



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: September 15, 2009

SUBJECT: Approve the Joint Powers Agreement and Authority for the Davis-Woodland Water Supply Project

Report in Brief

At the July 28, 2009 Joint Davis-Woodland City Council Workshop, the Councils reviewed and discussed the draft Joint Powers Agreement (JPA) for creation of a new Joint Powers Authority to execute and oversee the financing, design, construction, ownership and operation of the Davis-Woodland Water Supply Project (DWWSP). The Councils directed both City staffs to finalize the JPA and return to the separate Councils in September 2009 for final approval. The Davis and Woodland City Attorneys led the effort in collaborating and coordinating with the project team for finalizing the agreement.

Staff recommends that the City Council approve the following actions associated with the establishment of the Joint Powers Agreement and Authority for the Davis-Woodland Water Supply Project:

1. Approve, and authorize the Mayor to execute, the Joint Powers Agreement between the City of Woodland and the City of Davis included as Attachment 1;
2. Select two Woodland City Council members to serve the remainder of the first fiscal year term on the JPA Board of Directors;
3. Authorize legal assignment and transition of the Staff Phase 1 West Yost Associates DWWSP program and project management consultant support contract to the JPA on behalf of the project partners; and
4. Approve a budget authority transfer of \$1,042,000 from the FY 09/10 CIP budget for project 08-07 toward Woodland's proportional share of the JPA first year budget of \$2,000,000.

Background

On May 5, 2009, the City of Woodland assumed consultant contract administrative lead on behalf of the DWWSP partners by approving and executing the Phase 1 consultant support agreement with West Yost Associates (WYA) for DWWSP engineering and program services through June 2011. That action also authorized Phase 1A expenditures through October 2009 on behalf of the partners for up to \$630,802, and approved Woodland's share of Phase 1A expenditures up to \$256,552. On May 19, 2009, the City of Davis and UC Davis approved their participation under the contract and authorized their expenditures under Phase 1A up to \$314,250 and \$60,000, respectively. The DWWSP schedule anticipated bringing Phase 1B to Council for authorization and funding in conjunction with anticipated approval actions related to JPA formation. The team is now recommending all future actions on the WYA contract be accomplished through the JPA after the contract is assigned to the Authority.

On June 23, 2009, the City Council held a Study Session addressing JPA and non-JPA background, investigation and analysis in regard to pro and con applicability to the DWWSP initiative. That action recommended a JPA creating a new Authority. On July 21, 2009, the City Council approved in concept a draft DWWSP JPA. On July 28, 2009, the cities of Davis and Woodland conducted a joint City Council Workshop to discuss and consider JPA concepts and approaches for implementing the DWWSP as a regional project of mutual interest. Based on those discussions, the Councils both directed staffs to revise and produce a final JPA for presentation to each City Council in September 2009. Attachment 1 is a final draft JPA both agencies consider full and complete for initiating Joint Powers Authority operations. Attachment 2 is a chart reflecting the proposed initial JPA organization. Key comments discussed at the July 28, 2009 Joint Council Session included:

1. Make-up of the JPA Governing Board members: Only elected officials will serve on the Governing Board of the Authority (two voting members and one alternate). Staff amended the draft JPA to incorporate this change;
2. Participation of other entities: UC Davis will be a Participating Agency under the Authority as a non-voting Governing Board member and the Councils agreed that other entities could be considered for future membership or participation over time and that this issue could be further discussed and decided by the Authority Governing Board;
3. Tie-breaker concerns: There was discussion about the four-member Governing Board voting structure of the Authority and a possibility for needing a tie-breaking process or mechanism, should the even numbered board members be unable to reach consensus. It was decided the proposed four-member voting structure would encourage collaboration and incentive to work through issues to reach consensus or a board majority, and that the Governing Board would further consider this issue as part of their first year, start-up agenda; and
4. Need to maintain transparency: The Authority is a public agency that will operate with all Governing Board meetings noticed and open for public attendance and input. The Authority will take over the project website and coordinate and collaborate with the Authority member agencies on outreach efforts to keep communities and stakeholders up to date on project status and issues. Governing Board minutes will also be included in City Council agendas. There was some discussion of potentially televising Board meetings, depending on where the Governing Board elects to conduct recurring Board meetings.

Discussion

Of primary importance for JPA start up are the selection of Board members and the establishment of initial budget authority for JPA administration and project advancement. The initial first-year JPA budget of \$2,000,000 was set to coincide with the combined existing current year approved capital project budget authorities for Woodland and Davis. This action constitutes an assignment of Woodland's share of that budget authority to the JPA. The primary expenditure of the JPA budget will be toward the WYA Phase 1 contract actions necessary for advancing the project. The WYA Phase 1 Scope of Services is included as Attachment 3 for reference and the Phase 1 Schedule is included as Attachment 4. Once the JPA is set up and operationally efficient, the City can then legally assign the contract with West Yost Associates to the JPA for continued execution of the Davis Woodland Water Supply Project. Beyond that, the Woodland and Davis Public Works Directors and project staff collaborated to generate a list of proposed Authority Board considerations for start-up operations. Several of the initial meetings may be necessary to adequately cover pending issues and an initial meeting of the Board is proposed to be conducted on or before November 2, 2009 to begin to address and consider the following:

- a) Recurring schedule and location of Board meetings;
- b) Initial operating budget;
- c) Consideration or selection of Authority officers;
- d) Considerations and timing for assignment of West Yost Phase 1B contract;
- e) Consideration or selection of Authority staff and operational roles and responsibilities;
- f) Consideration of Authority name, logo, letterhead, mailing address, phone and fax numbers, official web address, home office location, and other logistics for business start-up;
- g) Guiding Vision, Values and Mission-related principles for Authority start-up;
- h) FY2009-10 and overall project schedule and budget;
- i) Water right permit and summer water plan and strategy;
- j) Alternative project delivery review and strategy;
- k) Project funding and financing plan (including rate impact analyses);
- l) Public outreach planning; and
- m) Other items deemed necessary to conduct Authority business and advance the project

In conjunction with determining the Authority name, staff also recommends careful consideration be given to the marketing potential of the new Authority's name; both for maintaining the project's competitive funding focus as a regional solution to a regional problem and for eliciting a memorable, positive impression of the Authority's Vision, Values and Mission focus on the communities and the customers it serves.

Fiscal Impact

The proposed and recommended budget authority transfer of \$1,042,000 does not increase currently approved project authorities and includes project funds expended and encumbered this fiscal year to

date. This project incurs no cost to the General Fund and there are no additional project costs associated with this proposed Council action. Cost sharing for joint-funded work continues as outlined under the latest amendment to the Project Partner MOU, based on projected project benefit, with Woodland's share at 52.1%, Davis at 44.4% and UC Davis at 3.5%. Funding is two-thirds through Water Enterprise, Fund 210, and one-third through Water Development, Fund 584. Sufficient funding for this project is budgeted and available in the Capital Budget for FY 09/10. Each Project Partner will separately approve the authorization and funding for their shares of joint-funded project initiatives.

Public Contact

Posting of the City Council agenda, recurring public presentations to the Woodland Chamber of Commerce Water Advisory Committee and bilingual utility billing insert newsletter updates summarizing the Davis-Woodland Water Supply Project.

Council Committee Recommendation

The Infrastructure Committee recommends Council support for moving this project forward.

Recommendation for Action

Staff recommends that the City Council approve the following actions associated with the establishment of the Joint Powers Agreement and Authority for the Davis-Woodland Water Supply Project:

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Prepared by: Dick Donnelly, P.E.
Deputy Public Works Director

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ITEM:

Reviewed by: Gregor Meyer
Public Works Director

Mark G. Deven
City Manager

Attachments

1. DWWSP Joint Powers Agreement with Exhibits A-C
2. JPA Organization Chart
3. WYA Phase 1 Contract Scope
4. WYA Phase 1 Summary Schedule

**DAVIS–WOODLAND WATER SUPPLY PROJECT AUTHORITY
JOINT POWERS AGREEMENT**

This Joint Powers Agreement is made this ___ day of _____ 200__ by and between the City of Davis, a general law city, and the City of Woodland, a general law city, who agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the words and phrases below shall have the following meanings:

1.1. "Act" means the Joint Exercise of Powers Act, California Government Code title I, division 7, chapter 5 (commencing with Section 6500).

1.2. "Agreement" means this Joint Powers Agreement.

1.3. "Authority" means the Davis–Woodland Water Supply Project Authority created pursuant to this Agreement.

1.4. "Board" or "Board of Directors" means the governing body of the Authority as established by this Agreement.

1.5. "Capital Costs" mean the Project-related costs of Construction, financing, acquiring, planning, designing, and Environmental Documentation and Permitting (including any mitigation costs or filing fees related to Permitting), and the funding of a reasonable construction reserve. Capital Costs include both the Capital Costs of initial Project construction and subsequent Capital Costs of Project repair, replacement, modification and improvement. Capital costs include any one-time initial costs and payments under a water supply contract approved by the Authority, but not the on- going costs of water under a water supply contract.

1.6. "Construction" means the Project-related procurement of material, parts and equipment, conducting construction, construction management and related field services including project management activities, contractor management, design assistance during construction, as-built-drawings, and startup testing.

1.7. "CEQA" means the California Environmental Quality Act.

1.8. "Effective Date" means the effective date of this Agreement and the Authority as provided in section 3.4.

1.9. "Dedicated Capacity" means the capacity of the Project Facilities dedicated to each Project Participant as set forth below in section 7.3.

1.10. "Director" means a member of the Board of Directors.

1.11. "District" means the Yolo County Flood Control and Water Conservation District.

1.12. "Environmental Documentation" means all activities and documents required to comply with federal and/or state environmental, water quality and endangered species laws and regulations (including CEQA) in connection with Permitting and the construction and operation of the Project.

1.13. "Final EIR" means the Davis-Woodland Water Supply Project Final Environmental Impact Report dated October 2007 certified by the Davis City Council on October 16, 2007.

1.14. "Final Engineering" means engineering and related activities that are necessary or appropriate to develop and prepare final design plans, specifications, drawings, and bidding and construction documents for the Project.

1.15. "Fiscal Year" means July 1 through June 30 or such other period as the Board may determine.

1.16. "Fixed Operating Costs" means those Project-related operating, maintenance and management costs that are incurred irrespective of the amount of water conveyed through the Project, including, but not limited to, consultant costs, employee salaries and expenses, debt service costs on any bonds or other indebtedness issued to finance the Capital Costs, bond reserve funds, and the costs of bond or financing agreements.

1.17. "Force Majeure" means delays or defaults due to acts of God, government (other than acts or failure to act by one of the Parties), litigation, including litigation challenging the validity of this Agreement or any element thereof, general strikes or other force or event beyond the responsible party's reasonable control.

1.18. "Individually-Owned Project Facility" means a Project Facility to be financed and constructed by the Authority as part of the Project, but to be owned and operated by one of the Project Participants as described on Exhibit A.

1.19. "mgd" means millions of gallons of water per day.

1.20. "Participating Agency" means UC Davis and any other future participating agency approved pursuant to section 4.2.

1.21. "Parties" mean the Cities of Davis and Woodland. "Party" means either one of the Parties.

1.22. "Permitting" means all activities and documents to apply for and acquire the permits and licenses that are required under federal, state and/or local laws and regulations to construct and operate the Project, including, but not limited to, conducting required studies, endangered species act consultation, environmental documentation, public notifications, preparation of permit and license applications, consultation and negotiations with involved persons and organizations including regulatory agencies. Permitting also shall include the acquisition of water right permits, licenses and contract water supplies that are necessary or appropriate for the Project.

1.23. "Project" means the preferred project alternative as described in the Final EIR and as approved by the City of Davis in its City Council resolution approved on October 16, 2007, and any changes to this preferred alternative that are approved by the Authority.

1.24. "Project Facility" or "Project Facilities" means each facility or all facilities (as the case may be) identified as a Project Facility in Exhibit A, attached hereto and incorporated herein.

1.25. "Project Participants" mean the Parties and, subject to the timely approval of an Authority-UC Davis water supply agreement pursuant to section 7.6, UC Davis. If the Authority and UC Davis do not timely approve a water supply agreement pursuant to section 7.6, then UC Davis will not be considered a Project Participant. "Project Participant" means any one of the Project Participants.

1.26. "RD 2035" means Reclamation District 2035.

1.27. "Transmission Piping" means the treated water transmission lines between the water treatment plant to be constructed as part of the Project and the Davis, UC Davis, and Woodland distribution systems, and excludes the pipeline between the Project's water intake facilities in the Sacramento River and the water treatment plant.

1.28. "UC Davis" means The Regents of the University of California acting for and on behalf of the University of California at Davis.

1.29. "Variable Operating Costs" mean those Project-related operating and maintenance costs and other costs that are dependent on, and vary based on, the volume of water actually conveyed through the Project (including, but not limited, to the costs of water (e.g., supplied under a water supply contract) and power), length or size of the Transmission Piping, or such other method as may be established by the unanimous Board approval.

2. RECITALS. This Agreement is made with reference to the following background recitals.

2.1. The Parties each have the authority to develop, construct, operate and maintain water supply facilities and services. The Parties have agreed to jointly pursue development and implementation of a project that would involve, if finally approved, implemented and constructed, a new treated surface water supply. The Parties desire to implement this goal by creating a joint exercise of powers authority to exercise those powers in common for their mutual benefit as provided in this Agreement. The principal goal of this Agreement and Project is to provide a long-term, secure, reliable, high-quality water supply for the mutual benefit of the Parties. The objective is to provide a treated surface water supply for the Parties by 2016.

2.2. The Parties and UC Davis previously have cooperated in the planning and development of a supplemental regional treated surface water supply pursuant to a series of memoranda of understanding dated July 12, 2000, November 18, 2003 and June 1, 2005 (as amended in October, 2007 and further amended in May, 2009), copies of which are on file with

each of the Parties (the "MOUs"). Pursuant to the 2000 and 2003 MOUs, the following documents were prepared: the City of Davis and University of California, Davis Joint Water Supply Feasibility Study dated September 2002; and, the Preliminary Environmental Review City of Davis, UC Davis and City of Woodland Joint Water Supply Feasibility Study dated July 2004; copies of which are on file with each of the Parties.

2.3. Pursuant to the 2005 MOU and based on the 2002 and 2004 studies, Davis has acted as a lead agency under CEQA in the preparation of an environmental impact report for the Davis-Woodland Water Supply Project. On October 16, 2007, the Davis City Council certified the Davis-Woodland Water Supply Project Final Environmental Impact Report and approved the preferred project alternative (as described in the Final EIR) as the project to be implemented.

2.4. On November 6, 2007, the Woodland City Council adopted findings as a CEQA responsible agency with respect to the Davis-Woodland Water Supply Project Final Environmental Impact Report and approved the preferred project alternative as the project to be implemented.

2.5. The 2005 MOU contemplates that further Project implementation will consist of Phases 3-5, which include Project-related acquisition of water rights, water supply contracts, permits (including additional environmental review and documentation), lands and rights-of-way, engineering, financing, construction, start-up, operation and maintenance. The 2005 MOU provides that subsequent Project phases will be implemented pursuant to a joint powers agreement or other agreement. This Agreement is the "Phase 3-5 Agreement" as contemplated by the 2005 MOU. The purpose of this Agreement is to provide the legal mechanism under which the Authority will conduct and implement Project Phases 3-5 (as defined in the MOU dated June 1, 2005) for the benefit of the Parties.

2.6. The Parties have agreed to share in the costs of Project-related acquisition of water rights, water supply contracts, Environmental Documentation, Permitting, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of the Project on and subject to the terms of this Agreement.

2.7. The Parties have a joint and mutual interest in the successful planning, design, construction and operation of the Project. The Parties each have the power to design, finance, lease, purchase, condemn, acquire, construct, operate, maintain, sell, hypothecate or otherwise dispose of the Project and related property for the purpose of the production, treatment and distribution of water as provided herein.

2.8. These powers can be exercised best through the cooperative action of the Parties through a joint exercise of powers agreement. Each of the Parties is authorized to contract with the other for the joint exercise of these common powers under the Joint Exercise of Powers Act.

3. CREATION OF AUTHORITY.

3.1. Authority. This Agreement is authorized by, and entered into pursuant to, the Act and other applicable law.

3.2. Authority Created. There is hereby created a public agency to be known as the "Davis–Woodland Water Supply Project Authority." The Authority shall be a public agency separate from the Parties. The Authority may change its name at any time through adoption of a resolution by the Board of Directors.

3.3. Liabilities. The debts, liabilities, contracts and obligations of the Authority shall be the debts, liabilities, contracts and obligations of the Authority alone. No debt, liability, contract or obligation of the Authority shall be or constitute a debt, liability, contract or obligation of the Parties or either of them. The Authority shall not have the authority to bind the Parties or either of them to any debt, liability, contract or obligation. However, a Party or Parties separately may contract for, or otherwise expressly assume responsibility for, a specific debt, liability, contract or obligation of the Authority, but only the Parties or Parties expressly assuming responsibility shall be so bound, and no other Party then shall be liable for such debt, liability, contract or obligation.

3.4. Effective Date. The effective date of this Agreement and of the legal existence of the Authority shall be the date first set forth above, and this Agreement and the Authority shall continue in full force and effect until terminated as provided in this Agreement.

3.5. No Restriction on Other JPA. Nothing in this Agreement shall prevent the Parties from entering into other joint powers agreements.

4. ORGANIZATION, BOARD AND OFFICERS.

4.1. Membership. The Parties of the Authority shall be the Cities of Davis and Woodland.

4.2. Participating Agencies.

4.2.1. UC Davis shall participate as a Participating Agency with the Authority. UC Davis is a Participating Agency because it is anticipated that UC Davis will transfer and assign a pending water right permit application to the Authority and that UC Davis will become a Project Participant and receive Dedicated Capacity in the Project and a water supply from the Authority. District could become a future Participating Agency because it is responsible for countywide water planning, management and coordination, it is a potential Project funding partner, and it may provide a water supply to the Project. RD 2035 could become a future Participating Agency because the Project may utilize its Sacramento River water diversion/intake facility. The Authority Board may by resolution approve additional Participating Agencies.

4.2.2. The Participating Agency shall be entitled to participate in open session Board meetings regarding the planning, design, construction and operation of the Project. Authority may consult from time to time with current and potential future Participating Agencies regarding Project design, planning and implementation. Authority may cooperate and consult with current and potential future Participating Agencies regarding countywide and regional water planning, management and conjunctive use issues. UC Davis also may have Dedicated Capacity in the Project and a water supply pursuant to an Authority-UC Davis water supply agreement.

4.3. Board of Directors. The Authority shall be governed by a legislative body known as the Board of Directors. The Board shall consist of four directors, with two appointed by each Party. Each Party shall also select one alternate. Each Director shall be entitled to one vote. The Participating Agency may appoint a non-voting member to the Board who shall sit with the four voting Directors at open session Board meetings, and have the right to participate in public Board discussions but shall not be counted towards a quorum, and may not make, or second, motions. The Participating Agency may also appoint an alternate member to the Board to attend in absence of the designated Participating Agency representative.

4.4. Selection of Directors. Within 30 days after the execution of this Agreement by both of the Parties, each Party shall designate and appoint two representatives to serve as Directors on the Board. Each Party also shall appoint an alternate Director. For each Party, each representative shall be a city council member. The alternate member shall also be a city council member. Alternates shall assume all rights of a Director representing the appointing entity and shall have the authority to act in the absence of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in any decision-making process of the Authority. Each Party shall give written notice to the Authority Secretary of the names of its Directors and alternate Director. The names of all directors and alternates shall be on file with the Board. Each of the Directors and alternate Directors shall hold office from the first meeting of the Board after the appointment of the Director or alternate Director until a successor is selected. Directors, alternate Directors and Participating Agency members shall serve at the pleasure of the governing body of their appointing Parties or agency and may be removed at any time, with or without cause, at the sole discretion of such governing body.

4.5. Compensation. No Director shall receive any compensation from the Authority for serving as such; however, a Director may be reimbursed for necessary and actual expenses incurred by such Director in the conduct of the Authority's business. Except as specifically provided in this Agreement, staff of the Parties shall not be compensated by the Authority for their time incurred on Authority business and affairs.

4.6. Board Action.

4.6.1. All the power and authority of the Authority will be exercised by the Board, subject, however, to the rights reserved by the Parties as set forth in this Agreement, and provided further that the Board may delegate such powers and authority to its officers, employees, contractors and others as the Board deems appropriate.

4.6.2. The Board may act only by ordinance, resolution or motion.

4.6.3. For the purposes of transacting the business of the Board, a quorum shall consist of three Board Directors. A majority vote of the entire Board shall be required for any Board action, except where different voting requirements are provided for in this Agreement.

4.7. Principal Office. The Board shall designate a location in Yolo County as the principal Authority office. The Board may change the principal office from time to time.

4.8. Meetings. The time, frequency and place of regular meetings of the Board shall be determined by resolution adopted by the Board, with a copy of such resolution furnished to each Party and Participating Agency. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Government Code title 5, division 2, part 1, chapter 9 (commencing with Section 54950)).

4.9. Organization of the Board. The Board shall elect a Chair and a Vice-Chair to serve for a term of one year, unless sooner terminated at the pleasure of the Board. The first Chair and Vice-Chair appointed shall hold office from the date of appointment to June 30 of the ensuing year. The position of Chair and Vice-Chair shall alternate between representatives of each Party. The Board may, from time to time, determine the dates for the commencement and completion of the terms of the Chair and Vice-Chair.

4.10. Officers. The Authority shall provide for and appoint the following officers:

4.10.1. Treasurer/Auditor. The Treasurer shall function as the combined offices of Treasurer and Auditor pursuant to Government Code Section 6505.6, and shall strictly comply with the statutes relating to the duties of such offices found in the Act. The Treasurer shall be the depository and have custody of all money of the Authority from whatever source, and shall draw all warrants and pay demands against the Authority as approved by the Board. The Treasurer shall cause independent audits of the finances of the Authority to be made by a certified public accountant in compliance with Government Code Section 6505. The Treasurer shall serve at the pleasure of the Board.

In lieu of designating the Treasurer and Auditor as set forth in section 4.10.1, the Board may designate the treasurer of one of the parties or a certified public accountant to be the Treasurer, as set forth in Government Code Section 6505.5. The Board shall then designate an Auditor as set forth in section 6505.5. The Treasurer shall serve at the pleasure of the Board.

4.10.2. Secretary. The Secretary shall cause to be kept minutes of all meetings of the Board. The Secretary shall maintain the records of the Authority. The Secretary shall be appointed by and shall serve at the pleasure of the Board.

4.10.3. General Counsel. The General Counsel shall provide legal advice and services to the Authority. The General Counsel shall be appointed by and shall serve at the pleasure of the Board.

The initial Treasurer/Auditor, Secretary and General Counsel shall be appointed by the Board at its first meeting.

4.10.4. Additional Officers. The Board may appoint such additional officers as it deems necessary or appropriate.

4.10.5. Qualifications. Any officer, employee or agent of the Board also may be an officer, employee or agent of any of the Parties. Except as specifically provided in section 4.14, no officer, employee, agent or attorney of any of the Parties shall receive compensation from the Authority for time spent on Authority matters.

4.11. Technical Committee. There shall be a Technical Committee consisting of each Party's public works director or his or her designee. The Technical Committee shall be responsible for monitoring the activities of the Authority on behalf of the Parties and making such reports as the Board deems appropriate. The Technical Committee may make recommendations to the Board with respect to the appointment and termination of the Authority Project Manager. The Technical Committee shall consult with and advise the Project Manager concerning Project design, planning and implementation. The Technical Committee may only take action if the Public Works Directors, or designees, of both parties agree. The Participating Agency may be involved in Technical Committee meetings subject to Technical Committee member invitation.

4.12. Privileges, Liability and Immunity. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of any of the Parties when performing their respective functions shall apply to the same degree and extent while such individuals are engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Parties or subject to any of the requirements of such Parties.

4.13. Project Manager. Upon Board determination of necessity, the Board shall appoint a Project Manager who shall be responsible to the Board for the proper and efficient administration of the Authority as directed by the Board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the Board not inconsistent with this Agreement. The Project Manager may be retained under contract with the Authority, be an employee of the Authority, or be an employee of one of the Parties. The Project Manager shall report directly to the Board and serve as staff to the Authority. Any communications, correspondence or other material that is furnished to the Board by the Project Manager shall also be furnished to the Technical Committee unless the Project Manager is directed otherwise by the Board. The Project Manager shall serve at the pleasure of the Board. In addition to any other duties that may be assigned by the Board, the Project Manager shall have the following authority:

4.13.1. Under the policy direction of the Board, and in consultation with the Technical Committee, to plan, organize, administer, implement and direct all activities of the Project and Authority;

4.13.2. To authorize expenditures within the designations and limitations of the budget approved by the Board;

4.13.3. To make recommendations to and requests of the Board concerning any matter which is to be performed, done or carried out by the Authority;

4.13.4. To assign, supervise and otherwise control the activities of any Authority employees, Party employees assigned to the Authority, and contractors that may be retained by the Authority; and,

4.13.5. To have charge and control of and manage all real and personal property acquired by the Authority.

4.14. Staff. A Party may assign its employees to serve as officers or perform other services for the Authority, subject to the approval of both the Authority and Party. The services of such assigned employees shall be at the expense of the contributing Party, unless the contributing Party and the Authority enter into a written agreement to reimburse the Party for the value of the services provided by the assigned employees. The Authority also may enter into appropriate contracts for staff services or employ staff directly.

4.15. Bylaws and Rules. The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its meetings and affairs of the Authority as may be necessary or appropriate.

5. POWERS AND PURPOSES.

5.1. Purposes. Each Party has in common the power to study, plan, develop, finance, acquire, condemn, lease, design, construct, maintain, repair, manage, operate, control and dispose of the Project Facilities, either alone or in cooperation with other public or private entities. The purpose of this Agreement is to jointly exercise some or all of the foregoing common powers, as appropriate, and for the exercise of such additional powers as may be authorized by law in the manner set forth in this Agreement, in order to provide for the most cost-efficient and timely acquisition of water rights, water supply contracts, Environmental Documentation, Permitting, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of the Project. A related purpose of this Agreement is to better manage and coordinate the area surface and groundwater resources for the mutual benefit of the Parties.

5.2. Powers. All of the power and authority of the Authority shall be exercised by the Board. Subject to the conditions and restrictions in this Agreement, the Authority, in its own name, shall have the common powers of the Parties and as otherwise granted by the Act, in order to achieve the purposes of the Authority as set forth in Section 5.1. The Authority is

authorized in its own name to do all acts necessary or convenient to the exercise of these powers and for these purposes, including but not limited to any or all of the following:

5.2.1. To exercise jointly the common powers of the Parties in studying, planning, designing and implementing the Project and other water supply projects consistent with this Agreement.

5.2.2. To make and enter contracts, and to execute leases, installment sale contracts or installment purchase contracts in accordance with procedures and requirements as permitted by law.

5.2.3. To contract for or employ clerical, administrative, technical or professional staff or consultant support of any kind including engineers, attorneys, planners, financial consultants or other agents or employees.

5.2.4. To design, acquire, construct, manage, maintain and operate any buildings, works, or improvements.

5.2.5. To acquire real or personal property, including, without limitation, by purchase, lease, gift, bequest, devise, or exercise of the power of eminent domain; to hold, manage, lease and dispose of any such property.

5.2.6. To hold, manage, operate and maintain all Authority property, facilities, buildings, structures, vehicles, apparatus and equipment.

5.2.7. To incur debts, liabilities or obligations subject to limitations set forth in this Agreement.

5.2.8. To sue and be sued in its own name.

5.2.9. To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity.

5.2.10. To apply for and accept appropriate grants and loans under any federal, state or local programs for assistance in developing the Project, or any future authorized modifications to the Project.

5.2.11. To enter into arrangements for the transmission, purchase and sale of electrical power, or the trading of electrical power, related to operation of the Project.

5.2.12. To obtain, in its own name, all necessary and appropriate permits, licenses, entitlements, opinions and rulings.

5.2.13. To procure bonds, insurance and self-insurance as it deems advisable to protect the Parties and Authority and its property, officers, employees, contractors and agents.

5.2.14. To form and administer nonprofit corporations to do any part of what the Authority could do, or to perform any proper corporate function, and enter into agreements with such a corporation.

5.2.15. To issue bonds and certificates of participation in accordance with applicable statutes, including, but not limited to, the following: Article 2, Chapter 5, Title 1, Division 7 of the California Government Code, commencing with Section 6540; Chapter 6, Title 5, Division 2 of the California Government Code, commencing with Section 54300; and, Article 4, Chapter 5, Title 1, Division 7 of the California Government Code, commencing with Section 6584.

5.2.16. To use other financing acts, including, but not limited to, the Mello-Roos Community Facilities District Act of 1982, the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915.

5.2.17. To exercise any of the powers set forth in the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of the Act).

5.2.18. To enter into agreements incident to the issuance of bonds and certificates of participation for the purpose of enhancing the credit or liquidity of such bonds, or to place such bonds on a different payment schedule, such as an interest rate swap, cap or similar instrument, or in connection with the investment of the proceeds of such bonds.

5.2.19. To levy and collect revenue and funding as authorized by law.

5.2.20. To enter into agreements with the Parties and Participating Agencies for the construction, operation, maintenance and/or management of certain Project Facilities.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act, insofar as such additional powers may be necessary or desirable to accomplish the purposes of the Authority.

5.3. Manner of Exercise of Powers. To the extent not specifically provided for in this Agreement or the Act, the Authority shall exercise its powers subject to the restrictions upon the manner of exercising the powers under the laws applicable to the City of Woodland.

5.4. Use of Project Water. The Authority shall operate the Project and use its best efforts to ensure that the Dedicated Capacity set forth in section 7.3 is, at all times, fully available for use by the Project Participants within their respective service areas. A Project Participant shall not sell, convey, transfer or make its Dedicated Capacity available to a third-party without the prior approval of the Authority. This restriction shall not apply to a Project Participant's water service obligations to provide treated water within its service area. A Project Participant shall not use, convey or transfer Project water for use outside the authorized place of use specified in the Authority's water right permit(s) or license(s).

6. ALLOCATION OF COSTS, FINANCE AND ACCOUNTING

6.1. Initial Advance. Upon the Effective Date, each Party shall forthwith advance to the Authority the sum set forth below as initial start-up funding for the Authority to be used until the adoption of the initial budget and payment of invoices as provided below. These amounts shall be applied as advances toward a Party's contribution for the first year's budget.

Davis	47.9 %	\$ 958,000
Woodland	52.1 %	\$ 1,042,000
TOTAL	100 %	\$ 2,000,000

6.2. Allocation of Costs. The costs incurred by the Authority in carrying out its functions shall be allocated between the Project Participants as follows:

6.2.1. Capital Costs. Capital Costs for the Project Facilities shall be allocated based on the following percentage shares:

Cost Category (see Ex. A for detailed explanation)	Percentage Share		
	Davis	Woodland	UC Davis
Project Facilities other than listed below	44.4%	52.1%	3.5%
Transmission Piping from water treatment plant to Davis-area distribution system	92.7%	0%	7.3%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%	0%
Davis Individually-Owned Project Facilities	100%	0%	0%
Woodland Individually-Owned Project Facilities	0%	100%	0%
UC Davis Individually-Owned Project Facilities	0%	0%	100%

These percentage shares shall apply to both the initial construction of the Project Facility and future capital costs relating to the repair, replacement, renovation, modification or improvement of the Project Facility. For the Individually-Owned Project Facilities, the percentage shares shall apply to initial construction only, because the Authority will not be responsible for future capital costs (see section 6.3). The percentage shares reflect the volume of water allocated from the project pursuant to this Agreement. If the percentage shares change by written agreement between the Parties and/or Participating Agencies, the percentages for cost sharing shall also change. The percentage shares of any Project expansion shall be determined by the Parties participating in the expansion.

In the Final Engineering and Construction phases of the Project, the Authority shall keep and maintain accurate records showing and segregating the Capital Costs of the various Project Facility cost categories set forth above. In the Construction of the Project Facilities and

preparation of bid and construction documents, the Authority shall proceed in such a manner as to enable it to determine and segregate these Capital Costs.

The foregoing table assumes that the Authority and UC Davis enter into a UC Davis water supply agreement pursuant to section 7.6. If such an agreement is not timely approved, then the following table shall apply:

Cost Category (see Ex. A for detailed explanation)	Percentage Share	
	Davis	Woodland
Project Facilities other than listed below	46.1%	53.9%
Transmission Piping from water treatment plant to Davis-area distribution system	100%	0%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%
Davis Individually-Owned Project Facilities	100%	0%
Woodland Individually-Owned Project Facilities	0%	100%

6.2.2. Fixed Operating Costs. Fixed Operating Costs for the Transmission Piping and the Individually-Owned Project Facilities, shall be allocated based on the following percentage shares:

Cost Category (see Ex. A for detailed explanation)	Percentage Share		
	Davis	Woodland	UC Davis
Transmission Piping from water treatment plant to Davis-area distribution system	92.7%	0%	7.3%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%	0%
Davis Individually-Owned Project Facilities	100%	0%	0%
Woodland Individually-Owned Project Facilities	0%	100%	0%
UC Davis Individually-Owned Project Facilities	0%	0%	100%

The percentage shares reflect the volume of water allocated from the project pursuant to this Agreement. If the percentage shares change by written agreement between the Parties and/or Participating Agencies, the percentages for cost sharing shall also change. The preceding table assumes that the Authority and UC Davis enter into a UC Davis water supply agreement pursuant to section 7.6. If such an agreement is not timely approved, then the following table shall apply to Fixed Operating Costs for the Transmission Piping and the Individually-Owned Project Facilities:

Cost Category (see Ex. A for detailed explanation)	Percentage Share	
	Davis	Woodland
Transmission Piping from water treatment plant to Davis-area distribution system	100%	0%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%
Davis Individually-Owned Project Facilities	100%	0%
Woodland Individually-Owned Project Facilities	0%	100%

Fixed Operating Costs for the Project Facilities other than the Transmission Piping and the Individually-Owned Project Facilities shall be allocated based on the following percentage shares:

Davis	44.4 %
Woodland	52.1 %
UC Davis	3.5 %
Total	100%

The preceding table assumes that the Authority and UC Davis enter into a UC Davis water supply agreement pursuant to section 7.6. If such an agreement is not timely approved, then the following table shall apply to Fixed Operating Costs other than the Transmission Piping and the Individually-Owned Project Facilities:

Davis	46.1 %
Woodland	53.9 %
Total	100%

6.2.3. Variable Operating Costs. Variable Operating Costs for Project Facilities other than the Transmission Piping and the Individually-Owned Project Facilities shall be allocated between the Project Participants based on each Project Participant's proportionate share of the volume of use of the Project Facilities or such other method as may be established by the unanimous Board approval.

6.2.4. The Parties' respective percentage shares in this section 6.2 may be changed by unanimous Board approval. The UC Davis percentage shares shall not be changed without UC Davis' prior written consent and unanimous Board approval.

6.3. Transmission Piping Operating Costs.

6.3.1. Fixed Operating Costs for the Transmission Piping shall be allocated based on the following percentage shares:

Cost Category (see Ex. A for detailed explanation)	Percentage Share		
	Davis	Woodland	UC Davis
Transmission Piping from water treatment plant to Davis-area distribution system	92.7%	0%	7.3%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%	0%

The percentage shares reflect the volume of water allocated from the project pursuant to this Agreement. If the percentage shares change by written agreement between the Parties and/or Participating Agencies, the percentages for cost sharing shall also change.

The preceding table assumes that the Authority and UC Davis enter into a UC Davis water supply agreement pursuant to section 7.6. If such an agreement is not timely approved, then the following table shall apply:

Cost Category (see Ex. A for detailed explanation)	Percentage Share	
	Davis	Woodland
Transmission Piping from water treatment plant to Davis-area distribution system	100%	0%
Transmission Piping from water treatment plant to Woodland distribution system	0%	100%

6.3.2. Variable Operating Costs. Variable Operating Costs for the Transmission Piping shall be allocated between the Project Participants based on the volume of use or the length or size of the Transmission Piping or such other method as may be established by the unanimous Board approval.

6.3.3. The Parties' respective percentage shares in this section 6.3 may be changed by unanimous Board approval. The UC Davis percentage shares shall not be changed without UC Davis' prior written consent and unanimous Board approval.

6.4. Individually-Owned Project Facilities.

6.4.1. The Individually-Owned Project Facilities (as described on Exhibit A) may be included as part of the Project and financed and constructed by the Authority. Upon completion of construction of any Individually-Owned Project Facility, the Authority will convey all of its right, title and interest in the completed Individually-Owned Project Facility to the Project Participant that is served by that Project Facility (as shown on Exhibit A) and that

Project Participant shall accept the conveyance of the completed Project Facility and thereafter be responsible for the ownership, operation, maintenance, repair, replacement, modification and improvement of that Project Facility. The Authority shall have no obligation to operate, maintain, repair, replace, modify or improve any Individually-Owned Project Facility.

6.4.2. For an Individually-Owned Project Facility (as described on Exhibit A), Capital Costs may include such costs related to the initial design and Construction of that Project Facility. The Capital Costs of an Individually-Owned Project Facility shall be allocated entirely to the Project Participant that will be served by that Project Facility (see section 6.2.1). After completion of initial construction and conveyance of the completed Individually-Owned Project Facility to a Project Participant (reference section 6.3.1), the Authority shall not incur or allocate to the Project Participants any subsequent Capital Costs related to the repair, replacement, modification or improvement of the Individually-Owned Project Facility. The Authority will not be responsible for the operation and maintenance of any Individually-Owned Project Facility, and the Authority shall not incur or allocate to the Project Participants any Fixed Operating Costs or Variable Operating Costs related to the operation and maintenance of any Individually-Owned Project Facility.

6.5. Payment Obligations.

6.5.1. Each of the Parties agrees that its water enterprise fund or such other fund as a Party may determine, but not the Party's general fund to be responsible for paying its respective share of all costs of the Authority in accordance with the payment schedule adopted by the Board pursuant to section 6.4.2 below, and consistent with the cost allocation methodology set forth in section 6.2 and any bonds or certificates of financing issued or financing agreements entered into by Authority.

6.5.2. All costs of the Authority shall be annually assessed on the Parties by the Board in amounts sufficient to meet the obligations of the Authority for that fiscal year as set forth in the Authority's annual budget. The Board also shall establish a payment schedule for each annual assessment consistent with the projected cash flow needs of the Authority and any bonds or financing agreements entered into by the Authority. Each Party's water enterprise fund or such other fund as a Party may determine, but not the Party's general fund, will be responsible for the payment of this annual assessment whether or not the Project Facilities are constructed, operating, damaged or destroyed, whether or not the Dedicated Capacity of each Party established pursuant to section 7.3 is actually available to or utilized by the Party, whether or not water is available for diversion to the Project, and regardless of the occurrence of any Force Majeure event.

6.5.3. Notwithstanding anything to the contrary herein, each of the Parties shall be individually liable to the other Party for its failure to pay its respective share of the Authority's annual costs (including but not limited to debt service on any bonds or related obligations). In the event that a Party fails to make any payment of such costs (a "Defaulting Party"), the non-defaulting Party may make such payment on behalf of the Defaulting Party, but the Defaulting Party shall remain obligated to reimburse the non-defaulting Party for such advance with interest calculated at one and one-half the rate of return earned by the treasury of the non-defaulting Party during the time period of the default. If the Defaulting Party has not

repaid the non-defaulting Party for such advance by the end of the fiscal year in which the default first occurs, the non-defaulting Party may take such legal action as it deems appropriate to enforce payment of such obligation.

6.5.4. Any payment remaining unpaid by a Party 30 days after its due date shall bear interest at the rate of one percent per month beginning on the due date. In the event of such a default, in addition to any other remedy that may be available, the Authority may cease providing water to the Defaulting Party until the delinquent amount with interest has been paid in full.

6.6. Revenue Deficit. If insufficient revenue is collected by the Authority to satisfy all of its annual costs (other than by reason of a failure of any Party to pay its share of costs), then such deficiency will be assessed by the Authority against all Parties in the same manner as costs were allocated to each Party for the fiscal year in which such deficit was incurred.

6.7. Budget Reserves and Excess Revenues. The Board shall determine on an annual basis, prior to the beginning of each fiscal year, a level of reasonable cash reserves to be accumulated by the Authority. This reserve shall be accumulated from revenues collected in excess of all actual costs of the Authority. Once the targeted reserve level is reached, all additional revenues collected in excess of the actual costs of the Authority shall be considered excess revenue and, subject to any limitation in any bond or other financing agreement, carried forward as revenue for the next fiscal year and serve to reduce each Party's respective assessment for such subsequent fiscal year.

6.8. Annual Budget. Within 90 days after the first meeting of the Board, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget, including a projection of Capital Costs, Fixed Operating Costs and Variable Operating Costs for the Project for the ensuing fiscal year. The budget also shall include a forecast of the Agreement payment obligations for each of the Parties for the subsequent four years. After the adoption of the initial budget, if the Board because of a tie-vote or other reason fails to timely approve an annual budget, then the prior year's annual budget (plus a cost of living adjustment for expenditures to reflect the prior year's change in the Consumer Price Index for All Urban Consumers for the west urban area as reported by the U.S. Bureau of Labor Statistics) shall continue in effect until superseded by a new Board-approved budget and the former budget shall provide appropriation authority for ongoing Authority expenditures consistent with that budget, as adjusted.

6.9. Reconciliation of Fixed and Variable Costs. As soon as practicable following the commencement of a fiscal year, the Board shall, upon recommendation of the Treasurer, reconcile Fixed and Variable Operating Costs for the prior fiscal year. The amount so reconciled shall then be factored into the calculation of projected Fixed and Variable Operating Costs for the next fiscal year.

6.10. Accounting Procedures. The Authority shall keep and maintain strict accountability of all funds, receipts and expenses, and shall keep and maintain appropriate records and accounts of all funds, receipts and expenses under this Agreement in accordance with

accounting and bookkeeping practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Treasurer shall comply strictly with requirements of the Act. The Authority shall allow any Party, or any of its employees, accountants, attorneys or agents to review, inspect, copy and audit any such records and accounts, including source documents.

6.11. Assets. The Authority shall maintain records of all vehicles, apparatus, equipment and other assets and property contributed by each Party.

6.12. Expenditures. The Board shall establish and comply with a system and procedure for the review and approval of Authority expenditures and claims and the drawing and signing of Authority warrants or checks. All expenditures shall be consistent with the approved budget, except as otherwise determined by the Board.

6.13. Audit. Annually, biennially, or on any longer period as permitted by law, the Board shall contract with an independent certified public accountant to perform a financial audit of the accounts and records of the Authority. Copies of such audit reports shall be filed with each Party and Participating Agency and, if required, with the State Controller within six months of the end of the audited fiscal year, or such other period permitted or required by law.

6.14. Capital Improvement Plan. The Authority shall adopt a capital improvement plan, which shall indicate the approximate location, size, time of availability, and cost estimates of the Project Facilities. The first capital improvement plan shall be adopted within one year from the date of this Agreement. The capital improvement plan shall be updated no less frequently than every five years thereafter, and may be updated more frequently if determined necessary by the Board, for reasons including but not limited to in order to respond to new regulations requiring changes in the Project Facilities.

6.15. Pre-Effective Date Debts and Cost Sharing.

6.15.1. The Project-related debts, liabilities and obligations of each Party accrued prior to the Effective Date shall remain the debts, liabilities and obligations of that Party and shall not be assumed by or transferred to the Authority. After the Effective Date, any debt, liability or obligation of the Authority must be expressly approved or accepted by the Authority, and a Party's post-Effective Date debts, liabilities, obligations and assets shall remain that Party's debts, liabilities, obligations and assets unless expressly transferred to and accepted by the Authority.

6.15.2. The Memorandum of Understanding for Environmental Review of the Yolo Regional Treated Surface Water Project dated June 1, 2005 (as amended in October, 2007 and further amended in May, 2009), shall continue to apply to and govern the cost sharing of Project-related costs accrued prior to the Effective Date. This Agreement shall apply to and govern the cost sharing of Project-related costs accrued after the Effective Date.

7. PROJECT FACILITIES AND CAPACITY.

7.1. Authorized Project Facilities. Subject to the restrictions and limitations of this Agreement and the completion of the Environmental Documentation and Permitting, and as required by law, the Authority is authorized to implement and undertake the acquisition of water rights and water supply contracts, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of and for the Project Facilities. Authority shall pursue and implement the Project pursuant to the master schedule attached as Exhibit B and incorporated herein. The Authority Board may modify the Project schedule from time to time.

7.1.1. The overall Project service area and anticipated water right place of use are shown on Exhibit C, attached hereto and incorporated herein. The Project service area shall expand concurrent with the annexation of territory to either Party or the expansion of the UC Davis campus boundaries by UC Davis (subject to the approval of an Authority-UC Davis water supply agreement pursuant to section 7.6). The Project service area and water right place of use also may be expanded by the Board from time to time. Each of these types of expansions is subject to State Water Resources Control Board approval of any change in the authorized place of use in any applicable water-right permit or license.

7.1.2. The final Project design plans shall include a fixed point of delivery of water from the Authority transmission facilities to the each Project Participant's local distribution facilities and there shall be an Authority meter and backflow prevention device at each point of delivery.

7.2. Expenditure Controls. The Authority shall secure the written approval of the City Council of each Party before (i) issuing any bonded indebtedness or certificates of participation, (ii) commencing Final Engineering, or (iii) commencing Construction.

7.3. Dedicated Capacity.

7.3.1. Upon completion of construction of the Project Facilities, each Project Participant shall be entitled to exclusive use of the following Dedicated Capacity in the Project Facilities without regard to whether the Project Participant actually uses such facilities for the delivery of water:

Davis	23 mgd	44.4%
Woodland	27 mgd	52.1%
UC Davis	1.8 mgd	3.5%
Total	51.8 mgd	100%

The percentage shares reflect the volume of water allocated from the project pursuant to this Agreement. If the percentage shares change by written agreement between the Parties and/or Participating Agencies, the percentages for cost sharing shall also change. The Project Participants' rights to receive treated water from the Project also are subject to the following

annual limits: (a) Davis: 20,131 acre-feet per year (af/yr); (b) Woodland 24,006 af/yr; and (c) UC Davis: 2,000 af/yr. These annual limits will be calculated on a calendar year accounting period unless a different water-year accounting period is specified in the water-right permits or licenses for the Project.

7.3.2. Section 7.3.2 assumes that the Authority and UC Davis enter into a UC Davis water supply agreement pursuant to section 7.6. If such an agreement is not timely approved, then the following table and annual limits shall apply:

Davis	23.9 mgd	46.1%
Woodland	27.9 mgd	53.9 %
Total	51.8 mgd	100%

Annual limits: (a) Davis: 21,053 af/yr; and (b) Woodland: 25,084 af/yr.

7.3.3. If the Authority expands the Project Facilities to produce greater than 51.8 mgd or 46,137 af/yr, then the foregoing quantities (the daily limits in mgd or the annual limits in af/yr, or both) and percentages shall be adjusted as determined by the Board; however, the quantity (mgd) of Dedicated Capacity allocated to UC Davis and the annual limit for UC Davis shall not be increased without its written consent (i.e., if UC Davis chooses not to consent to and participate in a Project expansion, then its Dedicated Capacity and annual limit would remain fixed and its percentage share of the expanded Project would be reduced accordingly or the percentages may be revised by written agreement between the Parties and UC Davis to reflect a different basis for calculation). If the Authority constructs Project Facilities or a first phase Project of less than 51.8 mgd, then the foregoing percentage shares shall remain fixed and the daily and annual limits shall be adjusted accordingly.

7.4. Water Delivery. After completion of construction of the Project Facilities, the Authority shall make available and deliver to each Project Participant a total amount of treated water up to its respective Dedicated Capacity shares, subject to the terms and conditions of this Agreement and the availability of water. The water shall be delivered to the points of delivery as shown on the final Project plans and specifications. The Authority shall deliver treated water that meets all state and federal drinking water quality standards applicable to the Project at the time of the delivery. The Authority shall consult with the Project Participants on a regular basis to determine specific schedules of deliveries, and, consistent with the terms of this Agreement, the Authority shall use its best efforts to meet the requirements of the Project Participants. If a Project Participant does not desire or take its full entitlement of available water, then the amount of water not delivered to that Project Participant may be made available and delivered to other Project Participants that are interested in additional water deliveries. The Authority shall keep and maintain a monthly schedule of the actual quantities of water delivered to each of the Project Participants.

7.5. Changes in Dedicated Capacity Shares.

7.5.1. The Parties' respective Dedicated Capacity shares may be changed by unanimous Authority Board approval. The UC Davis Dedicated Capacity share shall not be changed without UC Davis' prior written consent and unanimous approval by the Authority Board.

7.5.2. Any two or more of the Project Participants may adjust their respective Dedicated Capacity shares and redistribute their respective shares among themselves, so long as the total Dedicated Capacity share percentages of the Project Participants in the redistribution remains the same after the redistribution. The redistribution may be temporary or permanent. The redistribution shall be in writing approved and signed by the involved Project Participants and filed with the Authority. If temporary, the writing shall indicate the effective dates of the redistribution. The redistribution also may reallocate the Project Participants' respective payment shares under section 6.2, in which case the writing also shall indicate the changes to the section 6.2 shares, whether temporary or permanent, and, if temporary, the effective dates of the changes.

7.6. UC Davis Water Supply Agreement. The Parties intend that the Authority will enter into a water supply agreement with UC Davis by which the Authority would agree to provide the treated water supply and Dedicated Capacity to UC Davis (subject to the limitations of this Agreement) and UC Davis would assign to the Authority its interests in pending water right permit Application 30358A (on file with the State Water Resources Control Board), on and subject to terms agreeable to the Authority and UC Davis. The water supply agreement shall contain indemnification provisions consistent with sections 8.2 and 8.4 of this Agreement. If the Authority and UC Davis do not finally approve and execute the UC Davis water supply agreement by or before June 30, 2010, then the Authority may proceed with the Project without UC Davis' participation. This deadline may be extended by the Board.

7.7. Reduction in Capacity of Project Facilities. If, for any reason (including, but not limited to, water supply availability, drought, restrictions on diversion, regulatory requirements, damage, or maintenance), the daily water delivery capacity of the Project Facilities is less than 51.8 mgd at any time, and such reduction is not due to an act or omission of any Project Participant, then the available capacity shall be allocated among the Project Participants based on their percentage shares of Dedicated Capacity as set forth in section 7.3. If, for any reason, the annual water delivery capacity of the Project Facilities is less than 46,137 af/yr, and such reduction is not due to an act or omission of any Project Participant, then the annual amounts of available water shall be allocated among the Project Participants based on the percentage shares of Dedicated Capacity as set forth in section 7.3. If reductions in both the daily water delivery capacity of 51.8 mgd and the annual limit of 46,137 af/yr occur, then available daily water delivery capacity shall be allocated first, and the available annual limit then shall be allocated in a manner that is consistent with the allocated daily water delivery capacity. If the reduction is due to an act or omission of a Project Participant, then that Project Participant shall be responsible for absorbing the amount of the reduction attributable to its act or omission from its share of Dedicated Capacity or annual limit.

7.8. Ownership of Project Facilities. Except as otherwise provided by section 6.3, all Project Facilities shall be owned by and held in the name of the Authority for the benefit of the Project Participants in accordance with the terms of this Agreement.

7.9. Water Right Application Assignment. Upon execution of this Agreement, the City of Davis shall assign its interests in pending water right Application 30358A (on file with the State Water Resources Control Board), the City of Woodland shall assign its interests in pending water right Application 30358B (on file with the State Water Resources Control Board) to the Authority, and the Parties shall ask UC Davis to assign its interests in Application 30358A, to the Authority. The Authority thereafter shall diligently prosecute these applications, or any portions of these applications that have been assigned to the Authority, for the benefit of the Parties, and for the benefit of UC Davis, if UC Davis has assigned its interests in Application 30358A to the Authority.

8. INDEMNIFICATION.

8.1. By Authority. The directors, officers, employees, agents and volunteers of the Authority shall be entitled to defense and indemnification by the Authority as provided under Government Code title 1, division 3.6, part 2, chapter 1, article 4 (commencing with Section 825) and title 1, division 3.6, part 7 (commencing with section 995). The Authority shall indemnify, defend, protect, and hold harmless each Party, and its officers, employees, agents and volunteers, from and against any and all liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of or in connection with the Authority's performance under this Agreement or failure to perform under this Agreement. The Parties acknowledge that the Authority's insurance and indemnity-related costs will be costs of Authority operations for which they will be liable for under section 6.

8.2. By a Party. Each Party shall indemnify, defend, protect, and hold harmless the Authority and the other Party, and their respective directors, officers, employees, agents and volunteers, from and against any and all liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of or in connection with the Party's performance under this Agreement or failure to perform under this Agreement.

8.3. Survival. These indemnification obligations shall survive and continue in full force and effect after termination of this Agreement for any reason with respect to any actions or omissions that occurred before the date of termination.

8.4. Authority Not Liable for Operation Beyond Point of Delivery. The Authority and its directors, officers, agents, contractors, employees and volunteers shall not be liable for the control, carriage, handling, use, disposal, or distribution of Project water supplied to a Party after such water has passed the point of delivery to that Party, nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond that point of delivery; and each Party shall indemnify and hold harmless the Authority pursuant to section 8.2 from any such damages, claims or liability. The Authority shall

have no right, title or interest in Project water after the water has passed the point of delivery to a Party.

8.5. Parties Not Liable for Operation Upstream From Point of Delivery. A Party and its officers, agents, contractors, employees and volunteers shall not be liable for the control, carriage, handling, use, disposal, or distribution of Project water before such water has passed the point of delivery to the Party; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has passed that point of delivery; and the Authority shall indemnify and hold harmless the Party pursuant to section 8.1 from any such damages, claims or liability.

8.6. The indemnification and hold harmless provisions of this section 8 shall apply in lieu of the right of contribution provisions at Government Code Sections 895-895.8.

9. TERM, WITHDRAWAL AND DISSOLUTION.

9.1. Term. This Agreement and the Authority shall continue in existence until terminated and dissolved in accordance with the terms of this section 9.

9.2. Withdrawal Prior to Bonds. Prior to Board approval of the issuance of any bonded indebtedness or certificates of participation, either Party may terminate this Agreement and dissolve the Authority upon giving the other Party and the Board 90 days prior written notice of termination; provided, however, the Parties shall be obligated for their share of all liabilities and expenses of the Authority incurred prior to the effective date of such termination. If the Board has received such notice of termination, it shall be prohibited from issuing any bonded indebtedness or certificates of participation or awarding any contracts for Construction. If this Agreement is terminated pursuant to this section 9.2, then the Parties shall ask the State Water Resources Control Board to allocate any water right application or permit that is, or any water right applications or permits that are, held by the Authority among the Project Participants: (a) according to the percentages in Dedicated Capacity and the annual limits specified in the first part of section 7.3, if the Authority and UC Davis have entered into a UC Davis water supply contract pursuant to section 7.6 and UC Davis has assigned its interests in Application 30358A to the Authority; or (b) according to the percentages in Dedicated Capacity and the annual limits specified in the second part of section 7.3, if the Authority and UC Davis have not entered into a UC Davis water supply contract pursuant to section 7.6 and UC Davis has not assigned its interests in Application 30358A to the Authority.

9.3. Dissolution After Bonds. After Board approval of the issuance of any bonded indebtedness or certificates of participation, this Agreement and the Authority may be terminated and dissolved by approval of the Parties expressed by resolution of the governing board of each Party approving a dissolution agreement pursuant to section 9.4. The Authority shall not be dissolved until all debts and liabilities of the Authority have been discharged or assumed in accordance with this Agreement and the dissolution agreement. During the outstanding term of any Authority bonds, certificates of participation or other indebtedness, this Agreement and the Authority shall not be terminated unless (a) the indebtedness is first paid off in full before the effective date of the termination, or (b) the indebtedness is assigned to and

assumed by one or both of the Parties or a responsible successor entity and there is alternate security for the indebtedness in a form and manner approved by bond counsel selected by the Authority as lawful and adequately protecting the interests of any holders of evidence of indebtedness of the Authority.

9.4. Dissolution Agreement. Subject to section 9.3 above, this Agreement and the Authority may be dissolved pursuant to a dissolution agreement approved by both Parties that provides for the dissolution of the Agreement and Authority, the utilization, distribution, transfer and assignment of the funds, assets and property (including any completed or partially constructed Project Facilities) of the Authority, and the transfer and assignment of the rights, liabilities and obligations of the Authority. If, at the time of dissolution, the Authority has completed any Project Facility, then the dissolution agreement also must provide for one of the Parties or a responsible successor entity to assume the rights, liabilities and obligations to continue the operation and maintenance of the Project Facility or Facilities. If, at the time of dissolution, the Authority has acquired any water right permit or license, then the dissolution agreement also must provide for the transfer and assignment of the permit or license to one of the Parties or a responsible successor entity that will hold, maintain and exercise the permit or license for the benefit of the Project Participants. Any such water right transfer and assignment would be subject to approval by the State Water Resources Control Board, if required. If, at the time of dissolution, the Authority is a party to a water supply agreement with UC Davis, then the dissolution agreement also must provide for one of the Parties or a responsible successor entity to assume the rights, liabilities and obligations under the UC Davis water supply agreement and to continue to provide water to UC Davis. Upon dissolution of the Authority pursuant to a dissolution agreement approved pursuant to this section, the funds, assets, property, rights, liabilities and obligations of the Authority shall be utilized, distributed, transferred and assigned as provided by the dissolution agreement.

10. GENERAL PROVISIONS.

10.1. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the Parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

10.2. Construction and Interpretation. It is agreed and acknowledged by the Parties that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this Agreement.

10.3. Waiver. The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

10.4. Remedies Not Exclusive. The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by

law or equity. The exercise by either Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

10.5. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

10.6. Successors and Assigns. Except as otherwise provided by law or legally ordered by the Yolo County Local Agency Formation Commission as part of a local government organization or reorganization proceeding, the rights and duties of the Parties under this Agreement shall not be assigned or delegated without the prior written consent of the other Party. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect, and may be subject to such additional reasonable conditions of approval imposed by the Party approving the assignment or delegation.

10.7. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Parties, and their permitted successors, transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.

10.8. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved by the governing board of each Party and executed by both Parties. The addition of new parties to the Authority shall require an amendment of this Agreement.

10.9. Governing Law. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of Yolo shall be venue for any state court litigation and the Eastern District of California shall be venue for any federal court litigation concerning the enforcement or construction of this Agreement; provided, however, that, for state litigation, each Party retains its rights under Code of Civil Procedure Section 394 to change venue or to assign an out-of-county judge.

10.10. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

Davis:	Woodland:
City Manager	City Manager
City of Davis	City of Woodland
23 Russell Boulevard	300 First Street
Davis, CA 95616	Woodland, CA 95695

Any Party may change its address by notifying the other Party in writing of the change of address.

10.11. Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

CITY OF DAVIS

CITY OF WOODLAND

Mayor

Mayor

Attest:

Attest:

City Clerk

City Clerk

Approved as to form:

Approved as to form:

City Attorney

City Attorney

LIST OF EXHIBITS

- Exhibit A List of Davis-Woodland Joint Water Supply Project Facilities
- Exhibit B Project Schedule
- Exhibit C Project Service Area and Anticipated Water Right Place of Use

EXHIBIT A

List of Davis-Woodland Joint Water Supply Project Facilities

- I. Authority facilities -- Project facilities to be financed, constructed, owned and operated by the Authority:
 - 1. Regional water treatment plant (serving all parties)
 - 2. Water intake/pump station
 - 3. Raw water transmission pipelines (common pipelines that serve all parties)
 - 4. Regional water booster pump station
 - 5. Davis/UC Davis treated water transmission pipeline
 - 6. Woodland treated water transmission pipeline

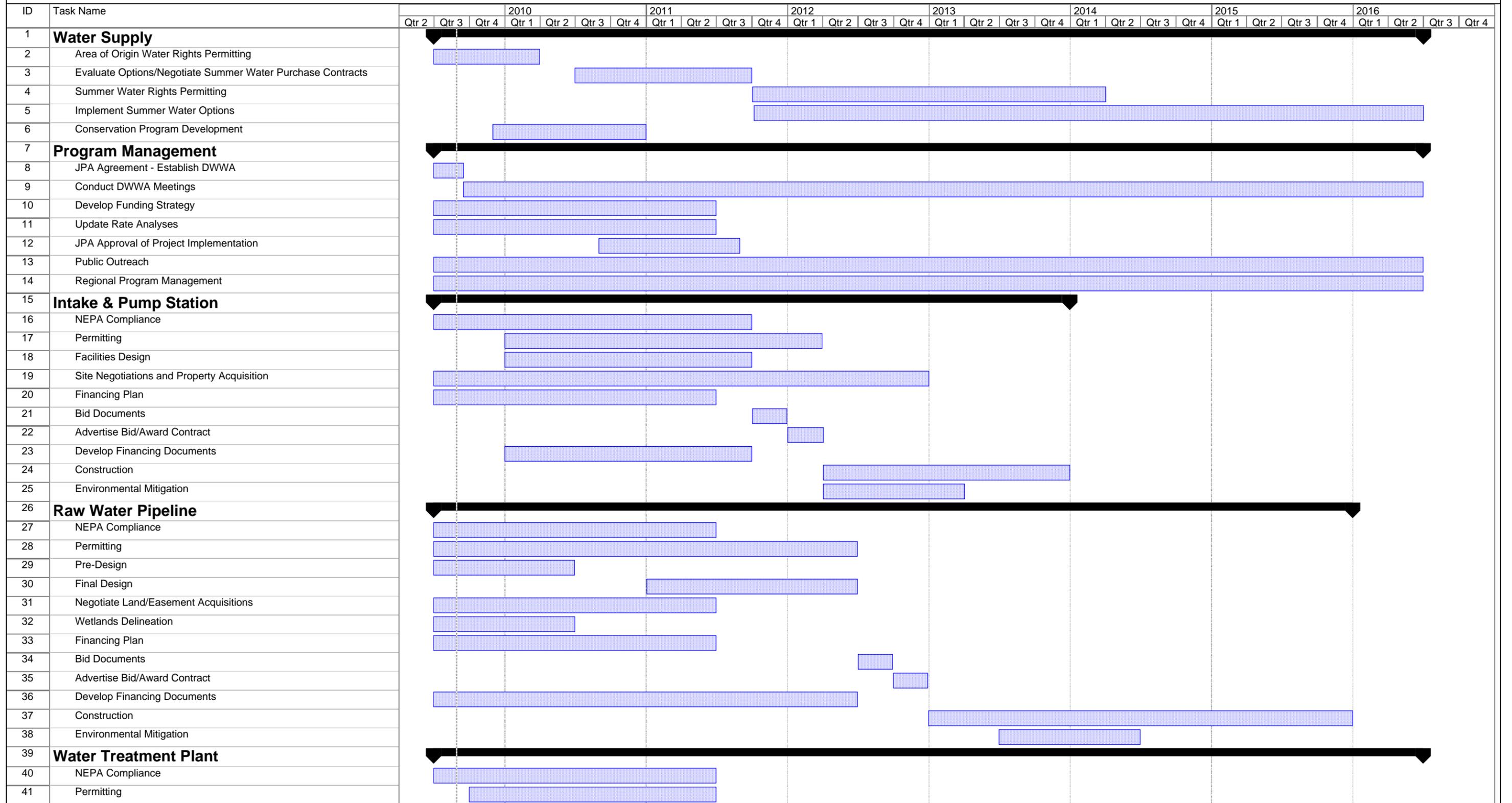
- II. Individually-Owned Project Facilities -- Project Facilities to be financed and constructed by the Authority as part of the Project, but thereafter owned and operated by another agency:
 - A. Woodland local facilities
 - B. Davis local facilities
 - C. UC Davis local facilities

The Project Facilities are described in Exhibit C.

EXHIBIT B
Project Schedule

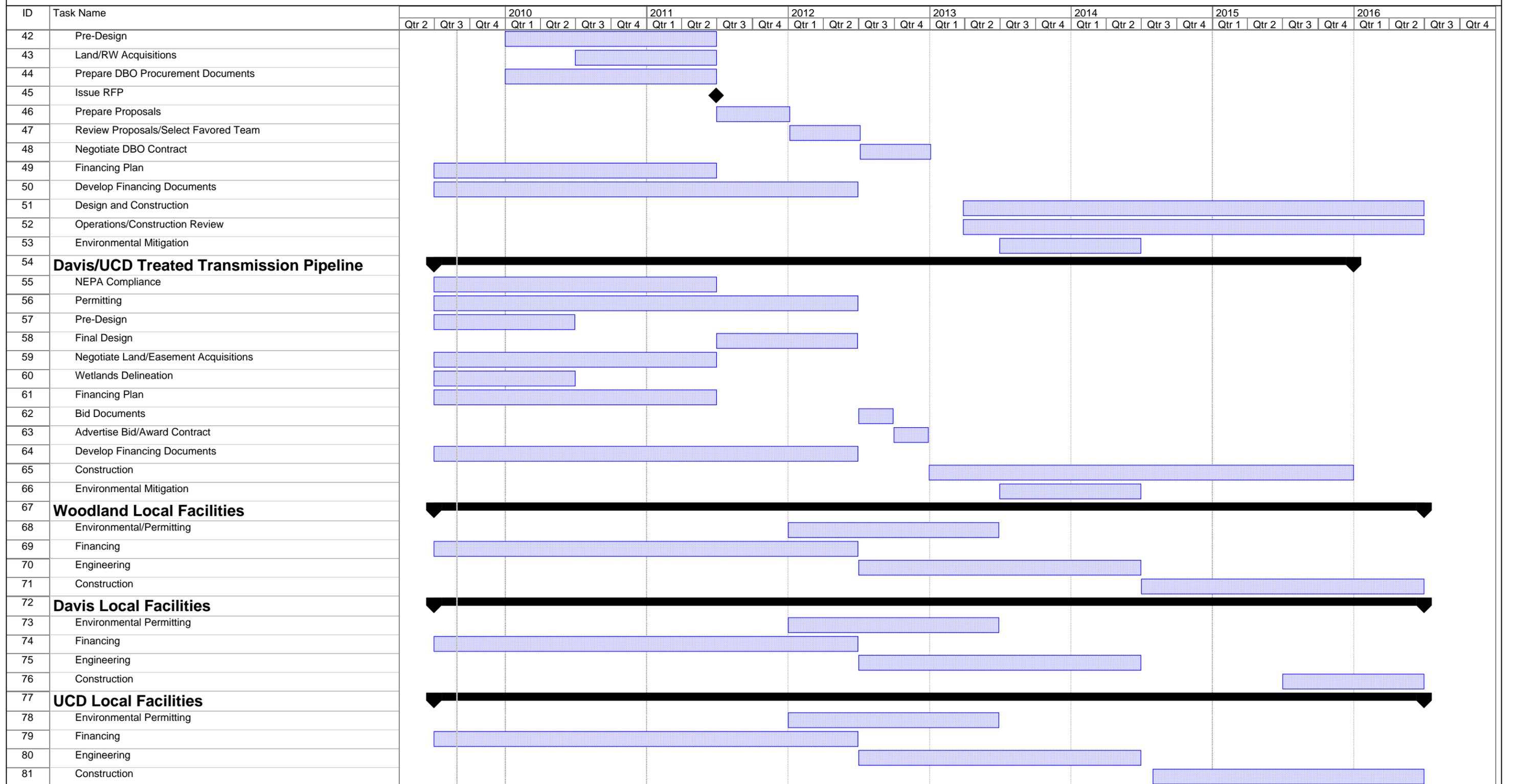
[Attached on the following pages]

Davis-Woodland Water Supply Project Base Schedule



Project: Exhibit B DWWSP Base Sche Date: Fri 8/28/09	Task Progress 	Milestone Summary 	Rolled Up Task Rolled Up Milestone 	Rolled Up Progress Split 	External Tasks Project Summary 	Group By Summary Deadline 	▶ ⬇
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Davis-Woodland Water Supply Project Base Schedule



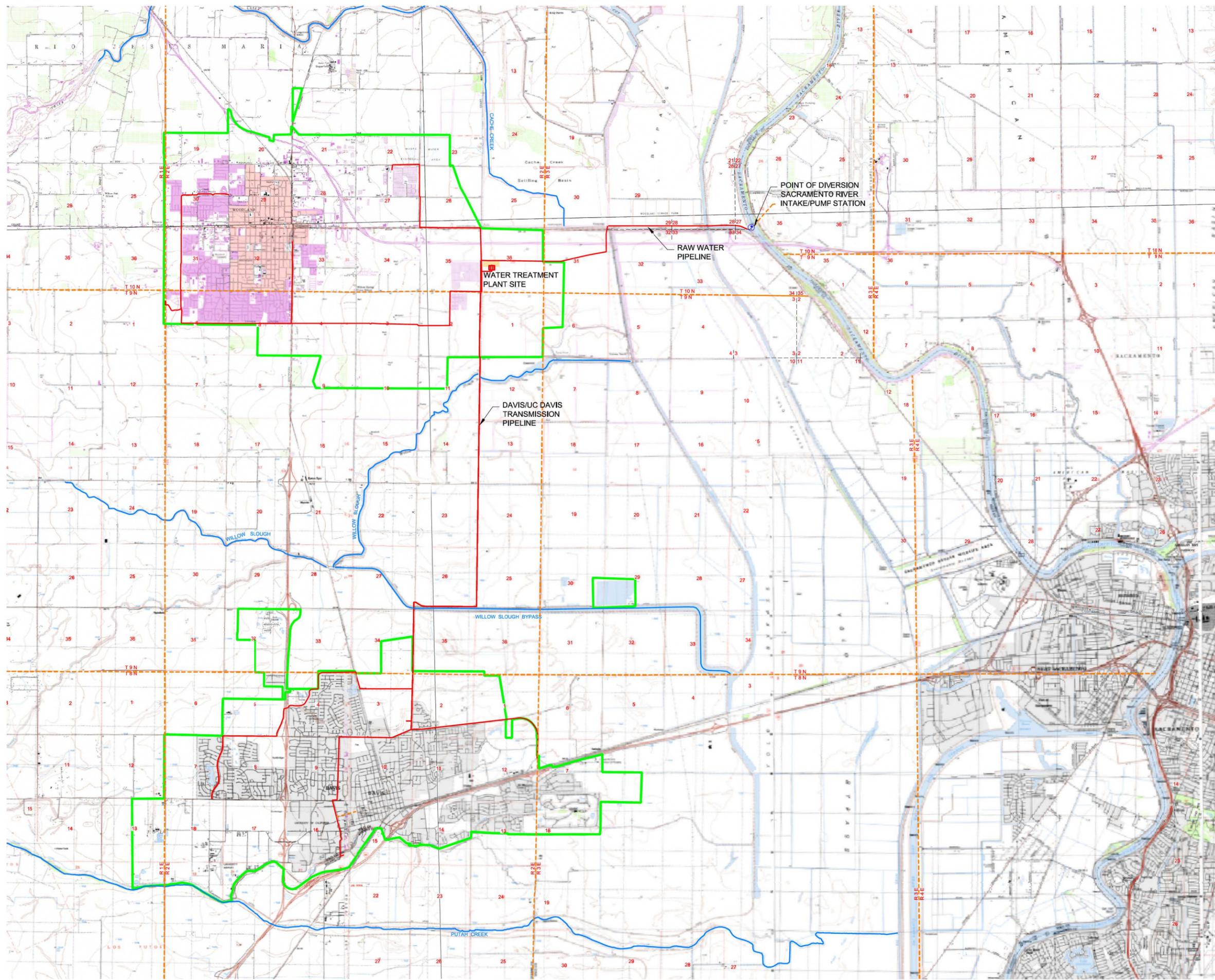
Project: Exhibit B DWWSP Base Sche Date: Fri 8/28/09	Task		Milestone		Rolled Up Task		Rolled Up Progress		External Tasks		Group By Summary	
	Progress		Summary		Rolled Up Milestone		Split		Project Summary		Deadline	

EXHIBIT C

Project Service Area and Anticipated Water Right Place of Use

[Attached on the following pages]

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0 1800 3600
SCALE IN FEET

POINT OF DIVERSION			
DESCRIPTION	STREAM	LOCATION CALIFORNIA COORDINATE SYSTEM ZONE 2	PROJECTED 40-ACRE TRACT M.D.B.&M.
RD 2035 INTAKE	SACRAMENTO RIVER	N 367,950 E 2,105,850	SE 1/4 OF SW 1/4, SEC. 27, T.10N, R.3E

- LEGEND**
- PLACE OF USE BOUNDARY
 - WATER TRANSMISSION PIPELINE
 - STREAM
 - ⊙ POINT OF DIVERSION

NOTE:
1 THE POINT OF DIVERSION ON THIS MAP ARE BASED ON THE FOLLOWING COORDINATE SYSTEM: CALIFORNIA STATE PLANE, ZONE 2, NAD 27, HORIZONTAL DATUM, FEET.

Exhibit C
City of Woodland
City of Davis
and
The University of California, Davis
PROJECT SERVICE AREA
AND
ANTICIPATED WATER RIGHT PLACE OF USE

WEST YOST ASSOCIATES
AUGUST 2009

Consulting Engineers

Davis-Woodland Water Supply Project JPA

DAVIS CITY COUNCIL

WOODLAND CITY COUNCIL

Approve Joint Powers Agreement and
Establish Joint Powers Authority

Joint Powers Authority Board of Directors

Four Voting Members
Directors Alternate and Rotate as Chair and
Vice Chair

**Two City of Davis Council Member
Directors** (One Alternate Director from
Council or City Mgt Employee)

**Two City of Woodland Council Member
Directors** (One Alternate Director from
Council or City Mgt Employee)

UC Davis

Participating Agency
Serving in Ex-Officio, Non-
Voting Capacity. Potential
future JPA Participating
Agencies include Yolo
County Flood Control
District and/or RD 2035

Board Officers

Treasurer/Auditor,
Secretary, and General
Counsel are Appointed by
the Board

Project Manager

Project Execution and
Management of Authority

Executive Committee

Davis and Woodland Public Works
Directors or Designated Alternates

Authority Staff

City Staff Can Provide
Services or be Officers

Engineering Services - Facility Design and
Construction, Project Delivery Options
Financial Services - Life-Cycle Focus,
Funding/Financing, Market Timing, Project Phasing
Environmental Services - Environmental
Protection, Planning, Scheduling and Securing Permits
Legal Services - Water Rights, Summer Water,
Bond Counsel, Contracts Counsel
Public Outreach - Public and Stakeholder
Outreach and Access to Project Information
Operations and Maintenance - Cost
Efficient Ownership and Reliable Operation

DAVIS-WOODLAND WATER SUPPLY PROJECT SCOPE OF SERVICES

APRIL 2009

SCOPE OF SERVICES

This document defines services that West Yost Associates (WYA) and its team of sub-consultants will provide during the period extending from May 1, 2009 through June 30, 2011, in support of the Davis Woodland Water Supply Project (DWWSP). This time period matches the time required to complete work tasks defined in Phase 1 of the updated DWWSP schedule. This time period has been further broken down into sub phases to facilitate completion of the highest priority items on the project schedule, namely:

- Outreach to both city councils and the general public, leading to support at the joint council meeting this summer to move forward with formation of the JPA.
- Drafting of the agreement and formation of the JPA.
- Positioning to secure funding for project implementation as federal and state funding programs evolve over the next two years, and updating the rate analyses to provide continuing input on the financial impacts of this project on the Project Partners rate payers.
- Initiating and negotiating an agreement with RD 2035 for joint use of the intake structure and advancing work on the intake structure design and environmental work to take advantage of funding opportunities as they arise.
- Resolving all the protests on the water rights application, and securing SWRCB issuance of the water-right permit.
- Moving forward on contacts with summer water sellers, and initiating contract negotiations and technical studies (focused environmental work if required) needed to secure firm commitments from these sellers.
- Advancing work on facilities permitting and land acquisition and/or easements and rights-of-way to ensure that these critical path activities move forward in a timely manner consistent with the overall schedule.

After the JPA is formed (October 2009 is targeted as the time when council support for the JPA will be issued), and a clearer picture develops on potential project funding (assumed to be the end of the first quarter of 2010), the technical work needed on project facilities design and construction can be aggressively pursued (leading to the completion of the Phase 1 work by the end of the 2011 fiscal year). To match up with this time frame, the work described in this work scope will be performed in the following three phases:

- Phase 1A - April 2009 through October 2009, concentrating on securing support for the project and JPA formation.

- Phase 1B - November 2009 through March 2010, concentrating on securing project funding and water rights and supplemental water supply.
- Phase 1C - April 2010 through June 2011, concentrating on facilities design, permitting and securing rights-of-way.

Each work task contains a description of the work to be completed in each phase, and is matched with an associated schedule and budget. For some tasks, the work effort will extend over the entire three phase period (e.g., Program Management). The budget reflects the level of effort expected during each separate work phase.

These Phase 1 services are intended to accomplish the following objectives: (1) Identify and pursue DWWSP implementation strategies that will reduce project costs and resulting customer rate impacts; (2) Pursue outside funding opportunities and use of lower-cost financing options; (3) Develop the project to a level that meets on-going State Water Resources Control Board (SWRCB) water right application diligence requirements and places DWWSP Project Partners in a position to take advantage of funding opportunities in a timely manner; (4) Keep policy makers and the communities informed and involved on project purposes and progress; (5) Identify fatal flaws, if any, in project implementation; and (6) Advance project facilities planning/design to a level that facilitates better cost estimating and clear identification of the preferred project delivery approach. These objectives will consider the findings and recommendations of the National Water Research Institute (NWRI) July 2008 Independent Advisory Panel report on the DWWSP, and the recommendations contained in the Review of City of Davis Water Resources Master Plan prepared by Drs. Edward Schroeder and George Tchobanoglous.

Task 1: Program Management

Phase 1A, 1B, and 1C

Program Management will occur throughout Phase 1A, 1B, and 1C.

WYA will assist the DWWSP Project Partners in administering this project by:

- Assisting in establishing the overall structure and assigned roles and responsibilities of Project Partner staff and managers, and in defining resources needed to maintain the work effort in a timely manner;
- Coordinating monthly project team meetings to monitor progress on approved work, make joint decisions to facilitate progress as the project unfolds and minimize the need for redo of project work products, and provide the basis for keeping stakeholders and policy-makers apprised of progress;
- Attending meetings with the Partners' project managers as required to monitor progress and preparing for and participating in other meetings with Project Partner's city councils or other bodies as requested;
- Coordinating with the Joint Powers Authority (JPA) that will be formed by the conclusion of Phase 1B;

- Coordinating activities of sub-consultants and legal consultants (note: legal services from Bartkiewicz, Kronick, & Shanahan (BKS) will be separately contracted with the Project Partners, but will be closely coordinated with the work effort by the WYA consultant team);
- Preparing updates to the project schedule as needed;
- Preparing updated project and construction cost estimates; and
- Establishing a web-based site for documentation sharing and other general project team communications.

Subconsultant Environmental Science Associates (ESA) will allocate project management efforts to this task for their work, including tracking and updating budget and schedule for each task and phase of work, and review of work products for quality, and will ensure that sufficient resources and staff are made available to meet the project needs. ESA will participate in up to 26 monthly project team meetings (April 2009 through June 2011) including preparation and participation in the joint Davis-Woodland City Council meeting. The monthly meetings will be used to monitor progress on approved work, help in the preparation of updated project schedules and cost estimates.

A special effort will be devoted to preparation for and participation in the joint Davis-Woodland City Council workshop to be scheduled during the summer of 2009. This will be a key initial milestone. The Project Partners meeting in May should be devoted to defining an agenda for this meeting, and outlining the specific action plan needed to build a greater level of Project understanding within the Davis and Woodland city councils and management teams as well as enable the team to make an effective presentation at this meeting.

Phase 1A, 1B, and 1C Deliverables: meeting minutes, regular progress reporting on budget and schedule issues, and regular updates of action plans for each of the other work tasks.

Task 2: JPA Agreement

Phase 1A and 1B

Bartkiewicz, Kronick and Shanahan (BKS), under a separate contract, will lead this task. The objective will be to obtain support from both city councils for pursuing the JPA at, or closely following, the joint council meeting (working in concert with the outreach program), with the target of having the JPA in place by the end of 2009 or early 2010. BKS activities include:

- Working with the Project Partners to draft an initial and final JPA agreement;
- Participating in public workshops and other meetings with the Project Partners related to the JPA formation, review of the draft agreement, and integration of input received from the Project Partners; and
- Presentation of the JPA Agreement to the city councils of the Project Partners.

Although the majority of this task will be led and completed by BKS, WYA will provide appropriate technical support, as requested by BKS, to develop the JPA agreement and related public outreach strategy. WYA will also participate in focused team meetings to discuss and assist in negotiation of the JPA agreement.

Phase 1A and 1B Deliverables: technical input to the JPA team, comments and questions on draft documents, and participation in meetings where appropriate.

Task 3: Water Supply

The water supply task involves: (1) legal activities to secure water rights and summer water supplies, and (2) conservation strategies for increasing water use efficiency.

Phase 1A, 1B, 1C

Subtask 3.1 Water Rights

BKS activities will include:

- Resolving the remaining water rights protests; and
- Obtaining the water-right permit from the State Water Resources Control Board (SWRCB).

Although the majority of Subtask 3.1 will be performed by BKS, WYA will provide technical input as needed for protest resolution and for processing of the water-right application.

ESA, under this contract, will also provide technical assistance to BKS. ESA will continue to support the resolution of remaining protests of California Department of Fish and Game (CDFG) and California Sportfishing Protection Alliance (CSPA), and provide SWRCB Hearing Support. ESA's effort will include preparing information as directed by the Project Partners and legal counsel to respond to specific protest items and arranging and facilitating meetings with these two entities and the SWRCB. Because it is not included in this work scope, should WYA or ESA be required to present expert testimony at a SWRCB hearing, an additional scope and cost estimate for this task will have to be added to this work scope.

ESA will implement the following tasks as needed:

- Information request response: As directed by the Project Partners and legal counsel, ESA will provide information that addresses protest issues received by CDFG and CSPA, primarily summarizing information from the DWWSP EIR and providing additional supplemental environmental information. ESA will excerpt relevant information and prepare written information summaries and exhibits as needed. ESA will coordinate information from the RD 2035 project process as well.
- Agency Meetings: As directed, ESA will arrange, facilitate and present information at up to 6 meetings with the SWRCB, CDFG and/or CSPA and participate in up to 6 conference calls with the Project Partners to prepare for these meetings.

Phase 1A, 1B, 1C Deliverables: 1) Meeting agenda, meeting materials, meeting notes; and 2) Supplemental information as directed

Phase 1B, 1C

Subtask 3.2 Summer Water

BKS, under a separate contract, will lead this subtask. BKS activities include:

- Initiating discussion and negotiation of draft agreements with summer water sellers.

WYA will provide technical input to legal agreements, prepared by BKS and others, including summer water purchase agreement(s) and water right permits. WYA will also participate in focused team meetings to discuss the strategy for, and assist in negotiation of, summer water purchase agreements.

ESA, under this contract, will also assist BKS. ESA activities will include:

1. Environmental Review and Approach for Summer Water Transfers

The *Davis-Woodland Water Supply Project Environmental Impact Report* (2007) examined impacts associated with the acquisition of surface water supplies to meet projected demands associated with buildout under approved General Plans within its service area. The DWWSP Project Partners identified a maximum summer water transfer need of up to 19.5 TAF/yr of additional supply. The DWWSP EIR evaluated up to five potential sources for water transfers and provided the foundation for future project-level CEQA review and documentation for proposals to acquire summer water transfers.

The Project Partners now propose to pursue two or more specific water transfers. ESA will prepare the subsequent environmental review for this specific acquisition proposal. The ESA scope and budget in this contract will provide for preparation of a Supplemental EIR, tiered from the DWWSP EIR, to address acquisition of up to two potential water transfers: one in-county water transfer source and one out-of-county water transfer source. It is assumed that both of these transfers will be from among the five previously evaluated in the DWWSP EIR. This scope of work assumes that the surface water modeling prepared in the DWWSP EIR remains valid. It is expected that additional groundwater modeling of the preferred transfer scenario(s) will be required, but this effort is not included in this scope of work at this time.

The Supplemental EIR will focus on the project-level impacts associated with a specific summer water purchase/transfer option that relates primarily to potential effects within the service area of the transferring agency (i.e., groundwater use, land use / farming changes). This approach will eliminate repetitive discussions of issues previously addressed in the DWWSP EIR and focus the Supplemental EIR on the actual issues ripe for decision.

2. Review of Existing Information/Define Water Transfer Option

ESA will review existing documentation and provide a thorough literature review to assist the project team in identifying the preferred senior water rights holder transfer option. This selection will be the basis for the environmental review.

3. Prepare Public Draft Supplemental EIR

ESA will prepare an administrative Draft Supplemental EIR to address the project-level impacts associated with up to two specific water transfer proposals (one in-county and one out-of-county). The key issues to be addressed will be effects on groundwater, surface water, land use / agricultural and biological resources. Additional groundwater modeling is expected to be required but this effort is not included in this scope and budget at this time. It is assumed that the surface water modeling conducted for and presented in the DWWSP EIR remains valid and adequate for use in this Supplemental EIR analysis.

ESA will incorporate one round of comments from the DWWSP partners and incorporate the appropriate changes into the Administrative Draft Supplemental EIR. ESA will then prepare thirty (30) copies of this document for public circulation, and will deliver fifteen (15) copies to the State Clearinghouse. ESA will develop a distribution list and distribute the remaining documents to local and regional agencies and interested parties. ESA will draft the required notices for the DWWSP Partners to file with the State Clearinghouse and County Clerk.

ESA will coordinate and attend the NOP scoping hearing, the public hearing on the Draft Supplemental EIR, and the EIR certification hearing and make a presentation regarding the environmental impact findings as required. It is assumed that the public hearings will support a joint CEQA/NEPA document and will satisfy the public review tasks for the NEPA Environmental Assessment described below.

4. Prepare Final Supplemental EIR

ESA will prepare draft written responses to comments received on the Draft Supplemental EIR. ESA will prepare ten (10) copies of the response to comments addendum and will distribute them to commenting agencies and other interested parties as directed by the DWWSP Partners. ESA will prepare a draft and final mitigation monitoring and reporting program (MMRP) as well. ESA will prepare draft notice of determination for the DWWSP Partners to file upon adoption of the Final Supplemental EIR and project approval.

5. National Environmental Policy Act (NEPA) Environmental Assessment

The *Davis-Woodland Water Supply Project Environmental Impact Report* (2007) identified the majority of proposed transfer sources as CVP contractors. NEPA compliance is required for Transfers and Exchanges of CVP water with Non-CVP contractors because the U.S. Bureau of Reclamation (Reclamation) maintains discretionary approval of the transfers.

Our approach for this task includes preparation of a NEPA Environmental Assessment (EA) for the proposed water transfer to be prepared in conjunction with the proposed CEQA compliance document. Depending on the needs of the Bureau of Reclamation, the document may be prepared as a joint CEQA/NEPA document or a stand alone NEPA EA. Preparation of the CEQA and NEPA compliance documents in conjunction with another will result in time savings and avoid duplicative analysis. The same technical assumptions and assumptions for public noticing and review described under the preparation of the Supplemental Draft EIS will also be required for this task. It is anticipated that in addition to the focused issues identified in the Supplemental EIR, the following NEPA issues will require an expanded discussion in the EA: Surface Water Resources, Groundwater Resources, Biological Resources, Land Use, Cultural Resources, Indian Trusts Assets, Socioeconomic Resources, and Environmental Justice.

Phase 1B, 1C Deliverables: (1) Administrative Draft Supplemental EIR – Electronic files and Five (5) hard copies; (2) Public Review Draft Supplemental EIR – electronic files, thirty (30) hard copies, and thirty (30) CD’s; (3) Distribution List; (4) Delivery of fifteen (15) copies to the State Clearinghouse and remaining copies to parties on distribution list; and (5) Draft (electronic copies and five (5) hard copies) and Final Response to Comments Addendum (electronic files, ten (10) hard copies, and Ten (10) CD’s).

Subtask 3.3 Conservation

Work should begin on development of a more aggressive water conservation element of the DWWSP. Benefits from such an effort include:

1. **SWRCB Approval** – More efficient water use is expected to be a condition for issuing any new water right permits.
2. **Political Acceptance** –There is an element of political acceptance related to more aggressive water conservation for major water infrastructure investments.
3. **Reduced Project Costs** – annual operating costs could potentially be reduced by reducing overall customer demand.
4. **Reduce Customer Bills** – There will undoubtedly be greater focus on water rates by decision makers and the public. Customers will benefit from knowing what actions they can take to reduce their water consumption, and thus reduce their water bills.
5. **Funding Access** – Access to state (and perhaps federal) funding is expected to be conditioned on a requirement for more aggressive water conservation.

Both Woodland and Davis have a growing concern regarding climate change and actions that could be taken by each City and individuals to reduce their “carbon footprint”. Focusing attention on more aggressive urban water conservation contributes to this visible public policy issue.

To begin this effort, WYA will:

Phase 1A

1. Quantify Current Accomplishments. Assemble up-to-date conservation accomplishments for Davis and Woodland, with an emphasis on quantitative water savings. This will be documented in a technical memorandum. It is anticipated that much of the work compiling this information will be completed by staff from the Project Partners. WYA will primarily be responsible for integrating this information into a comprehensive document for use in public outreach, discussions with the state regulatory agencies, and in other associated outreach efforts.
2. Develop An Implementation Plan for Conservation Commitment. Working with staff of both cities, WYA will develop a conceptual plan, in the form of a technical memorandum, defining what is needed to meet the “additional ten percent” conservation performance commitment in the Final EIR for the DWWSP.

Phase 1B, 1C

1. Develop Draft Response to Expected New Conservation Requirements. Develop a similar conceptual work plan, also in the form of a technical memorandum, for what might be needed if the cities are required by legislation to meet the Governor’s water conservation goal: reduction in per capita water use of 20 percent by 2020. This will require identification of baseline conditions, and initial discussions with the Department of Water Resources and/or the California Urban Water Conservation Council conservation staff about how performance will be measured.
2. Public Outreach. Provide early outcomes from items 1-3 above in the public outreach program. Conservation is implemented through public information and outreach, because it requires largely voluntary cooperation by thousands of individual customers. Early and ongoing public outreach is likely to be a requirement of a successful, more aggressive water conservation program.

Development of conceptual plans in items 2 and 3 above will consider recommendations of the State Landscape Task Force’s October 2005 report and subsequent legislative and/or regulatory implementation of the Task Force’s recommendations.

Phase 1A Deliverables: TM describing conservation accomplishments and a draft conservation implementation plan.

Phase 1B, 1C Deliverable: TM describing potential conservation requirements by 2020.

Task 4: Public Outreach Program

The July 2008 NWRI report strongly encouraged the Project Partners to “...develop an effective public outreach program to ensure the necessary support from the community.” Several policy-makers and community members alike continue to question the need and/or timing for the project, and are concerned about the substantial increase in consumer rates to pay for the project. The NWRI panel recognized that the key project element to be addressed in this public outreach effort should be the projected increase in water rates. The main objective of this task is to proactively aid both the general public and the decision-makers to understand the “true cost” of water, the options considered in arriving at the need for the DWWSP, the benefits that the DWWSP will provide to the public, and measures being taken, or to be taken, to manage project costs through several key measures. As required the collaborative specialist will assist in defining stakeholder and public outreach strategy for the following:

1. **Water Conservation** - Development of a more aggressive water conservation element of the DWWSP
2. **SWRCB Approval** – More efficient water use is expected to be a condition for issuing any new water right permits.
3. **Political Acceptance** –There is an element of political acceptance related to more aggressive water conservation for major water infrastructure investments.
4. **Customer Bills** – There will be a focus on water rates by decision makers and the public. Customers will benefit from knowing what actions they can take to reduce their water consumption, and thus reduce their water bills.
5. **“Carbon Footprint”** Reduction - Woodland and Davis have a growing concern regarding climate change and actions that could be taken by their cities and individuals to reduce their “carbon footprint”.

Phase 1A, 1B, and 1C

The public outreach program will continue throughout Phases 1A, 1B, and 1C.

The initial outreach program for Phase 1A will focus on improving decision-maker knowledge of the project (facilities, options, potential costs and rate impacts) and providing greater understanding of the project and its implications within the organizational structures of both cities. Phase 1B and 1C will focus on educating the public about the Project. The work plan for Phase 1A is more specific than for Phase 1B and 1C, because the latter phases will depend to a large extent on the success and outcomes from Phase 1A. Activities for Phases 1B and 1C should be considered conceptual at this stage and will be finally designed after the completion of Phase 1A.

To achieve outreach objectives and to keep Project implementation efforts as transparent as possible, WYA and its sub-consultant will assist the Project Partners in community/stakeholder outreach efforts by assisting in the preparation of periodic project updates for policy-makers and stakeholders, and assisting in special community meetings and/or workshops. We assume staff from each city will take the lead in updating their respective web sites with timely, relevant information on project progress, with input from WYA and its sub-consultant. WYA will also

work with staffs from each city, along with the sub-consultant, to update and maintain timely information on the Project web site.

Activities included under this task include:

Phase 1A

- Refine collaboration team roles and responsibilities and define resources needed to maintain the work effort in a timely manner.
- Meetings with collaborative specialist and the Partners' project managers as required to monitor progress and preparing for and participating in other meetings with Project Partner's city councils or other bodies as requested.
- Conduct up to 8 interviews, 60 minutes in length with individuals or small work groups (as appropriate) to:
 - Confirm key stakeholders, barriers, issues and interests the staff believes will need to be addressed to successful in outreach
 - Determine existing channels of outreach or other opportunities where activities can be coordinated and leveraged
 - Determine existing key goals and messages of outreach to evaluate potential for multiple objectives being met
 - Identify key issues for use in planning Staff Workshops
- Facilitate one (1) six hour City of Davis staff workshop/meeting (Utility Resources Group, Planning, Finance, etc.)
- Facilitate one (1) six hour City of Woodland staff workshop/meeting (Utility Resources Group, Planning, Finance, etc.)
- Develop work plan and approach for the joint workshop of both city councils, working with key members of the project management team
- Prepare one (1) question and answer (Q&A) fact sheet, and any other materials that may be useful in the joint workshop
- Prepare for and attend one (1) joint workshop of both city councils
- Meeting notes and documentation for each of the workshops

Phase 1B

- One (1) project briefing newsletter for stakeholders
- One (1) four hour community outreach workshop (in addition to City Council workshop)
- Two (2) four hour city council workshops – one each for Davis and Woodland
- Meeting notes and documentation for each of the workshops

Phase 1C

- One (1) project briefing newsletter for stakeholders
- One (1) four hour community outreach workshop
- Meeting notes and documentation for workshop

The initial, internal assessment of needs and opportunities for both cities, working directly with key Davis and Woodland staff on the project management team. The purposes for the assessment are: (1) further refine education, outreach and engagement goals, (2) identify other relevant activities the partners are engaged in that can be leveraged to produce additional outcomes, (3) identify the stakeholder community and relevant issues and interests to better inform the outreach process, (4) clarify the nexus of outreach and other legally required input processes, such as publically noticed meetings for NEPA and CEQA review, and (5) define the decision states (what body makes what decisions when, and how the public may be involved). This is intended to guide details of subsequent outreach work.

Much of the information included in the Q&A fact sheet and newsletters will rely on information previously prepared for the 2007 Community Report, but will take advantage of updated information such as progress on pursuit of water rights, additional information on project costs, and materials developed for adjusting water rates for both cities. The fact sheets will be posted on the project's website. Consideration should be given to including the fact sheets with utility bills, and coordinating this with each City's water rate adjustment process. It is assumed that the layout-format for the project briefing newsletters will be consistent for both newsletters.

WYA will coordinate the community outreach workshops, and representatives from City leadership staff, along with an independent neutral facilitator from the Sacramento State Center for Collaborative Policy, who will facilitate these workshops. WYA will also compile meeting notes and provide appropriate documentation, such as attendance sheets, for all community outreach and City Council workshops. It is assumed that all meetings will use the same general format.

ESA will also assist the public outreach program by providing support associated with the CEQA, NEPA, and permitting process as necessary. It is understood that the primary objective of the public outreach program is to provide the decision makers and the public with an understanding of the "true cost" of water and the benefits it will provide the public. ESA will attend up to two city council workshops during Phase 1B and one community outreach workshop during Phase 1C.

Phase 1A Deliverables: Brief summary report (internal working document) from internal assessments, one work plan for subsequent joint workshops of city councils, one Q&A fact sheet, meeting collateral associated with meeting management, and agendas, meeting notes, and documentation from all workshops.

Phase 1B Deliverables: One community workshop, two City Council workshops, one project briefing newsletter, meeting collateral associated with meeting management, and agendas, meeting notes, and documentation from all workshops.

Phase 1C Deliverables: One community workshop, one project briefing newsletter, meeting collateral associated with meeting management, and agenda, meeting notes, and documentation from workshop.

Task 5: Project Funding

This task involves securing both local and outside funding for this project. The local funding components of this task include an update to the project cost estimate and the subsequent rate analysis for the cities while the outside funding components include state and federal lobbying, tracking state and federal funding opportunities, and preparing and submitting grant applications.

Phase 1A

LOCAL FUNDING

Subtask 5.1 Updated Cost Estimate and Rate Analyses

In 2007 Tom Pavletic of Municipal Financial Services (MFS) evaluated the financial impact of various DWWSP alternatives, and summarized his findings in a TM. The TM was intended to provide Project Partners and their rate payers a general idea of the amount and timing of water rate increases that would be required to fund the different water supply project alternatives. This work was performed by MFS as a subcontractor to WYA. The rate model incorporated construction and operation cost estimates for regional and local facilities. With the exception of the Sacramento River intake/pumping facility, the cost estimates for regional facilities were prepared by WYA. Cost estimates for the intake/pumping facility were prepared by Montgomery Watson Harza (MWH). Cost estimates for local facilities were either provided by Project Partner staff or were obtained from planning reports prepared by others.

Updated Project Cost Estimate. Both regional facilities and City of Davis local facilities have become better defined since completion of the 2007 financial analysis and the construction cost escalation rate has slowed significantly during the past year. This and other information will be used to refine and update construction cost estimates for both regional and City of Davis local facilities. WYA will work with engineers who have extensive experience in cost-estimating and construction of similar facilities as described below.

Sacramento River Intake/Pumping Facility – Mike Kenny will assist WYA in indentifying potential cost reduction measures and preparing independent preliminary construction cost estimates for this facility. Mike is an engineer with 44 years of experience in the construction industry and has been involved in the construction of numerous pump station and river intake projects.

Mike will assist WYA staff in:

- Reviewing MWH preliminary design concept drawings and identifying potential cost-reduction measures;
- Preparing preliminary construction cost estimates for the MWH preliminary design concept as currently envisioned and identifying potential cost-reduction measures;

- Participating in a workshop with City of Davis and City of Woodland representatives to discuss the preliminary construction cost estimates and identify potential cost-reduction measures.

Regional Pipelines – Phil Dunn will prepare updated preliminary construction cost estimates for regional pipelines. Phil is an engineer with over 45 years of experience managing, supervising and constructing public and private projects in Northern California including large diameter water transmission pipelines.

Phil will assist WYA staff in:

- Updating previous construction cost estimates for regional pipelines;
- Participating in a workshop with City of Davis and the City of Woodland representatives to discuss the preliminary construction cost estimates.

Regional Surface Water Treatment Plant – Dave Ewing will prepare updated preliminary construction cost estimates for the regional surface water treatment plant. Dave has been retained to provide expert consulting services or has prepared construction cost estimates for numerous water treatment facilities.

Dave will assist WYA staff in:

- Updating previous construction cost estimates for regional water treatment plant; and
- Participating in a workshop with City of Davis and the City of Woodland representatives to discuss the preliminary construction cost estimate.

The City of Woodland is currently conducting its own rate analysis using an independent consultant; therefore, the following rate analysis scope of services is designed to yield an updated project cost estimate and rate analysis for the City of Davis. The City of Woodland’s independent consultant will use the updated project cost estimate developed in this task in its rate analysis for Woodland.

Updated Rate Analyses. Tom Pavletic of MFS will revise the Excel model recently used to develop FY 2009/10 water rates for the City of Davis to incorporate updated facility cost estimates. The existing model will be modified to include the following:

- Updated regional and local water supply project costs for all participants
- An allocation of regional water supply project costs for all participants
- An agreed upon funding strategy for regional and local water supply project costs for the City of Davis

The revised model will include additional tables and figures as necessary to incorporate the detailed data and generate data for reports and presentations. Tom will conduct internet/telephone conferences necessary to review data and present findings, and will attend up to three meetings with the City of Davis to review and/or present the findings.

Phase 1A Deliverables: (1) Updated regional rate model with rate projections for Davis and Woodland from FY2010-11 through FY2019-20 (considering various funding alternatives), and (2) Cost reduction workshop minutes, conclusions, and updated construction cost estimate summarized in a technical memorandum.

Phase 1A, 1B, and 1C

STATE AND FEDERAL FUNDING

Subtask 5.2 Funding Assistance

Identifying and securing outside funding is a major priority to minimize customer rate impacts. State and federal funding may be available to reduce the local cost burden. Investigating and securing outside funding will occur throughout Phase 1A, 1B, and 1C.

This work task will be led by Jacques DeBra from the City of Davis and Dick Donnelly from the City of Woodland. WYA will assist the Project Partners in identifying funding/financing opportunities (grants, loans and/or special appropriations) and preparing applications for project funding/financing. This will include preparation of materials for key meetings with funding agencies and local/regional elected officials that may be influential in helping to secure such funding/financing. Anticipated opportunities include:

- Safe Drinking Water Act State Revolving Fund Loans;
- Federal Government Tax Credits;
- Federal Appropriations for Regional Water Treatment Facility;
- California State Proposition 84 Funds;
- Future State water bonds;
- Use of a project delivery option that would allow the financial guarantor to provide various levels of interim financing to ease cash flow and subsequent rate impacts. This could be included as an optional sub part of the DB/DBO proposals. Further research on legal requirements, and advantages and disadvantages of this approach will be undertaken;
- Others sources that will be identified as the project proceeds.

Phase 1A, 1B, 1C Deliverables: Report on progress at monthly project management meetings (or more frequently for time-sensitive matters), and set up funding/financing opportunities for pursuit decisions.

Task 6: Facilities Planning and Pre-Design

This task includes regional and local facilities planning and design that will occur in Phase 1 of the DWWSP schedule. Regional facilities include the water supply intake, raw water transmission pipeline, regional water treatment plant (RWTP), and the treated water transmission pipelines.

Foundational tasks for the planning and pre-design of the regional facilities include all preliminary activities necessary to develop the level of information needed to facilitate bidding on the project facilities. Data collection needs include Sacramento River water quality data, soils information and shallow groundwater data, and surveying and mapping data for Project facilities, particularly pipeline easements and/or rights-of-way. Facilities pre-design is required for project implementation using the selected method of project delivery.

A detailed description of the foundational tasks is provided below.

SUBTASK 6.1 GENERAL FACILITIES PLANNING AND DESIGN

Although each regional facility has its own specific planning and design needs, this general subtask encompasses planning and design efforts that are common to all, or more than one, of the regional facilities. Some general facilities planning efforts include:

Phase 1A, 1B, and 1C

- Facilitating discussions and negotiation of an agreement for sharing of the intake with RD 2035;
- Defining and tracking regulatory compliance requirements;

Phase 1B

- Analyzing and selecting the appropriate project delivery option(s);

Phase 1C

- Analyzing and defining system operational needs and responsibilities;
- Performing geotechnical investigations and analyzing groundwater dewatering needs and solutions;
- Updating and preparing an environmental permitting workbook and initiating work on permit applications;
- Soliciting Qualifications (issuing RFQs) from potential contractors;
- Evaluating and Ranking qualification submittals to obtain “short-lists” of three to five teams for further consideration; and
- Soliciting of Proposals (issuing RFPs) to the short-listed contractor teams.

These subtasks are described in more detail below.

Additional general facilities planning efforts that will be completed during Phase 1A and 1B under a separate contract through a grant from the Water Resources Association of Yolo County include:

- Clearly mapping easements and land acquisition requirements; and
- Completing preliminary wetlands delineations surveys.

Phase 1A, 1B, and 1C

Subtask 6.1.1 Facilitating discussions with RD 2035

WYA, together with BKS under a separate contract, will facilitate discussions with RD 2035. WYA will participate in team meetings to discuss the strategy for, and assist in an agreement with, RD 2035, for joint use of a new Sacramento River intake/pumping station. It is anticipated that ten (10) half-day meetings will be required to achieve a joint use operating agreement. Although this subtask is scheduled to begin in Phase 1A and occur largely in Phase 1B, discussions and meetings may need to continue into Phase 1C depending on the success of initial meetings.

Phase 1A, 1B, and 1C Deliverables: Ten (10) Project Partner and RD 2035 joint meetings; technical analyses and input as requested by Project Partners to advance negotiations; and other input as requested.

Subtask 6.1.2 Defining and tracking regulatory compliance requirements

Dr. Rhodes Trussell, President of Trussell Technologies, is widely recognized in the industry as a water quality and treatment expert. Dr. Trussell will participate with the Project Partners and WYA in discussions and negotiations with the drinking water permitting agencies relevant to this project. The California Department of Public Health (CDPH) is a key permitting agency for construction and operation of a new surface water supply system. Early and continued coordination with the CDPH will help ensure that the resulting facilities will comply with California drinking water-related statutes and regulations. Proactive coordination with the CDPH will also help streamline the process of obtaining the permits necessary for construction and operation of a new surface water supply system. Water quality data collection (see Subtask 6.3.1) will be guided by input from CDPH regarding permit needs. WYA and Trussell Technologies will participate in meetings with the CDPH and will provide technical project-related information to demonstrate compliance with State requirements.

Phase 1A, 1B Deliverables: Meeting minutes, TM to guide other Amendment 5 tasks and regular progress reports on ongoing meetings with DPH.

Phase 1B

Subtask 6.1.3 Analyzing and selecting the appropriate project delivery option(s)

Under the direction of Diane Philips and Dick Donnelly, WYA will work with Jerry Gilbert of J. Gilbert Incorporated and Eric Petersen of Hawkins, Delafield and Wood, LLP, to complete the following work scope:

1. Compare the advantages and disadvantages of various project delivery methods that could be applied to design and construction of each of the project facilities in a TM, review the results with the Project Partners, and select the preferred delivery method for each facility. During this process, WYA will arrange meetings with the Project Partners and potential contractors/bidders that can provide alternative project delivery to solicit their input on how the contracting could be structured. This input will be analyzed by the consultant team and used to prepare an overall

comparison of benefits and constraints of each method if applied to each project facility. It is anticipated that through these initial meetings with the WYA team and the Project Partners, a list of viable options for each facility will be established, and the firms that can provide these options be clearly identified.

2. After this initial TM has been prepared and agreed to by the Project Partners, the WYA team will develop an initial outline of documents that are necessary for project delivery and for proceeding through the process of selection of a preferred contractor, and will document the findings of this work in a TM.
3. To expedite the process for moving forward with actual procurement processing, the WYA team will work with the Project Partners to outline the standard specifications that will be used to guide the development of the procurement documents. This step will involve a determination of what portions of the project facilities will be bid based on compliance with performance specifications, and what portions will use more standard technical specifications.

Phase 1B Deliverables: A TM that will define the preferred project delivery option for each project facility, the procurement steps and documentation required to implement the selection of a preferred contractor for that selected option and a list of potential contracting entities, and an outline of the procurement specifications for each facility defining requirements for performance and technically based specifications.

Phase 1C

Subtask 6.1.4 Analyzing and defining system operational needs and responsibilities

WYA will work with the Project Partners to define anticipated diurnal and seasonal surface water demand variations, and to analyze the potential impact of these variations on regional facilities. This information will be used to assist WYA and the Project Partners in developing a regional system control plan. The plan will define information that will be used to control intake pumps, water treatment facilities, and treated water pumps. The plan will also define who is responsible for providing this information, as well as when and how this information should be provided to regional facility operations personnel.

This plan will begin to define the proposed operational characteristics of the overall regional system, and the local facilities. This will include definition of the overall process that will be used to control the raw water pumping station and fish screen. It is anticipated that there will be little or no raw water storage at the RWTP, so the system will have to be controlled on a real time basis to match plant capacity and diversions.

It is also assumed that there will be significant treated water storage at the RWTP to facilitate matching plant output and local area demands. Woodland would like to oversize the clear well at the RWTP to provide supplemental storage capacity for their distribution system. The sizing of the clear well will be defined, as will the storage components that will be sited within both the Woodland and Davis local distribution systems. The process for controlling the pumping from the RWTP clear well to each local service area will be defined.

Phase 1C Deliverables: WYA will prepare a TM that describes the overall control system defined under this work task, and will review this TM with the Project Partners. Comments generated in this review will be integrated into the draft TM and presented to the Project Partners for final approval. This document will serve as the basic instrument for describing system operation and control to the potential contracting entities in Subtask 6.1.7, 6.1.8, and 6.1.9.

Subtask 6.1.5 Performing geotechnical investigations and analyzing groundwater dewatering needs and solutions

Wallace Kuhl Associates (WKA) will work under subcontract with WYA to obtain soils and shallow groundwater information needed by potential contracting entities to evaluate dewatering options and develop construction cost estimates. WKA will drill and construct 40 shallow groundwater monitoring wells and prepare descriptive boring logs for each. The monitoring wells will be located at both the RWTP site and along the planned regional pipeline alignments. The monitoring wells will be spaced about 1,500 to 2,000 feet apart and will be drilled to a maximum depth of approximately 20 feet below existing site grades. Monitoring wells at the RWTP will be drilled to a maximum depth of about 50 feet below existing grades.

WYA will survey the top of the monitoring well casings and will monitor the groundwater levels of the monitoring wells for a one year period on a bi-weekly basis. Upon completion of the described groundwater data collection, WYA will prepare a TM to summarize the key findings. The TM will include a vicinity map, site plan showing the approximate monitoring well locations, logs of soil borings prepared by WKA, graphs of seasonal groundwater levels, and a discussion of anticipated groundwater dewatering conditions.

WYA will supervise the WKA work and provide technical input to WKA. WYA will provide WKA with the desired locations of the monitoring wells and standard mapping to be used by WKA for their reporting of the results of their work.

Phase 1C Deliverables: TM that includes a vicinity map, site plan showing the approximate monitoring well locations, logs of soil borings, graphs of seasonal groundwater levels, and a discussion of anticipated groundwater dewatering conditions.

Subtask 6.1.6 Updating and preparing an environmental permitting workbook

ESA will update the Permit Plan Workbook (workbook) initially prepared in 2008 utilizing the data collected from the Regional Pipeline Site Investigations and Constraints Analysis task described above. The workbook addresses environmental permitting for all aspects of the DWWSP and includes a master schedule. The workbook identifies the permits needed at each phase of the project implementation, the agencies involved, the information required to support each permit application, the appropriate timing of permitting actions, and the anticipated schedule for each permit. Environmental permits required for each element of the DWWSP have been identified: RD 2035 intake, transmission pipeline, and the RWTF.

ESA will revise the workbook and the included master schedule to reflect the revised project schedule, agency consultation, and the results of the constraints analysis and wetland delineation. The revised workbook will be submitted to the Project Partners and the engineering team for review and comment and will help further define the scope of work of Project Permitting. ESA will incorporate all comments into the workbook and master schedule. This scope of work provides for up to two, two-hour meetings with the Project Partners during preparation of the workbook and master schedule and up to 16 hours for agency consultation.

WYA will assist ESA in arranging and attending up to two meetings with relevant permitting agencies (e.g. U.S. Fish & Wildlife Service, U.S. Army Corps of Engineers, California Department of Fish & Game), to define permit conditions. WYA will also provide ESA with technical input, as necessary, to complete the update of the environmental permitting workbook.

Phase 1C Deliverables: (1) Draft Environmental Permitting Plan Workbook. Electronic copies and five (5) hard copies; (2) Revised Permit Plan Workbook. Electronic copies, five (5) hard copies, and five (5) CD's; and (3) Agency Consultation.

Subtask 6.1.7 Soliciting Interest and Qualifications (issuing RFQs) from potential DB/DBO entities

Using the list developed in Subtask 6.1.3, a formal solicitation of interest and request for qualifications will be issued to prospective entities interested in bidding on one or more of the project facilities. Although some interaction between potential bidders and the owner is desired, a DB RFQ would be more limited than a DBO RFQ. It is expected that as many as five firms and/or groups of firms will submit qualifications in response to the RFQ for the DBO projects. Preliminary discussions with potentially interested parties will be held to help develop the outline for future project specifications and performance requirements and the final layout and design of the bidding process itself.

WYA will prepare the RFQ document and will assist the Project Partners in the evaluation and ranking of respondents. The DB/DBO bid solicitation process will be structured to maintain creativity and cost-competitiveness while maintaining project quality and performance guarantees.

Phase 1C Deliverables: DB/DBO Solicitation RFQ with related background information. The background information will include preliminary intake/pumping station, RWTP, and regional pipeline "design criteria packages", Sacramento River water quality data summary TM, soils and shallow groundwater data summary TM, survey and mapping results, and regional pipeline pre-design documents.

Subtask 6.1.8 Evaluating and Ranking qualification submittals to obtain "short-lists" of three to five teams for further consideration for each of the DB or DBO projects

The criteria for the evaluation and ranking of qualification submittals will be primarily the qualifications of individuals proposed on the project, demonstrated team success and integrated performance, and the potential availability of key people at the times they are needed. Ranking criteria will also be developed for creating the shortlist. Working with the Project Partners, the WYA team will assist in evaluation and ranking of the submittals, and the development of a short-list of interested parties.

Phase 1C Deliverables: A summary comparison of DB/DBO firm qualifications including a “short-list”.

Subtask 6.1.9 Soliciting of Proposals (issuing RFPs) to the short-listed teams

The WYA team will prepare the RFP document and will assist the Project Partners in the evaluation and ranking of respondents. The RFP document will be structured to allow prospective DB/DBO entities to propose phasing options that would reduce initial construction costs. The RFP document will also be structured so that prospective DB/DBO entities may include one, two, or all three projects in their DB or DBO proposal. The DB proposals will be compared to the DBO proposals for each element to determine the most cost-effective approach for the Project Partners for the entire project. While bidders are preparing proposals, WYA will host a meeting between bidders and permitting agencies.

Phase 1C Deliverables: DB/DBO Solicitation RFP with related background information and permitting agency meeting minutes. Background information will include intake/pumping station, RWTP, and regional pipeline “design criteria packages”, Sacramento River water quality data summary TM, soils and shallow groundwater data summary TM, survey and mapping results, and regional pipeline pre-design documents.

Subtask 6.1.10 Special Status Species and Cultural Resources Investigations

ESA botanists will conduct a preliminary map and field survey for special-status plant species identified as having potential to occur within the study area. Surveys will be focused in areas previously identified as potentially supporting special-status plants. Locations of special-status plant populations will be identified and labeled on the map book prepared for the constraints analysis. This subtask does not include protocol level surveys and will only be used as a constraints exercise to help refine the preferred pipeline alignment.

ESA cultural resource specialists will perform an archival records search of the proposed regional pipeline alignment and RWTF facilities including review of records at the Northwest Information Center at Sonoma State University and Yolo County archives to identify known culturally sensitive resources and recorded sites. cursory field surveys will also be conducted by ESA to identify cultural resources in and immediately adjacent to the project area. Known areas of sensitive cultural resources will be identified on the map book prepared for the constraints analysis and will be used to guide the final alignment design and initial permit screening.

This task will be used as a constraints exercise to help refine the preferred pipeline alignment and provide preliminary permit support as identified in the project permitting Subtask 6.1.11, described below.

Phase 1C Deliverables: (1) Draft Technical Memorandum – Biological and Cultural Resources Inventory for the Regional Pipeline (three (3) copies); and (2) Revised/Final Technical Memorandum (five (5) copies).

Subtask 6.1.11 Project Permitting

Upon completion of the Permit Plan Workbook and preliminary agency consultation, ESA will revise the Scope of Work for the overall project permitting needs. One of the overriding key assumptions used to develop the permitting needs for the project is the concept that DWWSP is comprised of two separate project components (water side and land side) each of which will be considered a single and complete project requiring separate permitting processes with unique owners/applicants. The water side project involves the construction of a new intake structure which is, and will be owned by RD 2035. The land side project involves the construction of an untreated water conveyance pipeline, regional water treatment plant, local storage and distribution facilities, and new groundwater wells which would be owned by the DWWSP. Should there be a need to consider the water side and land side components as one project, the scope described below will change. In addition, the level of effort required to obtain project permits also varies depending on the preferred alignment selected. The following best describes the permitting effort required using existing available information.

ESA will assist the Project Partners in obtaining compliance with the following:

1. Federal Endangered Species Act Compliance, Section 7

ESA will prepare a biological assessment (BA) for use during consultation with USFWS for Project effects on the giant garter snake, Swainson's hawk, valley elderberry longhorn beetle as well as the potential for red-legged frog (*Rana aurora draytonii*), and California tiger salamander (*Ambystoma californiense*). The BA will be submitted to the Corps with the PCN who in turn will use the BA to initiate Section 7 consultation with USFWS. ESA will provide three copies of the BA for distribution to the project team.

Phase 1C Deliverables: (1) Revised/Final Biological Assessment. Electronic copies, five (5) hard copies, and five (5) CD's; and (2) Delivery of BA and PCN to the Corps.

2. California Endangered Species Act, Section 2080.1 Consistency Determination

Fish and Game Code Section 2080.1 allows an applicant who has obtained a federal incidental take statement pursuant to a federal Section 7 consultation or a federal Section 10(a) incidental take permit to notify the Director in writing that the applicant has been issued an incidental take statement or an incidental take permit pursuant to the federal Endangered Species Act of 1973. The applicant must submit the federal opinion incidental take statement or permit to the Director of Fish and Game for a determination as to whether the federal document is "consistent" with CESA.

ESA will prepare a consistency determination request for submittal to the Director of Fish and Game. The draft request will be provided to the DWWSP Partners for review and upon approval will submit to DFG with the BO.

Schedule and Fees

Receipt of the application by the Director starts a 30-day clock for processing the Consistency Determination. There is no fee for this process.

Phase 1C Deliverable: Preparation of an incidental take statement or an incidental take permit to director of California Department of Fish and Game.

3. Cultural Resources Report, National Historic Preservation Act

To meet the requirements of the National Historic Preservation Act (NHPA), as overseen by the State Historic Preservation Officer (SHPO) and the Office of Historic Preservation (OHP), and to initiate consultation with the SHPO as part of the Section 106 review Process, ESA will update and perform the following tasks:

- conduct a record search at the California Historical Resources Information System (CHRIS) at the North Central Information Center at California State University, Sonoma;
- consult with the Native American Heritage Commission to determine if project footprints are known to be of particular concern to local Native Americans;
- conduct a preliminary archaeological assessment of the potential for buried archaeological sites; and
- conduct a pedestrian survey of the APE.

The results of these surveys and research will be summarized in a Draft and Final Cultural Resources Report, for distribution to the project team.

Phase 1C Deliverables: (1) Draft/Final Cultural Resources Report. Electronic copies, five (5) hard copies; and (2) five (5) CD's.

4. Section 404 Clean Water Act and Section 10 of the Clean Water and Harbors Act

Section 404 of the Clean Water Act requires approval prior to discharging dredged or fill material into the waters of the United States. Under Section 10 of the Rivers and Harbors Act of 1899, the construction of structures in, over, or under; excavation of material from; or deposition of material into navigable waters are regulated by the Corps. Navigable waters typically have the same boundaries as, or lie within the boundaries of, waters of the United States subject to jurisdiction under Section 404 of the Clean Water Act. Larger streams, rivers, lakes, bays, and oceans are navigable waters that may represent all or a part of waters of the United States. Isolated wetlands are typically not part of navigable waters. Individual permits are issued for projects which affect greater than 0.5 acres of wetlands or waters of the U.S. and following a full public interest review of the permit application.

Due to the complexity of the of the project and an assumption that project impacts to wetland and/or waters of the U.S. will exceed 0.5 acres, it is assumed that the project will require an IP. If it is determined that the project may be authorized under a NWP, ESA will draft a new scope of work.

ESA will prepare an IP permit application package for submittal to the Corps. The application package will include the following components:

- Cover letter;
- Completed application (ENG Form 4345);
- Project maps and graphics;
- Mailing or distribution list;
- Wetland delineation and verification letter;
- Section 404(1)(b) alternatives analysis;
- Mitigation and monitoring plan;
- Biological assessment; and
- Cultural resources assessment.

Schedule and Fees

Individual permits are issued following a full public interest review of an individual application. After evaluating all comments and information received, final decision on the application is made, based on the outcome of a public interest balancing process, and wherein a permit will be granted unless the proposal is found to be contrary to the public interest. Although processing time for an individual permit can be as short as 60 to 120 days the process typically takes 6 months to a year.

The Corps acknowledges and processes each application in the order it receives them. After the Corps completes its review of a project and determines that a project is in the public interest and complies with the guidelines, the applicant must sign and return the draft permit with the appropriate fee. The Corps goal is to reach a decision regarding permit issuance or denial within 60 days of receipt of complete application. However, some complex activities, issues, or requirements of law may prevent the district engineer from meeting this goal.

The Corps of Engineers is required by federal law to consult with state and federal wildlife agencies regarding any impacts of a project on aquatic habitats and on federal endangered species. If the Corps receives no objections during the 30 day circulation period, the District Engineer may issue the permit within 30 to 90 days. If individuals, public agencies, special interest groups, or the Corps raises major objections, the permit decision may be made in 90–120 days, or possibly longer.

Permit fees for processing a Section 10 application are either \$10.00 or \$100.00. If an individual permit is required and because this project is considered complex, it is anticipated the fee would be \$100.00.

Phase 1C Deliverable: Section 404 Clean Water Act and Section 10 of the Clean Water and Harbors Act Individual Permit application package for submittal to the Corps.

5. Section 401, Clean Water Act

Section 401 of the CWA requires that the discharge of dredged or fill material into waters of the United States, including wetlands, does not violate state water quality standards. As required by Section 404, water quality certification must be obtained or waived for permit compliance.

ESA will prepare a Section 401 water quality certification application package that could be sent to the Central Valley Regional Water Quality Control Board (RWQCB) for the proposed project. ESA will revise the draft version of the application no more than twice based on comments from the DWWSP Partners and provide the DWWSP Partners with one hard copy of the final application. The Central Valley RWQCB also requires that the Project's approved environmental document be submitted with the application package, to enable a determination that issuing a water quality certification and waste discharge requirements is covered under CEQA.

Schedule and Fees

Upon submittal of the water quality certification notification, the RWQCB has 30-days to notify the applicant as to whether the application is complete. If the applicant does not receive notification from the RWQCB within 30 days of the submittal date, the applicant may assume that project activities have been certified and proceed with the project unless other agency permits are required. Once the RWQCB deems the application complete, it may request additional information such as a Spill Response Plan or evidence showing compliance with appropriate requirements of a water quality control plan. A certification is considered valid once the RWQCB receives the notification with the applicant's signature. Thus, upon notification that the application is complete, the review and approval process could require an additional 30 to 45 days for completion.

The RWQCB could deny the certification of the project if the project does not meet water quality standards or procedural requirements. However, if the deficiency is addressed and considered adequate by the RWQCB, the application for water quality certification may be reconsidered. This would require the resubmission of the notification and adherence to the same 30 to 45 day approval process. The application review process could take up to 60 days.

If the project qualifies as a low impact discharge (less than 0.1 acre) a base application fee of \$500, provided by the DWWSP Partners, must be included in the package. If the fill exceeds 0.1 acre, a base application fee of \$500.00 in addition to the discharge area in hundredths of an acre x \$21.50, provided by the DWWSP Partners, must be included with the package.

Phase 1C Deliverable: Section 401 water quality certification application package to the Central Valley RWQCB.

6. Section 1602 California Fish and Game Code

A streambed and lakebed alteration agreement (SAA), in compliance with Section 1602 of the California Fish and Game Code, is required when projects will substantially divert, obstruct, or change the natural flow of a river, stream or lake; substantially change the bed, channel, or bank of a river, stream, or lake; or use material from a streambed.

ESA will prepare an application package for a streambed and lakebed alteration agreement that could be sent to DFG, Bay-Delta Region. ESA will revise a draft version of the application no more than twice based on comments from the DWWSP Partners. A copy of the certified final CEQA compliance document including the Notice of Determination will be included with the application package.

Schedule and Fees

An application fee as determined by the DFG Fees for Lake and Streambed Alteration Agreements (Cal. Code Regs., tit. 14, § 699.5), provided by the DWWSP Partners, must be included in the package. The amount of the application fee will be dependent upon the cost of the project.

Upon submittal of the SAA, CDFG has 30 days in which to provide notification in writing whether the application is complete, whether the project will require a SAA, and if so, what avoidance and/or mitigation measures should be incorporated into the project. The applicant would then have 14 days to submit in writing to the DFG that they accept the measures. The DFG would then incorporate the measures into a draft SAA and submit it to the applicant for its review and signature. Once signed, the SAA is considered complete and project activities may proceed. Thus, upon SAA submittal, the approval process could require 30 to 60 days for completion.

Phase 1C Deliverable: Application package for a streambed and lakebed alteration agreement to CDFG.

7. NPDES General Storm Water Permit and Storm Water Pollution Prevention Plan

The State Water Resources Control Board (SWRCB) allocates rights to the use of surface water and, with the regional boards, protects surface, ground, and coastal waters throughout the state. The SWRCB has adopted a *General Construction Activity Storm Water Permit* (General Permit) for storm water discharges associated with any construction activity where at least one acre of land area is disturbed. The General Permit requires the site owner to notify the State, to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP), and to monitor the effectiveness of the SWPPP. The SWPPP must also address post-construction control of pollutants in storm water.

ESA will prepare an application package for a NPDES General Permit and file a Notice of Intent (NOI) with the SWRCB. The application package application will describe the wastes to be discharged, the setting for the discharge, and the method of treatment or containment. Although development of a Storm Water Pollution Prevention Plan (SWPPP) is not included in this scope of work, upon request ESA is available to provide that task.

Schedule and Fees

Upon filing, the State or Regional Water Board staff reviews the application for completeness, and determines if the discharge will be permitted or prohibited. Staff then prepares a draft and sends out a notice for a 30-day public comment period, and the discharger must publish the public notice for one day in the largest circulated paper in the municipality or county and submit proof of posting or publication to the Regional Water Board within 15 days after posting or publication.

After the 30-day public notification period, the Regional Water Board holds a public hearing, and the State or Regional Water Board may adopt the permit with or without modification, or not adopt it at all. USEPA has 30 days to object to the draft permit, and the objection must be satisfied before the permit becomes effective.

The permit issuance process takes approximately six months, but may take longer depending upon the nature of the discharge. The NPDES permit is subject to annual fees which are based upon the level of threat to water quality and the complexity as determined by the State or Regional Water Board. Fees can range from \$800 to \$42,000.

Deliverable: Application package for a NPDES General Permit and filing of a Notice of Intent (NOI) with the SWRCB.

WATER SUPPLY INTAKE

The objective of this effort will be to advance the design of this facility to a point where it is best positioned to be eligible for consideration in applications for outside funding opportunities. Pre-design of the water supply intake has been completed by MWH; however there may be more a cost-effective approach for the implementation of this facility.

Phase 1C

Subtask 6.2.1 Sacramento River Intake/Pumping Station Construction and Performance Requirements

WYA will develop an intake/pumping station “final design criteria package” that will include design, construction, and operational quality requirements, fish-screening criteria, and permitting requirements to the level required to match the contract delivery option selected for the intake. Pre-design work completed by MWH and results of the cost reduction workshop will ultimately be provided to prospective contracting entities as background support materials. WYA will retain MWH in an advisory role to answer any questions related to their pre-design work on the intake and pumping station.

The design criteria package will be structured to provide enough detail to:

- Provide a joint use intake/pumping station facility that meets California Department of Fish and Game (DFG) and National Marine Fisheries Service (NMFS) requirements;
- Provide a screening system capable of diverting a maximum of 400 cfs, and pumping facilities with a firm pumping capacity of 80 cfs for DWWSP use, and 400 cfs for RD 2035 use; and

- Encourage creativity, innovation, and competition in the proposal phase for contractors to obtain the most cost-effective solution while maintaining quality in design and construction.

The design criteria package for the intake/pumping station will be included in the intake bid documents developed in Subtask 6.2.2 and bidding package created in Subtask 6.1.9.

Phase 1C Deliverable: Intake/pumping station pre-design and final design criteria package.

Subtask 6.2.2 Sacramento River Intake/Pumping Station Bid Document Development

Sacramento River intake/pumping station bid documents will include: quality standards, approximate 15% level of design for the intake/pumping station, design, timeline, and performance requirement criteria.

Phase 1C Deliverable: Bid documents for intake

REGIONAL PIPELINES

Some of the regional pipeline planning effort will be completed in Phase 1A and 1B under a separate contract with the Water Resources Association of Yolo County. This independent work effort will include surveying and mapping services necessary to define the location of existing property boundaries and rights-of-way with respect to preliminary pipeline horizontal alignments; and delineation of wetlands within a 500-foot wide corridor centered on the anticipated pipeline alignments using the latest guidelines from the Corps of Engineers to identify waters subject to Section 404 of the Clean Water Act. The remaining work on the regional pipeline work will not commence until Phase 1C. This work will include both the raw water pipeline, and the treated water transmission mains.

Phase 1C

Subtask 6.3.1 Regional Pipeline Pre-Design

After the foundational geotechnical tasks are complete, the requirements for the bid documents can begin to be developed. Under this task, requirements and bid documents will be developed for the regional pipelines that match the proposed project delivery option selected in Subtask 6.1.3.

WYA will prepare a Basis of Design Report (BODR) that will include the following:

- An updated alignment analysis that incorporates any new information to refine the preliminary work completed under contract with the Water Resources Association of Yolo County
- Geotechnical evaluation including corrosivity analysis and evaluation
- Hydraulic analysis for pipeline sizing and materials selection
- Identification of permits required for pipeline construction
- Identification of property acquisition requirements

Regional Pipeline Site Investigations and Constraints Analysis

Building on the work ESA completed for the *Draft Davis-Woodland Water Supply Project Environmental Impact Report* (2007), ESA will review relevant biological resources databases, aerial photographs and other available information as well as conduct a field reconnaissance to compile up-to-date baseline information for the proposed project pipeline alignment from the RD 2035 intake to the Regional Water Treatment Facility (RWTF) and from the RWTF to the Road 25A/Road 103 Intersection. This information will be used to identify the types and potential locations of waters of the United States including wetlands as well as habitats for special-status species located on or adjacent to the project areas. All information obtained during this task will be mapped on United States Geological Survey quadrangle maps and aerial photographs and compiled into a single technical memorandum (memo); the maps will also be used during the wetland delineation work performed under the WRA contract.

ESA will provide updated maps of environmental constraints information for the pipeline corridor and meet with the project sponsors and WYA engineering team to review this information. ESA will then conduct a field reconnaissance with the project engineering team to walk the alignment and discuss environmental constraints and opportunities for avoidance. Up to four (4) days of field effort for two ESA staff has been budgeted. ESA assumes that the Project Partners will arrange for site access to all areas. This task does not include protocol-level surveys for special status species. If needed to support subsequent permit applications, ESA will submit a separate scope of work for such surveys to the project sponsors for review and approval.

Phase 1C Deliverable: Pipeline BODR criteria package

Subtask 6.3.2 Regional Pipeline Construction and Performance Requirements

Using the BODR, WYA will develop a regional pipeline “design criteria package” for use in the bid documents. The design criteria package will include the drawings, specifications, plat maps, and information obtained from meeting with the agencies from whom permits will be required as follows:

- 30 percent complete plan and profile construction drawings at a horizontal scale of 1”= 40’ and a vertical scale suitable for the terrain. Drawings will include the horizontal locations of known potential underground conflicts (potholing will not be performed at this time), and construction notes that include design, materials, and construction requirements.
- Specifications for items where minimum requirements must be maintained.
- Preliminary plat maps for anticipated property acquisition work.
- Meeting notes from meetings with the permitting agencies, and application materials needed to initiate permits required for pipeline construction.

The design criteria package for the regional pipelines will be included in the regional pipeline bid documents developed in Subtask 6.3.3 and in the contract materials for the RFP created in Subtask 6.1.9.

Phase 1C Deliverables: Thirty percent plan and profile drawings and required technical specifications for use in the bid documents and RFPs.

Subtask 6.3.3 Regional Pipeline Bid Document Development

Regional pipeline bid documents will include: quality standards, approximate 30% level of design for the pipelines, timeline, and performance requirement criteria.

Phase 1C Deliverable: Bid documents for pipelines

REGIONAL WATER TREATMENT PLANT (RWTP)

Phase 1A, B and C

Subtask 6.4.1 Sacramento River Water Quality Data Collection

WYA will collect Sacramento River water samples at the RD 2035 diversion point and deliver these to a laboratory for analysis. The results will be compiled into a water quality database. The location-specific water quality data will be needed by potential contractors to determine treatment requirements for compliance with Drinking Water Regulations and water quality-related performance guarantees. In addition to collecting water quality data, this subtask will include compiling and summarizing water quality data from other locations on the Sacramento River including intakes for the cities of West Sacramento and Sacramento. WYA will also research and summarize the publicly available water quality data that are relevant to the DWWSP. The collected data from the RD 2035 diversion point will supplement information obtained from the other data sources, and the databases will be summarized and compared in a water quality TM.

Comprehensive water samples will be collected monthly from the RD 2035 intake beginning in May 2009. California Laboratory Services (CLS) will be used for laboratory analysis of all water samples collected under this task. The results of the meetings with CDPH described under Subtask 6.1.2 will help guide the water quality analyses, but at this time it is anticipated that the analyses will include at least 24 tests for Cryptosporidium and 18 tests for all Title 22 constituents including general physical parameters, multiple metals, pesticides, general minerals, total and fecal coliform, and volatile organic compounds. In addition, we will select about 10 contaminants of emerging concern (CEC), including several endocrine disrupting chemicals, to measure based on upstream discharges and runoff. The Cryptosporidium tests will be conducted throughout the two year monitoring period, while the Title 22 and CEC constituents will only be analyzed in samples collected during the first eighteen months of monitoring. To better characterize winter sediment loads in the Sacramento River, weekly sampling for an abbreviated list of constituents will occur during the first winter (November 2009-April 2010) after periods of significant rain events. This additional weekly sampling is expected to occur up to eight times during the winter. Constituents sampled for weekly will likely include turbidity, total suspended solids, iron, manganese, a short-list of pesticides of concern, and possibly Cryptosporidium. WYA may recommend longer term sampling and analysis of the Title 22 constituents, as a supplemental subtask, if the databases reveal the need to characterize any long-term trends in water quality.

Phase 1A, 1B and 1C Deliverables: Water quality sampling plan and water quality TM summarizing available historical data and the results of the monitoring program.

Phase 1C

Subtask 6.4.2: Regional Water Treatment Plant (RWTP) Construction and Performance Requirements

After the foundational subtasks of collecting water quality data and preparing cost estimates are complete, the requirements for the bid documents can be more fully defined. Under this task, performance requirements will be developed for the RWTP to match the project delivery options selected for this facility. Preparing design criteria for this facility is the key activity of this task.

WYA will develop a water treatment plant “design criteria package” that will include design and construction quality requirements and treated water quality performance standards. This work will be conducted by the WYA staff, supported by Jerry Gilbert, Dr. Rhodes Trussell, President of Trussell Technologies, and Eric Petersen. All three have extensive experience with alternative project delivery options.

The design criteria package will be structured to provide enough detail to:

- Provide a water treatment facility that produces high-quality water meeting or exceeding California and EPA primary and secondary drinking water standards;
- Encourage creativity, innovation, and competition in the proposal phase to obtain the most cost-effective solution while maintaining quality in design, construction, and operation;

The design criteria package for the RWTP will be included in the RWTP bid documents developed in Subtask 6.4.3 and in the RFP created in Subtask 6.1.9.

Phase 1C Deliverable: RWTP design criteria package

Subtask 6.4.3 Regional Water Treatment Plant (RWTP) Bid Document Development

WYA will prepare bid documents for the RWTP that include design, timeline, and performance requirement criteria.

In addition, it is expected that the Project Partners will need to execute a service contract with a single entity responsible for the design, permitting, construction, start-up and testing of the RWTP. The entity will also be responsible for the operation, maintenance, and repair of these facilities. Under this subtask, WYA will prepare a draft service contract for the RWTP.

Phase 1C Deliverables: Bid documents and draft service contract.

Cost of Services

Estimated costs of each scope item are summarized in Table 1.

Table 1. DWWSP Cost Estimate May 2009 - June 2011 Summary

Task#	Task Description	May - October 2009	November 2009 - March 2010	April 2010 - June 2011	Phase 1 Total Cost
		Phase 1A Total Cost	Phase 1B Total Cost	Phase 1C Total Cost	
1	Program Management				
1.01	Meeting Preparation and Attendance	88,479	54,923	160,279	303,681
1.02	Subconsultant Coordination	16,538	13,598	52,022	82,158
1.03	Project Scheduling	3,675	2,940	16,317	22,932
1.04	Construction Cost Estimating	5,450	4,360	21,924	31,734
	Subtotal				440,505
2	JPA Agreement				
2.01	Technical Input	19,284	11,571		30,855
	Subtotal				30,855
3	Water Supply				
3.01	Water Rights	40,428	28,732	11,069	80,229
3.02	Summer Water		36,137	266,195	302,332
3.03	Conservation	10,513	10,559	44,171	65,243
	Subtotal				447,804
4	Public Outreach Program				
4.01	Literature Preparation	18,405	8,713	22,582	49,700
4.02	Workshop Preparation	26,974	13,598	14,008	54,580
4.03	Meeting Attendance	35,875	22,833	12,474	71,182
4.04	Project Management	4,755	2,335	2,449	9,539
	Subtotal				185,001
5	Project Funding				
5.01	Updated Davis Rate Analysis	117,456			117,456
5.02	State and Federal Funding Strategy Assistance	21,568	47,288	88,365	157,221
	Subtotal				274,677
6	Facilities Planning and Pre-Design				
6.01	General Facilities Planning and Design	60,357	113,879	696,422	870,658
6.02	Water Supply Intake			316,515	316,515
6.03	Regional Pipelines	40,648		528,515	569,163
6.04	RWTP	60,397	64,709	208,506	333,612
	Subtotal				2,089,948
	WYA+Subconsultant TOTAL COSTS ^(a)	570,802	436,175	2,461,813	3,468,790
BKS	<i>JPA Agreement</i>	20,000	20,000	10,000	50,000
	<i>Water Rights Permit</i>	20,000	10,000	20,000	50,000
	<i>Summer Water Purchase</i>	0	30,000	70,000	100,000
	<i>Negotiations with RD 2035</i>	20,000	20,000	20,000	60,000
	<i>Additional Services</i>	0	0	60,000	60,000
	BKS TOTAL COSTS	60,000	80,000	180,000	320,000
	OVERALL TOTAL COST ESTIMATE ^(b)	630,802	516,175	2,641,813	3,788,790

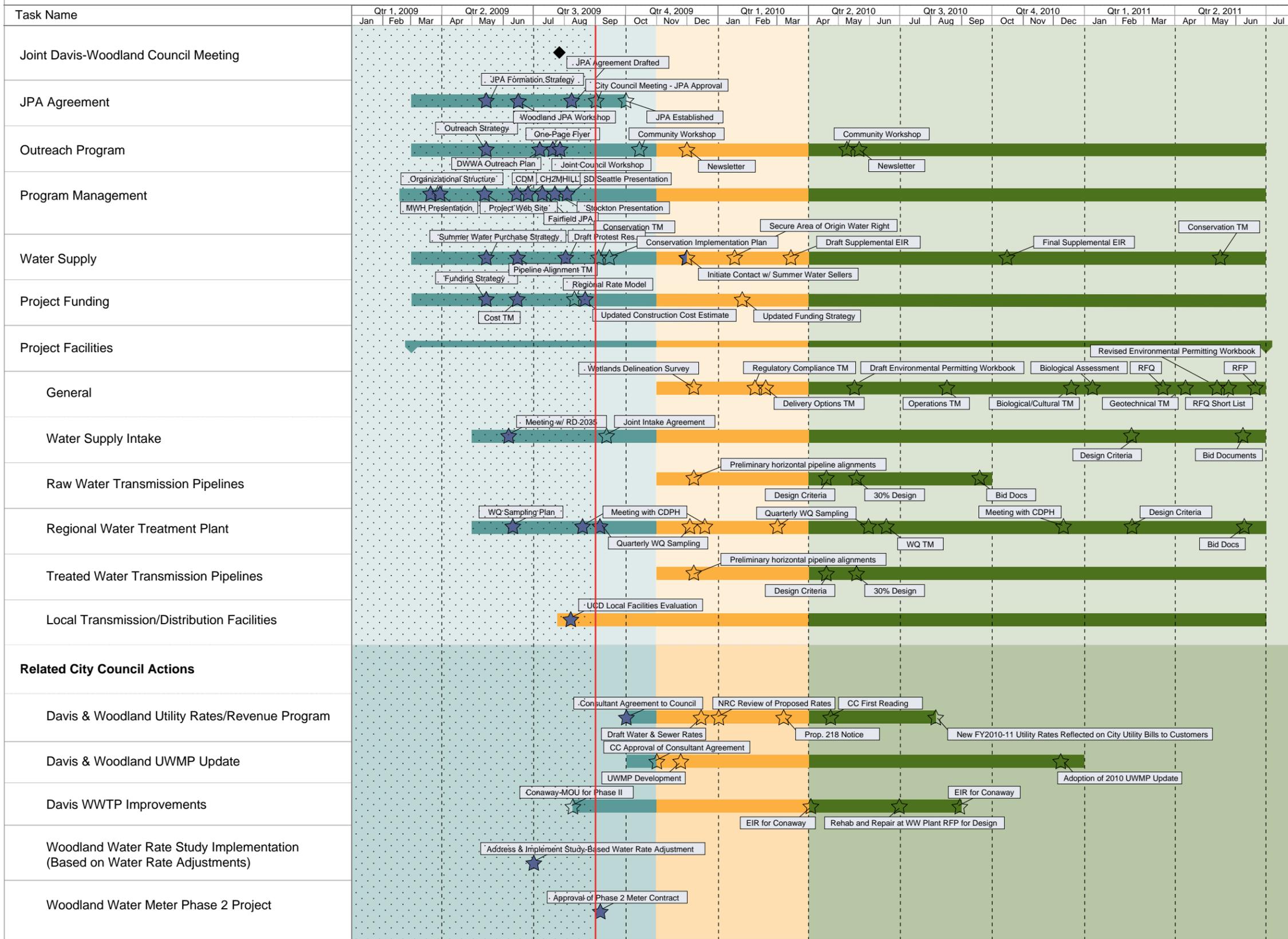
(a) WYA total cost includes cost for all subconsultants. Subconsultant costs are as follows:

Subconsultant	Phase 1A Total Cost	Phase 1B Total Cost	Phase 1C Total Cost	Phase 1 Total Subconsultant Cost
J. Gilbert Incorporated	17,050	24,750	92,400	134,200
Environmental Science Associates	95,598	58,926	490,543	645,067
Trussell Technologies	33,000	33,000	33,000	99,000
Sacramento State Center for Collaborative Policy	53,020	18,700	8,800	80,520
California Laboratory Services	41,580	45,430	64,790	151,800
Hawkins, Delafield and Wood, LLP	2,200	11,000	59,400	72,600
Montgomery Watson Harza	0	0	16,500	16,500
Municipal Financial Services	27,500	0	0	27,500
Wallace Kuhl Associates	0	0	121,000	121,000
Total WYA Subconsultant Cost	269,948	191,806	886,433	1,348,187

(b) The project cost will be shared among the Project Partners according to the following table:

Project Partner	May - Oct. 2009	Nov. 2009 - Mar. 2010	Apr. 2010 - Jun. 2011	Phase 1 Total
	Phase 1A Total	Phase 1B Total	Phase 1C Total	
Davis	314,250	200,641	1,132,434	1,647,324
Woodland	256,552	235,535	1,329,379	1,821,466
UCD	60,000	80,000	180,000	320,000
TOTAL	630,802	516,175	2,641,813	3,788,790

Schedule for Davis Woodland Water Supply Project Phase 1 and Other Water-Related City Council Items



The purpose of this schedule is to provide a brief overview of the DWWSP schedule and how it relates to other related upcoming city council items.

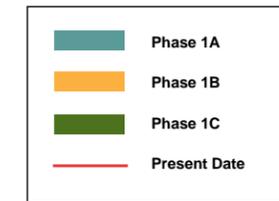
Phase 1 includes project planning and pre-design. Phase 1 is split into three subphases.

Phase 1A - April 2009 through October 2009 will concentrate on securing support for the project and forming a JPA.

Phase 1B - November 2009 through March 2010 will concentrate on securing project funding, water rights, and supplemental water supply.

Phase 1C - April 2010 through June 2011 will concentrate on facilities pre-design, permits, and securing rights-of-way.

Phase 2 will include final design and construction. Procurements for final design and construction will be initiated at the conclusion of Phase 1.



Updated: 09/01/09