

RESOLUTION NO. 2020-30
RESOLUTION NO. PFA-03
ORDINANCE NO. 2020-01

AGENDA

MISSION STATEMENT

"Our team is dedicated to protecting, enhancing, and developing our rich water resources to the highest beneficial use for Calaveras County, while maintaining cost-conscious, reliable service, and our quality of life, through responsible management."

Regular Board Meeting
Wednesday, May 27, 2020
1:00 p.m.

Calaveras County Water District
120 Toma Court, (PO Box 846)
San Andreas, California 95249

Based on guidance from the California Governor's Office and Department of Public Health, in order to minimize the potential spread of the COVID-19 virus, the Calaveras County Water District will convene its public meetings of the Board of Directors telephonically until further notice.

[Join meeting](#)

Meeting number (access code): 126 325 1845

Meeting password: CCWD05272020 (22930527 from phones and video systems)

Or join by phone [+1-408-418-9388](tel:+14084189388) Meeting number (access code): 126 325 1845

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

BOARD OF DIRECTORS

Bertha Underhill, President Jeff Davidson, Vice President
Scott Ratterman, Director Cindy Secada, Director Russ Thomas, Director

2. **PUBLIC COMMENT**

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

3. **CONSENT AGENDA**

The following items are expected to be routine/non-controversial. Items will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed for later discussion.

3a Approval of Minutes for the Board Meeting of May 13, 2020.

3b Replacement of the District's Financial Management Policy No. 5.02, Purchasing Policy
(Rebecca Callen, Director of Administrative Services) **RES 2020-_____**

4. **NEW BUSINESS**

4a* Discussion regarding the District's COVID-19 Response
(Michael Minkler, General Manager)

4b Discussion/Direction Regarding the sunset of the Moratorium related to Imposition of Late Fees
(Rebecca Callen, Director of Administrative Services)

4c Discussion/Action regarding Variance Request for 22605, Highway 26, West Point
(Joel Metzger, External Affairs Manager) **RES 2020-_____**

4d Discussion/Action regarding Variance Request for 120 Hawkridge Road, Copperopolis
(Joel Metzger, External Affairs Manager) **RES 2020-_____**

4e Discussion/Action Regarding the Board Declaring Its Intention to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Obligations
(Rebecca Callen, Director of Administrative Services) **RES 2020-_____**

5. **REPORTS**

5a* General Manager Report

6.* **BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

7. **NEXT BOARD MEETINGS**

- Wednesday, June 10, 2020, 1:00 p.m., Regular Board Meeting-Budget Workshop
- Wednesday, June 24, 2020, 1:00 p.m., Regular Board Meeting

8. CLOSED SESSION

8a Government Code § 54957.6 Agency Negotiators: General Manager, Michael Minkler, HR Manager, Stacey Lollar Regarding Negotiations with Employee Organization SEIU Local 1021.

8b Conference with Legal Counsel-Existing Litigation
Government Code 54956.9(d)(1)
California Sportfishing Protection Alliance v. All persons interested in the matter of the validity of the Eastern San Joaquin Groundwater Subbasin groundwater sustainability plan et al. (Stanislaus County Superior Court Case # CV20-1720)

9. REPORTABLE ACTION FROM CLOSED SESSION

10. ADJOURNMENT



CALAVERAS COUNTY WATER DISTRICT

Board of Directors

District 1	Scott Ratterman
District 2	Cindy Secada
District 3	Bertha Underhill
District 4	Russ Thomas
District 5	Jeff Davidson

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee
Strategic Planning Consultant
Selection Committee (ad hoc)

Joint Power Authorities

ACWA / JPIA
CCWD Public Financing Authority
Calaveras-Amador Mokelumne River Authority (CAMRA)
Calaveras Public Power Agency (CPPA)
Eastern San Joaquin Groundwater Authority
Tuolumne-Stanislaus Integrated Regional Water
Management Joint Powers Authority (T-Stan JPA)
Upper Mokelumne River Watershed Authority (UMRWA)

Other Regional Organizations of Note

Calaveras LAFCO
Calaveras County Parks and Recreation
Committee
Highway 4 Corridor Working Group
Mountain Counties Water Resources
Association (MCWRA)
Mokelumne River Association (MRA)
Tuolumne-Stanislaus Integrated Regional Water
Mgt. JPA Watershed Advisory Committee (WAC)
Eastern San Joaquin Groundwater Authority-Technical
Advisory Committee

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Auditor

Richardson & Company, LLP

Membership**

Davidson / Thomas (alt. Secada)
Underhill / Secada (alt. Thomas)
Ratterman / Davidson (alt. Thomas)

Secada / Ratterman

Ratterman (alt. Michael Minkler)
All Board Members
Ratterman / Underhill (alt. Secada)
Michael Minkler (Alt. Rebecca Callen)
Thomas
Secada (alt. Thomas)
Davidson (alt. Ratterman)

Ratterman / Thomas
Thomas (alt. Ratterman)

Thomas / Underhill
All Board Members

All Board Members
Joel Metzger

Michael Minkler

* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

** The 1st name listed is the committee chairperson.

Unapproved Mins-Subject to changes



**RESOLUTION NO. 2020-27
RESOLUTION NO. PFA-03
ORDINANCE NO. 2020-01**

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

MAY 13, 2020

Directors Present: Bertha Underhill, President
Jeff Davidson, Vice President
Scott Ratterman, Director
Cindy Secada, Director
Russ Thomas, Director

Staff Present: Michael Minkler, General Manager
Matt Weber, General Counsel
Rebecca Hitchcock, Clerk to the Board
Rebecca Callen, Director of Administrative Services
Damon Wyckoff, Director of Operations
Joel Metzger, External Affairs Manager
Kevin Williams, Civil Engineer
Tiffany Burke, Administrative Technician-Senior

Others Present: Eric Glanville
Dale Pilgeram

Based on guidance from the California Governor’s Office and Department of Public Health, in order to minimize the potential spread of the COVID-19 virus, the Calaveras County Water District will convene its public meetings of the Board of Directors telephonically until further notice.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Underhill called the Regular Board Meeting to order via teleconference at 1:00 p.m. and led the pledge of allegiance.

2. PUBLIC COMMENT

Eric Glanville from Gold Country Real Estate addressed the Board regarding termination of wastewater services, specifically regarding Forest Meadows. He gave the history behind why Forest Meadows has so many empty lots with connections. In 2006, builders purchased connections for empty lots due to a moratorium the District put in place. The District passed a termination of service policy last year and he would like to discuss the issues with this policy. He requested that the item be placed on the next meeting agenda for discussion. The Board directed staff to put this on the next agenda.

3. CONSENT AGENDA

**MOTION: Directors Ratterman/Secada-Approved Consent Agenda Items:
3a, 3b, and 3e as presented**

3a Approval of Minutes for the Board Meetings of April 22, 2020.

3b Review Board of Directors Monthly Time Sheets for April, 2020

Director Underhill pulled Item 3c from the Consent Agenda

3c Ratify Claim Summary #578 Secretarial Fund in the Amount of \$1,489,967.99 for April, 2020
(Rebecca Callen, Director of Administrative Services) **RES 2020-_____**

Director Thomas pulled Item 3d from the Consent Agenda

3d Report on the Monthly Investment Transactions for April, 2020
(Rebecca Callen, Director of Administrative Services)

3e Authorized Representatives on Chandler Asset Management Investment Account
(Rebecca Callen, Director of Administrative Services) **RES 2020-27**

AYES: Directors Ratterman, Secada, Thomas, Davidson and Underhill

NOES: None

ABSTAIN: None

ABSENT: None

OFF CONSENT AGENDA

Director Underhill pulled Item 3c from the Consent Agenda

3c Ratify Claim Summary #578 Secretarial Fund in the Amount of \$1,489,967.99 for April, 2020
(Rebecca Callen, Director of Administrative Services) **RES 2020-28**

**MOTION: Directors Ratterman/Secada-Approved Consent Agenda Item:
3c as presented**

DISCUSSION: Director Underhill asked about the following items: 1) the payment to ERS Industrial Services; 2) the payments to Paymentus seem to be going up; and 3) the payment to Western Hydrologics.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Ratterman, Secada, Thomas, Davidson and Underhill
NOES: None
ABSTAIN: None
ABSENT: None

Director Thomas pulled Item 3d from the Consent Agenda

3d Report on the Monthly Investment Transactions for April, 2020
(Rebecca Callen, Director of Administrative Services)

MOTION: Directors Ratterman/Secada-Approved Consent Agenda Item:
3d as presented

DISCUSSION: Director Thomas asked about the term “Full Call” on the Wells Fargo Account. Rebecca Callen explained the fund is now ready to be transferred into Local Agency Investment Fund (LAIF) which will earn more money than the Money Market account.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Ratterman, Secada, Thomas, Davidson and Underhill
NOES: None
ABSTAIN: None
ABSENT: None

4. NEW BUSINESS

4a Discussion regarding the District’s COVID-19 Response
(Michael Minkler, General Manager)

DISCUSSION: Mr. Minkler addressed the Board regarding the plan for office staff gradually returning to the office starting on Monday 5/18/2020. There will be social distancing in place with common areas closed for gathering. He mentioned that staff has done a great job keeping business as usual from home and everyone is eager to get back to the office. There was discussion about when to open the office to the public.

4b Discussion/Action regarding Pinebrook HOA Variance Request
(Joel Metzger, External Affairs Manager)

RES 2020-_____

MOTION: Directors Thomas/Secada-Approved Pinebrook HOA Variance Request
subject to amended language limiting it to existing land use or property
owner changes, the variance will be rescinded.

DISCUSSION: Mr. Metzger presented the variance request submitted by the Pinebrook Homeowners Association (HOA). The Association is currently using one commercial water meter to irrigate two parcels. Pinebrook has applied to terminate service for two of its commercial meters and after conducting a review, staff recommends approval. There was significant discussion on the meters and District policies.

PUBLIC COMMENT: Dale Pilgeram, President of the Pinebrook HOA, addressed the Board regarding their request. He mentioned the meters they are requesting termination on have not been in use and explained the history of the meters goes back 50-60 years.

YES: Directors Thomas, Secada, Ratterman, Davidson, and Underhill
NOES: None
ABSTAIN: None
ABSENT: None

5. OLD BUSINESS

5a Discussion regarding District's New Operations Maintenance Facility Bid Results and Options Moving Forward
(Kevin Williams, Civil Engineer)

DISCUSSION: Mr. Williams presented the bids received for the District's new operations maintenance facility. He explained that the bids were significantly higher than the budget for the project. Staff reached out to the low bidder to value engineer the project but the cost was still high. Staff recommends postponing the project until financial uncertainty has passed and the project can be redesigned to reduce cost. There was significant discussion about possible cost saving measures. The Board agreed the project should be redesigned and brought back to the Engineering Committee for discussion in the future.

PUBLIC COMMENT: There was no public comment.

RECESS was called at 2:30 p.m. **SESSION RESUMED** at 2:35 p.m.

6. REPORTS

6a Report on the April 2020 Operations Department
(Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented the April 2020 monthly Operations report. He reviewed items of interest and answered questions from the Board.

PUBLIC COMMENT: There was no public comment.

This item was for information only; no action was taken.

6b General Manager Report

DISCUSSION: Mr. Minkler reported the Management staff has been focusing their efforts on budget preparation. He had nothing additional to report.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Secada attended the Tuolumne-Stanislaus Integrated Regional Water Management Joint Powers Authority meeting virtually.

Director Ratterman spoke about the Mountain Counties Water Resources Association meeting and updated on the hiring process for the Executive Director of Mountain Counties.

Director Thomas had nothing to report.

Director Davidson had nothing to report.

Director Underhill reported that Camp Connell is very quiet during the quarantine.

8. NEXT BOARD MEETINGS

- Wednesday, May 27, 2020, 1:00 p.m., Regular Board Meeting
- Wednesday, June 10, 2020, 1:00 p.m., Regular Board Meeting

The meeting adjourned into Closed Session at approximately 3:00 p.m. Those present were Board Members: Russ Thomas, Bertha Underhill, Cindy Secada, Jeff Davidson, and Scott Ratterman; staff members Michael Minkler, General Manager, Stacey Lollar, Human Resources Manager (for item 9a) and Matt Weber, General Counsel.

9. CLOSED SESSION

- 9a Government Code § 54957.6 Agency Negotiators: General Manager, Michael Minkler, HR Manager, Stacey Lollar, ? Regarding Negotiations with Employee Organization SEIU Local 1021.
- 9b Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD
(Calaveras County Superior Court #11CV37713)
- 9c Conference with Legal Counsel-Existing Litigation
Government Code 54956.9(d)(1)
California Sportfishing Protection Alliance v. All persons interested in the matter of the validity of the Eastern San Joaquin Groundwater Subbasin groundwater sustainability plan et al. (Stanislaus County Superior Court Case # CV20-1720)

10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 3:54 p.m. There was no reportable action.

11. ADJOURNMENT

With no further business, the meeting adjourned at 3:55 p.m.

By:

ATTEST:

Michael Minkler
General Manager

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: May 27, 2020

TO: Michael Minkler

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Replacement of the District's Financial Management Policy No. 5.02, Purchasing Policy

RECOMMENDED ACTION:

Motion _____/_____ adopting Resolution No. 2020- ____ regarding Replacement of the District's Financial Management Policy No. 5.02, Purchasing Policy.

SUMMARY:

The District Purchasing Policy was adopted on January 12, 2005 and subsequently revised up until March 27, 2019 with resolution 2019-21.

The following are the major changes made in the policy:

- The District added the position of Purchasing Agent in 2019-20. However, the Purchasing Agent was never added to the District Purchasing Policy or given purchasing authority. This has created an undue burden on the Director of Operations as the role of approval didn't change per the policy. Adding the role in the policy and identifying what responsibilities the Purchasing Agent has helps centralize those purchases which was the intent of the position.
- The existing purchasing policy requires every single purchase, regardless of dollar amount (unless specifically excluded in policy) to have a Purchase Order. The creation of the Purchase Order is a very tedious process and manual process. The proposed changes make a minimum threshold that would require a PO. If the purchase is less than \$2,500 for a monthly total under \$500, or under \$2500 for a singular vendor of similar product. This doesn't mean there would be oversight. However, it would alleviate the need to enter hundreds of purchase orders for nominal purchase. An example would be purchases made with a parts house. For the month the billing statement is \$1,750 and included 35 different sales slips. Under the old method, we would have needed potentially 35 purchase orders. Instead, we will consolidate the have one claim that approves ALL of the sales slips for the month.
- Blanket Purchase Orders were removed from the policy. Vendors don't use these anymore. Instead we can utilize Contract Purchase Orders. These cover repetitive use items or services.

- Additional exemptions for Purchase Orders were added.
- The use of PublicPurchase was added for bids. This is a publishing tool that allows a wide reach for more competitive responses.
- A minimum threshold was added for Year End Encumbrances of \$500 or more. This should help in staff time and management.
- CalCard was added in the language in anticipation of the CalCard program coming online in the few months.

These changes will drastically help the District by reducing staff time processing unnecessary purchase orders, save money through better definition of purchasing authority which in turn forces more competitive option and terms, and alleviate Department Heads from some of the administrative burden.

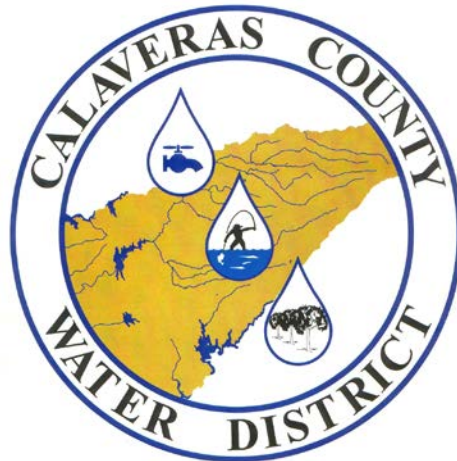
These changes were brought forward to the Finance Committee on May 21, 2020 in a Special Meeting and approved to bring to the full Board.

FINANCIAL CONSIDERATIONS:

None at this time.

*Attachment: District Financial Management Policy No. 5.02, Purchasing Policy
Redline version of changes made to Policy No. 5.02 Purchasing Policy
Resolution 2020-__-Replacing the District's Financial Management Policy No. 5.02, Purchasing
Policy*

CALAVERAS COUNTY WATER DISTRICT



FINANCIAL MANAGEMENT POLICY 5.02

PURCHASING POLICY

Adopted January 12, 2005
Revised April 9, 2008 (Res. 2008-29)
Revised October 13, 2010 (Res. 2010-68)
Revised April 13, 2011 (Res. 2011-22)
Revised February 26, 2014 (Res. 2014-08)
Revised July 9, 2014 (Res. 2014-49)
Revised December 9, 2015 (Res. 2015-65)
Revised December 14, 2016 (Res 2016-67)
Revised March 27, 2019 (Res 2019-21)
Revised May 27, 2020 (Res 2020-xx)

5.02.01 Purpose

The purpose of the Purchasing Policy (“Policy”) is to provide the Calaveras County Water District (“District”) with a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the District. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of District resources, including keeping within the budget authorized by the Board of Directors.

5.02.02 Policy

The policy outlined herein is to be adhered to by all personnel when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing supplies, equipment and services.

5.02.03 Unauthorized Purchases

Except for emergencies, departmental purchases in excess of \$500, or \$2500 for a singular Vendor for similar goods, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

- A. Such purchases are void and not considered an obligation of the District.
- B. Invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.
- D. Purchases over budget are prohibited with the exception of emergencies. [See Section 8(D).]

Purchase orders shall be issued prior to ordering supplies, equipment and services and not “after the fact.”

5.02.04 Vendor Relations

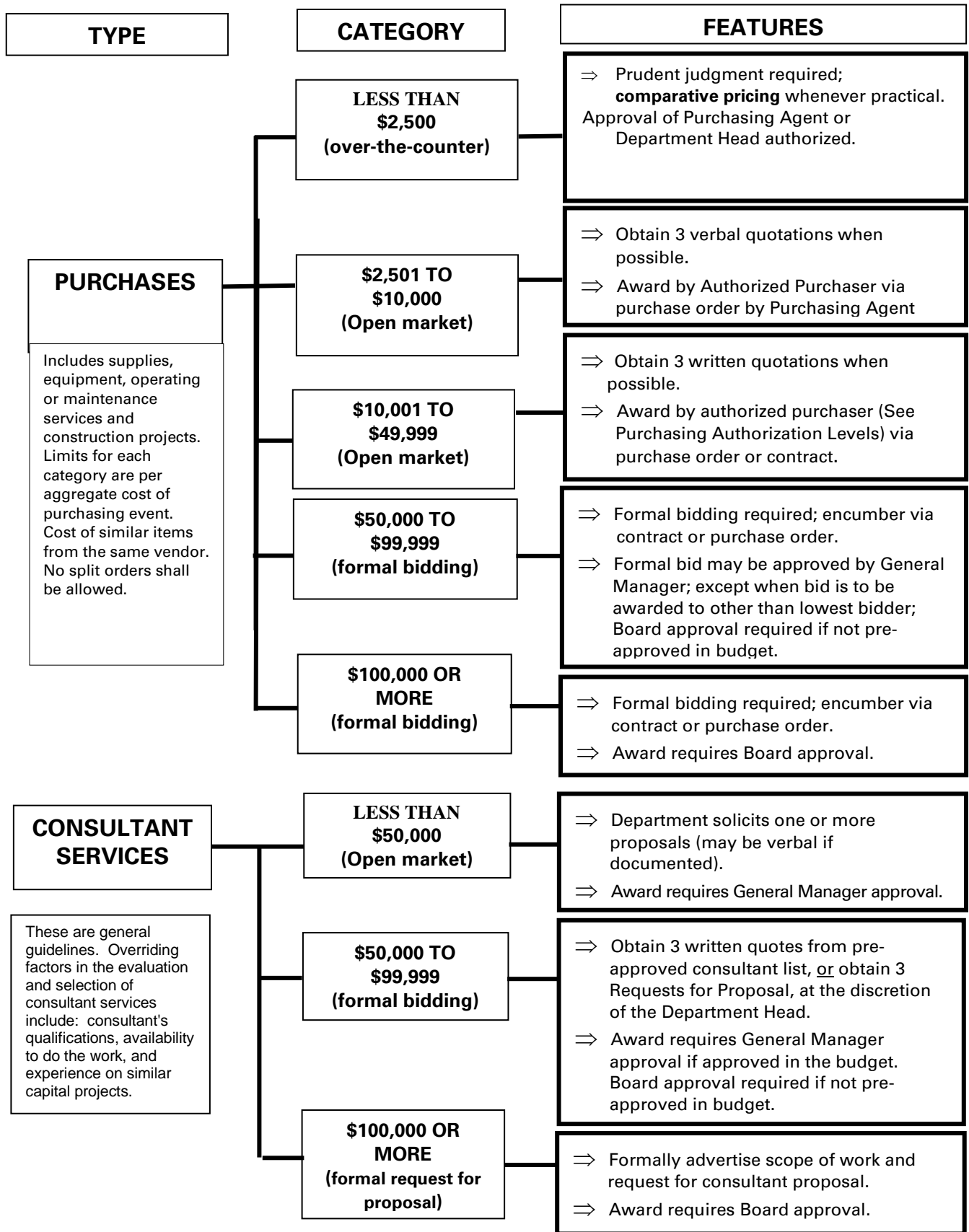
It is to the District’s advantage to promote and maintain good relations with vendors. District staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.

No employee participating in the purchasing process shall:

- A. Accept any fee, compensation, gift, or payment of expenses which results in private gain in return for preferential treatment.
- B. Grant any special consideration, treatment, or advantage to any person beyond that which is available to every other person in similar circumstance.

When feasible to do so, vendors within the County service area should be utilized for supplies, services and equipment.

PURCHASING SYSTEM OVERVIEW



5.02.05 Responsibilities of the Authorized Purchaser

An authorized purchaser is responsible for 1) the procurement of general supplies, services and equipment; and 2) the administration of the purchasing policy. To perform these functions efficiently, the authorized purchaser shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the District's general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluate and utilize purchasing methods which best meet the needs of the District (i.e. blanket purchase orders, contractual agreements, etc.).
- D. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- E. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- F. Comparison of quantities billed on the invoice with quantities listed on the Purchase Order and shown on receiving documents.

5.02.06 Responsibilities of Department Heads

Each Department Head is responsible for the following:

- A. To provide the Finance Department a current list of positions delegated the authority to make purchases per the policies and procedures as described herein.
- B. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods and/or services in accordance with the best purchasing practices.
- C. To communicate and coordinate purchases with the Finance Department and such other departments, as necessary.
- D. To provide detailed, accurate specifications to ensure goods and services obtained are consistent with requirements and expectations.
- E. To prepare purchase orders in accordance with instructions, including documentation of the bid process, so as to minimize the processing effort and to establish an audit trail
- F. To inform the Finance Department of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- G. To minimize emergency and sole source purchases in accordance with this Policy, and to provide written documentation when such purchases may be necessary.

- H. To review all bids received for compliance with specifications, and provide the Finance Department with written documentation regarding their findings.
- I. To notify vendors of purchase awards.
- J. To not “split” orders for the purpose of avoiding procurement requirements. See Definitions.
- K. To require that an individual other than purchaser of the product verify receipt of purchased goods. Receipt of such goods shall be evidenced on a copy of the Purchase Order or a receiving form, referred to as receiving documentation throughout this section. Authorization of receiving documentation without actual verification of product’s receipt and proper condition is strictly prohibited. The receiving employee must sign the receiving documentation. Bills of lading and shipping documents that are included with the products shall be attached to the evidence of receipt and forwarded to the Accounts Payable Department.
- L. Approve claims for payment that don’t require a purchase order by signing the Accounts Payable Claim or CALCard Statement. (Department Head)

5.02.07 Responsibilities of the Purchasing Agent

The Purchasing Agent is responsible for the following:

- A. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods and/or services in accordance with the best purchasing practices.
- B. To communicate and coordinate purchases with the Finance Department and such other departments, as necessary.
- C. To provide detailed, accurate specifications to ensure goods and services obtained are consistent with requirements and expectations.
- D. To prepare purchase orders in accordance with instructions, including documentation of the bid process, so as to minimize the processing effort and to establish an audit trail.
- E. To inform the Finance Department of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- F. To minimize emergency and sole source purchases in accordance with this Policy, and to provide written documentation when such purchases may be necessary.
- G. To review all bids received for compliance with specifications, and provide the Finance Department with written documentation regarding their findings.
- H. To notify vendors of purchase awards.
- I. To not “split” orders for the purpose of avoiding procurement requirements. See Definitions.
- K. To require that an individual other than purchaser of the product verify receipt of purchased

goods. Receipt of such goods shall be evidenced on a copy of the Purchase Order or a receiving form, referred to as receiving documentation throughout this section. Authorization of receiving documentation without actual verification of product's receipt and proper condition is strictly prohibited. The receiving employee must sign the receiving documentation. Bills of lading and shipping documents that are included with the products shall be attached to the evidence of receipt and forwarded to the Accounts Payable Department.

5.02.08 Responsibilities of the Finance Department

- A. The Director of Administrative Services is responsible for administering the internal financial policies and procedures of the District and to provide a supportive role in assuring budget accountability. In addition, the Director of Administrative Services and authorized employees in the Finance Department have an obligation to look for "loose ends" and make sure that all pieces of a transaction come together and make sense; this is called a "reasonableness review." Authorized Finance Department personnel, therefore, shall do the following:
1. Review the Purchase Order for completeness.
 2. Review the Accounts Payable entries and/or CalCard Statements signed by the Department Head for completeness.
 3. Assign the vendor number if it is not already on the form.
 4. Determine that the appropriate approvals are included.
 5. Determine that the account and project numbers charged are appropriate for the item being acquired.
 6. Review for availability of funds or determine that the Request for Budget Appropriation Transfer has been completed.
 7. Verify invoices for payment, including the following^[RC1]:
 - Comparison of invoice with Purchase Order
 - Comparison of prices, discounts, and terms with those specified on the Purchase Order.
 - Proof of clerical accuracy of the invoice with respect to extensions, footings, and deduction of discounts
- B. If the Purchase Order, Accounts Payable Claim, or CALCard Statement has missing, or what appears to be incorrect, information, authorized Finance Department personnel shall use their best judgment in handling the problem in accordance with these guidelines:
1. If there is a minor problem, such as an incomplete or misspelled name, address, telephone number, etc., the appropriate department personnel will be contacted.
 2. If the required bids or approvals have not been obtained, the Purchase Order, Accounts Payable Claim, or CALCard Statement is returned to the initiator with an explanation of the problem and suggested corrective action.

3. If the account number appears to be incorrect, the authorized Finance Department personnel will, depending on the amount of the purchase, either correct the account number and notify the initiator or return the Purchase Order, Accounts Payable Statement, or CALCard Statement to the initiator with a request for clarification.
4. If budgeted funds are not available and the Request for Budget Appropriation Transfer has not been completed, the appropriate department personnel will be contacted.

5.02.09 Purchasing Methods - General Purchase Items

- A. Purchasing dollar limits are “per monthly order.” This Policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact an authorized purchaser (see Exhibit A) to coordinate volume bids or repetitive requirements (i.e., the frequent purchase of items such as chemicals, paper goods, office supplies, etc.).

1. Purchases of Less than \$2,500 – Over-the-Counter

Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,500 without competitive bidding. A Purchase Order is not required for any monthly orders under \$500, or under \$2500 for a singular Vendor of similar product. However, an Accounts Payable Claim or CALCard Statement must be authorized by the department head and/or Purchasing Agent.

2. Purchases Between \$2,500 and \$10,000 – Open Market

Purchases between \$2,501 and \$10,000 by authorized purchaser (see Exhibit A). All departments shall obtain three (3) verbal competitive quotations whenever possible for purchases. The department shall submit a Purchase Order, authorized by the department head or designee, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, and a description of the items required.

3. Purchases Between \$10,001 and \$49,999 – Open Market

Purchases between \$10,001 and \$49,999 by authorized purchaser (see Exhibit A). Staff shall not award purchase orders for \$10,001 - \$49,999 without the approval of the Authorized Purchaser, except in the event of an emergency (see section 8D) or other exception herein. All departments shall obtain three (3) written competitive quotations whenever possible for purchases. The department shall submit a Purchase Order, authorized by the department head, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and such other supporting information as may be required by the General Manager.

4. Purchases Between \$50,000 and \$99,999 – Formal Bid

Purchases that exceed \$50,000 require a Formal Bid Process except in the event of an emergency (See Section 8E) or other exception herein. Formal bids shall be approved by the

General Manager if pre-approved by adopted budget. If a bid is recommended to be awarded to other than the lowest bidder, or the expenditure has not been pre-approved by adopted budget, then Board approval shall be required.

5. Purchases of \$100,000 or More – Formal Bid

Purchases that exceed \$100,000 require a Formal Bid Process except in the event of an emergency (See Section 8D) or other exception herein. All formal bids over \$100,000 shall be approved by the Board.

B. Contract Purchase Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments; reduces the administrative costs associated with seeking redundant competitive bids and processing a purchase order each time an order is placed; and allows departments to order items and services as needed, thus reducing the requirement to maintain large inventories of stock.

If a Contract Purchase Order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Director of Administrative Services. Departments shall submit, in writing to the Finance Department, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are issued annually with the budget process and may include renewal option for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

C. Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may also include proprietary items sold directly from the manufacturer; items that have only one locally authorized distributor; or a certain product or vendor that has been proven to be the only acceptable provider. All sole source purchases shall be supported by written documentation signed by the appropriate department head and forwarded to the Finance Department. Final determination that an item is a valid sole source purchase will be made by the General Manager.

D. Emergency Purchases

In the event of an emergency affecting the ability to maintain water or wastewater service to District customers or other health/safety concerns that result from damage to District facilities, the General Manager, or designee, shall have the authority to make any purchases necessary to restore service to customers or prevent a Public Health & Safety risk to any individual. Bidding requirements and authorization levels as specified in this policy shall be waived for these purchases by authority of the General Manager.

Subject to the Brown Act rules, upon occurrence of the emergency, immediate notification shall be given to members of the Board of Directors through reasonable communication channels. An emergency meeting of the Board of Directors, if necessary, will be held to apprise the Board of the circumstances surrounding the emergency and obtain after-the-fact budget authorization for purchases not previously authorized within the fiscal year budget.

E. Uniform Guidance Requirements

For contracts funded with federal awards containing applicable Federal State and local procurement laws and regulations as noted in Title 2 U.S. Code of Federal Regulation (CFR) Section 200.318, the District must comply with the procurement requirements set forth in the Uniform Guidance. These requirements, such as record retention and required documentation, are detailed in Appendix A - Section 200.318 General Procurement Standards, and include, but are not limited to:

- a. Verification that procurement provides for full and open competition.
- b. Documentation for the cost or price analysis resulting in contractor selection.
- c. Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items.
- b. Proof that the District has verified via the Federal EPLS website (www.sam.gov) that each contractor has not been suspended or debarred from bidding on federally funded projects.
- c. Certification from the contractor that subcontractors used by the approved contractor have not been suspended or debarred.
- d. Justification for lack of competition when competitive bids are not obtained.
- e. Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency.

F. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where (1) the competitive bid process is not applicable; (2) where a check is required to accompany the order; and (3) where the expenditure is re-occurring. The following is a list of allowable exemptions:

Petty Cash Replenishment	Employee Reimbursements
Insurance Claims and Premiums	Subscription Renewals
Medical/Dental Reimbursement Payments	Travel Expense/Advances
Membership Dues	Real Property/Easement Acquisition
Utility/Refuse Payments	payable through Escrow
Vehicle Fuel Purchases	Over the Counter Purchases (8A(1))
Recruitment Costs	Legal Fees
Including Labs, Finger Printing	Legal Ads

Exemptions to purchase order requirements are limited to those items listed above. Departments may submit written requests for additional exemptions to the Finance Department. If warranted, additional exemptions will be added to this list by approval of the General Manager.

G. Purchase Award

1. Lowest Responsive and Qualified Bidder

- a. Bids shall be awarded to “responsive” and “qualified” bidder who submits the lowest bid.
- b. In determining the lowest “responsive” bid, the following elements shall be considered in addition to price:
 - 1) A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications, the District’s contractual terms and conditions, delivery dates, delivery charges, and the inclusion of sales or other transaction taxes. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.
 - 2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
 - 3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder’s reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
 - 4) A bidder may be determined to be non responsive if a prospective bidder fails to furnish proof of qualifications when required.
- c. In determining the lowest “qualified” bidder, the following elements shall be considered in addition to price:
 - 1) That the products offered provide the quality, fitness, and capacity for the required usage. This may include providing the make and/or model specified, or a substitute make and/or model of equal or greater value.
 - 2) That the bidder has the ability, capability and skill to perform the contract satisfactorily and within the time required.
 - 3) That the bidder’s experience regarding past purchases by the District or other public agencies demonstrates the reliability of the bidder to perform on the contract.
- d. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the Purchase Order.

2. Rejection of Bids

The General Manager or requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the District. Reasons for rejection may include, but are not limited to: a bid is determined to be non-responsive; the number of bids received

is inadequate; bids received are not reasonably uniform in price; or the lowest bid received is deemed to be too high. The General Manager or requesting department may in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected an authorized purchaser may wish to re-solicit bids or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the General Manager may accept the one deemed to be in the best interests of the District.

4. Local Preference Program

A responsive and responsible bid may qualify for the Local Preference Program. See Section 5.02.12 for details and requirements.

H. Modified Purchase Orders

Any substantial change to a Purchase Order shall be documented as a modification to an existing Purchase Order. These changes can include but are not limited to: a change in quantity, description, size or color; vendor name or address change; a change in unit price, delivery location, or terms and conditions; and to add or delete to the order. A modification shall also be used to terminate a purchase order and to correct errors in the original purchase order.

Modified Purchase Orders shall be reviewed by the authorized purchaser and approved by the General Manager. A purchase order may not be increased by more than 10% or \$2,500, whichever is less, without a formal modification, except for taxes, shipping and handling. Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount, but do not require a formal modification, even if they exceed 10% of the original purchase order amount. Modified Purchase Orders resulting in an additional \$50,000 or more require Board approval.

I. Construction Contract Change Orders

An authorized Contract Change Order (CCO) is required for all changes in the Contract amount for construction contracts. Refer to the General Conditions of the Project Contract Documents and Specification for the requirements of Authorized Changes in the Work.

1. Authorized Amounts

The District Engineer and the Director of Operations are authorized to approve CCO's, singular or cumulative, up to the amount of contingency presented to and approved by the Board at the time of Contract award. Approval shall require the signatures of both the District Engineer and the Director of Operations on the District's CCO form. The General Manager may, at his/her discretion, authorize amounts over the approved contingency, but within the approved Project budget.

2. Contract Change Order Process

All CCO's are to be processed on District forms approved by the General Manager and in

compliance with the provisions of the General Conditions of the Project Specifications. The District Engineer and the Director of Utilities shall sign all CCO's after the approval of the contractor. After all signatures are complete, the Progress Payment is to be revised to show the CCO and new Contract Amount. A copy of the CCO is to be attached to the Progress Payment.

Construction Contract Change Orders must be completed as follows:

1. Contract Change Orders should be processed on District forms.
2. Description of the change and the contract increase/decrease in costs.
3. Include a justification or explanation along with a cost estimate.
4. Address increase/decrease in contract time.
5. Have the contractor counter-sign the Contract Change Order.
6. The District Engineer and the Director of Operations shall sign the Contract Change Order.

J. Construction Progress Payments

The General Manager, the District Engineer, and the Director of Operations are authorized to approve Construction Progress Payments up to the amount of the Project budget as approved by the Board at the time of the contract award. Such Progress payments shall be processed on District forms as approved by the General Manager.

5.02.10 Informal and Formal Bidding Process

Except as otherwise exempted in the policy, supplies, services and equipment with an estimated cost of up to \$49,999 shall be purchased following an Informal Bid Process and purchases of \$50,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The requesting department shall solicit informal/formal bids as prescribed by the policy.

Informal bids may be posted at the District Administrative Office, mailed to prospective bidders, or solicited over the phone, via e-mail, fax, or on the District's website and/or the District's Public Purchase Portal. Formal bids shall be posted at the District Administrative Office, on the District's website and/or the District's Public Purchase Portal, and shall be published at least once in a newspaper of general circulation, and if applicable, in appropriate trade or other publications. The date of publication shall be at least fifteen (15) days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. The Department Head will prepare and forward a recommendation for approval of purchase to the Director of Administrative Services. Informal bids shall be approved by the Department Head. Formal bids shall be approved by the General Manager, except when a bid is recommended to be awarded to other than the lowest bidder, or when the bid otherwise requires Board approval.

A. Exemptions from the Competitive Process

The award of contracts without competitive bidding shall be permitted in cases where the Board of Directors has approved findings which support and justify exceptions to the competitive bidding process. Those circumstances may include, but are not limited to:

1. Competitive bidding would not be in the public's best interest because of an emergency as defined in section 8(D); or
2. The unique nature of the property or services required precludes competitive bidding; or
3. Competitive bidding would produce no economic benefit to the District; or
4. All of the following requirements are met with respect to the item:
 - a. The item may be purchased from a vendor that has a contract with another public agency of this state, an alliance of this state, or an alliance of the local public agencies within the state for the purchase of the item; and
 - b. The contract was awarded utilizing a competitive bidding process substantially the same as that utilized by the District; and
 - c. The item and terms of the transaction are the same or substantially the same; or
5. Special circumstances exist such that the purchase must be made within a limited period of time in order to secure for the District an advantageous price for the item that would not be achievable through competitive bidding. Such purchases shall be reported to the Board at its next regularly scheduled meeting; or
6. It is in the best interest of the District to extend a contract award from the previous contract period for up to one additional contract term provided the contractor agrees to furnish such products or services at the same contract price and under the same terms and conditions as the prior contract. This finding shall be made only when one of the following conditions exists:
 - a. The extension is necessary to avoid the interruption of District business; or
 - b. The extension makes good business sense; or
7. The products or services are needed by the District pending a bid award and the contractor with the most recently awarded contract for such product or services agrees to extend that contract for an interim period at the same contract price, terms, and conditions as the previous award. Such interim period contracts shall not exceed the greater of ninety (90) days, or until the conclusion of a bidder's appeal, if applicable, of the pending bid process.
8. Sole source vendors, in accordance with Section 5.02.08 C.
9. Negotiated contracts following solicitation of competitive proposals.
10. Any public works project where the Board of Directors finds that the "design-build" procurement process would save money or result in faster project completion. In such situations, the District may negotiate and award a "design-build" contract without having to award the contract to the lowest responsible bidder.

A comparative market analysis shall be included in the written findings of fact for purchases made pursuant to Exemptions to the Bidding Process for items 4, 5 or 6 hereinabove. Except in emergencies, no contract shall be awarded pursuant to the exceptions provided hereunder unless findings to support and justify such exception have been approved by the Board of Directors.

5.02.11 Specifications

It is the responsibility of each department to provide detailed, accurate specifications when requesting supplies, equipment and services. Accurate specifications are essential for effective bidding.

A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (General Manager if total purchase is less than \$50,000; Board if total purchase is \$50,000 or more) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate Department Head shall accompany the request for any sole source request. General purchase items specifically exempt from competitive bidding include: telecommunications, data processing, and information technology equipment and services.

B. Standardization

Standardization of specifications for items common to several departments can facilitate the purchasing process. The departments shall work together to establish standard specifications for such items.

C. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

5.02.12 Professional Consultant Selection

The following Policy shall apply to selection of certain professional consultants for services in connection with public improvement projects and governmental operations of the District. For purposes of this Policy, consultants include individuals, partnerships, corporations, joint ventures, associations or other legal entities, or any other combination of firms or persons competent to perform the required services. The selection of consultants shall be based upon the experience of the consultant, knowledge of the subject matter, demonstrated ability to perform similar services within budget and the time allowed, and the total estimated cost to the District. Above all, the goal of this Policy shall be to create a competitive environment where the best value can be achieved.

The General Manager has the authority to issue contracts for consultant services up to \$99,999 when funds have been approved in the budget for such services. For projects estimated at \$100,000 or more, at least three requests for proposals should be solicited and evaluated if possible. All consultants will

submit written proposals in response to requests for services. A consultant may qualify for the Local Preference Program. See Section 5.02.12 for details and requirements.

The evaluation and a subsequent recommendation to the General Manager for consultant services shall be conducted by the individual responsible for the project. Before a recommendation is made to the Board, as may be required above, the fee for the services shall be negotiated. If a mutually satisfactory fee cannot be agreed upon, negotiations shall be terminated; thereupon another consultant shall be selected and fee negotiations undertaken.

Award of a contract to a consultant shall be made only when sufficient funds have been appropriated in the project budget and all other applicable provisions in any applicable agreements are satisfied. The only exceptions are those services which relate to the processing of development plans that will be paid for by the developer.

5.02.13 Local Preference Program

A. Purpose

In recognition that wages earned by County residents benefit Calaveras County's overall economy, the Board wishes to establish a local preference program for the contracting of construction and professional services.

B. Application in Construction Contracting

A local preference comparison amount may be applied to construction projects that exceed \$50,000. The comparison amount is for bid comparisons only; it shall be five percent (5%) of the total bid amount, up to a maximum comparison amount of \$50,000; and can be applied to local prime contractors or prime contractors using qualified local subcontractors. The comparison amount is deducted from the submitted bid.

1. Local Prime Contractor – Comparison amount equals five percent (5%) of bid amount, with a maximum comparison amount of \$50,000.

- or -

2. Prime Contractor using Qualified Local Subcontractors – If the sum of all qualified local subcontractors' costs is at least ten percent (10%) of total bid, then the comparison amount equals five percent (5%) of prime contractors' total bid, with a maximum comparison amount of \$50,000.

C. Application in Professional Services Contracting

A local preference may be applied to Professional Services contracts that exceed \$50,000 for a given project. The maximum local preference comparison amount shall not exceed a weighting factor of five percent (5%) of the total evaluation criteria outlined in the Request for Proposal. The local preference can be applied to local consultants, or to consultants using local sub-consultants as described above under applications for construction contractors.

D. Definition

A local contractor or professional services consultant is any contractor or consultant able to demonstrate that, for the calendar year prior to bid opening, at least fifty percent (50%) of that contractor's or consultant's payroll was paid to employees who are residents of Calaveras County. Contractors, subcontractors, and consultants seeking a local preference must submit the District's form certifying compliance with the local payroll criterion.

E. Award Review

After deducting the local preference comparison amount from the bid amount, the result will be compared to competing bids. The project will be awarded to the lowest responsive and responsible bidder. The price paid by the District will be the bid amount quoted by the winning bidder.

F. Exceptions in the Application of Local Preference:

1. No local preference shall be applied on projects using federal funds, or funds administered by a state agency where the funding originated from a federal source, or as may be otherwise disallowed by funding agency or regulation.
2. The District may, at its sole discretion, waive seeking local business or any offer of local preference if:
 - a. An emergency exists that requires the contract to be executed immediately.
 - b. No local firm is available to provide the service, equipment, or material.
 - c. The product or service required is proprietary in nature.
 - d. Staff determines, and Board approves, that the local preference is not in the best interests of the District's needs.

G. Right to Terminate

The Board of Directors reserves the right to terminate the local preference at any time if, in its sole discretion, (a) the program does not appear to be providing the desired economic benefit, and/or (b) the justification cited for the program appears no longer to be valid.

5.02.14 Encumbrances

YEAR END PROCESS FOR ENCUMBRANCES/PURCHASE ORDERS

An encumbrance is an outstanding purchase order for goods or services; a portion of the budget appropriation is reserved in the amount of the purchase order. Encumbrances help to ensure administrative and budgetary compliance. Purchase Orders for Operating and Capital Improvement Projects (CIP) may be carried forward to the future fiscal year provided there are sufficient funds available and approval by the Department Head and General Manager via the budget process.

Due to the large volume of Purchase Order requests presented at year-end, the Finance Department will accept Purchase Orders, greater than \$500, each fiscal year up to May 31. Purchase Orders submitted after May 31 of each fiscal year shall require prior approval by the Director of Administrative Services. As of May 31, all accounts must have an available balance greater than or equal to the amount of the purchase order requested. If a budget transfer is required, Department Heads must provide a **Budget Transfer Request** prior to submitting a **Purchase Order**.

GLOSSARY OF TERMS

Agreement	A written understanding between two or more parties. See “ <i>Contract</i> ” and <i>Purchase Order</i> .”
Appropriation	District authorization to expend public funds for a specific purpose.
Award	The acceptance of a <i>Bid</i> or <i>Proposal</i> .
Bid	The executed document submitted by a <i>Bidder</i> in response to a <i>Notice Inviting Bids (NIB)</i> , a <i>Proposal</i> , or a <i>Request for Quotation</i> .
Bidder	A person or legal entity who submits a <i>Bid</i> in response to a solicitation. See also <i>Bid</i> or <i>Proposal</i> .
Brand Name	A trade name that serves to identify a product or particular manufacturer.
Competitive Bidding	The submission of prices by individuals or firms competing for a <i>Contract</i> , privilege, or right to supply merchandise or services.
Consultant Services	A person who facilitates organizational change and/or provides subject matter expertise on technical, functional, and business topics during development or implementation of a project.
Contract	A written, legally binding and mutual promise between two separate parties. e.g. an accepted <i>Purchase Order</i> .
Contract Change Order (CCO)	Written modification or addition to a <i>Construction Contract Purchase Order</i> or <i>Construction Contract Agreement</i> authorized by the appropriate authority.
Contract Purchase Order	A <i>Purchase Order</i> (usually issued for one year) that outlines unit prices to be charged by the Vendor for the term of the <i>Purchase Order</i> . This type of <i>Purchase Order</i> is generally used for such things as electrical, plumbing, and other goods and services that are anticipated to be needed periodically throughout the year. The <i>Bids</i> are usually expressed at hourly rates plus parts expressed at a specific <i>Discount</i> below list price.
Design-Build	For purposes of this policy, “design-build” means a procurement process in which certain elements of both the design and construction of the project are procured from a single entity.
Discount	An allowance or deduction from the normal or list price extended by a seller to a buyer to make the unit price more competitive.
Emergency Purchase	See <i>Emergency Purchases – page 7</i> .
Encumbrance	Committing budgeted funds prior to receiving supplies, equipment, or services; committed funds are shown as an encumbrance until supplies and equipment are received or service rendered, at which time funds are actually expended.
Formal Bid	A <i>Bid</i> that must be submitted in a sealed envelope and in conformance with a prescribed format, and only to be opened and announced at a specified time at a public opening.

Guarantee	A pledge or assurance that something is represented and will be replaced or repaired if it fails to meet the stated <i>Specifications</i> .
Informal Bid	Written or verbal <i>Quotations</i> for supplies, equipment and services which pursuant to this policy are not required to meet the formal bidding requirements. <i>Informal Bids</i> include unsealed written quotes, verbal quotes and quotes received via fax and email.
Lowest (Responsive & Responsible) Bidder	The <i>Bidder</i> submitting the lowest price who has also demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience necessary to perform the proposed Contract. See also “ <i>Responsible Bidder</i> ” and “ <i>Responsive Bidder</i> .”
Non-Responsive Bidder	A <i>Bid</i> that does not conform to the essential requirements of the Notice Inviting <i>Bids</i> . Non-conforming <i>Bid</i> . Unresponsive <i>Bid</i> .
Notice Inviting Bids (NIB)	A formal notice, published in the newspaper or elsewhere or sent directly to potential Bidders, notifying them that the District is accepting Bids for a specific purpose.
Professional Services	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, appraiser, expert, etc.
Proposal	The executed document submitted as an offer, or in response to a <i>Request for Proposals</i> (and the basis for subsequent negotiations).
Public Contract Code	Shall mean <i>Public Contract Code</i> of the State of California.
Public Project	(definition is from State of California Public Contract Code) <ol style="list-style-type: none">1. A project for the erection, improvement, or repair of public buildings and works.2. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.3. Street or sewer work except maintenance or repair.4. Furnishing supplies or materials for any such project, including maintenance or repair of streets and sewers.
Purchase Order	A <i>Purchaser’s</i> document to formalize a <i>Purchase</i> transaction with a <i>Vendor</i> . Acceptance of a <i>Purchase Order</i> constitutes a Contract; a <i>Purchaser’s</i> written offer to a supplier stating all terms and conditions of a proposed transaction.
Purchaser	A prospective buyer.
Purchases	Goods or services.
Purchasing Division	The employee, division, and/or department within the organization to which the purchasing function has been delegated.
Qualified Bidder	A “qualified” <i>Bidder</i> is a <i>Bidder</i> that demonstrates the following characteristics:

1. Can provide product quality, fitness, and capacity for the required usage.
2. Has the ability, capacity, and skill to perform the contract or provide the service required.
3. Has demonstrated character, integrity, reputation, good judgment, experience, and efficiency, particularly with reference to past purchases by the District or other public agencies.
4. Has the ability to perform within the time required.
5. Has shown quality of performance and/or of products provided in previous contracts or services with the District or other public agencies.
6. Note: Previous documented incidents of unsatisfactory performance and/or unsatisfactory delivery, materials, or services may result in a determination of unqualified.

Quotation A *Bid*. A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a *prospective Purchaser*, usually for *Purchases* below the amount requiring *Formal Bidding*.

Request For Proposal (RFP) All documents, whether attached or incorporated by reference, utilized for soliciting competitive *Proposals*. The *RFP* procedure permits the negotiation of *Proposals* and prices as distinguished from *Competitive Bidding* and a *Notice Inviting Bids*. The procedure allows changes to be made after *Proposals* are opened and contemplates that the nature of the *Proposal* and/or prices offered will be negotiated prior to the *Award*.

Request For Quotation (RFQ) The document generally used for seeking competition on small *Purchases* or on any *Purchase* that does not require competitive *Sealed Bidding*. Can be used for obtaining price and delivery information for *Sole Source* and emergencies. Also, see "*Quotation*."

Responsible Bidder A person who has the capability in all respects to perform in full the *Contract* requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bidder (1) A person who has submitted a *Bid* which conforms in all material respects to the *Notice Inviting Bids*, or (2) One whose *Bid* conforms in all material respects to the terms and conditions, *Specifications*, and other requirements of the *NIB*.

Sealed Bid A *Bid* which has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission of all *Bids*; required on *Formal Bids*.

Sole Source An *Award* for a commodity or service to the only reasonably known and capable supplier due to the unique nature of the requirement, the supplier, or market conditions.

Specifications A description of what the *Purchaser* seeks to buy or accomplish, and consequently, what a *Bidder* must be responsive to in order to be considered for *Award* of a *Contract*. A *Specification* may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

Split To divide a *Purchase* into two or more parts in order to avoid the requirements of the *Purchasing Policy*. This is an action prohibited by the *Policy*.

Example:

Split –

If a department knows it will use \$52,000 of a particular supply in one fiscal year and they place two orders six months apart to keep each order below the \$50,000 limit, the action is considered *Splitting* and is not allowed under the *Policy*.

Not Split -

If a department hires ABC Engineering to prepare a fee study for \$28,000 and also hires the same company to oversee a capital improvement project for \$29,000, the action is not considered *Splitting*.

Supplies Office *Supplies*, janitorial *Supplies*, materials, goods, tools, or other commodities used in the general conduct of the District business, excepting *Supplies* or materials for a public work which is regulated under the *Public Contract Code* section of 20160 et seq.

Vendor A supplier of goods or services.

Warranty The representation that something is true. Not to be confused with “*Guarantee*.” A representation of utility, condition, and durability made by a *Bidder* for a product offered, that shall include a time period.

APPENDIX A –

Section 200.318 General Procurement Standards

- (a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.
- (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- (c)
 - (1) The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
 - (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- (d) The Non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
- (f) The Non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

- (g) The Non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- (h) The Non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.213 Suspension and debarment.
- (i) The Non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- (j)
 - (1) The Non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:
 - (i) The actual cost of materials; and
 - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- (k) The Non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

Policy Title: Purchasing Policy
 Policy Number: Financial Management Policy 5.02
 202019-XX21)

Adopted 01/12/05

—Current Revised ~~03/27/2019~~05/21/20 (Res.

See Cover Page for Prior Policy Revision Dates

5.02.01 Purpose

The purpose of the Purchasing Policy (“Policy”) is to provide the Calaveras County Water District (“District”) with a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the District. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of District resources, including keeping within the budget authorized by the Board of Directors.

5.02.02 Policy

The policy outlined herein is to be adhered to by all personnel when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing supplies, equipment and services.

5.02.03 Unauthorized Purchases

Except for emergencies, departmental purchases in excess of \$500, or \$2500 for a singular Vendor for similar goods, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

- A. Such purchases are void and not considered an obligation of the District.
- B. Invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.
- D. Purchases over budget are prohibited with the exception of emergencies. [See Section 8(~~DE~~).]

Purchase orders shall be issued prior to ordering supplies, equipment and services and not “after the fact.”

5.02.04 Vendor Relations

It is to the District’s advantage to promote and maintain good relations with vendors. District staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.

No employee participating in the purchasing process shall:

- A. Accept any fee, compensation, gift, or payment of expenses which results in private gain in return for preferential treatment.
- B. Grant any special consideration, treatment, or advantage to any person beyond that which is available to every other person in similar circumstance.

Policy Title: Purchasing Policy

Adopted 01/12/05

Policy Number: Financial Management Policy 5.02

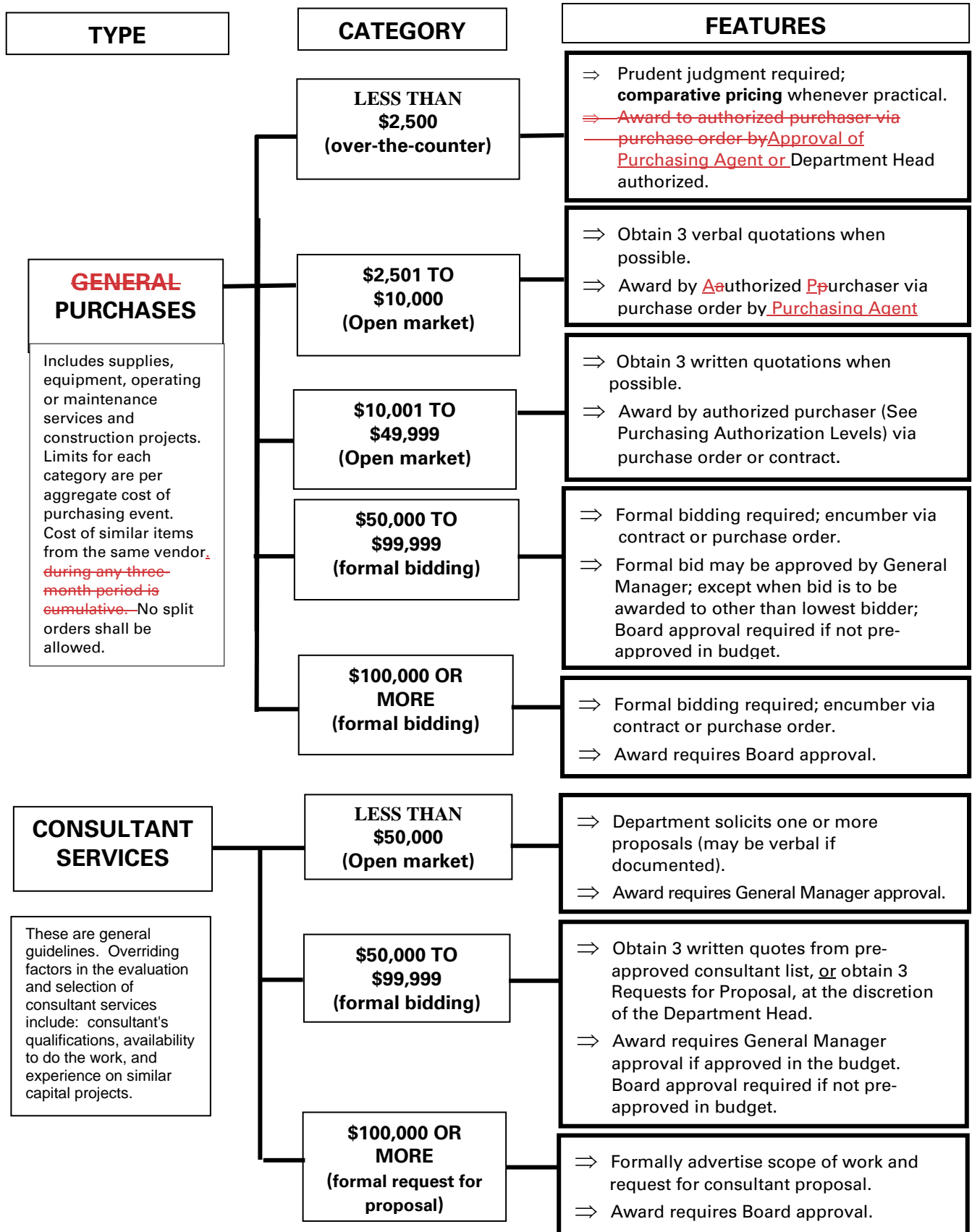
—Current Revised ~~03/27/2019~~05/21/20 (Res.

~~2019-XX21~~)

See Cover Page for Prior Policy Revision Dates

When feasible to do so, vendors within the County service area should be utilized for supplies, services and equipment.

PURCHASING SYSTEM OVERVIEW



5.02.05 Responsibilities of the Authorized Purchaser

An authorized purchaser is responsible for 1) the procurement of general supplies, services and equipment; and 2) the administration of the purchasing policy. To perform these functions efficiently, the authorized purchaser shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the District's general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluate and utilize purchasing methods which best meet the needs of the District (i.e. blanket purchase orders, contractual agreements, etc.).
- D. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- ~~E.~~ Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public ~~purchasing-purchasing~~.
- F. Comparison of quantities billed on the invoice with quantities listed on the Purchase Order and shown on receiving documents.
- ~~E.~~

5.02.06 Responsibilities of Department Heads

~~E~~Each Department Head is responsible for the following:

- A. To provide the Finance Department a current list of positions delegated the authority to make purchases per the policies and procedures as described herein.
- B. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods and/or services in accordance with the best purchasing practices.
- C. To communicate and coordinate purchases with the Finance Department and such other departments, as necessary.
- D. To provide detailed, accurate specifications to ensure goods and services obtained are consistent with requirements and expectations.
- E. To prepare purchase orders in accordance with instructions, including documentation of the bid process, so as to minimize the processing effort and to establish an audit trail-
- F. To inform the Finance Department of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- G. To minimize emergency and sole source purchases in accordance with this Policy, and to provide written documentation when such purchases may be necessary.

- H. To review all bids received for compliance with specifications, and provide the Finance Department with written documentation regarding their findings.
- I. To notify vendors of purchase awards.
- J. To not “split” orders for the purpose of avoiding procurement requirements. See Definitions.
- K. To require that an individual other than purchaser of the product verify receipt of purchased goods. Receipt of such goods shall be evidenced on a copy of the Purchase Order or a receiving form, referred to as receiving documentation throughout this section. Authorization of receiving documentation without actual verification of product’s receipt and proper condition is strictly prohibited. The receiving employee must sign the receiving documentation. Bills of lading and shipping documents that are included with the products shall be attached to the evidence of receipt and forwarded to the Accounts Payable Department.

L. Approve claims for payment that don’t require a purchase order by signing the Accounts Payable Claim or CALCard Statement. (Department Head)

5.02.07 Responsibilities of the Purchasing Agent

The Purchasing Agent is responsible for the following:

- A. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods and/or services in accordance with the best purchasing practices.
- B. To communicate and coordinate purchases with the Finance Department and such other departments, as necessary.
- C. To provide detailed, accurate specifications to ensure goods and services obtained are consistent with requirements and expectations.
- D. To prepare purchase orders in accordance with instructions, including documentation of the bid process, so as to minimize the processing effort and to establish an audit trail.
- E. To inform the Finance Department of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- F. To minimize emergency and sole source purchases in accordance with this Policy, and to provide written documentation when such purchases may be necessary.
- G. To review all bids received for compliance with specifications, and provide the Finance Department with written documentation regarding their findings.
- H. To notify vendors of purchase awards.
- I. To not “split” orders for the purpose of avoiding procurement requirements. See Definitions.

K. To require that an individual other than purchaser of the product verify receipt of purchased goods. Receipt of such goods shall be evidenced on a copy of the Purchase Order or a receiving form, referred to as receiving documentation throughout this section. Authorization of receiving documentation without actual verification of product's receipt and proper condition is strictly prohibited. The receiving employee must sign the receiving documentation. Bills of lading and shipping documents that are included with the products shall be attached to the evidence of receipt and forwarded to the Accounts Payable Department.

5.02.087 Responsibilities of the Finance Department

A. The Director of Administrative Services is responsible for administering the internal financial policies and procedures of the District and to provide a supportive role in assuring budget accountability. In addition, the Director of Administrative Services and authorized employees in the Finance Department have an obligation to look for "loose ends" and make sure that all pieces of a transaction come together and make sense; this is called a "reasonableness review." Authorized Finance Department personnel, therefore, shall do the following:

1. Review the Purchase Order for completeness.

~~1.2.~~ Review the Accounts Payable entries and/or CalCard Statements signed by the Department Head for completeness.

~~2.3.~~ Assign the vendor number if it is not already on the form.

~~3.4.~~ Determine that the appropriate approvals are included.

~~4.5.~~ Determine that the account and project numbers charged are appropriate for the item being acquired.

~~5.6.~~ Review for availability of funds or determine that the Request for Budget Appropriation Transfer has been completed.

~~6.7.~~ Verify invoices for payment, including the following:

- Comparison of ~~quantities billed on the~~ invoice with ~~quantities listed on the~~ Purchase Order ~~and shown on receiving documents.~~
- Comparison of prices, discounts, and terms with those specified on the Purchase Order.
- Proof of clerical accuracy of the invoice with respect to extensions, footings, and deduction of discounts

B. If the Purchase Order, Accounts Payable Claim, or CALCard Statement has missing, or what appears to be incorrect, information, authorized Finance Department personnel shall use their best judgment in handling the problem in accordance with these guidelines:

1. If there is a minor problem, such as an incomplete or misspelled name, address, telephone number, etc., the appropriate department personnel will be contacted.

2. If the required bids or approvals have not been obtained, the Purchase Order, Accounts Payable Claim, or CALCard Statement is returned to the initiator with an explanation of the problem and suggested corrective action.
3. If the account number appears to be incorrect, the authorized Finance Department personnel will, depending on the amount of the purchase, either correct the account number and notify the initiator or return the Purchase Order, Accounts Payable Statement, or CALCard Statement to the initiator with a request for clarification.
4. If budgeted funds are not available and the Request for Budget Appropriation Transfer has not been completed, the appropriate department personnel will be contacted.

5.02.089 Purchasing Methods - General Purchase Items

- A. Purchasing dollar limits are “per monthly order.” This Policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact an authorized purchaser (see Exhibit A) to coordinate volume bids or repetitive requirements (i.e., the frequent purchase of items such as chemicals, paper goods, office supplies, etc.).

1. Purchases of Less than \$2,500 – Over-the-Counter

Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,500 without competitive bidding. A Purchase Order is not required for any monthly orders under \$500, or under \$2500 for a singular Vendor of similar product. However, an Accounts Payable Claim or CALCard Statement must be authorized by the department head and/or Purchasing Agent. ~~will be required unless exempted under this policy (see section 8F).~~

2. Purchases Between ~~\$2,501~~ and \$10,000 – Open Market

Purchases between \$2,501 and \$10,000 by authorized purchaser (see Exhibit A). All departments shall obtain three (3) verbal competitive quotations whenever possible for purchases. The department shall submit a Purchase Order, authorized by the department head or designee, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, and a description of the items required.

3. Purchases Between \$10,001 and \$49,999 – Open Market

Purchases between \$10,001 and \$49,999 by authorized purchaser (see Exhibit A). Staff shall not award purchase orders for \$10,001 - \$49,999 without the approval of the Authorized Purchaser, except in the event of an emergency (see section ~~8DE~~) or other exception herein. All departments shall obtain three (3) written competitive quotations whenever possible for purchases. The department shall submit a Purchase Order, authorized by the department head, which includes the recommended vendor, with all supporting documentation to the Finance Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and such other supporting information as may be required by the General Manager.

4. Purchases Between \$50,000 and \$99,999 – Formal Bid

Purchases that exceed \$50,000 require a Formal Bid Process except in the event of an emergency (See Section 8E) or other exception herein. Formal bids shall be approved by the General Manager if pre-approved by adopted budget. If a bid is recommended to be awarded to other than the lowest bidder, or the expenditure has not been pre-approved by adopted budget, then Board approval shall be required.

5. Purchases of \$100,000 or More – Formal Bid

Purchases that exceed \$100,000 require a Formal Bid Process except in the event of an emergency (See Section 8DE) or other exception herein. All formal bids over \$100,000 shall be approved by the Board.

~~B. Open (Blanket) Purchase Orders~~

~~—A Blanket Purchase Order is an agreement whereby the District contracts with a vendor to provide equipment or supplies on an as needed and often over the counter basis. Blanket Purchase Orders provide a mechanism whereby items which are uneconomical to stock may be purchased in a manner that allows timely access to necessary materials. Blanket Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.~~

~~—The authorized purchaser shall request confirmation of Blanket Purchase Orders annually, before the beginning of the fiscal year. Requests for Blanket Purchase Orders may also be submitted to the Finance Department on an as needed basis. The Finance Department shall review Blanket Purchase Order requests based upon the following criteria:~~

- ~~• Geographic location.~~
- ~~• Responsiveness and capabilities.~~
- ~~• Average dollar value and type of items to be purchased.~~
- ~~• Frequency of need.~~

~~All Open (Blanket) Purchase Orders shall include the following information:~~

- ~~• A general description of the equipment or supplies which may be charged.~~
- ~~• The period of time the order will remain open, not to exceed one year.~~
- ~~• The maximum total amount which may be charged on the Blanket Purchase Order.~~
- ~~• The maximum amount which may be charged each time the employee implementing a purchase enters the vendor's place of business.~~
- ~~• Items excluded from the purchase, if applicable.~~
- ~~• Identification of the department(s) and authorized purchaser(s) who may charge against the order.~~
- ~~• Requirement that the employee/purchaser show District identification.~~
- ~~• Requirement that employees/purchasers print and sign their names when picking up goods.~~
- ~~• Account number(s) to be charged.~~

~~Once a Blanket Purchase Order is issued to a vendor, any authorized District employee may contact the vendor directly to place orders per terms and conditions specified in the Blanket Purchase Order.~~

~~C~~.B. Contract Purchase Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments; reduces the administrative costs associated with seeking redundant competitive bids and processing a purchase order each time an order is placed; and allows departments to order items and services as needed, thus reducing the requirement to maintain large inventories of stock.

If a Contract Purchase Order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Director of Administrative Services. Departments shall submit, in writing to the Finance Department, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are issued annually with the budget process and may include renewal option for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

~~D~~.C. Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may also include proprietary items sold directly from the manufacturer; items that have only one locally authorized distributor; or a certain product or vendor that has been proven to be the only acceptable provider. All sole source purchases shall be supported by written documentation signed by the appropriate department head and forwarded to the Finance Department. Final determination that an item is a valid sole source purchase will be made by the General Manager.

~~E~~.D. Emergency Purchases

In the event of an emergency affecting the ability to maintain water or wastewater service to District customers or other health/safety concerns that result from damage to District facilities, the General Manager, or designee, shall have the authority to make any purchases necessary to restore service to customers or prevent a Public Health & Safety risk to any individual. Bidding requirements and authorization levels as specified in this policy shall be waived for these purchases by authority of the General Manager.

Subject to the Brown Act rules, upon occurrence of the emergency, immediate notification shall be given to members of the Board of Directors through reasonable communication channels. An emergency meeting of the Board of Directors, if necessary, will be held to apprise the Board of the circumstances surrounding the emergency and obtain after-the-fact budget authorization for purchases not previously authorized within the fiscal year budget.

F.E. Uniform Guidance Requirements

For contracts funded with federal awards containing applicable Federal State and local procurement laws and regulations as noted in Title 2 U.S. Code of Federal Regulation (CFR) Section 200.318, the District must comply with the procurement requirements set forth in the Uniform Guidance. These requirements, such as record retention and required documentation, are detailed in Appendix A - Section 200.318 General Procurement Standards, and include, but are not limited to:

- a. Verification that procurement provides for full and open competition.
- b. Documentation for the cost or price analysis resulting in contractor selection.
- c. Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items.
- b. Proof that the District has verified via the Federal EPLS website (www.sam.gov) that each contractor has not been suspended or debarred from bidding on federally funded projects.
- c. Certification from the contractor that subcontractors used by the approved contractor have not been suspended or debarred.
- d. Justification for lack of competition when competitive bids are not obtained.
- e. Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency.

G.F. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where (1) the competitive bid process is not applicable; (2) where a check is required to accompany the order; and (3) where the expenditure is re-occurring. The following is a list of allowable exemptions:

Petty Cash Replenishment	Employee Reimbursements
Insurance Claims and Premiums	Subscription Renewals
Medical/Dental Reimbursement Payments	Travel Expense/Advances
Membership Dues	Real Property/Easement Acquisition
Utility/ <u>Refuse</u> Payments	—payable through Escrow
Vehicle Fuel Purchases	<u>Over the Counter Purchases (8A(1))</u>
<u>Recruitment Costs</u>	<u>Legal Fees</u>
<u>Including Labs, Finger Printing</u>	<u>Legal Ads</u>

Exemptions to purchase order requirements are limited to those items listed above. Departments may submit written requests for additional exemptions to the Finance Department. If warranted, additional exemptions will be added to this list by approval of the General Manager.

H.G. Purchase Award

1. Lowest Responsive and Qualified Bidder
 - a. Bids shall be awarded to “responsive” and “qualified” bidder who submits the lowest bid.

- b. In determining the lowest “responsive” bid, the following elements shall be considered in addition to price:
 - 1) A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications, the District’s contractual terms and conditions, delivery dates, delivery charges, and the inclusion of sales or other transaction taxes. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.
 - 2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
 - 3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder’s reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
 - 4) A bidder may be determined to be non responsive if a prospective bidder fails to furnish proof of qualifications when required.
- c. In determining the lowest “qualified” bidder, the following elements shall be considered in addition to price:
 - 1) That the products offered provide the quality, fitness, and capacity for the required usage. This may include providing the make and/or model specified, or a substitute make and/or model of equal or greater value.
 - 2) That the bidder has the ability, capability and skill to perform the contract satisfactorily and within the time required.
 - 3) That the bidder’s experience regarding past purchases by the District or other public agencies demonstrates the reliability of the bidder to perform on the contract.
- d. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the Purchase Order.

2. Rejection of Bids

The General Manager or requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the District. Reasons for rejection may include, but are not limited to: a bid is determined to be non-responsive; the number of bids received is inadequate; bids received are not reasonably uniform in price; or the lowest bid received is deemed to be too high. The General Manager or requesting department may in any given case, reject all bids with or without cause and submit the supplies, equipment or service

involved to a new bidding process. If all bids are rejected an authorized purchaser may wish to re-solicit bids or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the General Manager may accept the one deemed to be in the best interests of the District.

4. Local Preference Program

A responsive and responsible bid may qualify for the Local Preference Program. See Section 5.02.12 for details and requirements.

H. Modified Purchase Orders

Any substantial change to a Purchase Order shall be documented as a modification to an existing Purchase Order. These changes can include but are not limited to: a change in quantity, description, size or color; vendor name or address change; a change in unit price, delivery location, or terms and conditions; and to add or delete to the order. A modification shall also be used to terminate a purchase order and to correct errors in the original purchase order.

Modified Purchase Orders shall be reviewed by the authorized purchaser and approved by the General Manager. A purchase order may not be increased by more than 10% or \$2,500, whichever is less, without a formal modification, except for taxes, shipping and handling. Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount, but do not require a formal modification, even if they exceed 10% of the original purchase order amount. Modified Purchase Orders resulting in an additional \$50,000 or more require Board approval.

I. Construction Contract Change Orders

An authorized Contract Change Order (CCO) is required for all changes in the Contract amount for construction contracts. Refer to the General Conditions of the Project Contract Documents and Specification for the requirements of Authorized Changes in the Work.

1. Authorized Amounts

The District Engineer and the Director of Operations are authorized to approve CCO's, singular or cumulative, up to the amount of contingency presented to and approved by the Board at the time of Contract award. Approval shall require the signatures of both the District Engineer and the Director of Operations on the District's CCO form. The General Manager may, at his/her discretion, authorize amounts over the approved contingency, but within the approved Project budget.

2. Contract Change Order Process

All CCO's are to be processed on District forms approved by the General Manager and in compliance with the provisions of the General Conditions of the Project Specifications. The

District Engineer and the Director of Utilities shall sign all CCO's after the approval of the contractor. After all signatures are complete, the Progress Payment is to be revised to show the CCO and new Contract Amount. A copy of the CCO is to be attached to the Progress Payment.

Construction Contract Change Orders must be completed as follows:

1. Contract Change Orders should be processed on District forms.
2. Description of the change and the contract increase/decrease in costs.
3. Include a justification or explanation along with a cost estimate.
4. Address increase/decrease in contract time.
5. Have the contractor counter-sign the Contract Change Order.
6. The District Engineer and the Director of Operations shall sign the Contract Change Order.

K.J Construction Progress Payments

The General Manager, the District Engineer, and the Director of Operations are authorized to approve Construction Progress Payments up to the amount of the Project budget as approved by the Board at the —time of the contract award. Such Progress payments shall be processed on District forms as approved by the General Manager.

5.02.1009 Informal and Formal Bidding Process

Except as otherwise exempted in the policy, supplies, services and equipment with an estimated cost of up to \$49,999 shall be purchased following an Informal Bid Process and purchases of \$50,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The requesting department shall solicit informal/formal bids as prescribed by the policy.

Informal bids may be posted at the District Administrative Office, mailed to prospective bidders—~~a minimum of ten calendar days before the due date~~, or solicited over the phone, via e-mail, fax, or on the District's website and/or the District's Public Purchase Portal. Formal bids shall be posted at the District Administrative Office, on the District's website and/or the District's Public Purchase Portal, and shall be published at least once in a newspaper of general circulation, and if applicable, in appropriate trade or other publications. The date of publication shall be at least fifteen (15) days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. The Department Head will prepare and forward a recommendation for approval of purchase to the Director of Administrative Services. Informal bids shall be approved by the Department Head. Formal bids shall be approved by the General Manager, except when a bid is recommended to be awarded to other than the lowest bidder, or when the bid otherwise requires Board approval.

A. Exemptions from the Competitive Process

The award of contracts without competitive bidding shall be permitted in cases where the Board of Directors has approved findings which support and justify exceptions to the competitive bidding process. Those circumstances may include, but are not limited to:

1. Competitive bidding would not be in the public's best interest because of an emergency as defined in section 8(~~DE~~); or
2. The unique nature of the property or services required precludes competitive bidding; or
3. Competitive bidding would produce no economic benefit to the District; or
4. All of the following requirements are met with respect to the item:
 - a. The item may be purchased from a vendor that has a contract with another public agency of this state, an alliance of this state, or an alliance of the local public agencies within the state for the purchase of the item; and
 - b. The contract was awarded utilizing a competitive bidding process substantially the same as that utilized by the District; and
 - c. The item and terms of the transaction are the same or substantially the same; or
5. Special circumstances exist such that the purchase must be made within a limited period of time in order to secure for the District an advantageous price for the item that would not be achievable through competitive bidding. Such purchases shall be reported to the Board at its next regularly scheduled meeting; or
6. It is in the best interest of the District to extend a contract award from the previous contract period for up to one additional contract term provided the contractor agrees to furnish such products or services at the same contract price and under the same terms and conditions as the prior contract. This finding shall be made only when one of the following conditions exists:
 - a. The extension is necessary to avoid the interruption of District business; or
 - b. The extension makes good business sense; or
7. The products or services are needed by the District pending a bid award and the contractor with the most recently awarded contract for such product or services agrees to extend that contract for an interim period at the same contract price, terms, and conditions as the previous award. Such interim period contracts shall not exceed the greater of ninety (90) days, or until the conclusion of a bidder's appeal, if applicable, of the pending bid process.
8. Sole source vendors, in accordance with Section 5.02.08 ~~CD~~.
9. Negotiated contracts following solicitation of competitive proposals.
10. Any public works project where the Board of Directors finds that the “design-build” procurement process would save money or result in faster project completion. In such

situations, the District may negotiate and award a “design-build” contract without having to award the contract to the lowest responsible bidder.

A comparative market analysis shall be included in the written findings of fact for purchases made pursuant to Exemptions to the Bidding Process for items 4, 5 or 6 hereinabove. Except in emergencies, no contract shall be awarded pursuant to the exceptions provided hereunder unless findings to support and justify such exception have been approved by the Board of Directors.

5.02.110 Specifications

It is the responsibility of each department to provide detailed, accurate specifications when requesting supplies, equipment and services. Accurate specifications are essential for effective bidding.

A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (General Manager if total purchase is less than \$50,000; Board if total purchase is \$50,000 or more) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate Department Head shall accompany the request for any sole source request. General purchase items specifically exempt from competitive bidding include: —telecommunications, data processing, and information technology equipment and services.

B. Standardization

Standardization of specifications for items common to several departments can facilitate the purchasing process. The departments shall work together to establish standard specifications for such items.

C. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

5.02.121 Professional Consultant Selection

The following Policy shall apply to selection of certain professional consultants for services in connection with public improvement projects and governmental operations of the District. For purposes of this Policy, consultants include individuals, partnerships, corporations, joint ventures, associations or other legal entities, or any other combination of firms or persons competent to perform the required services. The selection of consultants shall be based upon the experience of the consultant, knowledge of the subject matter, demonstrated ability to perform similar services within budget and the time allowed, and the total estimated cost to the District. Above all, the goal of this Policy shall be to create a competitive environment where the best value can be achieved.

The General Manager has the authority to issue contracts for consultant services up to \$99,999 when funds have been approved in the budget for such services. For projects estimated at \$100,000 or more, at least three requests for proposals should be solicited and evaluated if possible. All consultants will submit written proposals in response to requests for services. A consultant may qualify for the Local Preference Program. See Section 5.02.12 for details and requirements.

The evaluation and a subsequent recommendation to the General Manager for consultant services shall be conducted by the individual responsible for the project. Before a recommendation is made to the Board, as may be required above, the fee for the services shall be negotiated. If a mutually satisfactory fee cannot be agreed upon, negotiations shall be terminated; thereupon another consultant shall be selected and fee negotiations undertaken.

Award of a contract to a consultant shall be made only when sufficient funds have been appropriated in the project budget and all other applicable provisions in any applicable agreements are satisfied. The only exceptions are those services which relate to the processing of development plans that will be paid for by the developer.

5.02.132 Local Preference Program

A. Purpose

In recognition that wages earned by County residents benefit Calaveras County's overall economy, the Board wishes to establish a local preference program for the contracting of construction and professional services.

B. Application in Construction Contracting

A local preference comparison amount may be applied to construction projects that exceed \$50,000. The comparison amount is for bid comparisons only; it shall be five percent (5%) of the total bid amount, up to a maximum comparison amount of \$50,000; and can be applied to local prime contractors or prime contractors using qualified local subcontractors. The comparison amount is deducted from the submitted bid.

1. Local Prime Contractor – Comparison amount equals five percent (5%) of bid amount, with a maximum comparison amount of \$50,000.

- or -

2. Prime Contractor using Qualified Local Subcontractors – If the sum of all qualified local subcontractors' costs is at least ten percent (10%) of total bid, then the comparison amount equals five percent (5%) of prime contractors' total bid, with a maximum comparison amount of \$50,000.

C. Application in Professional Services Contracting

A local preference may be applied to Professional Services contracts that exceed \$50,000 for a given project. The maximum local preference comparison amount shall not exceed a weighting factor of five percent (5%) of the total evaluation criteria outlined in the Request for Proposal. The local preference can be applied to local consultants, or to consultants using local sub-consultants as described above under applications for construction contractors.

D. Definition

A local contractor or professional services consultant is any contractor or consultant able to demonstrate that, for the calendar year prior to bid opening, at least fifty percent (50%) of that contractor's or consultant's payroll was paid to employees who are residents of Calaveras County. Contractors, subcontractors, and consultants seeking a local preference must submit the District's form certifying compliance with the local payroll criterion.

E. Award Review

After deducting the local preference comparison amount from the bid amount, the result will be compared to competing bids. The project will be awarded to the lowest responsive and responsible bidder. The price paid by the District will be the bid amount quoted by the winning bidder.

F. Exceptions in the Application of Local Preference:

1. No local preference shall be applied on projects using federal funds, or funds administered by a state agency where the funding originated from a federal source, or as may be otherwise disallowed by funding agency or regulation.
2. The District may, at its sole discretion, waive seeking local business or any offer of local preference if:
 - a. An emergency exists that requires the contract to be executed immediately.
 - b. No local firm is available to provide the service, equipment, or material.
 - c. The product or service required is proprietary in nature.
 - d. Staff determines, and Board approves, that the local preference is not in the best interests of the District's needs.

G. Right to Terminate

The Board of Directors reserves the right to terminate the local preference at any time if, in its sole discretion, (a) the program does not appear to be providing the desired economic benefit, and/or (b) the justification cited for the program appears no longer to be valid.

5.02.143 Encumbrances

YEAR END PROCESS FOR ENCUMBRANCES/PURCHASE ORDERS

An encumbrance is an outstanding purchase order for goods or services; a portion of the budget appropriation is reserved in the amount of the purchase order. Encumbrances help to ensure administrative and budgetary compliance. Purchase Orders for Operating and Capital Improvement Projects (CIP) may be carried forward to the future fiscal year provided there are sufficient funds available and approval by the Department Head and General Manager via —the budget process.

Due to the large volume of Purchase Order requests presented at year-end, the Finance Department will accept Purchase Orders, greater than \$500, each fiscal year up to May 31. Purchase Orders submitted after May 31 of each fiscal year shall require prior approval by the Director of

Policy Title: Purchasing Policy

Adopted 01/12/05

Policy Number: Financial Management Policy 5.02
~~2019-XX21~~

—Current Revised ~~03/27/2019~~05/21/20 (Res.

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Administrative Services. As of May 31, all accounts must have an available balance greater than or equal to the amount of the purchase order requested. If a budget transfer is required, Department Heads must provide a **Budget Transfer Request** prior to submitting a **Purchase Order**.

GLOSSARY OF TERMS

Agreement	A written understanding between two or more parties. See “ <i>Contract</i> ” and <i>Purchase Order</i> .”
Appropriation	District authorization to expend public funds for a specific purpose.
Award	The acceptance of a <i>Bid</i> or <i>Proposal</i> .
Bid	The executed document submitted by a <i>Bidder</i> in response to a <i>Notice Inviting Bids (NIB)</i> , a <i>Proposal</i> , or a <i>Request for Quotation</i> .
Bidder	A person or legal entity who submits a <i>Bid</i> in response to a solicitation. See also <i>Bid</i> or <i>Proposal</i> .
Blanket Purchase Order	An Agreement of no more than one year duration between the District and a Vendor allowing authorized District employees to charge repetitive Purchases of supplies, equipment, or services at pre-arranged prices, dollar limits, and/or other terms and conditions.
Brand Name	A trade name that serves to identify a product or particular manufacturer.
Competitive Bidding	The submission of prices by individuals or firms competing for a <i>Contract</i> , privilege, or right to supply merchandise or services.
Consultant Services	A person who facilitates organizational change and/or provides subject matter expertise on technical, functional, and business topics during development or implementation of a project.
Contract	A written, legally binding and mutual promise between two separate parties. e.g. an accepted <i>Purchase Order</i> .
Contract Change Order (CCO)	Written modification or addition to a <i>Construction Contract Purchase Order</i> or <i>Construction Contract Agreement</i> authorized by the appropriate authority.
Contract Purchase Order	A <i>Purchase Order</i> (usually issued for one year) that outlines unit prices to be charged by the Vendor for the term of the <i>Purchase Order</i> . This type of <i>Purchase Order</i> is generally used for such things as electrical, plumbing, and other goods and services that are anticipated to be needed periodically throughout the year. The <i>Bids</i> are usually expressed at hourly rates plus parts expressed at a specific <i>Discount</i> below list price.
Design-Build	For purposes of this policy, “design-build” means a procurement process in which certain elements of both the design and construction of the project are procured from a single entity.
Discount	An allowance or deduction from the normal or list price extended by a seller to a buyer to make the unit price more competitive.
Emergency Purchase	See <i>Emergency Purchases – page 7</i> .
Encumbrance	Committing budgeted funds prior to receiving supplies, equipment, or services; committed funds are shown as an encumbrance until supplies and equipment are received or service

rendered, at which time funds are actually expended.

Formal Bid	A <i>Bid</i> that must be submitted in a sealed envelope and in conformance with a prescribed format, and only to be opened and announced at a specified time at a public opening.
Guarantee	A pledge or assurance that something is represented and will be replaced or repaired if it fails to meet the stated <i>Specifications</i> .
Informal Bid	Written or verbal <i>Quotations</i> for supplies, equipment and services which pursuant to this policy are not required to meet the formal bidding requirements. <i>Informal Bids</i> include unsealed written quotes, verbal quotes and quotes received via fax and email.
Lowest (Responsive & Responsible) Bidder	The <i>Bidder</i> submitting the lowest price who has also demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience necessary to perform the proposed Contract. See also “ <i>Responsible Bidder</i> ” and “ <i>Responsive Bidder</i> .”
Non-Responsive Bidder	A <i>Bid</i> that does not conform to the essential requirements of the Notice Inviting <i>Bids</i> . Non-conforming <i>Bid</i> . Unresponsive <i>Bid</i> .
Notice Inviting Bids (NIB)	A formal notice, published in the newspaper or elsewhere or sent directly to potential Bidders, notifying them that the District is accepting Bids for a specific purpose.
Professional Services	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, appraiser, expert, etc.
Proposal	The executed document submitted as an offer, or in response to a <i>Request for Proposals</i> (and the basis for subsequent negotiations).
Public Contract Code	Shall mean <i>Public Contract Code</i> of the State of California.
Public Project	(definition is from State of California Public Contract Code) <ol style="list-style-type: none">1. A project for the erection, improvement, or repair of public buildings and works.2. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.3. Street or sewer work except maintenance or repair.4. Furnishing supplies or materials for any such project, including maintenance or repair of streets and sewers.
Purchase Order	A <i>Purchaser’s</i> document to formalize a <i>Purchase</i> transaction with a <i>Vendor</i> . Acceptance of a <i>Purchase Order</i> constitutes a Contract; a <i>Purchaser’s</i> written offer to a supplier stating all terms and conditions of a proposed transaction.
Purchaser	A prospective buyer.
Purchases	Goods or services.

Purchasing Division Qualified Bidder	<p>The employee, division, and/or department within the organization to which the purchasing function has been delegated.</p> <p>A “qualified” <i>Bidder</i> is a <i>Bidder</i> that demonstrates the following characteristics:</p> <ol style="list-style-type: none">1. Can provide product quality, fitness, and capacity for the required usage.2. Has the ability, capacity, and skill to perform the contract or provide the service required.3. Has demonstrated character, integrity, reputation, good judgment, experience, and efficiency, particularly with reference to past purchases by the District or other public agencies.4. Has the ability to perform within the time required.5. Has shown quality of performance and/or of products provided in previous contracts or services with the District or other public agencies.6. Note: Previous documented incidents of unsatisfactory performance and/or unsatisfactory delivery, materials, or services may result in a determination of unqualified.
Quotation	<p>A <i>Bid</i>. A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a <i>prospective Purchaser</i>, usually for <i>Purchases</i> below the amount requiring <i>Formal Bidding</i>.</p>
Request For Proposal (RFP)	<p>All documents, whether attached or incorporated by reference, utilized for soliciting competitive <i>Proposals</i>. The <i>RFP</i> procedure permits the negotiation of <i>Proposals</i> and prices as distinguished from <i>Competitive Bidding</i> and a <i>Notice Inviting Bids</i>. The procedure allows changes to be made after <i>Proposals</i> are opened and contemplates that the nature of the <i>Proposal</i> and/or prices offered will be negotiated prior to the <i>Award</i>.</p>
Request For Quotation (RFQ)	<p>The document generally used for seeking competition on small <i>Purchases</i> or on any <i>Purchase</i> that does not require competitive <i>Sealed Bidding</i>. Can be used for obtaining price and delivery information for <i>Sole Source</i> and emergencies. Also, see “<i>Quotation</i>.”</p>
Responsible Bidder	<p>A person who has the capability in all respects to perform in full the <i>Contract</i> requirements, and the integrity and reliability which will assure good faith performance.</p>
Responsive Bidder	<p>(1) A person who has submitted a <i>Bid</i> which conforms in all material respects to the <i>Notice Inviting Bids</i>, or (2) One whose <i>Bid</i> conforms in all material respects to the terms and conditions, <i>Specifications</i>, and other requirements of the <i>NIB</i>.</p>
Sealed Bid	<p>A <i>Bid</i> which has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission of all <i>Bids</i>; required on <i>Formal Bids</i>.</p>
Sole Source	<p>An <i>Award</i> for a commodity or service to the only reasonably known and capable supplier due to the unique nature of the requirement, the supplier, or market conditions.</p>
Specifications	<p>A description of what the <i>Purchaser</i> seeks to buy or accomplish, and consequently, what a <i>Bidder</i> must be responsive to in order to be considered for <i>Award</i> of a <i>Contract</i>. A <i>Specification</i> may be a description of the physical or functional characteristics, or the nature of</p>

Policy Title: Purchasing Policy

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a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

Split To divide a *Purchase* into two or more parts in order to avoid the requirements of the *Purchasing Policy*. This is an action prohibited by the *Policy*.

Example:

Split –

If a department knows it will use \$52,000 of a particular supply in one fiscal year and they place two orders six months apart to keep each order below the \$50,000 limit, the action is considered *Splitting* and is not allowed under the *Policy*.

Not Split -

If a department hires ABC Engineering to prepare a fee study for \$28,000 and also hires the same company to oversee a capital improvement project for \$29,000, the action is not considered *Splitting*.

Supplies Office *Supplies*, janitorial *Supplies*, materials, goods, tools, or other commodities used in the general conduct of the District business, excepting *Supplies* or materials for a public work which is regulated under the *Public Contract Code* section of 20160 et seq.

Vendor A supplier of goods or services.

Warranty The representation that something is true. Not to be confused with “*Guarantee*.” A representation of utility, condition, and durability made by a *Bidder* for a product offered, that shall include a time period.

APPENDIX A –

Section 200.318 General Procurement Standards

- (a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.
- (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- (c)
 - (1) The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
 - (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- (d) The Non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

- (f) The Non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- (g) The Non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- (h) The Non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.213 Suspension and debarment.
- (i) The Non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- (j)
 - (1) The Non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:
 - (i) The actual cost of materials; and
 - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- (k) The Non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

RESOLUTION 2020-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**REPLACING THE DISTRICT FINANCIAL MANAGEMENT
POLICY NO. 5.02 – PURCHASING POLICY**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted a Purchasing Policy by Resolution on January 12, 2005, which has been amended in part or in its entirety since that time, and

WHEREAS, the Board most recently amended Financial Management Policy No. 5.02- Purchasing Policy by Resolution No. 2019-21 on March 27, 2019; and

WHEREAS, the Board of Directors is required to review and amend as appropriate the District's Purchasing Policy; and

WHEREAS, the Finance Committee agreed with the recommended changes regarding thresholds and adding the Purchasing Agent on May 21, 2020.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby rescind in its entirety Financial Management Policy No. 5.02 Purchasing Policy last adopted with Resolution 2019-21, and any and all prior policies or amendments thereto.

BE IT FURTHER RESOLVED that the Board of Directors does hereby adopt the District's Financial Management Policy No. 5.02 – Purchasing Policy, attached hereto and made part hereof, to be effective immediately.

PASSED AND ADOPTED this 27th day of May 2020 by the following vote:

AYES:
NOES;
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: May 27, 2020

TO: Michael Minkler

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Discussion/Direction Regarding the sunset of the Moratorium Related to Imposition of Late Fees

RECOMMENDED ACTION:

Discussion/Direction allowing the COVID-19 Shut Off Moratorium to expire.

SUMMARY:

On March 25, 2020 the Board approved Resolution 2020-19 suspending the District's practice of discontinuing water service for residents and business for non-payment of water and sewer bills. Resolution 2020-19 also suspended the imposition of late payment penalties or fees for delinquent water or sewer bills through June 1, 2020.

After the District took action to suspend lock-offs for nonpayment, the Governor issued an Executive Order prohibiting lock-offs statewide until further notice. However, there is no mandate for suspending late fees. The District has continued to bill customers and provide service while enforcing alternative work plans. Delinquencies are relatively similar to pre-COVID-19 percentages. With the last billing cycle due date, we only saw an increase of 5 percent, or 105 more, delinquent accounts than normal. The current billing cycle, that is not past due yet, is coming in on track.

In addition to on-time bill payments, the District continues to see higher than anticipated increases in requests for new connections and reconnections, as well as construction water hydrant requests.

The purpose of the moratorium on late fees was to provide customers who may be falling behind with a temporary break that will make it easier for them to resolve their unpaid balances. It was the appropriate action to take at the time, but staff recommends allowing the moratorium to expire. The Governor's Executive Order prohibiting lock offs continues under his authority and the District will comply with that order, however, the District's suspension of late fees is scheduled to expire on June 1, 2020.

This process helps prevent customers from getting anymore behind than they might currently be and ensures that past due amounts can be collected. This also ensures that the District is protected against finite losses of billed revenue and helps cover the District's costs for collecting late payments.

Per District Rules and Regulations 22.00.02, a \$10 fee is charged for failure to pay within the ten-calendar day reminder period and a second past due amount of \$18 applies after that. A one-time waiver is allowed under 22.00.05 but it may not be applicable to those customers that have already executed that policy during that last 2 and/or 5 years. The District also offers a payment plan option consistent with the requirements of SB 998.

FINANCIAL CONSIDERATIONS:

Late fees average around \$18,000 per month, which contributes to the cost of collecting and processing late payments.

Attachment: Resolution 2020-19

RESOLUTION NO. 2020 – 19

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

COVID-19 SHUT OFF MORATORIUM

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus and the disease it causes, “coronavirus disease 2019,” abbreviated COVID-19, (“COVID-19”); and

WHEREAS, on March 16, 2020, the Governor of the State of California issued two executive orders, the second specifically adding protections against utility shutoffs for Californians affected by COVID-19; and

WHEREAS, on March 19, 2020, the Governor of the State of California issued Executive Order N-33, ordering all residents of the State of California to stay at home or their place of residence in an attempt to stop the spread of COVID-19; and

WHEREAS, the Centers for Disease Control and Prevention, the California Department of Health, and the Calaveras County Department of Public Health have all issued recommendations including but not limited to social distancing, canceling or postponing large group events, working from home, and other precautions to protect public health and prevent transmission of this communicable virus; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to work due to illness caused by COVID-19 or quarantines related to COVID-19 and individuals affected by COVID-19 may experience potential loss of income, health care and medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, loss of income as a result of COVID-19 may inhibit businesses and residents served by Calaveras County Water District from fulfilling their financial obligations, including paying for water and sewer charges; and

WHEREAS, ensuring that all people in the Calaveras County Water District service areas continue to have access to running water during this public health crisis will enable compliance with public health directives that people regularly wash their hands will help prevent further spread of COVID-19; and

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, it is necessary to exercise the Board of Director’s authority to issue this regulation related to the protection of life and property.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: that as a result of the local emergency between now and June 1, 2020 the CALAVERAS COUNTY WATER DISTRICT hereby suspends: (a) the discontinuation or shut off of water service for residents and business in the Calaveras County Water District Service areas for non-payment of water and sewer bills; and (b) the imposition of late payment penalties or fees for delinquent water and/or sewer bills.

BE IT FURTHER RESOLVED, that nothing in this Resolution shall relieve any customer of its obligation to pay their water and/or sewer charges.

PASSED AND ADOPTED this 25th day of March 2020 by the following vote:

AYES: Directors Davidson, Thomas, Ratterman, Secada, and Underhill
NOES: None
ABSTAIN: None
ABSENT: None

CALAVERAS COUNTY WATER DISTRICT



Bertha Underhill, President
Board of Directors

ATTEST:



Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: May 27, 2020

TO: Michael Minkler, General Manager

FROM: Joel Metzger, External Affairs Manager

SUBJECT: Discussion/Action regarding a Variance Request from the owner of 22605, Highway 26, West Point

RECOMMENDED ACTION:

Motion: _____ / _____ to adopt Resolution No. 2020-____ granting a variance to Article III, Section 21 E., of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater, and allowing termination of one water connection and one wastewater connection that used to serve a motel at 22605 Highway 26, APN 008-016-002.

SUMMARY:

On March 3, 2020, Ms. Pawanjit Kaur sent Calaveras County Water District (CCWD) a letter requesting a variance to the District's termination of service policy (attached). Her property at 22605 West Point has a single-family residential home on it, but it has two water services and two wastewater services. The additional water and wastewater services were originally installed to serve a small motel on the property. That motel has not been open for business for many years and the last recorded water meter usage was in 2007. Based on information from the property owner, the motel was torn down in 2017.

Ms. Kaur purchased the property in 2018 and has been paying the water and wastewater base rates for the services that formerly served the motel, in addition to the services for the residential home on the same parcel. She and her husband, Levi Parrish, have contacted CCWD on several occasions to express that they had no need for a second water and wastewater connection on the property and they would like to terminate those services. After the Board adopted a new termination of service policy in August 2019 (attached), she applied to terminate one water and one wastewater service on her property. However, that application was denied, because there is an improvement on the property – a residential, single family home – which disqualifies her from being able to terminate services to her property.

In light of her unusual situation – two water and wastewater services on a single parcel – Ms. Kaur is seeking a variance from the CCWD Board to allow her to terminate the unused water and wastewater connections that formerly serve the motel. Ms. Kaur has also

indicated that she is willing to pay for CCWD staff to remove a septic tank and sewer and water laterals back to the main lines.

If the Board grants this variance, the next step in this process is for the CCWD Operations Department to provide Ms. Kaur with a formal cost estimate to terminate the water service. The amount of cost estimates of this nature will be discussed at the June 10 Board meeting, and Operations will hold off on providing termination of service cost estimates until additional direction has been provided by the Board.

STAFF ANALYSIS:

The District's variance policy (Board Policy number 22) states: "Exceptions to the District's Regulations are generally disfavored. In some unusual cases, however, an exception to or variance from the District's Regulations is needed to achieve a fair result." Under the Policy, the Board can grant a variance if the:

- 1) Granting of an exception or variance does not discriminate in favor of, or against, any applicant to the detriment of any other District customer;
- 2) Exceptions or variances must not, in any way, have the effect of establishing sub-standard facilities or services, or result in an unreasonable cost to the District;
- 3) The exception or variance is consistent with the District's obligation to only put water to reasonable and beneficial uses; and
- 4) Granting the exception or variance is the best way to achieve a fair result for the applicant without imposing undue costs on other customers.

In this case, granting the variance would result in the termination of two connections on the property – one water and one wastewater. The denial of the variance would require the property owner to continue paying base rates for a water and sewer connections that have not been used since 2007. Staff believes that allowing the property owner to terminate two connections would not result in any additional direct cost to other ratepayers or to the District, nor would it result in substandard facilities, or waste or unreasonable use of water.

The primary concern in granting the variance is that this action could be misconstrued as a relaxation of the District's prohibition against customers terminating service if there is an improvement on the parcel referred to in the application. The policy is critically important to District operations and exceptions to the policy should not be granted lightly. It would not be in the interest of the District's customers for anyone to get the false impression that the prohibition against terminating service(s) on improved lots will not be strictly enforced. Accordingly, if the Board finds that granting the exception would be detrimental to other customers, for this reason or any other reason, then a denial of the variance would be the appropriate course of action.

Staff recommends approval of the variance if the Board finds that the approval would not be detrimental to other District customers.

FINANCIAL CONSIDERATIONS:

If this variance is granted by the Board and Ms. Kaur completes the process of terminating the wastewater service and 5/8-inch water meter that formerly served the motel, the District would no longer annually collect \$1,123.38 in bimonthly wastewater base rates and \$681.36 for bimonthly water base rates, at current rates.

*Attachments: CCWD Variance Policy
Termination of Service Policy
Kaur Variance Request Letter
Resolution 2020-____ - Granting Variance to Calaveras County Water District Rules and Regulations
Governing the Furnishing of Water and/or Wastewater, For 22605 Highway 26, West Point, Ca*

RESOLUTION NO. 2020-24

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE DISTRICT'S EXCEPTIONS TO STANDARDS, RULES AND
POLICIES POLICY #22**

WHEREAS, the Board of Directors of CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2002-86 on December 10, 2002, implementing a new Policy Regarding Exceptions to Standards, Rules and Policies; and

WHEREAS, the language in the Policy Regarding Exceptions to Standards, Rules and Policies is outdated and needs to be revised to address current customer needs; and

WHEREAS, the existing Policy does not provide a mechanism to recover the administrative and operations costs associated with processing and implementing exceptions or variances; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby amend the Policy #22 Regarding Exceptions to Standards, Rules and Policies, that was adopted on December 10, 2002, by Resolution 2002-86; and

BE IT FURTHER RESOLVED, that the amended Policy #22 Regarding Exceptions to Standards, Rules and Procedures, attached hereto and made a part hereof, and will be effective immediately.

PASSED AND ADOPTED this 8th day of April 2020 by the following vote:

AYES: Directors Ratterman, Thomas, Secada, and Underhill
NOES: Director Davidson
ABSTAIN: None
ABSENT: None

CALAVERAS COUNTY WATER DISTRICT



Bertha Underhill, President
Board of Directors

ATTEST:



Rebecca Hitchcock
Clerk to the Board

Policy Title: Exceptions to Standards, Rules and Policies

Policy Number: CCWD Board Policy 22

CALAVERAS COUNTY WATER DISTRICT
POLICY REGARDING EXCEPTIONS TO
STANDARDS, RULES AND POLICES

All standards, rules, and policies (collectively, "Regulations") of the Calaveras County Water District ("District") are equally and fairly applied to every affected person or entity. Because of the potential for disparity of treatment, exceptions to the District's Regulations are generally disfavored. In some unusual cases, however, an exception to or variance from the District's Regulations is needed to achieve a fair result. Exceptions or variances will only be granted if the following findings can be made:

1. Granting of an exception or variance does not discriminate in favor of, or against, any applicant to the detriment of any other District customer;
2. Exceptions or variances must not, in any way, have the effect of establishing sub-standard facilities or services, or result in an unreasonable cost to the District;
3. The exception or variance is consistent with the District's obligation to only put water to reasonable and beneficial uses; and
4. Granting the exception or variance is the best way to achieve a fair result for the applicant without imposing undue costs on other customers.

All applicants must pay a \$3,500.00 deposit and submit an application for an exception or variance to the District's Regulations that will be reviewed by the General Manager. If the administrative review and implementation of the exception or variance is less than the deposit amount, the applicant will be refunded the difference. However, if the amount exceeds the deposit amount, the applicant is responsible to pay all additional costs. Exceptions or variances to Regulations may only be granted by the District's Board of Directors unless the Board has delegated that authority to the General Manager.

End of Document

RESOLUTION 2019 – 61

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE DISTRICT RULES AND REGULATIONS
GOVERNING THE FURNISHING OF WATER AND/OR WASTEWATER
SERVICES - ARTICLE III, SECTION 21E**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers on December 7, 1954; and

WHEREAS, the Board added Section 21D - Suspension of Services, and Section 21E - Termination of Services, to Article III by Resolution No. 99-56 on October 13, 1999; and

WHEREAS, the Board added Section 21F – Foreclosure Abatement, to Article III by Resolution No. 2008-36 on May 21, 2008; and

WHEREAS, the Board amended Section 21E of Article III – Termination of Services, by Resolution No. 2010-78 on November 23, 2010; and

WHEREAS, for the purpose of updating said policy, amendments to the current policy have been considered by the Board.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors does hereby rescind in its entirety Section 21E of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service, adopted by Resolution No. 2010-78 on November 23, 2010, and any subsequent resolutions or amendments thereto.

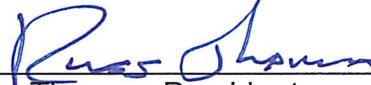
BE IT FURTHER RESOLVED, that Section 21E of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is to be replaced with the policy attached hereto and so incorporated into Article III, is hereby approved by the Board of Directors and shall become effective immediately:

BE IT FURTHER RESOLVED, that the remainder of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers adopted December 7, 1954, and thereafter amended shall remain in full force and effect.

PASSED AND ADOPTED this 14th day of August 2019 by the following vote:

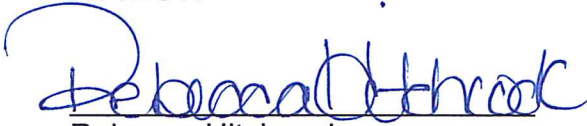
AYES: Directors Secada, Underhill, and Thomas
NOES: Director Davidson and Ratterman
ABSTAIN: None
ABSENT: None

CALAVERAS COUNTY WATER DISTRICT



Russ Thomas, President
Board of Directors

ATTEST:



Rebecca Hitchcock
Clerk to the Board

RULES AND REGULATIONS GOVERNING THE FURNISHING OF WATER
AND/OR WASTEWATER SERVICES
ARTICLE III

APPLICATION FOR SERVICE RATES AND BILLING

E. Termination of Services

Summary:

This District policy allows a residential or commercial customer to permanently terminate water and/or wastewater service(s), limited to only certain specific circumstances contained herein, severing the District's obligation to provide service(s) to the parcel. Once a termination occurs, a reinstatement of service(s) depends on the availability of capacity and requires payment of prevailing capacity fee(s).

Termination:

The legal-deeded owner of a vacant residential or commercial parcel may apply to terminate their water and/or wastewater service(s) by filing a Termination of Service(s) Request form with the District. This form includes acknowledgment by the customer that after termination, the District is no longer obligated to provide any water and/or wastewater service(s) to the customer's property. Termination of water service is conditioned on the parcel being vacant without any habitable structures, and no recorded use of water for the previous 2 (two) years. If the property has water and wastewater service, both must be terminated concurrently.

Legal-deeded property owners are permitted to apply to terminate irrigation/landscape meters that have not been used for the previous 2 (two) years. Owners of commercial properties must acknowledge that terminating an irrigation meter could lead to an increase in wastewater fees.

Upon receipt of the Termination of Service Request form, the District General Manager will determine if the parcel qualifies for termination under this Policy within 60 days. Within the first 6 (six) months of this policy's adoption, the General Manager has the discretion to allow a customer to terminate service, if the customer provides a reasonable explanation for water usage on the account within the previous 2 (two) years.

In order for the termination of service(s) to be approved, the customer must pay a \$300 administrative fee and an Operations fee (this fee varies by connection) to have the water meter removed and/or the wastewater connection capped. Upon termination of service(s), the District will not refund any capacity fee(s), as they

are attached to the property previously served. However, a credit for the original capacity fee(s) paid when the property first connected to CCWD's water and/or wastewater system will remain attached to the property, and will be credited toward full capacity fee(s) owed at the time the property owner decides to apply to reinstate service. Transfer of capacity fees per Article III, Section 21E.1 of CCWD's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is not allowed once service has been terminated.

If the termination of service is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Termination of Water and/or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) have been terminated to this property.

Termination of service(s) will only occur once the applicant has paid the District all required fees.

Reinstatement:

Once a parcel's residential or commercial water and/or wastewater service has been terminated, the parcel is eligible to be reconnected to the District's water and/or wastewater service no sooner than a period of three (3) years after termination, unless the property is sold, in which case the new legal-deeded property owner can apply for service reinstatement once they meet the District's requirements for a new water and/or wastewater connection. Service reinstatement is not guaranteed, and depends on the availability of capacity within the water and/or wastewater system(s). To request reinstatement of water and/or wastewater service(s) for property that previously received treated water or wastewater from the District, the legal-deeded property owner must file a Reinstatement of Service(s) Request form, and this request will be approved or denied by CCWD's General Manager within 60 days of receipt. The applicant must pay a \$300 administrative fee, an Operations fee to reinstate service (this varies by connection) and capacity fee(s). The capacity fee(s) owed will be the amount that would be required for new service(s) to the applicant's property on the date of reinstatement, less any previously paid capacity fee(s) attached to the property.

If the service reinstatement is approved by CCWD, the applicant is responsible for fees associated with the District recording a Notice of Reinstatement of Water and or Wastewater Services with the County Clerk Recorder's Office stating the water and/or wastewater service(s) is being reinstated.

Reinstatement of service(s) will only occur once the applicant has paid the District all required fees.

Appeals:

The General Manager's determination on termination and reinstatement requests is final, unless a customer appeals the determination to the Board of Directors within 30 days of the District's written denial.

March 3, 2020

Michael Minkler
CCWD General Manager
120 Toma Court
P.O. Box 846
San Andreas, CA 95249

Re: Request to be put on CCWD Board of Directors Agenda

Dear Mr. Minkler,

I would like to terminate water and wastewater service at my property at 22605 hwy 26 west point ca . The services I wish to terminate used to serve a commercial motel that has been torn down and is no longer being used. However, my home is on the same property as the demolished motel. Because the lot has an improvement on it, I do not qualify for CCWD's termination of service policy.

I would like to ask the Board of Directors for a variance that would allow me to terminate the services to the old motel while keeping the services to my residential home. If you could put me on the agenda at your earliest convenience, I would very much appreciate it.

If you have any additional questions, please contact me at 209-268-6708

Sincerely,

Pawanjit Kaur

RESOLUTION NO. 2020-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**VARIANCE TO CALAVERAS COUNTY WATER DISTRICT RULES AND
REGULATIONS GOVERNING THE FURNISHING OF WATER AND/OR
WASTEWATER, FOR 22605 HIGHWAY 26, WEST POINT, CA**

WHEREAS, the Board of Directors of the Calaveras County Water District (District) adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services on December 7, 1954; and

WHEREAS, the Board of Directors amended the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Section 21.E. Termination of Services by Resolution 2010-78 on November 23, 2010, and amended by Resolution 2019-61 on August 14, 2019; and

WHEREAS, the property owner of APN 008-016-002, 22605 Highway 26, West Point, CA, requested a variance to the Article III Section 21.E. of the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services to allow the termination of water and wastewater services that used to serve a motel before it was closed in 2007 and demolished in 2017; and

WHEREAS, there has been no usage of the water or wastewater services that formerly served the motel since 2007 and the water and wastewater services currently serving the single-family home on the property would remain; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT finds this variance request to be consistent with the guidelines set out in CCWD's Variance Policy (Board Policy No. 22), in that it does not discriminate for or against any ratepayer, does not establish sub-standard facilities, puts water to reasonable and beneficial use, and achieves a fair result for the applicant; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board hereby approves a variance to Section 21.E. of Article III of CCWD's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, thus allowing termination of the water and wastewater services at 22605 Highway 26, West Point, CA, that used to serve a motel on the property; and

THEREFORE, BE IT FURTHER RESOLVED there shall be no refund of any monies to this customer or future customers for any capacity fees paid and / or bimonthly rates paid prior to the adoption of this resolution; and

THEREFORE, BE IT FURTHER RESOLVED, should the current or previous owner request that this water service be reinstated, all charges and fees must be paid in full as articulated in the service reinstatement portion of Section 21.E. of the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services.

PASSED AND ADOPTED this 27th day of May 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: May 27, 2020

TO: Michael Minkler, General Manager

FROM: Joel Metzger, External Affairs Manager

SUBJECT: Discussion/Action regarding Variance Request for 120 Hawkridge Road, Copperopolis

RECOMMENDED ACTION:

Motion: _____/_____ to adopt Resolution No. 2020-____ granting a variance to the Article III, Section 21 E, of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater, and allowing the termination of one water connection at 120 Hawkridge Road, Copperopolis, CA, that is currently being used exclusively for a fire sprinkler system.

SUMMARY:

On March 4, 2020, Mr. Jeff Varenkamp sent the Calaveras County Water District (CCWD) a letter requesting a variance to the District's termination of service policy (attached). His property at 120 Hawkridge Road in Copperopolis is currently equipped with two 5/8-inch water meters – one serves his fire sprinkler system, and the second serves the rest of his property. He pays CCWD bimonthly base rates for both meters. The meter serving the fire sprinklers has never had any water usage. Mr. Varenkamp would like to terminate the dedicated meter that serves his fire sprinkler system, upsize his other 5/8-inch meter to a 1-inch meter and use that larger meter to serve his entire property, including his fire sprinkler system.

Mr. Varenkamp initially applied to terminate this service using CCWD's termination of service policy and provided a registered fire sprinkler design engineer's report (attached) that showed a single 1-inch meter would meet state-mandated fire flow requirements. However, staff informed him that his situation does not meet the requirements to terminate one of his meters, because CCWD's policy does not allow termination if there is an improvement on the property – his house in this case. Mr. Varenkamp is seeking a variance from the Board to allow him to terminate the dedicated meter serving his fire sprinklers.

If the Board grants this variance, the next step in this process is for the CCWD Operations Department to provide Mr. Varenkamp with a formal cost estimate to terminate the water service. The amount of cost estimates of this nature will be discussed at the June 10

Board meeting, and Operations will hold off on providing termination of service cost estimates until additional direction has been provided by the Board.

Additionally, CCWD staff has been in contact with the Chief Building Official at the Calaveras County Building Department, and he will require Mr. Varenkamp to pull a permit to make the proposed changes to his plumbing system, in addition to providing updated fire sprinkler system calculations showing from a registered engineer.

STAFF ANALYSIS:

This is a highly unusual situation and the only case that staff knows of where there is a separate meter for fire sprinklers at a residential home.

The District's variance policy (Board Policy number 22) states: "Exceptions to the District's Regulations are generally disfavored. In some unusual cases, however, an exception to or variance from the District's Regulations is needed to achieve a fair result." Under the Policy, the Board can grant a variance if the:

- 1) Granting of an exception or variance does not discriminate in favor of, or against, any applicant to the detriment of any other District customer;
- 2) Exceptions or variances must not, in any way, have the effect of establishing substandard facilities or services, or result in an unreasonable cost to the District;
- 3) The exception or variance is consistent with the District's obligation to only put water to reasonable and beneficial uses; and
- 4) Granting the exception or variance is the best way to achieve a fair result for the applicant without imposing undue costs on other customers.

In this case, granting the variance would result in the termination of one water connection exclusively serving a fire sprinkler system on the property. The denial of the variance would require the property owner to continue paying base rates for two water connections. Staff believes that allowing the property owner to terminate the dedicated water connection for the fire sprinklers would not result in any additional direct cost to other ratepayers or to the District, nor would it result in substandard facilities, or waste or unreasonable use of water.

The primary concern in granting the variance is that this action could be misconstrued as a relaxation of the District's prohibition against customers terminating service if there is an improvement on the parcel referred to in the application. The policy is critically important to District operations and exceptions to the policy should not be granted lightly. It would not be in the interest of the District's customers for anyone to get the false impression that the prohibition against terminating service(s) on improved lots will not be strictly enforced. Accordingly, if the Board finds that granting this variance would be detrimental to other customers, for this reason or any other reason, then a denial of the variance would be the appropriate course of action.

Staff recommends approval of the variance if the Board finds that the approval would not be detrimental to other District customers.

FINANCIAL CONSIDERATIONS:

If this variance is granted by the Board and Mr. Varenkamp completes the process of terminating the 5/8-inch meter serving his fire sprinklers, the District would no longer collect bimonthly base rates for the dedicated fire sprinkler meter, which equals \$681.36 annually at current rates.

Attachments: *CCWD Variance Policy*
 Varenkamp Variance Request Letter
 Fire Sprinkler Calcs
 Resolution 2020-___ - Granting a Variance to CCWD Rules and Regulations Governing The Furnishing Of
 Water and/or Wastewater, Article Iii, Section 21e, For 120 Hawkridge Road, Copperopolis, CA

RESOLUTION NO. 2020-24

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE DISTRICT'S EXCEPTIONS TO STANDARDS, RULES AND
POLICIES POLICY #22**

WHEREAS, the Board of Directors of CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2002-86 on December 10, 2002, implementing a new Policy Regarding Exceptions to Standards, Rules and Policies; and

WHEREAS, the language in the Policy Regarding Exceptions to Standards, Rules and Policies is outdated and needs to be revised to address current customer needs; and

WHEREAS, the existing Policy does not provide a mechanism to recover the administrative and operations costs associated with processing and implementing exceptions or variances; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby amend the Policy #22 Regarding Exceptions to Standards, Rules and Policies, that was adopted on December 10, 2002, by Resolution 2002-86; and

BE IT FURTHER RESOLVED, that the amended Policy #22 Regarding Exceptions to Standards, Rules and Procedures, attached hereto and made a part hereof, and will be effective immediately.

PASSED AND ADOPTED this 8th day of April 2020 by the following vote:

AYES: Directors Ratterman, Thomas, Secada, and Underhill
NOES: Director Davidson
ABSTAIN: None
ABSENT: None

CALAVERAS COUNTY WATER DISTRICT



Bertha Underhill, President
Board of Directors

ATTEST:



Rebecca Hitchcock
Clerk to the Board

Policy Title: Exceptions to Standards, Rules and Policies

Policy Number: CCWD Board Policy 22

CALAVERAS COUNTY WATER DISTRICT
POLICY REGARDING EXCEPTIONS TO
STANDARDS, RULES AND POLICES

All standards, rules, and policies (collectively, "Regulations") of the Calaveras County Water District ("District") are equally and fairly applied to every affected person or entity. Because of the potential for disparity of treatment, exceptions to the District's Regulations are generally disfavored. In some unusual cases, however, an exception to or variance from the District's Regulations is needed to achieve a fair result. Exceptions or variances will only be granted if the following findings can be made:

1. Granting of an exception or variance does not discriminate in favor of, or against, any applicant to the detriment of any other District customer;
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3. The exception or variance is consistent with the District's obligation to only put water to reasonable and beneficial uses; and
4. Granting the exception or variance is the best way to achieve a fair result for the applicant without imposing undue costs on other customers.

All applicants must pay a \$3,500.00 deposit and submit an application for an exception or variance to the District's Regulations that will be reviewed by the General Manager. If the administrative review and implementation of the exception or variance is less than the deposit amount, the applicant will be refunded the difference. However, if the amount exceeds the deposit amount, the applicant is responsible to pay all additional costs. Exceptions or variances to Regulations may only be granted by the District's Board of Directors unless the Board has delegated that authority to the General Manager.

End of Document

March 3, 2020

Michael Minkler
CCWD General Manager
120 Toma Court
P.O. Box 846
San Andreas, CA 95249
APN: 055-081-006

Re: Request to be put on CCWD Board of Directors Agenda

Dear Mr. Minkler,

I currently have 2X water meters at my home. I would like to have a licensed plumbing contractor T off of my 1 1/4" water line (currently supplies the fire sprinkler system) and 90 into the existing 1" house supply line and have the 1" water meter removed at my property at 120 Hawkrige Road, Copperopolis, CA.

Because my lot has an improvement on it, I do not qualify for CCWD's termination of service policy.

I would like to ask the Board of Directors for a variance that would allow me to terminate the detector meter and upsizing the water meter serving my residential home to 1-inch. If you could put me on the agenda at your earliest convenience, I would very much appreciate it.

If you have any additional questions, please contact me at 831.818.8418

Sincerely,



Jeff Varenkamp

enclosure

CISCO FIRE SPRINKLERS, INC.
P.O. BOX 358
COPPEROPOLIS, CA. 95228

Attach 3

HYDRAULIC CALCULATIONS

FOR

120 HAWKRIDGE RES.

FILE NUMBER: 120 HAWKRIDGE RES.SDF

DATE: JAN 31, 2020

-DESIGN DATA-

OCCUPANCY CLASSIFICATION: NFPA 13D
DENSITY: .05 gpm/sq. ft.
AREA OF APPLICATION: 512 sq. ft.
COVERAGE PER SPRINKLER: 256 sq. ft.
NUMBER OF SPRINKLERS CALCULATED: 2 sprinklers
TOTAL SPRINKLER WATER FLOW REQUIRED: 26.5 gpm
TOTAL WATER REQUIRED (including hose): 31.5 gpm
FLOW AND PRESSURE (@ BOR): 26.5 gpm @ 34.9 psi
SPRINKLER ORIFICE SIZE: 1/2 inch
NAME OF CONTRACTOR: CISCO FIRE SPRINKELRS INC.
DESIGN/LAYOUT BY: ANDRES MORA
AUTHORITY HAVING JURISDICTION: CALAVERAS COUNTY
CONTRACTOR CERTIFICATION NUMBER: C-16 715741

CALCULATIONS BY HASS COMPUTER PROGRAM (LICENSE # 38090101)
HRS SYSTEMS, INC.

DATE: 1/31/2020

Z:\120 HAWKRIDGE RES.SDF

JOB TITLE: 120 hawkridge

WATER SUPPLY DATA

SOURCE NODE TAG	STATIC PRESS. (PSI)	RESID. PRESS. (PSI)	FLOW @ (GPM)	AVAIL. PRESS. (PSI)	TOTAL @ DEMAND (GPM)	REQ'D PRESS. (PSI)
SRCE	80.0	70.0	50.0	75.7	31.5	52.1

Available pressure is 23.7 psi (31%) greater than required pressure.

AGGREGATE FLOW ANALYSIS:

TOTAL FLOW AT SOURCE	31.5 GPM
TOTAL HOSE STREAM ALLOWANCE AT SOURCE	5.0 GPM
OTHER HOSE STREAM ALLOWANCES	0.0 GPM
TOTAL DISCHARGE FROM ACTIVE SPRINKLERS	26.5 GPM

NODE ANALYSIS DATA

NODE TAG	ELEVATION (FT)	NODE TYPE	PRESSURE (PSI)	DISCHARGE (GPM)
1	20.0	K= 4.90	7.0	13.0
2	20.0	K= 4.90	7.6	13.5
3	20.0	- - - -	8.8	- - -
4	10.0	- - - -	14.8	- - -
5	10.0	- - - -	22.7	- - -
6	20.0	- - - -	19.5	- - -
TOR	2.0	- - - -	31.6	- - -
FS1	1.5	- - - -	31.9	- - -
FS2	1.5	- - - -	34.9	- - -
BOR	1.0	- - - -	35.5	- - -
BF1	0.0	- - - -	36.9	- - -
BF2	0.0	- - - -	42.9	- - -
MTR1	0.0	- - - -	43.3	- - -
MTR2	0.0	- - - -	49.3	- - -
SRCE	0.0	SOURCE	52.1	26.5

DATE: 1/31/2020

Z:\120 HAWKRIDGE RES.SDF

JOB TITLE: 120 hawkridge

PIPE DATA

PIPE TAG	END	ELEV.	NOZ.	PT	DISC.	Q (GPM) VEL (FPS)	DIA (IN) HW (C) FL/FT	LENGTH (FT)	PRESS. SUM.	
	NODES	(FT)	(K)	(PSI)	(GPM)				(PSI)	
	Pipe: 1					-13.0	1.101 PL	9.00	PF	0.6
1		20.0	4.9	7.0	13.0	4.4	150 FTG	10.0	PE	0.0
2		20.0	4.9	7.6	13.5		0.031 TL	19.00	PV	
	Pipe: 2					-26.5	1.101 PL	5.00	PF	1.1
2		20.0	4.9	7.6	13.5	8.9	150 FTG	5.0	PE	0.0
3		20.0	0.0	8.8	0.0		0.115 TL	10.00	PV	
	Pipe: 3					-26.5	1.101 PL	10.00	PF	1.7
3		20.0	0.0	8.8	0.0	8.9	150 FTG	5.0	PE	4.3
4		10.0	0.0	14.8	0.0		0.115 TL	15.00	PV	
	Pipe: 4					-26.5	1.101 PL	46.00	PF	7.9
4		10.0	0.0	14.8	0.0	8.9	150 FTG	23.0	PE	0.0
5		10.0	0.0	22.7	0.0		0.115 TL	69.00	PV	
	Pipe: 5					-26.5	1.394 PL	18.00	PF	1.1
5		10.0	0.0	22.7	0.0	5.6	150 FTG	12.0	PE	-4.3
6		20.0	0.0	19.5	0.0		0.036 TL	30.00	PV	
	Pipe: 6					-26.5	1.394 PL	80.00	PF	4.4
6		20.0	0.0	19.5	0.0	5.6	150 FTG	40.0	PE	7.8
TOR		2.0	0.0	31.6	0.0		0.036 TL	120.00	PV	
	Pipe: tor					-26.5	1.380 PL	0.50	PF	0.0
TOR		2.0	0.0	31.6	0.0	5.7	120 FTG	----	PE	0.2
FS1		1.5	0.0	31.9	0.0		0.058 TL	0.50	PV	
	Pipe: fs							FIXED PRESSURE LOSS DEVICE		
FS2		1.5	0.0	34.9	0.0		3.0 psi,	26.5 gpm		
FS1		1.5	0.0	31.9	0.0					
	Pipe: bor					-26.5	1.380 PL	0.50	PF	0.4
FS2		1.5	0.0	34.9	0.0	5.7	120 FTG	C	PE	0.2
BOR		1.0	0.0	35.5	0.0		0.058 TL	7.50	PV	
	Pipe: ug1					-26.5	1.380 PL	20.00	PF	0.9
BOR		1.0	0.0	35.5	0.0	5.7	150 FTG	E	PE	0.4
BF1		0.0	0.0	36.9	0.0		0.038 TL	24.53	PV	
	Pipe: ug2							FIXED PRESSURE LOSS DEVICE		
BF2		0.0	0.0	42.9	0.0		6.0 psi,	26.5 gpm		
BF1		0.0	0.0	36.9	0.0					
	Pipe: ug3					-26.5	1.380 PL	6.00	PF	0.4
BF2		0.0	0.0	42.9	0.0	5.7	150 FTG	E	PE	0.0
MTR1		0.0	0.0	43.3	0.0		0.038 TL	10.53	PV	
	Pipe: ug4							FIXED PRESSURE LOSS DEVICE		
MTR2		0.0	0.0	49.3	0.0		6.0 psi,	26.5 gpm		
MTR1		0.0	0.0	43.3	0.0					

DATE: 1/31/2020

Z:\120 HAWKRIDGE RES.SDF

JOB TITLE: 120 hawkridge

PIPE TAG	Q (GPM)	DIA (IN)	LENGTH	PRESS.
END ELEV. NOZ. PT DISC. VEL (FPS) HW (C) (FT) SUM.				
NODES (FT) (K) (PSI) (GPM) FL/FT (PSI)				
Pipe: ug5	-26.5	1.049	PL 10.00	PF 2.8
MTR2 0.0 0.0 49.3 0.0 9.8 150 FTG TG				PE 0.0
SRCE 0.0 SRCE 52.1 (N/A) 0.145 TL 19.07				PV

NOTES (HASS):

- (1) Calculations were performed by the HASS 8.8 D computer program in accordance with NFPA13 (2016) under license no. 38090101 granted by HRS Systems, Inc. 208 Southside Square Petersburg, TN 37144 (931) 659-9760
- (2) The system has been calculated to provide an average imbalance at each node of 0.009 gpm and a maximum imbalance at any node of 0.125 gpm.
- (3) Total pressure at each node is used in balancing the system. Maximum water velocity is 9.8 ft/sec at pipe ug5.
- (4) Items listed in bold print on the cover sheet are automatically transferred from the calculation report.
- (5) Available pressure at source node SRCE under full flow conditions is 73.20 psi with a flow of 40.59 gpm.

(6) PIPE FITTINGS TABLE

HASS Pipe Table Name: standard.pip

PAGE: A MATERIAL: S40 HWC: 120

Diameter (in)	Equivalent Fitting Lengths in Feet								
	E Ell	T Tee	L LngEll	C ChkVlv	B BfyVlv	G GatVlv	A AlmChk	D DPVlv	N NTee

	F								
	F45Ell								
1.049	2.00	5.00	2.00	5.00	6.00	1.00	10.00	2.00	5.00
	1.00								
1.380	3.00	6.00	2.00	7.00	6.00	1.00	10.00	10.00	6.00
	1.50								

DATE: 1/31/2020

Z:\120 HAWKRIDGE RES.SDF

JOB TITLE: 120 hawkridge

PAGE: F MATERIAL: CPVC HWC: 150

Diameter (in)	Equivalent Fitting Lengths in Feet						
	F F45	E Ell	T Tee	R RunT	K Kplg	C ChkVlv	G Gate
1.101	1.40	2.50	6.00	1.70	1.00	8.00	0.40
1.394	1.80	3.80	7.30	2.30	1.00	11.00	0.80

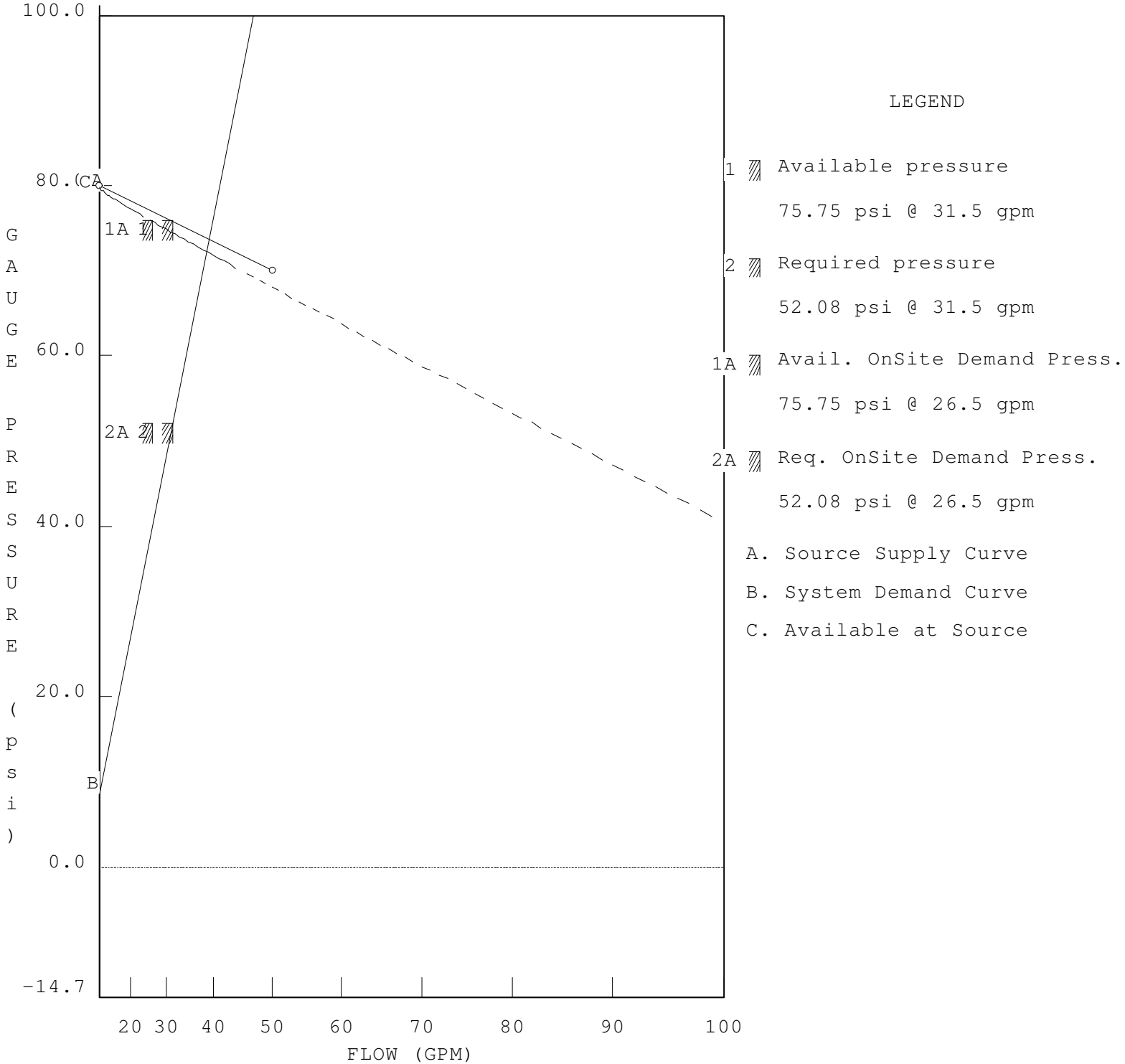
DATE: 1/31/2020

Z:\120 HAWKRIDGE RES.SDF

JOB TITLE: 120 hawkridge

WATER SUPPLY ANALYSIS

Static: 80.00 psi Resid: 70.00 psi Flow: 50.0 gpm



Note: (1) Dashed Lines indicate extrapolated values from Test Results

(2) On Site pressures are based on hose stream deduction at the source

DATE: 1/31/2020
JOB TITLE: 120 hawkridge

Z:\120 HAWKRIDGE RES.SDF

WATER SUPPLY CURVE



RESOLUTION NO. 2020-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**VARIANCE TO CALAVERAS COUNTY WATER DISTRICT RULES AND
REGULATIONS GOVERNING THE FURNISHING OF WATER AND/OR
WASTEWATER, ARTICLE III, SECTION 21E, FOR 120 HAWKRIDGE ROAD,
COPPEROPOLIS, CA**

WHEREAS, the Board of Directors of the Calaveras County Water District (District) adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services on December 7, 1954; and

WHEREAS, the Board of Directors amended the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Section 21.E. Termination of Services by Resolution 2010-78 on November 23, 2010, and amended by Resolution 2019-61 on August 14, 2019; and

WHEREAS, the property owner of APN 055-081-006, 120 Hawkridge Road, Copperopolis, CA, requested a variance to the Article III Section 21.E. of the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services to allow termination of the 5/8-inch meter serving the fire sprinkler system; and

WHEREAS, a dedicated fire sprinkler meter was installed by a prior property owner, and this is the only instance CCWD staff is aware of where a residential customer has a separate meter for a fire sprinkler system; and

WHEREAS, a registered fire sprinkler engineer provided an analysis showing that a single, 1-inch meter is adequate to provide state-mandated flow requirements for both the fire sprinkler system and the indoor and outdoor water demands on the property; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT finds this variance request to be consistent with the guidelines set out in CCWD's Variance Policy (Board Policy No. 22), in that it does not discriminate for or against any ratepayer, does not establish sub-standard facilities, puts water to reasonable and beneficial use, and achieves a fair result for the applicant; and

THEREFORE, BE IT FURTHER RESOLVED that the Board hereby approves a variance to Section 21.E. of Article III of CCWD's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, thus allowing termination of the 5/8-inch, dedicated water meter serving the fire sprinkler system at 120 Hawkridge Road, Copperopolis, California; and

THEREFORE, BE IT FURTHER RESOLVED there shall be no refund of any monies to this customer or future customers for any capacity fees paid and / or bimonthly rates paid prior to the adoption of this resolution; and

THEREFORE, BE IT FURTHER RESOLVED, should the current or previous owner request that this water service be reinstated, all charges and fees must be paid in full as articulated in the service reinstatement section of Section 21.E. of the District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services.

PASSED AND ADOPTED this 27th day of May 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: May 27, 2020

TO: Board of Directors

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Discussion/Action Regarding the Board Declaring Its Intention to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Obligations

RECOMMENDED ACTION:

Motion _____/_____ adopting Resolution No. 2020 - ____ Authorizing Commencement of Proceedings for the Financing of the Techite Project; declaring Its Intention to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Obligations.

SUMMARY: The District intends to replace the District's Ebbetts Pass Water System Techite pipeline near Dorrington (the "Techite Project"). It is presently contemplated that a portion of the cost to complete the Techite Project will come from the issuance of revenue bonds or some other form of long-term tax-exempt indebtedness (the "Debt Obligations"). The District plans to begin spending money on the Techite Project prior to the issuance of the Debt Obligations. By adoption of the attached Resolution, and upon issuance of the Debt Obligations, the District will be legally allowed to reimburse itself for all expenses advanced for the Techite Project (the "Reimbursable Expenditures").

The attached Resolution satisfies certain IRS tax code requirements by stating the following:

- The Board's intention to finance expenditures related to the Techite Project;
- A statement that any such expenditures would be financed through the issuance of a tax-exempt Debt Obligations;
- A qualitative general description of the proposed Techite Project (Exhibit A of the subject Resolution) whose expenditures would be reimbursed from the proceeds of Debt Obligations; and
- Identification of the expected source(s) of funds, which would initially pay for such expenditures and ultimately be utilized to repay the Debt Obligations.

Passage of the attached Resolution does not irrevocably bind the District to issue Debt Obligations, rather it merely spells out the District's intent to do so at some future date and preserves the District's right to reimburse itself for Reimbursable Expenditures.

FINANCIAL CONSIDERATIONS:

No impact from this report.

Attachments: Resolution 2020-__-Declaring its Intention to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Obligations

RESOLUTION NO. 2020-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**DECLARING ITS INTENTION TO REIMBURSE CERTAIN
EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT
OBLIGATIONS AND DIRECTING CERTAIN ACTIONS WITH RESPECT
THERE TO AS REQUIRED BY UNITED STATES DEPARTMENT OF
TREASURY REGULATIONS SECTION 1.150-2**

WHEREAS, the Board of Directors (the “Board”) of the Calaveras County Water District (the “District”) have considered undertaking the construction and replacement of the District’s Ebbetts Pass Water System techite pipeline near Dorrington, California, in Big Trees Village, as generally described in Exhibit A attached hereto and incorporated herein (the “Techite Project”); and

WHEREAS, it is the District’s preliminary intention to finance the construction and replacement of the Techite Project with the proceeds of tax-exempt bonds, notes, certificates of participation, revenue bonds or other forms of tax-exempt debt (the “Debt Obligations”); and

WHEREAS, prior to the issuance of any Debt Obligations the District desires to incur certain capital expenditures (the “Reimbursable Expenditures”) with respect to the Techite Project from available moneys of the District; and

WHEREAS, the Board has determined that those moneys which will be advanced on and after the date hereof to pay Reimbursable Expenditures are available only for a temporary period, and it is necessary to reimburse the District for such Reimbursable Expenditures from the proceeds of the Debt Obligations, all as set forth pursuant to Section 1.150-2 of the regulations (the “Treasury Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Tax Code”); and

WHEREAS, this Resolution will be reasonably available for public inspection within a reasonable period of time after its date of adoption and in the same manner governing the public availability of records of other official acts of the Board; and

WHEREAS, this Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the Treasury Regulations; and

WHEREAS, this action does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378; and

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALAVERAS COUNTY WATER DISTRICT THAT:

Section 1. The foregoing recitals are adopted as findings of the Board as though set forth fully herein.

Section 2. The District reasonably expects to reimburse itself for the Reimbursable Expenditures made by the District in anticipation of the issuance of the Debt Obligations with proceeds of Debt Obligations. The reimbursement of Reimbursable Expenditures is consistent with the District's budgetary and financial circumstances and are expected to be repaid from net revenues of the District's water enterprise operations.

Section 3. The maximum principal amount of the Debt Obligations from which Reimbursable Expenditures are to be made is reasonably expected to be \$3,000,000.

Section 4. The proceeds from the Debt Obligations are to be used for the design, acquisition, replacement, and/or construction of the Techite Project, funding a reserve fund, a capitalized interest fund, and for paying certain costs of issuance related thereto.

Section 5. This Resolution is adopted for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations. This Resolution does not bind the District to make any expenditure, incur any indebtedness or proceed with either the financing or construction of the Techite Project. All of the Reimbursable Expenditures covered by this Resolution were made not earlier than 60 days prior to the date of adoption hereof.

Section 6. The General Manager and the Director of Administrative Services and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution.

Section 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 27th day of May 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill
President, Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

EXHIBIT A

General Description of the Techite Project

The "Techite Project" generally encompasses the replacement of the District's Ebbetts Pass Water System Techite Pipeline near Dorrington, California, in Big Trees Village. The existing 14-inch Techite water main, originally installed in the 1970's, is a thin walled fiberglass composite material that is fragile, susceptible to line breaks and difficult to repair. The project generally consists of construction of 6,900-ft of new 10-inch diameter ductile iron water main including eighty (80) water services, seven (7) fire hydrants, (4) air valves, one (1) pressure reducing station. The alignment starts on Big Foot Circle crossing northeast to Ottawa Dr. and Blackfoot Circle, and continues along Meko Dr. ending at Hwy 4. Approximately 4,100-LF of the new 10-in diameter water main will be constructed by open-cut trench parallel to the existing main, and 2,800-LF of 10-inch diameter water main will be installed by removing and replacing the existing 14-inch diameter Techite main in the same trench. Temporary above ground bypass piping will be used to maintain continuous water service to customers that are within the 2,800-LF of main that is to be replaced in the same trench.