			<u>195.27</u>
Johnson Controls, Inc.			
	04/02/2012	66150 · Repairs & Maintenance	625.25
Total Johnson Controls, Inc.			<u>625.25</u>
Labworks Equipment, Inc.			
	04/13/2012	64100 · Operating Supplies	418.34
Total Labworks Equipment, Inc.			<u>418.34</u>
Levy, Larry			
	04/03/2012	66123 · O/S Contractual	200.00
Total Levy, Larry			<u>200.00</u>
Liebert, Cassidy, Whitmore			
	04/05/2012	66170 · Travel, Meetings & Training	55.00
Total Liebert, Cassidy, Whitmore			<u>55.00</u>
Metal Service Center			
	04/06/2012	60100 · Operating Supplies	59.14
Total Metal Service Center			<u>59.14</u>
MME			
	03/23/2012	60150 · Repairs & Maintenance	374.04
Total MME			<u>374.04</u>
North Bay Portables, Inc.			
	04/01/2012	63100 · Operating Supplies	92.22
Total North Bay Portables, Inc.			<u>92.22</u>
North Bay Truck Service			
	04/10/2012	63150 · Repairs & Maintenance	3,312.93
Total North Bay Truck Service			<u>3,312.93</u>

Novato Sanitary District
Check Register Detail
All Transactions

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
North Marin Water District			
	04/04/2012	64160 · Research & Monitoring	1,390.50
	04/05/2012	60192 · Water	382.13
	04/05/2012	60192 · Water	779.68
	04/05/2012	65192 · Water	29.00
	04/12/2012	63192 · Water - Reclamation	345.80
	04/12/2012	65192 · Water	192.99
Total North Marin Water District			<u>3,120.10</u>
North Marin Water District Payroll			
	04/04/2012	64010 · Salaries & Wages	906.28
Total North Marin Water District Payroll			<u>906.28</u>
Northgate Office Equip			
	04/04/2012	66090 · Office Expense	236.21
Total Northgate Office Equip			<u>236.21</u>
Novato Chamber of Commerce			
	04/02/2012	67600 · Other	1,500.00
Total Novato Chamber of Commerce			<u>1,500.00</u>
Novato, City			
	04/09/2012	66090 · Office Expense	28.00
	04/10/2012	66060 · Gasoline & Oil	1,909.68
	04/10/2012	61000-4 · Water/Permits/Telephone	2,764.28
	04/10/2012	63060 · Gasoline & Oil	611.10
	04/10/2012	64060 · Gasoline & Oil	267.35
	04/10/2012	65060 · Gasoline & Oil	381.94
	04/10/2012	66060 · Gasoline & Oil	649.28
Total Novato, City			<u>6,611.63</u>
Pacific, Gas & Electric			
	04/02/2012	65191 · Gas & Electricity	13.23
	04/02/2012	65191 · Gas & Electricity	1.55
	04/16/2012	61000-5 · Gas & Electricity	39,972.99
	04/16/2012	63191 · Gas & Electricity	3,314.72
	04/16/2012	65191 · Gas & Electricity	7,522.85
Total Pacific, Gas & Electric			<u>50,825.34</u>
Petty Cash			
	04/17/2012	66090 · Office Expense	28.18
	04/17/2012	66170 · Travel, Meetings & Training	113.00
	04/17/2012	66100 · Engineering Supplies	18.00
	04/17/2012	60100 · Operating Supplies	12.80
Total Petty Cash			<u>171.98</u>
Redwood Empire Chapter MSA			
	04/19/2012	66170 · Travel, Meetings & Training	75.00
Total Redwood Empire Chapter MSA			<u>75.00</u>
Siemens Industry Inc. - Lab			
	04/01/2012	64150 · Repairs & Maintenance	272.00
Total Siemens Industry Inc. - Lab			<u>272.00</u>
Triple T Autobody			
	04/06/2012	66150 · Repairs & Maintenance	776.11
Total Triple T Autobody			<u>776.11</u>
Valin Corporation			
	04/09/2012	63150 · Repairs & Maintenance	219.61
	04/09/2012	63150 · Repairs & Maintenance	1,830.00
Total Valin Corporation			<u>2,049.61</u>
Veolia Water North America, Inc.			
	11/22/2011	61000-2 · Insurance & Bonds	4,202.42
	03/01/2012	61000-1 · Fixed Fee	153,063.95
Total Veolia Water North America, Inc.			<u>157,266.37</u>

Novato Sanitary District
Check Register Detail
All Transactions

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
VWR International Inc.			
	04/11/2012	64100 · Operating Supplies	47.36
Total VWR International Inc.			<u>47.36</u>
Zenith Instant Printing, Inc.			
	03/31/2012	60150 · Repairs & Maintenance	1,256.43
	03/31/2012	66090 · Office Expense	298.79
Total Zenith Instant Printing, Inc.			<u>1,555.22</u>
			<u>289,546.50</u>

Novato Sanitary District Capital Project Check Register

For April 23, 2012

Date	Num	Name	Credit
Apr 23, 12			
4/23/2012	2292	Gateway Pacific Contractors, ...	481,050.90
4/23/2012	2294	RMC Water & Environment, I...	117,405.46
4/23/2012	2291	Gateway Pacific Contractors -...	53,450.10
4/23/2012	2289	Covello Group, The	43,134.71
4/23/2012	2297	W.R. Forde	12,256.83
4/23/2012	2290	Exponent, Inc.	10,410.00
4/23/2012	2288	Cagwin & Dorward Inc.	6,029.50
4/23/2012	2295	V&A Consulting Engineers	2,466.00
4/23/2012	2293	North Marin Water District Jo...	2,452.20
4/23/2012	2287	Associated Corrosion Engine...	945.00
4/23/2012	2296	Verizon Communications	164.22
Apr 23, 12			729,764.92

Novato Sanitary District
Capital Projects
All Transactions

	<u>Date</u>	<u>Account</u>	<u>Open Balance</u>
Associated Corrosion Engineers			
	04/02/2012	72805 · Annual Trtmt Plnt/Pump St Impr	945.00
Total Associated Corrosion Engineers			<u>945.00</u>
Cagwin & Dorward Inc.			
	04/05/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	6,029.50
Total Cagwin & Dorward Inc.			<u>6,029.50</u>
Covello Group, The			
	04/01/2012	72609 · WWTP Upgrade - Contract B	1,750.00
	04/01/2012	72706 · 2008 Collection System Improv	1,407.50
	04/01/2012	72706 · 2008 Collection System Improv	3,857.00
	04/01/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	36,120.21
Total Covello Group, The			<u>43,134.71</u>
Exponent, Inc.			
	03/29/2012	72609 · WWTP Upgrade - Contract B	10,410.00
Total Exponent, Inc.			<u>10,410.00</u>
Gateway Pacific Contractors - Escrow			
	04/01/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	53,450.10
Total Gateway Pacific Contractors - Escrow			<u>53,450.10</u>
Gateway Pacific Contractors, Inc.			
	04/01/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	481,050.90
Total Gateway Pacific Contractors, Inc.			<u>481,050.90</u>
North Marin Water District Jobsite			
	04/13/2012	72403 · Pump Station Rehabilitation	2,452.20
Total North Marin Water District Jobsite			<u>2,452.20</u>
RMC Water & Environment, Inc.			
	04/11/2012	73001 · WWTP Upgrade - Contract C	37,832.83
	04/11/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	79,108.63
	04/11/2012	72609 · WWTP Upgrade - Contract B	464.00
Total RMC Water & Environment, Inc.			<u>117,405.46</u>
V&A Consulting Engineers			
	03/30/2012	72609 · WWTP Upgrade - Contract B	2,466.00
Total V&A Consulting Engineers			<u>2,466.00</u>
Verizon Communications			
	04/10/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	164.22
Total Verizon Communications			<u>164.22</u>
W.R. Forde			
	04/13/2012	72803 · Annual Collection Sys Repairs	12,256.83
Total W.R. Forde			<u>12,256.83</u>
TOTAL			<u><u>729,764.92</u></u>

Novato Sanitary District
Payroll and Payroll Related Check Register

April 25 - 30, 2012

<u>Date</u>	<u>Name</u>	<u>Credit</u>
Apr 25 - 30, 12		
04/25/2012	April Payroll	109,741.27
04/25/2012	Retiree Health Benefits	14,697.80
04/25/2012	United States Treasury	20,808.96
04/25/2012	CALPERS Retirement(est)	25,300.00
04/25/2012	EDD	5,885.97
04/25/2012	CalPERS Health	28,187.35
04/25/2012	Lincoln Financial Group-401a Plan	7,103.84
04/25/2012	Lincoln Financial Group-401a Plan	3,877.23
04/25/2012	Lincoln Financial Group	3,823.18
04/25/2012	State Street Bank & Trust	3,016.66
04/25/2012	Local Union 315	700.00
04/25/2012	Marin Employ Federal Credit Union	517.00
04/25/2012	Torres, Cari	400.00
Apr 25 - 30, 12		<u>224,059.26</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report for March 2012	MEETING DATE: April 23, 2012 AGENDA ITEM NO.:
RECOMMENDED ACTION: Information	
SUMMARY AND DISCUSSION: <p>The March 2012 operations reports for the wastewater treatment, collection, and reclamation facilities are attached.</p> <p>Wastewater Treatment Facility</p> <p>Water quality performance for March was excellent with all parameters well within effluent standards. Flows picked up with the rainfall levels and events during the month. There were no significant maintenance issues. A key event for month was the annual NPDES inspection which was carried out by an EPA/Regional Water Board sub-contractor and the District's Regional Board case handler, and went relatively smoothly. Another key event was an annual inspection of the inspection of the microbiological testing portion of the District laboratory by the State Environmental Laboratory Accreditation Program, which also went relatively smoothly. Safety performance was excellent with an accident-free month for a total of 668 accident-free days. The District continued to add Bioxide® at the outlying pump stations to preclude/control odor issues. The District received some more odor complaints which are captured in the attached operations report.</p> <p>Collection System</p> <p>The March Collection System report summarizes the performance for March 2012 and compares the performance with 2011. The crews cleaned and televised a total of 73,015 feet of sewer line. The District had two Sewer System Overflows (SSOs) in March 2012: a 278 gallon event at 209 Judith Ct, and a 120 gallon event at 9 Redwood Blvd, both resulting from roots in the sewer lines. Safety performance was excellent with no lost time accidents for a total of 382 accident-free days at the end of March. The District had been recruiting to fill two open collection system worker positions, and both were filled in February at the Collection System Worker I (CSW I) level.</p> <p>Reclamation Facility</p> <p>There was no reportable activity in March for the Irrigation systems and sludge handling and disposal. Irrigation Pump #2 was scheduled for reinstallation, a status update was received on the delivery of the irrigation strainers that are currently undergoing repair/rehabilitation, and the irrigation flow meter was received back after undergoing factory recalibration. The Cathodic Protection system for the reclamation facilities was audited by an independent third party and it was reported to be operating satisfactorily with all of the protected elements (including the piping systems) receiving full cathodic protection.</p>	
DEPT.MGR.:	DEPUTY MANAGER:



April 9, 2012

Ms. Beverly James
Manager - Engineer
Novato Sanitary District
500 Davidson Street
Novato, CA 94545

Subject: Veolia Water Operations Report – March 2012

Dear Ms. James:

We are pleased to provide this updated activity report for March 2012.

As always, please give me a call at 707-208-4491 should you have any questions.

Regards,

A handwritten signature in blue ink that reads "John Bailey".

John Bailey
Project Manager

**MONTHLY OPERATIONS REPORT
March 2012**

Prepared for

**NOVATO SANITARY DISTRICT (NSD)
WASTEWATER TREATMENT PLANT
500 Davidson Street
Novato, CA 94545**

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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SAFETY AND TRAINING	3
ODORS.....	3
MISCELLANEOUS.....	3

TREATMENT PLANT PERFORMANCE SUMMARY:

March 2012:

BAY DISCHARGE

Parameter	Monthly Performance			
	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	6.79	11.97	N/A	N/A
Influent BOD ₅ , lb/day (month ave/max)	9,287	12,891	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	11,579	32,094	N/A	N/A
Effluent BOD ₅ , mg/L (monthly ave/weekly max)	<5	7	30	45
Effluent TSS, mg/L (monthly ave/weekly max)	<4	5	30	45
Effluent BOD ₅ - % Removal	97	N/A	85	N/A
Effluent TSS - % Removal	98	N/A	85	N/A
Ammonia mg/L (monthly average / daily max)	1.27	5.70	6	21
pH, su (min / max)	6.8	7.2	6.5	8.5
Enterococcus, mpn (30 day geo mean)	5.9	N/A	35	N/A
Fecal Coliform, mpn (30 day median)	4	N/A	140	N/A
Fecal Coliform, mpn (90 th percentile)	8	N/A	430	N/A
Total Permit Exceedances (NPDES)	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

OPERATIONS & MAINTENANCE STATUS / REVIEW:

Key events for the period:

Novato

- Repaired electrical panel/breaker in old Generator Building
- Installed temporary flange on leaking surge control valve
- Repaired temporary sound enclosure around odor control fans @ Primary Clarifiers
- Installed compressor in Maintenance shop
- Annual NPDES Inspection
- Annual ELAP (Laboratory) Inspection
- Change out human machine interface (HMI) display at disinfection area
- Replaced Sample Pump at Ultra Violet (UV) disinfection area
- Cal Diesel performed warranty work on UV Generator
- Replaced Primary Clarifier #1 Drive Motor

Ignacio Transfer Pump Station

- Routine rounds, readings, and maintenance

Decant/Reclamation

- Investigating Struvite buildup
- Switched out Decant pumps 3/21/12 - guide rails need repair; work order issued
- Pumping down sludge lagoons w/portable pump
- Operator discovered fresh water leak on road at reclamation; North Marin Water District notified

CONSTRUCTION UPDATE:

- Attended weekly construction meetings.

ADMINISTRATION:

- Electronic Self Monitoring Report for February 2012, submitted on 3/29/12.

SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTF completed on 3/28/12
- Five Minute Tailgate training is held daily with the O&M staff.
- No safety incidents for the month of March 2012.
- Accident Free: 6/1/10 – 3/31/12: 668 days / 30,460.80 hours.
- Personal Protective Equipment (PPE) Training conducted on 3/7/12
- Basic Electrical Safety Awareness Training conducted on 3/21/12
- Lockout Tagout Training conducted on 3/31/12
- Christian Williams attended Leadership Training at the Veolia Campus in Pleasant Hill, Ca. on 3/19/12
- Anthony Silva and Lynda Rodefer attended Connecting With Others (Communication) Training at the Veolia Campus in Pleasant Hill, Ca. on 3/20/12

ODORS:

- Jerome Meter (H2S) readings performed in neighborhood and within treatment plant.

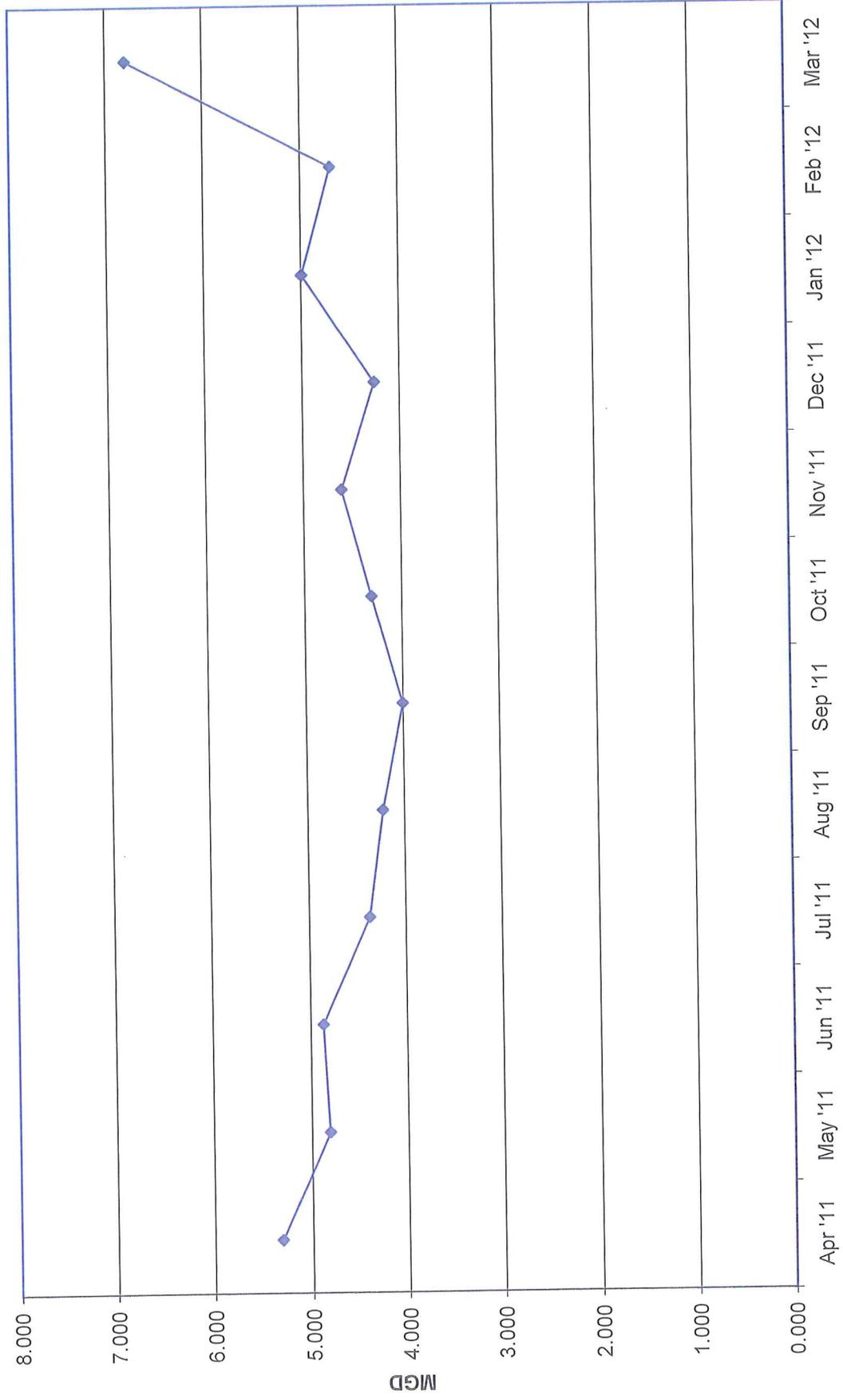
MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held weekly.

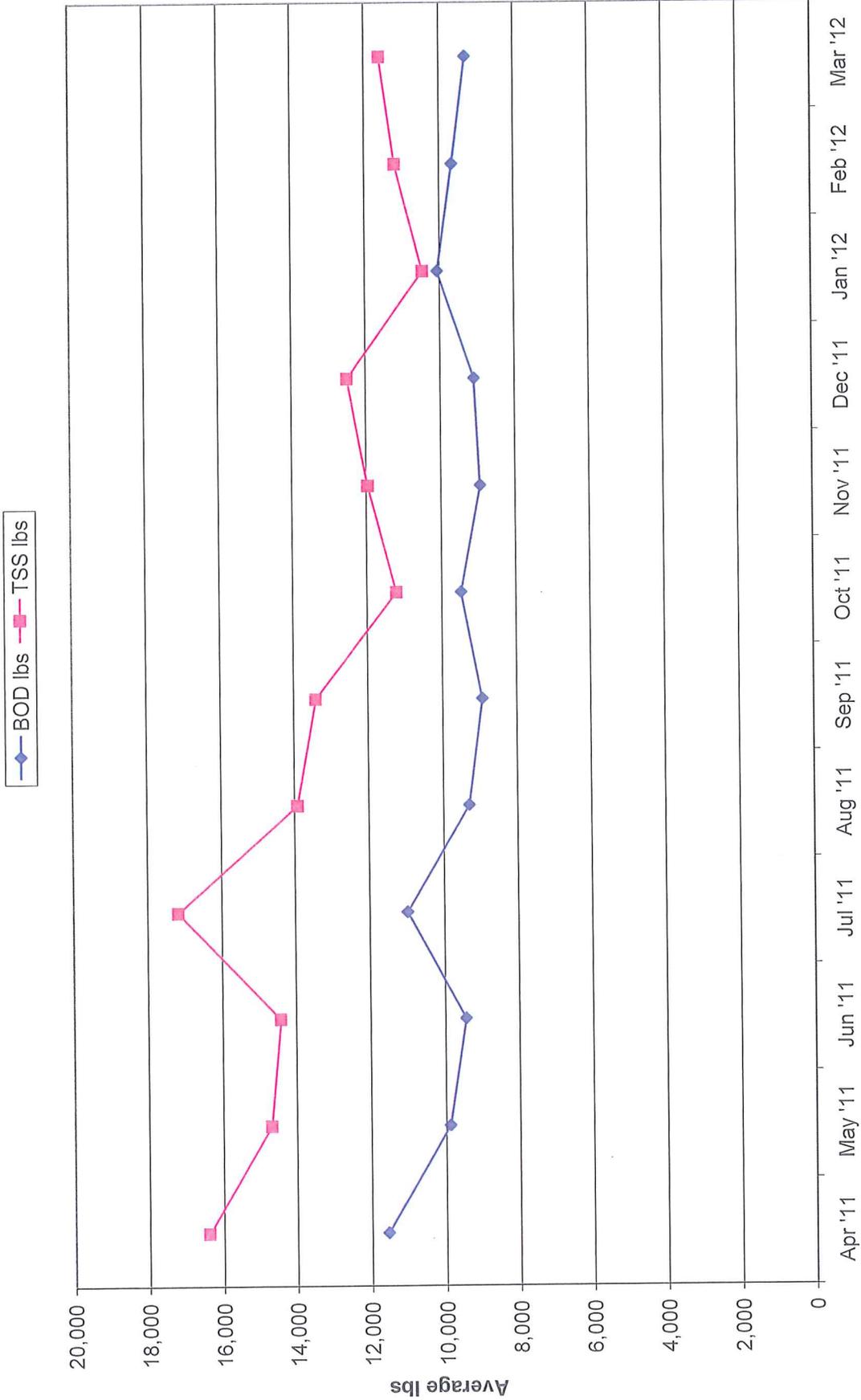
Veolia Support Staff On/Off Site (Various Times)

John O'Hare	Technical Support
Chris McAuliffe	District Manager
Karen Baker	Laboratory QA Manager

Plant Flow

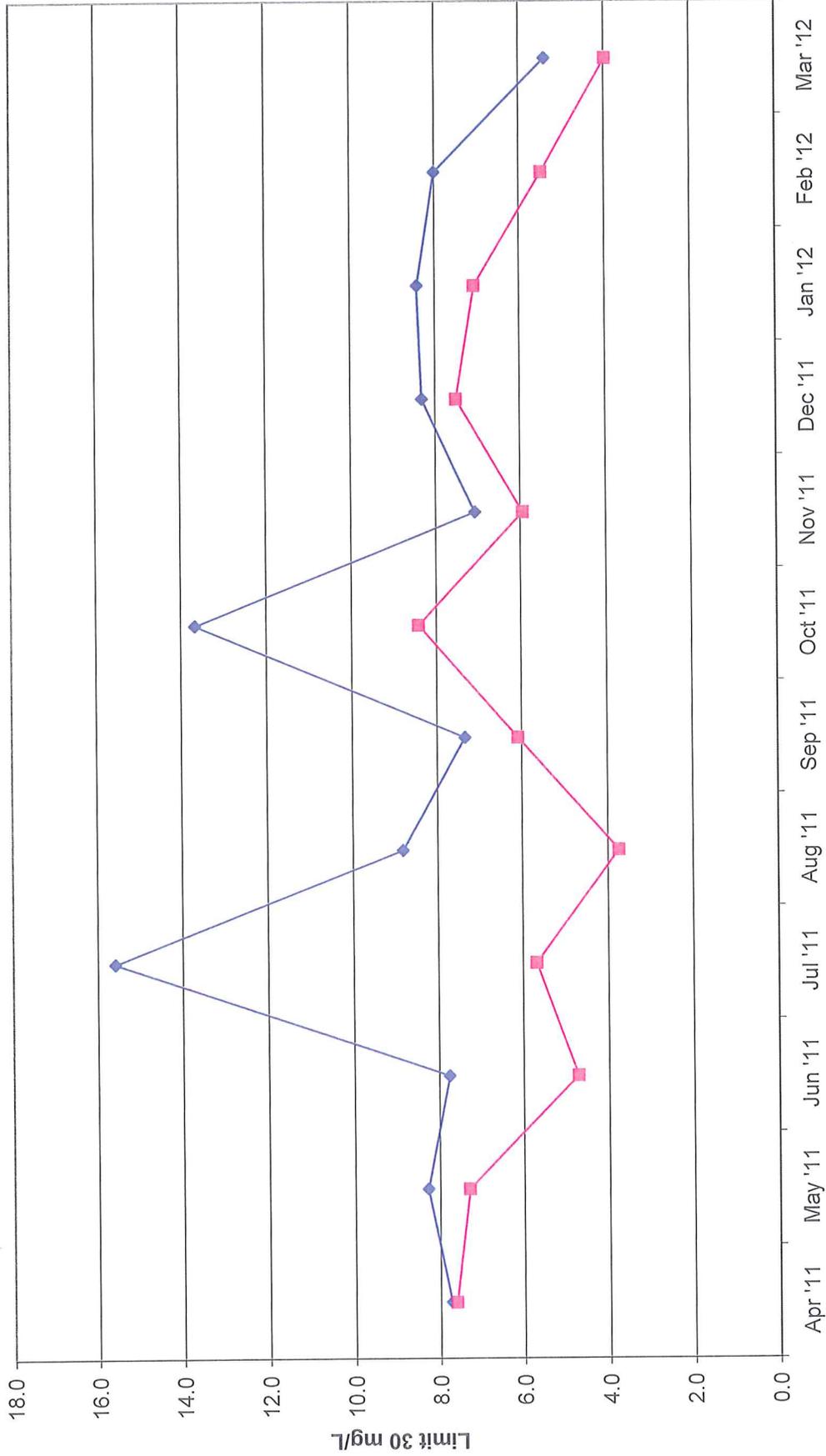


Influent Load BOD / TSS lbs



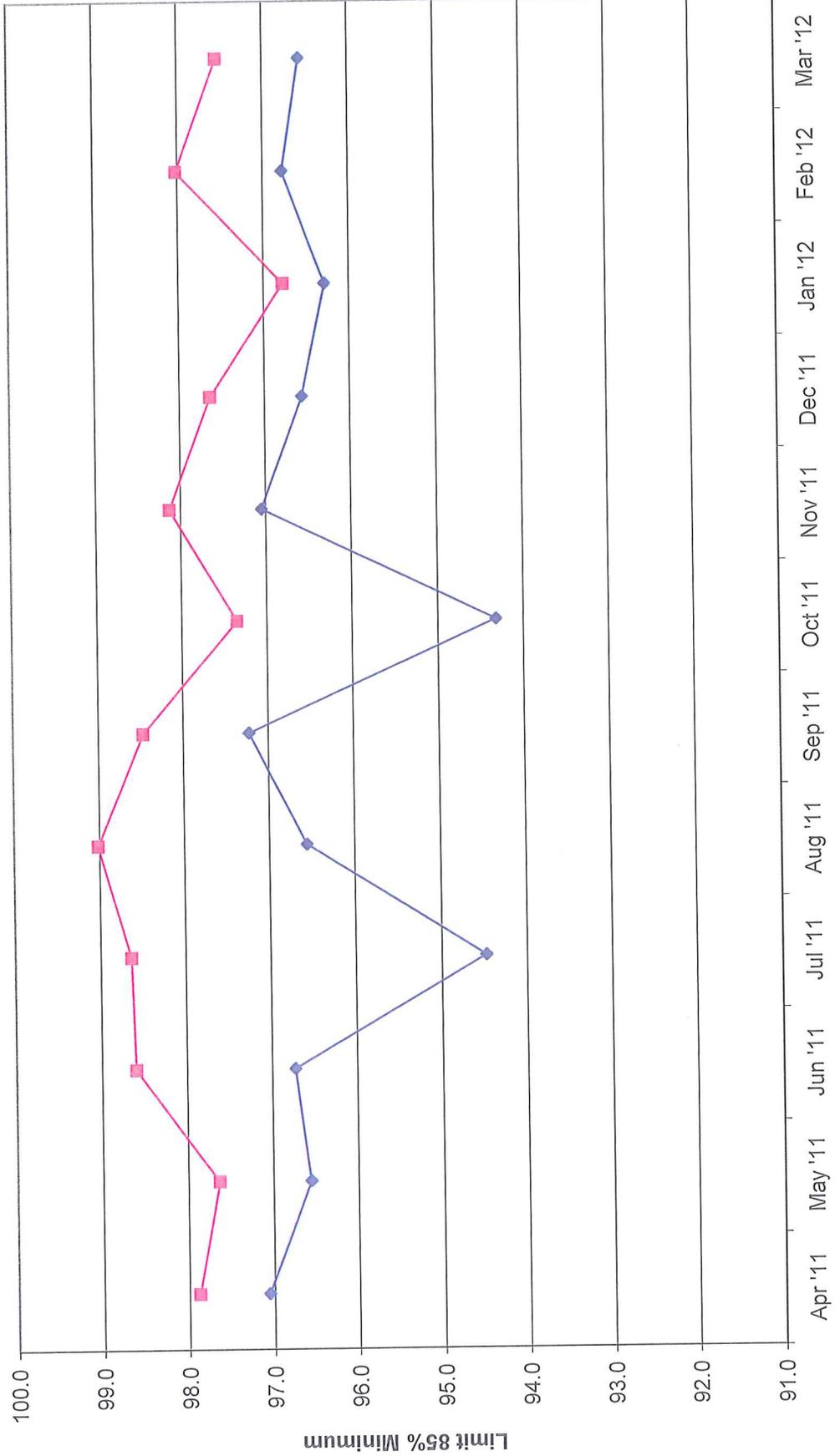
Effluent BOD / TSS Concentration

NPDES LIMITS WET SEASON
 BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave
 NPDES LIMITS DRY SEASON
 BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
 TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave
 WDR (Waste Discharge Requirements) RECLAMATION
 BOD - 40 mg/L

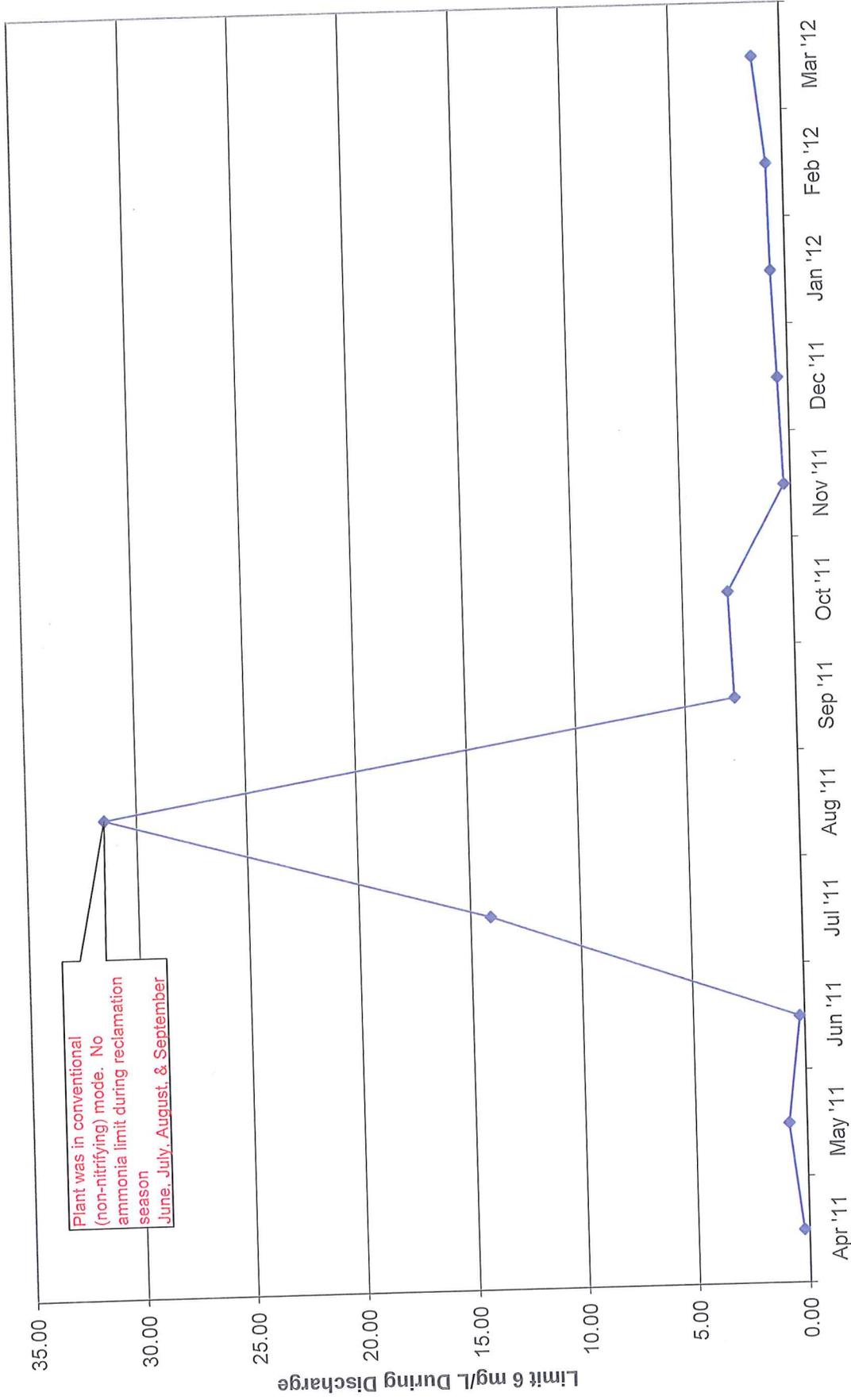


BOD / TSS Percent Removal

Legend: BOD (blue diamonds), TSS (pink squares)



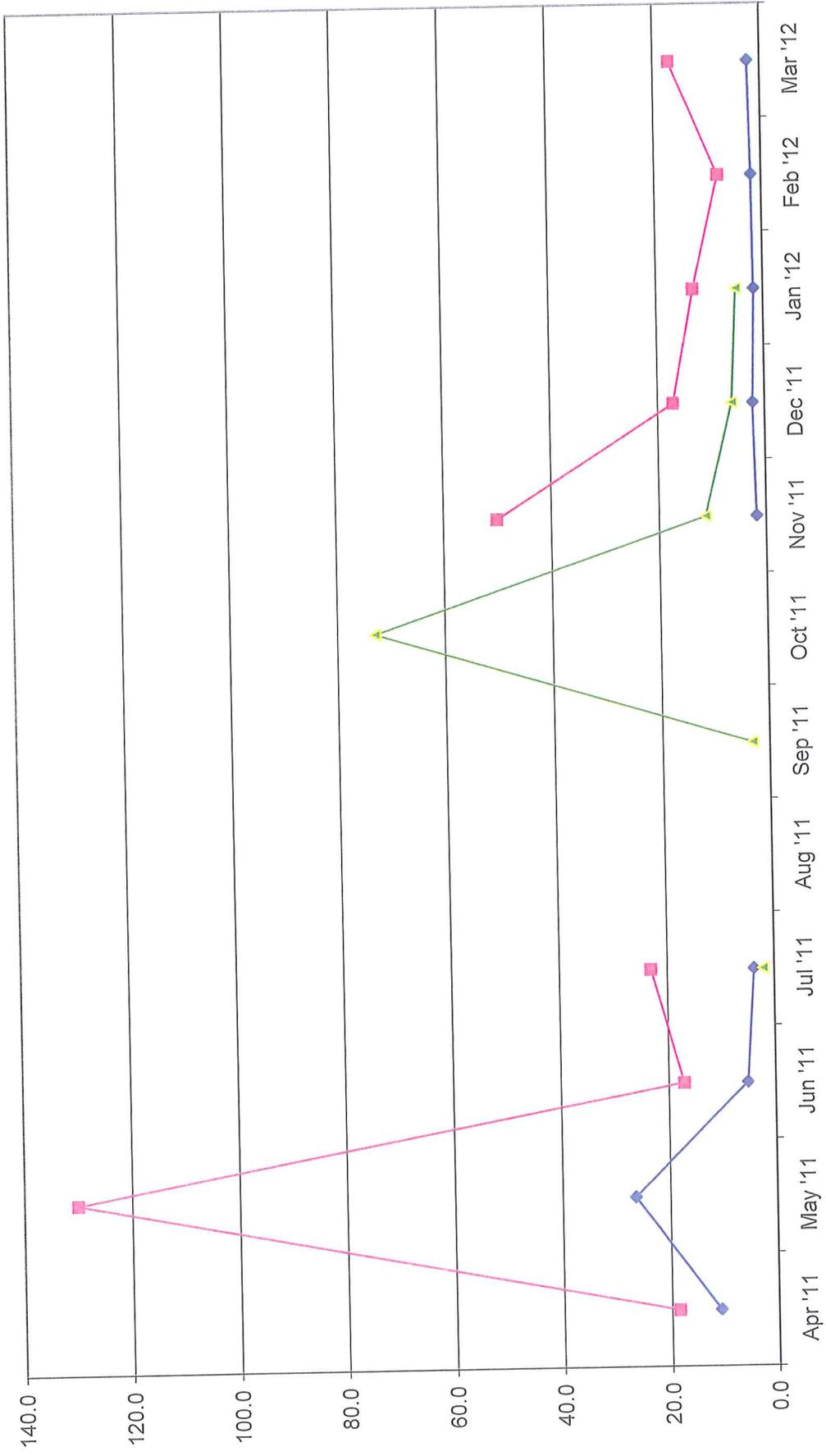
Effluent Ammonia



Disinfection

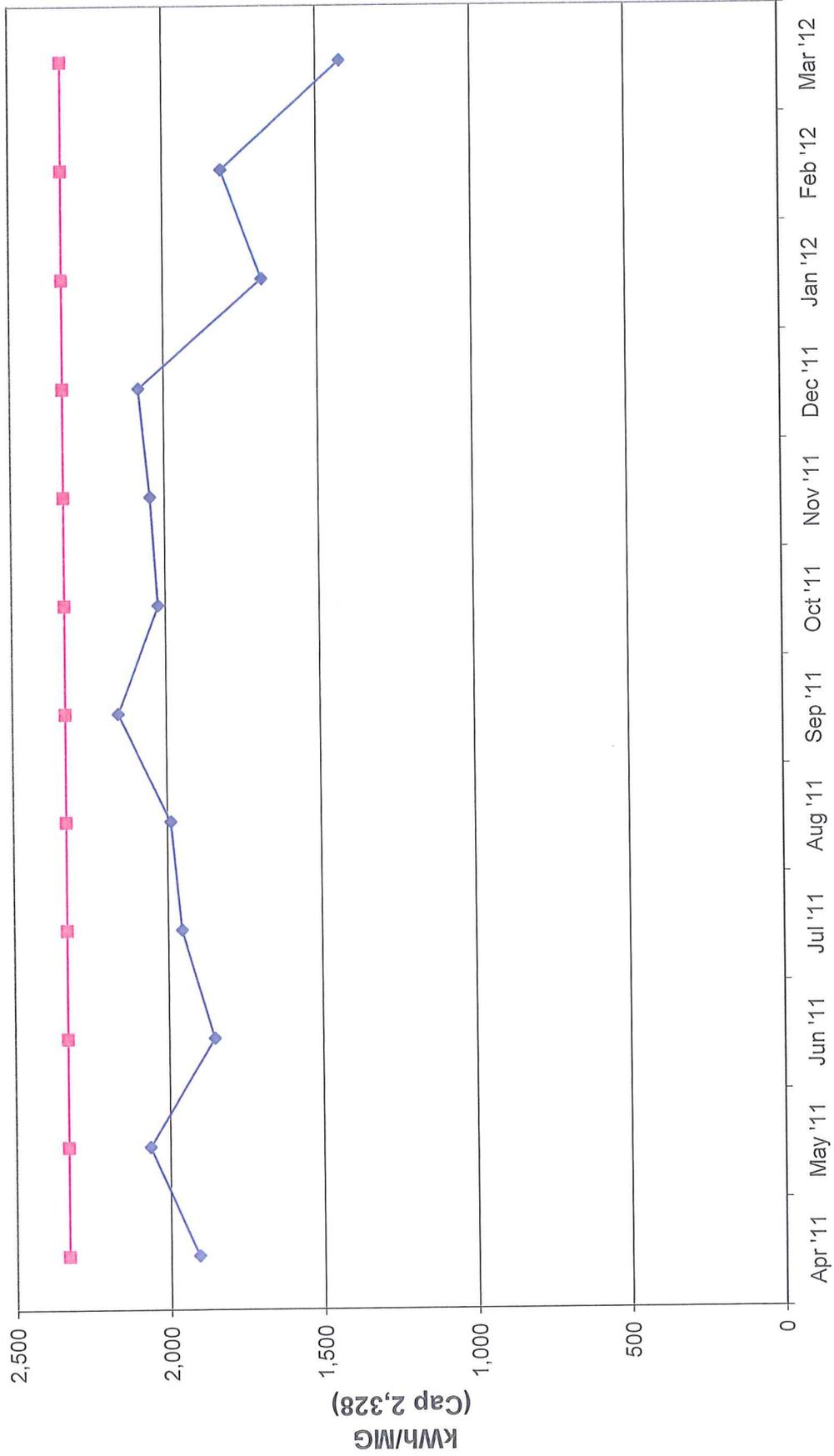
LIMITS - NPDES
 Entero 30 day geo mean 35 mpn /100ml
 Fecal 140 mpn monthly median
 Fecal 430 mpn 90th percentile 30 day
LIMITS - RECLAMATION
 Total Coliform 240 mpn 5 sample median
 Total Coliform maximum 10,000 mpn/100 ml

—◆— Geo Mean —■— 90th %ile —▲— Total



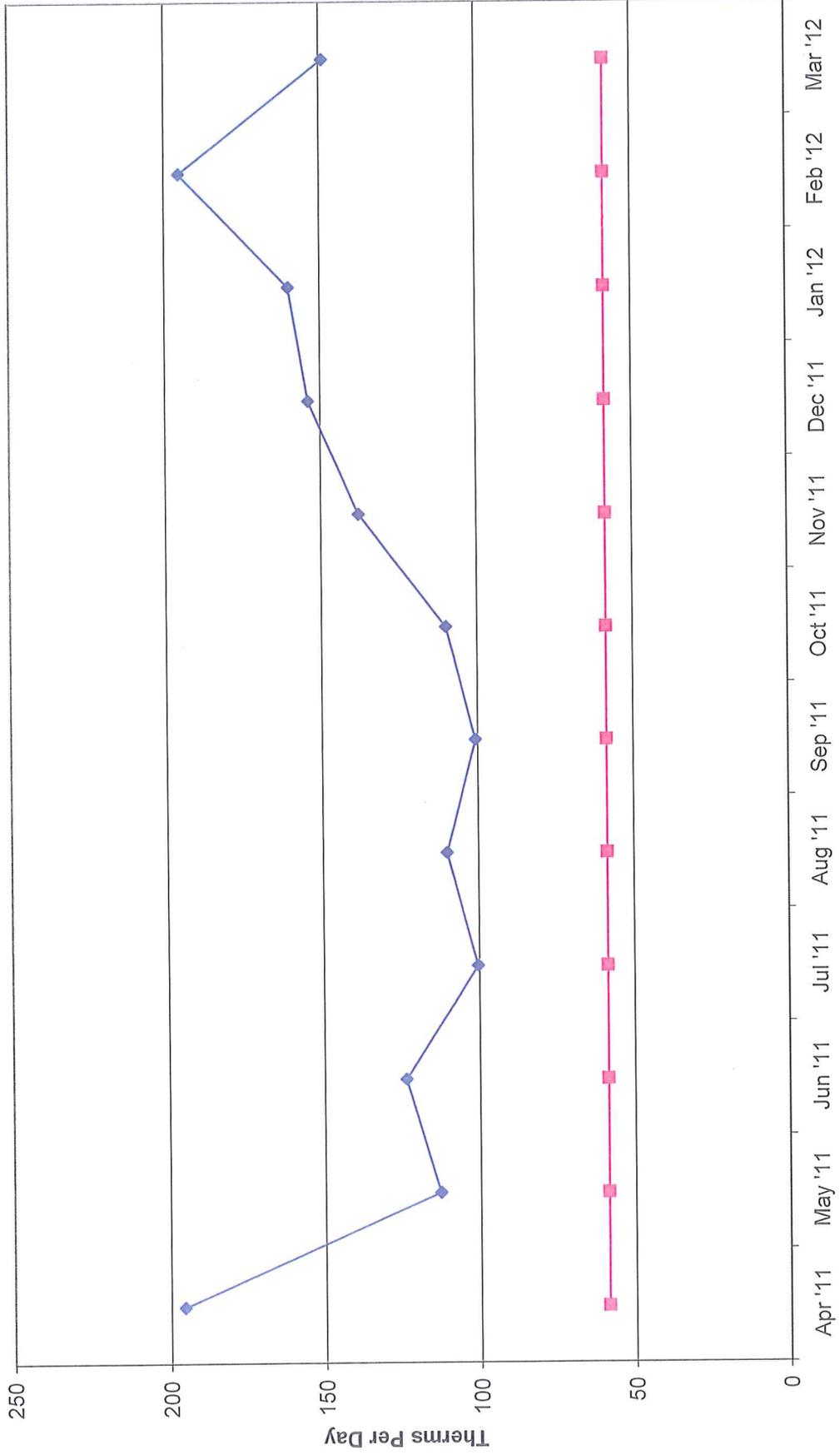
Energy kWh/MG

—◆— kW/MG —■— Cap



Natural Gas Use

—◆— Natural Gas —■— Cap



WORK ORDER STATISTICS

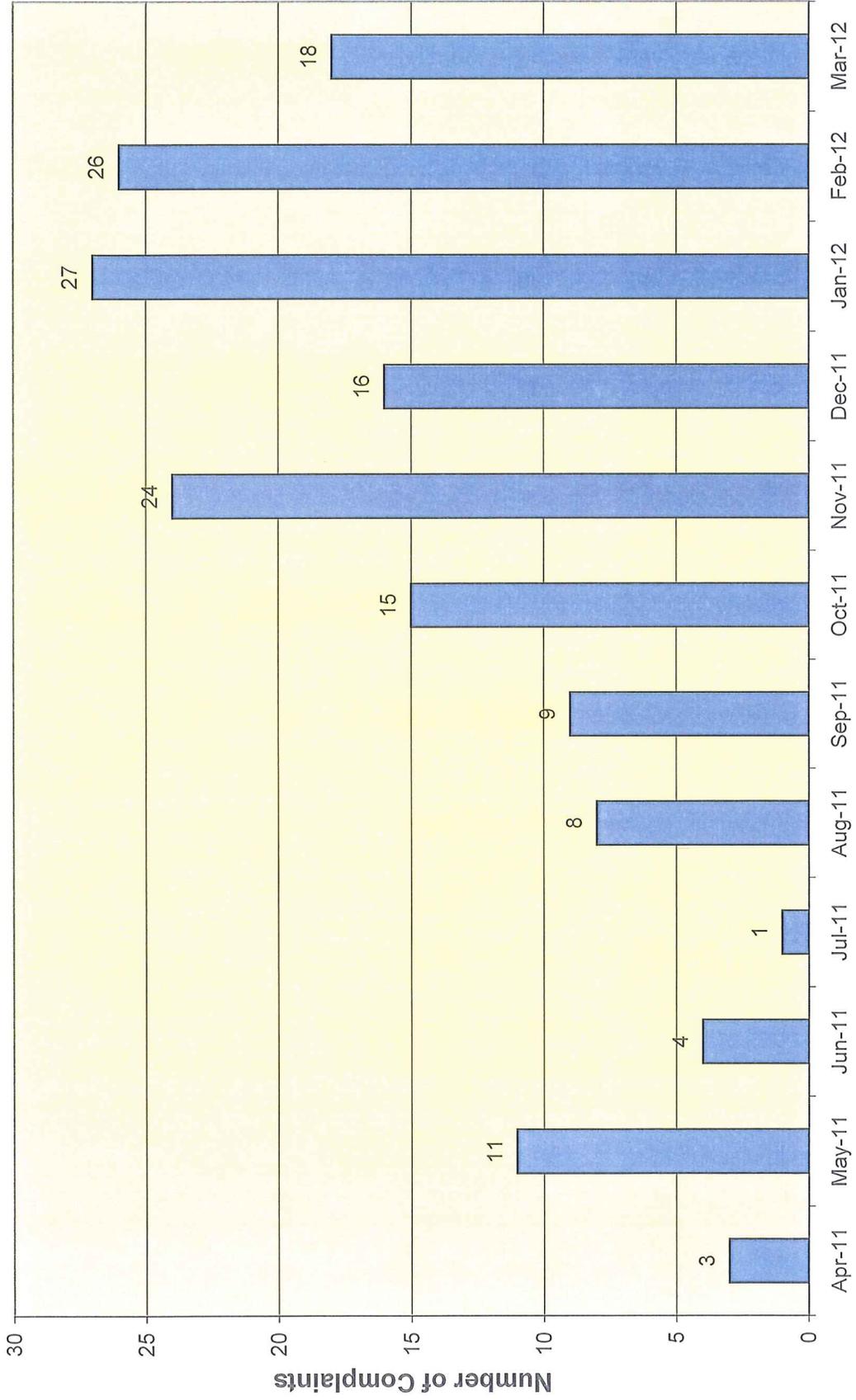
February 1, 2012 - February 29, 2012

	Open Work Orders Due Prior to 2/1/12	Open Work Orders 2/1/12 - 2/29/12	Total Open Work Orders
Preventative	5	250	255
Corrective	8	35	43
Total	13	285	298

	Closed Work Orders 2/1/12 - 2/29/12
Preventative	237
Corrective	30
Total	267

Total Outstanding Work Orders as of March 1, 2012	31
--	-----------

Complaints Received



**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March, 2012**

General

For the month of March 2012, the Collection System Department spent about 67% of its time on sewer system maintenance, and 33% of its time on pump station maintenance. At full strength, the department has eight (8) workers plus the Collection System Superintendent for collections system and pump station O&M.

After accounting for technical and safety training, routine and administrative maintenance, vacations, holidays, sick leave, and industrial injury leave, for the month of March, the Collection System department had the equivalent of: (a) 4.0 full time field workers plus the Collection System Superintendent for sewer maintenance, and (b) 1.9 full time field workers plus the Collection System Superintendent on pump station maintenance.

Sewer Maintenance

A total of 73,015 feet of sewer pipelines was cleaned for the month. Staff completed 302 maintenance work orders with 67 outstanding work orders. The footage cleaned per hour, line cleaned/month, and outstanding work orders are within currently established parameters for the department. Graphs showing the length of line cleaned/month, footage cleaned/hour worked, along with the overflows/month is attached.

Pump Station Maintenance

Approximately 236 lift station inspections were conducted for the month of March 2012, with 112 of the visits generated through the JobCal Plus CMMS system. The breakdown of these inspections is as follows: 22 Flygt submersible pump stations, 2 times per month, 9 Gorman/Rupp dry well/wet well stations, 1 entry per month, and 4 main stations that are visited daily. Staff repaired the bubbler line at Olive St pump station.

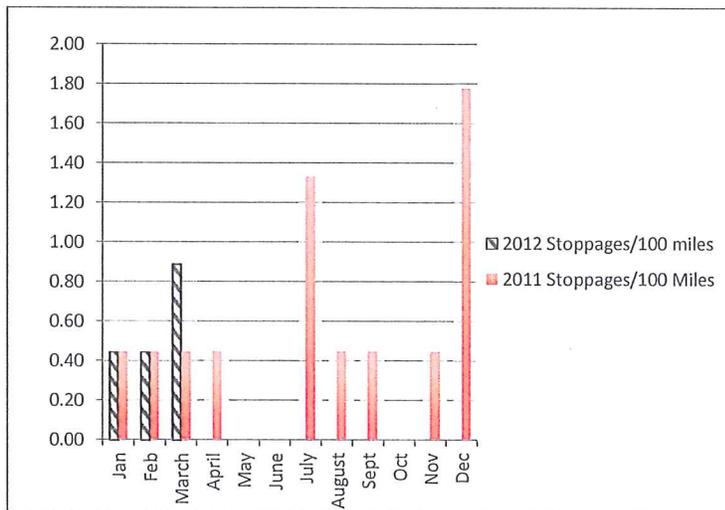
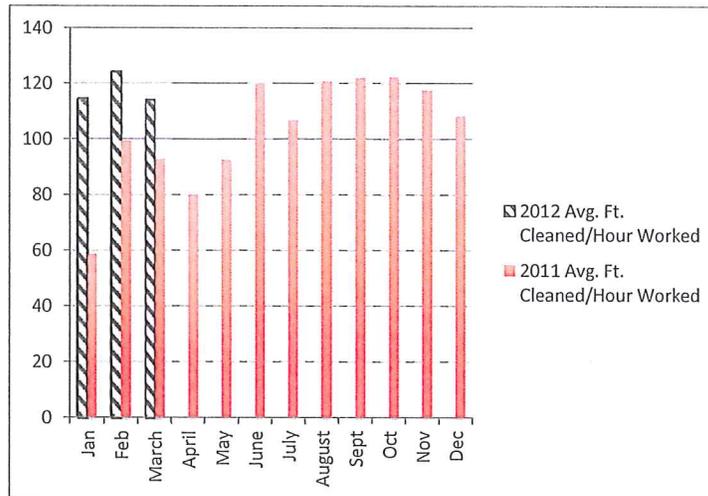
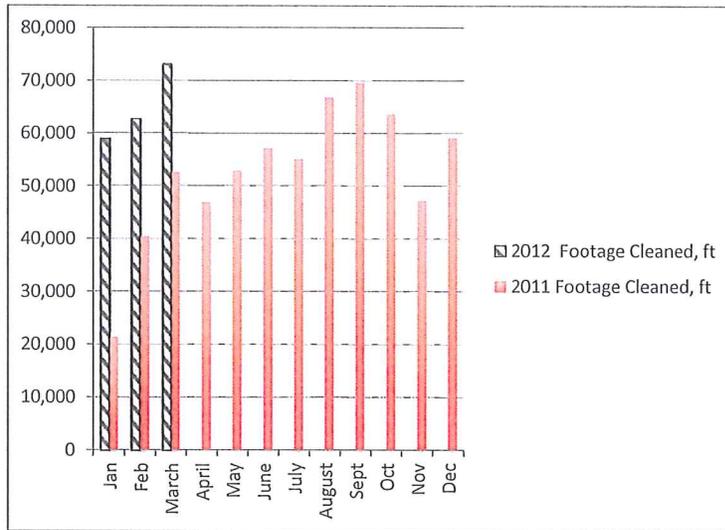
Pump Station Construction

As part of the District's continuing multi-year Pump Station Rehabilitation Project (Capital Improvement Project No. 72403), the construction phase of the rehabilitation/replacement of the Bayside, South Gate, and Western Oaks pump stations was completed and a Notice of Completion filed for the project. There are currently no projects under construction.

Sanitary Sewer Overflows (SSOs)

For the month of March 2012, there were two (2) SSO's:

No.	Date	Location	Amount, gal	Cause
1	3/8/2012	209 Judith Ct	278	Roots
2	3/30/2012	9 Redwood Blvd	120	Roots



NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
March 2012

Summary:

Irrigation Pump No. 2 has been repaired and is scheduled for installation in April. The irrigation strainers are at the factory being refurbished. The irrigation flow meter has been received after being factory calibrated. The cathodic protection system was reviewed by a third party who confirmed that it continues to operate satisfactorily.

Rancher Operations:

The rancher focused on weed spraying, sprinkler repairs and fence repairs.

Irrigation Systems:

No activities to report this month.

Irrigation Pump Station:

Irrigation Pump 2 repairs are complete and it is scheduled to be reinstalled during the first week of April. Last month, both irrigation water strainers were removed and shipped to the manufacturer for inspection and possible refurbishing. Staff met with representatives from the strainer manufacturer and received a report of the repair/refurbishment costs. This report was presented to the Board of Directors at its March 26 meeting for approval, and the Board approved this item. The strainers are due back by the end of May. The irrigation flow meter was factory calibrated and received back from the manufacturer, and will be scheduled for installation when the strainers arrive.

Sludge Handling & Disposal:

No activities to report this month.

Cathodic Protection System Update

In July 2009 the District completed repair/rehabilitation of the Cathodic Protection (CP) system at the reclamation facilities, and retained Associated Corrosion Engineers (ACE) to conduct post installation field testing following completion of the work. ACE's 2009 post-installation report confirmed that the rehabilitated CP system was operating satisfactorily and all protected elements were receiving full cathodic protection. Subsequently, District staff has checked rectifier functions and output monthly, and tests the piping system twice a year.

Also, standard industry practices for CP systems include periodic testing by an independent or third party. Accordingly, staff requested a follow up by ACE to verify that the reclamation facilities CP system was continuing to operate satisfactorily. At this time, ACE has completed their analysis and has confirmed that all of the protected elements, including the irrigation piping, throughout the Reclamation Facility are receiving full cathodic protection.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Annual Collection System Repairs – Miscellaneous Manhole Repairs; Project 72803-04

MEETING DATE: April 23, 2012

AGENDA ITEM NO.:

RECOMMENDED ACTION: Review bids received, accept the lowest responsive bid and authorize the Manager-Engineer to execute the Contract.

SUMMARY AND DISCUSSION:

Using the informal bid provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA), as adopted by the Board of Directors in 2006, District staff requested bids for the repair or modification of 17 manholes in various locations around the District. The scope of work ranges from raising manhole frame and covers to grade that were found buried, or to prevent engulfment during storm events, to adjustments requested by the City of Novato for traffic safety reasons.

On April 11, 2012, 4 bids were received as follows:

1. Maggiora & Ghilotti: \$38,251.00
2. Arnold Construction: \$59,375.00
3. Linscott Engineering: \$66,360.00
4. Team Ghilotti: \$77,650.00

Maggiora & Ghilotti of San Rafael submitted the lowest responsive bid of \$38,251.00. The Engineer's Estimate of Probable Cost was \$35,000.00. Maggiora & Ghilotti's bid has been reviewed and is in order. Staff contacted Maggiora & Ghilotti to discuss their bid and they are comfortable and confident with their bid.

The FY11-12 budget includes \$200,000 for the Annual Collection System Repairs. To date, \$116,944.00 has been expended. Accordingly, at this time, it is recommended that the Board award the Miscellaneous Manhole Repair Project of the Annual Collection System Repairs to Maggiora & Ghilotti with a bid of \$38,251.00.

ALTERNATIVES: N/A.

BUDGET INFORMATION: The FY 11-12 Budget for Account No. 72803 includes a budget amount of \$200,000. The current budget balance is \$83,056.00

DEPT.MGR.:

MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Recycled Water – BACWA Agreement for Grant	MEETING DATE: April 23, 2012 AGENDA ITEM NO.:
RECOMMENDED ACTION: Approve Implementation Agreement between Bay Area Clean Water Agencies and Novato Sanitary District for Bay Area Proposition 84 Integrated Regional Water Management Grant. Adopt Resolution so approving Agreement.	
SUMMARY AND DISCUSSION: The joint Novato Sanitary District/North Marin Water District Recycled Water Project was awarded a portion of the San Francisco Bay Area Integrated Regional Water Management Program (IRWMP) Grant in August 2011. The IRWMP grant was a block grant of \$30,666,667 to the San Francisco Bay Area for recycled water, water conservation, stormwater, and habitats and floodplains. Bay Area Clean Water Agencies (BACWA) is serving as the administrative agency for the grant. Their Executive Board approved an agreement with the Department of Water Resources on April 16, 2012. The attached Agreement between Novato Sanitary District and BACWA has been reviewed by District Counsel as well as the attorney's for the other fifteen agencies participating in the Bay Area IRWMP. District Counsel did not find any issues of concern with the Agreement. The deadline for approving the agreement in order to receive grant payments in this fiscal year is May 1 st . Staff recommends approval of the agreement.	
ALTERNATIVES: N/A.	
BUDGET INFORMATION: The grant totals \$625,000, which will be divided with the North Marin Water District. Novato Sanitary District will receive \$318,750 for Project 73002 – Recycled Water which has a 2011-12 budget of \$6,500,000. The 2011-12 budget anticipated receiving \$250,000 from the IRWMP.	
DEPT.MGR.:	MANAGER:

**IMPLEMENTATION AGREEMENT NO. 12,
BETWEEN BAY AREA CLEAN WATER AGENCIES AND
NOVATO SANITARY DISTRICT
Bay Area Proposition 84 Integrated Regional Water Management Grant**

THROUGH THIS IMPLEMENTATION AGREEMENT (this "Implementation Agreement"), entered into by and between Bay Area Clean Water Agencies ("BACWA"), a Joint Powers Authority existing under the laws of the State of California, and NOVATO SANITARY DISTRICT a public agency located in the County of MARIN State of California, duly organized, existing, and acting pursuant to the laws thereof ("Project Sponsor"), the parties hereby agree as follows:

- A. WHEREAS, BACWA is a Joint Powers Authority existing under the laws of the State of California and consisting of various wastewater agencies in the San Francisco Bay Area Region; and
- B. WHEREAS, on behalf of numerous local public agencies located in the San Francisco Bay Area (hereinafter collectively referred to as the "Participating Agencies" or individually referred to as the "Agency"), BACWA applied for a Proposition 84 Integrated Regional Water Management Grant from the State of California, Department of Water Resources ("DWR"), to help fund the implementation and operation of various regional water conservation, water recycling, ecosystem restoration, green infrastructure, and flood management-watershed projects to be carried out by the Participating Agencies; each of the Participating Agencies has prior State grant experience; Project Sponsor is one of the Participating Agencies; and
- C. WHEREAS, in August 2011, pursuant to BACWA's request made on behalf of the Participating Agencies, DWR awarded BACWA a grant for \$30,093,592.00 in State funding (the "State Grant") and over \$80,000,000.00 in matching funds; each of the Participating Agencies will be recipients of the State Grant, by and through BACWA, and will be responsible for the cost-matching required under the State Agreement (defined below); the grant period extends from August 16, 2011 (the date of the Letter of Conditional Award) until 2015-16, when the lengthiest projects will wind down and grant closeout activities are expected to be completed; and
- D. WHEREAS, the process by which the State Grant will be disbursed by DWR to BACWA is set forth in and governed by that certain Grant Agreement to be entered into by and between DWR and BACWA titled Agreement No. 46000**** (the "State Agreement"), the most recent true and correct copy of which is attached hereto and incorporated herein as Exhibit A¹; disbursement of the State Grant will operate on a reimbursement basis, in that each discrete project and all eligible administration costs will be reimbursed by DWR after the cost has been incurred and a request for reimbursement has been prepared and submitted to DWR by BACWA; BACWA and each of the Participating Agencies will cooperate in fulfilling the obligations under the State Agreement for disbursement of the State Grant to BACWA, who in turn will disburse the State Grant to each of the Participating Agencies for their specified projects; and
- E. WHEREAS, the process by which each of the Participating Agencies will submit their reimbursement requests to BACWA, and how BACWA will in turn request reimbursement from DWR and disburse the State Grant to each of the Participating Agencies, will be governed by individualized versions of this Implementation Agreement to be entered into between BACWA and

¹ A true and correct copy of an unexecuted version of the State Agreement is attached hereto and incorporated herein as Exhibit A. Each of the Participating Agencies, including Project Sponsor, hereby agrees to abide by the final, executed version of the State Agreement, even if that final version is different in form or substance from the unexecuted version that is attached hereto as Exhibit A.

each of the Participating Agencies (collectively, the “Implementation Agreements”); each of the Implementation Agreements will contain similar terms and provisions, but will be tailored to the specific funding and grant requirements particular to each of the Participating Agencies; and

- F. WHEREAS, each of the Implementation Agreements will ensure that matching funds are committed by the Participating Agencies and all pertinent conditions under the State Agreement are satisfied, which is intended to protect BACWA from liability for executing the State Agreement on behalf of the Participating Agencies; this Implementation Agreement shall be fully executed prior to when Project Sponsor will be entitled to submit its first reimbursement request to BACWA and before BACWA will in turn be required to disburse the applicable portion of the State Grant to Project Sponsor; and
- G. WHEREAS, BACWA, as a Joint Powers Authority, relies on the paid services of the East Bay Municipal Utility District (“EBMUD”) to provide all its financial accounting services; BACWA will also rely on EBMUD to provide all necessary financial and project management services associated with implementing each of the Implementation Agreements and the State Agreement, including, but not limited to: assisting with developing the State Agreement and the Implementation Agreements and their various exhibits; coordinating with the Participating Agencies; organizing submittals to DWR; serving as a point of contact for DWR’s grant manager; developing State Grant reimbursement requests; tracking State Grant reimbursements from DWR and distributions of the State Grant to the Participating Agencies; and providing other support tasks as necessary to assist BACWA; provided, however, that such EBMUD services will be reimbursed by the State Grant up to the maximum amount budgeted or available for these purposes, estimated to be \$240,000.00 as of August 2011; and
- H. WHEREAS, one of the stipulations BACWA entered into with the Participating Agencies was that the cost of applying for and implementing the State Grant and the State Agreement, and the cost of implementing the Implementation Agreements, will be fully paid for by the Participating Agencies, not BACWA; additionally, BACWA and the Participating Agencies stipulated that all liability under the State Agreement will be the responsibility of the Participating Agencies, not BACWA; thus, each of the obligations set forth in the Implementation Agreements, including this Implementation Agreement, are to be fulfilled in the manner that most furthers these stipulations.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and in furtherance of the recitals set forth hereinabove, it is understood and agreed by and between BACWA and Project Sponsor as follows:

AGREEMENT²

1. **PURPOSE.** This Implementation Agreement is entered into to assist in financing that particular project titled NOVATO NORTH SERVICE AREA PROJECT, as more particularly described in Exhibit B (Work Plan) attached hereto (the “Project”).
2. **TERM.** The term of this Implementation Agreement begins on [INSERT DATE], and terminates when Project Sponsor’s obligations under this Implementation Agreement have been fully satisfied.

² Paragraphs 1 through 27 of this Implementation Agreement generally track Paragraphs 1 through 27 of the State Agreement.

3. STATE GRANT SHARE. Project Sponsor's share of the State Grant is \$625,000 as summarized in Exhibit D (Budget) attached hereto (the "State Grant Share").
4. PROJECT SPONSOR'S COSTS. The total estimated costs of the Project are \$[INSERT AMOUNT], as summarized in Exhibit D (Budget) attached hereto (the "Total Project Cost"). Project Sponsor agrees to fund at least twenty-five percent (25%) of the Total Project Cost, but in any event shall fund the difference between the Total Project Cost and the State Grant Share ("Project Sponsor's Costs"). Project Sponsor's Costs are estimated to be \$[INSERT AMOUNT], as summarized in Exhibit D (Budget) attached hereto. Project Sponsor agrees to dedicate revenues in the amount of the estimate of Project Sponsor's Costs, as such estimate may be revised from time to time, which such dedicated revenues may be utilized only for the payment of Project Sponsor's Costs. Project Sponsor's Costs may include costs incurred after September 30, 2008.
5. PROJECT SPONSOR'S RESPONSIBILITY. Project Sponsor shall faithfully and expeditiously perform or cause to be performed all work associated with the Project as described in Exhibit B (Work Plan), and in accordance with Exhibit C (Schedule) and Exhibit D (Budget), all of which are attached hereto. Project Sponsor shall also be responsible for all management, oversight, compliance, operation, and maintenance associated with the Project. Project Sponsor shall comply with all of the terms and conditions of this Implementation Agreement and the State Agreement, and all applicable provisions of law, including, but not limited to, applicable California Public Resources Code requirements.
6. [INTENTIONALLY OMITTED.]
7. BASIC CONDITIONS. Project Sponsor acknowledges and accepts that DWR and BACWA shall have no obligation to disburse money for the Project under the State Agreement and this Implementation Agreement, respectively, unless and until BACWA, by and through the Participating Agencies, and/or Project Sponsor, as applicable, have satisfied the following conditions:
 - a) By signing this Implementation Agreement, Project Sponsor demonstrates that it is aware of and will comply with the provisions of the State Agreement, and by signing the State Agreement, BACWA demonstrates that each of the Participating Agencies are aware of and will comply with the provisions of the State Agreement.
 - b) Project Sponsor demonstrates to BACWA the availability of sufficient funds to complete the Project, and BACWA demonstrates to DWR (on behalf of the Participating Agencies) the availability of sufficient funds to complete the projects to be carried out by each of the Participating Agencies, as stated in the Grant Award/Commitment Letter, by submitting the most recent three (3) years of audited financial statements.
 - c) Project Sponsor complies with California Public Resources Code § 75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of project construction if that tribe has traditional lands located within the area of the Project.
 - d) If the Project involves groundwater management and recharge, and/or has potential groundwater impacts, Project Sponsor must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

- e) For the term of this Implementation Agreement, Project Sponsor submits to BACWA timely Progress Reports as required hereunder, and for the term of the State Agreement, BACWA submits timely Quarterly Progress Reports as required by Paragraph 17 of the State Agreement.
- f) Project Sponsor submits all deliverables as specified in this Paragraph and Exhibit B (Work Plan) attached hereto, and BACWA submits all deliverables as specified in Paragraph 7 of the State Agreement and Exhibit A (Work Plan) attached thereto.
- g) Since Project Sponsor's IRWM region (the "Region") receives water supplied from the Sacramento-San Joaquin Delta (the "Delta"), then the Region's IRWM plan (existing or any future update) must help reduce dependence on the Delta for water supply.
- h) For each project covered by the State Agreement, prior to the commencement of construction or implementation activities, the Participating Agencies, by and through BACWA, shall submit to DWR the following:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for each approved project as listed in Exhibit A (Work Plan) of the State Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Implementation Agreement or the State Agreement until the following actions are performed:
 - i. The Participating Agencies, by and through BACWA, submit all applicable environmental permits as indicated on the Environmental Information Form to DWR,
 - ii. Documents that satisfy the CEQA process are received by DWR,
 - iii. DWR has completed its CEQA compliance review as a Responsible Agency, and
 - iv. The Participating Agencies, by and through BACWA, receive written concurrence from DWR of Lead Agency's CEQA document(s) and DWR notice of verification of environmental permit submittal.

Project Sponsor acknowledges and accepts that, under the State Agreement, DWR's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (*e.g.*, construction or implementation activities) for which it is required. Therefore, Project Sponsor shall get concurrence from DWR on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, DWR will consider the environmental documents and decide whether to continue to fund the particular project or to require changes, alterations, or other mitigation. BACWA must also demonstrate that each of the Participating Agencies, including Project Sponsor as to the Project, has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

3) For each project covered by the State Agreement, a monitoring plan as required by Paragraph 22 of the State Agreement.

8. DISBURSEMENT OF STATE GRANT UNDER THE STATE AGREEMENT. Project Sponsor acknowledges and accepts the following conditions and limitations of DWR's disbursement of the State Grant under the State Agreement insofar as it may affect any entitlement to disbursement of the same by BACWA to the Participating Agencies, including Project Sponsor:

Following the review of each invoice submitted by BACWA to DWR, DWR will disburse to BACWA the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision contained in the State Agreement or this Implementation Agreement, no disbursement of the State Grant shall be required by DWR, and therefore no disbursement of the State Grant Share shall be required by BACWA, at any time or in any manner which is in violation of, or in conflict with, federal or State laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on State bonds, pursuant to any federal statute or regulation. For each project covered by the State Agreement, funds will be disbursed by DWR in response to each approved invoice in accordance with Exhibit C (Budget) attached to the State Agreement. Any and all money disbursed to BACWA under the State Agreement, and which in turn is disbursed to Project Sponsor under this Implementation Agreement, including any and all interest earned by Project Sponsor on such money, shall be used solely to pay Eligible Project Costs.

9. ELIGIBLE PROJECT COSTS. Project Sponsor shall apply State Grant Share funds it receives only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit D (Budget) attached hereto. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Work performed after August 16, 2011 (*i.e.*, the date of the State Grant award), shall be eligible for reimbursement. Reasonable administrative expenses may be included as Eligible Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project, including the portion of overhead and administrative expenses that are directly related to the Project in accordance with the standard accounting practices of Project Sponsor.

Advanced funds will not be provided. Costs that are not reimbursable with the State Grant Share cannot be counted as Project Sponsor's Costs. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the State Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment not an integral part of the Project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after construction of the Project is complete.

- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs.
- i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirements).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the State Grant award.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of the State Agreement, DWR agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise Eligible Project Costs. However, this will only be allowed as Project Sponsor's Costs.
- l) Overhead not directly related to project costs.

10. METHOD OF DISBURSEMENT OF STATE GRANT AND STATE GRANT SHARE.

- a) Method of DWR's Disbursement of the State Grant Under the State Agreement. Project Sponsor acknowledges and accepts that, under the State Agreement, after the disbursement requirements contained in Paragraph 7 herein and of the State Agreement are met, DWR will disburse the whole or portions of the State Grant to BACWA, following receipt from BACWA of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 17 hereof and of the State Agreement. Project Sponsor also acknowledges and accepts that, under the State Agreement, disbursement of the State Grant by DWR will be made no more than monthly, in arrears.
- b) Method of BACWA's Disbursement of the State Grant Share Under the Implementation Agreements.
 - 1) Reimbursement requests for costs incurred with respect to the projects covered by the State Agreement and to be carried out by the Participating Agencies, including the Project by Project Sponsor, are expected to be submitted on a quarterly basis by BACWA to DWR. BACWA shall prepare the reimbursement requests based on the invoices and other applicable documentation provided by the Participating Agencies, including Project Sponsor. Reimbursement requests will be submitted by BACWA to DWR for those invoices and other applicable documentation which have been provided to BACWA by the Participating Agencies, even if one or more of the Participating Agencies, including Project Sponsor, has not submitted an invoice for the reimbursement period in question. Each reimbursement request will be provided to the Oversight and Coordination Committee (see Paragraph 63 hereof) for review and comment before BACWA submits it to DWR. If requested, Project Sponsor shall promptly provide any additional information deemed necessary by BACWA for preparation and approval of the reimbursement requests and submittal thereof to DWR.
 - 2) Prior to the submittal of any reimbursement requests by BACWA to DWR, Project Sponsor shall provide to BACWA an invoice for costs incurred with respect to the Project. Invoices submitted by Project Sponsor shall include the following information:

- i. Costs incurred for work performed in implementing the Project or project contracts during the period identified in the particular invoice.
- ii. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the construction, operation, or maintenance of the Project.
- iii. Appropriate receipts and reports for all costs incurred.
- iv. Invoices shall meet the following format requirements:
 - a. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - b. Invoices must be itemized based on the categories specified in Exhibit D (Budget) attached hereto. The amount claimed for salaries/wages/consultant fees must include a calculation formula (*i.e.*, hours or days worked multiplied by the hourly or daily rate = the total amount claimed).
 - c. Sufficient evidence (*e.g.*, receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - d. Each invoice shall clearly delineate those costs claimed for reimbursement from the State Grant Share and those costs that represent Project Sponsor's Costs.
 - e. Original signature and date (in ink) of Project Sponsor's Project Manager.
- 3) Once a reimbursement request is finalized by BACWA, BACWA will submit it to DWR. After BACWA receives a disbursement of the State Grant from DWR under the State Agreement and in response to a reimbursement request, the funds will then be disbursed by BACWA to the Participating Agencies, including Project Sponsor, as applicable, and as part of the State Grant Share. A letter or electronic mail message will be sent to each of the Participating Agencies entitled to a disbursement in order to document and seek confirmation of, at a minimum, the reimbursement amount, the remittance address, the Taxpayer Identification Number of Project Sponsor, and any other outstanding issues. With respect to any disbursement of the State Grant Share to Project Sponsor, such funds will be disbursed in accordance with the relative payment obligations set forth in Paragraph 3 (State Grant Share) and Paragraph 4 (Project Sponsor's Costs) hereof, as well as any other applicable provisions of this Implementation Agreement. Any and all State Grant Share funds that are disbursed to Project Sponsor under this Implementation Agreement, and any and all interest earned by Project Sponsor on such funds, shall be used solely to pay Eligible Project Costs.

Regular updates on the status of State Grant and State Grant Share receipts and disbursements under the State Agreement and the Implementation Agreements are expected to be provided monthly to the Executive Board of BACWA and made available to the Participating Agencies.

11. WITHHOLDING OF STATE GRANT DISBURSEMENT BY DWR. Project Sponsor acknowledges and accepts that, under the State Agreement, if DWR determines that any of the projects covered by the State Agreement and to be carried out by the Participating Agencies, including the Project by Project Sponsor, are

not being implemented in accordance with the provisions of the State Agreement, or that any of the Participating Agencies, including Project Sponsor, have failed in any other respect to comply with the provisions of the State Agreement, and if the Agency in question does not remedy any such failure to DWR's satisfaction, DWR may withhold from BACWA all or any portion of the State Grant and take any other action that it deems necessary to protect its interests.

If DWR determines that BACWA, by and through any particular Agency, has not substantially complied with a portion of the State Grant's scope in the State Agreement, DWR may withhold the portion of the State Grant attributable to that portion of the scope and require BACWA, by and through the applicable Agency, or all of the Participating Agencies, if necessary, to immediately repay the proportionate share of the disbursed State Grant amount, with interest at a rate equal to the State of California general obligation bond interest rate in effect at the time. Thus, Project Sponsor agrees that if it is responsible for DWR's determination to withhold a portion of the State Grant pursuant to the State Agreement, then Project Sponsor shall repay any portion of the State Grant Share that has already been disbursed to it, with interest as stated, to BACWA for reimbursement to DWR. If Project Sponsor is not responsible for DWR's determination to withhold a portion of the State Grant pursuant to the State Agreement, Project Sponsor shall nevertheless comply with the financial indemnification requirements of this Implementation Agreement, including those contained in Paragraph 64 hereof, as applicable.

DWR may consider BACWA's refusal, by and through the particular Agency or all of the Participating Agencies, as applicable, to repay the requested disbursed State Grant amount a contract breach under the State Agreement subject to the default provisions in Paragraph 13 thereof. If DWR withholds a portion of the State Grant amount, DWR may require BACWA to submit a revised Work Plan, Schedule, and Budget for DWR's approval before DWR disburses any additional State Grant funds, and Project Sponsor agrees to assist and cooperate with BACWA in any way necessary to meet these obligations.

If DWR notifies BACWA of its decision to withhold the entire State Grant from BACWA pursuant to the State Agreement, the State Agreement shall terminate upon receipt of such notice by BACWA and shall no longer be binding on DWR, BACWA, and the Participating Agencies. Similarly, if DWR notifies BACWA of its decision to withhold the entire State Grant or State Grant Share, as applicable, or any remaining portion of the State Grant or State Grant Share after a portion thereof has already been disbursed, this Implementation Agreement shall terminate upon receipt of such notice by Project Sponsor and shall no longer be binding on either BACWA or Project Sponsor, save and except for those provisions of this Implementation Agreement that survive its termination.

12. CONTINUING ELIGIBILITY. Project Sponsor must meet the following ongoing requirements, as applicable, to remain eligible to receive State Grant Share funds:

- a) Timely adoption of an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the California Water Code, commencing with § 10530. This condition shall exist unless Project Sponsor has already adopted an IRWM Plan that is consistent with California Water Code § 83002(b)(3)(B)(i).
- b) If Project Sponsor is an urban water supplier then it shall maintain compliance with the Urban Water Management Planning Act (California Water Code § 10610, *et seq.*).
- c) If the Project involves groundwater management and recharge, or if the Project has potential groundwater impacts, Project Sponsor must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

d) Reporting of status of IRWM Plan Update as described in Exhibit E (Report Format) attached hereto under the heading “Quarterly Progress Report.”

13. DEFAULT PROVISIONS. Project Sponsor will be in default under this Implementation Agreement if any of the following occur:

- a) Breach of this Implementation Agreement, or any supplement or amendment to it, or any other agreement between Project Sponsor and BACWA evidencing or securing Project Sponsor’s obligations.
- b) Making any false warranty, representation, or statement with respect to this Implementation Agreement.
- c) Failure to operate or maintain the Project in accordance with this Implementation Agreement.
- d) Failure to make any remittance required by this Implementation Agreement.
- e) Failure of Project Sponsor to adopt, no later than two (2) years after DWR executes the State Agreement, an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the California Water Code, commencing with § 10530.
- f) Failure to undertake all reasonable and feasible efforts to take into account the water-related needs of disadvantaged communities in the area within the boundaries of the IRWM Plan.
- g) Failure to comply with Labor Compliance Program requirements (discussed below).
- h) Failure to meet any of the requirements set forth in Paragraph 12 hereof.

Should an event of default occur, BACWA may do any or all of the following:

- i) Declare the State Grant Share to be immediately repaid, with interest, which interest shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- j) Terminate any obligation to make future payments to Project Sponsor.
- k) Terminate this Implementation Agreement.
- l) Take any other action that it deems necessary to protect its interests.

14. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Project Sponsor shall be responsible for ensuring any and all permits, licenses, and approvals required for performing its obligations under this Implementation Agreement are obtained, and shall comply with the California Environmental Quality Act (California Public Resources Code § 21000, *et seq.*) and other applicable federal, State, and local laws, rules, regulations, guidelines, and requirements for the Project.

15. RELATIONSHIP OF PARTIES. Project Sponsor is solely responsible for design, construction, operation, and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by BACWA is solely for the purpose of proper administration of the State Grant

Share by BACWA and shall not be deemed to relieve or restrict the responsibilities of Project Sponsor under this Implementation Agreement.

16. **PROJECT SPONSOR REPRESENTATIONS.** Project Sponsor accepts and agrees to comply with all terms, provisions, conditions, and written commitments of this Implementation Agreement and the State Agreement, including all incorporated documents, and to fulfill all written assurances, declarations, representations, and statements relevant to the Project made by Project Sponsor to BACWA and with respect to BACWA's application, documents, amendments, and communications filed in support of its request to DWR for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing. Project Sponsor is hereby contractually required to comply with the State Agreement and this Implementation Agreement for the Project.

Project Sponsor also acknowledges and accepts that, under the State Agreement, in the event that one or more of the Participating Agencies fails to execute an individualized Implementation Agreement by [INSERT DATE], BACWA shall immediately notify and consult with DWR of the nonparticipating Agency and its effect on the remaining projects covered by the State Agreement. Based on the consultation, DWR may not hold BACWA responsible for the associated nonparticipating Agency's activities under the State Agreement, and DWR may reduce the State Grant according to the portion thereof originally intended for the nonparticipating Agency. In such an event, BACWA shall submit to DWR a revised State Agreement "Scope of Work" within four (4) months of BACWA's inability to obtain such an individualized Implementation Agreement. Project Sponsor agrees to cooperate with BACWA in any way necessary to enable BACWA to comply with the applicable provisions of the State Agreement.

17. **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a requirement for the successful completion of this Implementation Agreement. All reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to BACWA. All reports shall be submitted to BACWA's Project Manager, and shall be submitted in both electronic and hard copy forms. If requested, Project Sponsor shall promptly provide any additional information deemed necessary by BACWA for approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E (Report Format) attached hereto. The timely submittal of reports is a requirement for initial and continued disbursement of State Grant funds by BACWA to each of the Participating Agencies, including Project Sponsor. Project Sponsor accepts and acknowledges that, under the State Agreement, submittal and subsequent approval by DWR of a Project Completion Report for each project covered by the State Agreement and listed on Exhibit A attached thereto is a requirement under the State Agreement for the release of any funds retained by DWR for such project.

- **Progress Reports:** Beginning [INSERT DATE], and for the duration of this Implementation Agreement, Project Sponsor shall submit to BACWA a Progress Report which explains the status of the Project as described in Exhibit B (Work Plan) attached hereto. Progress Reports shall be submitted no later than the [#]th of January, April, July, and October for the preceding quarter. Progress Reports shall summarize the work completed for the Project during the reporting period. Progress Reports shall include a statement of progress compared to the schedule contained in Exhibit C (Schedule) attached hereto, and a comparison of actual costs to date to the budget contained in Exhibit D (Budget) attached hereto.
- **Quarterly Progress Reports:** BACWA will submit to DWR Quarterly Progress Reports on a regular and consistent basis to meet DWR's requirement for disbursement of State Grant funds. Quarterly Progress Reports will provide a brief description of the work performed for each project covered by the State

Agreement and to be carried out by the Participating Agencies, including the Project by Project Sponsor, the Participating Agencies' activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under the State Agreement during the reporting period. The first Quarterly Progress Report shall be submitted to DWR no later than [INSERT DATE] with future reports then due on successive three-month increments based on the invoicing schedule and this date.

BACWA will prepare each Quarterly Progress Report based on the information provided by the Participating Agencies, including Project Sponsor, by way of the Progress Reports. Each Quarterly Progress Report will be presented to the Oversight and Coordination Committee (see Paragraph 63 hereof) in draft form prior to submittal to DWR. If requested, Project Sponsor shall promptly provide any additional information deemed necessary by BACWA for preparation and approval of the Quarterly Progress Reports.

- Project Completion Reports: Project Sponsor shall prepare and submit to BACWA a Project Completion Report for the Project within forty-five (45) calendar days of completion of the Project. The Project Completion Report shall include a description of actual work done, any changes or amendments to the Project, a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of completion of the Project by a registered civil engineer, consistent with Paragraph 42 hereof.

After receiving the Project Completion Report from Project Sponsor, BACWA will forward the Project Completion Report, after making any necessary changes, to DWR. Project Sponsor acknowledges and accepts that, under the State Agreement, this Project Completion Report must be submitted by BACWA to DWR within ninety (90) calendar days of completion of the Project. Project Sponsor therefore agrees to assist BACWA in any way necessary to ensure satisfaction of this requirement under the State Agreement.

- Grant Completion Report: Project Sponsor acknowledges and accepts that, under the State Agreement, upon completion of all projects covered by the State Agreement to be carried out by the Participating Agencies, including the Project by Project Sponsor, BACWA shall submit to DWR a Grant Completion Report. The Grant Completion Report must be submitted within ninety (90) calendar days of BACWA's submittal of the Project Completion Report for the final project to be completed under the State Agreement, whether that project is Project Sponsor's Project or a project of one of the other Participating Agencies. The Grant Completion Report must include reimbursement status, a brief description of each project completed by the Participating Agencies, including Project Sponsor's Project, and how those projects will further the goals of the Bay Area Proposition 84 Integrated Regional Water Management Grant as a result of project implementation. Project Sponsor further acknowledges and accepts that, under the State Agreement, DWR's retention for the last project to be completed as part of the State Agreement, whether or not that particular project is Project Sponsor's Project, will not be disbursed until the Grant Completion Report is submitted to and approved by DWR. If requested, Project Sponsor shall promptly provide any additional information deemed necessary by BACWA for preparation and approval of the Grant Completion Report.
- Project Performance Reports: Project Sponsor shall submit a Project Performance Report for the Project directly to DWR and in accordance with Paragraph 17 of the State Agreement. In particular, and as provided in the State Agreement, Project Performance Reports shall be submitted to DWR within ninety (90) calendar days after the first operational year of the Project has elapsed. This record keeping and

reporting process shall be repeated for the Project annually for a total of ten (10) years after the Project, as completed, begins operation.

A copy of each Project Performance Report submitted by Project Sponsor to DWR shall also be provided to BACWA for record-keeping purposes. Such copies shall be submitted to BACWA at the same time as Project Sponsor submits each Project Performance Report to DWR.

18. PROJECT PERFORMANCE AND ASSURANCES. Project Sponsor agrees to faithfully and expeditiously perform or cause to be performed all work associated with the Project as described in the final plans and specifications for the Project under the State Agreement and this Implementation Agreement, and to implement, maintain, and operate the Project in accordance with applicable provisions of the law. In the event BACWA finds it necessary to enforce this provision of this Implementation Agreement in the manner provided by law, Project Sponsor agrees to pay all costs incurred by BACWA, including, but not limited to, reasonable attorneys' fees, legal expenses, and other costs.
19. LABOR COMPLIANCE. Project Sponsor is required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, California Labor Code § 1720 *et seq.* regarding public works, limitations on use of volunteer labor (California Labor Code § 1720.4), labor compliance programs (California Labor Code § 1771.5), and payment of prevailing wages for work done and funded pursuant to these *Guidelines*, including any payments to the Department of Industrial Relations under California Labor Code § 1771.3.
20. OPERATION AND MAINTENANCE OF THE PROJECT. Should the Project be classified as a "construction and implementation" project under Paragraph 20 of the State Agreement, then for the useful life of the Project and in consideration of the State Grant Share, Project Sponsor agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Project Sponsor hereby contractually assumes all operations and maintenance costs of the facilities and structures for the Project; BACWA shall not be liable for any cost of such maintenance, management, or operation. Project Sponsor may be excused from operations and maintenance only upon the written approval of DWR. For purposes of this Implementation Agreement and the State Agreement, "useful life" means a period during which an asset, property, or activity is expected to be useable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses; and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Project Sponsor to ensure operation and maintenance of the Project in accordance with this provision may, at the option of BACWA, be considered a breach of this Implementation Agreement and may be treated as a default under Paragraph 13 hereof. Project Sponsor also acknowledges and accepts that, under the State Agreement, refusal of any of the Participating Agencies to ensure operation and maintenance of their respective projects covered by the State Agreement may, at the option of DWR, be considered a breach of the State Agreement and may be treated by DWR as a default under Paragraph 13 thereof.
21. STATEWIDE MONITORING REQUIREMENTS. Project Sponsor shall ensure that any component of the Project that involves groundwater, or includes groundwater monitoring requirements, is consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with § 10780) of Division 6 of the

California Water Code) and, where applicable, if the Project affects water quality, it shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including, where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.

22. PROJECT MONITORING PLAN REQUIREMENTS. Project Sponsor acknowledges and accepts that, under the State Agreement, Exhibit A (Work Plan) attached thereto should contain activities to develop and submit to DWR a monitoring plan for each project covered by the State Agreement. The Project Monitoring Plan can be for the entirety of the projects covered by the State Agreement or on a per project basis. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:

- a) Baseline conditions.
- b) Brief discussion of monitoring systems to be utilized.
- c) Methodology of monitoring.
- d) Frequency of monitoring.
- e) Location of monitoring points.

Under the State Agreement, a Project Monitoring Plan shall be submitted to DWR prior to disbursement of the State Grant for construction or monitoring activities for each project covered by the State Agreement. Exhibit G (Requirements for Data Submittal) attached to the State Agreement contains web links and information regarding other DWR monitoring and data reporting requirements.

Project Sponsor agrees to assist BACWA in any way necessary in developing the Project Monitoring Plan in accordance with Paragraph 22 of the State Agreement.

23. NOTIFICATION OF BACWA. Project Sponsor shall promptly notify BACWA, in writing, of the following items:

- a) Events or proposed changes that could affect the scope, budget, or work performed under this Implementation Agreement. Project Sponsor agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to BACWA and DWR, and BACWA and Project Sponsor have received written approval for such change from DWR. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget.
- b) Any public or media event publicizing the accomplishments and/or results of this Implementation Agreement. Project Sponsor shall provide such notification at least thirty (30) calendar days prior to the event and shall provide the opportunity for attendance and participation by BACWA's and DWR's representatives.
- c) Completion of work on the Project shall include final inspection of the Project by a Registered Civil Engineer, as determined and required by DWR and in accordance with Paragraph 42 hereof. Project

Sponsor shall provide such notification at least thirty (30) calendar days prior to the final inspection and shall provide BACWA and DWR the opportunity to participate in the inspection.

24. **NOTICES.** Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Implementation Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by “overnight” delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
25. **PERFORMANCE EVALUATION.** Project Sponsor acknowledges and accepts that, under the State Agreement, upon completion of the State Agreement, BACWA’s performance will be evaluated by DWR and a copy of the evaluation will be placed in DWR’s files and a copy sent to the BACWA. To the extent any obligations are imposed upon BACWA under the State Agreement with respect to this performance evaluation, Project Sponsor hereby agrees to cooperate with BACWA in any way necessary to ensure that such obligations are met.
26. **PROJECT MANAGERS.** The Project Managers during the term of this Implementation Agreement will be:

Bay Area Clean Water Agencies

ATTN: [INSERT]
[INSERT TITLE]
[INSERT ADDRESS]
Phone: [INSERT]
E-mail: [INSERT]

[INSERT PROJECT SPONSOR NAME]

ATTN: [INSERT NAME]
[INSERT TITLE]
[INSERT ADDRESS]
Phone: [INSERT]
E-mail: [INSERT]

BACWA’s Project Manager shall be BACWA’s representative and shall have the authority to make determinations and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under this Implementation Agreement.

Project Sponsor’s Project Manager shall be Project Sponsor’s representative for the administration of this Implementation Agreement and shall have full authority to act on behalf of Project Sponsor, including authority to execute all reimbursement requests and related documentation. If Project Sponsor’s Project Manager wishes to delegate authority for specific actions under this Implementation Agreement to another person, written notice is required to be given to BACWA specifying that person’s name, contact information, and the specific actions he or she is authorized to perform.

Either party may change its Project Manager upon written notice to the other party.

27. EXHIBITS. The following exhibits are attached hereto and incorporated herein by this reference:

Exhibit A: State Agreement (unexecuted version)

Exhibit B: Work Plan

Exhibit C: Schedule

Exhibit D: Budget

Exhibit E: Report Formats and Requirements

Exhibit F: BACWA Board Resolution authorizing execution of this Implementation Agreement

Exhibit G: Project Sponsor Board Resolution authorizing execution of this Implementation Agreement

STANDARD CONDITIONS³

28. ACCOUNTING AND DEPOSIT OF STATE GRANT SHARE DISBURSEMENTS.

- a) Separate Accounting of State Grant Share Disbursements and Interest Records. Project Sponsor shall account for the money disbursed pursuant to this Implementation Agreement separately from all other Project Sponsor funds. Project Sponsor shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Project Sponsor shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Project Sponsor shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records shall be subject to inspection by BACWA and DWR at any and all reasonable times.
- b) Fiscal Management Systems and Accounting Standards. Project Sponsor agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of State Grant Share funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law, the State Agreement, or this Implementation Agreement.
- c) Remittance of Unexpended Funds. Project Sponsor, within a period of thirty (30) calendar days from the final disbursement from BACWA to Project Sponsor of the State Grant Share, shall remit to BACWA any unexpended funds that were disbursed to Project Sponsor under this Implementation Agreement and were not used to pay Eligible Project Costs.

29. ACKNOWLEDGEMENT OF CREDIT. Project Sponsor shall include appropriate acknowledgement of credit to DWR, BACWA, and all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Implementation Agreement. During construction of the Project, Project Sponsor shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources.

³ Paragraphs 28 through 61 of this Implementation Agreement generally track Paragraphs D.1 through D.34 of Exhibit D (Standard Conditions) of the State Agreement.

Project Sponsor shall notify BACWA and DWR that the sign has been erected by providing it with a site map with the sign location noted and a photograph of the sign.

30. AMENDMENT. No amendment or variation of the terms of this Implementation Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in this Implementation Agreement is binding on any of the parties.
31. AMERICANS WITH DISABILITIES ACT. By signing this Implementation Agreement, Project Sponsor assures BACWA that it complies with the Americans with Disabilities Act (“ADA”) of 1990, (42 U.S.C. §12101 *et seq.*), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
32. AUDITS. BACWA reserves the right to conduct an audit at any time between the execution of this Implementation Agreement and the completion of the Project, with the costs of such audit borne by BACWA. Project Sponsor also acknowledges and accepts that, under the State Agreement, DWR may conduct an audit at any time between the execution of the State Agreement and the completion of the Project, with the costs of such audit borne by DWR. After completion of the Project, BACWA may require Project Sponsor to conduct a final audit, at Project Sponsor’s expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Project Sponsor to comply with this provision shall be considered a breach of this Implementation Agreement, and BACWA may take any action it deems necessary to protect its interests.

Pursuant to California Government Code § 8546.7, Project Sponsor shall be subject to the examination and audit of DWR for a period of three (3) years after final payment under the State Agreement with respect of all matters connected with the State Agreement, including but not limited to, the cost of administering the State Agreement. All records of Project Sponsor or its subcontractors shall be preserved for this purpose for at least three (3) years after completion of the Project. (*See Exhibit H attached to the State Agreement for a listing of documents/records that DWR/State Auditors would need to review in the event of being audited.*)

33. STATE BUDGET CONTINGENCY. Project Sponsor acknowledges and accepts that, under the State Agreement, implementation of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds, including any mandates from the Department of Finance, the Pooled Money Investment Board, or any other State authority. DWR, and therefore BACWA, will not make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.

If the State Budget Act of the current year and/or any subsequent years covered by this Implementation Agreement does not appropriate sufficient funds for the projects covered by the State Agreement to be carried out by each of the Participating Agencies, including the Project by Project Sponsor, then at BACWA’s sole discretion this Implementation Agreement shall be of no force and effect. State appropriation of funds shall be construed as a condition precedent to the obligation of BACWA to make any payments under this Implementation Agreement. In this event, BACWA shall have no liability to pay any funds whatsoever to Project Sponsor or to furnish any other consideration under this Implementation Agreement. Nothing in this Implementation Agreement shall be construed to provide Project Sponsor with a right of priority for payment over any of the other Participating Agencies. If funding for any fiscal year is reduced or deleted by the State Budget Act for purposes of the program contemplated by the State Agreement, BACWA shall have the option at its sole discretion to either cancel this Implementation

Agreement with no liability occurring to BACWA, or offer an Implementation Agreement amendment to Project Sponsor to reflect the reduced amount.

34. CHILD SUPPORT COMPLIANCE ACT. If the State Grant Share is in excess of \$100,000.00, Project Sponsor acknowledges in accordance with California Public Contract Code § 7110, that:

- a) Project Sponsor and its contractors and subcontractors recognize the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with § 5200) of Part 5 of Division 9 of the California Family Code; and
- b) Project Sponsor and its contractors and subcontractors, to the best of their knowledge, are fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

35. COMPETITIVE BIDDING AND PROCUREMENTS. Project Sponsor shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Project Sponsor's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by DWR under the State Agreement and by BACWA under this Implementation Agreement.

36. COMPUTER SOFTWARE. Project Sponsor certifies that it has appropriate systems and controls in place to ensure that State Grant Share funds will not be used in the performance of this Implementation Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

37. CONFLICT OF INTEREST.

- a) Current State Employees. Project Sponsor acknowledges and accepts that, under the State Agreement, no State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- b) Former State Employees. Project Sponsor acknowledges and accepts that, under the State Agreement, for the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

38. DELIVERY OF INFORMATION, REPORTS, AND DATA. Project Sponsor agrees to expeditiously provide, during work on the Project and throughout the term of this Implementation Agreement, such reports, data, information, and certifications as may be reasonably required by DWR and BACWA.
39. DISPOSITION OF EQUIPMENT. Project Sponsor shall provide to BACWA, not less than sixty (60) days prior to submission of the final invoice to BACWA, a final inventory list of equipment purchased with State Grant Share funds provided by BACWA. Project Sponsor shall consult with BACWA on the scope of the inventory not less than ninety (90) days prior to the submission of the final invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within one-hundred (100) days of receipt of such inventory, BACWA shall provide Project Sponsor with a list of the items on the inventory that DWR will take title to. All other items shall become the property of Project Sponsor. DWR shall arrange for delivery from Project Sponsor of items that it takes title to. Cost of transportation, if any, shall be borne by DWR.
40. DISPUTES. Project Sponsor acknowledges and accepts that, under the State Agreement, in the event of a dispute regarding any invoice received by DWR, payment will not be made by DWR until the dispute is resolved and a corrected invoice submitted. Project Sponsor agrees to assist BACWA in any way necessary to ensure that correct invoices are submitted to DWR and any disputed invoices are corrected to DWR's satisfaction. Payment of any portion of the State Grant Share shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Project Sponsor may have regarding the performance of this Implementation Agreement, including, but not limited to, claims for additional compensation or extension of time, shall be submitted to BACWA within fifteen (15) calendar days of Project Sponsor's knowledge of the claim. BACWA and Project Sponsor, and DWR and BACWA, as applicable, shall then attempt to negotiate a resolution of such claim and process an amendment to this Implementation Agreement and the State Agreement, as applicable, to implement the terms of any such resolution.

Project Sponsor shall be solely responsible for any and all disputes arising out of its contracts for work associated with the Project, including, but not limited to bid disputes and payment disputes with Project Sponsor's contractors, subcontractors, and suppliers. BACWA will not mediate disputes between Project Sponsor and any other party concerning responsibility for performance of work associated with the Project.

41. DRUG-FREE WORKPLACE CERTIFICATION. By signing this Implementation Agreement, Project Sponsor, and its contractors and subcontractors, hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code § 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by California Government Code § 8355(a).
 - b) Establish a Drug-Free Awareness Program, as required by California Government Code § 8355(b), to inform employees, contractors, or subcontractors about all of the following:
 - 1) The dangers of drug abuse in the workplace,

- 2) Project Sponsor's policy of maintaining a drug-free workplace,
 - 3) Any available counseling, rehabilitation, and employee assistance programs, and
 - 4) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by California Government Code § 8355(c), that every employee, contractor, and/or subcontractor who works under this Implementation Agreement:
- 1) Will receive a copy of Project Sponsor's drug-free policy statement, and
 - 2) Will agree to abide by terms of Project Sponsor's condition of employment, contract, or subcontract.
42. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER. Upon completion of the Project and as may be determined by DWR, Project Sponsor shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto, in accordance with this Implementation Agreement and the State Agreement, and to DWR's satisfaction.
43. GOVERNING LAW. This Implementation Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
44. PROJECT SPONSOR COMMITMENTS. Project Sponsor accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Implementation Agreement and the State Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements relevant to the Project made by Project Sponsor to BACWA and with respect to BACWA's application, documents, amendments, and communications filed in support of its request to DWR for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.
45. INCOME RESTRICTIONS. Project Sponsor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by Project Sponsor under this Implementation Agreement shall be paid by Project Sponsor to BACWA, for BACWA's payment to DWR as required by the State Agreement, to the extent that they are properly allocable to costs for which Project Sponsor has been reimbursed by BACWA under this Implementation Agreement.
46. INDEPENDENT CAPACITY. Project Sponsor, and the agents and employees of Project Sponsor, if any, in the performance of this Implementation Agreement, shall act in an independent capacity and not as officers, employees, or agents of BACWA, except as otherwise required under the State Agreement.
47. INSPECTIONS. DWR and BACWA shall have the right to inspect the work being performed by Project Sponsor at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the State Agreement and this Implementation Agreement, respectively. Project Sponsor shall include provisions ensuring such access in all of its contracts or subcontracts entered into pursuant to the State Agreement and this Implementation Agreement. Project Sponsor acknowledges that documents related to the Project may be subject to the California Public Records Act (California Government Code § 6250 *et seq.*). DWR and BACWA shall have the right to inspect these documents at any and all reasonable times

after completion of the Project to ensure compliance with the terms and conditions of the State Agreement and this Implementation Agreement, respectively. During regular office hours, DWR and BACWA shall have the right to inspect and to make copies of any books, records, or reports of Project Sponsor relating to the State Agreement and this Implementation Agreement, respectively. Project Sponsor shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under the State Agreement and this Implementation Agreement. Failure or refusal by Project Sponsor to comply with this provision may be considered a breach of the State Agreement and shall be considered a breach of this Implementation Agreement. Accordingly, DWR may withhold disbursements to BACWA under the State Agreement as to each of the Participating Agencies or take any other action it deems necessary to protect its interests, and BACWA may withhold disbursements to Project Sponsor under this Implementation Agreement or take any other action it deems necessary to protect its interests.

48. NONDISCRIMINATION. During the performance of this Implementation Agreement, Project Sponsor and its contractors 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. Project Sponsor and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Project Sponsor and contractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code § 12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, § 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing California Government Code § 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Implementation Agreement by reference and made a part hereof as if set forth in full. Project Sponsor and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Project Sponsor shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under this Implementation Agreement.
49. NO THIRD PARTY RIGHTS. The parties to this Implementation Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Implementation Agreement, or of any duty, covenant, obligation or undertaking established herein, except as otherwise required under the State Agreement and except with respect to the financial indemnity obligations owed to BACWA by Project Sponsor under this Implementation Agreement regarding any action or inaction of the other Participating Agencies.
50. OPINIONS AND DETERMINATIONS. The parties agree that review or approval of any applications, documents, permits, plans, specifications, or other information associated with the Project by BACWA is for administrative purposes only and does not relieve Project Sponsor of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.
51. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Project Sponsor shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Implementation Agreement. Project Sponsor shall comply with the California Environmental Quality Act (California Public Resources Code § 21000 *et seq.*) and other applicable federal, State, and local laws, rules, regulations, guidelines, and requirements prior to disbursement of the State Grant Share under this Implementation Agreement.

Without limiting the foregoing, Project Sponsor shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not limited to § 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code § 1720.4), labor compliance programs (California Labor Code § 1771.5), and payment of prevailing wages for work done under this Implementation Agreement. Pursuant to the provisions of Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, California Public Resources Code § 75075 *et seq.*, Project Sponsor must have a labor compliance program that meets the requirements of California Labor Code § 1771.5.

52. PROHIBITION AGAINST DISPOSAL OF PROJECT. Project Sponsor shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project acquired with funds disbursed under this Implementation Agreement and the State Agreement without prior permission of DWR. Project Sponsor shall not take any action concerning the performance of this Implementation Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Project Sponsor to meet its obligations under this Implementation Agreement, without prior written permission of DWR. Project Sponsor acknowledges and accepts that, under the State Agreement, DWR may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under the State Agreement and this Implementation Agreement be remitted to DWR.
53. REMEDIES, COSTS, AND ATTORNEY FEES. Project Sponsor agrees that any remedy provided in this Implementation Agreement is in addition to and not in derogation of any other legal or equitable remedy available to BACWA as a result of breach of this Implementation Agreement by Project Sponsor, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Implementation Agreement by BACWA shall not preclude BACWA from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from the State Agreement or this Implementation Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
54. RETENTION. Project Sponsor acknowledges and accepts that, under the State Agreement, and notwithstanding any other provision of the State Agreement, DWR shall, for each project covered by the State Agreement to be carried out by the Participating Agencies, including the Project by Project Sponsor, withhold five percent (5.0%) until January 1, 2016, and ten percent (10.0%) thereafter, of the State Grant funds applicable to said project(s) and requested by BACWA on behalf of the Participating Agencies for reimbursement of Eligible Project Costs. The retained funds applicable to each project covered by the State Agreement shall be eligible for release when that particular project is completed and BACWA and the particular Agency have met the requirements of Paragraph 17 hereof and under the State Agreement, as follows: At such time as the "Project Completion Report" required under said Paragraph 17 is submitted to and approved by DWR, DWR shall disburse the retained funds applicable to the project in question to BACWA for disbursement to the Agency in question, except in the case of the last project to be completed under the State Agreement, in which case the retained funds applicable to such project will not be disbursed by DWR until the "Grant Completion Report" required under said Paragraph 17 is submitted to and approved by DWR. Therefore, for clarification purposes, Project Sponsor shall be entitled to its retained amount of the State Grant Share withheld by DWR when it submits its Project Completion Report and the same has been accepted and approved by DWR, unless Project Sponsor is the last of the Participating

Agencies to complete its project, in which case Project Sponsor shall not be entitled to its retained amount until the Grant Completion Report has been submitted to and accepted and approved by DWR.

55. RIGHTS IN DATA. Project Sponsor agrees that, to the extent permitted by law, all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Implementation Agreement shall be in the public domain. Project Sponsor may disclose, disseminate, and use in whole or in part, any final form data and information received, collected, and developed under this Implementation Agreement, subject to appropriate acknowledgement of credit to DWR and BACWA for financial support. Project Sponsor shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
56. SEVERABILITY OF UNENFORCEABLE PROVISION. If any provision of this Implementation Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Implementation Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
57. REVIEWS AND INDEMNIFICATION. Project Sponsor agrees that review or approval of applications, documents, permits, plans, specifications, or other information associated with the Project by BACWA is for administrative purposes only and does not relieve Project Sponsor of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.

To the extent permitted by law, Project Sponsor agrees to indemnify, defend, and hold harmless DWR and BACWA against any loss or liability arising out of any claim or action brought against DWR or BACWA from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with:

- a) The Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction of the Project or any part thereof;
- b) Performance by Project Sponsor of any of the terms contained in the State Agreement, this Implementation Agreement, or any related document;
- c) Any violation by Project Sponsor of any applicable law, rule, or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule, or regulation, or the release of any toxic substance on or near the natural water system; or
- d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by Project Sponsor for use in any disclosure document utilized in connection with any of the transactions contemplated by the State Agreement or this Implementation Agreement. Project Sponsor agrees to pay and discharge any judgment or award entered or made against DWR and BACWA with respect to any such claim or action, and any settlement, compromise, or other voluntary resolution. The provisions of this section shall survive the termination of the State Agreement and this Implementation Agreement.

58. **SUCCESSORS AND ASSIGNS.** This Implementation Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Implementation Agreement or any part thereof, rights hereunder, or interest herein by Project Sponsor shall be valid unless and until it is approved by BACWA and made subject to such reasonable terms and conditions as BACWA may impose.
59. **TIMELINESS.** Project Sponsor agrees that time is of the essence in the State Agreement and this Implementation Agreement.
60. **TRAVEL.** Project Sponsor agrees that travel and per diem costs shall NOT be eligible for reimbursement with State Grant Share funds, and shall NOT be eligible for computing Project Sponsor's Costs. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of the State Agreement and this Implementation Agreement.
61. **WAIVER OF RIGHTS.** None of the provisions of this Implementation Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Implementation Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the State Agreement or this Implementation Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

ADDITIONAL PROVISIONS⁴

62. **ADMINISTRATION COSTS.** Commencing with DWR's award of the State Grant on August 16, 2011, and continuing until the end of the State Grant period (sometime in 2015-2016, when the lengthiest projects covered by the State Agreement are expected to wind down and State Grant closeout activities are expected to be completed), BACWA has incurred, and will continue to incur, numerous administration and legal costs⁵ for full implementation of the State Agreement and each of the Implementation Agreements (the "Total Administration Costs").⁶ BACWA and the Participating Agencies, including Project Sponsor, have agreed that \$640,000.00 is a reasonable estimate of the Total Administration Costs that are expected to be incurred (the "Anticipated Administration Costs").

Project Sponsor acknowledges and agrees, however, that the Anticipated Administration Costs is only an estimate of the Total Administration Costs made at the commencement of this Implementation Agreement; that the State Agreement covers numerous projects to be carried out by each of the Participating Agencies, including the Project by Project Sponsor, each under different schedules; and there is the possibility of unforeseen delays with respect to the completion of all projects covered by the State Agreement. Consequently, the Total Administration Costs may increase over and above the initial estimate of the

⁴ Paragraphs 62 through 64 of this Implementation Agreement are specific to the Implementation Agreements and thus do not track any paragraphs contained in the State Agreement.

⁵ "Legal costs" are defined for purposes of Paragraph 62 to include the costs of legal representation incurred by BACWA in drafting, negotiating, and executing the State Agreement, the costs of BACWA's legal representation in drafting, negotiating, and executing the Implementation Agreements, and the costs of BACWA's legal representation in assisting in the performance of the State Agreement and the Implementation Agreements.

⁶ Certain costs totaling \$130,000.00 were already expended on a non-reimbursable basis by the Participating Agencies prior to the State Grant eligible date to prepare the State Grant proposal and engage in coordination efforts regarding the same. These costs are not included within the definition of the Total Administration Costs.

Anticipated Administration Costs, in which case Additional Administration Costs, as that term is further defined below, may be incurred to fully implement the State Agreement and each of the Implementation Agreements.

Project Sponsor agrees that BACWA shall not expend any of its own funds for payment of the Total Administration Costs, including the Anticipated Administration Costs and any Additional Administration Costs. Instead, the Total Administration Costs shall be collectively funded by the Participating Agencies in the manner specified below.

As used in this Implementation Agreement, each Agency's "Proportionate Share" means the percentage equal to the ratio of that Agency's State Grant Share to the whole of the State Grant, excluding that portion of the State Grant allocated under the State Agreement for administration and legal costs associated therewith (refer to Project Element 12 in Exhibit [REDACTED] to the State Agreement). Project Sponsor's Proportionate Share is therefore [REDACTED] %. Project Sponsor acknowledges, however, that its Proportionate Share will change if the amount of the State Grant changes at some later date (such as, for example only, through any acts taken by DWR pursuant to Paragraph 11 or Paragraph 16 of the State Agreement to alter the amount of the State Grant), in which case Project Sponsor hereby agrees to any necessary amendment to this Implementation Agreement to reflect such change in its Proportionate Share.

- a) EBMUD Services: A portion of the Anticipated Administration Costs, being an amount equivalent in monetary value to \$240,000.00, will be provided by EBMUD, one of the Participating Agencies, in the form of project management services to assist BACWA in implementing the State Agreement and the Implementation Agreements (the "EBMUD Services"). The monetary value of the EBMUD Services shall include only the actual costs of services provided by EBMUD staff (including allocable overhead) and only to the extent that such costs are considered reimbursable under the State Agreement. Notwithstanding the foregoing, with the prior written consent of BACWA, EBMUD may provide project management services through a third-party public entity, so long as such services are provided on terms similar to EBMUD project management services, do not cumulatively exceed \$10,000.00 in reimbursable costs during the State Agreement term, and are accounted for as EBMUD Services in Exhibit D (Budget) attached hereto.

EBMUD will be reimbursed for the actual costs of the EBMUD Services under the State Agreement and in accordance with the terms and provisions contained therein applicable to reimbursement of costs.

EBMUD will provide documentation of the actual costs incurred for the EBMUD Services to BACWA on a regular basis, not less frequently than quarterly, so that BACWA can include such costs with other administration and legal costs when requesting reimbursement thereof under the State Agreement. If the monetary value of the EBMUD Services exceeds \$240,000.00, EBMUD may elect to continue to provide project management services on a non-reimbursable basis or decline to do so and refer the matter to the Oversight and Coordination Committee (the "OCC") (see Paragraph 63, below) to determine the appropriate manner by which the costs of such additional project management services shall be collectively paid for by the Participating Agencies.

- b) SCC Contribution. A portion of the Anticipated Administration Costs, being \$50,000.00, will be paid directly to BACWA by the State Coastal Conservancy ("SCC"), one of the Participating Agencies, in accordance with the terms and provisions of that certain Grant Agreement No. [REDACTED] (the "SCC Grant Agreement") executed by BACWA and SCC prior to the execution of the State Agreement (the "SCC

Contribution”). The SCC Contribution represents SCC’s Proportionate Share of the Anticipated Administration Costs, less the monetary value of the EBMUD Services (*i.e.*, \$240,000.00).

Under and subject to the terms and provisions of the SCC Grant Agreement, the SCC Contribution will be paid to BACWA by SCC in periodic installments. The first such installment shall be SCC’s share of the Initial Advance, as that term is defined and discussed below. All portions of the SCC Contribution shall be paid to BACWA on a non-reimbursable basis, and thus SCC will not be reimbursed for the SCC Contribution under the State Agreement.

Project Sponsor agrees that SCC shall not be required to contribute to any Further Advance, as that term is defined and discussed below. SCC shall, however, contribute to the funding of Additional Administration Costs, as that term is defined and discussed below.

Any portion of the SCC Contribution that is advanced to BACWA by SCC but not used for the Anticipated Administration Costs will be returned to SCC in accordance with the terms and provisions of the SCC Grant Agreement. Any portion of any Additional Administration Costs that is advanced to BACWA by SCC but not used for the Total Administration Costs will be returned to SCC, if at all, in accordance with the provisions below.

- c) PA Contribution. The remaining portion of the Anticipated Administration Costs (*i.e.*, that portion of the Anticipated Administration Costs excluding the EBMUD Services and the SCC Contribution), being \$350,000.00, shall be the collective responsibility of all the Participating Agencies except SCC (the “PA Contribution”).

Portions of the PA Contribution shall be paid in advance to BACWA by the Participating Agencies (except SCC), including the Initial Advance as well as any Further Advance, if required, as those terms are defined and discussed below. The remaining portion of the PA Contribution shall be funded via reimbursement payments made by DWR to BACWA under the State Agreement in accordance with the terms and provisions contained therein applicable to reimbursement of costs.

- d) Creation and Management of Prop 84 Account. BACWA has established an account with a federally insured financial institution (the “Prop 84 Account”), which is interest bearing and for which BACWA will maintain a separate accounting, for the purposes of providing a source of funds from which BACWA shall draw to pay for the Total Administration Costs.

BACWA will promptly deposit all portions of the SCC Contribution and advanced portions of the PA Contribution (*i.e.*, the Initial Advance and any Further Advance) received by it into the Prop 84 Account. BACWA shall draw from the funds contained in the Prop 84 Account to pay for the Total Administration Costs; provided, however, that BACWA will not draw from the Prop 84 Account to pay any portion of the EBMUD Services until sufficient funds for reimbursement of such services are received by BACWA from DWR and deposited into the Prop 84 Account. Promptly after making any draw, BACWA shall seek reimbursement under the State Agreement of that portion of such drawn costs that is equal to the collective Proportionate Share of the costs attributable to all of the Participating Agencies except SCC; the portion of the drawn costs attributable to SCC’s Proportionate Share thereof shall not be part of any such reimbursement request.

BACWA will deposit into the Prop 84 Account any reimbursement payments BACWA receives under the State Agreement, including reimbursements applicable to the EBMUD Services.

BACWA will separately account for deposits and draws on the Prop 84 Account. No less frequently than quarterly, BACWA will prepare and provide to the OCC a financial report (“Financial Report”) for the Prop 84 Account showing each of the following: All payments made by the Participating Agencies to BACWA and deposited into the Prop 84 Account; beginning and ending balances of the Prop 84 Account; draws made by BACWA from the Prop 84 Account; reimbursements received by BACWA from payments made by DWR under the State Agreement; and any costs disallowed by DWR. Each Financial Report will include information for the reporting period and for the period from the inception of the Prop 84 Account to the date of the report.

- e) Initial Advance and Further Advances on Anticipated Administration Costs. Project Sponsor agrees that BACWA will not fund any portion of the Anticipated Administration Costs between the time such costs are incurred and paid and the time DWR provides a reimbursement payment for such costs (as applicable) to BACWA under the State Agreement. Project Sponsor further agrees that funding the Prop 84 Account in the initial amount of \$107,000.00 (the “Initial Advance”) through advance payments made by each of the Participating Agencies is expected to provide a sufficient funding source from which BACWA can draw from to cover those particular Anticipated Administration Costs that are incurred and required to be paid until reimbursement can be sought therefor (as applicable) from DWR under the State Agreement. Accordingly, when invoiced or upon execution of each of the applicable Implementation Agreements, each of the Participating Agencies (except SCC) shall pay its Proportionate Share of the Initial Advance, less the amount allocable to SCC’s share thereof, to BACWA. Project Sponsor’s share of the Initial Advance is therefore \$ [REDACTED]. SCC’s first payment under the SCC Grant Agreement to BACWA shall represent its share of the Initial Advance.

If, based on a Financial Report and any other relevant information, BACWA concludes, and the OCC confirms, at any time that the funds in the Prop 84 Account available for payment of the Anticipated Administration Costs are insufficient to cover future anticipated draws by BACWA, BACWA may require each of the Participating Agencies (except SCC) to contribute further advance funding in a sum certain to the Prop 84 Account in excess of the Initial Advance (a “Further Advance”). The sum of the Initial Advance, less the amount allocable to SCC’s share thereof, and all Further Advances, if any, shall not total more than the PA Contribution.

How any request for a Further Advance will be funded by and allocated amongst the Participating Agencies (except SCC) shall be determined by the OCC in accordance with Paragraph 63, below. Unless otherwise determined by the OCC, each Agency’s share of any Further Advance shall be paid to BACWA within thirty (30) calendar days of being invoiced for the same, or, in the alternative, an Agency may authorize, in writing, payment of its share of any Further Advance through a deduction by BACWA from any future disbursement of that Agency’s State Grant Share. Project Sponsor agrees that if it elects to pay its share of any Further Advance through a deduction by BACWA from any future disbursement of Project Sponsor’s State Grant Share, no further procedural requirement beyond the exchange of written notices between BACWA and Project Sponsor shall be necessary or required to effectuate the deduction option.

Project Sponsor agrees that SCC shall not be required to contribute to any Further Advance because of the applicability of a different set of cost-contribution triggers contained in the SCC Grant Agreement.

- f) Costs Rejected by DWR for Reimbursement. Project Sponsor acknowledges and agrees that some otherwise reasonable costs associated with administering the State Agreement and the Implementation

Agreements, including, but not limited to, costs incurred to travel to meetings or project sites for final inspections, are not reimbursable under the State Agreement; accordingly, the Participating Agencies (except SCC) shall remain collectively responsible for such costs. If DWR does not reimburse particular costs for which BACWA has made a draw on the Prop 84 Account, the matter will be referred to and handled in the manner determined by the OCC in accordance with Paragraph 63, below; provided, however, that under no circumstances shall BACWA be required to deposit any of its own funds into the Prop 84 Account or otherwise pay out of its own funds for any portion of the Total Administration Costs.

- g) Additional Administration Costs. If BACWA concludes, and the OCC confirms, at any time that the Total Administration Costs will likely exceed the initial estimate of the Anticipated Administration Costs, it shall prepare an estimate of such additional administration and legal costs (“Additional Administration Costs”) and all Participating Agencies (including SCC), regardless of the status of a particular Agency’s project(s), shall make advance payment of its portion of such Additional Administration Costs to BACWA for deposit into the Prop 84 Account. Each Agency’s share of such Additional Administration Costs to be paid in advance to BACWA shall be determined by the OCC in accordance with Paragraph 63, below. Unless otherwise determined by the OCC, each Agency’s share of such Additional Administration Costs shall be paid to BACWA within thirty (30) calendar days of being invoiced for the same. This process may be repeated more than once, if necessary, to pay for the Total Administration Costs incurred in fully implementing the State Agreement and each of the Implementation Agreements.
- h) Return of Advanced Portions of the Total Administration Costs. Upon completion of its project(s), each of the Participating Agencies may request a return of its share of any advanced portions of the PA Contribution, as applicable, and/or Additional Administration Costs, if any, that are still remaining in the Prop 84 Account. Such request shall be considered and decided upon by the OCC in accordance with Paragraph 63, below.

At the end of the State Grant period, BACWA agrees to return to each of the Participating Agencies its share of any advanced portions of the PA Contribution, as applicable, and/or Additional Administration Costs, if any, that are still remaining in the Prop 84 Account. The amount of any such return to be made to a particular Agency shall be determined by the OCC in accordance with Paragraph 63, below.

- i) Redirection of Funds Originally Allocated for Administration and Legal Costs. Project Sponsor agrees that if any of the State Grant funds that were originally allocated under the State Agreement to cover administration and legal costs are not needed for that purpose, Project Sponsor will cooperate with BACWA and the remaining Participating Agencies, by and through the OCC, to request approval from DWR to redirect such funding.

63. OVERSIGHT AND COORDINATION COMMITTEE. Upon full execution of each of the Implementation Agreements, BACWA and the Participating Agencies shall thereby and do hereby form the Oversight and Coordination Committee (the “OCC”), the membership of which shall be comprised of BACWA’s Project Manager or a BACWA Board Member (as the two may alternate from time to time), as well as the Project Manager from each of the Participating Agencies, including Project Sponsor’s Project Manager. The OCC shall be staffed by BACWA’s Project Manager or the Project Manager provided for by the EBMUD Services.

The purposes and functions of the OCC shall be to:

- a) review and advise upon draft forms of the Quarterly Progress Reports;
- b) review and advise upon pending reimbursement requests;
- c) review and agree upon the manner by which any additional project management costs will be funded in the event that the actual costs of the EBMUD Services exceeds \$240,000.00 and EBMUD elects not to continue to provide project management services on a non-reimbursable basis, pursuant to Paragraph 62(a) hereof;
- d) review and advise upon any Financial Report prepared and presented by BACWA to the OCC, in accordance with Paragraph 62(d) hereof;
- e) review and confirm BACWA's conclusion regarding the need for any Further Advance to cover payment of the Anticipated Administration Costs, pursuant to Paragraph 62(e) hereof;
- f) determine the shares of any needed Further Advance to be paid by each of the Participating Agencies (except SCC), pursuant to Paragraph 62(e) hereof;
- g) review and approve of the method by which the responsibility for administration and/or legal costs paid by BACWA but not approved for reimbursement by DWR shall be allocated amongst each of the Participating Agencies (except SCC), pursuant to Paragraph 62(f) hereof;
- h) review and confirm BACWA's conclusion regarding the need for advance payments from the Participating Agencies for their shares of any Additional Administration Costs, pursuant to Paragraph 62(g) hereof;
- i) determine the shares of any Additional Administration Costs to be paid by each of the Participating Agencies (including SCC), pursuant to Paragraph 62(g) hereof;
- j) review and take action regarding any request by a particular Agency for the return of its share of any advanced portions of the PA Contribution, as applicable, and/or Additional Administration Costs, if any, that are still remaining in the Prop 84 Account upon completion of that Agency's project(s) and/or at the end of the State Grant period, pursuant to Paragraph 62(h) hereof;
- k) review and agree upon any proposed request to be sent to DWR for its approval to redirect administration- and legal-cost funding allocations under the State Agreement, pursuant to Paragraph 62(i) hereof;
- l) review and advise upon any other matter concerning the administration and/or disbursements under the State Agreement and/or the Implementation Agreements, that is presented to the OCC by BACWA or by any other two (2) or more members of the OCC; and
- m) interact with DWR personnel as necessary.

The OCC shall meet via teleconference on an as-needed basis and upon the request of BACWA or any other two (2) or more members of the OCC. All meetings shall require advance written notice thereof sent via

electronic-mail message by BACWA to each of the other members of the OCC, no less than forty-eight (48) hours prior to the proposed meeting time. The necessary quorum for any meeting of the OCC shall be seven (7) members, one of whom must always include BACWA.

The OCC's review of the draft forms of the Quarterly Progress Reports and pending reimbursement requests shall be independent of any review or certification thereof required by BACWA.

All actions required or needed to be taken by the OCC, except with respect to those functions described in subparagraphs c), f), g), and i), above, shall be taken only upon a majority vote of the members of the OCC present at a noticed meeting at which a quorum exists.

All actions required or needed to be taken by the OCC with respect to those functions described in subparagraphs f) and g), above, shall be taken upon a vote of sixty-seven percent (67%) of the Weighted Vote (as defined below) of the members of the OCC present at a noticed meeting at which a quorum exists, except that neither BACWA nor SCC shall be permitted to vote in such matters. If the OCC cannot make a decision by 67% of the Weighted Vote, then each Agency's (except SCC) proportionate share of the costs to be allocated under subparagraphs f) or g) (whichever is applicable) shall be in an amount equal to its Weighted Vote. "Weighted Vote" is defined for purposes of cost-allocations under subparagraphs f) and g) as follows:

- Each voting Agency's vote shall be multiplied by the ratio of its State Grant Share to the whole of the State Grant, excluding that portion of the State Grant allocated under the State Agreement for administration and legal costs (refer to Project Element [REDACTED] in Exhibit [REDACTED] to the State Agreement), and also excluding SCC's State Grant Share.

All actions required or needed to be taken by the OCC with respect to those functions described in subparagraphs c) and i), above, shall be taken upon a vote of sixty-seven percent (67%) of the Weighted Vote (as defined below) of the members of the OCC present at a noticed meeting at which a quorum exists, except that BACWA shall not be permitted to vote in such matters. If the OCC cannot make a decision by 67% of the Weighted Vote, then each Agency's (including SCC) proportionate share of the costs to be allocated under subparagraphs c) or i) (whichever is applicable) shall be in an amount equal to its Weighted Vote. "Weighted Vote" is defined for purposes of cost-allocations under subparagraphs c) and i) as follows:

- Each voting Agency's vote shall be multiplied by the ratio of its State Grant Share to the whole of the State Grant, excluding that portion of the State Grant allocated under the State Agreement for administration and legal costs (refer to Project Element [REDACTED] in Exhibit [REDACTED] to the State Agreement).

64. ADDITIONAL INDEMNIFICATION OF BACWA: PROPORTIONAL RESPONSIBILITY FOR FINANCIAL SHORTFALL. In addition to all other duties of indemnification owed by Project Sponsor under this Implementation Agreement, and notwithstanding any other provision of this Implementation Agreement to the contrary, Project Sponsor agrees to hold BACWA free from any liability whatsoever that may result from the action or inaction, whatever the case may be, of any of the Participating Agencies that results in a disruption or discontinuance of the disbursement of the State Grant under the State Agreement by DWR, regardless of whether that action or inaction is the fault of Project Sponsor or one of the other Participating Agencies, as follows:

- a) Project Sponsor agrees to contribute to the full financial indemnification of BACWA in the event that DWR requires BACWA to return to it any portion of the State Grant that has been disbursed by

BACWA to another Agency and for which that particular Agency fails to return to BACWA after diligent effort has been made by BACWA to recover (the "Shortfall Amount"). This requirement shall be triggered upon BACWA's giving notice of the same to Project Sponsor and each of the other Participating Agencies. The particular shares of the Shortfall Amount that Project Sponsor and the other Participating Agencies will be required to so contribute shall be determined by Project Sponsor and the other Participating Agencies pursuant to subparagraph b), below, and Project Sponsor agrees to fully confer and cooperate with the other Participating Agencies to ensure that BACWA will not have to pay any of its own funds to DWR to satisfy the Shortfall Amount. In no event, however, shall Project Sponsor be required to contribute any amount under this Paragraph that is over and above the amount of the State Grant Share.

- b) Promptly upon receipt of the notice from BACAWA referenced in subparagraph a), above, the chief executive officers of each of the Participating Agencies, or their designees, shall form a "Shortfall Committee" to determine the particular shares of the Shortfall Amount that each of the Participating Agencies must contribute. Any meeting of the Shortfall Committee shall require advance written notice thereof sent via electronic-mail message by one of the members of the Shortfall Committee to each of the other members of the Shortfall Committee, no less than seventy-two (72) hours prior to the proposed meeting time. The Shortfall Committee shall determine the particular shares of the Shortfall Amount that each of the Participating Agencies must contribute upon a vote of sixty-seven percent (67%) of the Weighted Vote (as defined hereafter) of the members of the Shortfall Committee present at a noticed meeting at which a majority of the members of the Shortfall Committee are present. If the Shortfall Committee cannot make such a decision by 67% of the Weighted Vote, then each Agency's particular share of the Shortfall Amount shall be in an amount equal to its Weighted Vote. "Weighted Vote" is defined for purposes of this Paragraph as follows:
- Each voting Agency's vote shall be multiplied by the ratio of its State Grant Share to the whole of the State Grant, excluding that portion of the State Grant allocated under the State Agreement for administration and legal costs (refer to Project Element [redacted] in Exhibit [redacted] to the State Agreement).
- c) The requirements of this Paragraph shall survive beyond termination of this Implementation Agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Implementation Agreement.

BAY AREA CLEAN WATER AGENCIES

[PROJECT SPONSOR]

By: _____
[NAME]

By: _____
[NAME]

Its: Chair

Its: [TITLE]

Date: [INSERT DATE]

Date: [INSERT DATE]

Approved as to legal form as sufficiency:

By: _____
[NAME], counsel for BACWA

By: _____
[NAME], counsel for [PROJECT SPONSOR]

Date: [INSERT DATE]

Date: [INSERT DATE]

EXHIBIT A

State Agreement

(Attach unexecuted copy of State Agreement)

EXHIBIT B

Work Plan

(Attach copy of Project Sponsor's Work Plan)

EXHIBIT C

Schedule

(Attach copy of Project Sponsor's Schedule)

EXHIBIT D

Budget

(Attach copy of Project Sponsor's Budget)

EXHIBIT E

Report Format and Requirements

The following reporting formats should be utilized.

PROGRESS REPORTS

Project Sponsor shall submit Progress Reports on a consistent basis to meet BACWA's requirement for disbursement of the State Grant Share. Each Progress Report should describe the work performed during the reporting period. For the Project, describe the work performed, including:

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- A brief summary of the status of adoption of an IRWM Plan that complies with Part 2.2 of Division 6 of the California Water Code, commencing with § 10530.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) § 31(c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.
- Upon adoption of IRWM Plan, submit an electronic copy with progress report.

PROJECT INFORMATION (Include any of the below that were applicable during the reporting period)

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way and approvals as may be required by other State, federal and/or local agencies.
- Major accomplishments during the reporting period (*e.g.*, tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data submittal effort(s) for the previous reporting period, including a description of the data submitted and date(s) of submittal.

- Issues/concerns that have, will or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the Project Work Plan.
- Description of any efforts to update IRWM Plan to obligations listed in Paragraph 12, “Continuing Eligibility,” if applicable.

COST INFORMATION

- Provide a list showing all costs incurred during the reporting period by Project Sponsor and each contractor working on the Project. The list should include for all non-construction, or implementation costs (*e.g.*, design, and admin charges), the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from latest budget shown Exhibit D (Budget). [Note: a revised budget may require an official amendment to this Implementation Agreement and/or the State Agreement before it is accepted as final.]

SCHEDULE INFORMATION

- A schedule showing actual progress verse planned progress as shown in Exhibit C (Schedule).
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit C (Schedule).
- A revised schedule, by task, if changed from latest schedule in Exhibit C (Schedule). [Note: a revised schedule may require an official amendment to this Implementation Agreement and/or the State Agreement before it is accepted as final.]

ANTICIPATED ACTIVITIES NEXT REPORTING PERIOD

- Provide a description of anticipated activities for the next reporting period.

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in Exhibit A (Work Plan). This report will include the following sections:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of ten (10) pages summarizing project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in this Implementation Agreement and the State Agreement. List any official amendments to the State Agreement (as applicable to the Project), with a short description of the amendment.
- Describe the mechanism or process that allows for continued performance monitoring of the Project in meeting the objectives of the IRWM Plan.

REPORTS AND/OR PRODUCTS

- Provide a copy of any final technical report or study, produced for the Project, if applicable.
- Provide a map and shapefile(s) showing the location of the Project as completed. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the Project's location in the State, should be utilized).
- If any wells were constructed as part of the Project, provide the following information: Well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the Project.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of the State Agreement.

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices showing:
 - The date each invoice was submitted to DWR, by and through BACWA.
 - The amount of the invoice.

- The date the check was received.
- The amount of the check. If a check has not been received for the final invoice, then state this in this section.
- A spreadsheet summary of the original budget costs by task versus the final project costs
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, *e.g.*, design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of State Grant Share disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

- Benefits derived from the Project, with quantification of such benefits provided, if applicable.
- A final project schedule showing actual progress verse planned progress.
- Certification from a California Registered Civil Engineer that the Project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

PROJECT PERFORMANCE REPORT

A Project Performance Report is required annually for the Project for a period of 10 years beginning after the first year of operation, and must include the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, *e.g.*, Oct 2014 through September 2015.

- Short project description.
- Brief discussion of the project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, *e.g.*, new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 22 of the State Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

Project Sponsor agrees that work funded under this Implementation Agreement will be provided in an electronic format to BACWA and/or DWR, as applicable. Electronic submittal of final reports, plans, studies, data and other work performed under the State Agreement shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- If the Project involves a modeling component, Project Sponsor shall provide the major input data files, parameters, calibration statistics, output files and other information requested by BACWA's and/or DWR's Project Manager.

EXHIBIT F

BACWA Board Resolution

(Insert copy of BACWA Board Resolution authorizing execution of this Implementation Agreement)

EXHIBIT G

Project Sponsor Board Resolution

(Insert copy of Project Sponsor Board Resolution authorizing execution of this Implementation Agreement)

RESOLUTION NO. 3044

**A RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
IMPLEMENTATION AGREEMENT BETWEEN
BAY AREA CLEAN WATER AGENCIES AND
NOVATO SANITARY DISTRICT
FOR BAY AREA PROPOSITION 84
INTEGRATED REGIONAL WATER MANAGEMENT GRANT**

BE IT RESOLVED, by the Board of Directors of the Novato Sanitary District, Marin County, California, that that certain Implementation Agreement between Bay Area Clean Water Agencies and Novato Sanitary District for Bay Area Proposition 84 Integrated Regional Water Management Grant monies in the amount of \$625,000, be adopted. The grant money is awarded for partial funding of the District's Recycled Water Project, to be divided equally between Novato Sanitary District and North Marin Water District.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof held on the 23rd day of April, 2012, by the following vote:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

President, Novato Sanitary District

ATTEST:

Secretary Pro Tem

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Amendment to Contract Between CalPERS and Novato Sanitary District	MEETING DATE: April 23, 2012 AGENDA ITEM NO. :
RECOMMENDED ACTION: Adopt Final Resolution and Amendment to Contract Between CalPERS and NSD to Create a new Second Tier Plan; Authorize Staff to execute Certification of Final Action of Governing Body	
SUMMARY AND DISCUSSION: At the Board of Directors meeting on March 26, 2012, the Board adopted a Resolution of Intention to approve an amendment to the contract between CalPERS and Novato Sanitary District. <p>The contract amendment establishes a different level of benefits for employees entering membership for the first time after the effective date of the contract amendment. Briefly, the amendment provides a retirement benefit formula of 2% @ 60 instead of 2% @ 55, with retirement calculations based on 36 consecutive months' highest compensation instead of 12 consecutive months' highest compensation.</p> <p>The following final documents necessary to complete the proposed amendment have been received from CalPERS:</p> <ol style="list-style-type: none"> 1. Resolution Authorizing an Amendment to the Contract (PERS-CON-13). 2. Amendment to Contract (PERS-CON-702A). 3. Certification of Final Action of Governing Body (PERS-CON-5). <p>Copies of the above listed documents are included. The effective date of the contract amendment will be May 1, 2012.</p>	
ALTERNATIVES: Do not adopt the Final Resolution or Contract Amendment.	
BUDGET INFORMATION: It is anticipated that savings of approximately \$9,600 in employer contributions will be realized for fiscal year for fiscal year 2012-13.	
DEPT. MGR. :	MANAGER'S APPROVAL:

NOVATO SANITARY DISTRICT
RESOLUTION
AUTHORIZING AN AMENDMENT TO THE CONTRACT

No. 3043

WHEREAS, the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the Novato Sanitary District entered into a contract effective on November 1, 1969 providing for the participation of said public agency in the California Public Employees' Retirement System; and

WHEREAS, it is now desirable to take advantage of certain benefits provided under said Retirement System and not included in said contract;

NOW, THEREFORE, BE IT RESOLVED, that said governing body authorized, and it does hereby authorize, an amendment to said contract, a copy of said amendment attached hereto and by such reference made a part hereof as though herein set out in full; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said amendment for and on behalf of said public agency.

Adopted this _____ day of _____, _____.

Presiding Officer

Attest:

Clerk/Secretary



California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Novato Sanitary District

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective November 1, 1969, and witnessed October 31, 1969, and as amended effective October 1, 1971, April 11, 1974, November 1, 1981, February 1, 1986, January 1, 1987, March 23, 1999 and June 25, 2002 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective June 25, 2002, and hereby replaced by the following paragraphs numbered 1 through 13 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members entering membership in the miscellaneous classification on or prior to the effective date of this amendment to contract and age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

2. Public Agency shall participate in the Public Employees' Retirement System from and after November 1, 1969 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
 - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
 - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
 - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.

- (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
- 4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).
- 5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ELECTED OFFICIALS;**
 - b. **PERSONS COMPENSATED ON AN HOURLY BASIS; AND**
 - c. **SAFETY EMPLOYEES.**
- 6. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to September 30, 1971, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
- 7. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
- 8. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.
 - b. Section 20965 (Credit for Unused Sick Leave).

- c. Section 21573 (Third Level of 1959 Survivor Benefits).
 - d. Section 20042 (One-Year Final Compensation) for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract.
 - e. Section 21024 (Military Service Credit as Public Service).
 - f. Section 21027 (Military Service Credit for Retired Persons).
 - g. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.
9. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on November 1, 1981. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
10. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
11. Public Agency shall also contribute to said Retirement System as follows:
- a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

- 12. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
- 13. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the 1st day of May, 2012.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
NOVATO SANITARY DISTRICT

BY _____
KAREN DE FRANK, CHIEF
CUSTOMER ACCOUNT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION
OF
FINAL ACTION OF GOVERNING BODY**

I hereby certify that the _____ of the
(governing body)

_____ (public agency)

considered and adopted on _____, _____, by an affirmative
(date)

vote of a majority of the members of said Governing Body, **Ordinance / Resolution** No. _____ approving the attached contractual agreement between the Governing Body of said Agency and the Board of Administration of the California Public Employees' Retirement System, a certified copy of said **Ordinance / Resolution** in the form furnished by said Board of Administration being attached hereto.

Adoption of the retirement benefit increase was not placed on the consent calendar.

Clerk/Secretary

Title

Date _____

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Governor's pension reform proposals	MEETING DATE: April 23, 2012 AGENDA ITEM NO.:
RECOMMENDED ACTION: Consider sending letters in support of the Governor's 12 point pension reform proposal.	
SUMMARY AND DISCUSSION: Governor Brown has prepared bill language for seven specific pension reform measures including provisions that would: <ol style="list-style-type: none">1. Eliminate the purchase of airtime for all current and future employees.2. Prohibit suspension of pension contributions.3. Prohibit employers from making employee contributions.4. Prohibit retroactive pension increases.5. Mandate three year averaging for highest annual compensation used to calculate pension.6. Prohibit the inclusion of anything other than base pay to calculate pensions.7. Prohibit pensions for those who commit a job-related felony. The Governor is also developing proposals that would include: <ul style="list-style-type: none">• A cap on pension benefits.• Improve retirement board governance.• Limit post-retirement public employment.• Create a hybrid defined benefit/defined contribution pension option.• Address the CalSTRS unfunded liability. The District Board has been taking measures to improve the sustainability of the District's pension program but has been limited by current CalPERS policies that limit local agency options for addressing aspects of CalPERS that put the system at risk. The District also participated in the Marin County Council of Mayors and Councilmembers Adhoc Committee on Pensions and other Post-Employment Benefits. The Committee's recommendations align closely with the Governor's proposals. A draft letter is attached to be sent to the local Assembly Senate representatives to indicate the District's support of the proposed reforms.	
ALTERNATIVES: N/A.	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

Governor Brown Releases Twelve-Point Pension Reform Plan

SACRAMENTO - Governor Edmund G. Brown Jr. today released the actual bill language of seven separate pension reform measures.

In addition, Brown listed five other specific pension reforms that he is developing. These include a pension benefit cap, limits on post-retirement public employment, hybrid defined contribution/benefit options, an action plan to address CalSTRS unfunded liability, and a measure to change and improve the board governance of CalPERS and CalSTRS.

Information on all twelve pension reforms is available below.

PENSION REFORM PROPOSAL APPLIES TO STATE AND LOCAL GOVERNMENTS MARCH 2011

1. *Eliminate Purchase of Airtime.* Would eliminate the opportunity, for all current and future employee members of all state and local retirement systems, to purchase additional retirement service credit. (Note Walters, SB 522, would eliminate Air Time)
2. *Prohibit Pension Holidays.* All California public agencies would be prohibited from suspending employer and/or employee contributions necessary to fund the normal cost of pension benefits. (RN 14777)
3. *Prohibit Employers from Making Employee Pension Contributions.* All California public agencies would be prohibited from making employee contributions that fund the normal cost of employee retirement benefits in whole or in part. (RN 14777)
4. *Prohibit Retroactive Pension Increases.* All California public agencies would be prohibited from granting any retroactive pension benefit increases, such as benefit formula improvements that credit prior service. (RN 14777)
5. *Prohibit Pension Spiking: Three Year Final Compensation.* Final compensation for new employees would be defined as the highest average annual compensation during a consecutive 36 month period.
6. *Prohibit Pension Spiking: Define Compensation as Only Regular, Non-recurring Pay.* Compensation means normal rate of pay or base pay. (RN 14777) (Note Simitian, SB 27, would exclude from defined benefit changes in compensation principally for the purpose of enhancing benefits; would place stricter limits on creditable compensation)
7. *Felony Convictions.* Prohibits payment of pension benefits to those who commits a felony related to their employment. (RN 14777) (*Note Strickland, SB 115, similar prohibition)

PROPOSALS UNDER DEVELOPMENT

Impose Pension Benefit Cap.
Improve Retirement Board Governance
Limit Post-Retirement Public Employment
Hybrid Option
Address CalSTRS Unfunded Liability

April 23, 2012

Assembly Member Jared Huffman
Marin County
3501 Civic Center Drive, Ste 412
San Rafael, CA 94903

Re: Pension Reform Proposals

Dear Assembly Member Huffman:

Novato Sanitary District is committed to providing a sustainable pension program for their employees but it has become clear that the current CalPERS program is unsustainable and future benefits are at risk unless action is taken now to reform the program. The District therefore supports the Governor's 12-point program including the following seven measures currently being reviewed by the State Legislature:

1. Eliminate the purchase of airtime for all current and future employees.
2. Prohibit suspension of pension contributions.
3. Prohibit employers from making employee contributions.
4. Prohibit retroactive pension increases.
5. Mandate three year averaging for highest annual compensation used to calculate pension.
6. Prohibit the inclusion of anything other than base pay to calculate pensions.
7. Prohibit pensions for those who commit a job-related felony.

Novato Sanitary District has made the reforms that it can locally but is dependent on changes that can only be made at the State level in order to provide a secure retirement program for our employees.

Sincerely,

William C. Long
President, Board of Directors