

**AGREEMENT  
FOR PROVISION OF  
OPERATION AND MAINTENANCE SERVICES:  
THE FREEPORT AUTHORITY INTAKE AND PIPELINE**

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**THIS AGREEMENT** is made and entered into this 9th day of November, 2006 by and between the **FREEPORT REGIONAL WATER AUTHORITY**, a joint powers agency hereinafter called "FRWA," and the **SACRAMENTO COUNTY WATER AGENCY**, a statutorily created district operating under the authority of and pursuant to the provisions of the Sacramento County Water Agency Act (West's, California Water Code-Appendix, Chapter 66, commencing at Section 66-1 et seq.), hereinafter called "SCWA," individually called "a Party" and together called "the Parties" with reference to the following facts:

**RECITALS**

**A.** FRWA is a joint powers agency created by virtue of a joint powers agreement ("JPA") between the East Bay Municipal Utility District, a municipal utility district organized under California's Municipal Utility District Act of 1921 (hereinafter called "EBMUD") and SCWA that became effective February 14, 2002 and was amended on November 26, 2002 ("First Amended JPA"); and

**B.** The purpose of the JPA is to provide the legal mechanism under which FRWA would conduct environmental documentation for, and then, if approved, design, finance, construct, and operate the Freeport Regional Water Project (the "FRWP") for the benefit of EBMUD and SCWA, its Members; and

**C.** EBMUD and SCWA made and entered into the Second Amended Joint Powers Agreement Creating the Freeport Regional Water Authority (the "Second Amended JPA") on \_\_\_\_\_, 2006, whereby authority is extended to the FRWA Executives or their designees for oversight of certain FRWP operations and the responsibilities of FRWA to deliver water to EBMUD and SCWA are further defined; and

**D.** The FRWP consists of a 185 million gallon per day (MGD)-capacity intake facility and pumping plant on the Sacramento River ("Intake"), a 185 MGD-capacity pipeline from the Intake to a bifurcation facility ("Bifurcation") in the vicinity of Vineyard and Gerber

Roads in Sacramento County ("Joint Pipeline"), a new 100 MGD-capacity surface water treatment plant located in SCWA's Zone 40 ("SCWA Water Treatment Plant"), an 85 MGD-capacity pipeline from the Bifurcation to the SCWA Water Treatment Plant ("SCWA Extension"), a 100 MGD-capacity pipeline from the Bifurcation to the United States Bureau of Reclamation's (USBR) Folsom South Canal ("EBMUD Extension"), and a 100 MGD-capacity pipeline including two pump stations from the terminus of the Folsom South Canal to EBMUD's Mokelumne Aqueducts ("Folsom South Canal Connection"); and

E. The "Joint Facilities" (defined in Article 1, below) will be FRWA-owned and operated facilities; and

F. FRWA, SCWA and EBMUD, on \_\_\_\_\_, 2006, entered into an Agreement for Delivery of Water: the Freeport Authority Intake and Pipeline ("FRWA Delivery Agreement"), under which FRWA will be responsible for operating and maintaining the Joint Facilities and delivering water to EBMUD and SCWA consistent with the Second Amended JPA; and

G. FRWA desires that SCWA assume responsibility for FRWA's obligations for operating and maintaining the Joint Facilities and delivering water to EBMUD and SCWA pursuant to the FRWA Delivery Agreement; and

H. FRWA and SCWA desire to enter into this Agreement on the terms and conditions set forth herein.

## AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties hereto agree as follows:

### ARTICLE 1 – DEFINITIONS

Whenever terms listed below are used in this Agreement, the following definitions shall apply, and terms defined in the Second Amended JPA which are also used herein are understood by the parties to have the same meaning as therein defined:

1.1 "Bifurcation" means the facility located at a site in the vicinity of the intersection of Vineyard and Gerber Roads that divides the Joint Pipeline into the SCWA Extension and

the EBMUD Extension and includes features such as valves, meters, and a surge tank. The Bifurcation is more particularly described in **Appendix A**.

- 1.2 **"FRWA Board"** means the FRWA Board of Directors.
- 1.3 **"City of Sacramento-FRWA Sales and Purchase Agreement"** means the sales purchase agreement entered into between FRWA, EBMUD, SCWA and the City of Sacramento (City) dated October 13, 2005, for the sale by the City to FRWA of portions of parcels of land owned by the City and required by FRWA for the Intake site including reservation by the City of an easement for a bike trail.
- 1.4 **"Curtailement"** **"Curtail"** or **"Curtailed"** means reduction by FRWA of a Member's Requested Deliveries or Scheduled Deliveries.
- 1.5 **"Day-Ahead Notice"** means a Member's request to FRWA, at least 24 hours prior to FRWA implementing a Scheduled Delivery, to alter its Scheduled Delivery.
- 1.6 **"Dedicated Capacity"** is defined in the Second Amended JPA and when used herein is understood to have the same meaning.
- 1.7 **"Dispute Requiring Urgent Resolution"** means a dispute of such significance, as determined by a Party that the dispute requires expedited resolution.
- 1.8 **"EBMUD Extension"** means EBMUD's 72-inch pipeline from the Bifurcation to the Folsom South Canal.
- 1.9 **"Emergency Operating Condition"** means any sustained condition that, threatens the integrity of the Joint Facilities or renders normal operation of the Joint Facilities impossible, unsafe or inadvisable.
- 1.10 **"Executives"** or **"FRWA Member Executives"** means the General Manager of EBMUD and the County Executive of Sacramento County, or the Director of Water Resources for Sacramento County if delegated this responsibility by the County Executive, collectively. An "Executive" means one of the two Executives.
- 1.11 **"Fiscal Year"** means July 1 – June 30.
- 1.12 **"Flow Control Station"** means the flow control facility at the SCWA Water Treatment Plant. The Flow Control Station is more particularly described in **Appendix A**.
- 1.13 **"Folsom South Canal"** means the canal downstream of Folsom Dam on the American River, owned and operated by the United States Bureau of Reclamation (USBR).
- 1.14 **"Folsom South Canal Connection" or "FSCC"** means the facilities designed, constructed, owned and operated by EBMUD as part of the FRWP, consisting of the Clay Station Pumping Plant at the lower reach of the Folsom South Canal, the Camanche Pumping Plant, and the pipeline and associated facilities extending from the Folsom South Canal to the junction point with the Mokelumne Aqueduct.
- 1.15 **"Folsom South Canal O&M Plan"** means the Plan for Coordinated Operations of the Freeport Regional Water Project and the Folsom South Canal that was submitted to the USBR by EBMUD and approved by the USBR on August 23, 2006, as it may be modified from time to time.

- 1.16 **"Force Majeure"** means any circumstance under which the entity having responsibility for the operation and maintenance of the Joint Facilities is prevented from performing its obligations under this Agreement by strikes, riots, fire, severe weather other than droughts, war, acts of God, or any other cause similar to the foregoing which are beyond the reasonable control of the party from whom the affected performance was due.
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- 1.17 **"FRWA-City Coordinated Operations Agreement"** means the Coordinated Operations Agreement for the Freeport Regional Water Authority Intake Facilities and City of Sacramento Sump 28 Storm Water Pump Station, dated \_\_\_\_\_, whereby FRWA and the City of Sacramento will coordinate operations to restrict drawing water at the Intake during Sacramento River reverse flow events.
- 1.18 **"FRWA-SRCSD Coordinated Operations Agreement"** means the Coordinated Operations Agreement for Freeport Regional Water Authority Intake Facilities and Sacramento Regional County Sanitation District, dated \_\_\_\_\_, whereby FRWA and the Sacramento Regional County Sanitation District will coordinate operations to restrict drawing water at the Intake during Sacramento River reverse flow events.
- 1.19 **"Hour-Ahead Notice"** means a Member's request to FRWA, at least one hour prior to FRWA implementing a Scheduled Delivery, to alter its Scheduled Delivery.
- 1.20 **"Intake"** means the FRWA intake structure and all electrical and mechanical equipment and systems contained in and around it, high voltage switchyard, sedimentation basins, surge tanks, the FRWA site including landscaping, levee modifications, access road, structures and treatment to the riverbank, and the 84-inch diameter pipeline from the Intake structure to the I-5 Freeway junction. The Intake is more particularly described in **Appendix A**.
- 1.21 **"Joint Facilities"** means those FRWP elements identified in **Appendix A** under FRWA ownership. The Joint Facilities are also those same FRWP elements identified and defined as "FRWA Facility" or "FRWA Facilities" in the Second Amended JPA, at Attachment A, Section A-1 thereto.
- 1.22 **"Joint Facilities Accounts"** means the set of financial accounts developed and used by FRWA for recording costs incurred and payments received for services provided under this Agreement
- 1.23 **"Joint Pipeline"** means the 84-inch pipeline between the Intake and the Bifurcation. The Joint Pipeline is more particularly described in **Appendix A**.
- 1.24 **"Key Performance Indicators (KPI)"** means the set of predefined measurable outcomes related to operation or maintenance work that can be used to assess previous work results and define targets for future work results.
- 1.25 **"Make-up Water"** means a quantity of water delivered by FRWA or its Operating Agent to a Member equal to the quantity of water, including water for third-parties pursuant to Section 4.3 of the Second Amended JPA, not delivered to that Member due to Curtailment. The source(s) of Make-up Water may be (1) with that Member's concurrence and to the extent available, the Member's or, as applicable, its third parties' own contractual source(s) or river diversions using the Member's or, as applicable, its third parties' water rights, or (2) other sources available to FRWA or its Operating Agent.

- 1.26 **"Member" or "Members"** mean EBMUD and SCWA, individually or collectively.
- 1.27 **"Member's Point of Delivery"** has the same meaning as defined in the Second Amended JPA, to wit: the physical location in the FRWP at which each Member receives its deliveries of Member's Water and/or water for third parties delivered via the Joint Facilities pursuant to the Second Amended JPA and this Agreement. Each Member's Point of Delivery is more particularly described in the Second Amended JPA, at Attachment A, Table A-1, Table A-2 and Table A-3 thereto.
- 1.28 **"Member's Water"** has the same meaning as defined in the Second Amended JPA, to wit: the quantities of water available for withdrawal from the Sacramento River at the Freeport Point of Delivery by that Member for its use based on its supply contract(s) with third parties (who are not party to the Second Amended JPA) or based on its water rights.
- 1.29 **"Operating Agent"** means SCWA, or such other company, organization or public agency appointed by FRWA to provide operations and maintenance services for the Joint Facilities.
- 1.30 **"Operations and Maintenance Manual"** means the set of electronic and/or hardcopy documents comprising the specifications, descriptions of equipment, practices and procedures to be followed by FRWA and/or its Operating Agent in operating and maintaining the Joint Facilities. Such written practices and procedures in many instances may be general in nature and vary from broad, summary level descriptions of practices to specific, detailed step-by-step procedures for various items of equipment.
- 1.31 **"O&M Manager"** means the SCWA employee appointed by SCWA to be fully accountable for all the services provided to FRWA under this Agreement.
- 1.32 **"Requested Deliveries"** means the quantities of a Member's Water, and/or water for third parties pursuant to Section 4.3 of the Second Amended JPA, requested by the Member for delivery by FRWA via the Joint Facilities.
- 1.33 **"Scheduled Deliveries"** means the quantities of a Member's Requested Deliveries that FRWA schedules pursuant to the Scheduling Protocol.
- 1.34 **"Scheduling Protocol"** means the written procedures the Parties use to establish Requested Deliveries and Scheduled Deliveries.
- 1.35 **"SCWA Board"** means the SCWA Board of Directors.
- 1.36 **"SCWA Extension"** means SCWA's 66-inch pipeline from the Bifurcation to the SCWA Water Treatment Plant
- 1.37 **"SCWA Water Treatment Plant"** means SCWA's Zone 40 Central Surface Water Treatment Plant or the "Vineyard Surface Water Treatment Plant."
- 1.38 **"SMUD Settlement Agreement"** means the financial settlement agreement, dated July 30, 2004, that FRWA, EBMUD and SCWA entered into with the Sacramento Municipal Utility District ("SMUD").
- 1.39 **"Start of Operations"** means the date and time announced in writing by the FRWA Board or its designated FRWA officer, after final acceptance of all Joint Facilities, upon which water deliveries through Joint Facilities may begin if requested by a Member.

- 1.40 **“Terminal Weir Structure”** means the flow measurement weir on the EBMUD Extension at the discharge point into the Folsom South Canal. The Terminal Weir Structure is more particularly described in Appendix A.

## ARTICLE 2 – APPOINTMENTS

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- 2.1 **Appointment of SCWA as Operating Agent.** SCWA shall provide to FRWA operations and maintenance services for the Joint Facilities in accordance with the terms and conditions of this Agreement.
- 2.2 **Supervision of SCWA’s Operations and Management Services.** Prior to Start of Operations and throughout the term of this Agreement, SCWA shall appoint a manager or superintendent of operations and maintenance services (“O&M Manager”), who shall be fully accountable for providing all of the services to FRWA under this Agreement. This appointment shall ensure that FRWA can address all of its significant requirements and issues to one SCWA employee, the O&M Manager. Neither the O&M Manager, nor SCWA personnel that report to the O&M Manager, directly or indirectly, shall be assigned any oversight duties of Joint Facilities operations and maintenance activities on behalf of FRWA pursuant to Section 3.1.
- 2.3 **Hiring of Contractors and Consultants.** SCWA may, subject to approved funds in the FRWA operations and maintenance budget, at FRWA’s expense, hire such contractors and consultants as SCWA finds convenient or necessary, or SCWA may make use of existing contractors and consultants hired for a wider range of services to SCWA than the services under this Agreement to supplement its own employee staff in providing services under this Agreement.

## ARTICLE 3 – OVERSIGHT

- 3.1 **Oversight of SCWA Services.** SCWA’s services pursuant to this Agreement shall be subject to the oversight of the Executives or their designees and their designated Member staff, their designated FRWA staff, and/or their designated operations and maintenance committee comprised of Member staff. The Executives or their designees shall designate an EBMUD employee or FRWA staff contractor to review and approve SCWA’s monthly invoices to FRWA.
- 3.2 **SCWA Reporting.** SCWA shall report to and receive direction from, pursuant to the

terms and conditions of this Agreement, the Executives or their designees as described in Section 3.1. The Executives or their designees shall, pursuant to Sections 4.27, 4.33, 4.34 and 4.35, set specific dates on the Fiscal Year calendar for SCWA's submittal for approval of annual operations and maintenance plans, annual budgets, quarterly reports and annual reports.

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## ARTICLE 4 – SCOPE OF SERVICES

**4.1 In General.** SCWA shall operate and maintain the Joint Facilities and thus deliver Member's Water and/or water for third parties, up to the Member's Dedicated Capacity, pursuant to Requested Deliveries and Scheduled Deliveries to each Member's Point of Delivery consistent with the Second Amended JPA and in accordance with the FRWA Delivery Agreement. However, SCWA shall not be responsible for ensuring that the quantities of Member's Water withdrawn from the Intake to meet Member's Requested Deliveries or Scheduled Deliveries are in compliance with Member contracts for water supply or water delivery for third parties or are in compliance with Member or third-party water rights. Notwithstanding any provisions in this Agreement to the contrary, SCWA shall not make or be required to make deliveries that would violate the requirements of the various regulatory agency permits issued to FRWA or SCWA, would occur during Sacramento River reverse flow or low conditions as described in Section 4.9, hereof, or would exceed the limits set in the Biological Opinions of the National Oceanographic Administration and the U.S. Fish and Wildlife Service for operation of the FRWP. SCWA's non deliveries of water pursuant to such operating agreements or requirements of various regulatory agency permits shall not be deemed Curtailments as defined in Section 4.6 hereof. On behalf of FRWA, SCWA shall perform the additional services herein described.

**4.2 Operations Practices.** SCWA shall operate the Joint Facilities as specified in the Operations and Maintenance Manual. To the extent that the Operations and Maintenance Manual does not clearly specify procedures or standards required to operate one or more elements of the Joint Facilities, SCWA shall implement operating procedures and standards consistent with equipment manufacturer's recommendations, FRWA design documents, applicable State of California statutes including the Health and Safety Codes, State of California agency administrative regulations, and generally accepted industry standards.

4.3 **Maintenance Practices.** SCWA shall carry out maintenance practices according to standards defined in the Operations and Maintenance Manual for all elements of the Joint Facilities and shall implement practices and procedures to ensure a balance, based on Reliability Centered Maintenance (RCM) analysis, between preventative and corrective maintenance. RCM analyses shall be performed periodically and used to guide the balance between preventative and corrective maintenance for the Joint Facilities. To the extent that the Operations and Maintenance Manual does not provide specific standards or procedures for maintaining various equipment items, SCWA shall implement maintenance standards and procedures consistent with the maintenance recommendations of the equipment manufacturers, applicable State of California statutes including the Health and Safety Codes, State of California agency administrative regulations, and generally accepted industry standards.

4.4 **Development of the Operations and Maintenance Manual.** SCWA shall, as necessary, efficient and convenient, prepare original portions of the Operations and Maintenance Manual, or prepare changes to the Operations and Maintenance Manual, for the review and approval of the Executives or their designees. Provisional requirements of the contents of the Operations and Maintenance Manual are contained in **Appendix I**. The Operations and Maintenance Manual, as the same may be developed, and from time to time, amended, shall be deemed to be incorporated, by reference, in this Agreement. At least 120 days prior to the scheduled Start of Operations, SCWA shall review the Operations and Maintenance Manual and inform the Executives or their designees in writing of any specific practices or procedures therein that SCWA believes should be changed. Absent such written notice from SCWA, FRWA shall deem SCWA to be satisfied with the Operations and Maintenance Manual for the purposes of its duties described in this Agreement.

4.5 **Scheduling of Water Deliveries to Members.** SCWA shall decide upon Members' Scheduled Deliveries following a Scheduling Protocol intended to meet Members' Requested Deliveries. Prior to Start of Operations, SCWA shall propose and submit for Members' approval a Scheduling Protocol, consistent with Section 4.1, to meet the water delivery requirements of the Members and the requirements contained in the Folsom South Canal O&M Plan related to the levels and flows in the Folsom South Canal. The Scheduling Protocol shall clearly distinguish between a Member's Requested Deliveries over year-ahead, multi-month, week-ahead, day-ahead or hour-ahead time frames and the



Member's Scheduled Deliveries. It is anticipated that the Scheduling Protocol will include weekly telephone conferences between SCWA's operator(s) and EBMUD's designated scheduling official for scheduling deliveries in the following week. Members may request modification of their Scheduled Deliveries with Day-Ahead Notice or Hour-Ahead Notice and SCWA shall be required to implement such modifications to the extent practicable and consistent with the terms and conditions of the Second Amended JPA and the FRWA Delivery Agreement. In the event SCWA is notified at any time of a Member's water system malfunction or a problem with operation of the Folsom South Canal, or in the event of an Emergency Operating Condition, SCWA shall modify Member deliveries as requested or as it finds necessary. EBMUD shall schedule its water deliveries directly with SCWA, and shall be the sole interface with SCWA for deliveries to third parties, pursuant to agreements with EBMUD, using the Joint Facilities.

**4.6 Curtailment of Water Deliveries.** Curtailments resulting from a Force Majeure shall be performed in accordance with Section 6.4 of the Second Amended JPA. All other Curtailments shall be subject to the provisions of Section 4.7 ("Remedy for Curtailment") hereof. In the event that SCWA cannot meet, or notifies a Member that it cannot meet, the Member's Requested Deliveries or Scheduled Deliveries for any reason and if the Member's designated scheduling official protests such Curtailments by letter, fax or email, SCWA shall implement an efficient and timely procedure to resolve such protests; except that under an Emergency Operating Condition, SCWA shall, if it deems necessary for the purpose of addressing the issues posed by the Emergency Operating Condition, devote priority attention to the Emergency Operating Condition and resolve such protest only once the Emergency Operating Condition is stabilized. Other than under Emergency Operating Conditions, SCWA shall initiate its procedure to resolve such protest within two hours of receiving such protest if Curtailments are planned for the following day and within 48 hours if Curtailments are planned for a week or more ahead. Protests that cannot be resolved in such fashion shall be resolved through the Dispute Resolution process described in Article 13 hereof.

**4.7 Remedy for Curtailment.** If Curtailment occurs due to any cause other than Force Majeure, SCWA shall make best efforts to supply and deliver to a Member who incurred such a Curtailment as soon as possible an equivalent quantity of Make-up Water and shall pay the costs for such supply and delivery in excess of costs the Member and/or, as applicable, third parties pursuant to Section 4.3 of the Second Amended JPA, would

otherwise have incurred without the Curtailment. If SCWA, despite its best efforts, is unable to provide such Make-up Water in a time frame acceptable to the Member that incurred the Curtailment, SCWA shall be liable to the Member for any actual damages incurred by the Member and/or third parties the Member and/or third parties are unable to reasonably mitigate.

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**4.8 Operation Under Emergency Operating Conditions.** SCWA shall develop and maintain, an annually updated Emergency Operations Plan that addresses operations under Emergency Operating Conditions. The Emergency Operations Plan shall incorporate the requirements of and services offered by local and state offices of emergency services and other public safety organizations such as local fire and police departments. SCWA shall implement the procedures contained in the Emergency Operations Plan. SCWA may enter into contracts and/or issue purchase orders as necessary to address any Emergency Operating Condition. Under circumstances when an Emergency Operating Condition exists, SCWA shall brief the Executives or their designees as necessary of the status of conditions, future impacts of such conditions, and the actions SCWA has taken and plans to take to address the Emergency Operating Condition.

**4.9 Monitoring of River Low or Reverse Flows and Protecting Water Quality.** SCWA shall restrict its withdrawals of water from the Sacramento River, as necessary, during low or reverse flow events to minimize the withdrawal of water containing admixture of local surface water drainage pumped from the City of Sacramento's surface drainage at Sump 28 and effluent from the Sacramento Regional Wastewater Treatment Plant. SCWA shall monitor Sacramento River flows related to low or reverse flow and shall implement the Intake pump shut-down and start-up procedures described in the FRWA-City Coordinated Operations Agreement related to discharges from the City of Sacramento's surface drainage at Sump 28 and the Intake pump shut-down and start-up procedures set forth in the FRWA-SRCSD Coordinated Operations Agreement.

**4.10 Monitoring of Sediment Deposits in the Vicinity of the Intake.** SCWA shall undertake periodic measurement of river bathymetry in the vicinity of the Intake as described in the Operations and Maintenance Manual to assure that any accumulating sediment banks will not restrict use of the Intake.

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- 4.11 **Dredging and Rock Armoring Repair.** To the extent necessary, SCWA shall conduct dredging operations to ensure no limitations by sediment accumulation are imposed upon the operations of the Intake. SCWA shall also maintain and replace displaced rock armoring to maintain erosion protection. SCWA's dredging activity and rock armor replacement shall follow guidelines contained in the Operations and Maintenance Manual.
- 4.12 **Telecommunications and SCADA Operations.** SCWA shall enable, within the limits of the SCADA hardware and software installed, real-time monitoring and input by a Member of the measured operating parameters or Member parameters selected by the Member and identified to SCWA. In addition, SCWA shall enable real-time monitoring and input by the USBR of the operating parameters required pursuant to the Folsom South Canal O&M Plan and SCWA shall enable real-time input of USBR and Member parameters into the FRWA SCADA system as necessary for operation of the system. To the extent that measurements fail or signals are not received by the monitoring party due to problems with the FRWA measuring equipment or telecommunications systems within SCWA's control, SCWA shall restore such measurements and signals within time frames specified in the Operations and Maintenance Manual based on priority of signals as determined by the Executives or their designees. SCWA shall meet all requirements of the Federal Communications Commission regarding licenses for wireless telecommunications for FRWA SCADA.
- 4.13 **Monitoring of Water Quality and Sediment Load in the Joint Facilities.** As defined in the Operations and Maintenance Manual, SCWA shall sample and analyze water quality and sediment load in the Joint Facilities and shall report the results of those analyses quarterly to the Executives or their designees or to a Member as requested by the Member. To the extent that the California Department of Health Services (DHS), in its specific permitting requirements for FRWA or in its general regulations applicable to FRWA, requires water quality reporting, SCWA shall comply with those requirements and shall provide copies of its DHS water quality submittals to the Members at the same time the reports are sent to DHS. Copies of all DHS reports shall be included in SCWA's quarterly reports to the Executives or their designees. SCWA shall prepare an annual summary report of water quality and sediment load in the Joint Facilities for presentation by the Executives or their designees to the FRWA Board.

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4.14 **Instrumentation and Monitoring of Flows, Levels and Water Quality in the Folsom South Canal.** SCWA shall operate and maintain the FRWA SCADA and telecommunications equipment necessary for monitoring water levels and water quality at the Terminal Weir at Grant Line Road as described in the Folsom South Canal O&M Plan. SCWA shall perform the duties of FRWA as defined in **Appendix J** and shall comply with the Folsom South Canal O&M Plan, as may be modified, and Section 8 of the SMUD Settlement Agreement ("SMUD Section 8 Water Quality Data"). SCWA shall submit to the USBR timely reports incorporating quantities diverted for each Member from the Sacramento River and delivered to each Member's Point of Delivery. SCWA shall provide timely copies or direct electronic feeds, at EBMUD's option, for EBMUD's consolidation and reporting to USBR of the Folsom South Canal data SCWA collects pursuant to the Folsom South Canal O&M Plan. SCWA shall coordinate and consolidate reporting to SMUD Section 8 Water Quality Data accumulated or monitored by SCWA and EBMUD in the Folsom South Canal. SCWA shall ensure that it receives from SMUD the required SMUD Section 8 Water Quality Data that SMUD is obligated to provide to FRWA. FRWA's and EBMUD's cost responsibilities as they pertain to FRWA's obligations in the Folsom South Canal O&M Plan and the SMUD Settlement Agreement shall be allocated between the Members as defined in Section 6.3 of this Agreement.

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4.15 **Coordination with the City of Sacramento Regarding the Intake.** In compliance with the City of Sacramento-FRWA Sales and Purchase Agreement, on FRWA's behalf, SCWA shall maintain communications with the City and shall coordinate with the City as necessary regarding the City's landscaping and other activities on or adjacent to the Intake site, including the operation and maintenance of the bike path transecting the Intake site and placement of FRWA wireless equipment on the City's water tower adjacent to the Intake.

4.16 **Coordination with the Sacramento County Regional Sanitary District.** SCWA shall maintain communications with the Sacramento County Regional Sanitary District (SCRSD) as necessary regarding its operations in the vicinity of the Intake, including receipt from SCRSD of real-time signals on Sacramento River flow

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4.17 **Coordination with Third Parties.** SCWA shall coordinate with third parties regarding facilities co-located with Joint Facilities and regarding other matters affecting Joint Facilities operations.

**4.18 Meeting Requirements of the FRWP Mitigation Monitoring and Reporting Plan.**

SCWA shall carry out the operations phase requirements of the FRWP Mitigation Monitoring and Reporting Plan (MMRP) as applicable to the Joint Facilities. SCWA shall coordinate its efforts in this assignment, as necessary, with EBMUD as EBMUD, in parallel, meets the operations phase MMRP requirements applicable to the EBMUD Extension and the Folsom South Canal Connection. SCWA shall also coordinate its efforts in this regard with its own operations phase MMRP requirements applicable to the SCWA Extension. **Appendix F** lists the MMRP operations phase requirements applicable to the Joint Facilities.

**4.19 Complying with Permit Conditions and Obtaining Future Permits.**

SCWA shall comply with regulatory agency permit conditions applicable to operation of the Joint Facilities. SCWA shall coordinate with EBMUD, as necessary, on application for and compliance with any permits applicable not only to the Joint Facilities but to the EBMUD Extension and the Folsom South Canal Extension. SCWA shall coordinate such efforts on behalf of FRWA with, as necessary, its own efforts in application for and compliance with any permits applicable not only to the Joint Facilities but to SCWA Extension and the SCWA Water Treatment Plant. SCWA shall maintain a consolidated Joint Facilities permit database that includes permit requirements. **Appendix F** lists the existing permits and submitted permit applications applicable to operations and maintenance of the Joint Facilities. It also lists the anticipated future permits to be obtained for Joint Facilities operations. Recognizing that the list provided in **Appendix F** may not be comprehensive and that regulatory requirements will change over time, SCWA shall obtain all necessary permits from all government agencies having regulatory authority over the Joint Facilities to enable it to fulfill its operations and maintenance responsibilities as contained in this Agreement.

**4.20 Performance of Folsom South Canal O&M Plan and SMUD Settlement Agreement Obligations.**

SCWA shall carry out FRWA's responsibilities with respect to the Folsom South Canal O&M Plan and the SMUD Settlement Agreement as defined in **Appendix J** hereto.

**4.21 Meeting Easement Contractual Requirements.**

SCWA shall comply with the terms and conditions of all easements for the Joint Facilities. It shall also enforce grantor compliance with the terms and conditions of such easements. It shall advise the FRWA Program Manager and the Executives or their designees, as necessary, of the need for

further temporary or permanent easements and, to the extent authorized by the Executives or their designees, negotiate modifications to existing easements for the Joint Facilities. **Appendix E** lists summary information on the existing easements for the Joint Facilities.

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**4.22 Disposal of Sediment Deposits.** SCWA shall haul and dispose of sediment deposits from the Intake and from Joint Facilities pipeline cleaning. It shall deploy hauling and disposal methods that meet all permit and regulatory requirements.

**4.23 Disposal of Hazardous Wastes.** SCWA shall dispose of hazardous wastes in compliance with all applicable laws and regulations.

**4.24 Interaction with Local Communities.** SCWA shall maintain communications with local communities, including residents and business owners, affected by the Joint Facilities; in terms of noise control, air pollution control, traffic management, lighting, security, access to bike paths, and all other matters, and shall make reasonable efforts, consistent with funding made available to it for this purpose by FRWA, to limit adverse impacts to these communities from SCWA's operation and maintenance of the Joint Facilities. **Appendix G** contains a list of local communities that have been in contact with FRWA during the planning, design and construction phases of the Joint Facilities and with which ongoing contact may be necessary.

**4.25 Purchasing and Scheduling of Electric Power.** SCWA shall administer on behalf of FRWA the initial power supply contract(s) FRWA anticipates executing with SMUD prior to Start of Operations as well as any subsequent FRWA contracts with SMUD or other power suppliers. If more favorable terms and conditions can be achieved by negotiating a new power supply agreement with SMUD or another power supplier, SCWA shall recommend to FRWA that FRWA seek to negotiate such a power supply. FRWA may elect to assign to SCWA the responsibility of conducting such negotiations.

**4.26 Purchasing of Vehicles, Equipment and Tools for FRWA Exclusive Use.** The Parties anticipate that the majority of vehicles, equipment and tools required for the operation and maintenance of FRWA Facilities are currently owned by SCWA or will be purchased and owned by SCWA for use not only on Joint Facilities but also on the SCWA Extension, the SCWA Water Treatment Plant and SCWA's groundwater pumping and distribution system. However, the Parties anticipate that there will be isolated instances when vehicles, equipment, supplies, or tools are required for the exclusive use on Joint

Facilities. Within approved budgets, SCWA shall purchase or lease on behalf of FRWA equipment such as specialized vehicles and tools that are necessary for operation and maintenance of the Joint Facilities and are not within the inventory of equipment owned/leased by SCWA for operations and maintenance services for water delivery facilities including the Joint Facilities. Such FRWA-owned or leased equipment items shall be clearly marked so that it is clear that they are FRWA-owned or leased. SCWA shall develop and maintain an asset list for all vehicles, equipment and tools it purchases or leases for FRWA. The asset list shall include, at a minimum, asset identification numbers, descriptions of the assets, dates of purchase, and dates of disposal.

**4.27 Operations Planning.** To facilitate SCWA's development of the annual Operations and Maintenance Plan, EBMUD shall provide to SCWA, by March 1 of each year, a schedule of monthly Requested Deliveries for the forthcoming Fiscal Year beginning July 1. SCWA shall incorporate its own schedule of Requested Deliveries for the forthcoming Fiscal Year. Such Requested Deliveries shall be the Members' best estimates of water requirements and may be changed at any time based on actual requirements. SCWA shall prepare and submit to the Executives or their designees, by April 1 of each year, an annual Operations and Maintenance Plan for the forthcoming Fiscal Year. The Operations and Maintenance Plan prepared by SCWA shall, at a minimum, include the following components:

- a. Schedule of diversions at the Intake and deliveries to the Members, subject to revision as described above.
- b. Schedule of planned maintenance outages that will restrict water deliveries.
- c. Description of and schedule for planned non-routine significant maintenance tasks.
- d. Descriptions of required permit applications and status of permit applications with agency approvals pending.
- e. Description of and schedule for installation of capital upgrade items.
- f. Proposed changes to the prior-year approved Key Performance Indicators and associated targets.
- g. Description of specific initiatives to be undertaken to address the Key Performance Indicators and achievement of the associated targets.
- h. Plans for addressing the remaining MMRPs, if applicable.

- i. Description of activities planned with regard to local community relations.
- j. Description of significant service contracts, or amendments to existing service contracts, required during the Fiscal Year.
- k. Description of any other specific issues to be addressed during the Fiscal Year.

The Operations and Maintenance Plan shall be accompanied by a budget request for the forthcoming Fiscal Year, as described in Section 4.35.

**4.28 Security of Facilities and Water Supply.** SCWA shall be responsible for the physical and cyber security of the Joint Facilities. SCWA shall prepare, prior to the Start of Operations, and shall subsequently update annually a security plan that addresses the findings and recommendations of the FRWA 2006 Vulnerability Assessment and all subsequent vulnerability assessments. Vulnerability Assessments shall be updated as required by law. The Executives or their designees or an authorized FRWA officer may require SCWA to perform a new vulnerability assessment more frequently if deemed necessary. SCWA shall include sufficient funds in its annual budget requests for any required vulnerability assessments. SCWA shall also identify by line item in its annual budget requests the funds required to implement its security plan. SCWA shall implement its security plans subject to FRWA Board approval of the identified expenditures in its annual budgets. SCWA shall coordinate its security plans, as necessary, with those of EBMUD concerning the EBMUD Extension and the Folsom South Canal Connection and with its own security plan for the SCWA Extension and SCWA Water Treatment Plant. SCWA shall establish appropriate communications channels with local law enforcement agencies and fire fighting agencies.

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**4.29 Practices and Procedures for Achieving Effective Operations and Maintenance.** SCWA shall make its best efforts to document its performance and to achieve those Key Performance Indicators (KPIs) adopted annually by the Executives or their designees coincident with FRWA Board approval of the annual operations and maintenance budget. An initial set of KPIs and targets, provided in **Appendix H**, may be adopted or modified by the Executives or their designees prior to Start of Operations. The Parties acknowledge that there are many unknown factors encountered when a new system enters the operations phase and that up to two years of actual operations may be necessary before sufficient Joint Facilities operating experience is available as a basis for determining valid targets for forthcoming years.



**4.30 Facility and Equipment Replacements, Upgrades, Expansions, and Disposals.** If SCWA identifies the need for any expansion, modification or upgrade of the Joint Facilities at any time, it shall present its recommendations in that regard to the Executives or their designees and the FRWA Program Manager. SCWA shall obtain approval of FRWA and shall notify the Executives or their designees prior to its disposal of any major Joint Facilities assets and shall include, in its Annual Report, as described in Section 4.33, a list of all Joint Facilities assets, whether major or minor, disposed of in the past year. For the purposes of this section only, a major asset shall be one for which the approximate replacement cost new would exceed \$10,000, and a minor asset shall be one for which the replacement cost new would not exceed \$10,000.

**4.31 Records of Operations.** SCWA shall take measurements and maintain records of all quantities of water pumped from the Sacramento River at the Intake, deliveries of water to Member Points of Delivery, energy usage, quantities of sediment hauled offsite for disposal, water quality, and other operational measures defined in the Operations and Maintenance Manual. The measurements and records must meet all reporting requirements under applicable regulatory agency permits, including Member water rights permits, and shall meet the reporting requirements of Members for their flows pumped from the Sacramento River at the Intake as contained in their water supply agreements with the USBR and other suppliers. SCWA shall also keep records of its measurements in accordance with the FRWA responsibilities identified in **Appendix J** related to the Folsom South Canal O&M Plan (as may be modified from time to time) as well as in the SMUD Settlement Agreement. Measurements of flows delivered to each Member's Point of Delivery shall be reconciled, as described in **Appendix C**. To the extent feasible, all FRWA records shall be archived for a minimum of 10 years in the FRWA SCADA system database, with backup as defined in the Operations and Maintenance Manual. Summary records of Member monthly diversions and water deliveries through the FRWA Facilities shall also be maintained, as may be further defined by the Executives or their designees, in both paper and electronic files. Records of correspondence and other significant communications with regulatory agencies, local agencies, and members of the public regarding operations of the facilities shall be retained for a minimum of 10 years.

**4.32 Records of Maintenance Performed and Facilities/Equipment in Need of Repair.** SCWA shall keep records, as defined in the Operations and Maintenance Manual, of all maintenance activities performed, equipment failures that occurred, and facility and

equipment conditions that imply requirements for future maintenance. Such records shall be retained within a Computerized Maintenance Management System (CMMS) and reports from the CMMS shall be provided to the Executives or their designees or to a Member if requested. Electronic data in the CMMS database shall be retained for a minimum of 10 years.

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**4.33 Annual Reports.** SCWA shall submit, each year, an Annual Report to the Executives or their designees. An interim Annual Report, containing data through at least the second quarter of the Fiscal Year, shall be submitted along with its Operations and Maintenance Plan and budget request for the forthcoming Fiscal Year. A final Annual Report, containing full-year financial data, shall be submitted to the Executives or their designees within 60 days after the end of the Fiscal Year. The required contents of the Annual Report shall be determined by the Executives or their designees. At a minimum, the Annual Report shall address each of the following:

- a. Expenditures relative to approved budget, with breakout of key expenditure categories as defined in Article 6.
- b. Summary of water quantities diverted and delivered at key points in the Joint Facilities system.
- c. Aggregation of summary-level information from the quarterly maintenance reports.
- d. Performance as measured against KPI targets.
- e. Safety report including Cal-OSHA-reportable injuries incurred by any SCWA and/or contractor personnel providing operation and maintenance services under this Agreement.
- f. Security report including implementation of security plans.
- g. Initiatives undertaken and/or completed to address FRWA audit findings, if any.
- h. List of permits received and permits applied for.
- i. Assets disposed of during the Fiscal Year.
- j. Status on addressing the MMRPs.
- k. Other significant operations and maintenance issues addressed by SCWA in the past year.

- 4.34 **Quarterly Reports.** SCWA shall submit, quarterly operating and financial reports to the Executives or their designees. The quarterly reports shall, at a minimum, summarize water delivery quantities to each Member, identify the dollar-percentage of overall annual budgeted scheduled preventative maintenance performed, provide a list of work orders of significant corrective maintenance performed, and provide a list of planned future maintenance work orders for the forthcoming quarter. The financial section of the quarterly reports shall summarize costs incurred, using invoice data from the three months comprising the quarter, compared with the approved budget for the quarter. The financial reports shall include summaries of the Fixed Costs and Variable Costs, in accordance with Sections 6.2 and 6.3, incurred by each Member, with breakdowns by the major Joint Facilities elements. The quarterly reports shall include a summary of results of water quality sampling analyses conducted by SCWA pursuant to Section 4.13.
- 4.35 **Budget Preparation and Submittal for Approval.** SCWA shall prepare and submit to the Executives or their designees, by April 1 of each year, for FRWA Board approval, a budget request for the forthcoming Fiscal Year. The budget request shall include proposed staffing numbers and projected labor hours for operations and maintenance. Budget development shall be consistent with the cost elements described in Article 6. The budget shall be broken down by operations and maintenance tasks for each major facility as shown the template for budget submission in **Appendix B**. Together with the budget request, SCWA shall supply a monthly cash flow forecast for the Fiscal Year, with cost-sharing breakdowns for EBMUD and SCWA.
- 4.36 **Procedures for Request of Emergency Funding for Extraordinary Expenditures.** In the event an Emergency Operating Condition requires expenditures beyond the approved budget, SCWA shall proceed with its necessary actions in response to the Emergency Operating Condition. It shall also submit a request briefly describing its requirements and a request for approval of the necessary funding by email or fax to the Executives or their designees. Notwithstanding the forgoing, when necessary in the determination of SCWA to respond to an Emergency Operating Condition, SCWA shall be reimbursed for all funds advanced to initiate reasonable measures pending authorization by the FRWA Board.
- 4.37 **Training and Certifications.** All personnel assigned by SCWA to perform services under this Agreement shall be properly certified, and trained for their assignments. At a minimum, operator training and certification shall meet the requirements of the

Department of Health Services and applicable California statutes and regulations. SCWA shall provide sufficient employee training to advance employees to meet certification requirements, including allowances for retirements and turnover.

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## **ARTICLE 5 – FACILITY UPGRADES OR EXPANSIONS**

When upgrades or expansions to the Joint Facilities are required, SCWA shall assist FRWA in its efforts to plan such work so that ongoing operations of the Joint Facilities can proceed in conjunction with FRWA's facility upgrades or expansions. If upgrades or expansions to the EBMUD Extension or the Folsom South Canal Connection are required, SCWA shall assist, at EBMUD's cost, EBMUD in its efforts to plan such work so that ongoing operations of the Joint Facilities can proceed in conjunction with EBMUD's facility upgrades or expansions. If upgrades or expansions to SCWA Extension or the SCWA Water Treatment Plant are required, SCWA shall coordinate its efforts in this regard internally, at its cost, so that ongoing operations of the Joint Facilities can proceed to the extent feasible in conjunction with SCWA's facility upgrades or expansions.

## **ARTICLE 6 – COST ACCOUNTING**

- 6.1 Use of Accounts.** SCWA shall establish and maintain Joint Facilities Accounts, pursuant to Sections 6.2, 6.3 and 6.4 and as further defined in **Appendix B**, for operations and maintenance tasks. All costs incurred by SCWA in providing services under this Agreement shall be recorded in the Joint Facilities Accounts. Invoices issued to FRWA shall be prepared using only the Joint Facilities Accounts. All financial reports prepared for FRWA as required under this Agreement shall draw data only from the Joint Facilities Accounts. The level of breakdown in the Joint Facilities Accounts shall be at least at the level of facility breakdown shown in **Appendix B**. SCWA shall establish and use separate internal orders and/or job numbers to capture the cost of work expended for the various operations and maintenance tasks and capital projects. Internal orders and/or job numbers for operations and maintenance tasks must each be identified as for either Variable Cost or Fixed Cost tasks as defined in Section 6.2. SCWA shall ensure that its employee timesheets and its payroll and accounting systems are used for recording of its costs in the Joint Facilities Accounts and that such timesheets are retained for review by FRWA or the Members.

- 6.2 Fixed Costs and Variable Costs.** All of the operations and maintenance tasks performed by SCWA shall be classified in the Joint Facilities Accounts as either Fixed Costs or Variable Costs. Fixed Costs shall be costs that are not highly dependent upon the volumes of water pumped through the facilities over time, whereas Variable Costs shall be costs that increase in step with the volumes of water pumped over time. A provisional classification of significant operations and maintenance tasks into Fixed Cost and Variable Cost tasks is provided in **Appendix B**, and may be expanded upon and/or modified by the Executives or their designees. Reclassifications, from time to time, by the Executives or their designees, of operations and maintenance tasks from Fixed Cost to Variable Cost, or vice versa, shall apply only prospectively. Unless otherwise instructed by the Executives or their designees, the Operating Agent shall allocate all Fixed Costs between the Members on the basis of the Members' percentage shares of Capital Costs as defined in Section 5.1(a) of the Second Amended JPA. Unless otherwise instructed by the Executives or their designees, the Operating Agent shall allocate all Variable Costs, except for electric power costs, between the Members based on the volumes of water they take through Joint Facilities. Unless otherwise instructed by the Executives or their designees, SCWA shall use the Requested Deliveries submitted by the Members and incorporated in the annual Operations and Maintenance Plan pursuant to Section 4.26, as the basis for allocation of Variable Costs for invoicing purposes, pursuant to Section 7.4, for the full Fiscal Year, subject to reconciliation, based on actual quantities of water delivered to each Member at its Member Point of Delivery, after the end of the Fiscal Year. Thus, for invoicing purposes, prior to annual reconciliation, except for electric power costs, a fixed annual percentage split for Variable Costs may be used for the entire Fiscal Year. Electric power costs shall be allocated monthly on a variable basis each month as outlined in **Appendix B-1** based on actual water deliveries for the applicable time period.
- 6.3 Cost Allocations for FRWA Commitments to USBR and SMUD.** Costs incurred by SCWA in meeting FRWA's obligations under the Delivery Agreement to perform certain requirements of the Folsom South Canal O&M Plan, as described in Sections 4.12, 4.14 and 4.20 of this Agreement, and to SMUD under the SMUD Settlement Agreement, shall be invoiced as Variable Costs.
- 6.4 Trustee Accounts.** Upon receiving approval from the Executives or their designees, SCWA may withdraw funds from the Major Maintenance Reserve Trustee Account

described in this section to cover qualifying expenditures at the time such expenditures are incurred. The Major Maintenance Reserve Trustee Account, established and managed by the FRWA Treasurer, may be used by SCWA to meet costs incurred in significant maintenance work orders, in excess of \$50,000, for Joint Facilities equipment subject to wear through ongoing use, such as the eight primary pumps and motors and the variable frequency drives. This trustee account may also be used for significant infrequent maintenance work orders, in excess of \$50,000, for tasks such as sediment removal and disposal from the Intake sediment basins. **Appendix B** contains a provisional list of qualifying items for this trustee account, which the Executives or their designees may modify and/or supplement with other qualifying items from time to time. While qualifying significant maintenance work orders shall be identified separately in the annual budget, the source of funds for such work may be identified as the Major Maintenance Reserve Trustee Account. As part of each forthcoming Fiscal Year budget request, SCWA shall develop a forecast of the use of funds from this trustee account over the next 10 years. Funds withdrawn from this trustee account shall be shown for informational purposes on the applicable monthly invoices but shall not be allocated to, or be subject to adjustment, in terms of cost sharing between, the Member Agencies.

## **ARTICLE 7 – COMPENSATION**

- 7.1 Reimbursement of Actual Costs Incurred.** For the operations and maintenance services described in this Agreement, FRWA shall pay SCWA's actual costs incurred in providing such services. The reimbursed costs shall include SCWA's hourly labor charges priced using rates approved concurrently with approval of the annual budget pursuant to Section 4.35. By way of illustration and not limitation, such rates shall include SCWA administrative overheads, employee training, employee certification, small tools and instruments, equipment under \$5,000, regularly used vehicles such as pool cars and pickup trucks, cellphones and radios, employee memberships, and computer hardware/software under \$5,000 per item. SCWA's Fiscal Year 2006 labor rates, together with a description of the methodology by which those rates were derived, are provided in **Appendix B**. Other SCWA costs to be reimbursed by FRWA shall include costs for operation and maintenance (or lease) of equipment and vehicles, charges by SCWA for use of its vehicles and equipment, contract and consulting services, insurance and self-insurance costs pursuant to Article 11 hereto, laboratory services, materials, energy, regulatory agency fees, license fees, property taxes for FRWA property, and other

specific line-item costs included and supported in the annual budget requests approved by the FRWA Board.

7.2 **Allocation of Costs Between Members.** SCWA shall, in its invoices and the Quarterly Reports and Annual Reports, allocate FRWA costs consistent with the breakdown into Fixed Costs and Variable Costs described in Sections 6.2 and 6.3. To the extent that SCWA's consultants and contractors provide services based on billing and payment methods other than actual hours worked, SCWA shall ensure that the costs billed are appropriate and allocated on an equitable basis between Fixed Costs and Variable Costs consistent with Sections 6.2 and 6.3.

7.3 **Prevailing Wage Rates.** SCWA's labor rates and contracting rates shall meet the legal and regulatory requirements for prevailing wage rates where applicable. SCWA shall also comply with applicable laws and regulations regarding labor compliance plans. SCWA shall be responsible for all penalties and fines it incurs in regard to regulatory agency findings that it has not complied with laws or regulations regarding prevailing wage rates and/or labor compliance plans.

7.4 **Billing and Payment.** For the services provided under this Agreement, SCWA shall submit detailed monthly invoices to FRWA, with copies to the Members, showing the breakdown by Joint Facilities Accounts, as described in Article 6, and allocation of costs between Fixed Costs and Variable Costs, as shown in Section 7.2. Supporting documentation for each invoice shall be organized to clearly identify the Joint Facilities Account charged and shall be supported by such copies of payroll records, contractor, vendor and consultant invoices. FRWA shall pay SCWA within forty (40) days of receipt of an invoice unless specific items on the invoice are disputed in writing by the approving authority within such forty (40) day period. In the event that one or more items on an invoice are disputed, all undisputed invoice items shall be paid within the prescribed forty (40) day period. Within 60 days after the end of each Fiscal Year, SCWA shall submit to FRWA, with copies to the Members, of a reconciled invoice that adjusts the apportionment, pursuant to Section 6.2, of validated costs based on actual water quantities delivered by SCWA in the past Fiscal Year.

7.5 **Compensation for Services Provided After Notice of Termination.** If this Agreement is terminated pursuant to Article 16, SCWA shall be entitled to compensation for services satisfactorily performed through the effective date of termination; provided however, that

FRWA may condition payment of such compensation upon SCWA's delivery to FRWA of any and all documents, manuals, paper and electronic records, computer software, videotapes, and other materials provided by FRWA to SCWA or prepared or purchased by SCWA for FRWA in connection with this Agreement. Payment by FRWA for the services satisfactorily performed through the effective date of termination shall be the sole and exclusive remedy to which SCWA is entitled in the event of termination of the Agreement pursuant to Article 16, and SCWA shall be entitled to no other compensation or damages and expressly waives same. Notwithstanding the forgoing, all funds advanced on FRWA's behalf by SCWA as may be authorized by this Agreement, shall be reimbursed.

## **ARTICLE 8 – NOTICES TO PROCEED**

- 8.1 **Notices to Proceed.** Notices to Proceed for SCWA's services pursuant to this Agreement shall be in the form of a letter to the SCWA Authorized Representative signed by FRWA's Authorized Representative. No services pursuant to this Agreement shall commence until such Notice to Proceed is issued.
- 8.2 **Notice to Proceed with Operations Planning and Testing:** Notice shall be given to commence certain planning services, including, but not limited to, review, preparation as needed, and adoption of the Operations and Maintenance Manual, review and participation in system startup testing procedures, and specific tailored operator training on installed Joint Facilities equipment.
- 8.3 **Notice to Proceed with Joint Facilities Operations:** Notice to proceed with Joint Facilities operations shall be issued prior to Start of Operations.

## **ARTICLE 9 – AUTHORIZED REPRESENTATIVES**

- 9.1 **FRWA.** FRWA designates its Program Manager as its FRWA Authorized Representative for this Agreement. FRWA's Authorized Representative shall be responsible for administering this Agreement on behalf of FRWA. In the event FRWA wishes to make a change in its FRWA Authorized Representative, FRWA shall notify SCWA of the change in writing.



- 9.2 **SCWA.** SCWA designates Forrest Williams as its SCWA Authorized Representative for this Agreement. SCWA's Authorized Representative shall be responsible for administering this Agreement on behalf of SCWA. In the event SCWA wishes to make a change in its SCWA Authorized Representative, SCWA shall notify FRWA of the change in writing.

## **ARTICLE 10 – INDEMNIFICATION AND JOINT DEFENSE**

- 10.1 **SCWA Indemnification.** SCWA expressly agrees to indemnify, defend, and hold FRWA and EBMUD and their respective Directors, officers, employees, and agents free and harmless from and against any and all loss, liability, expense, claims, costs, suits, and damages (including reasonable attorney fees), arising from SCWA's gross negligence, ordinary negligence (active or passive), willful misconduct or intentional failure to perform, or errors and/or omissions associated with the operation and/or maintenance of the Joint Facilities pursuant to this Agreement.
- 10.2 **FRWA Indemnification.** FRWA expressly agrees to indemnify, defend, and hold SCWA and EBMUD and their respective Directors, officers, employees, and agents free and harmless from and against any and all loss, liability, expense, claims, costs, suits, and damages (including reasonable attorney fees), arising from FRWA's gross negligence, ordinary negligence (active only), willful misconduct or intentional failure to perform, or errors and/or omissions associated with the operation and/or maintenance of the Joint Facilities by FRWA and/or FRWA contractors other than SCWA or SCWA contractors but excluding the operation and/or maintenance of Joint Facilities to the extent arising out of or from gross negligence, ordinary negligence (active or passive), willful misconduct or intentional failure to perform, or errors and/or omissions arising from the operation and/or maintenance of the Joint Facilities by SCWA and/or SCWA contractors.
- 10.3 **Non-Parties.** Each Party reserves: (1) any and all rights it may have to indemnify and contribution from any other person or entity that is not a signatory to this Agreement and (2) any and all claims and defenses against any such person or entity. Nothing in this Article 10 is intended to create a basis for liability for any of the Parties to this Agreement to third parties other than that which would otherwise exist by law absent this Agreement. Provisions of this Article are solely intended to allocate certain

responsibilities as between the Parties to this Agreement.

**10.4 Payment of Losses, Liabilities, Claims, Costs, Suits, or Damages.** The Parties agree to work cooperatively in the evaluation, processing, and resolution of claims. Notwithstanding the provisions of Sections 10.1 and 10.2, before attempting to apportion liability or to determine indemnity responsibilities, FRWA shall first attempt to pay or cover any loss, liability, claim, cost, attorneys' fees, suit or damage associated with the operation, maintenance and replacement of FRWA Project Facilities by exercising the provisions and taking the actions described in Article 11, Insurance. To the extent all remedies available through Insurance have been exhausted, the Parties shall take the steps and use the assets and funds in the order listed in Sections 10.5 through 10.7 below.

**10.5 Joint Defense.** Where more than one Party is named in a suit, and where a Member not party to this Agreement is also named in a suit, or made subject to a claim or penalty, FRWA shall coordinate a joint defense of the Parties and named Members, utilizing a joint defense agreement to the extent possible, subject to the approval of the Parties. Each Party to this Agreement agrees that, to the greatest extent practicable, it shall cooperate in such defense and execute any waivers and/or tolling agreements that may be necessary to provide for a single joint defense of such a suit, claim or imposition of penalty. Any communications between and/or among the Parties and between and/or among FRWA and any of its consultants and attorneys shall be privileged as joint defense communications. Work performed during the joint defense by consultants or attorneys, to the extent allowed by law, shall be considered attorney work product. Nothing in this section or Article is intended to require a joint defense under circumstances where it would be legally impermissible or under circumstances where it is wholly impractical notwithstanding the remaining provisions of this Article.

**10.6 Waivers.** In the event of any loss, liability, claim, cost, or damage giving rise to a claim or suit brought by one or more persons not a party to this Agreement (third party claim or suit), each Party agrees that it shall execute any waivers and/or tolling agreements which may be required to defer any and all claims, rights to indemnity or contribution, or defenses it may be able to assert against the other Party to this Agreement until final settlement or other resolution of such claim or suit, or until such time as the Parties agree that the Joint Defense will not be compromised by assertion of such claims, rights, or defenses. All rights to such claims, rights or defense are fully reserved and shall not be

lost or diminished by any waiver or tolling agreement. Nothing in this Article 10 shall be construed to preclude any Party's right pursuant to Sections 10.1 and 10.2 to tender a request for defense. However, if there is a dispute between any of the Parties with respect to the duty to defend, the Parties agree that any claim for damages based upon a failure to defend will be deferred until final settlement or other resolution of the third party claim or suit giving rise to the dispute.

- 10.7 Resolution of Liability or Joint Defense Related Disputes.** Any disputes between the Parties as to the application of this Article 10 shall be subject to the Dispute Resolution provisions of Article 13.

## **ARTICLE 11 – INSURANCE**

- 11.1 Insurance Requirements.** FRWA shall undertake the following action(s) to manage the risk of operations and maintenance of the Joint Facilities:

(1) FRWA shall make good faith efforts to purchase and maintain commercial general liability, property, directors and officers' liability, errors and omissions, auto, non-owned and hired auto, insurance for FRWA Joint Facilities with the coverage, scope, limits, and forms determined by the Board with a minimum policy limit of \$10 million. The Members (EBMUD and SCWA) and their respective Directors, officers, employees, agents, and volunteers shall be Named Insureds to include completed operations coverage in the FRWA policy. The FRWA policy shall be primary and non contributory to any other insurance policies held by the Members. The insurance policy shall cover, but not be limited to, losses, claims, and attorneys' fees including losses, claims and attorneys' fees arising due to the gross negligence, ordinary negligence (active or passive), or errors and/or omissions by any or all of the Parties in the design, construction, operation, maintenance and replacement of Project facilities. The coverage shall contain no special limitations on the scope of protection afforded to EBMUD and SCWA and their respective Directors, officers, employees, agents, and volunteers. A properly executed endorsement must be provided with all policies stating that coverage is primary and non-contributory to any other insurance with respect to EBMUD and SCWA and their respective Directors, officers, employees, agents, and volunteers.

(2) If the insurance described above in (1) cannot be obtained, FRWA shall obtain the broadest insurance available with terms and conditions similar to the terms and conditions described in (1) above. Such alternative policy shall be primary and non-contributory to any other policies held by the Members.

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(3) If insurance described above in (1) or (2) cannot be obtained, SCWA, at its option and subject to FRWA's approval which shall not be unreasonably withheld, may purchase and maintain a separate insurance policy that provides coverage consistent with the terms and conditions described in (1) or (2) above that is unavailable through FRWA. The SCWA policy shall name EBMUD and FRWA as additional insureds. SCWA shall, upon submittal of appropriate invoices, be entitled to reimbursement from FRWA for the cost of the premiums for such a policy.

(4) If insurance described in (1), (2) or (3) above cannot be obtained, SCWA, at its option and subject to FRWA's approval which shall not be unreasonably withheld, may self-insure any liability exposure associated with its operation and maintenance of the Joint Facilities.

(5) Notwithstanding subsections (1), (2), (3) and (4) above, the Parties may agree to an alternative program of insurance or self-insurance, including a combination thereof, for FRWA exposures.

## **ARTICLE 12 – NOTICES**

Any notice which a Party to this Agreement may desire or is required at any time to give or serve another Party to this Agreement may be delivered personally, or be sent by United States mail, postage prepaid, addressed to the Authorized Representative of that Party, with a copy delivered contemporaneously in similar manner to the Authorized Representative of the other Party to this Agreement. Such personal delivery or mailing in such manner shall constitute a good, sufficient and lawful notice and service thereof in all such cases, and shall be effective as of the date so served.

## ARTICLE 13 – DISPUTE RESOLUTION

- 13.1 **Staff Resolution.** In the event of a dispute arising between the Parties, the Parties' staff and senior staff representatives will make their best efforts to resolve the dispute within 30 days of one Party notifying another of the dispute and, if successful, will document their resolution.
- 13.2 **Resolution by the Executives.** In the event that the dispute cannot be resolved at staff level within the 30 day period following initial notification, FRWA or SCWA may submit it simultaneously to the Executives, who shall attempt to resolve the dispute within 30 days of receiving such submittal.
- 13.3 **FRWA Board Resolution.** If the dispute cannot be resolved by the Executives, the Executives shall inform the FRWA Board at its next meeting and the FRWA Board shall nominate one of its members to serve as a Hearing Officer. Simultaneously under such circumstances, SCWA's Director of the Department of Water Resources shall inform the SCWA Board at its next meeting and the SCWA Board shall nominate one of its members not serving on the FRWA Board to serve as a Hearing Officer. The two Hearing Officers shall, within 30 days, meet to hear presentations from each Party and shall attempt to resolve the dispute and develop a joint resolution resolving the dispute for consideration by their respective Boards at their next meetings.
- 13.4 **Arbitration.** If the Boards are unable to resolve the dispute in such a process at their next meetings following the Hearing Officer meeting, the FRWA Board shall require the Executives to submit the dispute to arbitration within 30 days using an arbitrator identified by the American Arbitration Association and shall set a deadline of 60 days for completion of arbitration after submittal for arbitration. The Parties shall submit the matter to arbitration within such time frame and, if either of the Boards concludes that the dispute cannot be satisfactorily resolved through arbitration after such 60 day period, the Parties may resort to such other legal recourse as each individually deems appropriate.
- 13.5 **Dispute Requiring Urgent Resolution.** Notwithstanding the time steps defined above for a dispute to move from staff level through to action by the Boards, if either Party deems the dispute to be a Dispute Requiring Urgent Resolution, it may, in writing, request the Executives to resolve it as a Dispute Requiring Urgent Resolution. The

Executives shall meet within 10 days of receiving such request. If they are unable to resolve the dispute at that meeting, they shall, as necessary, call special Board meetings and the Boards shall accelerate the process defined above involving Hearing Officers and, as necessary, arbitration, for attempted resolution of the dispute by the Boards within 60 days of the earliest date on which one of the Boards addressed the dispute.

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## **ARTICLE 14 – AUDITS AND RECORDS**

SCWA shall cooperate with and fully support FRWA audits conducted pursuant to the Second Amended JPA, which audits may extend without limits to the services provided by SCWA to FRWA under this Agreement.

## **ARTICLE 15 – MISCELLANEOUS**

- 15.1 Entire Understanding.** This Agreement represents the entire understanding of FRWA and SCWA as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by amendment in writing signed by both Parties.
- 15.2 Assignments.** This Agreement is to be binding on the successors and assigns of the parties hereto. The services called for herein are deemed unique and SCWA shall not assign, transfer or otherwise substitute its interest in this Agreement.
- 15.3 Validity of All Parts of the Agreement.** Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid or beyond the authority of either Party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be interpreted to give effect to the intentions of the Parties.
- 15.4 Multiple Copies of the Agreement.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but which together shall constitute a single document.
- 15.5 Governing State Laws.** This Agreement and all matters relating to it shall be governed by the laws of the State of California.

- 15.6 **Waivers in Part.** SCWA's waiver of the performance of any covenant, condition, obligation, representation, warranty or promise in this Agreement shall not invalidate this Agreement or be deemed a waiver of any other covenant, condition, obligation, representation, warranty or promise. SCWA's waiver of the time for performing any act or condition hereunder does not constitute a waiver of the act or condition itself.
- 15.7 **No Discrimination.** There shall be no discrimination against any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, gender, age, marital status, disability, or sexual orientation in the performance of this Agreement
- 15.8 **Interpretation.** This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

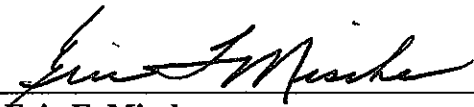
## **ARTICLE 16 – TERM AND TERMINATION**

- 16.1 **Expiration and Renewal.** This Agreement shall be effective as of November 9, 2006, and shall continue, unless terminated earlier pursuant to Section 16.2 or Section 16.3 below, in force for a term of ten (10) years after the date upon which the Notice to Proceed with Joint Facilities operations specified in Section 8.3 hereof is issued. This Agreement shall automatically renew for additional successive ten (10) years terms, subject to the termination provisions of Section 16.2 and 16.3 below.
- 16.2 **Termination.** Either Party may terminate this Agreement for any reason and without cause by providing 12 months prior written notice to the other party. If such notice of termination is provided, SCWA shall assist FRWA during the 12 month notice period to prepare for the transition of Joint Facilities operation and maintenance activities to FRWA or another Operating Agent designated by FRWA or the Parties may negotiate a successor agreement between themselves for operation and maintenance services for the Joint Facilities. Notwithstanding the issuance of a Notice of Termination pursuant to this Section, this Agreement shall remain in effect until such time as a successor operating agreement becomes effective.
- 16.3 **Termination Consistent with the Term of the FRWA Delivery Agreement.** This Agreement shall terminate automatically upon termination of the FRWA Delivery Agreement.

IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.

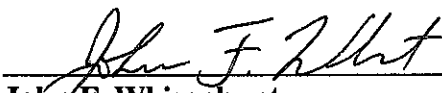
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**FREEPORT REGIONAL WATER AUTHORITY**

By:   
**Eric F. Mische**  
**Program Manager - FRWA**


Date 12/11/06

**Approved As To Form:**

By:   
**John F. Whisenhunt**  
**FRWA Legal Counsel**

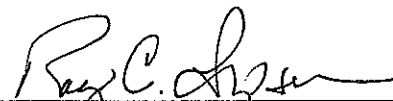
Date 12/11/06

**SACRAMENTO COUNTY WATER AGENCY**

By:   
**Keith C. DeVore**  
**Director - SCWA**

Date 12-19-06

**Approved As To Form:**

By:   
**Ray C. Thompson**  
**SCWA Legal Counsel**

Date 12-19-06



# **FRWA-SCWA Operating Agreement**

## **Appendices**

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Appendix A	Definition of FRWA Facilities
Appendix B-1	Cost Sharing for FRWA Operating and Maintenance Expenses
Appendix B-2	Work Categories
Appendix B-3	Major Maintenance Reserve Trustee Account
Appendix B-4	Labor Rates
Appendix B-5	FRWA Operations and Maintenance Budget Template
Appendix B-6	Invoice Detail
Appendix C	Flow Metering Reconciliation
Appendix D	Reporting Guidelines
Appendix E	Easements [Reserved for future use]
Appendix F-1	Key Permits Required During Operation
Appendix F-2	Mitigation Monitoring and Reporting Program Requirements during Operation
Appendix G	Local Community Interfaces
Appendix H	Key Performance Indicators
Appendix I	Contents of the Operations and Maintenance Manual
Appendix J	Responsibilities and Cost Sharing for Use of the Folsom South Canal

## **Appendix A**

### **Definition of FRWA and Member Facilities**

The following definitions, although illustrated by referring to Figures A-1 to A-5, shall override the depictions in Figures A-1 to A-5. Depictions in Figures A-2 to A-5 may change in final design drawings or as-built drawings.

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#### **A-1. FRWA Facilities**

All FRWA Facilities defined in this Section A-1 shall be owned by FRWA with capital cost-sharing responsibilities allocated between the Members according to the percentages stated in Section 5.1(a) of the Second Amended JPA.

**FRWA Intake:** All facilities and improvements within the boundary of the FRWA property immediately west of the South Sacramento Drainage Channel, and those projecting into the channel of the Sacramento River adjacent to the FRWA property. These facilities shall include the intake structure (fish screens, forebay, and pump building), the training walls and plaza surrounding the intake structure, the valve vault, the surge tanks, the meter vault, the substation, the equipment building, the sediment settling basins, and site work (roads, drainage and landscaping). Dedicated Capacity in the FRWA Intake shall be consistent with Section 6.3 of the Second Amended JPA.

**Joint Pipeline:** The 84-inch-diameter pipeline between the FRWA Intake and the Bifurcation, including the fiber-optic cable and conduit system along the pipeline alignment, cathodic protection systems, air relief valves, blowoffs, and associated vaults. The boundary between the FRWA Intake and the Joint Pipeline shall be 10 feet downstream of the outer wall of the meter vault. The boundary between the Joint Pipeline and the Bifurcation shall be 10 feet upstream of the centerline of the tee where the SCWA Extension pipeline branches off the Joint Pipeline. Dedicated Capacity in the Joint Pipeline shall be consistent with Section 6.3 of the Second Amended JPA.

**Bifurcation:** The facilities connecting the Joint Pipeline with the SCWA Extension and the EBMUD Extension, including pipelines, isolation valves, surge control tank and compressor, flow meter, programmable logic controller, telemetry facilities, and associated structures and site improvements. The boundary between the Bifurcation and the SCWA Extension shall be 10 feet downstream of the outer wall of the vault for the SCWA isolation valve. This boundary shall be the SCWA Point of Delivery. The boundary between the Bifurcation and the EBMUD Extension shall be 10 feet downstream of the outer wall of the vault for the flow meter on the pipeline to the EBMUD Extension. This boundary shall be the EBMUD Point of Delivery. Dedicated Capacity in the Bifurcation shall be consistent with Section 6.3 of the Second Amended JPA.

**Flow Control Station:** The facility at the downstream end of the SCWA Extension, including the isolation valves, flow meters, sleeve valves, bridge crane, programmable logic controller,

telemetry facilities, and associated building and valve vault. The boundary between the Flow Control Station and the SCWA Water Treatment Plant shall be 10 feet downstream of the outer wall of the building.

Instrumentation, Control and Telecommunication Facilities: In addition to the instrumentation, control facilities contained within the FRWA Facilities described above:

- a) The fiber-optic cable and conduit system between the Bifurcation and the Flow Control Station shall be FRWA Facilities.
- b) The fiber-optic cable and conduit system between the Bifurcation and the Terminal Weir Structure shall be FRWA Facilities.
- c) The instrumentation to gauge water level in the Terminal Weir Structure and in the Folsom South Canal near the Terminal Weir Structure, instrumentation to monitor water quality in or near the Terminal Weir Structure, and the associated programmable logic controller(s), fiber-optic cable and conduit system, radio system, and/or other telemetry facilities shall be FRWA Facilities.
- d) The monitoring and telemetry equipment provided by FRWA and to be located at the U.S. Bureau of Reclamation's (USBR) Deer Creek gate structure, as required to convey electronic signals between USBR and FRWA, shall be FRWA facilities.

## **A-2. SCWA Facilities**

All SCWA Facilities defined in this Section A-2 shall be owned by SCWA and SCWA shall be responsible for all of the capital costs for such facilities.

SCWA Extension: The 66-inch-diameter pipeline between the Bifurcation and the Flow Control Station, including cathodic protection systems, air relief valves, blowoffs, and associated vaults. The boundary between the SCWA Extension and the Flow Control Station shall be the upstream outer wall of vault for the isolation valves for the Flow Control Station building.

SCWA Water Treatment Plant: The 85 MGD Zone 40 surface water treatment plant (or "Vineyard Surface Water Treatment Plant") to be located north of the Bifurcation.

## **A-3. EBMUD Facilities**

All EBMUD Facilities defined in this Section A-3 shall be owned by EBMUD and EBMUD shall be responsible for all of the capital costs for such facilities.

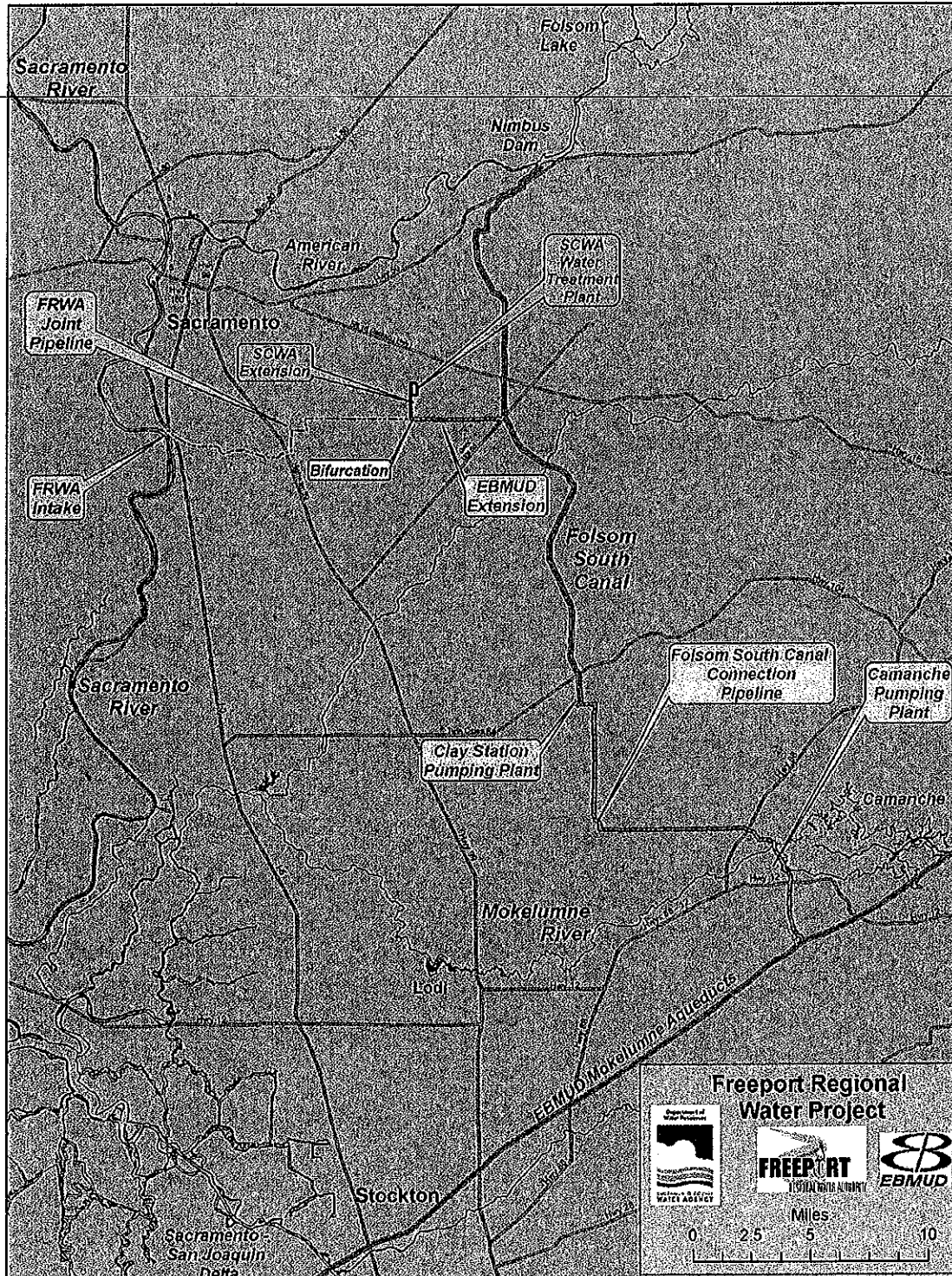
EBMUD Extension: The 72-inch-diameter pipeline between the Bifurcation and the Terminal Weir Structure, including cathodic protection systems, air relief valves, blowoffs, and associated vaults. The boundary between the EBMUD Extension and the Terminal Weir Structure shall be 15 feet upstream of the outer wall of the Terminal Weir Structure.

Terminal Weir Structure: The facility at the downstream end of the EBMUD Extension,

including the slide gate, weir, connection with the U.S. Bureau of Reclamation's Folsom South Canal, and associated site improvements.

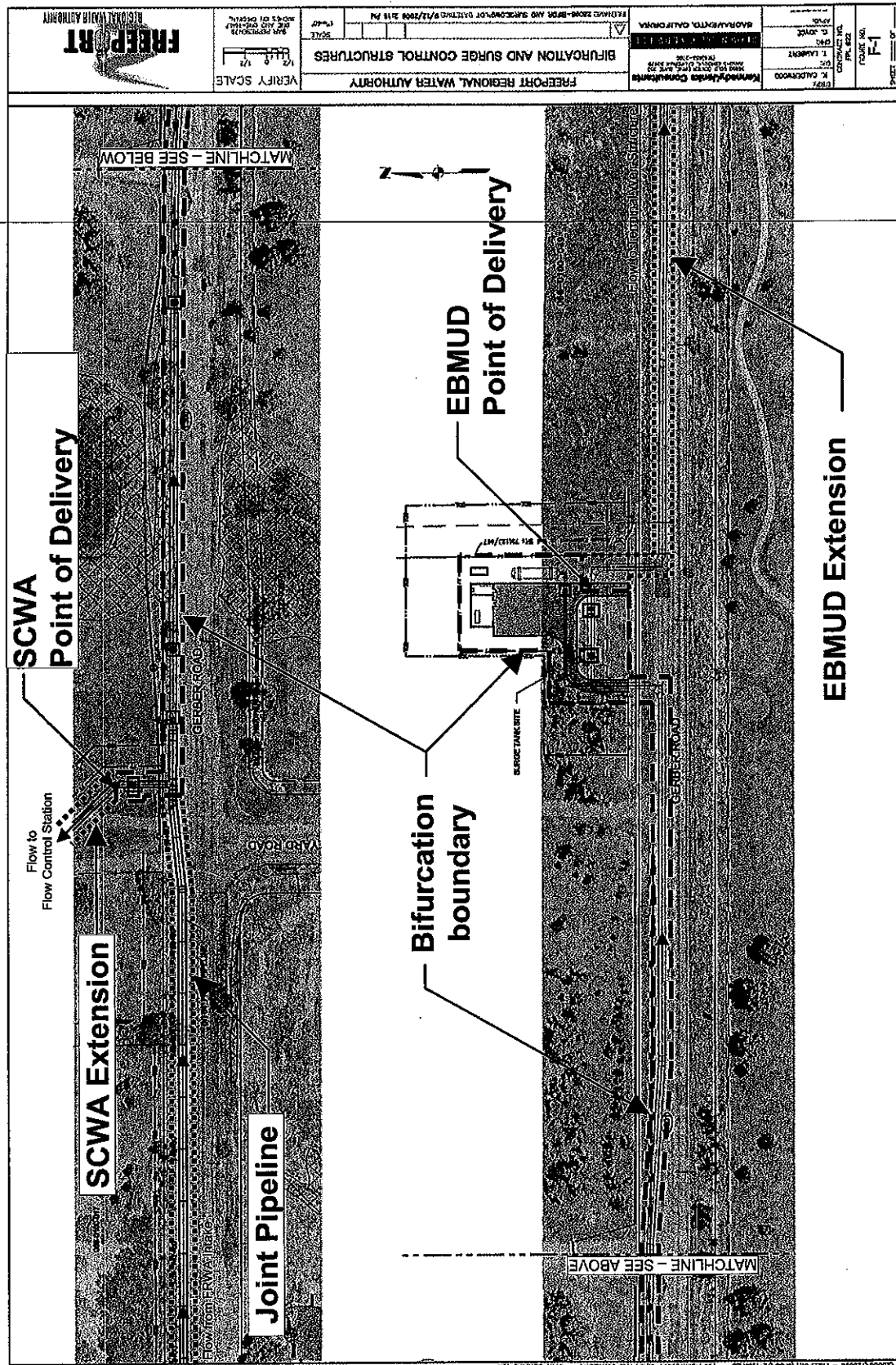
Folsom South Canal Connection: The facilities required to convey water from near the end of the Folsom South Canal to EBMUD's Mokelumne Aqueducts. These facilities include Clay Station Pumping Plant, Camanche Pumping Plant, a 72-inch-diameter pipeline connecting the two pumping plants, and a 72-inch-diameter pipeline connecting Camanche Pumping Plant to the Mokelumne Aqueducts.

# Figure A-1: Freeport Regional Water Project

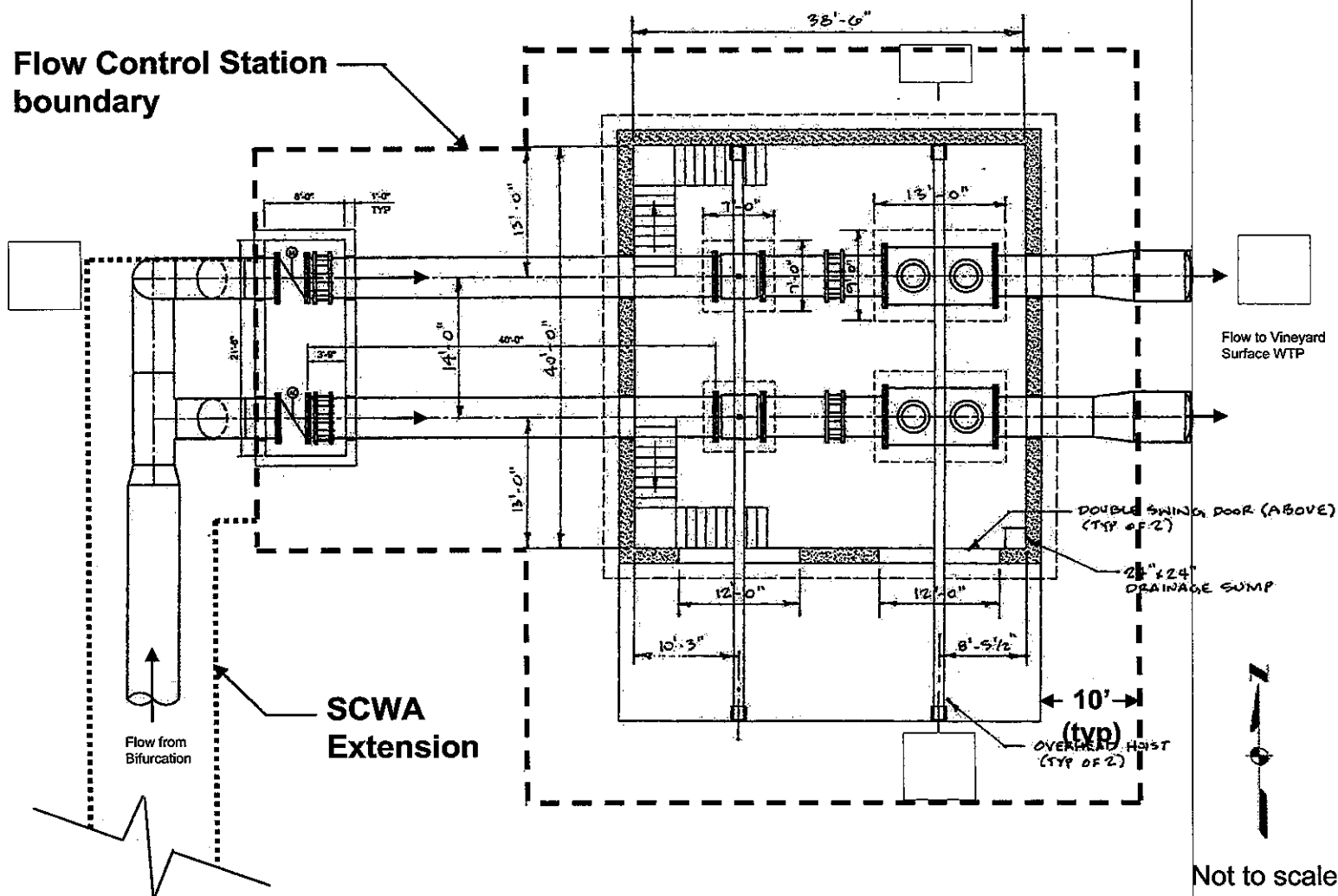




**Figure A-3: Bifurcation**



### Figure A-4: Flow Control Station





Technical drawing of the EBMUD Extension project, showing a plan view of the terminal weir structure and its connection to the Folsom South Canal.

**Key Features and Labels:**

- Flow from Bifurcation:** Indicated by an arrow pointing towards the terminal weir structure.
- Flow to Folsom South Canal:** Indicated by an arrow pointing away from the terminal weir structure.
- WEIR, TYP.:** Labels pointing to the weir structure on either side of the bifurcation.
- PARAPET, TYP.:** Labels pointing to the parapet structure on either side of the bifurcation.
- FOUNDATION:** A label pointing to the base of the terminal weir structure.
- ALL STOP GATE:** A label pointing to the gate structure within the terminal weir structure.
- TWO FLEXIBLE COUPLINGS:** A label pointing to the connection between the EBMUD extension and the terminal weir structure.
- EBMUD Extension:** A label pointing to the main pipe structure.
- Terminal Weir Structure boundary:** A dashed line indicating the boundary of the terminal weir structure.
- Folsom South Canal:** A label pointing to the canal structure.
- Not to scale:** A note indicating that the drawing is not to scale.
- North Arrow:** A symbol indicating the orientation of the drawing.

## Appendix B-1

### Cost Sharing for FRWA Operating and Maintenance Expenses

<div> <div>Work Category (See Appendix B-2)</div> <div>Facility (See Appendix A)</div> </div>		Operation				Maintenance				
		Control Room	Administrative Tasks	Energy	All Other Operation	Structure	Production Systems	Utility Systems	Site & Right-of-way	Security
Name	Code									
FRWA Intake										
Site	10	F	F	V	V	F	V	F	F	F
Intake structure	12	F	F	V	V	F	V	F	F	F
Surge control & metering	14	F	F	V	V	F	V	F	F	F
Settling basins	16	F	F	V	V	F	V	F	F	F
Equipment building	18	F	F	V	V	F	V	F	F	F
Substation	19	F	F	V	V	F	V	F	F	F
Pipelines										
Joint Pipeline		F	F	F	V	F	V	F	F	F
EBMUD Extension										
Pipeline		F	F	E	E	E	E	E	E	E
Fiber-optic cable and conduit		F	F	V	V	F	V	F	F	F
SCWA Extension										
Pipeline		F	F	S	S	S	S	S	S	S
Fiber-optic cable and conduit		F	F	V	V	F	V	F	F	F
Bifurcation		F	F	V	V	F	V	F	F	F
Flow Control Station		F	F	V	V	F	V	F	F	F
Terminal Weir Structure										
Structure	50	F	F	E	E	E	E	E	E	E
Instrumentation/SCADA		F	F	V	V	F	V	F	F	F

#### Key:

F	Fixed split (based on allocated capacity)
V	Variable split (based on actual delivery)
E	EBMUD
S	SCWA

#### Basis for variable split:

Electric energy charge - Flow split during hour of use

Electric facilities charge - Flow split during 15 minute period in which demand was set.

Per current SMUD rate schedule, this charge carries forward for 12 months or until a higher demand is set.

All other electric charges - Flow split for the month

All other expenses - Estimated annual deliveries, with adjustment in next year

Variable split shall be applied to FRWA's costs related to the Folsom South Canal, as defined in Appendix J.

## Appendix B-2

### Work Categories

Work Category	Typical Systems* or components
<b>Operations</b>	
Control Room	Control room staff allocated to FRWA facilities. At Intake control room or Operating Agent's control room.
Administrative Tasks	Administrative tasks not included in the overhead for the Operating Agent. Examples include: O&M planning, legal affairs, reporting, public relations, audits, regulatory agency relations, and permitting management.
Energy	All electrical costs, including energy charge, facilities charge, and other charges
All other Operations	Operation activities outside of the control room, other than administrative tasks, including: operator checks of pumps and other equipment; routine walk-arounds of settling basins, bifurcation area, flow control station and terminal weir structure; and inspection of pipeline right-of-way
<b>Maintenance</b>	
Structure	Systems 9 (Buildings) and 11 (Pipeline), and surge tanks
Utilities	Systems 6 (Electrical Substation), 7 (Electrical Distribution) except medium-voltage switchgear, and 10 (Auxiliary Systems)
Production Systems	Systems 1 (Fish Screens), 2 (Sediment Control), 3 (Raw Water Pumping), 4 (Surge Control) except surge tanks, 5 (Flow Control), 8 (SCADA/Control), and medium-voltage switchgear
Site & Right-of-Way	Systems 12 (Right-of-Way) and 13 (Landscaping and Irrigation), and yard piping and utilities
Security	System 14 (Security)

\*System numbers per following Project Systems list

## FREEPORT REGIONAL WATER PROJECT

### PROJECT SYSTEMS

1. Fish Screens
  - Screen cleaning equipment
  - Panels
  - Log boom
2. Sediment Control
  - Collection System
    - i. Chain and flight collectors
    - ii. Sediment removal pumps
    - iii. Associated control system and instrumentation
  - Jetting System
    - i. Valves and actuators
    - ii. Associated control system and instrumentation
  - Settling Basins
    - i. Basins
    - ii. Inlets/Outlets
    - iii. Return flow system
    - iv. Associated control system and instrumentation
3. Raw Water Pumping
  - Pumps
  - Adjustable frequency drives
  - Pump control system
  - Associated valves and piping out to and including the check valves in the valve vault.
4. Surge Control
  - Surge tanks and appurtenances
  - Air compressors
  - Associated control system and instrumentation
5. Flow Control
  - Throttling and isolation valves
  - Raw water flow metering
  - Associated control system and instrumentation
6. Electrical Substation (69kV/4160V)
  - Transformers
  - Metering
7. Electrical Distribution
  - Medium-voltage switchgear
  - Low-voltage MCCs
  - Local low-voltage distribution panels
8. SCADA/Control
  - HMI/computers
  - PLCs w/UPS
  - Instrumentation

- Fiber-optic communications
  - Radio communications
  - 9. Buildings
    - Roofing
    - Doors and windows
    - Painting
    - Lighting
  - 10. Auxiliary Systems
    - Cranes
    - HVAC
    - Utility water
    - Potable water
    - Sanitary system
    - Chemical injection
    - Outdoor lighting
    - Photovoltaic power system
    - Telephone/VoIP
    - Corrosion control
  - 11. Pipeline
    - Main pipeline
    - Line valves
    - Appurtenances
  - 12. Right-of-way
    - Roads
    - Encroachment control
  - 13. Landscaping and Irrigation
    - Plants
    - Sprinkler system
    - Weed abatement
  - 14. Security
    - Fencing and gates
    - Intrusion alarms
    - Cameras
    - Security computer
-

## **Appendix B-3**

### **Major Maintenance Reserve Trustee Account**

The purpose of the Major Maintenance Reserve Trustee Account is to allow for the payment over time of major maintenance costs that are primarily a result of wear and tear due to process flow. By use of this account, cost of flow-based major maintenance will be allocated to the members based on actual water deliveries. The Maintenance Reserve Trustee Account is used to meet costs incurred in significant maintenance work orders, in excess of \$50,000, for Joint Facilities equipment subject to wear through ongoing use. A starting list of equipment is included below. Funding for the MMRTA will be allocated to the Members based on Contribution Rate per acre foot established by the FRWA Treasure from time to time. The initial Contribution Rate is set at \$3.50 per Acre Foot. The basis for the initial rate is shown in the table on the next page.

#### **Initial list of Major Maintenance Reserve Trustee Account Items**

- Raw Water Pumps
- Adjustable Frequency Drives
- Sediment Collectors
- Clean & Drain Settling Basins

**Major Maintenance Reserve Trustee Account Contribution Rate Basis**  
(Flow based equipment requiring major rebuilds or susceptible to major break down)

Assume average annual flow at 80 TAF based on [4]

Equipment Name	Description	Manufacturer	Cost & Life Cycle Estimates	Cost per TAF
Raw water pumps	2000 HP Vertical Turbine Pump and 4160 kW motor	Fairbanks-Morse pump & Electric Machinery motor, catalog cuts available in 30% package	\$100k per Pump & Motor at 5 years for 8 pumps per [1] (((\$100k*8)/5)/80	\$2,000
36" check valves			EBMUD RCM: Not significant	\$0
AFDs	Adjustable Frequency Drive	Robicon, catalog cuts available	10% of \$2.5 M cost at 5 years [4] for 8 AFDs (\$250k/5)/80	\$625
Switchgear	5Kv 3000 amp	Eaton or equal	Not considered flow based	\$0
Transformers			Not considered flow based	\$0
Sediment collectors (longitudinal and cross)	Chain & Flight	US Filter/ Envirex, catalog cuts	\$310k cost at 20 yr life [2] (\$310/20)/80	\$200
Screen cleaner		Transco	Probably under \$50k, yearly event, not included	\$0
Sleeve valves	Similar to those at Briones Center		EBMUD RCM: We have a lot of trouble with ours could be \$20k every 5 years, but it is raw water from a reservoir. Only used when deliveries made to the FSC.	\$0
Clean & drain sediment settling basins			Probably not an annual event in early years based on [3] Assume \$50k/100 TAF	\$500
			Total	Say \$3,500

[1] email Lisa Toth to Joseph Young 3/27/06

[2] email Mark Salmon to Joseph Young 3/22/06

[3] email Mark Salmon to Joseph Young 3/20/06

[4] email Mark Salmon to Joseph Young 3/10/06

## **Appendix B-4**

### **Labor Rates**

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The Fiscal Year 2006 total labor rate shall be as shown on the Municipal Services Agency Labor Rates table attached. The labor rates for subsequent fiscal years shall be approved by FRWA and will be calculated annually using the methodology on the attached Labor Rate Calculation Definitions included in this appendix, and using the data from the Indirect and Overhead Labor Rates Data Entry Worksheet (DEW), and the AP08 Financial Status Report (FSR) for Fund 033A and Fund Center 2512511 for the appropriate fiscal year. A copy of the DEW and the FSR for FY06 are included in this appendix.

The DEW is prepared by the SCWA's Municipal Service Agency – Accounting and Fiscal Services Section annually based on the proposed budget submitted to the Sacramento County Board of Supervisors. A copy of the DEW for FY06 is included in this appendix.

The total labor rate is composed of the factored hourly rate, the indirect rate, and the administration and Overhead rate.



**MUNICIPAL SERVICES  
AGENCY  
LABOR RATES**

Replaces: July 1, 2004  
Effective: July 1, 2005

Fund 033A Cost Center 2512511000 PW WR-SUPP/DRAINAGE

Class Code	Class Title	Factored Hourly	Indirect	Admin + Overhead	Total
27541	Account Clerk 3	\$31.51	\$27.00	\$3.00	\$61.51
27545	Sr Accountant	\$57.22	\$27.00	\$3.00	\$87.22
27548	Accountant Lv 2	\$49.50	\$27.00	\$3.00	\$79.50
27603	Admin Svcs Officer 1	\$41.76	\$27.00	\$3.00	\$71.76
27604	Admin Svcs Officer 2	\$59.77	\$27.00	\$3.00	\$89.77
27605	Admin Svcs Officer 3	\$65.67	\$27.00	\$3.00	\$95.67
27610	Accounting Technician	\$36.17	\$27.00	\$3.00	\$66.17
27704	Chief Division of Water Resources	\$86.14	\$27.00	\$3.00	\$116.14
27706	Assoc Civil Engineer	\$62.41	\$27.00	\$3.00	\$92.41
27709	Sr Civil Engineer	\$71.46	\$27.00	\$3.00	\$101.46
27710	Asst Civil Engineer Lv 1	\$35.12	\$27.00	\$3.00	\$65.12
27711	Asst Civil Engineer Lv 2	\$50.31	\$27.00	\$3.00	\$80.31
27783	Clerical Supv 1	\$34.06	\$27.00	\$3.00	\$64.06
27901	Engineering Aide	\$20.60	\$27.00	\$3.00	\$50.60
27911	Engineer Architect Student Intern Rng SR	\$14.37	\$27.00	\$3.00	\$44.37
27935	Equipment Mechanic	\$31.88	\$27.00	\$3.00	\$61.88
27936	Sr Equipment Mechanic	\$48.09	\$27.00	\$3.00	\$78.09
27953	Executive Secretary	\$38.95	\$27.00	\$3.00	\$68.95
27958	Sr Engineering Technician	\$38.27	\$27.00	\$3.00	\$68.27
27959	Supv Engineering Technician	\$48.91	\$27.00	\$3.00	\$78.91
27960	Engineering Technician Lv 1	\$22.95	\$27.00	\$3.00	\$52.95
27961	Engineering Technician Lv 2	\$31.72	\$27.00	\$3.00	\$61.72
28040	Highway Maint Equipment Operator	\$40.96	\$27.00	\$3.00	\$70.96
28043	Sr Highway Maintenance Supv	\$55.86	\$27.00	\$3.00	\$85.86
28046	Highway Maintenance Supv 1	\$43.52	\$27.00	\$3.00	\$73.52
28048	Highway Maintenance Supv 2	\$48.12	\$27.00	\$3.00	\$78.12
28050	Highway Maintenance Wkr	\$31.75	\$27.00	\$3.00	\$61.75
28051	Sr Highway Maintenance Wkr	\$36.24	\$27.00	\$3.00	\$66.24
28079	Supv Industrial Waste Inspector	\$48.77	\$27.00	\$3.00	\$78.77
28145	Maintenance Helper	\$12.31	\$27.00	\$3.00	\$42.31
28156	Mechanical Maintenance Mgr	\$55.41	\$27.00	\$3.00	\$85.41
28157	Mechanical Maintenance Supv	\$49.69	\$27.00	\$3.00	\$79.69
28158	Mechanical Maintenance Technician	\$41.56	\$27.00	\$3.00	\$71.56
28159	Asst Mechanical Maint Technician	\$36.91	\$27.00	\$3.00	\$66.91
28172	Maintenance Wkr	\$25.38	\$27.00	\$3.00	\$55.38
28203	Sr Office Assistant	\$28.83	\$27.00	\$3.00	\$58.83
28206	Office Assistant Lv 2	\$24.47	\$27.00	\$3.00	\$54.47
28212	Sr Office Specialist	\$32.54	\$27.00	\$3.00	\$62.54
28216	Office Specialist Lv 2 Conf	\$31.30	\$27.00	\$3.00	\$61.30
28238	Principal Civil Engineer	\$80.01	\$27.00	\$3.00	\$110.01
28245	Principal Engineering Technician	\$46.00	\$27.00	\$3.00	\$76.00
28383	Student Intern	\$11.77	\$27.00	\$3.00	\$41.77
28384	Sr Student Intern	\$13.52	\$27.00	\$3.00	\$43.52
28399	Safety Specialist	\$54.09	\$27.00	\$3.00	\$84.09
28534	Underground Constr and Maint Mgr	\$53.63	\$27.00	\$3.00	\$83.63
28535	Underground Constr and Maint Spec	\$39.57	\$27.00	\$3.00	\$69.57
28536	Underground Constr and Maint Supv	\$47.27	\$27.00	\$3.00	\$77.27

**MUNICIPAL SERVICES  
AGENCY  
LABOR RATES**

Replaces: July 1, 2004  
Effective: July 1, 2005

**Fund 033A Cost Center 2512511000 PW WR-SUPP/DRAINAGE**

Class Code	Class Title	Factored Hourly	Indirect	Admin + Overhead	Total
28537	Asst Undergrnd Constr Maint Spec	\$34.59	\$27.00	\$3.00	\$64.59
28565	Water Quality Control System Supv	\$55.52	\$27.00	\$3.00	\$85.52
28567	Sr Water Quality Control System Tech	\$46.77	\$27.00	\$3.00	\$76.77
28570	Water Quality Maint Superintendent	\$68.16	\$27.00	\$3.00	\$98.16
28901	Chief Financial Administrative Officer	\$81.74	\$27.00	\$3.00	\$111.74
28903	Dir of Water Resources	\$106.20	\$27.00	\$3.00	\$136.20
28955	Environmental Specialist Lv 1	\$34.16	\$27.00	\$3.00	\$64.16
28956	Environmental Specialist Lv 2	\$44.71	\$27.00	\$3.00	\$74.71
29005	Engineer Architect Student Intern Rng JR	\$13.68	\$27.00	\$3.00	\$43.68
29006	Engineer Architect Student Intern Rng SO	\$13.03	\$27.00	\$3.00	\$43.03
29007	Engineer Architect Student Intern Rng ER	\$12.44	\$27.00	\$3.00	\$42.44
29017	Communications and Media Officer 1	\$43.37	\$27.00	\$3.00	\$73.37
29018	Communications and Media Officer 2	\$59.55	\$27.00	\$3.00	\$89.55
29087	Sr Safety Specialist	\$62.50	\$27.00	\$3.00	\$92.50

## Labor Rate Calculation Definitions

1. **Billable Hourly Rate** (Loaded Labor Rate) = Factored Hourly + Indirect Hourly Rate + Overhead Rate

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where the current Indirect Hourly Rate is \$27.00 and current Overhead Rate is \$3.00 respectively.

2. **Factored Hourly Rate** = (Average Base Wage) x (Benefit Factor) x (Productive Hourly Factor)

**Average Base Wage** = Sum of Modified Base Hourly Wage for each employee in the class / No. of employees in the class

**Modified Base Hourly Wage** = (Base Hourly Wage + Step Increases) x COLA x Equity x Bonus

**Benefit Factor** = Benefit Cost [by department] / Salary Cost [by department]

\*using prior year's actual benefit and salary cost

**Productive Hourly Factor** (10 objects) = Total Number of Hours Worked Annually [by classification] / (Total Number of Hours Worked Annually [by classification] - Total Holiday Hours [by classification] - Total Sick Hours [by classification] - Total Vacation Hours [by classification] - Total Comp Hours [by classification])

\*using 5 years average

3. **Indirect Hourly Rate** = (Budgeted Indirect Costs (less amounts related to fixed assets or charged to orders)) + (Prior Year Loss Recovery in Current Year) + (Cost of Indirect Labor) / (Current Year Estimated Chargeable Hours of Unit #2512511-Water Resources-Supply/Drainage)

\*prior year loss recovery – no more than \$500,000 per year, anticipated to start in 2008 or 2009

4. **A&G (Overhead) Hourly Rate** = Budgeted Overhead Costs / Current Year Estimated Chargeable Hours

\*Overhead Costs consist of: County-wide overhead, Municipal Services Agency (MSA) overhead, Department overhead

**5. Total Indirect Cost** = (Budgeted Total Expenditures in all 20 objects + 30, 40, 60 objects) – (Budgeted Total Salaries & Wages in all 10 objects) – Budgeted County-wide Overhead – Budgeted Agency Overhead – Budgeted Depreciation Expense)

\*excludes depreciation; \*included in Indirect Costs are Intrafund Charges (60 objects)

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**6. Total Indirect labor Cost** = (Total Salaries & Wages in all 10 objects) x (the Applied Indirect Labor percentage)

\*based on history, a 5 year average.

**7. Chargeable Hour**= No. of staff x 2080 hours annually x percentage of workable hours x percentage of direct chargeable hours

\*percentage for current year on both workable hours and direct chargeable hours is 87%.

**8. Additional \$6 for Indirect Hourly Rate (When approved by FRWA)**

\* Current \$6 charge covers future moving costs to new building which is expected to occur before OA begins billing hourly charges, hence the \$6 building charge will drop from the labor rate calculation. It is possible that other prepayment charges may be approved by FRWA and include in the labor rate calculation in the future.

**9. Applied Indirect Labor Percentage**

\* based on estimated applied indirect labor of 13% for planning/forecasting purposes, it is expected to be lower than 13%.

**10. Reconciliation/Analysis Schedules**

\* Review will be done on an annual basis, starting in 2009 or 2010. Schedules to be prepared by AFS (Accounting & Fiscal Services at SCWA). SCWA's Fiscal Year – July 1 to June 30.

# **Indirect and Overhead Labor Rates Data Entry Worksheet** **Year 05-06**

(DEW)

Note: Please only update the green/shaded area

	2512511 WR-Supp/Drainage	2552531 WQ-Drain North	2552532 WQ-Drain South	2552540 WQ-Potable Water	Summary	
<b>Indirect Labor</b>						<b>New (Est.)</b>
CHARGEABLE HOURS	165,000	55,000	50,000	55,000	325,000	385,000
Prel Budgeted Svc&Sup	3,537,741	972,552	930,376	1,445,467	6,586,136	5,079,576
Known Changes						
Subtotal	3,537,741	1,408,878	980,936	1,177,885	6,586,136	5,079,576
Spent %	100%	100%	100%	100%	100%	100%
Spent Prel Budg. Svc&Sup	3,537,741	1,408,878	980,936	1,177,885	6,586,136	5,079,576
Other Rev Source (6906)						
Planned Indirect Charge		1,350,000	900,000	1,025,000	3,275,000	
Total Indirect Costs	3,537,741.00	59,878.00	80,936.00	152,885.00	3,311,136	5,079,576
(A) Indirect Costs (rounded)	3,538,000.00	60,000.00	81,000.00	153,000.00	3,314,000	5,080,000
Prel Budgeted O&M	11,004,072	2,681,146	2,107,762	2,859,290	18,512,240	22,464,671
Applied Indirect Labor %	31%	2%	2%	8%	14%	13%
Total Indirect Labor Cost	1,217,048	53,622	42,155	212,743	2,036,348	3,002,226
(B) Indirect Labor Cost (rounded)	1,217,000	54,000	42,000	213,000	2,038,000	3,002,000
(C) Recover Prior Year Loss	0	0	0	0	0	0
(D)=(A)+(B)+(C) Total Indirect Cost	4,755,000	114,000			5,347,000	8,082,000
Estimated Indirect Rate	28.82	2.07	28.568 + 4.29 (1)		16.45	20.89
Publish Indirect Rate	29.00	2.00	- 22.404 + 6.72 (2)		16.00	21.00
			- 359.782 (3)			
			- 708.721 (4)			
			- 15.679 (5)			
			5,079,576 (6)			
<b>Overhead Labor</b>						
Budget County WdC	180,570	30,414			180,570	369,782
Budget Agency	504,933	98,321			603,930	1,088,121
Budget Division		11,709,362			11,709,362	
Subtotal	470,509	1,308,094			3,556,779	1,088,503
Known Changes						
Estimated Final Budget	470,509	1,412,007			3,804,560	1,068,503
Estimated Overhead Rate	2.85	26.67			11.71	2.78
Publish Overhead Rate	3.00	26.00			12.00	3.00

Note: Numbers in bubbles refer to the values used to calculate Preliminary Budgeted Services and Supplies

SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES  
FUND 033A - Fund Center 2512511  
Fiscal Year 2004/05 AP 08 (67% of year expended)  
Financial Status Report

(FSR)

Acct No.	Account Title	2004-2005 Appropriations	Increase thru AP 8	AP 8 YTD	Plus Enc	2004-2005 YTD	2004-2005 YE Est.	2004-2005 Proposed Budget	
<b>EXPENDITURES</b>									
10111000	S/W - Regular	6,494,941	1,020,871	4,217,902		4,217,902	6,444,502	14,101,545	65%
10112100	S/W - Extra Help (Students - 2003)	329,664	25,922	140,158		140,158	329,664	342,766	43%
10112200	S/W - Extra Help In-Lieu (2002)	0	378	378		378	0	245,110	
10113100	S/W - Straight Overtime	40,000	4,195	20,234		20,234	40,000	45,000	81%
10113200	S/W - Overtime at 1 1/2	40,000	3,448	17,733		17,733	40,000	440,000	44%
10114100	S/W - Premium Pay	49,000	7,968	33,155		33,155	51,000	96,000	68%
10114200	Standby Pay	0	0	0		0	0	140,000	
10114300	Allowances (boot allowance)	12,000	3,500	8,273		8,273	12,000	42,000	69%
10115200	S/W - Terminal Pay	0	3,946	16,763		16,763	20,000	0	
10121000	Retirement	1,214,713	136,658	578,900		578,900	884,484	2,728,873	48%
10122000	OASDI	578,944	79,337	318,723		318,723	430,000	1,120,345	55%
10123000	Group Insurance	975,800	142,731	417,445		417,445	663,000	2,356,200	43%
10123001	Co. EE Plan Select	4,000	1,500	5,940		5,940	5,000	10,000	149%
10123002	Dental Plan - ER Cost (new in FY04)	0	19,337	69,842		69,842	0	0	
10123003	Life Ins. - ER Cost (new in FY04)	0	704	2,530		2,530	0	0	
10124000	Compensation Insurance	102,040	17,007	68,027		68,027	102,040	231,890	67%
10125000	Unemployment Insurance	9,982	1,664	6,655		6,655	9,982	9,631	67%
10135000	Refers Medical Offset (new in FY05)	111,942	18,658	74,632		74,632	111,948	219,712	67%
10140000	Cost Reduction Factor (Compensated absence sd)	30,000	0	0		0	30,000	277,595	0%
	<b>Total Salaries &amp; Wages</b>	<b>9,993,026</b>	<b>1,457,814</b>	<b>5,997,290</b>	<b>0</b>	<b>5,997,290</b>	<b>9,227,520</b>	<b>22,404,571</b>	<b>60%</b>
20200500	Advertising/Legal Notices	2,000	0	603		603	2,000	2,500	
20201500	Blueprint/Copying Service	2,000	1,131	1,154		1,154	2,000	2,000	
20202200	Books/Periodical Supplies	10,000	2,438	9,308	1,445	10,754	10,000	11,500	
20202900	Business/Conference Exp	37,700	1,887	10,087	2,545	12,632	37,700	54,000	
20203100	Business Travel	0	0	0		0	0	0	
20203500	Education & Training Services	98,000	2,938	17,837		17,837	50,000	253,000	18%
20203700	Tuition Reimbursement	8,000	1,508	2,294		2,294	2,500	11,000	
20203801	Recog items - employees	8,000	0	136		136	8,000	19,000	
20203803	Recognition events	0	0	0		0	0	0	
20203804	Workplace amenities	0	2,823	5,889		5,889	0	0	
20203805	Food purchases / services	0	36	376		376	0	0	
20203807	Business Meals	0	0	133		133	0	0	
20203900	Private Auto Mileage	3,000	669	982		982	1,000	4,000	
20204500	Freight/Express Charges	2,000	169	1,985		1,985	4,000	4,000	
20205100	Liability Insurance	54,047	9,007	35,031		35,031	54,047	116,901	
20206100	Memberships	1,000	0	275	25	300	1,000	1,000	
20206200	Mkt Reimbursement/dues/fees	0	0	150		150	300	1,500	
20206500	Photographic/Microfilm Services	500	0	0		0	0	9,000	
20207600	Office Supplies	69,500	11,460	40,845	1,504	42,347	69,500	144,000	
20208100	Postage Service	2,000	0	110		110	1,000	2,000	
20208500	Printing & Binding	6,500	1,142	8,889		8,889	20,000	8,000	
20211100	Bldg Maint Svc	0	0	480		480	480	0	

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Page 1  
4/27/2005 7:53 AM

Note: Numbers in bubbles refer to the values used to calculate Preliminary Budgeted Services and Supplies. See DEW.

SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES  
 FUND 033A - Fund Center 2512511  
 Fiscal Year 2004/05 AP 08 (67% of year expended)  
 Financial Status Report

(FSR) continued

Acct No.	Account Title	2004-2005 Appropriations	Increase thru AP 8	AP 8 YTD	Plus Enc	2004-2005 YTD	2004-2005 YE Est.	2004-2005 Proposed Budget	
20214200	Land Imp Maint Sup	0	0	0		0	0	0	
20220500	Auto Maint Svcs	0	90	90	137	227	137	1,000	
20222600	Expendable Tools/Instruments	0	0	65		65	65	0	
20222700	Cellular Phone/Pocket Pager/Purchases	0	0	211		211	211	0	
20226100	Office Equip. Maint	1,000	0	0		0	1,000	5,000	
20226200	Office Equipment (furniture)	66,800	12,714	20,418	3,480	23,898	66,800	58,400	
20226300	Modular Panels (Herman-Miller)	164,000	0	0		0	0	80,000	0%
20226400	Modular Furniture (Herman-Miller)	140,000	225	187,362	13,966	201,328	300,000	80,000	144%
20226500	Inventoriable Equipment	3,500	0	2,644		2,644	3,500	9,000	
20227200	Radio / Elect maint Supplies	0	0	566		566	566	0	
20227500	Rents/Leases/Equipment (WR copiers)	35,000	8,673	24,163		24,163	38,000	90,000	
20229100	Other eq maint svc	0	0	0		0	0	0	
20231400	Clothing/Personal Supplies(non-ETI boot reim.)	3,956	180	540		540	3,956	25,000	
20235100	Laundry/Dry Cleaning Svcs	0	0	0		0	0	45,000	
20244300	Medical Svcs (EAP costs)	0	300	11,627		11,627	20,000	25,000	
20250600	Investment fees	500	0	0		0	500	500	
20252100	Tomp. Svcs. Contract	10,000	9,311	17,335		17,335	20,000	20,000	
20252500	Engineering Svcs (FY04-Arktegraf Inc.-EG office)	0	0	0		0	0	0	
20253100	County Counsel	10,000	2,156	9,132		9,132	15,000	15,000	
20254100	Personnel Svc Leg Advocate Ofc (CEO's ofc) was a/c 3800	0	0	3,300		3,300	20,000	20,000	
20254400	Safety Program	3,229	539	2,153		2,153	3,229	6,876	
20255200	Environmental / DERA Svcs (Elk Grove Site)	0	0	0		0	0	0	
20258200	Public Information Svcs	0	1,158	1,158		1,158	0	0	
20258100	Other Professional Svcs	140,040	(3,174)	71,104	1,491	72,595	140,040	300,000	52%
20261201	Hardware	0	2,533	6,171		6,171	0	0	
20288000	Prior Yr Expenditures	0	0	(205)		(205)	(205)	0	
20288800	Other Operating Exp.-professional reimb.	72,000	11,745	44,076		44,076	72,000	108,500	
20289800	Other Operating Exp.-misc.	6,800	1,228	4,605	201	4,806	6,800	5,000	
20291200	System Dev Sup	230,844	54,586	226,773	54,232	281,005	240,000	260,455	122%
20291500	Compass Project Allocation	52,013	8,668	34,677		34,677	52,013	189,938	
20291700	Alarm & Security Monitoring	2,112	528	1,584		1,584	2,112	5,077	
20291800	GS-Scanning Services	0	0	733		733	733	0	
20291900	Contract Services (GS Contracts)	0	0	0		0	0	0	
20292100	GS-Printing Services	10,000	1,482	5,311		5,311	10,000	12,000	
20292200	GS Mail/Postage	30,000	2,484	13,197		13,197	22,000	30,000	
20292300	GS-Messenger Services	15,290	1,412	5,243		5,243	15,290	25,150	
20292500	GS-Purchasing Allocation	25,321	4,221	16,881		16,881	25,321	50,000	
20292600	GS-Stores	10,000	0	2,610		2,610	10,000	16,000	
20292700	GS-Warehousing Charges	400	132	453		453	650	1,000	
20292800	Light Equipment Rental	162,207	21,477	89,939		89,939	162,207	510,398	55%
20292900	GS-Requested Svcs	8,000	9,903	22,752		22,752	60,000	60,000	
20293401	Administrative Svcs (11.3% of 21148 AFS Cashiering)	0	6,371	25,805		25,805	45,000	0	
20293402	Technical Svcs	0	0	0		0	0	0	
20293403	Water Resources Labor (offset in 20293411 or 16)	1,000,000	411,784	1,795,550		1,795,550	2,600,000	2,600,000	
20293405	Water Quality Labor (offset in 20293411 or 16)	0	0	0		0	0	0	
20293407	Real Estate Labor (15729)	0	1,922	1,922		1,922	0	0	
20293409	PW MIS Support svcs	0	3,351	6,412		6,412	6,000	77,990	

P:\Shared Folders\ADMIN\SVC\FINANCIAL REPORTS\DIVISION STATUS REPORTS\FY 2004-05\2512511 0405.xls

Page 2  
 4/27/2005 7:53 AM

SCWA-39

SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES  
FUND 033A - Fund Center 2512511  
Fiscal Year 2004/05 AP 08 (67% of year expended)  
Financial Status Report

(FSR) continued

Acct No.	Account Title	2004-2005 Appropriations	Increase thru AP 8	AP 8 YTD	Plus Enc	2004-2005 YTD	2004-2005 YE Est.	2004-2005 Proposed Budget
20293411	PWA Svc Charge Adjustments	0	(412,304)	(1,792,577)		(1,792,577)	(2,500,000)	(2,500,000)
20293416	Project Billing Expense Abatement Plan Value	0	0	0		0	0	0
20293400	PW-SIPS Svcs (now a/c 69697918 AFS order 20215)	0	0			0	40,000	0
20293500	PW-Stores	1,000	0	693		693	1,500	1,500
20294200	Facility Use Charges	978,744	55,889	223,482		223,482	335,228	419,285
20294300	GS-Leased Space (\$25k for EG site)	257,900	40,021	90,914	68,452	160,366	160,000	210,000
20295200	GS-County Parking Charges	5,560	260	2,915		2,915	5,560	6,000
20298400	GS-Radio Services	11,714	2,630	7,402		7,402	11,714	25,640
20298700	Telephone	278,200	33,676	141,675		141,675	278,200	272,260
20298900	Telephone Installation	7,000	222	8,741	183	8,924	15,000	20,000
	<b>Total Services &amp; Supplies</b>	<b>3,745,377</b>	<b>331,621</b>	<b>1,477,166</b>	<b>148,661</b>	<b>1,625,826</b>	<b>2,471,852</b>	<b>3,825,370</b>
30332000	Depreciation Expense	15,385	2,618	8,236		8,236	15,385	15,679
30348000	Countywide Cost Allocation	105,576	16,242	64,968		64,968	105,576	359,782
30380000	Contributions to Other Funds (CEO-Legislative Office)	20,000	0	0		0	0	0
	<b>Total Other Charges</b>	<b>140,961</b>	<b>18,858</b>	<b>73,204</b>	<b>0</b>	<b>73,204</b>	<b>120,961</b>	<b>375,461</b>
43431101	Equipment FAPP DP Proprietary (Ploter/printer/scanner)	35,000	0	33,398		33,398	33,398	0
	<b>Total Fixed Assets</b>	<b>35,000</b>	<b>0</b>	<b>33,398</b>	<b>0</b>	<b>33,398</b>	<b>33,398</b>	<b>0</b>
60601100	Dept. share of Agency Overhead (a/c #85000000)	385,149	60,848	243,392		243,392	385,149	708,721
60691900	AFS Contract Maint Serv		2,592	10,368		10,368	15,000	0
60697900	Other Services (see detail below)	1,006,439	130,865	508,363	0	508,363	792,389	1,254,206
	<b>Total Intorfund Charges</b>	<b>1,371,588</b>	<b>194,305</b>	<b>762,123</b>	<b>0</b>	<b>762,123</b>	<b>1,172,538</b>	<b>1,962,927</b>
	<b>TOTAL EXPENDITURES</b>	<b>15,285,952</b>	<b>2,032,688</b>	<b>8,343,180</b>	<b>148,661</b>	<b>8,491,841</b>	<b>13,026,163</b>	<b>28,568,429</b>
<b>OCIT Services:</b>								
	HW/SW purchases, MetroScan, etc.	195,014	53,462	223,174	54,232	277,406	234,370	208,243
11386	Prop data base	1,200	0	0		0	0	0
75104	ECM Maintenance (New for FY05)	23,000	0	0		0	0	46,700
70368	Order 51751 & 39924-OCIT Support	5,378	1,082	3,431		3,431	5,378	5,260
70203	Order 51215-Internet Svc (OCIT says 1 acct, a/b 3)	252	42	168		168	252	252
	<b>Total a/c 20291200</b>	<b>230,844</b>	<b>54,586</b>	<b>226,773</b>	<b>54,232</b>	<b>281,005</b>	<b>240,880</b>	<b>260,455</b>

Note: Numbers in bubbles refer to the values used to calculate Preliminary Budgeted Services and Supplies. See DEW.



SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES  
 FUND 033A - Fund Center 2512511  
 Fiscal Year 2004/05 AP 08 (67% of year expended)  
 Financial Status Report

(FSR) continued

Acct No.	Account Title	2004-2005 Appropriations	Increase thru AP 8	AP 8 YTD	Plus Enc	2004-2005 YTD	2004-2005 YE Est.	2004-2005 Proposed Budget	
<b>Intrafund Charges</b>									
60697901	Xerox Charges for 3rd floor copier (JV from AFS)	9,100	2,446	2,446		2,446	9,100	9,590	
60697902	MIS/OCIT Alloc. (secondary a/c 85801590)	520,348	73,297	500,634		500,634	480,000	626,215	56%
60697906	Administrative Svcs (NAIU)	800	800	800		800	800	1,291	
60697906	Financial analysts	65,241	10,873	43,494		43,494	65,242	66,960	67%
60697908	PW Personnel Svcs Chgs (Order 20199)	85,000	25,903	71,029		71,029	90,000	110,000	84%
60697909	MIS Services (Projects costs)	0	9,133	16,380		16,380	7,247	158,943	
60697910	Accounting & Fiscal Services	135,952	1,932	31,200		31,200	60,000	181,297	23%
60697913	Building Design Svcs	190,000	6,481	42,180		42,180	100,000	100,000	22%
	<b>Total Intrafund Charges</b>	<b>1,006,439</b>	<b>130,865</b>	<b>608,363</b>	<b>0</b>	<b>608,363</b>	<b>792,389</b>	<b>1,264,206</b>	<b>51%</b>
<b>REVENUE</b>									
93933000	Fees/Penalties	0	8,529	12,340		12,340	9,811	0	
94945000	Telephones	0	0	0		0	0	0	
96967900	Public Works Services	15,285,952	2,169,324	8,588,113		8,588,113	13,022,169	28,568,429	56%
97979000	Revenues - Other	0	0	45		45	45	0	
	<b>TOTAL REVENUES</b>	<b>15,285,952</b>	<b>2,169,324</b>	<b>8,588,168</b>	<b>0</b>	<b>8,600,498</b>	<b>13,025,169</b>	<b>28,568,429</b>	<b>56%</b>
<b>Public Works Svcs Revenue Detail</b>									
	Charges for Services	15,285,952	0			0		28,568,429	0%
96960100	Memo only billing		0	0		0			
96967911	Svcs to Drainage Districts (SWU)		890,015	3,056,329		3,056,329			
96967912	Svcs to Water Agency-Dmg (Z11A, 11B, & 11C; Z13 Dmg.)		291,854	1,195,544		1,195,544			
96967913	Svcs to Airports		2,892	10,024		10,024			
96967914	Svcs to Parks		268	268		268			
96967915	Svcs to GS		924	924		924			
96967919	Svcs to CDF Projects		0	0		0			
96967921	Svcs to Bldg Inspect		91,162	355,893		355,893			
96967922	Svcs to Others (SAFCA, etc.)		0	0		0			
96967923	Svcs to Pub Fac		0	0		0			
96967924	Svcs to Water Agency-Wat Sup (Z40, Z41, Z19)		862,209	3,968,531		3,968,531			
	<b>TOTAL PUBLIC WORKS SVCS REVENUE</b>	<b>15,285,952</b>	<b>2,169,324</b>	<b>8,588,113</b>	<b>0</b>	<b>8,588,113</b>	<b>13,025,169</b>	<b>28,568,429</b>	<b>56%</b>

Notes/Comments:

04/05 Appropriations include rollovers: a/c 20202200 \$332; a/c 20202900 \$2,545; a/c 20203500 \$620; a/c 20206100 \$300; a/c 20207600 \$68; a/c 20208500 \$8,105;  
 a/c 20220500 \$137; a/c 20226200 \$2,560; a/c 20252100 \$553; a/c 20259100 \$22,892; a/c 20289900 \$201; a/c 202911200 \$2,837; a/c 20298900 \$2,697

**Appendix B-5**  
**FRWA Operations and Maintenance Budget Template**

Acct No.	Account Title	Appropriation
	<b>Operating Agent Labor</b>	
	Control Room and Operations	
	Maintenance	
	Administration	
	<b>Subtotal, Operating Agent Labor</b>	

	<b>Materials</b>	
	Chemicals	
	Fuels & lubricants	
	Cement, sand, stone for repairs	
	Replacement small parts	
	Other Construction and Supplies	
	<b>Subtotal, Materials</b>	

*See  
D&L  
Pg 117*

	<b>Equipment</b>	
	Forklifts, cranes, front-end loaders, trucks	
	Rent/Lease Equipment	
	Other	
	<b>Subtotal, Equipment</b>	

	<b>Energy</b>	
	Electric power	
	<b>Subtotal, Energy</b>	

	<b>Utilities</b>	
	Water & sewer	
	Telephone	
	<b>Subtotal, Utilities</b>	

	<b>Contract Services</b>	
	Sediment hauling & disposal	
	Environmental & permitting assistance	
	Security equipment maintenance	
	SCADA/telecom equipment maintenance*	
	Pump/motor vendor maintenance*	
	Laboratory services & supplies	
	Legal services	
	Other	
	<b>Subtotal, Contract Services</b>	

	<b>Fees &amp; Licenses</b>	
	Regulatory	
	Special licenses for Project software	
	<b>Subtotal, Fees &amp; Licenses</b>	
	<b>TOTAL</b>	

\* Non-warranty maintenance costs

## **Appendix B-6**

### **Invoice Detail**

Invoices for payment shall include, as a minimum, the following information:

---

1. Invoice period
2. SCWA contact for EBMUD invoice questions
3. Summary of key operation and maintenance activities during the invoice period
4. Tables showing costs for each facility and work category during the invoice period. Templates for three required tables are provided in this appendix.
5. Breakdown of each cost shown in the FRWA Aggregate table based on the categories used in the FRWA Operations and Maintenance Budget. (See Appendix B-5) Labor hours and charges shall be provided for each cost shown in the FRWA Aggregate table.
6. Comparison of year-to-date expenditures with annual budget for each budget category
7. Back-up for charges, as requested by EBMUD
8. If required, any explanations

*COLOR  
LEGEND*

## Appendix B-6

### Invoice Template - Operating and Maintenance Expenses FRWA Aggregate

Flow Basis (TAF)	FRWA: 45.25	SCWA: 35.25	EBMUD: 10.00
------------------	-------------	-------------	--------------

Facility (See Appendix A)  Work Category (See Appendix B-2)		Operation					Maintenance					
		Control Room	Administrative Tasks	Energy	All Other Operation	Total Operation	Structure	Production Systems	Utility Systems	Site & Right-of-way	Security	Total Maintenance
Name	Code											
FRWA Intake												
Site	10											
Intake structure	12			12,963	200	26,963		5,400				7,240
Surge control & metering	14											
Settling basins	16											
Equipment building	18											
Substation	19											
Pipelines												
Joint Pipeline	11, 31, 32, 33											
EBMUD Extension	41											
Pipeline												
Fiber-optic cable and conduit												
SCWA Extension	51											
Pipeline												
Fiber-optic cable and conduit												
Bifurcation Area	52											
Flow Control Station	53											
Terminal Weir Structure	42											
Structure												
Instrumentation/SCADA												
TOTAL						26,963						7,240

SCWA-39

## Appendix B-6

### Invoice Template - Operating and Maintenance Expenses SCWA Allocation

Fixed-Cost Allocation Factor = 0.45946  
Variable-Cost Allocation Factor = 0.77901

Facility (See Appendix A)  Work Category (See Appendix B-2)		Operation				Maintenance						
		Control Room	Administrative Tasks	Energy	All Other Operation	Total Operation	Structure	Production Systems	Utility Systems	Site & Right-of-way	Security	Total Maintenance
Name	Code											
FRWA Intake												
Site	10											
Intake structure	12			10,098	156	16,595		4,207				5,052
Surge control & metering	14											
Settling basins	16											
Equipment building	18											
Substation	19											
Pipelines												
Joint Pipeline	11, 31, 32, 33											
EBMUD Extension	41											
Pipeline												
Fiber-optic cable and conduit												
SCWA Extension	51											
Pipeline												
Fiber-optic cable and conduit												
Bifurcation Area	52											
Flow Control Station	53											
Terminal Weir Structure	42											
Structure												
Instrumentation/SCADA												
TOTAL						16,595						5,052

## Appendix B-6

### Invoice Template - Operating and Maintenance Expenses

#### EBMUD Allocation

Fixed-Cost Allocation Factor = 0.54054  
Variable-Cost Allocation Factor = 0.22099

Work Category (See Appendix B-2)  Facility (See Appendix A)		Operation				Maintenance						
		Control Room	Administrative Tasks	Energy	All Other Operation	Total Operation	Structure	Production Systems	Utility Systems	Site & Right-of-way	Security	Total Maintenance
Name	Code											
FRWA Intake												
Site	10											
Intake structure	12			2,865	44	10,368		1,193				2,188
Surge control & metering	14											
Settling basins	16											
Equipment building	18											
Substation	19											
Pipelines												
Joint Pipeline	11, 31, 32, 33											
EBMUD Extension	41											
Pipeline												
Fiber-optic cable and conduit												
SCWA Extension	51											
Pipeline												
Fiber-optic cable and conduit												
Bifurcation Area	52											
Flow Control Station	53											
Terminal Weir Structure	42											
Structure												
Instrumentation/SCADA												
TOTAL						10,368						2,188

## Appendix C

### Flow Metering Reconciliation

The flow measured at the Intake may not always be equal to the sum of the flows measured at the Flow Control Station and the Bifurcation. The means of reconciling the potential differences for the purposes of allocating costs is presented below:

Flow measured at Intake =  $Q_I$

Flow measured at Flow Control Station = Measured SCWA Flow =  $Q_S$

Flow measured at Bifurcation = Measured EBMUD Flow =  $Q_E$

Corrected SCWA Flow =  $Q_S + [Q_S / (Q_S + Q_E) \times (Q_I - (Q_S + Q_E))]$

Corrected EBMUD Flow =  $Q_E + [Q_E / (Q_S + Q_E) \times (Q_I - (Q_S + Q_E))]$

Examples:

$Q_I$	$Q_S$	$Q_E$	Corrected SCWA flow	Corrected EBMUD flow
100	45	48	48.387	51.613
100	52	53	49.524	50.476
100	80	20	80.000	20.000
100	45	48	48.387	51.613

*See DEL AGENT*

## Appendix D

### Reporting Guidelines

#### 1. Annual Report as Described in Section 4.33

##### 1a. Expenditures Relative to Fiscal Year Budget

The following tables may be used.

###### (i) Operations

Work Category	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Administrative Tasks			
Control Room			
Production Systems			
Energy			
All Other Operations			
TOTAL			

###### (ii) Maintenance

Work Category	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Structure			
Utilities			
Production Systems			
Site & Right-of-Way			
Security			
TOTAL			



(iii) Maintenance and Replacement Reserve Trustee Account

Work Description	Actual Expenditures \$1000s
Item 1	
Item 2	
TOTAL	

(iv) Summary

	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Operations			
Maintenance			
Maintenance and Replacement Reserve Trustee Account			
TOTAL			

Comments on significant budget variances should be provided.

### 1b. Summary of Water Quantities Delivered

The following table may be used (FY 2011 is shown as an example)

Month/Year	Thousands of Acre Feet						
	Withdrawn at the Intake				Delivered to Member Agency		
					Points of Delivery		
	SCWA	EBMUD	Losses*	Total	SCWA	EBMUD	Total
July 2010							
August 2010							
September 2010							
October 2010							
November 2010							
December 2010							
January 2011							
February 2011							
March 2011							
April 2011							
May 2011							
June 2011							
Total							

\* Includes Joint Facility drainage for maintenance purposes

### 1c. Key Operational Events

Brief description of any significant operational events or issues that occurred during the Fiscal Year, including description of the consequence or potential consequence, and action taken. The following table may be used:

Date	Description of Event/Issue and Consequence	Action Taken

## 1d. Summary of Maintenance Work

### (i) Significant scheduled maintenance items

The following table may be used.

Description of Significant Scheduled Maintenance Items in Annual O&M Plan	Date Scheduled Maintenance Item was Completed	Notes

### (ii) Process initiatives

Description of process initiatives undertaken during the Fiscal Year, including such items as RCM analysis, implementation of CMMS systems. Discussion of the results achieved from such initiatives.

### (iii) Statistics on Unscheduled Maintenance

1. Estimate, within  $\pm 15\%$  accuracy, based on CMMS and accounting records, the percentage of the overall maintenance expenditures for the Fiscal Year that were devoted to scheduled vs. unscheduled maintenance work.
2. State the number of hours in which a Member Agency's Requested Deliveries could not be met due to a problem that could have been avoided due to timely maintenance. Describe the problem(s) that caused the Curtailment(s).

(iv) Significant Maintenance Issues

Brief description of any significant maintenance issues that occurred during the Fiscal Year including significant operational problems that could have been avoided due to timely and appropriate maintenance. The following table may be used:

Date	Description of Maintenance Issue and Resulting Operational Problems	Action Taken

(v) Overall Assessment

Overall statement (one page) on the status of maintenance as of the end of the Fiscal Year. Based on a self assessment, include the following chart and circle the category (1-5) in which the status of maintenance falls as of the end of the Fiscal Year:

1	Maintenance needs additional resources and attention in the next Fiscal Year to meet standards contained in the Operations and Maintenance Manual. Many potentially serious problems have not been addressed.
2	Maintenance practices are somewhat behind those required in the Operations and Maintenance Manual. All but a few potentially serious problems have been addressed
3	Maintenance practices are generally in line with what is required in the Operations and Maintenance Manual. No potentially serious problems have been left unaddressed
4	Maintenance is in line with what is required in the Operations and Maintenance Manual and practices are close to optimum based on recent RCM analysis
5	Maintenance is in line with what is required in the Operations and Maintenance Manual and Freeport could stand today as an industry benchmark as to optimal maintenance practices.

**1e. KPI's (consistent with Appendix H)**

Description of Measure	Target for the F.Y.	Actual Measure at end of F.Y.

**1f. Safety Report**

**(i) Safety Initiatives**

Description of safety initiatives in this F.Y. and qualitative assessment of their effectiveness.

**(ii) Safety Incidents**

Description of incidents where lessons were learned or observations made about the need for enhanced safety practices:

Date	Location	Description of Incident

**(iii) Cal/OSHA Reportable Incidents**

Include statistics and data as reported to Cal/OSHA and/or OSHA for the F.Y. for work on the Joint Facilities. Include statistics and data for contractors for the F.Y. for their work on the Joint Facilities.

## 1g. Security Report

### (i) Security Initiatives

Description of security initiatives in this F.Y. The following table may be used:

Date/Item in Vulnerability Assessment	Description of Finding in Vulnerability Assessment	Response to Finding and Status of Implementation

### (ii) Security Incidents

Description of incidents where lessons were learned or observations made about the need for enhanced security systems and/or practices:

Date	Location	Description of Incident

## 1h. Audit Report

### (i) Responses to Findings

Response in this F.Y. to prior FRWA audit findings. The following table may be used:

Date/Item in Audit Report	Description of Finding in Audit Report	Response to Finding and Status of Implementation

## 1i. Permit Report

### (i) Current Year Activity

~~Permits received in this F.Y., new permit applications or applications for renewal in this F.Y.~~

The following table may be used:

Date of Submittal	Permitting Agency & Name of Permit	Purpose of Permit	Date Received	Status of Application

### (ii) Current Permit Database

Attach print-out of current FRWA permit database.

## 1j. MMRP Report

Provide status on all MMRPs applicable to FRWA Joint Facilities in the operations phase, whether open or closed. The following table may be used:

Item Number	Description of MMRP	Activities in this F.Y.	Status of MMRP*	Notes**

\* Date of closure of item any time in the past, or state "Open."

\*\* State whether deadlines are being met and, if not, what is the reason for not meeting.

### 1k. Asset Disposal

List of Minor and Major Assets disposed of in the F.Y. The following table may be used:

Date of Disposal	Serial/ID Tag Number	Description	Minor Asset (check the box)	Major Asset (State Date of Exec. Comm. Approval)

## 2. Quarterly Report as Described in Section 4.44

### 2a. Expenditures Relative to Quarter Budget

The following tables may be used.

#### (i) Operations

Work Category	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Administrative Tasks			
Control Room			
Production Systems			
Energy			
All Other Operations			
TOTAL			



(ii) Maintenance

Work Category	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Structure			
Utilities			
Production Systems			
Site & Right-of-Way			
Security			
TOTAL			

(iii) Maintenance and Replacement Reserve Trustee Account

Work Description	Actual Expenditures \$1000s
Item 1	
Item 2	
TOTAL	

(iv) Summary

	Budget \$1000s	Actual Expenditures \$1000s	Variance \$1000s
Operations			
Maintenance			
Maintenance and Replacement Reserve Trustee Account			
TOTAL			

Comments on significant budget variances should be provided.

## 2b. Summary of Water Quantities Delivered

The following table may be used (1<sup>st</sup> Qtr in FY 2011 is shown as an example)

Month/Year	Thousands of Acre Feet						
	Withdrawn at the Intake				Delivered to Member Agency		
	Points of Delivery						
	SCWA	EBMUD	Losses*	Total	SCWA	EBMUD	Total
July 2010							
August 2010							
September 2010							
Total							

\* Includes Joint Facility drainage for maintenance purposes

## 2c. Key Operational Events

Brief description of any significant operational events or issues that occurred during the Quarter, including description of the consequence or potential consequence, and action taken. The following table may be used:

Date	Description of Event/Issue and Consequence	Action Taken

## 2d. Summary of Maintenance Work

### (i) Significant scheduled maintenance items

The following table may be used.

Description of Significant Scheduled Maintenance Items in Annual O&M Plan	Date Scheduled Maintenance Item was Completed	Notes

### (ii) Significant Maintenance Issues

Brief description of any significant maintenance issues that occurred during the Quarter, including significant operational problems that could have been avoided due to timely and appropriate maintenance. The following table may be used:

Date	Description of Maintenance Issue and Resulting Operational Problems	Action Taken

## 2e. KPI's.

Report on KPI status per Appendix H.

## **2f. Safety Report**

### **(i) Safety Incidents**

Description of incidents where lessons were learned or observations made about the need for enhanced safety practices:

Date	Location	Description of Incident

### **(ii) Cal/OSHA Reportable Incidents**

Include statistics and data as reportable to Cal/OSHA and/or OSHA for the Quarter for work on the Joint Facilities. Include statistics and data for contractors for the Quarter for their work on the Joint Facilities.

## **2g. Security Report**

### **(i) Security Incidents**

Description of incidents where lessons were learned or observations made about the need for enhanced security systems and/or practices:

Date	Location	Description of Incident

## **2h. Audit Report.**

No Quarterly Report Needed Unless Required by the OMC.

## **2i. Permit Report**

### **(i) Current Quarter Activity**

Permits received in this Quarter, new permit applications or applications for renewal in this Quarter. The following table may be used:

Date of Submittal	Permitting Agency & Name of Permit	Purpose of Permit	Date Received	Status of Application

## 2j. MMRP Report

Provide status on all MMRPs applicable to FRWA Joint Facilities in the operations phase, whether open or closed. The following table may be used:

Item Number	Description of MMRP	Activities in this F.Y.	Status of MMRP*	Notes**

\* Date of closure of item any time in the past, or state "Open."

\*\* State whether deadlines are being met and, if not, what is the reason for not meeting.

## 2k. Asset Disposal

No Quarterly Report needed unless required by the OMC.

## **Appendix E**

### **Easements**

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[Reserved for future use]

## Appendix F-1

### Key Permits Required During Operation

Permit	Agency	Purpose	Submittals		Permit Timing	Reporting Requirements
			Apply	Renew		
Operation Permit	SMAQMD and SJVAPCD	Backup generator use permit		X	Annual Fee See District Fee Schedule as it is subject to change	Records are to be kept each time the backup generators are used – use the Air District form for internal combustion engines.
Nationwide Permit 7	U.S. Army Corps of Engineers	Dredging	X		3-6 months prior to activity	Notification when dredging is complete.
Section 7 Consultation	NOAA and USFWS	Dredging Needed for ACOE NW 7	X		Concurrent with ACOE NW 7	Consultation needed. Report any incidence of take
NHPA Section 106 Consultation	SHPO	Dredging Needed for ACOE NW 7	X		Concurrent with ACOE NW 7	Consultation needed.
Permit for Navigation & Notice to Mariner	U.S. Coast Guard	Dredging Needed for ACOE NW 7	X		Concurrent with ACOE NW 7	Notification of dredging schedule and operations prior to activity.
Section 401 Certification	RWQCB	Dredging Needed for ACOE NW 7	X		Concurrent with ACOE NW 7	May require monitoring during dredging.
Streambed Alteration Agreement & 2081 Incidental Take permit	CDFG	Dredging	X		3-6 months prior to activity	Completion notification – may have some reporting if required in permit.
Encroachment Permit	State Reclamation Board	Dredging	X		3-6 months prior to activity	Notify 5 days prior to work start date.
State Land Use Lease Agreement	State Lands Commission	Dredging	X	--	Submit copy of NW permit 7, Rec. Board permit, or 401 to comply with PR Code 6327	None - Submit copy of ACOE, CVRWQCB, or Rec. Board permit.

## **Appendix F-2**

### **Mitigation Monitoring and Reporting Program Requirements During Operation**

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The following activities are required during operation of the FRWP to comply with the Mitigation Monitoring and Reporting Program adopted by the FRWA Board on April 15, 2004:

#### **Private Property Access**

- Maintain reasonable access to all private property during maintenance activities
- Notify all affected residents and property owners at least one week before non-emergency maintenance activities

#### **Chemical Use and Storage**

- Use only sodium hypochlorite at the Intake Facilities
- Store sodium hypochlorite only as needed at the Intake Facilities



## Appendix G

### Local Community Interfaces

Agency	Phone	Concerns	FRWA Commitments
Sacramento County Board of Supervisors Districts 2 & 5	916-874-5481 (District 2) 916-874-5465 (District 5)	Impacts to constituents and businesses	No commitments once project is operational
Sacramento City Council Districts 7 & 8	916-808-7007 (District 7) 916-808-7008 (District 8)	Noise, security, and landscaping at water intake facility	Operate facility so noise remains at or below current background noise levels; Maintain secure site; Utilities Department responsible for maintaining landscaping in the buffer area. <i>City</i>
City of Sacramento Department of Utilities	916-808-1400	Coordination and open communication with utility staff	Utilities Department responsible for maintaining landscaping in the buffer area.
Sacramento Area Flood Control Agency	916-874-7606	Open communication	None
South Pocket Homeowners Association	916-427-7824	Noise, security, and landscaping at the water intake facility	Operate facility so noise remains at or below current background noise levels; Maintain secure site; Utilities Department responsible for maintaining landscaping in the buffer area.

*SACSD?*

*OUTSIDE  
AGREEMENTS  
AFFECTING OPS*

## Appendix H

### Key Performance Indicators

Key Performance Indicators (KPI) will be reviewed and modified annually by the FRWA as part of the budgetary approval process. The Operating Agents shall monitor and report on the KPI's quarterly.

Category	Description/ Purpose	Measure	FY 2010 Target
Operations	Meet member agency demand	Annual number of hours facility is unable to met scheduled hourly demand (excludes low/reverse flow shutdowns)	90
		Percent of each agency's monthly scheduled water actually delivered to each agency	100%
Maintenance	Maintain effective Preventative Maintenance (PM) Program	Percent of Reliability-Centered Maintenance (RCM) critical PMs & Predictive Maintenance (PdMs) completed during month scheduled (reported by priority)	100%
	Maintain 30% / 70% split of Corrective Maintenance (CM ) to PM & PdM maintenance work	Ratio of PM & PdM labor to total maintenance labor hours	70%
	Maintain timeliness of Corrective Maintenance Program	Percent of RCM critical CMs completed in time interval required by priority	98%
	Maintain effectiveness of Inventory Management Program	Ratio of critical spare parts to critical assets	<1
		Number of open RCM critical work orders waiting on parts	0
	Maintain an effective overall Maintenance Program	Ratio of actual annual maintenance labor hours required to maintenance labor hours estimated.	<1

Category	Description/ Purpose	Measure	FY 2010 Target
		Ratio of unplanned emergency maintenance hours to total maintenance hours	<10%
	Maintain effective PM & PdM program	Actual maintenance cost as a percent of total replacement asset value of the plant.	<4%
		PM and PdM work order labor backlog at end of month	0
Regulatory & Safety	Comply with regulations	Number of NPDES notices of violations received annually	None
	Meet safety regulations and provide a safe work environment	Number of lost time accidents per year	TBD
		Annual labor hours lost due to accidents	TBD
Financial	Effectively develop budgets and control costs	Total actual cost as a percent of budget	98% to 102%
		Total actual cost per MG delivered	TBD
	Effectively manage energy cost	Energy cost per MG delivered	TBD
	Minimize administrative costs	Actual administrative cost as a percent of total cost	TBD
	Maintain a cost effective Maintenance Program	Actual maintenance cost as a percent of maintenance budget	98% to 102%
		Total maintenance cost as a percent of replacement asset value of the plant equipment	TBD
		Total maintenance cost per MG delivered	TBD
	Maintain a cost effective Operations Program	Actual operations cost as a percent of operations budget	98% to 102%
		Total operating cost per MG delivered	TBD

## **Appendix I**

### **Contents of the Operations and Maintenance Manual**

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This appendix describes the minimum contents of the Operations and Maintenance Manual that will be provided by FRWA to the Operating Agent. At the time of this agreement, this document has not yet been developed. However, this appendix lists key elements expected to be in the manual.

#### **SECTION X - FRWA AND FRWP BACKGROUND**

##### **PART 1 Formation and Purpose of FRWA**

##### **PART 2 Roles and Responsibilities in FRWA**

- 2.01 EBMUD
- 2.02 SCWA
- 2.03 Operations and Maintenance Committee
- 2.04 FRWA General Manager
- 2.05 FRWA Executive Committee
- 2.06 FRWA Board

##### **PART 3 Configuration of the Freeport Regional Water Project**

##### **PART 4 Coordinated Operations Agreements**

- 4.01 FRWA-City Coordinated Sump 28 Operations Agreement
- 4.02 USBR Folsom South Canal O & M Plan

##### **PART 5 Regulatory Constraints Affecting Operation and Maintenance**

- 5.01 Regulations on Intake Flow Diversions
- 5.02 Regulations on FSC Flows
- 5.03 DHS Regulations
- 5.04 Noise Ordinance and Acoustical Attenuation

##### **PART 6 Financial Accounting**

- 6.01 Overview of Cost Sharing for FRWA Operating and Maintenance Expenses
- 6.02 Annual FRWA O&M Budget
- 6.03 Major Maintenance Reserve Trustee Account
- 6.04 Work Categories and Labor coding

*SRCSD 1*

## **SECTION X – OPERATING PROCEDURES**

**PART 1 Standard Operating Procedures**

**PART 2 Emergency Modifications to Standard Operating Procedures**

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**PART 3 Potential Emergency Situations Requiring Modification to Standard Operating Procedures**

3.01 Mandatory Notification Procedure During Emergencies

**PART 4 Amending Standard Operating Procedures**

4.01 Potential Reasons for Amending Standard Operating Procedures

4.02 Procedure for Amending Standard Operating Procedures

## **SECTION X – MAINTENANCE PROCEDURES**

**PART 1 Standard Maintenance Procedures**

**PART 2 Computerized Maintenance Management System**

**PART 3 Amending Standard Maintenance Procedures**

3.01 Potential Reasons for Amending Standard Maintenance Procedures

3.02 Procedure for Amending Standard Maintenance Procedures

## **SECTION X – MANUAL AND DRAWING UPDATES**

**PART 1 Procedure for Updating this O&M Manual**

**PART 2 Procedure for Updating As-Built Drawings**

## **SECTION X – WATER DELIVERIES**

**PART 1 Scheduling of Water Deliveries**

1.01 SCWA deliveries

1.02 EBMUD deliveries

1.03 Electrical Rates and Impacts on Pumping Schedules

1.04 Scheduling Protocol

1.05 Curtailment Situations

**PART 2 Integrated Operation of the FRWP**

2.01 Basic Pumping System Operational Concept

2.02 Modes of Operation

A. SCWA-only mode

B. EBMUD-only mode

- C. Joint delivery mode
- 2.03 Coordination with Operation of the Folsom South Canal Connection

## **X – WATER CONVEYANCE-RELATED SYSTEMS**

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### **PART 1 River Conditions Affecting Intake Operation**

- 1.01 River Hydrology, and Expected Range of Flow and Water Surface Conditions
- 1.02 River Conditions That Require Intake Shutdown
  - A. Reverse Flow Conditions in River
    - 1. Overview of Reverse Flow Conditions
    - 2. Anticipated Frequency of Reverse Flow
    - 3. DHS Concerns and Requirements
      - a. Concerns Regarding Sump 28
        - 1) Sump 28 and FRWA Intake Operational Agreement
        - 2) Mandatory FRWA Intake Planning and Forecast Responsibilities
        - 3) Required Communication with City Staff Regarding Sump 28 Operation
      - b. Concerns Regarding Sac Regional WWTP
    - 4. Reverse Flow chart
- 1.03 River Hydraulics, and Potential Sediment Deposition or Scour
- 1.04 Bathymetric Monitoring
- 1.05 River Flood Stage Operation
- 1.06 Log Boom and Boat Traffic
- 1.07 Navigation Aids

### **PART 2 Fish Screens and Inlet Gates**

- 2.01 Intake Hydraulics, including flow through Fish Screens, and Baffle Plates
- 2.02 Operation and Maintenance of the Fish Screens and Cleaning System (typical breakdown of O&M discussion shown for this system)
  - A. Theory of operation
    - 1. Startup, Shutdown and Speed of travel
    - 2. Related equipment
  - B. Implications of a failure of this system
  - C. Actions to take upon a failure of this system
  - D. Maintenance Recommendations
    - 1. Frequency of Inspection, and Inspection Checklists
    - 2. Critical Spare Parts
      - a. Minimum stocking requirements for parts and materials

3. Specific Access Requirements and Safety Procedures to Perform Inspections or Maintenance on this system
  - a. Access for Normal Inspection while system is in service (Flooded Wetwell Condition)
    - 1) Access for service
    - 2) Locations of nearest lights and power receptacles
    - 3) Locations of Motor Drives and Lubrication points
  - a. Access and Equipment Requirements for Complete System Overhaul
    - 1) Access, and Removal of Screen Cleaner for Service
    - 2) Cranes or Hoists required for Complete System Overhaul, and Weight Capacities

- E. Cross Reference to Supplemental information on this system
  1. Equipment Data Sheet
  2. Contacts for Manufacturer and Local Representative
  3. Recommended stock of replacement parts to be kept on site
  4. Sources and ordering information for obtaining replacement parts
  5. Manufacturer's O & M Manual for this equipment
  6. As-built Control Integrator's drawings with details of this system
  7. As-built Contract drawings with details of this system
    - a. Civil / Structural / or Architectural drawings of this system
    - b. Mechanical drawings of this system
    - c. Electrical / Controls System drawings of this system

2.03 Forebay Dewatering Procedure and Use of Bulkhead Panels

2.01 Water Level and Water Quality Instrumentation at the Forebay

### **PART 3** **Sediment Control**

3.01 Need for sediment control

3.02 Sediment control system overview

3.03 Operation and maintenance of the Chain and Flight System

3.04 Operation and maintenance of the Water Lube system

3.05 Operation and maintenance of the Water Jetting systems

3.06 Operation and maintenance of the Sediment Transfer Pumps

3.07 Operation and maintenance of the Sediment Settling Basins and Return Flow Pumps

### **PART 4** **Raw Water Pumps**

4.01 Theory of operation

A. Modes of Operation (Manual/Automatic)

B. Affect of Pipeline conditions on startup

- C. Pump curve
  - D. Pump Startup Procedures
  - E. Pump Shutdown Procedures
  - F. Pump Motor protective devices
    - 1. Vibration monitoring
    - 2. Motor protection relays
- 

**PART 5 Flow Control**

- 5.01 Intake Valving
- 5.02 Bifurcation Valving
- 5.03 Raw water flow metering
  - A. Metering at Intake facility
  - B. Bifurcated flow metering
  - C. Flow Metering Reconciliation

**PART 6 Surge Control**

- 6.01 Surge Analysis
- 6.02 Surge control system overview
- 6.03 Operation and maintenance of surge tanks and air compressors
  - A. Intake surge tanks
    - 1. Operation with one air compressor out of service
  - B. Bifurcation Area surge tank

**PART 7 Transmission Pipelines**

- 7.01 Overview
- 7.02 Potential for sedimentation in the pipeline
- 7.03 Flushing flows
- 7.04 Operation and maintenance of pipeline valves
- 7.05 Pipeline corrosion control system
- 7.06 Pipeline drain procedure
- 7.07 Pipeline access and entry
- 7.08 Pipeline pigging

**PART 8 Bifurcation Area**

- 8.01 Surge tank and compressor
- 8.02 Valves

**PART 9 Terminal Discharge Facilities**

- 9.01 EBMUD Segment 3 Pipeline
- 9.02 Terminal Weir Structure
- 9.03 SCWA Segment 4 pipeline
- 9.04 Flow Control Station at VSWTP



## **SECTION X – AUXILIARY SYSTEMS**

- PART 1 Chemical Feed System**
- PART 2 Sedimentation Basins**
- PART 3 Bridge Cranes**
- PART 4 Heating, Ventilation and Air Conditioning Systems**
  - A. Evaporative Coolers
  - B. Exhaust Fans
  - C. Misc HVAC
- PART 5 Water and Sewer Systems**
- PART 6 Telephones**
- PART 7 Rental Equipment Recommendations**

## **SECTION X –ELECTRICAL SYSTEMS**

- PART 1 System Overview**
- PART 2 Intake Electrical System**
  - 2.01 Substation
  - 2.02 Effect of Utility power failure, and shutdown procedures
  - 2.03 Distribution system
    - A. Switchgear
    - B. Motor Control Centers
    - C. AFD Synchronous motor drives
    - D. Lighting
  - 2.04 Photovoltaic system
- PART 3 Transmission Pipeline Cathodic Protection System (Corrosion Control)**
- PART 4 Bifurcation Area Electrical System**
- PART 5 Flow Control Station Structure Electrical System**
- PART 6 FSC Terminal Weir Electrical System**

## **SECTION X – INSTRUMENT AND CONTROL SYSTEMS**

- PART 1 Instrumentation Systems**
  - 1.01 Instrumentation at Intake facility
  - 1.02 Instrumentation at Bifurcation facility
  - 1.03 Instrumentation at Flow Control Station
  - 1.04 Instrumentation at FSC Terminal Weir Structure

## Appendix J

### Responsibilities and Cost Sharing for Use of the Folsom South Canal

Description	Responsible	Cost Allocation
Water quality monitoring	1) FRWA/Op Agent - for Freeport Intake 2) FRWA/Op Agent for WQ instrumentation @ Terminal Weir 3) EBMUD for periodic sampling in the canal & lab analysis related to SMUD Agreement requirements 4) FRWA for consolidating and transmitting to SMUD water quality data collected by FRWA and EBMUD related to SMUD Agreement requirements 5) FRWA for obtaining from SMUD water quality data collected by SMUD related to SMUD Agreement requirements	1) FRWA <sup>1</sup> 2) FRWA <sup>1</sup> 3) FRWA <sup>1</sup> 4) FRWA <sup>1</sup> 5) FRWA <sup>1</sup>
Flow measurement	1) FRWA/Op Agent for Freeport Intake and flow control at SCWA WTP 2) FRWA/Op Agent for flow meter downstream of Bifurcation 3) EBMUD for flows withdrawn at Clay	1) FRWA <sup>1</sup> 2) FRWA <sup>1</sup>

	Station Pumping Plant 4) FRWA for consolidating and transmitting to USBR flow data collected by FRWA and EBMUD as required in the Folsom South Canal O&M Plan	3) EBMUD 4) FRWA <sup>1</sup>	
Canal water levels (other than telecom & SCADA – see below)	1) FRWA/Op Agent at Grant Line Road 2) EBMUD at Clay Station PP 3) FRWA for consolidating and transmitting to USBR canal water level data collected by FRWA and EBMUD as required in the Folsom South Canal O&M Plan	1) FRWA <sup>1</sup> 2) EBMUD 4) FRWA <sup>1</sup>	
Sediment monitoring in the canal	EBMUD	EBMUD	
Sediment removal from the canal	EBMUD	EBMUD	
Water treatment incremental O&M cost charges by SMUD (and incremental capital costs)	SMUD	FRWA <sup>1</sup>	
Telecommunications and SCADA O&M for canal flow and level monitoring, other than at Clay Station Pumping Plant	FRWA/Op Agent	FRWA <sup>1</sup>	
Canal maintenance by USBR	USBR	EBMUD & other users of FSC <sup>2</sup>	

Notes:

1. FRWA costs noted shall be variable costs as described in Section 5 of the Delivery Agreement and Appendix B-1
2. Canal maintenance charges made through USBR rates