



RESOLUTION NO. 2019-07
RESOLUTION NO. PFA-03
ORDINANCE NO. 2019-01

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, February 13, 2019
1:00 p.m.

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

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**

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 Meetings of December 12, December 17, and December 27, 2018.

3b Review Board of Directors Monthly Time Sheets for January, 2018

BOARD OF DIRECTORS

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

- 3c Ratify Claim Summary #563 Secretarial Fund in the Amount of \$ _____ for January 2019.
(Jeffrey Meyer, Interim General Manager) **RES 2019-_____**
- 3d Resolution of Support for Nomination of Michael Minkler for ACWA Region 3 Board Member Position
(Jeffrey Meyer, Director of Administrative Services) **RES 2019-_____**

4. NEW BUSINESS

- 4a* Recognition of Jeffrey Meyer, Interim General Manager
(Russ Thomas, President) **RES 2019-_____**
- 4b Discussion/Action Regarding Refinancing of a Portion of the District’s Outstanding CalPERS Unfunded Liability and Authorizing the Form of Financing Documents in Connection Therewith
(Jeffrey Meyer, Interim General Manager) **RES 2019-_____**
- 4c Report on the January 2019 Operations Department
(Damon Wyckoff, Director of Operations)
- 4d Information / Discussion Regarding Rancho Calaveras / Jenny Lind Weekend Repair Work Plan
(Damon Wyckoff, Director of Operations)
- 4e Review of District’s Assessment of Telecommunication Tower Requests
(Jeffrey Meyer, Interim General Manager/John Gomes, Information Systems Administrator)
- 4f Discussion / Action Regarding Amending the FY 2018-19 CIP Budget for the Meadowmont Pump Station Improvement Project, CCWD CIP #11099
(Jeffrey Meyer, Interim General Manager) **RES 2019-_____**
- 4g Update on the Implementation and Efficiencies of Paymentus
(Joel Metzger, Manager of External Affairs, Conservation, and Grants)

5. OLD BUSINESS

6. GENERAL MANAGER REPORT

7.* BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

8. NEXT BOARD MEETINGS

- Wednesday, February 27, 2019, 1:00 p.m., Regular Board Meeting
- Wednesday, March 13, 2019, 1:00 p.m., Regular Board Meeting

9. CLOSED SESSION

- 9a Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to Subdivision (d)(2) of Government Code § 54956.9. One potential case.
- 9b Conference with Real Property Negotiators Government Code §54956.8
Property: APN 044-032-012, San Andreas
District negotiators: Jeffrey Meyer and Robbie Creamer
Under negotiations: price and other terms
- 9c Conference with Real Property Negotiators Government Code §54956.8
Property: APN's 046-019-051, 073-042-127, and 073-042-129, Valley Springs.
District Negotiator: Jeffrey Meyer and Robbie Creamer
Under Negotiation: price and other terms
- 9d Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD (Calaveras County Superior Court #11CV37713)
- 9e Conference with Legal Counsel – Threatened Litigation Government Code § 54956.9(b)(3)
– 1 case

10. REPORTABLE ACTION FROM CLOSED SESSION

11. 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

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

Auditor

Richardson & Company, LLP

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee
Executive Committee (*ad hoc*)

Membership**

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

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)

Ratterman (alt. General Manager)
All Board Members
Ratterman / Underhill (alt. Secada)
Peter Martin (alt. General Manager)
Thomas
Secada (alt. Thomas)
Davidson (alt. Ratterman)

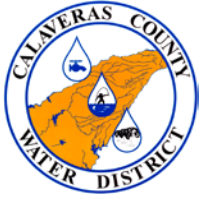
Other Regional Organizations of Note

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

Ratterman / Thomas
Thomas (alt. Ratterman)
Thomas / Underhill
All Board Members
All Board Members
Peter Martin (alt. Metzger)
Peter Martin

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

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



RESOLUTION NO. 2018-67
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-02

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
SPECIAL BOARD MEETING**

DECEMBER 12, 2018

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

Staff Present: Jeffrey Meyer, Interim General Manager
Rebecca Hitchcock, Clerk to the Board
Matt Weber, General Counsel
Peter Martin, Manager of Water Resources
Damon Wyckoff, Director of Operations
Stacey Lollar, Director of Human Resources and Customer Service
Joel Metzger, Manager of External Affairs, Conservation, and Grants

Others Present: Pat McGreevy, Calaveras Amador Forestry Team
Mike Lemke
Hugh Logan, CUSD
Joe Cruz, CUSD
Eric Scriven, NHA Advisors
Vickey Mills
Other public in attendance

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Regular Board Meeting to order at 1:00 p.m. and led the pledge of allegiance. All Board members were present.

2. SEATING OF NEW BOARD MEMBERS; BOARD RECONSTITUTION AND ELECTION OF OFFICERS

(Jeffrey Meyer, Interim General Manager)

The newly elected and re-elected Board Directors stood as Ms. Hitchcock, Clerk to the Board, administered the Oath of Office to Directors Secada, Underhill and Thomas.

After the Board of Directors were seated, Mr. Meyer explained the process of electing the Board President and Vice President. Mr. Meyer called for nominations for Board President for the 2019 year. Director Davidson nominated Director Thomas as President and Director Secada seconded the motion. There were no other nominations. Directors Davidson and Ratterman closed the nominations.

MOTION: Directors Davidson / Secada– Nominate Director Thomas as Board President for the 2019 Year

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

Director Ratterman nominated Director Underhill as Board Vice President and Director Thomas seconded the motion. There were no other nominations. Directors Davidson and Ratterman closed the nominations.

MOTION: Directors Ratterman / Thomas– Nominate Director Underhill as Board Vice President for the 2019 Year

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

3. **PUBLIC COMMENT**

There was no public comment

4. **CONSENT AGENDA**

MOTION: Directors Ratterman / Davidson - Approved Consent Agenda Items: 4a, 4c, 4d, and 4e as presented

4a Approval of Minutes for the Board Meeting of October 10, 2018.

Director Secada pulled Item 4b from the Consent Agenda

4b Ratify Claim Summary #561 Secretarial Fund in the Amount of \$2,278,874.79 for November 2018.
(Jeffrey Meyer, Interim General Manager) **RES 2018-_____**

4c Accepting the Canvass and Statement of Results of the November 6, 2018 General Election
(Jeffrey Meyer, Interim General Manager) **RES 2018-67**

4d Approval of the Write-Off of Uncollectible Accounts Receivable for the period of December 1, 2017 through May 31, 2018
(Jeffrey Meyer, Interim General Manager) **RES 2018-68**

- 4e Acceptance and Transfer of La Cobre Mina Unit 2, Water and Wastewater Service Facilities Improvements Project, CCWD #01596.
(Charles Palmer, District Engineer and Robert Creamer, Engineering Analyst)
RES 2018-69

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

OFF CONSENT AGENDA

Director Secada pulled Item 4b from the Consent Agenda

- 4b Ratify Claim Summary #561 Secretarial Fund in the Amount of \$2,278,874.79 for November 2018.
(Jeffrey Meyer, Interim General Manager) **RES 2018-70**

MOTION: Directors Davidson / Underhill – Adopt Resolution No. 2013-70 Ratifying Claim Summary #561 Secretarial Fund in the Amount of \$2,278,874.79 for November 2018.

DISCUSSION: Director Secada asked clarifying questions on the benefits, computer services, Columbia Communication Vehicle Cloud service, DataPros statement processing, Autocad Support Services, Wage Works, and the purchase of the Ford Escape. Mr. Meyer responded to all Director Secada’s questions. Director Underhill asked about AWA representation by the District. Director Thomas wanted to bring attention to the payment to R.E. Smith Contractors for \$1,075,478,13, which is reimbursable by grant funds.

PUBLIC COMMENT: There was no public comment.

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

5. NEW BUSINESS

- 5a Discussion / Action to Approve Agreement with Snowshoe Springs Association for Wholesale Treated Water Service
(Charles Palmer, District Engineer and Robert Creamer, Engineering Analyst)
RES 2018-71

MOTION: Directors Underhill / Ratterman Approve Agreement with Snowshoe Springs Association for Wholesale Treated Water Service.

DISCUSSION: Mr. Palmer presented the terms of the agreement reached between Snowshoe Springs Association near Dorrington, CA and CCWD. There was discussion by the Board regarding the agreement, how it came about, and the need for it. There was additional conversation about the capacity of the system surrounding Snowshoe Springs during a fire emergency.

PUBLIC COMMENT: Richard Mates from Snowshoe Springs spoke to the Board regarding the agreement. He mentioned that Snowshoe is very pleased with the cooperation they received from the staff members at CCWD.

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

5b Discussion / Action to Approve Memorandum of Understanding between Calaveras Unified School District and Calaveras County Water District to Provide Sewer Service to the Jenny Lind Elementary School
(Charles Palmer, District Engineer and Robert Creamer, Engineering Analyst)

RES 2018-72

MOTION: Directors Davidson / Underhill Approve Memorandum of Understanding between Calaveras Unified School District and Calaveras County Water District to Provide Sewer Service to Jenny Lind Elementary School

DISCUSSION: Mr. Palmer presented the key points of the MOU. The Calaveras Unified School District (CUSD) has obtained a State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) Planning Grant to evaluate alternatives for replacement of the wastewater system at the Jenny Lind Elementary School (JLES). In June 2018, Weber Ghio and Associates and KASL Consulting Engineers prepared an engineering analysis (attached) and approached the District with a proposal to connect JLES to the La Contenta wastewater system via a new lift station and sewer force main aligned along Berkeseey Lane from Baldwin Lane to Vista Del Lago Drive. District staff determined that sufficient capacity exists in the La Contenta system to serve JLES and that the project was feasible and beneficial to both parties. Upon completion of the proposed project, CUSD will decommission its existing wastewater plant at the school property and cancel its operating permit with the Central Valley Regional Water Quality Control Board. The District will become the owner and operator of the new lift station and force main from which the additional sewer flows will be conveyed to the La Contenta Wastewater Plant for treatment and disposal. There was discussion between staff and the Board regarding specifics of the MOU.

PUBLIC COMMENT: Hugh Logan and Joe Cruz from CUSD let the Board know that the CUSD Board voted to approve the MOU last night. They thanked Mr. Palmer and his team for the support.

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

5c Presentation of the Audited Financial Statements for the Fiscal Year Ending June 30, 2018 by Richardson & Company, LLP
(Jeffrey Meyer, Interim General Manager)

MOTION: Directors Underhill / Secada – Approved to Receive and File the Audited Financial Statements for the Fiscal Year Ending

June 30, 2018 by the Auditing Firm Richardson & Company, LLP

DISCUSSION: Mr. Nash of the auditing firm Richardson & Company, LLP addressed the Board giving a presentation of the District's audited financial statements for the fiscal year ending June 30, 2018. He provided a summary with highlights of the audit, which included information on the District's capital assets, operating revenues and expenses, power sales, income statements, status of pension funds, etc. Mr. Nash stated that his auditing firm gave the District "clean opinions". Mr. Nash answered questions from the Board on various items such as investments and expenses.

PUBLIC COMMENT: There was no public comment.

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

RECESS was called at 2:24 p.m. **SESSION RESUMED** at 2:35 p.m.

5d Discussion / Action regarding the Adoption of the 2018 Mokelumne-Amador-Calaveras Integrated Regional Water Management Plan Update
(Peter Martin, Manager of Water Resources) **RES 2018-73**

MOTION: Directors Ratterman / Davidson – Adopted the 2018 Mokelumne-Amador-Calaveras Integrated Regional Water Management Plan Update

DISCUSSION: Mr. Martin presented the 2018 Mokelumne-Amador Calaveras Integrated Regional Water Management Plan Update to the Board. He reviewed the participants and the projects that are covered in the plan. 1) Sheep Ranch Drinking Water Treatment and Distribution Project; 2) West Point Automated Meter Reading Project; 3) West Point Water Treatment Drinking Water Compliance Project; and 4) Meadow Restoration Project upstream of Wilson Dam. The list of projects are eligible for specific state-funded grant programs as a result of their inclusion in the plan. This plan was released In September 2018 for public comment and final edits were complete in November. Upper Mokelumne River Watershed Authority (UMRWA) will adopt the plan at their January 25, 2018 Board meeting to remain eligible for Prop 1 funding. There was additional discussion between Mr. Martin and the Board.

PUBLIC COMMENT: There was no public comment.

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

6. OLD BUSINESS

6a Update on Local Forest Management Initiatives
(Peter Martin, Manager of Water Resources)

DISCUSSION: Pat McGreevy from the Calaveras Amador Forestry Team presented the Calaveras Amador Forestry Team & CAL Fire Hazardous Fuels Reduction plan. He expressed that their goal is to reduce risk of wildfires devastating local communities and forests in Amador and Calaveras Counties through interagency collaboration. There was significant discussion

between Mr. McGreavy, staff, and the Board. Director Davidson expressed his desire to see more media coverage on programs such as this to bring them to the community's attention. He suggested we create meetings with the county and other necessary organizations to discuss forest management.

PUBLIC COMMENT: There was no public comment.

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

- 6b Discussion / Direction Regarding Funding Recommendation for District's PERS Unfunded Pension Liability
(Jeffrey Meyer, Interim General Manager)

DISCUSSION: Mr. Eric Scriven of NHA Advisors presented the recommendations for the alternate repayment strategy for the District's PERS Unfunded Accrued Liability (UAL). He recapped the various options that were presented to the Board on November 14, 2018. After a thorough analysis of all options, District staff and NHA advisors are recommending \$5.7 million private placement option. He explained the reasons for this recommendation in depth. There was discussion between the Board, staff, and Mr. Scriven regarding the recommendation. The Board gave direction to continue with the recommended option and return in January for final approval.

PUBLIC COMMENT: There was no public comment.

7. **GENERAL MANAGER REPORT**

Mr. Meyer gave a reminder of the Finance Committee meeting December 18 at 11:00 a.m. He also mentioned that Director Thomas wanted CCWD to list gallons instead of acre feet on Exhibit One of the Rate Ordinance and he explained that a new Ordinance would have to be adopted if that change was made.

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

Director Underhill reported that she received a letter from the Scholarship Coordinator. She would like to see continuation schools included in the application process for the next scholarship. In addition, there was a town hall meeting in Ebbetts Pass regarding the budget shortfall for the Ebbetts Pass Fire District. She also welcomed Director Secada to the Board.

Director Ratterman mentioned that the CAMRA meeting is Wednesday at 2:30, and Monday the 17th the general manager interviews begin.

Director Davidson had nothing to report.

Director Secada reported that she will miss the January 23rd meeting while attending the Western Water Summit in Southern California.

Director Thomas mentioned that he brought back Dave Eggerton's business cards. He stated that it was a huge benefit to have Mr. Eggerton at ACWA.

9. **NEXT BOARD MEETINGS**

- Monday, December 17, 2018, 1:00 p.m., Special Board Meeting

Unapproved Mins-Subject to changes

- Wednesday, January 9, 2019, 1:00 p.m., Regular Board Meeting
- Wednesday, January 23, 2019, 1:00 p.m., Regular Board Meeting

The Open Session ended at 4:20 p.m.

The meeting adjourned into Closed Session at approximately 4:20 p.m. Those present were Board Members: Russ Thomas, Bertha Underhill, Scott Ratterman, Jeff Davidson, and Cindy Secada; staff members Jeffrey Meyer, Interim General Manager, Stacey Lollar, Director of Human Resources and Customer Service, and Rebecca Hitchcock, Clerk to the Board (for item 10b); and Matt Weber, General Counsel.

10. CLOSED SESSION

- 10a Conference with legal counsel – anticipated litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code § 54956.9. One potential case.
- 10b Public Employment - General Manager Recruitment
Government Code § 54957

11. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 5:18 p.m. There was no reportable action.

12. ADJOURNMENT

With no further business, the meeting adjourned at approximately 5:18 p.m.

By:

ATTEST:

Jeffrey Meyer
Interim General Manager

Rebecca Hitchcock
Clerk to the Board



RESOLUTION NO. 2018-74
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-02

MINUTES

CALAVERAS COUNTY WATER DISTRICT SPECIAL BOARD MEETING

DECEMBER 17, 2018

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

Staff Present: Rebecca Hitchcock, Clerk to the Board
Stacey Lollar, Director of Human Resources and Customer Service
Peter Martin, Water Resources Manager

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Special Board Meeting to order at 12:46 p.m. and led the pledge of allegiance.

2. PUBLIC COMMENT There was no public comment.

The Open Session ended at 12:50 p.m.

The meeting adjourned into Closed Session at approximately 12:50 p.m. Those present were Board Members: Russ Thomas, Bertha Underhill, Scott Ratterman, Cindy Secada, and Jeff Davidson; and staff members Stacey Lollar, Director of Human Resources and Customer Service, Rebecca Hitchcock, Clerk of the Board, and Peter Martin, Water Resources Manager.

3. CLOSED SESSION

Public Employment - General Manager Recruitment
Government Code § 54957

4. REPORTABLE ACTION FROM CLOSED SESSION

Unapproved Mins-Subject to changes

The Board reconvened into Open Session at approximately 5:15 p.m. There was no reportable action.

5. ADJOURNMENT

With no further business, the meeting adjourned at approximately 5:15 p.m.

By:

ATTEST:

Jeffrey Meyer
Interim General Manager

Rebecca Hitchcock
Clerk to the Board



RESOLUTION NO. 2018-74
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-02

MINUTES

CALAVERAS COUNTY WATER DISTRICT SPECIAL BOARD MEETING

DECEMBER 27, 2018

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

Staff Present: Stacey Lollar, Director of Human Resources and Customer Service

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Special Board Meeting to order at 9:02 a.m. and led the pledge of allegiance. Director Underhill was absent.

2. PUBLIC COMMENT There was no public comment.

The Open Session ended at 9:05 a.m.

The meeting adjourned into Closed Session at approximately 9:05 a.m. Those present were Board Members: Russ Thomas, Scott Ratterman, Cindy Secada, and Jeff Davidson; and staff member Stacey Lollar, Director of Human Resources and Customer Service.

3. CLOSED SESSION

Public Employment - General Manager Recruitment
Government Code § 54957

4. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 10:10 a.m. There was no reportable action.

Unapproved Mins-Subject to changes

5. ADJOURNMENT

With no further business, the meeting adjourned at approximately 10:11 a.m.

By:

ATTEST:

Jeffrey Meyer
Interim General Manager

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: February 13, 2019
TO: Jeffrey Meyer, Interim General Manager *JM*
FROM: Rebecca Hitchcock, Clerk to the Board
SUBJECT: Review Board of Directors Time Sheets for January 2019

RECOMMENDED ACTION:

For information only.

SUMMARY:

Pursuant to direction from the Board of Directors, copies of the Board's monthly time sheets from which the Board is compensated from, are included in the monthly agenda package for information. Attached are copies of the Board's time sheets for the month of January 2019.

Board Members can be reimbursed for mileage cost to travel to meetings/conferences and are paid at the current IRS rate.

FINANCIAL CONSIDERATIONS:


Monthly compensation and mileage reimbursement costs are included in the FY 2018-19 budget.

Attachments: Board of Directors Time Sheets for January 2019

**Calaveras County Water District
Claim Summary # 563**

Certificate of Administrative Officer

The services listed on the within schedules were actually rendered by the close of the current month. The articles listed on the schedules within and the supporting invoices were actually delivered, or payment therefore is properly due prior to delivery. To the best of my knowledge all claims made are in accordance with adopted Board policies and/or other Board actions and are in compliance with all applicable laws. The claimants named on the within schedules are each entitled to the amount set opposite their respective names.



Jeffrey Meyer
Interim General Manager

1. January 2019 payroll checks issued on 1/15/2019	165,994.01
2. January 2019 payroll checks issued on 1/31/2019	153,148.85
3. January 2019 compensation to Directors	1,661.58
4. Vendor payments for January 1 through 31, 2019	809,705.04
5. Other payroll related costs	<u>269,964.96</u>

Claim Summary Total \$1,400,474.44

Calaveras County Water District
AP Disbursement Summary
January 1-31, 2019

CCWD Operating Expenditures		\$ 506,264.17
Expenditures to be reimbursed from other agencies	(A)	-
Expenditures to be reimbursed from grant agreements	(B)	91,619.98
Fiduciary Payments (funds collected prior to expenditure)	(C)	72,960.52
Partial Reimbursement	(D)	102,809.38
Capital R&R Projects	(E)	22,108.36
Capital Outlay	(F)	13,942.63
Total Payments		\$ 809,705.04

CCWD
AP DISBURSEMENTS
JANUARY 1-31, 2019

Check No.	Vendor/Employee	Transaction Description	Date	Amount	
131513	A T & T	Internet Service 12/18 - LC Complex	01/04/2019	50.00	
131514	A T & T	Phone 12/18 - SA Shop	01/04/2019	104.47	
131574	A T & T	Internet Service 01/19 - LC	01/11/2019	40.00	
131633	A T & T	Leased Lines 01/19	01/18/2019	66.07	
131694	A T & T	Internet Service 01/19 - LC Complex	01/31/2019	59.25	
131695	A T & T	Phone 01/19 - SA Shop	01/31/2019	104.16	
131575	A T & T CALNET2	District Radio Tower 12/18 - Camp Connell	01/11/2019	375.20	
131516	A T & T CALNET3	Phone 12/18 - Long Distance	01/04/2019	424.02	
131517	A T & T CALNET3	Phone 12/18 - Hunter's	01/04/2019	20.73	
131518	A T & T CALNET3	Phone 12/18 - Azalea L/S	01/04/2019	19.08	
131519	A T & T CALNET3	Phone 12/18 - CCWHSE	01/04/2019	1.32	
131520	A T & T CALNET3	Phone/Fax 12/18 - JLTC	01/04/2019	129.05	
131696	A T & T CALNET3	Phone 01/19 - Dorrington P/S	01/31/2019	20.72	
131697	A T & T CALNET3	Phone 01/19 - District Wide	01/31/2019	1,244.62	
131699	A T & T CALNET3	Phone 01/19 - Long Distance	01/31/2019	418.66	
131700	A T & T CALNET3	Phone 01/19 - Hunter's	01/31/2019	20.74	
131701	A T & T CALNET3	Phone 01/19 - Azalea L/S	01/31/2019	19.07	
131702	A T & T CALNET3	Phone 01/19 - CCWHSE	01/31/2019	4.71	
131703	A T & T CALNET3	Phone 01/19 - OP HQ Back Up	01/31/2019	190.28	
131704	A T & T CALNET3	T Line 01/19	01/31/2019	164.68	
131705	A T & T CALNET3	Phone/Fax 01/19 - JLTC	01/31/2019	126.47	
131521	A T & T MOBILITY	Cell Phone 12/18 - Brown	01/04/2019	84.07	
131634	A TEEM ELECTRICAL ENG INC	Consulting Services - JLWTP Pre-Treatment Facility Project	01/18/2019	1,880.00	(B)
131634	A TEEM ELECTRICAL ENG INC	PLC Programming - Wallace WWTP SCADA	01/18/2019	1,680.00	
131635	ACWA/JPIA	Workers Compensation Insurance Oct-Dec	01/18/2019	23,148.86	
131576	ADP INC	Payroll Processing 12/18	01/11/2019	1,293.12	
131706	ADP INC	Payroll Processing 01/19	01/31/2019	770.29	
131523	AFLAC	Aflac 12/18	01/04/2019	2,018.70	(C)
131524	ALHAMBRA DRINKING WATER	Water Cooler Service 12/18 - LCWWTP	01/04/2019	111.08	
131708	ALHAMBRA DRINKING WATER	Water Cooler Service Dec/Jan - JLWTP	01/31/2019	122.71	
131577	AL'S TIRE SERVICE	Tires Mounted/Balanced (4) - Vehicle #606	01/11/2019	70.00	
131637	AL'S TIRE SERVICE	Tires Mounted/Balanced (4) - Vehicle #621	01/18/2019	72.00	
131637	AL'S TIRE SERVICE	Tires Mounted/Balanced (4) - Vehicle #710	01/18/2019	77.00	
131637	AL'S TIRE SERVICE	Tires (6) Mounted/Balanced - Vehicle #143	01/18/2019	1,430.81	
131707	AL'S TIRE SERVICE	Tire Repair - Vehicle #716	01/31/2019	20.00	
131578	AMERIPRIDE SERVICES,INC	Uniform Laundry Service 12/18	01/11/2019	2,580.79	
EFT	ANTHEM-BLUE CROSS	Health Insurance, Employees 01/19	01/07/2019	102,809.38	(D)
EFT	ANTHEM-BLUE CROSS	Health Insurance, Retirees 01/19	01/07/2019	41,161.06	
131638	ARNOLD AUTO SUPPLY	Diesel Engine Fluid - Vehicle #135	01/18/2019	45.01	
131638	ARNOLD AUTO SUPPLY	Filters/Cleaner/Treatment/Wiper Blades - Vehicle #522	01/18/2019	174.05	
131638	ARNOLD AUTO SUPPLY	Wiper Blades/Oil/Filter - Vehicle #529	01/18/2019	76.83	

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131638	ARNOLD AUTO SUPPLY	Disc/Towels/Brush - Vehicle #592	01/18/2019	46.12
131638	ARNOLD AUTO SUPPLY	Marker Lights - T04	01/18/2019	17.13
131638	ARNOLD AUTO SUPPLY	Funnels/Oil/Clamps - EP Barn	01/18/2019	196.12
131579	ARNOLD TIRE AND AUTO CARE	Seasonal Tire Change - Vehicle #551	01/11/2019	92.00
131709	ARNOLD TIRE AND AUTO CARE	Seasonal Tire Change - Vehicle #531	01/31/2019	92.00
131580	B & C UPHOLSTERY	Reupholster Seat - Vehicle #154	01/11/2019	522.50
131639	BIG VALLEY FORD LINCOLN MERCURY	Speed Sensor - Vehicle #127	01/18/2019	31.22
131639	BIG VALLEY FORD LINCOLN MERCURY	Door Handle - Vehicle #142	01/18/2019	30.57
131639	BIG VALLEY FORD LINCOLN MERCURY	Turbo Chargers/Injectors/EGR Cooler/Gaskets/Tubing - Vehicle #527	01/18/2019	3,987.81
131639	BIG VALLEY FORD LINCOLN MERCURY	Nuts - Vehicle #621	01/18/2019	4.93
131639	BIG VALLEY FORD LINCOLN MERCURY	Fuel Filters - SA Shop Stock	01/18/2019	251.14
131640	BNN, LLC	Rent 02/19 - SA Shop	01/18/2019	3,000.00
131640	BNN, LLC	Utility Reimbursement 01/19 - SA Shop	01/18/2019	244.56
131581	BRAD SUTTON TRUCKING, INC	Water Truck Rental - DF/VCTO WWTP Pad Cleaning	01/11/2019	480.00
131582	BURKE, ZACHARY	Overtime Travel Reimbursement Dec/Jan	01/11/2019	51.44
131710	BUY & SELL	Wastewater Treatment Plant Operator Recruitment Ad	01/31/2019	151.20
131711	CA/NV SECTION AWWA	AWWA Spring Conference Registration- Cardinal	01/31/2019	445.00
131643	CABRAL	Speed Sensor - Vehicle #718	01/18/2019	27.45
131644	CAL.NET-MOTHERLODE	Internet Service 01/19	01/18/2019	125.84
131712	CALAVERAS AUTO SUPPLY	Motor Start Switch - Vehicle #123	01/31/2019	77.92
131712	CALAVERAS AUTO SUPPLY	Gaskets/Carburetor Cleaner - Vehicle #128	01/31/2019	38.01
131712	CALAVERAS AUTO SUPPLY	Brake Pads/Rotors/Brake Shoes - Vehicle #131	01/31/2019	256.83
131712	CALAVERAS AUTO SUPPLY	Battery Core - Vehicle #554	01/31/2019	(18.00)
131712	CALAVERAS AUTO SUPPLY	Degreaser/Filters/Oil/Brake Rotors - Vehicle #606	01/31/2019	306.32
131712	CALAVERAS AUTO SUPPLY	Adapter/Lights/Tubing/Diesel Exhaust Fluid/Brake Pump/Oil - Vehicle #621	01/31/2019	315.04
131712	CALAVERAS AUTO SUPPLY	Jumper Cables - Vehicle #723	01/31/2019	30.45
131712	CALAVERAS AUTO SUPPLY	Marker Lights - T 04	01/31/2019	32.00
131712	CALAVERAS AUTO SUPPLY	Towels/Fittings/Cleaner/Wrench Set/Pliers/Drill Bit/Protector - SA Shop	01/31/2019	559.59
131712	CALAVERAS AUTO SUPPLY	Hose/Fittings/Connectors/Cable Ties - CC L/S #1	01/31/2019	34.17
131712	CALAVERAS AUTO SUPPLY	Gasket Material - CC L/S #13	01/31/2019	58.96
131645	CALAVERAS COUNTY	Encroachment Application/Permit - Snowbird Ct, Copperopolis	01/18/2019	1,500.00
131529	CALAVERAS COUNTY ENVIRONMENTAL HEALTH	Haz Mat Response Plan/CUPA - WPWTP	01/04/2019	227.00
131529	CALAVERAS COUNTY ENVIRONMENTAL HEALTH	Haz Mat Response Plan/CUPA - WPWWTP	01/04/2019	227.00
131713	CALAVERAS LUMBER CO INC	Keys - Vehicle #128	01/31/2019	3.84
131713	CALAVERAS LUMBER CO INC	Conduit/Fittings - Vehicle #134	01/31/2019	13.12
131713	CALAVERAS LUMBER CO INC	Mechanics Tool Set - Vehicle #531	01/31/2019	107.24
131713	CALAVERAS LUMBER CO INC	Ball Valve/Pipe/Fittings - CC Line Replacement	01/31/2019	96.64
131713	CALAVERAS LUMBER CO INC	Cleaning Agents/Duster - Collections Crew Trailer	01/31/2019	42.42
131713	CALAVERAS LUMBER CO INC	Lumber - CCWTP	01/31/2019	21.16
131713	CALAVERAS LUMBER CO INC	Tape/Connectors/Concrete - EP Hydrant Replacement	01/31/2019	87.33
131713	CALAVERAS LUMBER CO INC	Netting/Saw Blades - CCWHSE	01/31/2019	131.37

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131713	CALAVERAS LUMBER CO INC	Tube Cutters/Torch Kit/Copper Straps - SA Shop	01/31/2019	78.65
131713	CALAVERAS LUMBER CO INC	Pipe/Fittings/Tape/Joint Paste - WP	01/31/2019	44.29
131583	CALIFORNIA WASTE RECOVERY SYSTEMS	Refuse Disposal 01/19 - District Wide	01/11/2019	1,261.56
131714	CALIFORNIA WELDING SUPPLY CO	Welding Gloves/Supplies - Vehicle #723	01/31/2019	630.52
131714	CALIFORNIA WELDING SUPPLY CO	Welding Gloves/Supplies - SA Shop	01/31/2019	70.64
131584	CALTEL	Phone Lines 01/19	01/11/2019	1,432.29
131715	CAMPORA	Propane Wallace	01/31/2019	7.08
131585	CARBON COPY INC	Copies/Copier Maintenance Dec/Jan	01/11/2019	95.85
131716	CARBON COPY INC	Toner 01/19	01/31/2019	687.99
EFT	CARD SERVICES	ACWA Conference Air/Hotel/Meals - Meyer	01/22/2019	788.87
EFT	CARD SERVICES	Drinking Water Operator Training - Wyckoff	01/22/2019	217.00
EFT	CARD SERVICES	CALPELRA Conference Hotel/Meals - Lollar/Howarth	01/22/2019	2,493.84
EFT	CARD SERVICES	Internet E-Mail Back Up - OP HQ	01/22/2019	29.90
EFT	CARD SERVICES	Rackspace Hosted E-Mail Service 12/18	01/22/2019	511.42
EFT	CARD SERVICES	Internet Service 12/18 - Hunter's	01/22/2019	76.87
EFT	CARD SERVICES	US Flags (2) - OP HQ	01/22/2019	71.44
EFT	CARD SERVICES	County Deed Recording (7) - Copper	01/22/2019	43.00
EFT	CARD SERVICES	Carburetor - EP Barn Air Compressor	01/22/2019	15.99
EFT	CARD SERVICES	Radiator Hoses - CC Air Compressor	01/22/2019	199.75
EFT	CARD SERVICES	Phone Case - Brown	01/22/2019	11.37
EFT	CARD SERVICES	Storage Box - EP Polaris	01/22/2019	339.99
EFT	CARD SERVICES	Server Power Supply - OP HQ	01/22/2019	49.00
131717	CARSON HILL ROCK PRODUCTS	3/4 Class II AB - AWWTP	01/31/2019	515.74
131717	CARSON HILL ROCK PRODUCTS	3/4 Class II AB - CCWWTP Road Repair	01/31/2019	1,458.33
131646	CARUS CORPORATION	Sodium Permanganate - JLWTP	01/18/2019	8,614.86
131647	CASA	Agency Dues Jan-Dec 2019	01/18/2019	13,370.00
131586	CDK SUPPLY	Conduit/Fittings - JLWTP AT&T Conduit Relocation	01/11/2019	47.24
131586	CDK SUPPLY	Wire - DF/VCTO WWTP	01/11/2019	723.87
131648	CDK SUPPLY	Conduit/Couplings/Liquid Tight - SA Shop Vehicle Lift Installation	01/18/2019	271.92
131648	CDK SUPPLY	Strut Straps/Double Pole Switch - SA Shop Air System Installation	01/18/2019	152.95
EFT	CDTFA	Oct-Dec Use Tax	01/29/2019	870.00
131587	CENTRAL CALIFORNIA GENERATOR	Transfer Switch - JL Huckleberry L/S	01/11/2019	7,150.04
131718	CENTRAL VALLEY HARDWARE CO	Padlocks (100) - Stock	01/31/2019	888.97
131588	CENTRO PRINT SOLUTIONS	1099 Forms/Envelopes	01/11/2019	104.64
131719	CHEMTRAC INC	Crank Assembly/Yoke Pins/Rod Ends/Motor - JLWTP	01/31/2019	818.00
131590	CITY OF ANGELS	Sewer 12/18 - Six Mile Village	01/11/2019	4,695.23
131591	CLARK PEST CONTROL	Pest Control 01/19 - FMWWTP	01/11/2019	87.00
131591	CLARK PEST CONTROL	Pest Control Nov/Dec - LCWWTP	01/11/2019	294.00
131720	CLARK PEST CONTROL	Pest Control 01/19 - AWWTP	01/31/2019	87.00
131720	CLARK PEST CONTROL	Pest Control 01/19 - CCWTP	01/31/2019	92.00
131649	COLEMAN ENGINEERING, INC.	Provide/Design Service - EP Techite Water Pipeline Replacement Proj	01/18/2019	6,145.00 (E)

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131592	COLUMBIA COMMUNICATIONS	LMR 400 Connectors - SCADA Radios	01/11/2019	254.88
131592	COLUMBIA COMMUNICATIONS	Vehicle Cloud Service 01/19	01/11/2019	730.00
131532	COMCAST	Internet Service 01/19 - JLWTP	01/04/2019	88.08
131533	COMCAST	Internet Service 01/19 - OP HQ	01/04/2019	88.08
131593	COMCAST	Internet Service 01/19 - DF/VCTO WWTP	01/11/2019	83.08
131721	COMCAST	Internet Service 02/19 - JLWTP	01/31/2019	88.08
131722	COMCAST	Internet Service 02/19 - JLTC	01/31/2019	90.23
131723	COMCAST	Internet Service 02/19 - JLWTP	01/31/2019	83.78
131650	CONDOR EARTH TECHNOLOGIES INC	Groundwater Monitoring/Reporting FY 18/19 - 7 Sites	01/18/2019	6,830.75
131650	CONDOR EARTH TECHNOLOGIES INC	Materials Testing/Inspection Services - JLWTP	01/18/2019	359.00
131724	CONDOR EARTH TECHNOLOGIES INC	Groundwater Monitoring/Reporting FY 18/19 - Wallace	01/31/2019	4,234.50
131594	CONETH SOLUTIONS INC	IT Infrastructure Support Services 01/19	01/11/2019	1,325.00
131725	COPPEROPOLIS FIRE PROTECTION DISTRICT	Hydrant Maintenance - CC	01/31/2019	1,286.84
131595	CPPA	Power 12/18	01/11/2019	59,202.50
131534	CPUD	Water Service 12/18	01/04/2019	219.55
131726	CSMFO CA SOCIETY OF	2019 Membership - Meyer	01/31/2019	110.00
131726	CSMFO CA SOCIETY OF	2019 Membership - Christensen	01/31/2019	110.00
131653	CWEA	Membership Renewal - Filippini	01/18/2019	188.00
131727	CWEA	EIT, Grade 4 Certification Renewal - Crumpacker	01/31/2019	102.00
131727	CWEA	EIT, Grade 4 Certification Renewal - Tarap	01/31/2019	102.00
131596	DATAPROSE	Customer Assistance Program Postcard Mailing	01/11/2019	4,587.01
131596	DATAPROSE	UB Statement Processing 12/18	01/11/2019	3,864.35
131728	DAVIDSON, JEFF	Travel 01/19	01/31/2019	47.74
131654	DELTA TRUCK CENTER	Water Pump - Vehicle #123	01/18/2019	472.02
131655	DOWNEY BRAND ATTORNEYS LLP	Legal Services 11/18	01/18/2019	11,880.11
131729	DOWNEY BRAND ATTORNEYS LLP	Legal Services 12/18	01/31/2019	22,164.86
131730	DWYER INSTRUMENTS, INC	Level Transmitters (4) - Electricians Stock	01/31/2019	2,145.40
131598	E & M ELECTRIC & MACHINERY INC	Intouch HMI Training - Crumpacker/Tarap	01/11/2019	3,000.00
131599	EBBETTS PASS GAS SERVICE	Fuel 12/18	01/11/2019	2,434.80
131656	EBBETTS PASS LUMBER	Stakes/Fasteners/Fabric Spray - Hunter's	01/18/2019	43.99
131656	EBBETTS PASS LUMBER	Oil/Chain/Hose - EP Barn Equipment Maintenance	01/18/2019	215.69
131656	EBBETTS PASS LUMBER	Drill Bits/Lumber/Tape Measure/Blades/Screws/Chain Sharpen - EP Barn	01/18/2019	196.20
131731	ECORP CONSULTING, INC	White Pines Gaging Project	01/31/2019	1,720.88
131536	ENGINEERING NEWS RECORD	Print/Digital Subscription - Palmer	01/04/2019	110.00
131601	FASTENAL	Latex Gloves - Stock	01/11/2019	435.81
131601	FASTENAL	Bits/Tape/Pipe Wrap/Soap/Lubricant/Safety Glasses/Ear Plugs - JL	01/11/2019	787.86
131657	FASTENAL	Paint/Sealant/Gloves/Safety Glasses - EP	01/18/2019	397.68
131537	FEDERAL EXPRESS	Shipping 12/18	01/04/2019	57.28
131732	FEDERAL EXPRESS	Shipping 01/19	01/31/2019	12.67
131602	FERGUSON ENTERPRISES, INC	Nozzles/Nozzle Removing Tool/Couplings - LCWHSE	01/11/2019	2,257.32
131602	FERGUSON ENTERPRISES, INC	Pressure Regulating Valves - CCWHSE	01/11/2019	612.88

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131658	FERGUSON ENTERPRISES, INC	Submersible Pumps (2) - CCWWTP	01/18/2019	2,661.15	
131658	FERGUSON ENTERPRISES, INC	Meter Gaskets/Pipe Fittings - LCWHSE	01/18/2019	718.78	
131733	FERGUSON ENTERPRISES, INC	Meter Couplings/Gaskets - CCWHSE	01/31/2019	384.75	
131733	FERGUSON ENTERPRISES, INC	Tubing/Fittings - SA Shop Air System	01/31/2019	547.16	
131733	FERGUSON ENTERPRISES, INC	Meters (40) - LCWHSE	01/31/2019	3,840.11	
131538	FGL ENVIRONMENTAL	Waste Water Testing 12/18	01/04/2019	2,603.00	
131538	FGL ENVIRONMENTAL	Water Testing 12/18	01/04/2019	4,626.00	
131734	FGL ENVIRONMENTAL	Waste Water Testing 01/19	01/31/2019	2,071.62	
131734	FGL ENVIRONMENTAL	Water Testing 01/19	01/31/2019	3,682.88	
131735	FLO-LINE TECHNOLOGY, INC	Submersible Mixer - DF/VCTO WWTP	01/31/2019	4,602.02	
131736	FOOTHILL PORTABLE TOILETS	Portable Toilet Rental 12/18 - Sheep Ranch	01/31/2019	187.00	
131736	FOOTHILL PORTABLE TOILETS	Portable Toilet Rental 12/18 - Wallace	01/31/2019	187.00	
131660	FOOTHILL PRINTING & GRAPHICS	Business Cards - Secada/Wyckoff/Hampton/Skrbina	01/18/2019	617.04	
131603	FOREST MEADOWS OWNERS ASSOC	2019 Annual Road Access Fee	01/11/2019	554.00	
131604	FROGGY'S AUTO WASH & LUBE	Oil/Lube/Filters/Wiper Blades - Vehicle #551	01/11/2019	145.16	
131737	FROGGY'S AUTO WASH & LUBE	Oil/Lube/Filters/Wiper Blades/Wash - Vehicle #139	01/31/2019	104.84	
131737	FROGGY'S AUTO WASH & LUBE	Oil/Lube/Filter/Wiper Blades/Wash - Vehicle #140	01/31/2019	82.90	
131738	GAMBI DISPOSAL INC.	Bio-Solids Removal - AWWTP	01/31/2019	665.00	
131738	GAMBI DISPOSAL INC.	Bio-Solids Removal - DF/VCTO WWTP	01/31/2019	641.25	
131738	GAMBI DISPOSAL INC.	Bio-Solids Removal - FMWWTP	01/31/2019	617.50	
131739	GARCIA AND ASSOCIATES	Archaeological Monitoring - JLWTP Pre-Treatment Facility Project	01/31/2019	31,440.88	(B)
131605	GARRINGER PAINTING	Powerwash/Paint - JLTC	01/11/2019	6,800.00	
131740	GENERAL PLUMBING SUPPLY CO INC	Pipe/Fittings/Couplings/Primer/Glue - WP	01/31/2019	916.84	
131606	GENERAL SUPPLY COMPANY	Blower Starters/Heater Element - Hunter's WTP	01/11/2019	2,765.81	
131741	GEORGE REED INC	3/8 Cutback - CCWHSE	01/31/2019	932.50	
131662	GOLDEN STATE FLOW MEASUREMENT, INC	Handheld Meter Reading Units (2)	01/18/2019	13,942.63	(F)
131540	GOVCONNECTION, INC	Routers (2) - CCWHSE/Spare	01/04/2019	146.89	
131742	GOVCONNECTION, INC	Officejet Printers (2)/UPS Battery	01/31/2019	314.73	
131607	GRAINGER	Hose Fittings/Pressure Indicator - AWWTP	01/11/2019	151.05	
131607	GRAINGER	PVC Fittings/Valves - JLWTP	01/11/2019	104.62	
131663	GRAINGER	Traffic Cones - Vehicle #720	01/18/2019	293.27	
131663	GRAINGER	Air Relief Valves - Sheep Ranch P/S	01/18/2019	232.31	
131663	GRAINGER	Ink/Toner - SA Shop	01/18/2019	370.47	
131663	GRAINGER	Weather Station - DF/VCTO WWTP	01/18/2019	488.41	
131663	GRAINGER	Adjustable Relief Valves - WPWTP	01/18/2019	77.95	
131663	GRAINGER	Block Heaters/Drain Valves - CC Raw Water Generator	01/18/2019	901.49	
131608	HACH COMPANY	Bulbs - JLWTP	01/11/2019	596.04	
131744	HACH COMPANY	StabiCal/DPD Refills - Wallace WWTP	01/31/2019	312.95	
131744	HACH COMPANY	pH Probe - WPWTP	01/31/2019	373.11	
131744	HACH COMPANY	Iodide/Thiosulfate/StabiCal/Buffer/Solution - JLWTP	01/31/2019	612.65	
131745	HERD'S MACHINE & WELD SHOP	Aerator Repair Plates - CCWTP	01/31/2019	113.60	

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131664	HIBBARD, RICHARD	Class A Truck Rental Reimbursement	01/18/2019	265.00
131746	HITCHCOCK, REBECCA	Notary Training Registration/Travel Reimbursement	01/31/2019	117.46
131747	HOBGOODS CLEANING	Janitorial Services 01/19	01/31/2019	1,985.00
131665	HOLT OF CALIFORNIA	Bolt/Seals/Gaskets/Studs/Joint Expansion/Clamps - Vehicle #126	01/18/2019	560.81
131665	HOLT OF CALIFORNIA	Brake Fluid - CC Backhoe	01/18/2019	44.74
131665	HOLT OF CALIFORNIA	Filters - 450 Backhoe	01/18/2019	251.70
131609	HOWARTH, DEJA	CALPELRA Conference Travel Reimbursement	01/11/2019	207.10
131543	HUGHESNET	Internet Service 01/19 - FMWWTP	01/04/2019	82.23
131666	HUGHESNET	Internet Service 01/19 - AWWTP	01/18/2019	80.94
131610	HUNT & SONS, INC	Fuel - WP	01/11/2019	1,448.78
131748	HUNT & SONS, INC	Fuel - CC	01/31/2019	3,195.65
131748	HUNT & SONS, INC	Fuel - CC Generators	01/31/2019	2,517.58
131748	HUNT & SONS, INC	Fuel - JL	01/31/2019	657.09
131611	HUTSON, DAMON	Safety Boot Reimbursement	01/11/2019	164.68
131749	INDUSTRIAL ELECTRICAL CO	Impeller Repair - CC L/S #13	01/31/2019	2,564.85
131612	IRON MOUNTAIN	Document Destruction 12/18	01/11/2019	65.02
131751	JS WEST PROPANE GAS	Propane 01/19 - JL	01/31/2019	433.58
131668	KENNEDY/JENKS CONSULTANTS	Hazardous Materials Business Plan Phase II - District Wide	01/18/2019	160.00
131544	KINNEY, CHRIS	WW, Grade 1-2 Certification Renewal Reimbursement	01/04/2019	92.00
131752	KOFF & ASSOCIATES, INC	Comprehensive Salary & Benefit Review & Analysis 12/18	01/31/2019	2,560.00
131753	LAWSON PRODUCTS INC	File Kit/Degreaser/Picks/Absorbent Pads - SA Shop	01/31/2019	294.68
131754	LEE & RO, INC	Engineering/Design Services - CC L/S's 8,12,13 & Force Main Bypass	01/31/2019	7,981.68 (E)
131754	LEE & RO, INC	Engineering/Design Services - CC L/S's 15,16 Renovations	01/31/2019	7,981.68 (E)
131547	LIEBERT CASSIDY WHITMORE	Legal Services 11/18	01/04/2019	13,992.27
131755	LIEBERT CASSIDY WHITMORE	Legal Services 12/18	01/31/2019	7,059.99
131613	LOLLAR, STACEY	Meeting/Breakroom Supply Reimbursement	01/11/2019	36.35
131613	LOLLAR, STACEY	CALPELRA Conference Travel Reimbursement	01/11/2019	214.11
131756	LUNSFORD, SCOTT	Hunter's WTP Call Out Mileage Reimbursement	01/31/2019	21.81
131671	MAIL FINANCE	Maintenance Lease Agreement Nov-Jan	01/18/2019	1,097.48
131758	McMASTER-CARR	Cable Clamp Kits/Shackles - CCWWTP	01/31/2019	243.39
131759	MEAD & HUNT INC	La Contenta Dam EAP	01/31/2019	1,004.00
131614	MEYER, JEFFREY	ACWA Conference Travel Reimbursement	01/11/2019	33.61
131672	MODESTO AIRCO GAS & GEAR	Cylinder Rental 01/19	01/18/2019	85.80
131615	MOTHER LODE ANSWERING SERVICE	Answering Service 01/19	01/11/2019	555.59
131549	MOUNTAIN OASIS PURIFIED WATER	Water Cooler/Supplies 12/18 - District Wide	01/04/2019	137.95
131673	MUNICIPAL MAINTENANCE EQUIP	Pipe Nipples - Pumper Trucks	01/18/2019	(96.70)
131760	MUNICIPAL MAINTENANCE EQUIP	Fittings/Clamps/Knife Valve/Tubing/Hose/Nozzle/Kanaflex - Vehicle #123	01/31/2019	2,212.12
131760	MUNICIPAL MAINTENANCE EQUIP	Hose/Nozzle/Hose End/Kanaflex - Vehicle #126	01/31/2019	995.09
131550	NEOFUNDS BY NEOPOST	Postage 12/18	01/04/2019	1,000.00
131616	NEOPOST USA INC	Maintenance Agreement Folder/Sorter 02/19	01/11/2019	407.61
131674	NEW FRONTIER AUTO SUPPLY INC	Shop Towels/Adapter/Air Chuck/Gauge/Oil - Equipment Maintenance	01/18/2019	135.66

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131674	NEW FRONTIER AUTO SUPPLY INC	Oil - Construction Crew Equipment Maintenance	01/18/2019	90.03	
131551	NEW YORK LIFE	Life Insurance 11/18	01/04/2019	1,059.84	(C)
131675	NEW YORK LIFE	Life Insurance 12/18	01/18/2019	1,203.69	(C)
131617	NHU DESIGN	Website Design Services	01/11/2019	1,553.95	
131761	NORDAHL LAND SURVEYING	Land Surveying - WP Bummerville Tanksite	01/31/2019	990.00	
131618	NORTHSTAR CHEMICAL	Sodium Hydroxide - LCWWTP	01/11/2019	2,745.60	
131762	NORTHSTAR CHEMICAL	Sodium Hypochlorite - JLWTP	01/31/2019	2,202.18	
131763	O'CONNELL & DEMPSEY, LLC	Federal Legislative Advocacy Consulting Fees 12/18	01/31/2019	4,000.00	
131676	O'REILLY AUTO PARTS	Ball Mount Hitch/Wiper Fluid - Vehicle #531	01/18/2019	65.41	
131676	O'REILLY AUTO PARTS	Wiper Blades - Vehicle #706	01/18/2019	31.49	
131676	O'REILLY AUTO PARTS	Oil - Vehicle #711	01/18/2019	24.10	
131676	O'REILLY AUTO PARTS	Gas Can - DF/VCTO WWTP	01/18/2019	24.66	
131676	O'REILLY AUTO PARTS	Batteries - DF/VCTO WWTP Generator	01/18/2019	230.33	
131676	O'REILLY AUTO PARTS	Battery/Antifreeze - JL E Tank Generator	01/18/2019	133.29	
131676	O'REILLY AUTO PARTS	Hose Clamps - CC L/S #1 Generator	01/18/2019	10.81	
131676	O'REILLY AUTO PARTS	Funnels - Construction Crew	01/18/2019	21.94	
131619	OUTWEST TIRE AND REPAIR	Seasonal Tire Change - Vehicle #125	01/11/2019	80.00	
131552	P G & E	Power 12/18 - District Wide	01/04/2019	2,864.36	
131553	P G & E	Power 12/18 - JLTC	01/04/2019	135.66	
131554	P G & E	Power 12/18 - Wallace Spray Fields	01/04/2019	22.27	
131555	P G & E	Power 12/18 - Warmwood L/S	01/04/2019	15.20	
131556	P G & E	Power 12/18 - Woodgate L/S	01/04/2019	19.30	
131557	P G & E	Power 12/18 - OP HQ	01/04/2019	173.67	
131620	P G & E	Power 12/18 - VS House	01/11/2019	34.94	
131677	P G & E	Power 12/18 - CC Water Tank	01/18/2019	44.30	
131678	P G & E	Power 12/18 - SA Shop	01/18/2019	756.08	
131764	P G & E	Power 01/19 - Hwy 26	01/31/2019	10.57	
131765	P G & E	Power 01/19 - District Wide	01/31/2019	3,554.14	
131766	P G & E	Power 01/19 - Wallace Spray Fields	01/31/2019	24.48	
131679	PACE SUPPLY CORP 23788-00	Cla-Val Rebuild Kit - CCWWTP	01/18/2019	2,679.82	
131679	PACE SUPPLY CORP 23788-00	Effluent Pump Valve - CCWWTP	01/18/2019	1,535.81	
131680	PAYMENTUS GROUP INC	Payment Processing 12/18	01/18/2019	5,621.00	
131681	POLLARDWATER	High Visibility Rain Gear - EP Barn	01/18/2019	371.61	
131621	POTRERO HILLS LANDFILL	Bio-Solids Disposal - AWWTP	01/11/2019	313.50	
131621	POTRERO HILLS LANDFILL	Bio-Solids Disposal - DF/VCTO WWTP	01/11/2019	260.10	
131621	POTRERO HILLS LANDFILL	Bio-Solids Disposal - FMWWTP	01/11/2019	288.30	
131767	R.E. SMITH CONTRACTORS, INC.	Construction Contract - JLWTP Pre-Treatment Facility Project	01/31/2019	58,299.10	(B)
131768	RATTERMAN, SCOTT	Travel 01/19	01/31/2019	47.32	
131623	RON COOPER GENERAL ENGINEERING INC	Patch Paving - EP Meko Drive	01/11/2019	3,366.00	
131769	RON COOPER GENERAL ENGINEERING INC	Patch Paving - Rancho Calaveras	01/31/2019	8,700.00	
131770	SAFE T LITE	Vests/Hard Hats/Safety Glasses/Gloves - Stock	01/31/2019	1,429.42	

CCWD
AP DISBURSEMENTS
JANUARY 1-31, 2019

Check No.	Vendor/Employee	Transaction Description	Date	Amount	
131771	SECADA, CINDY	Travel 01/19	01/31/2019	44.89	
131559	SEIU LOCAL 1021	Union Dues 12/18	01/04/2019	2,736.30	(C)
131772	SENDERS MARKET INC	Pipe/Cement/Plugs/Clamps/Tubing/Regulator/Valve/Fittings - LCWWTP	01/31/2019	333.60	
131772	SENDERS MARKET INC	Fittings/Ball Valve/Pipe Straps/Tubing/Adapter - Wallace WWTP	01/31/2019	59.55	
131772	SENDERS MARKET INC	Zip Ties - Collections Crew	01/31/2019	69.33	
131772	SENDERS MARKET INC	Tarp/Lumber/Nails - JLTC	01/31/2019	194.46	
131772	SENDERS MARKET INC	Saw/Nails/Lumber/Cable/Insulation/Cable/Ferrules/Fasteners - LCWHSE	01/31/2019	552.01	
131772	SENDERS MARKET INC	Wiper Blades - Vehicle #706	01/31/2019	9.65	
131772	SENDERS MARKET INC	Fittings/Bracket/Fasteners/PVC Cement - JLWTP	01/31/2019	35.90	
131772	SENDERS MARKET INC	Pipe Cutters - Vehicle #150	01/31/2019	23.16	
131772	SENDERS MARKET INC	Bits/Tape Measure/Square/Level/Wrench/Adapters/Brush - SA Shop	01/31/2019	126.58	
131560	SIERRA JANITORIAL SUPPLY	Urinal Mats/Trash Bags/Toilet Paper/Paper Towels - OP HQ	01/04/2019	459.93	
131773	SIGNAL SERVICE	Alarm Monitoring Jan-Mar - Distict Wide	01/31/2019	2,034.20	
131682	SLAKEY BROS - JACKSON	Pipe Wrenches/Drill Extension - CCWHSE	01/18/2019	184.69	
131682	SLAKEY BROS - JACKSON	Pipe/Fittings/Couplings - EP Barn	01/18/2019	2,082.42	
131774	SNIDER, ADAM	Snow Removal 12/18 - Big Trees Tanks	01/31/2019	630.00	
131562	STAPLES CREDIT PLAN	Office Supplies 11/18	01/04/2019	1,293.36	
131776	STAPLES CREDIT PLAN	Office Supplies 12/18	01/31/2019	2,969.67	
131565	SWRCB	Water System Fees - District Wide	01/04/2019	53,798.50	
131625	SWRCB	Wastewater Treatment Plant Op, Grade 3 Cert Application - DeAmicis	01/11/2019	170.00	
131626	SWRCB	Drinking Water Treatment Op, Grade 4 Certification Renewal - Rose	01/11/2019	105.00	
131683	SWRCB	Wastewater Treatment Plant Op, Grade 2 Cert Application - Wyckoff	01/18/2019	125.00	
131684	SWRCB	Water Distribution Op, Grade 3 Certification Application - Crank	01/18/2019	90.00	
131685	THATCHER COMPANY, INC	Sodium Hypochlorite - Southworth WWTP	01/18/2019	587.50	
131777	THOMAS, RUSS	Travel 01/19	01/31/2019	201.46	
131686	TIFCO INDUSTRIES	Coolant Leak Tester - Vehicle #123	01/18/2019	338.40	
131778	TIFCO INDUSTRIES	Pliers/Hand Soap/Driver Set - SA Shop	01/18/2019	580.54	
131687	TIRE RACK	Tires (2) - Vehicle #529	01/18/2019	396.60	
131687	TIRE RACK	Tires (4) - Vehicle #606	01/18/2019	595.84	
131687	TIRE RACK	Tires (4) - Vehicle #710	01/18/2019	994.88	
131568	TREATS GENERAL STORE INC	Meeting Supplies	01/04/2019	23.61	
131568	TREATS GENERAL STORE INC	Flux/Map Gas/Solder/Plastic Buckets - Electricians	01/04/2019	98.21	
131568	TREATS GENERAL STORE INC	Surge Protector/Power Strip - OP HQ	01/04/2019	36.44	
131688	TURNER, DOUGLAS	Safety Boot Reimbursement	01/18/2019	134.68	
131779	UNDERHILL, BERTHA	Travel 01/19	01/31/2019	160.66	
131689	UNION DEMOCRAT	Wastewater Treatment Plant Operator Recruitment Ad	01/18/2019	285.54	
131629	UNION PUBLIC UTILITY DISTRICT	Water Service 12/18 - DF/VCTO	01/11/2019	165.00	
131630	UNITED PARCEL SERVICE	Shipping 12/18	01/11/2019	94.61	
131780	UNITED PARCEL SERVICE	Shipping 01/19	01/31/2019	337.56	
131781	US BANK CORP TRUST SVCS	Dalee/Cassidy AD Semi Annual Interest Payment	01/31/2019	21,620.67	(C)
131781	US BANK CORP TRUST SVCS	Fly In Acres Improvement Bond Interest Payment	01/31/2019	39,317.30	(C)

CCWD
AP DISBURSEMENTS
JANUARY 1-31, 2019

Check No.	Vendor/Employee	Transaction Description	Date	Amount
131631	USA BLUE BOOK	Replacement Diaphragms - EP Barn	01/11/2019	163.67
131691	USA BLUE BOOK	Reagent/Buffers/Chlorine Standards - CCWTP	01/18/2019	816.10
131782	USA BLUE BOOK	Traffic Cones - Vehicle #715	01/31/2019	90.16
131783	UTICA WATER & POWER AUTHORITY	Hunters Reservoir Pumping 01/19	01/31/2019	505.45
131784	VALLEY SPRINGS FEED INC	Straw/Dog Biscuits - Meter Readers	01/31/2019	51.47
131692	VERIZON WIRELESS	Cell Phone Service 12/18	01/18/2019	2,561.47
131572	VOLCANO TELEPHONE COMPANY	Phone 12/18 - WPWWTP	01/04/2019	157.45
131572	VOLCANO TELEPHONE COMPANY	Phone 12/18 - WPWTP	01/04/2019	385.69
131785	WAGeworks	FSA Admin 12/18	01/31/2019	215.00
131786	WEST POINT LUMBER INC	Axle Oil - Vehicle #128	01/31/2019	59.97
131786	WEST POINT LUMBER INC	Lumber/Stakes/Wrench/Fittings/Cement/Ball Valves/Batteries - WP	01/31/2019	243.91
131786	WEST POINT LUMBER INC	Ball Valve/Fittings/Tape - WPWTP	01/31/2019	53.09
131786	WEST POINT LUMBER INC	Pipe/Fasteners/Clamp/Lubricant - WPWWTP	01/31/2019	30.15
131787	WESTERN HYDROLOGICS	Gage Installation/Maintenance - Bear Creek Diversion	01/31/2019	1,166.65
EFT	WEX BANK	Fuel 12/18	01/09/2019	8,866.20
131632	WILLDAN	Assesment District Services - 3A West Point Acres	01/11/2019	374.88 (C)
131632	WILLDAN	Assesment District Services - 9S4 Arnold	01/11/2019	966.14 (C)
131632	WILLDAN	Assesment District Services - DaLee/Cassidy	01/11/2019	433.15 (C)
131632	WILLDAN	Assesment District Services - Fly-In-Acres	01/11/2019	601.12 (C)
131632	WILLDAN	Assesment District Services - Wallace	01/11/2019	583.34 (C)
131632	WILLDAN	Assesment District Services - Saddle Creek	01/11/2019	2,045.39 (C)
131788	WILLE ELECTRIC SUPPLY CO INC	Conduit/Cover - Wallace WWTP	01/31/2019	585.73
131788	WILLE ELECTRIC SUPPLY CO INC	Receptacles/Covers/Wire/Lamps - CCWHSE	01/31/2019	720.89
131788	WILLE ELECTRIC SUPPLY CO INC	Auxiliary Contact Kits - EP BT Tank #4/5	01/31/2019	339.36
131573	WYCKOFF, DAMON	Bottled Water Reimbursement, JL Customer, District Line Break	01/04/2019	30.18
131789	YOUNG'S COPPER ACE HARDWARE	Pipe Fittings/Ball Valves - Collections Crew	01/31/2019	90.40
131789	YOUNG'S COPPER ACE HARDWARE	Pipe/Fittings/Valve Box/Straps/Concrete - CCWHSE	01/31/2019	94.06
131789	YOUNG'S COPPER ACE HARDWARE	Gloves/Trash Bags/Screws/Epoxy/Nuts/Bolts/Pail/Glue/Lumber - CC	01/31/2019	212.53
	Employee Medical Reimbursements (11)			3,377.03
	Retiree Health Reimbursements (3)			809.30
	Customer Refunds (10)			3,927.90
Total January 2019 AP Disbursements				<u><u>809,705.04</u></u>

RESOLUTION NO. 2019- __

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

RATIFYING CLAIM SUMMARY NO. 563

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT has reviewed and considered Claim Summary Number 563 at the Regular Meeting held on February 13, 2019 and

WHEREAS, Board Members have resolved questions, issues, or concerns by consultation with District staff during said meeting.

NOW, THEREFORE, BE IT RESOLVED that the CALAVERAS COUNTY WATER DISTRICT Board of Directors hereby ratifies Claim Summary Number 563 in the amount of \$1,400,474.44 for the month of January, 2018.

PASSED AND ADOPTED this 13th day of February, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Russ Thomas
President, Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: February 13, 2019
TO: Board of Directors
FROM: Jeffrey Meyer, Interim General Manager *JM*
SUBJECT: Call for Nominations for ACWA's Region 3 Leadership

RECOMMENDED ACTION:

Motion: _____/_____ adopt Resolution No. 2019-_____ to nominate incoming CCWD General Manager, Michael Minkler for a position as an ACWA Region 3 Board Member for the remainder of ACWA's 2018-19 term ending December 31, 2019.

BACKGROUND:

ACWA is seeking candidates to fill a Board member position vacancy for Region 3 to fulfill the 2018-19 term. This position is active in local outreach which provides support to the advancement of legislative and regulatory priorities as determined by ACWA policy through the ACWA Board. Successful candidate appointments to the ACWA Board will be required to attend various meetings throughout the term of the office. Applications are due to ACWA by March 1, 2019 and the Region 3 Board will make their appointments shortly thereafter.

FINANCIAL CONSIDERATIONS:

If elected to the ACWA Region 3 Board, travel expenses will be borne by CCWD.

Attachment: Resolution 2019-__ Nominating Michael Minkler as ACWA's Region 3 Board Member Position

RESOLUTION NO. 2019 –

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

**PLACING IN NOMINATION
MICHAEL MINKLER
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 3 BOARD MEMBER POSITION**

WHEREAS, the Board of Directors of CALAVERAS COUNTY WATER DISTRICT does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, Incoming General Manager, Michael Minkler is currently serving as a Board Member for ACWA Region 3; and

WHEREAS, Michael Minkler has indicated a desire to continue to serve as a Board Member of ACWA Region 3.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CALAVERAS COUNTY WATER DISTRICT does place its full and unreserved support in the nomination of Michael Minkler for a Board Member position of ACWA Region 3.

BE IT FURTHER RESOLVED that the expenses earned by the service of Michael Minkler in ACWA Region 3 shall be borne by the CALAVERAS COUNTY WATER DISTRICT.

PASSED AND ADOPTED this 13th day of February, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Russ Thomas, President
Board of Directors


ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: February 13, 2019

TO: Board of Directors

FROM: Jeffrey Meyer, Interim General Manager 

SUBJECT: Discussion/Action Regarding Refinancing of a Portion of the District's Outstanding CalPERS Unfunded Liability and Authorizing the Form of Financing Documents in Connection Therewith

RECOMMENDED ACTION:

Motion _____/_____ adopting Resolution No. 2019 - ____ of Approving the Form and Authorizing the Execution and Delivery of Certain Financing Documents in Connection with the Refinancing of a Portion of the District's Outstanding Unfunded Accrued Liability to the California Public Employees' Retirement System, and Providing for Other Matters Properly Relating Thereto.

SUMMARY:

The District currently has a contract (the "Contract") with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time employees (Miscellaneous Plan). As part of the Contract, the District is obligated to pay any unfunded accrued liability (UAL). This is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS. The present total UAL balance for employees covered under the Miscellaneous Plan is \$9.8 million.

On January 9, 2019 the Board adopted a resolution setting forth its intention to proceed with the refinancing (hereafter called "Refunding") a portion of the existing UAL debt (the "Prepaid Portion"), the effect of which will be to (i) enhance budget predictability by "smoothing" out the UAL payment structure over the next 15 to 20 years (i.e., minimize the effects of fiscal peaks and valleys that prove problematic for annual budgets), and (ii) realize cost savings to the water and sewer enterprise funds by restructuring into a new financing instrument with a lower interest rate.

In order to provide financing for the Refunding, the District proposes to enter into a loan agreement with a financial institution to be determined at a later date (the "Bank"), dated as of February 1, 2019, by and between the Bank (defined below) and the District (the "Loan Agreement"), pursuant to which the Bank agrees to purchase the corresponding Series 2019 Taxable Revenue Refunding Loan Obligations in an amount not to exceed \$ **'will be presented at Board Meeting'** (the "Loan Obligations"), as evidenced by a

Promissory Note, dated the date of closing (the “Note,” and together with the Loan Obligations, the “Refunding Obligation”)

There are two common methods of selling municipal bonds: public sales and direct private placements. Depending on a variety of factors, including the security for the bonds, the size, term and structure of the bonds, and the creditworthiness of the bonds, one or another method of sale is likely to achieve the best overall result (i.e., the lowest possible interest rate). With respect to the proposed Refunding Obligation, District staff in consultation with its municipal advisor and bond counsel determined that a direct private placement would likely achieve the best overall result in this instance. In a direct private placement an issuer such as the District sells its bonds directly to a single investor; by comparison, in a public sale, an issuer sells its bonds to a broker-dealer (e.g. an underwriter) who then re-sells the bonds to investors.

Based upon the Board’s direction to move forward with the Refunding Obligation, staff, with the assistance of Bond Counsel, Municipal Advisor and Placement Agent, issued a “Request for Proposals/Bids” (the “Bid Solicitation”) to several targeted financial institutions requesting proposals (the “Proposals”) to provide financing for the Refunding Obligation on a privately placed basis. Staff has received the Proposals and is recommending ‘**will be presented at Board Meeting**’ as the lowest and best overall bid (the “Bank”).

If the Board chooses to pursue this opportunity, and correspondingly adopts the subject Resolution, staff, with the aid of the financing team, will work with the Bank to close the transaction at first possible opportunity, with the present target closing date being February 26, 2019. Rates will thereafter be locked-in for the duration of the new Refunding Obligation.

SUMMARY OF THE FINANCING DOCUMENTS:

The subject Resolution being recommended for adoption essentially authorizes and approves the form of all the foundational legal documents (the “Financing Documents”) necessary to provide for the successful consummation of the Refunding Obligation. The Financing Documents needed to complete this financing are included as attachments to the subject Resolution and are each briefly described as follows:

1. **Loan Agreement:** This is an agreement between the District and the Bank, which sets forth the covenants and specifics of the Refunding Obligation, including the District’s promise to make future semi-annual debt service payments, the establishment and management of funds and accounts, the District’s duties, repayment mechanisms and the Bank’s rights and remedies in the event of default. Like all other long-term debt obligations of the District, the Loan Agreement also requires the District to maintain Net Revenues (which is all revenues of the respective water and wastewater enterprises, less corresponding operation and maintenance expenses) in excess of 125% total annual debt service on all outstanding obligations of the District, including the Refunding Obligation and any new parity debt issued in the future.

2. Refunding Instructions: These are refunding instructions pursuant to which the proceeds of the Refunding Obligation will be deposited in the Escrow Fund and used exclusively for the purpose of prepaying the Prepaid Portion.

In addition to approving the form of the Financing Documents, the subject resolution also authorizes the General Manager and Director of Administrative Services and the financing team to work with the selected Bank, and ultimately provide for the execution and consummation of the transaction.

HIGHLIGHTS OF OPPORTUNITY:

- Reducing the interest rate paid on pension debt to create present value savings and maximize overall cash flow savings to District and ratepayers
- Creates a “smoother” and more predictable payment shape to minimize impact on rate payers, improve budget predictability and enhance future fiscal sustainability
- Amortizes new Refunding Obligation over period of 20 years or less
- Increases the funded level of Miscellaneous Plan from 74% to between 85%-90%
- Minimizes the loan/debt size so that the above objectives can be met
- Savings are net of all costs

FINANCIAL CONSIDERATIONS:

Because the consultants have agreed to work on a fully contingent basis, there are minimal cost implications to the District. Any costs would be related to staff time spent on administrative tasks associated with the restructuring process. There is, however, interest cost savings anticipated to the District and its rate payers as a result of the Refunding.

ALTERNATIVES:

Board discretion

Attachments: Resolution 2019 - ___ of Approving the Form and Authorizing the Execution and Delivery of Certain Financing Documents in Connection with the Refinancing of a Portion of the District's Outstanding Unfunded Accrued Liability to the California Public Employees' Retirement System, and Providing for Other Matters Properly Relating Thereto

- *Loan Agreement*
- *Refunding Instructions*
- *Bank Proposal (will be presented at Board Meeting)*
- *Financial Calculation (will be presented at Board Meeting)*

RESOLUTION NO. 2019 -

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

APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN FINANCING DOCUMENTS IN CONNECTION
WITH THE REFINANCING OF A PORTION OF THE DISTRICT'S
OUTSTANDING UNFUNDED ACCRUED LIABILITY TO THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND
PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Calaveras County Water District (the "District") is a contracting member of the California Public Employees' Retirement System ("CalPERS"), and is obligated by law to make certain payments to CalPERS in respect of retired miscellaneous employees (the "Pension Plan"); and

WHEREAS, the District is legally obligated under the Pension Plan to pay any unfunded accrued liability (the "UAL"), which is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS; and

WHEREAS, the District has a current UAL of \$9.8 million, which is scheduled to unevenly amortized over the next 30 years (the "Pension Obligation"); and

WHEREAS, the Board of Directors (the "Board"), after due investigation and deliberation, has determined that it is in the public interests of the District at this time to refinance of a portion of the Pension Obligation (the "Refunding"); and

WHEREAS, for the purpose of providing financing for the Refunding, the District proposes to enter into a loan agreement with a financial institution to be determined at a later date (the "Bank"), dated as of February 26, 2019, by and between the Bank and the District (the "Loan Agreement"), pursuant to which the Bank agrees to purchase the corresponding Series 2019 Taxable Revenue Refunding Loan Obligations in an amount not to exceed \$ 'will be presented at Board Meeting' (the "Loan Obligations"), as evidenced by a Promissory Note, dated the date of closing (the "Note," and together with the Loan Obligations, the "Obligation"); and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to enter into loan agreements for the purpose of refunding certain outstanding obligations of the District, including the Pension Obligations; and

WHEREAS, to properly transact the Refunding, it is now appropriate and necessary for the District to approve the form of Refunding Instructions (the "Refunding Instructions"),

dated as of February 26, 2019, pursuant to which the Bank will irrevocably wire transfer the Obligation Proceeds directly to CalPERs to prepay a definitive portion of the Pension Obligation in accordance with the specific terms of the Refunding Instructions; and

WHEREAS, the Board, with the aid of its staff, has reviewed the form of the Loan Agreement and the Refunding Instructions, the forms of which are on file with the Secretary to the Board, and the Board wishes at this time to approve the foregoing documents (collectively, the “Financing Documents”) as being within the public interests of the District; and

WHEREAS, the Board wishes at this time to authorize all proceedings relating to the Refunding and the execution and delivery of Financing Documents and all other agreements and documents relating thereto; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

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

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Refunding will result in public benefits to the District and its ratepayers.

Section 2. Authorized Representatives. The General Manager (or Interim General Manager), Director of Administrative Services, Secretary to the Board, and any other person authorized by the Board to act on behalf of the District shall each be an “Authorized Representative” of the District for the purposes of structuring and providing for the matter to be brought back to the Board for further consideration, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 3. Approval of the Obligation; Significant Public Benefits. The Board hereby approves the issuance of the Obligation in a principal amount of not to exceed \$**‘will be presented at Board Meeting’**, all as above described. The Board hereby finds and determines that the execution and consummation of the Obligation will result in savings in effective interest rates, underwriting costs and issuance costs and thereby result in significant public benefits to the District and its ratepayers.

Section 4. Approval of Loan Agreement. The Board hereby authorizes and approves the Loan Agreement in substantially the form on file with the Secretary to the Board together with any additions thereto or changes therein (including, but not limited to, the final aggregate principal amount of the Obligation and the corresponding final debt service payment schedule) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and attest and affix the seal of the District to, the final form of the Loan Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Loan Agreement.

Section 5. Approval of Refunding Instructions. The Board hereby authorizes and approves the Refunding Instructions in substantially the form on file with the Secretary to the Board together with any additions thereto or changes therein (including, but not limited to, the exact portion of the Pension Obligations being refinanced) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and attest and affix the seal of the District to, the final form of the Refunding Instructions for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Refunding Instructions.

Section 6. Taxable Bond Act. The Board hereby determines that interest payable pursuant to the Loan Agreement will be subject to federal income taxation, and that the provisions of Section 5900 et seq. of the California Government Code (the "Taxable Bond Act") apply to the Loan Agreement. The District may take any action and exercise any power permitted to be taken by it under the Taxable Bond Act in connection with the execution and delivery of the Loan Agreement.

Section 7. Confirmation and Direction to Proceed with the Refunding. All actions heretofore taken by the officers and agents of the District with respect to the Refunding are hereby approved, confirmed and ratified. The Authorized Representatives and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution and the Financing Documents. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution and the Financing Documents, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 13th day of February 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Russ Thomas
President, Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

SERIES 2019 LOAN AGREEMENT

Dated as of February 1, 2019

By and Between

CALAVERAS COUNTY WATER DISTRICT

And

Providing for the

**[\$Par Amount]
CALAVERAS COUNTY WATER DISTRICT
SERIES 2019 TAXABLE REVENUE REFUNDING LOAN OBLIGATIONS
(CALPERS REFUNDING PROJECT)**

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SERIES 2019 LOAN AGREEMENT

THIS SERIES 2019 LOAN AGREEMENT, (this “Loan Agreement”), dated for convenience as of February 1, 2019, is by and between _____, _____ (the “Bank”), and the CALAVERAS COUNTY WATER DISTRICT, a county water district duly organized and validly existing under the Constitution and laws of the State of California (the “District”);

WITNESSETH:

WHEREAS, the District owns and operates a system for the supply, treatment and distribution of water within the service area of the District (the “Water Enterprise”), and the District also owns and operates a system for the collection, treatment and disposal of wastewater within the service area of the District (the “Wastewater Enterprise,” and together with the Water Enterprise, the “Enterprises”); and

WHEREAS, the District is a member of the California Public Employees’ Retirement System (“CalPERS”), an agent multiple employer public employees retirement program that acts as a common investment and administrative agent for participating entities within the State of California, and as such, the District is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “Retirement Law”), and the contract between the Board of Administration of CalPERS and the Board of Directors of the District, effective February 5, 1969 (the “CalPERS Contract”), as amended, to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize a portion of the unfunded actuarial liability (the “UAL”) with respect to such pension benefits, and (c) appropriate funds for the purposes of paying for the pension benefits and such UAL; and

WHEREAS, the District has determined that it is in the interests of the District at this time to provide for the execution and delivery of its “Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project)” (the “Loan Obligations”), as evidenced by a Promissory Note, dated February __, 2019 (the “Note,” and together with the Loan Obligations, the “Obligation”), the proceeds of which will be used to (i) fund a portion of the District’s UAL to CalPERS for the benefit of the District’s employees, and (ii) pay certain costs of issuance in association therewith, and to that end the Bank has agreed to enter into this Loan Agreement; and

WHEREAS, the principal of and interest and redemption premium (if any) on the Obligation, and any bonds or other obligations issued on a parity therewith as provided herein, will be payable from and secured by a pledge of and lien on the Net Revenues (as defined herein) derived from the Enterprises, as expressly set forth in this Loan Agreement; and

WHEREAS, in order to provide for the execution and delivery of this Loan Agreement, to establish and declare the terms and conditions upon which the Obligation is to be made and secured, and to secure the payment of the principal thereof, premium (if any) and interest on the Obligation, the District has authorized the execution and delivery of this Loan Agreement; and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the “Bond Law”), to issue bonds for the purpose of refunding outstanding obligations evidenced by the CalPERS Contract and to refund other obligations of the District; and

WHEREAS, this Loan Agreement also constitutes a secured promissory note for District’s repayment of the Obligation, in the form set forth in Exhibit C hereto; and

WHEREAS, all things necessary to purchase the Obligation when issued, executed and delivered, the valid and binding obligation of the District, and to constitute this Loan Agreement as a valid pledge of the revenues herein pledged to the payment of the principal of, prepayment premium, if any, and interest on the Obligation have been done and performed, as required by law, and the District is now fully authorized to enter into this Loan Agreement, subject to the terms hereof; and

NOW, THEREFORE, THIS LOAN AGREEMENT WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on the Obligation at any time outstanding under this Loan Agreement, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Obligation is premised, and in consideration of the premises and of the mutual covenants herein contained and of the purchasing of the Loan Obligations by the Bank, and for other valuable considerations, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Bank from time to time of the Obligation, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“**Additional Revenues**” means, as to each Enterprise, with respect to the projection of Net Revenues to be received in any Fiscal Year in connection with the issuance of any Parity Debt, an allowance for Net Revenues (i) arising from any increase in the charges made for service from the corresponding respective Enterprise which has been adopted prior to the incurring of such Parity Debt and effective within eighteen (18) months following the date of incurring such Parity Debt, in an amount equal to the total amount by which the Net Revenues for the corresponding respective Enterprise would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District, and (ii) arising from any increase in service connections for the

corresponding respective Enterprise prior to the incurring of such Parity Debt, in an amount equal to the total amount by which the Net Revenues for the corresponding respective Enterprise would have been increased if such connections had been in existence during the whole of the most recent complete Fiscal Year or during any more recent twelve (12) month period selected by the District, all as shown by the certificate or opinion of an Independent Financial Consultant.

“Allocable Share” means (i) with respect to the Wastewater Enterprise, Loan Payments Attributable to the Wastewater Enterprise due in a particular Fiscal Year divided by Loan Payments due in the same Fiscal Year, and (ii) with respect to the Water Enterprise, Loan Payments Attributable to the Water Enterprise due in a particular Fiscal Year divided by Loan Payments due in the same Fiscal Year, as all such amounts are set forth on Exhibit A.

“Assignee” means any entity to whom the rights of the Bank shall be lawfully assigned hereunder.

“Authorized Representative” means the District’s President, Vice President, General Manager, Director of Administrative Services, or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President, Vice-President, General Manager or Director of Administrative Services and filed with the Bank.

“Bank” means (a) initially, _____, a _____, or (b) any Assignee of Bank’s right, title or interest in this Loan Agreement and other amounts due hereunder. Whenever in this Loan Agreement any reference is made to the Bank and such reference concerns rights which the Bank has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

“Blue Sky Law” means state level anti-fraud statutes which regulate both the offer and sale of securities as well as the registration and reporting requirements for broker-dealers and individual stock brokers doing business (both directly and indirectly) in each state, as well as investment advisers seeking to offer their investment advisory services in the state, and enforced by each individual states’ attorney-general.

“Board” or “Board of Directors” means the Board of Directors of the District.

“Bond Counsel” means The Weist Law Firm, or any other attorney or firm of attorneys acceptable to the District of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions in the State of California are not closed.

“CalPERS” or “PERS” means the California State Public Employees’ Retirement System.

“CalPERS Contract” means the contract dated February 5, 1969, as amended from time to time, between the Board of Administration of CalPERS and the Board of Directors of the District, obligating the District to make contributions to CalPERS in exchange for CalPERS providing retirement benefits to certain District employees.

“Certificate,” “Request” and “Requisition” of the District means a written certificate, request or requisition signed in the name of the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Closing Date” means the date on which the District receives the Obligation Proceeds from the Bank.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury regulations, including temporary and proposed regulations relating to each such section that are applicable to the Parity Debt or the use of the proceeds thereof.

“Computation Year” means, with respect to the Obligation, the period beginning on the Closing Date and ending on September 1, 2019, and each 12-month period ending on September 1 thereafter through the Term of the Obligation.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the execution and consummation of the Obligation, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, regulatory fees, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, and fees for execution, transportation and safekeeping of the Obligation and charges and fees in connection with the foregoing.

“County” means the County of Calaveras, California.

“Debt Service” means, for any Fiscal Year, the sum of (1) the interest falling due during such Fiscal Year on all Parity Debt (that are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Debt are retired as scheduled and that all outstanding term Parity Debt are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities that mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged), (2) the principal amount of all serial Parity Debt (that are outstanding under the documents or agreements pursuant to which they were issued) falling due by their terms during such Fiscal Year, and (3) the minimum amount of term Parity Debt (that are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Debt are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Debt have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Debt is excludable from gross income under the applicable provisions of the Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus one hundred fifty (150) basis points, or (y) if interest is not so excludable, the

interest rate on direct U.S. Treasury Obligations with comparable maturities, plus one hundred fifty (150) basis points.

“Default Rate” means the then applicable interest rate on the Obligation plus 2.00%.

“Director of Administrative Services” means the Director of Administrative Services of the District.

“District” means the Calaveras County Water District, a county water district duly organized and validly existing under the Constitution and laws of the State.

“Enterprise Funds” means, collectively, the Water Fund and the Wastewater Fund.

“Enterprises” means, collectively, the Water Enterprise and the Wastewater Enterprise.

“Event of Default” means an event described in Section 6.1 hereof.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means the twelve calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“General Manager” means the General Manager of the District.

“Generally Accepted Accounting Principles” means the generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Revenues” means, as to each Enterprise, for any Fiscal Year or other period, all gross income and revenue received or receivable by the District from the ownership and operation of the corresponding respective Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including, but not limited to all rates, fees, charges (including connection

fees), insurance proceeds and condemnation awards received by the District and all other income and revenue howsoever derived by the District from the corresponding respective Enterprise, including, without limitation, property taxes, interest income, and all other operating and non-operating revenue; provided, however, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific water facilities, (ii) grants that are designated by the grantor for a specific water purpose and are therefore not available for other purposes, or (iii) customers' deposits or any other related deposits subject to refund until such deposits have become the property of the District, and (iv) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District for the purpose of paying special assessment bonds or special tax obligations of the District relating to the Water System, are not Gross Revenues and are not subject to the lien hereof.

"Independent Certified Public Accountant" means any firm of certified public accountants appointed by the District that is independent according to the Statement of Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"Independent Engineer" means any registered engineer or firm of engineers generally recognized to be well-qualified in engineering matters relating to water and/or wastewater systems, as the case may be, similar to the Enterprise in question, appointed and paid by the District, and who or each of whom:

- (1) is in fact independent and not under the domination of the District;
- (2) does not have a substantial financial interest, direct or indirect, in the District; and
- (3) is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to make reports to the District.

"Independent Financial Consultant" means a financial consultant qualified in the field of municipal finance, appointed and paid by the District, and who:

- (1) is in fact independent and not under the domination of the District or any member thereof;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and
- (3) is not connected with the District as an officer or employee of the District or any member thereof, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

"Insurance Consultant" means any nationally recognized independent actuary, insurance company or broker that has actuarial personnel knowledgeable with respect to insurance carried, by, required for and available to special districts operating facilities similar to the Enterprise in question, including a pooled self-insurance program in which premiums are established on the basis of the recommendation of an actuary of national reputation.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 4.3 hereof.

“Interest Component” means the portion of each Loan Payment designated as Interest Component, as such is set forth on Exhibit A hereto.

“Interest Rate” means the rate of interest to be paid on the Obligation which is % per annum.

“Loan Obligations” means the Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project), secured by this Loan Agreement, as evidenced by the Note.

“Loan Agreement” means this Loan Agreement, dated as of February 1, 2019, between the Bank and the District.

“Loan Payments” means, collectively, (i) the Loan Payments Attributable to the Water Enterprise and (ii) the Loan Payments Attributable to the Wastewater Enterprise.

“Loan Payments Attributable to the Water Enterprise” means the Allocable Share of Loan Payments (denominated into Principal Components and Interest Components) with respect to the Water Enterprise due in a particular Fiscal Year, as such amounts are set forth on Exhibit A.

“Loan Payments Attributable to the Wastewater Enterprise” means the Allocable Share of Loan Payments (denominated into Principal Components and Interest Components) with respect to the Wastewater Enterprise due in a particular Fiscal Year, as such amounts are set forth on Exhibit A.

“Loan Payment Date” or “Payment Date” means September 1 and March 1 of each year, commencing September 1, 2019, and continuing to and including the date on which the Loan Payments have been paid in full; provided that if any Loan Payment Date shall fall on a non-Business Day, the Loan Payment Date shall be the next succeeding Business Day and interest on such payment shall accrue to and including such next succeeding Business Day.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Loan Agreement or to meet or perform its obligations under this Loan Agreement on a timely basis, or the (c) the validity or enforceability of this Loan Agreement.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the exemption of interest with respect to the Loan Payments for state income tax purposes or (B) the ability of the District to perform its obligations under this Loan Agreement.

“Maximum Annual Debt Service” means the greatest amount of Debt Service with respect to the Parity Debt to which reference is made coming due in any Fiscal Year including the Fiscal Year in which the calculation is made or any subsequent Fiscal Year.

“Net Proceeds” means, when used with respect to any condemnation award or any insurance proceeds received with respect to the Water Enterprise and/or the Wastewater Enterprise, as the case may be, the amount of such respective condemnation award or insurance proceeds remaining after payment of all expenses (including reasonable attorneys’ fees) incurred in the collection of such award or proceeds.

“Net Revenues” means, with respect to the Water Enterprise or the Wastewater Enterprise for any period, all of the Gross Revenues received from the respective Enterprise during such period minus the amount required to pay all Operation and Maintenance Costs of the respective Enterprise which are payable during such period.

“Note” means the Promissory Note issued by the District hereunder on February __, 2019, in the original principal amount of \$[Par Amount], evidencing the obligations of the District under this Loan Agreement, in the form attached hereto as Exhibit C.

“Obligation” means the Loan Obligations, as evidenced by the Note.

“Obligation Proceeds” means the \$[Par Amount] amount received by the District from the Bank on the Closing Date.

“Operation and Maintenance Costs” means, with respect to the Water Enterprise or the Wastewater Enterprise, as applicable, all reasonable and necessary costs and expenses paid or incurred by the District for maintaining and operating the Water Enterprise or the Wastewater Enterprise, as the case may be, determined in accordance with generally accepted accounting principles, including but not limited to (a) all reasonable expenses of management and repair and other expenses necessary to operate, maintain and preserve the Water Enterprise or the Wastewater Enterprise as the case may be, in good repair and working order, (b) all administrative costs of the District that are charged directly or apportioned to the operation of the Water Enterprise or the Wastewater Enterprise, as the case may be, such as salaries and wages of employees, overhead, taxes (if any) and insurance, and (c) administrative costs of the Obligation which the District is required to pay hereunder, including Additional Payments. “Operation and Maintenance Costs” do not include (i) payments of debt service on bonds, notes, contracts or other obligations issued by the District with respect to the Water Enterprise or the Wastewater Enterprise, as applicable, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Opinion of Counsel” means a written opinion of The Weist Law Firm or such other counsel of recognized national standing in the field of law relating to municipal bonds retained by the District.

“Parity Debt” means, as to each Enterprise, any bonds, notes, leases, installment sale agreements, contracts or other obligations of the District which are secured by a pledge of and lien upon any of the Gross Revenues of such Enterprise and which are payable from the Net Revenues

of such Enterprise on a parity with such Enterprise's Allocable Share of the Loan Payments, entered into or issued under and in accordance with Section 5.13 hereof.

"Parity Debt Documents" means, collectively, the indenture of trust, trust agreement, installment sale agreement, loan agreement or other document authorizing the issuance of any Parity Debt or any securities which establishes or evidence Parity Debt.

"Parity Payments" means all payments scheduled to be paid by the District under Parity Debt.

"President" means the President of the Board of Directors of the District.

"Principal Account" means the account by that name in the Revenue Fund established pursuant to Section 4.3 hereof.

"Principal Component" means the principal component(s) of any of the Loan Payments, as such is set forth in Exhibit A hereto.

"Rate Stabilization Fund" means the fund by that name established and maintained pursuant to Section 5.3(d) hereof.

"Refunding Instructions" means the written refunding instructions dated as of February 1, 2019, given by the District to the Bank relating to the wire transfer of Obligation Proceeds, and the corresponding prepayment of a definitive portion of the UAL.

"Request of the District" or "Written Request" means a request in writing signed by the District's President, Vice President, General Manager or Administrative Services Director, or by any other officer of the District duly authorized by the General Manager for that purpose.

"Resolution" means Resolution No. 2019-__, adopted by the Board of Directors of the District on February 13, 2019.

"Revenue Fund" means the fund by that name established and maintained pursuant to Section 4.3 hereof.

"State" means the State of California.

"Subordinate Debt" means indebtedness or other obligations (including but not limited to loans, leases and installment sale agreements) hereafter issued or incurred and secured by a pledge of and lien on Net Revenues subordinate to the pledge and lien securing the Loan Payments.

"Term" or "Term of this Loan Agreement" means the time during which this Loan Agreement is in effect, as provided in Section 3.3 hereof.

"UAL Obligation" means the Unfunded Accrued Actuarial Liability obligation of the District under the CalPERS Contract to make payments to CalPERS with respect to benefits accruing to retired employees and certain other employees of the District covered under the CalPERS Contract.

“Wastewater Fund” means the fund by that name referenced in Section 4.3 hereof.

“Water Fund” means the fund by that name referenced in Section 4.3 hereof.

Section 1.2. Liability of District Limited to Net Revenues. Notwithstanding anything to the contrary contained in this Loan Agreement, the District shall not be required to advance any money derived from any source of income other than the Net Revenues, for the payment of the principal of or interest or prepayment premiums, if any, on the Obligation or for the performance of any covenants herein contained, nor for the maintenance and operation of the Enterprise from any source of income other than the Revenues. The District may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring any indebtedness. The Obligation shall be payable exclusively from the Net Revenues as in this Loan Agreement provided. The credit of the District is not pledged for the payment of the Obligation or its interest. The principal of and interest on the Obligation and any prepayment premiums upon the prepayment thereof shall not be a debt of the District, nor a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Loan Agreement.

Section 1.3. Benefits of Loan Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District and the Bank any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of the Bank.

Section 1.4. Successor Is Deemed Included in all References to Predecessor. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the successors thereof whether so expressed or not.

Section 1.5. Waiver of Personal Liability. No member of the Board and no officer, agent, or employee of the District, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the Obligation, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby.

Section 1.6. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Loan Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 1.7. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary

to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or the Obligation; but the Bank shall retain all the rights and benefits accorded to it under any applicable provisions of law. The District hereby declares that it would have adopted this Loan Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations of the District. The District makes the following representations:

- (a) The District is a county water district duly organized and validly existing under the Constitution and laws of the State.
- (b) The District has full legal right, power and authority under the laws of the State to adopt the Resolution and to enter into this Loan Agreement and the Note and the transactions contemplated herein, and to carry out its obligations hereunder and thereunder.
- (c) With the exception of the pledge of the Net Revenues relating to the Loan made hereunder, the Net Revenues have not otherwise been pledged and there are no other liens against the Net Revenues, senior to, or on parity with the Loan Payments.
- (d) By all necessary official action, the District has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, this Loan Agreement, the Refunding Instructions and the Note and the consummation by it of all other transactions contemplated by this Loan Agreement and the Resolution. When executed and delivered by the District, this Loan Agreement, the Note, the Refunding Instructions and the Obligation will be in full force and effect and will constitute legal, valid and binding agreements or obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.
- (e) The District's comprehensive annual financial report for the period ended June 31, 2018, presents fairly the financial condition of the District and the Enterprise as of the date hereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the District or the Enterprise since June 31, 2018, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Loan Agreement. All information provided by the District to the Bank with respect to the financial performance of the Enterprise is accurate

in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.

- (f) As currently conducted, the District's activities with respect to the Enterprises are in all material respects in compliance with all applicable laws, administrative regulations of the State of California and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject.
- (g) As long as the Obligation is outstanding, the District will notify the Bank or its designee, within 30 days, following the date of an event that (i) could cause a default on any obligation of the District, (ii) might reasonably be anticipated to cause a Material Adverse Change, (iii) might reasonably be anticipated to result in Material Litigation, and (iv) could have a negative material impact on the financial condition of the District.
- (h) The District is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject (including, without limitation, the Resolution, the Refunding Instructions, the Note and this Loan Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution and delivery of the Obligation and the execution and delivery of the Refunding Instructions and this Loan Agreement and compliance with the District's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instruments, except as provided by the Resolution, the Refunding Instructions, the Note and this Loan Agreement.
- (i) No action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of the District's knowledge, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the making, execution or delivery of the Refunding Instructions, the Note or this Loan Agreement or the application of the proceeds of the Obligation; (iii) in any way contesting or affecting, as to the District, the validity or enforceability of the Bond Law, the Resolution, the Refunding Instructions, the Note or this Loan Agreement; (iv) in any way contesting the powers of the District or its authority with respect to the execution or delivery of the Note, the adoption of the Resolution, or the execution and delivery of the Refunding Instructions or this Loan Agreement; (v) contesting the exemption of interest on the Obligation for State income tax purposes; or (vi) in any way contesting or challenging the consummation of the

transactions contemplated hereby or thereby or that might materially adversely affect the ability of the District to perform and satisfy its obligations under the Note or this Loan Agreement; nor to the best of the District's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Bond Law, the proceedings authorizing the Resolution, the Refunding Instructions, the Note or this Loan Agreement or the performance by the District of its obligations thereunder, or the authorization, execution, delivery or performance by the District of the Note, the Refunding Instructions, the Resolution or this Loan Agreement.

- (j) The District is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.
- (k) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the execution and delivery of the Obligation and the execution, delivery of and performance of the Note, the Refunding Instructions and this Loan Agreement by the District have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Obligation, as to which no representation is made).
- (l) The District has the legal authority to apply and will apply, or cause to be applied, the proceeds from the Obligation as provided in and subject to all of the terms and provisions of the Bond Law, the Resolution, the Refunding Instructions, the Note and this Loan Agreement.
- (m) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.
- (n) Any certificate, signed by any official of the District authorized to do so in connection with the transactions described in this Loan Agreement, shall be deemed a representation and warranty by the District to the Bank as to the statements made therein.
- (o) Since the most current date of the information, financial or otherwise, supplied by the District to the Bank:
 - (i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;
 - (ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and

(iii) The District has not (A) incurred any material indebtedness, other than the Loan Payments and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person.

- (p) Inasmuch as this Loan Agreement represents a negotiated transaction, the District understands, and hereby confirms, that the Bank is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Bank, for its own account. The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Section 2.2. Covenants, Representations and Warranties of the Bank. The Bank makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Loan Agreement:

- (a) The Bank has been duly organized and is validly existing as a _____ banking corporation with full corporate power to enter into and undertake its duties and obligations hereunder and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt municipal obligations, to be able to evaluate the economic risks and merits of the investment represented by the Obligation.
- (b) The execution, delivery and performance of this Loan Agreement has been duly authorized by all necessary corporate actions on the part of the Bank and do not require any further approvals or consents.
- (c) The Bank will deliver to the District a certificate or letter substantially in the form set forth in Exhibit B attached hereto.

ARTICLE III

TERMS OF THE LOAN

Section 3.1. Obligation Proceeds. The Obligation shall be purchased by the Bank in the aggregate amount of \$[Par Amount] in immediately available funds on the Closing Date.

Section 3.2. Deposit and Application of Obligation Proceeds. The District hereby instructs the Bank (to which instruction the Bank hereby assents) to set-aside a portion of the Obligation Proceeds in the amount of \$ _____ (the "COI Set-Aside Funds") for the payment of Costs of Issuance on behalf of the District as provided in Section 3.9. The District hereby instructs the Bank (to which the Bank also assents) to wire the balance of the Obligation Proceeds in the amount of (i) \$ _____ directly to CalPERS, in accordance with the Refunding Instructions, in satisfaction of a portion of the District's obligations under the CalPERS Contract.

Section 3.3. Term of the Loan Agreement. The Term of this Loan Agreement shall commence on the Closing Date, and shall end on the date on which the Obligation shall be paid in full or provision for such payment shall be made as provided herein.

Section 3.4. Optional Prepayment. The Obligation is subject to prepayment in whole on any Payment Date on or after September 1, 20__, from any source of available funds, at a prepayment price equal to the sum of the principal prepaid plus accrued interest thereon to the date fixed for prepayment, without premium.

Section 3.5. Prepayment upon Casualty Loss or Governmental Taking. At the District's option, and upon thirty (30) days' prior written notice to the Bank, the Obligation shall be subject to prepayment as a whole or in part on any date, from the Net Proceeds of casualty insurance or a governmental taking of the Enterprise or portions thereof by eminent domain proceedings, under the circumstances and upon the conditions and terms prescribed herein, at a prepayment price equal to the sum of the principal prepaid plus accrued interest thereon to the date fixed for prepayment, without premium.

Section 3.6. Execution of the Loan Agreement. The execution of this Loan Agreement by an Authorized Representative shall constitute conclusive evidence of such officers' and the Board's approval hereof, including any changes, insertions, revisions, corrections, or amendments as may have been made hereto.

Section 3.7. Assignment by the Bank. The Bank's right, title and interest in and to this Loan Agreement and all proceeds, with prior written notice to the District, may be assigned and reassigned to one or more assignees or sub-assignees by Bank, without the necessity of obtaining the consent of District; provided, that such assignment shall not result in more than thirty-five (35) assignees or sub-assignees of the Bank's rights and interests in the Loan Agreement, or that such assignment shall not result in the creation of any interest in the Loan Agreement in an aggregate principal amount that is less than one hundred thousand dollars (\$100,000); and further provided that Bank has filed with the District at least five Business Days' prior written notice thereof along with an executed copy of an investor's letter addressed to the District and the Bank substantially in the form of the letter delivered by the Bank on the Closing Date attached hereto as Exhibit B.

The District shall pay all Loan Payments hereunder to the Bank, as provided in Section 4.2 hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District. During the term of this Loan Agreement, the District shall each keep a complete and accurate record of all such notices of assignment.

Section 3.8. Closing Conditions. The Bank has entered into this Loan Agreement in reliance upon the representations and warranties of the District contained in this Loan Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of the obligations of the District pursuant to this Loan Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to purchase the Obligation and execute this Loan Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the District contained in this Loan Agreement shall be true, complete and correct on the Closing Date.

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf.

(c) On the Closing Date, the Resolution, the Refunding Instructions, the Note and this Loan Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) On the Closing Date, the District will have adopted and there will be in full force and effect such Resolution as in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated by this Loan Agreement, and all necessary action of the District relating to the issuance of the Obligation will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(e) At or prior to the Closing Date, the Bank will have received the following documents:

(i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank, to the effect that (I) the interest on the Obligation is excluded from gross income for State income tax purposes, and (II) the Obligation has been duly authorized, executed and delivered by the District and is a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy and judicial discretion;

(ii) a certificate or certificates, dated the date of the Closing and signed on behalf of the District by an Authorized Representative, to the effect that (I) the representations and warranties contained in this Loan Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the Closing Date; (II) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Obligation or the

levy or collection of revenues to pay the principal thereof and interest thereon, questioning the proceedings and authority by which such pledge is made, affecting the validity of the Obligation or contesting the existence or boundaries of the District or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of the Obligation has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Obligation has been filed with or received by the District; and (IV) the District has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date;

(iii) a conformed certified copy of the Resolution;

(iv) the items required by the Resolution as conditions for execution and delivery of the Obligation;

(v) the opinion of the General Counsel to the District, dated the Closing Date, addressed to the Bank and Bond Counsel, to the effect that:

(A) the District is a county water district duly organized and validly existing under the Constitution and laws of the State, and has all requisite power and authority: (a) to adopt the Resolution, and to enter into, execute, deliver and perform its covenants and agreements under this Loan Agreement and the Note; (b) to execute and deliver the Obligation; (c) to pledge the Net Revenues as contemplated by this Loan Agreement; and (d) to carry on its activities as currently conducted;

(B) the District has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by this Loan Agreement, the Refunding Instructions and the Note, and the District has duly authorized the execution and delivery of, and the due performance of its obligations under, this Loan Agreement, the Refunding Instructions and the Note;

(C) the adoption of the Resolution, the execution and delivery by the District of this Loan Agreement, the Refunding Instructions and the Note, and the compliance with the provisions of this Loan Agreement, the Refunding Instructions and the Note, to the best of such counsel's knowledge after due inquiry, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the District a material breach of or default under any agreement or instrument to which the District is a party or by which it is bound;

(D) no litigation is pending with service of process completed or, to the best of such counsel's knowledge after due inquiry, threatened against the District in any court in any way affecting the titles of the officials of the District to their respective positions, or seeking to restrain or to enjoin the execution and delivery of this Loan Agreement, the Refunding Instructions and the Note, or the collection

of revenues pledged or to be pledged to pay the principal of and interest on the Obligation, or in any way contesting or affecting the validity or enforceability of this Loan Agreement, the Refunding Instructions, the Note or the Resolution, or contesting the powers of the District or its authority with respect to this Loan Agreement, the Refunding Instructions, the Note or the Resolution;

(E) to the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of this Loan Agreement, the Refunding Instructions and the Note; and

(F) to the best of such counsel's knowledge after due inquiry, the District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under this Loan Agreement, the Refunding Instructions and the Note, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(vi) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Loan Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

Section 3.9. Application of Costs of Issuance Set-Aside Funds. The COI Set-Aside Funds held by the Bank on behalf of the District pursuant to Section 3.2 shall be used by the Bank to pay the Costs of Issuance upon submission of sequentially numbered written Requisitions of the District, substantially in the form attached hereto as Exhibit D. Upon the Request of the District, but in no event later than seven (7) calendar days after the Closing Date, any remaining amounts of COI Set-Aside Funds shall be transferred by the Bank to the District.

ARTICLE IV

SECURITY

Section 4.1. Pledge and Application of Net Revenues.

(a) Subject to the limitations set forth in this Loan Agreement with respect to the respective Allocable Shares of the Water Enterprise and the Wastewater Enterprise, including those set forth in subsection (b) below, all of the Net Revenues and all moneys on deposit in any of the funds and accounts established and held hereunder are hereby irrevocably pledged, charged and assigned to the punctual payment of the Loan Payments. Such pledge, charge and assignment constitute a lien on and security interest in the Net Revenues and such other moneys for the payment of the Loan Payments in accordance with the terms hereof, on a parity with the pledge and lien which secures any Parity Debt of each respective Enterprise.

(b) The Loan Payments Attributable to the Water Enterprise and the Loan Payments Attributable to the Wastewater Enterprise are separately identified on Exhibit A hereto. The District hereby acknowledges, covenants and warrants that:

(i) it shall not pay from Net Revenues of the Wastewater Enterprise either (A) the Loan Payments Attributable to the Water Enterprise, (B) the Water Enterprise's Allocable Share of Operation and Maintenance Costs, or (C) any other amounts payable hereunder, if such amounts constitute the Water Enterprise's Allocable Share, and

(ii) it shall not pay from Net Revenues of the Water Enterprise either (A) the Loan Payments Attributable to the Wastewater Enterprise, (B) the Wastewater Enterprise's Allocable Share of Operation and Maintenance Costs, or (C) any other amounts payable hereunder, if such amounts constitute the Wastewater Enterprise's Allocable Share.

Section 4.2. Repayment of the Obligation. The District hereby agrees to repay the Obligation from Net Revenues in the aggregate principal amount of \$[Par Amount] together with interest (calculated at the rate of %, on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semi-annual Loan Payments in the respective amounts and on the respective Loan Payment Dates specified in Exhibit A hereto, and by this reference made a part hereof. Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Net Revenues by the District for the repayment of the principal of, premium, if any, and interest components of the Loan Payments constitutes a first lien and security interest which immediately attaches to such Net Revenues, and is effective and binding against the District, its successors, creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

So long as the Obligation is owned to the Bank, all principal and interest payments with respect to the Obligation shall be made by wire transfer in accordance with wire instructions provided by the Bank from time to time.

Section 4.3. Deposit of Gross Revenues into Enterprise Funds; Transfers to Make Loan Payments . The District covenants and agrees that all Gross Revenues of the Water Enterprise, when and as received, will be received and held by the District in trust hereunder and will be deposited by the District in its Water Revenue Fund (herein referred to as the “Water Fund”) previously established and continued to be held by the District, and will be accounted for through and held in trust in the Water Fund, and the District shall only have such beneficial right or interest in any of such money as in this Loan Agreement provided. The District similarly covenants and agrees that all Gross Revenues of the Wastewater Enterprise, when and as received, will be received and held by the District in trust hereunder and will be deposited by the District in its Wastewater Revenue Fund (herein referred to as the “Wastewater Fund”) previously established and continued to be held by the District, and will be accounted for through and held in trust in the Wastewater Fund, and the District shall only have such beneficial right or interest in any of such money as in this Loan Agreement provided. Within each Enterprise Fund the District shall establish and maintain a separate Interest Account, Principal Account and Redemption Account therein.

The District shall apply amounts in the Water Fund and Wastewater Fund as set forth in this Loan Agreement and any Parity Debt Documents. The District shall apply amounts on deposit in the respective Enterprise Funds to pay when due the following amounts in the following order of priority:

- (i) all Operation and Maintenance Costs of the respective Enterprise;
- (ii) Net Revenues remaining in each respective Enterprise Fund (after payment of all Operation and Maintenance Costs) on each Loan Payment Date, shall transferred by the District from respective Enterprise Fund and allocated to the following respective accounts (each of which the District shall establish and maintain within respective Enterprise Fund), the following amounts in the following order of priority, the requirements of each such account (including the funding of any deficiencies in any such account resulting from insufficient applicable Net Revenues necessary to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

- (1) Interest Account. On each Loan Payment Date, the District shall deposit in each applicable Interest Account an amount required to cause the aggregate amount on deposit in the applicable Interest Account to equal the amount of interest becoming due and payable on such Loan Payment Date on all outstanding Parity Debt. No deposit need be made into the applicable Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all outstanding Parity Debt on such Loan Payment Date. All moneys in each applicable Interest Account shall be used and withdrawn by the District solely for the purpose of paying interest on Parity Debt as it shall become due and payable (including accrued interest on any Parity Debt purchased or redeemed prior to maturity pursuant to this Loan Agreement). In the event that the amounts on deposit in the applicable Interest Account on any Loan Payment Date are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the outstanding Parity Debt, the District shall apply such amounts to the payment of interest on each of the outstanding Parity Debt on a pro rata basis.

(2) Principal Account. On each Loan Payment Date on which the principal component of Parity Debt is payable, the District shall deposit in each applicable Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Parity Debt coming due and payable on such Loan Payment Date, the amount of principal becoming due and payable on any mandatory sinking account payment due on all outstanding Parity Debt, if any. All moneys in each applicable Principal Account shall be used and withdrawn by the District solely for the purpose of paying the principal of Parity Debt at the maturity date or upon sinking account redemption, as the case may be. In the event that the amounts on deposit in the applicable Principal Account on any Loan Payment Date are insufficient for any reason to pay the aggregate amount of principal then coming due and payable on the outstanding Parity Debt, the District shall apply such amounts to the payment of principal on each of the outstanding Parity Debt on a pro rata basis.

(iii) The District shall establish and maintain a Redemption Account, amounts in which shall be used and withdrawn by the District solely for the purpose of paying the principal of and premium (if any) on the Principal Components to be redeemed pursuant to Section 3.4 or 3.5 hereof.

(iv) to the trustee or appropriate fiduciary, the amount of any deficiency in any reserve fund established for Parity Debt caused by the applicable Enterprise, the notice of which deficiency has been given to the District in accordance with the related Parity Debt Documents;

(v) any other payments required to comply with the provisions of this Loan Agreement and any respective Parity Debt Documents; and

(vi) so long as no Event of Default has occurred and is continuing, the District may use and apply moneys in the Enterprise Funds for (i) the payment of any respective subordinate obligations or any unsecured obligations, (ii) the acquisition and construction of improvements to the respective Enterprise, (iii) the prepayment of any other obligations of the District relating to the Enterprises, or (iv) any other lawful purposes of the District.

Section 4.4. No Preference or Priority. Payment of the Loan Payments and the principal of and interest on any Parity Debt shall be made without preference or priority. If the amount of Gross Revenues on deposit in a respective Enterprise Fund is any time insufficient to enable the District to pay when due the respective Allocable Share of Loan Payments and the principal of and interest on any applicable Parity Debt, such payments will be made on a pro rata basis.

Section 4.5. Special Obligation of the District; Obligations Absolute. The District's obligation to pay the Loan Payments shall be a special obligation of the District limited solely to Net Revenues and amounts on deposit in the Revenue Fund. Under no circumstances shall the District be required to advance moneys derived from any source of income other than Net Revenues and other sources specifically identified herein for the payment of the Loan Payments, nor shall any other funds or property of the District be liable for the payment of the Loan Payments. Notwithstanding the foregoing provisions of this Section, however, nothing herein is intended to prohibit the District voluntarily from making any payment hereunder from any source of available funds of the District.

The obligations of the District to pay the Loan Payments from Net Revenues, and to perform and observe the other agreements contained herein, shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District, the Bank of any obligation to the District or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Bank. Until such time as all of the Loan Payments shall have been fully paid or prepaid, the District (a) will not suspend or discontinue payment of any Loan Payments, (b) will perform and observe all other agreements contained in this Loan Agreement, and (c) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

Section 4.6. Reduction upon Partial Prepayment. In the event the District prepays less than all of the remaining Principal Components of the Loan Payments pursuant to Sections 3.4 or 3.5 hereof, the amount of such prepayment shall be applied by the Bank to the outstanding Principal Components in inverse order of maturity, unless otherwise requested by District and agreed to by Bank in its reasonable discretion.

Section 4.7. Rate on Overdue Loan Payments. In the event the District should fail to make any of the Loan Payments required in Section 4.2 hereof on or before the due date therefor, the Loan Payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the Default Rate.

ARTICLE V

COVENANTS OF THE DISTRICT

Section 5.1. Operation and Maintenance of the Enterprise. The District will maintain and preserve each Enterprise in good repair and working order at all times and will operate each Enterprise in an efficient and economical manner and will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.2. Against Sale or Other Disposition of Property. The District will not sell, lease, or otherwise dispose of either Enterprise or any part thereof essential to the proper operation of such Enterprise or to the maintenance of Net Revenues. The District will not enter into any agreement or lease that impairs the operation of either Enterprise or any part thereof necessary to secure adequate Net Revenues for the payment of the Obligation or that would otherwise impair the rights of the District with respect to the Net Revenues or the operation of either Enterprise. Any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of an Enterprise, or any material or equipment that has become worn out,

may be sold at not less than the fair market value thereof. The District shall deposit the proceeds of such sale in the applicable Enterprise Fund.

Section 5.3. Rates, Fees, and Charges.

(a) Covenant to Maintain Water Revenues. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water Enterprise during each Fiscal Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Gross Revenues from the Water Enterprise sufficient to pay 100% of the following amounts in the following order of priority:

(i) all Operation and Maintenance Costs of the Water Enterprise estimated by the District to become due and payable in such Fiscal Year;

(ii) the Loan Payments Attributable to the Water Enterprise during such Fiscal Year;

(iii) all other payments required for compliance with this Loan Agreement and the instruments pursuant to which any Parity Debt relating to the Water Enterprise shall have been issued; and

(iv) all payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues of the Water Enterprise or the Net Revenues of the Water Enterprise.

In addition, the District shall fix, prescribe, revise and collect charges for the Water Enterprise during each Fiscal Year which are sufficient to yield Net Revenues of the Water Enterprise which, when added to other funds transferred from stabilization reserve funds for the Water Enterprise, and which are lawfully available to the District for payment of the items listed in clauses (ii) and (iii) above during such Fiscal Year, will aggregate an amount at least equal to one hundred twenty-five percent (125%) of the amounts payable under the preceding clauses (ii) and (iii) in such Fiscal Year for the Loan Payments Attributable to the Water Enterprise and any Parity Debt which have a lien on such Net Revenues of the Water Enterprise.

(b) Covenant to Maintain Wastewater Revenues. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Wastewater Enterprise during each Fiscal Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Gross Revenues from the Wastewater Enterprise sufficient to pay 100% of the following amounts in the following order of priority:

(i) all Operation and Maintenance Costs of the Wastewater Enterprise estimated by the District to become due and payable in such Fiscal Year;

(ii) the Loan Payments Attributable to the Wastewater Enterprise;

(iii) all other payments required for compliance with this Loan Agreement and the instruments pursuant to which any Parity Debt relating to the Wastewater Enterprise shall have been issued; and

(iv) all payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues of the Wastewater Enterprise or the Net Revenues of the Wastewater Enterprise.

In addition, the District shall fix, prescribe, revise and collect charges for the Wastewater Enterprise during each Fiscal Year which are sufficient to yield Net Revenues of the Wastewater Enterprise which, when added to other funds transferred from stabilization reserve funds for the Wastewater Enterprise, and which are lawfully available to the District for payment of the items listed in clauses (ii) and (iii) above during such Fiscal Year, will aggregate an amount at least equal to one hundred twenty-five percent (125%) of the amounts payable under the preceding clauses (ii) and (iii) in such Fiscal Year for the Loan Payments Attributable to the Wastewater Enterprise and any Parity Debt which have a lien on such Net Revenues of the Wastewater Enterprise.

(c) Transfers from Rate Stabilization Fund. For purposes of this Section 5.3, the amount of Net Revenues or Gross Revenues of an Enterprise for a Fiscal Year will include amounts transferred into the Water Fund or the Wastewater Fund, as applicable, from the Rate Stabilization Fund during such Fiscal Year.

(d) Effect of Violation of rate Covenants. If the District violates the covenants set forth in subsections (a) or (b) hereof, such violation shall not, in and of itself, be a default under this Loan Agreement and shall not give rise to a declaration of an Event of Default so long as (i) applicable Net Revenues (calculated without taking into account any amounts transferred into a respective Enterprise Fund from the Rate Stabilization Fund), are at least equal to the Maximum Annual Debt Service coming due and payable during such Fiscal Year, and (ii) within 120 days after the date such violation is discovered, the District either (y) transfers enough moneys from the Rate Stabilization Fund sufficient to yield estimated applicable Net Revenues which are at least equal to one hundred twenty-five percent (125%) of the aggregate amount of Debt Service on all Parity Obligations payable from applicable Net Revenues coming due and payable during such Fiscal Year in compliance with subsection (b) hereof, or (z) hires an Independent Financial Consultant to review the revenues and expenses of the applicable Enterprise in question, and abides by such consultant's recommendations to revise the schedule of rates, fees, expenses and charges, and to revise any Operation and Maintenance Costs insofar as practicable, and to take such other actions as are necessary so as to produce applicable Net Revenues to cure such violation for future compliance; provided, however, that, if the District does not, or cannot, transfer from the Rate Stabilization Fund the amount necessary to comply with subsection (a) or (b), as applicable, hereof, or otherwise cure such violation within twelve (12) months after the date such violation is discovered, an Event of Default shall be deemed to have occurred under Section 6.1(a)(2) hereof.

Section 5.4. Collection of Rates and Charges. The District will have in effect at all times rules and regulations requiring each consumer or customer utilizing the Enterprise facilities to pay the rates, fees and charges applicable to such use or benefit received. Except in connection with the receipt of federal or State funding, the District will not permit any part of the Enterprise or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the United States of America, the State of California and any city, county, district, political subdivision, public corporation or agency of any thereof).

Section 5.5. Competitive Facilities. Except for any Enterprise facilities existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city, special district, or political subdivision or any person whomsoever to acquire, maintain or operate within the sphere of influence of the District any water or wastewater district system competitive with the Enterprises; provided, however, that the District may, with the written consent of the Bank first had and obtained, assign all or a portion of the Enterprise to another entity upon delivery to the Bank of an opinion of counsel experienced in the field of law relating to municipal bonds that such assignment will not adversely affect the tax-exempt status of the interest with respect to all Parity Debt, and provided such entity assumes the obligations of the District hereunder.

Section 5.6. Insurance. (a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to prepay the Obligation and any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such Parity Debt.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Debt and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise, and thereupon such proceeds shall be applied to the prepayment of such Parity Debt and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which other Parity Debt were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof; such insurance to cover all persons employed in connection with the Enterprise.

(d) All policies of insurance required to be maintained herein shall provide that the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(e) In lieu of obtaining insurance coverage as required by this Section, such coverage may, with the prior written consent of the Bank, be maintained by the District in the form of self-insurance. The District shall certify to the Bank that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before January 1 of each year in which self-insurance is maintained, in writing to the Bank that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an 'independent' trustee. Any statements of self-insurance shall be delivered to the Bank. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

The District shall cause the Bank to be named as an additional insured with respect to the District's liability insurance, and as a loss payee with respect to any property damage insurance. The District shall not allow any insurance to expire without thirty (30) days prior written notice to the Bank.

Section 5.7. Eminent Domain. If all or any part of the Enterprise shall be taken by eminent domain proceedings, the resulting Net Proceeds thereof shall be applied as follows:

(a) If (1) the District delivers to the Bank a Certificate of the District showing (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such Certificate of the District and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Principal Components and the principal amount of any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Debt.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Principal Components of the Obligation and the principal amounts of any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Debt.

Section 5.8. Additional Information. The District agrees to furnish to the Bank, promptly, from time to time, such information regarding the operations, financial condition and property of the District and the Enterprise as the Bank may reasonably request.

Section 5.9. Compliance with Law and Contracts. The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operation of the Enterprise by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control.

Section 5.10. Punctual Payment. The District will punctually pay the principal and interest to become due in respect of the Obligation, in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not rescind this Loan Agreement for any cause.

Section 5.11. Reserved.

Section 5.12. Protection of Security and Rights of the Bank. The District will preserve and protect the security of the Obligation and the rights of the Bank and will warrant and defend the Bank's rights against all claims and demands of all persons. From and after the Closing Date, the Obligation shall be incontestable by the District.

Section 5.13. Parity Debt.

(a) So long as the Obligation is outstanding, the District shall not issue or incur any obligations payable from Revenues or Net Revenues senior or superior to the payment of Debt Service on the Obligation. The District may at any time issue Parity Debt payable from Net Revenues on a parity with Debt Service on the Obligation to provide financing or refinancing for the Enterprise in such principal amount as shall be determined by the District. The District may issue or incur any such Parity Debt subject to the following specific conditions, which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(1) No Event of Default shall have occurred and be continuing;

(2) The Net Revenues (calculated without taking into account any amounts transferred into the Revenue Fund from the Rate Stabilization Fund pursuant to Section 5.3(d) hereof), calculated in accordance with Generally Accepted Accounting Principles, either (i) as shown by the books of the District for the latest Fiscal Year, as verified by a certificate of an Authorized Representative of the District, or (ii) as shown by the books of the District for any more recent twelve (12) month period selected by the District, as verified by a certificate or opinion of an Independent Certified Public Accountant employed by the District, plus in either case (at the option of the District) the Additional Revenues, shall be at least equal to one hundred twenty-five percent (125%) of the amount of Maximum Annual Debt Service on all outstanding Parity Debt and the Parity Debt to be issued; and

(3) Except with respect to the Obligation, and at the District's sole discretion, there may be established from the proceeds of such Parity Debt a reserve fund for the security of such Parity Debt, in an amount equal to the lesser of (i) the maximum amount of debt service required to be paid by the District with respect to such Parity Debt during any Fiscal Year and (ii) the maximum amount then permitted under the Code, in either event as certified in writing by the District.

The provisions of subsection (2) of this Section shall not apply to any Parity Debt if, and to the extent that (i) all of the proceeds of such Parity Debt (other than proceeds applied to pay costs of issuing such Parity Debt and to make the reserve fund deposit required pursuant to subsection (3) of this Section) shall be deposited in an irrevocable escrow held in cash or invested in Federal Securities for the purpose of paying the principal of and interest and premium (if any) on such outstanding Parity Debt, and (ii) at the time of the incurring of such Parity Debt, the District certifies in writing that maximum annual debt service on such Parity Debt will not exceed Maximum Annual Debt Service on the outstanding Parity Debt being refunded, and (iii) the final maturity of such Parity Debt is not later than the final maturity of the Parity Debt being refunded.

(b) In order to maintain the parity relationship of debt service payments on all Parity Debt permitted hereunder, the District covenants that all payments in the nature of principal and interest or reserve account replenishment with respect to any Parity Debt, will be structured to occur semi-annually on March 1 and September 1, in each year as such payments are due with respect to the Debt Service payments, and reserve account replenishment with respect to any Parity Debt will be structured to occur within one year, and to otherwise structure the terms of such Parity Debt to ensure that they are in all respects payable on a parity with the Debt Service payments on the Obligation and all Parity Debt, and not prior thereto.

(c) The District may at any time execute contracts or issue bonds or other indebtedness payable from Net Revenues or the Revenue Fund payable on a subordinated basis to the payment of the Debt Service payments on Parity Debt.

Section 5.14. Against Encumbrances. The District hereby covenants and agrees that it shall not incur any obligations that are secured by a pledge and lien on the Net Revenues that is senior to the pledge and lien on the Net Revenues contained herein. The District will not make any pledge of or place any lien on the Net Revenues except as provided herein. The District may pledge Net Revenues to secure Parity Debt issued in accordance with Section 5.13 hereof. The District may at any time, or from time to time, issue evidences of indebtedness for any lawful purpose that are payable from and secured by a pledge of and lien on Net Revenues that is subordinate in all respects to the pledge of and lien on the Net Revenues provided herein.

Section 5.15. Further Assurances. The District will adopt, make, execute and deliver any and all further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Bank of the rights and benefits provided to it herein.

Section 5.16. Financial Reports. Promptly upon receipt by the District and in no event later than two hundred ten (210) days after the close of each Fiscal Year (unless otherwise agreed in writing by the Bank), the District will furnish, or cause to be furnished, to the Bank an audit

report of an Independent Certified Public Accountant with respect to such Fiscal Year, covering the operations of the Enterprise for said Fiscal Year. Such audit report shall include statements of the status of each account pertaining to the Enterprise, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year.

Each such audit, in addition to whatever matters may be considered proper by the Independent Certified Public Accountant to be included therein, shall include a statement as to whether or not the Net Revenues for such Fiscal Year were equal to at least 1.20 times the Debt Service for such Fiscal Year, calculated as provided in Section 5.3 hereof. In addition, each year commencing 2018 the District shall deliver to the Bank, within thirty (30) days of its adoption, a copy of the District's adopted budget for the then current Fiscal Year. The District shall also deliver to the Bank a copy of any update to the District's budget adopted for a Fiscal Year with thirty (30) days of the adoption of such updated budget.

Section 5.17. Reserved.

Section 5.18. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a California county water district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 5.19. Budget. The District hereby covenants to take such action as may be necessary to include all Loan Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Loan Payments and all other amount due hereunder.

Section 5.20. Notices. The District shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Loan Agreement, together with a detailed statement by an Authorized Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) Prompt written notice (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the District or the Enterprise or the Revenues which involve claims equal to or in excess of \$500,000 or that seeks injunctive relief, or (ii) of any loss or destruction of or damage to any portion of the Enterprise in excess of \$500,000.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any Revenues.

(d) Promptly upon notice thereof, any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of \$500,000.

(e) With reasonable promptness, such other information respecting the District, Enterprise, and the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default and Remedies.

(a) Events of Default. The following shall be Events of Default hereunder:

(1) Failure by the District to pay any Principal Component or Interest Component on the Obligation when due and payable.

(2) Failure by the District to observe and perform any covenant, condition or agreement on its part contained herein pertaining to the Enterprise, other than in clause (1) of this subsection, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank; *provided, however,* if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Bank shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected.

(3) Default by the District under any Parity Debt (or Subordinate Debt which requires or permits the immediate acceleration thereof).

(4) Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors.

(5) Any statement, representation or warranty made by the District in or pursuant to this Loan Agreement or its execution, delivery or performance proves to have been false, incorrect, misleading, or breached in any material respect on the date made, and

is continuing for a period of thirty (30) days after written notice specifying such misrepresentation or breach and requesting that it be remedied has been given to the District by the Bank; provided, however, that the Bank and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(6) This Loan Agreement or any material provision of this Loan Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability hereunder.

(7) Dissolution, termination of existence or insolvency of the District.

(8) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Loan Agreement shall find or rule that this Loan Agreement is not valid or not binding on the District.

(b) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Bank shall have the right, at its option upon notice to the District, to declare the unpaid aggregate Principal Components of the Obligation, and the interest accrued thereon, to be immediately due and payable, whereupon the same shall immediately become due and payable.

The Bank shall also have the right, at its option upon notice to the District, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates for services provided by the District and the Enterprise sufficient to meet all requirements of this Loan Agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the Loan Payments then due or thereafter to become due during the Term of this Loan Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Loan Agreement, subject to the following paragraph.

Notwithstanding any provision of this Loan Agreement, the District's liability to pay the Loan Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Article IV hereof. In the event that Net Revenues shall be insufficient at any time to pay a Principal Component and/or Interest Loan Component in full, the District shall not be liable to pay or prepay such delinquent Loan Payment other than from Net Revenues.

Section 6.2. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 6.1, all Net Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Net Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Bank if any, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel; and

Second, to the payment of the entire unpaid aggregate Principal Components of the Obligation and the unpaid principal amount of any other obligations secured by the Net

Revenues and the accrued interest thereon, with interest on the overdue payments at the rate or rates of interest applicable to the Obligation and such other obligations if paid in accordance with their respective terms.

Section 6.3. Other Remedies of the Bank. The Bank shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Bank; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its Board members, officers and employees to account as the trustee of an express trust.

Section 6.4. Non-Waiver. Nothing in this article or in any other provision hereof, or in the Obligation, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Obligation to the Bank when due, as herein provided, out of the Net Revenues herein pledged for such payment, or shall affect or impair the right of the Bank, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied in this Loan Agreement.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Bank to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bank. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Bank, the District and the Bank shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 6.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 6.6. Prosecution and Defense of Suits. The District shall promptly, upon request of the Bank or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Enterprise whether now existing or hereafter arising and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose.

ARTICLE VII

NOTICES

Section 7.1. Notices. All written notices under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon transmission by facsimile transmission, (b) upon actual receipt after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The District or the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are given hereunder.

If to the District: Calaveras County Water District
 P.O. Box 846
 120 Toma Court
 San Andreas, CA 95249

If to the Bank:

ARTICLE VIII

AMENDMENTS; DISCHARGE; GENERAL AUTHORIZATION; EFFECTIVE DATE

Section 8.1. Amendments Permitted. (a) This Loan Agreement and the rights and obligations of the District and of the Bank may be modified or amended at any time by a written supplemental agreement entered into by the District and the Bank.

(b) From and after the time any supplemental agreement becomes effective pursuant to this Article, this Loan Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Loan Agreement and the Bank shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental agreement shall be deemed to be part of the terms and conditions of this Loan Agreement for any and all purposes.

Section 8.2. Discharge of Loan Agreement . (a) If the District shall pay or cause to be paid or there shall otherwise be paid to the Bank the principal of and the interest and the prepayment premium, if any, on this Loan Agreement at the times and in the manner stipulated herein, then all agreements, covenants and other obligations of the District to the Bank hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) This Loan Agreement shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if (1) in case this Loan Agreement is to be prepaid on any date prior to its final principal payment date, the District shall have mailed a notice

of prepayment to the Bank, (2) there shall have been deposited with the Bank, or an escrow agent reasonably acceptable to the Bank, either money in an amount that shall be sufficient or direct obligations of the United States of America that are not subject to redemption except by the holder thereof prior to maturity (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Bank or such escrow agent at the same time, shall be sufficient to pay when due the interest to become due on this Loan Agreement on and prior to the final principal payment date or prepayment date thereof, as the case may be, and the principal of and prepayment premiums, if any, on this Loan Agreement on and prior to the final principal payment date or the prepayment date thereof, as the case may be, and (3) if this Loan Agreement is not subject to prepayment within the next succeeding sixty (60) days, the District shall have mailed a notice to the Bank that the deposit required by clause (2) above has been made with the Bank or such escrow agent and that this Loan Agreement is deemed to have been paid in accordance with this section and stating the principal payment dates or prepayment date, as the case may be, upon which money is to be available for the payment of the principal of and prepayment premiums, if any, on this Loan Agreement; provided, however, that the District shall have provided an opinion of Bond Counsel that such deposit will not adversely affect the exclusion of interest on the Obligation from gross income of the Bank for federal income tax purposes.

Section 8.3. General Authorization. The Authorized Representatives of the District, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents (including, but not limited to, this Loan Agreement, the Refunding Instructions and the Note), to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the financing and to effect the purposes of this Loan Agreement and/or the Resolution. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this Loan Agreement and/or the Resolution are hereby approved, confirmed, and ratified.

Section 8.4. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Bank and the District and their respective successors and assigns.

Section 8.5. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.6. Further Assurances and Corrective Instruments. The Bank and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

Section 8.7. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or

Section of this Loan Agreement.

Section 8.9. Expenses. The fees and disbursements of Bond Counsel, the fees and disbursements of the financial advisor to the District, the cost of preparing the documentation, CDIAC fees, fees of Bank's Counsel and other miscellaneous expenses of the District incurred in connection with the Obligation shall all be the obligation of the District. The Bank shall have no responsibility for any expenses associated with the issuance of the Obligation, including, but not limited to, the expenses identified above as the obligation of the District.

Section 8.10. Agreement to Pay Attorneys' Fees and Expenses. The District will pay the Bank its reasonable attorney fees incurred subsequent to an Event of Default.

Section 8.11. Sovereign Immunity. The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Loan Agreement or otherwise with respect to the Note. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Loan Agreement or otherwise with respect to the Note.

Section 8.12. Judicial Reference.

(a) The Bank and the District hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Loan Agreement or any document related thereto, any dealings between the District and the Bank related to the subject matter of this Loan Agreement or any related transactions, and/or the relationship that is being established between the District and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the District, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the District agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the District shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 8.10; (iv) either the Bank or the District, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the District and the District, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Calaveras County Superior Court, or of the U.S. District Court for the Northern District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 8.10.

(c) No provision of this Section 8.10 shall limit the right of either the Bank or the District, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the District to the Reference pursuant to this Section 8.10(c).

(d) Promptly following the selection of the Referee, the District shall advance the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 8.13. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

* * * * *

[Signature page to follow]

IN WITNESS WHEREOF, the Bank has caused this Loan Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Loan Agreement to be executed in its name by its Authorized Representative, as of the date first above written.

_____,

By: _____
Authorized Officer

CALAVERAS COUNTY WATER DISTRICT

By: _____
Authorized Representative

EXHIBIT A
LOAN PAYMENT SCHEDULES

EXHIBIT B

FORM OF INVESTOR LETTER

This letter is to provide you with certain representations and agreements with respect to the above-referenced \$[Par Amount] aggregate principal amount of the Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project) (the "Loan Obligations"), as evidenced by a Promissory Note, dated February __, 2019 (the "Note," and together with the Loan Obligations, the "Obligation"). The Obligation was approved by the Calaveras County Water District (the "District") pursuant to Resolution No. 2019-__ (the "Resolution"), adopted by the Board of Directors of the District on February 13, 2019, and was executed and delivered pursuant to a Loan Agreement, dated as of February 1, 2019, by and between _____, a _____ (the "Bank," the "undersigned," "us" or "we," as applicable) and the District (the "Loan Agreement"). Capitalized terms not otherwise defined herein will have the meanings set forth in the Loan Agreement.

We hereby represent and warrant to you and agree with you as follows:

(i) the Bank is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to purchase the Obligation and to enter into the Loan Agreement;

(ii) the undersigned is a duly appointed, qualified, and acting officer of the Bank and is authorized to cause the Bank to make the representations and warranties contained herein on behalf of the Bank;

(iii) the Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations similar to the Obligation, to be able to evaluate the risks and merits of the investment represented by the Obligation and is able to bear the economic risks of such investment;

(iv) the Bank understands that neither the Obligation nor Loan Agreement have been registered with any federal or state securities agency or commission; and further understands that the Obligation and Loan Agreement (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

(v) the Bank acknowledges that it has either been supplied with or has been given access to information to which a reasonable investor would attach significance in making investment decisions, and the Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the District and the District's Enterprise, as well as the insurance, security and prepayment arrangements set forth in the Loan Agreement and the Obligation, so that, as a reasonable investor, the Bank has been able to make an informed investment decision to enter into the Loan Agreement for the purchase of the Obligation;

(vi) the Bank understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared;

(vii) the Bank acknowledges that there is no reserve fund required for the Obligation;

(viii) the Bank understands and acknowledges it is purchasing the Obligation on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and therefore the District has not undertaken, other than as provided in the Loan Agreement, to provide to or for the benefit of holders of the Obligation financial or operating data or any other information with respect to the District or the Obligation on an ongoing basis;

(ix) the Bank has made its own inquiry and analysis with respect to the Obligation and the security therefore, and other material factors affecting the security and payment of the Obligation;

(x) the Bank is either:

(a) an “accredited investor” as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the “Securities Act”); or

(b) a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act;

(xi) the Bank is purchasing the Obligation for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the Obligation by means of any form of general solicitation or general advertising, and we are not an underwriter of the Obligation within the meaning of Section 2(11) of the Securities Act; *provided, however*, that the Bank reserves the right to sell, transfer or redistribute the Obligation without the consent of the District in accordance with the Loan Agreement and all applicable securities laws, but agrees that any such sale, transfer or redistribution by the Bank shall be:

(a) to any subsidiary of the Bank, any affiliate of the Bank, any entity arising out of any merger or consolidation of the Bank, or a trustee in bankruptcy of the Bank, as certified to the District by an officer of such transferee, but only to the extent allowable under the Securities Act;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” as defined in clause (x), above, “qualified institutional buyer” as defined in clause (x), above, or on its own behalf as a “qualified institutional buyer” as defined in clause (x), above or an “accredited investor” as defined in clause (x), above), as certified to the District by an officer of such transferee; or

(d) to any trust or custodial arrangement each of the beneficial owners of which is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (x), above);

(xii) the Bank recognizes that an investment in the Obligation involves significant risks, there is no established market for the Obligation and that none is likely to develop and, accordingly, the Bank must bear the economic risk of an investment in the Obligation for an indefinite period of time;

(xiii) the Bank further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the Obligation if and when any such future disposition of the Obligation may occur;

(xiv) the Bank acknowledges that The Weist Law Firm (“Bond Counsel”) is acting as bond counsel to the District, that Bond Counsel has no attorney-client relationship with the Bank, and that the Bank has sought legal advice from its own counsel to the extent it concluded legal advice was necessary; and

(xv) The Bank is not relying upon the District, Bond Counsel, or any of their affiliates or employees for advice as to the merits and risks of making the Obligation. The Bank has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the __th day of February, 2019.

_____,

By: _____

Title: _____

Loan Agreement for the complete provisions thereof, and by acceptance hereof the registered owner of this Note assents to said terms and conditions as if fully set forth herein. The Loan Agreement is authorized under, and this Note is issued under, and both are to be construed in accordance with, the Bond Law and other laws of the State of California.

Pursuant to the Bond Law, the Resolution and the Loan Agreement, the principal of and interest on this Note are payable from Net Revenues (as defined in the Loan Agreement), and funds held under the Loan Agreement. The District has agreed in the Loan Agreement to collect Net Revenues sufficient to pay the payments on the Obligation and the Note when due.

The Note is subject to optional prepayment as set forth in the Loan Agreement. The Note is also subject to extraordinary prepayment in accordance with the Loan Agreement.

This Note shall be registered in the name of the Registered Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Note shall be entered by the District in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

The Loan Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The principal of this Note is subject to acceleration upon a default as prescribed in the Loan Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the District that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the District has caused this Note to be dated the Closing Date shown first above, to be signed by the manual signature of its Director of Administrative Services and attested to by the manual signature of its Secretary, and has caused this Note to be dated as of the dated date set forth above.

CALAVERAS COUNTY WATER DISTRICT

By: _____
Jeffrey Meyer, Director of Administrative Services

ATTEST:

By: _____

EXHIBIT D

**FORM OF REQUISITION
FOR DISBURSEMENT OF COSTS OF ISSUANCE SET-ASIDE FUNDS**

The undersigned, as Administrative Services Director of the Calaveras County Water District (the "District"), in connection with the execution and delivery of the above-captioned \$ _____ aggregate principal amount of the Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project) (the "Loan Obligations"), as evidenced by a Promissory Note, dated February __, 2019 (the "Note," and together with the Loan Obligations, the "Obligation"), approved pursuant to Resolution No. 2019-__ (the "Resolution"), adopted by the Board of Directors of the District on February 13, 2019, and secured and consummated pursuant to a Loan Agreement, dated as of February 1, 2019, by and between the District and _____, _____ (the "Bank"), do hereby certify that:

(i) the undersigned is a duly Authorized Representative (as defined in the Resolution and Loan Agreement) with authority to act on behalf of the District as necessary in connection with execution and consummation of the Obligation, and as such, is authorized to disburse money for the payment of Costs of Issuance (the "Costs of Issuance"), which moneys have been set aside by the Bank for the purpose of paying the Costs of Issuance (the "Costs of Issuance Funds");

(ii) the Bank is hereby instructed to pay to the parties listed on Exhibit A hereto the sum listed opposite such parties names as a payment for the items listed and the expenses incidental thereto from the Costs of Issuance Funds. These costs have been properly incurred, are each a proper charge under the Loan Agreement and have not been the basis of any previous disbursements; and

(iii) all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Exhibit A attached hereto or in invoices submitted in accordance herewith, and the Bank may rely on such payment instructions as though given by the District with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

Dated: February __, 2019

CALAVERAS COUNTY WATER DISTRICT

By: _____

§[Par Amount]
CALAVERAS COUNTY WATER DISTRICT
SERIES 2019 TAXABLE REVENUE REFUNDING LOAN OBLIGATIONS
(CALPERS REFUNDING PROJECT)

REFUNDING INSTRUCTIONS

These REFUNDING INSTRUCTIONS (the “Instructions”) are dated as of February 1, 2019, and are given by the CALAVERAS COUNTY WATER DISTRICT, a county water district, duly organized and validly existing under the laws of the State of California (the “District”);

W I T N E S S E T H:

WHEREAS, the District is obligated to the California State Public Employees’ Retirement System (“CalPERS”) under a certain contract, by and between the District and CalPERS, as amended from time to time (the “CalPERS Contract”), to make contributions to CalPERS in exchange for CalPERS providing retirement benefits for its retirees; and

WHEREAS, CalPERS determines, based on actuarial methods, a percentage rate of regular salary required to fund earned pension benefits, and if the total amount of accumulated contributions is less than the total forecasted cost of earned pension benefits, the difference represents an Unfunded Accrued Liability (the “UAL”); and

WHEREAS, to finance the prepayment of a portion of the UAL, the Board of Directors of the District (the “Board”) on February 13, 2019 adopted Resolution No. 2019-___ (the “Resolution”), pursuant to which the District authorized and directed the execution and delivery its Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refinancing Project) (the “Obligation”); and

WHEREAS, the Obligation in the amount of \$ _____ (the “Obligation Proceeds”) is being purchased by _____, _____ (the “Bank”), in immediately available funds on February __, 2019 (the “Closing Date”) pursuant to a Loan Agreement, dated as of February 1, 2019, by and between the Bank and the District (the “Loan Agreement”); and

WHEREAS, capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Loan Agreement; and

WHEREAS, concurrently with the funding of the Obligation on the Closing Date, a portion of the Obligation Proceeds in the amount of \$ _____ will be transferred by the Bank directly to CalPERS, in accordance with the these Refunding Instructions, in satisfaction of a portion of the District’s obligations under the CalPERS Contract with respect to the Miscellaneous Employees Plan UAL Obligations (the “Miscellaneous Plan Designated Proceeds”); and

WHEREAS, the District has full legal right, power, and authority to enter into and perform its duties under these Instructions; and

WHEREAS, the Bank acknowledges that these Instructions constitute irrevocable instructions by the District to apply the Miscellaneous Plan Designated Proceeds as set forth herein.

NOW, THEREFORE, in consideration of the above the District agrees as follows:

Section 1. Transfer and Application of Miscellaneous Plan Designated Proceeds.

Concurrently with the funding of the Obligation on the date hereof, the Bank is hereby irrevocably instructed to wire the Miscellaneous Plan Designated Proceeds in the amount of the \$ _____, directly to CalPERS in accordance with the following wire instructions:

WIRE INSTRUCTIONS:

ABA# _____
Bank of America Sacramento Main
555 Capitol Mall, Suite 1555
Sacramento, CA 95814
For credit to State of CA, CalPERS
Account # _____

The District acknowledges that it has no right, title or interest in or to the Miscellaneous Plan Designated Proceeds, except as set forth herein. Under no circumstances shall the Miscellaneous Plan Designated Proceeds be paid or delivered to or for the order of the District, except as set forth herein. The District hereby waives any rights that it may have to give alternative instructions as to the Miscellaneous Plan Designated Proceeds.

Section 2. Termination; Unclaimed Money. These Instructions shall terminate when the Miscellaneous Plan Designated Proceeds have been transferred and received by the CalPERS, as provided herein.

Section 3. Liabilities and Obligations of Bank.

The Bank shall have no obligation to make any payment or disbursement of any type except from the Miscellaneous Plan Designated Proceeds, or from such other funds that the District may hereafter deposit, in strict accordance with these Instructions. The Bank shall have no obligation to incur any financial liability in the performance of its duties under these Instructions, and the Bank may rely and shall be fully protected in acting upon the written instructions of the District or its agents relating to any matter or action as Bank under these Instructions.

The Bank shall have only such duties as are expressly set forth herein and no implied duties shall be read into these Instructions against the Bank. The Bank shall not be liable for any act or omission of the District under these Instructions. The Bank shall not be liable for the accuracy of any calculations as to the sufficiency of moneys deposited with it with respect to the Miscellaneous Plan Designated Proceeds.

The Bank shall have no liability or obligation to CalPERS or any other person or entity with respect to the payment of debt service by the District or with respect to the observance or performance by the District of the other conditions, covenants and terms contained in the CalPERS Contract, or with respect to the investment of any moneys in any fund or account established, held or maintained by the District pursuant to the CalPERS Contract.

The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on any certificate or opinion furnished to it in accordance with these Instructions.

Section 4. Governing Law. These Instructions shall be governed by and construed in accordance with the laws of the State of California.

Section 6. Notices. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to the District: Calaveras County Water District
P.O. Box 846
San Andreas, CA 95249
Attention: Director of Administrative Services
Phone: (209) 754-3102
Facsimile: (209) 754-0270

If to the Bank: _____ Bank
_____, Suite ____
_____, California 9____
Attention: _____
Phone: _____
Facsimile: _____

Section 7. Counterparts. These Instructions may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same Instructions.

IN WITNESS WHEREOF, the District has each executed these Irrevocable Refunding Instructions as of the date first above written.

CALAVERAS COUNTY WATER DISTRICT

By: _____
Jeffrey L. Meyer,
Director of Administrative Services

Acknowledged and Agreed:

_____ BANK,
as Bank

By: _____

Title: _____

Agenda Item

DATE: February 13, 2019
TO: Jeffrey Meyer, Interim General Manager *JM*
FROM: Damon Wyckoff, Director of Operations
RE: Report on the January 2019 Operations Department

RECOMMENDED ACTION:

Receive Report on the January 2019 Operations Department Report for Divisions 1 through 5

SUMMARY:

Attached is the monthly Operations Department Report for January 2019. This report will review the operational status and work completed by departmental administration and each of the five Divisions. The report will cover the following:

- Administration
- Water treatment plants
- Wastewater treatment plants
- Distribution
- Collections
- Construction
- Electrical
- Mechanical

Staff will be present the report to the Board of Directors and will available for questions

FINANCIAL CONSIDERATIONS:

None.

Attachment: January 2019 Operations Department Report for Division 1 through 5

Operations Department Report

January 1st through January 31st - 2019

Director of Operations:

1. Worked with the District's External Affairs Manager and the Copper Cover W and WWTP Senior Supervising Operator to provide tours of the Copper Cove Water and Wastewater facilities to students of Cal Poly San Luis Obispo
2. Onsite review of the need for cross-connection prevention for property in West Point. Cross-Connection prevention device not needed
3. Site visit to the Copperopolis service area to assess condition of key manholes. Some erosion. Staff is discussing best options for re-conditioning
4. Worked with the Jenny Lind/Rancho Calaveras Distribution System Senior Operator, Cal-Trans, and CHP to remediate water sheeting across Highway 26 at Silver Rapids Road New Year's Day as a result of a mainline leak (2" valve at HWY 26 and Silver Rapids Road)
5. Attended FEMA's Threat Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) Training with County OES Representatives
6. Worked to reallocate \$300K of Capital Outlay funds initially budgeted for the purchase of a hydro-excavator to address other district needs (regulatory compliance, leak repair, and equipment needs)
7. On-going work with County Public Works, District Geotechnical Consultant, and Paving Contractors to ensure the County receives adequate information regarding District patch paves without impeding the progress of the work effort.

Admin Assistant:

1. December Spray Reporting
2. Maintained Field Calendar – Including the 2019 On-Call Schedule
3. Daily Distribution of Line Locates (177 received from 01/01 – 01/31)
4. Collect, Organize, and Enter Department Purchase Orders (221 PO's entered from 01/07-01/31)
5. Operations Work Order Tracking
6. Track Weekly Safety Tailgate Meetings
7. Facilitate with Employee Reimbursements & Certificate Renewals
8. Training Travel Arrangements
9. Safety Supply Order
10. Miscellaneous Ordering for Field Staff
11. Operations Shipping/ Returns
12. Updated Authorized Buyers Lists
13. Obtained Quarterly Odometer Reads to Report to Finance

Plant Operations Manager:

1. Submitted LT2 Schedule 4 (required regulatory sampling) Monitoring reports for Sheep Ranch, West Point, and Copper Cove water systems
 2. Attended FEMA's Threat Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) Training with County OES Representatives
-

3. Participated in the Interview process and hiring of the District's newest wastewater Treatment Plant Operator
4. Met with UniFirst uniform company
5. Completed review of monthly Water System reports and submitted them to the State
6. Completed 31 WW reports – Monthlies, Quarterlies, Semi Annuals, Annuals
7. Completed water and wastewater plant O&M in West Point for 1 day (vacation coverage)
8. Continued work collecting quotes for the rehabilitation of the Hunters WTP Filters
9. Met with a Geotechnical Consultant (Condor) regarding the rehabilitation of drainage piping in the White Pines Dam

Water Treatment Plants:

Copper Cove Water Treatment Plant:

1. The water plant created a much higher work load this month from poor water quality.
2. Raw water quality from a very heavy rain event created very difficult treatment needing extra effort to maintain operations. This created quite a bit of overtime and plant operations supervision. The plant maintained excellent water quality effluent during this event. Raw water NTU's and organic demand made treatment very difficult.

Hunter's (Ebbett's Pass) Water Treatment Plant:

1. Annual switchover from the tunnel tap off McKay's Reservoir to the Old Hunter's Reservoir – worked with Mechanical and Electrical Staff to ensure proper operations of the old Hunter's Reservoir Pump Station. Experienced hi-pressure issues day 4 of the switchover – 1 raw pump was not shutting down as needed. Upon switch back to the tunnel tap off McKay's Reservoir (main source of supply) experienced hi raw water turbidity (25NTU) for 2 days. Considerable work associated with treating this turbid water.
2. With the help of Electrical staff, placed new 2,500-gallon chlorine tank and dosing pump into service providing operators with more automated control over finished water chlorine residuals.

Jenny Lind Water Treatment Plant:

1. Operations as usual
2. Second 12-hour shutdown on Jan 23rd, for the second of two 18" tie ins for the pre-treatment project. The last 2 hours of the shutdown, Operators bled the massive amount of air in the 18" water line and brought the water plant back online. Treatment Operators left at 7:00 pm.

Sheep Ranch Water Treatment Plant:

1. Operations as usual
2. Plant was off for one week during the month to allow very high raw water turbidity, created by a storm event, to pass.

Wallace Lake Estates Well System:

1. Operations as usual

West Point Water Treatment Plant:

1. Operations as usual
2. Battle hi influent turbidity for many days due to storms

Wastewater Treatment Plants:

Arnold Wastewater Treatment Plant:

1. Operations as usual
2. Snow removal
3. Primary instrument calibrations
4. Grounds maintenance – trimmed trees and completed brush removal

Copper Cove Wastewater Treatment Plant:

1. Very high I&I occurrence from rain event during the month.
2. Work performed installing spare aerator in Pond 4. Failed motor sent in for repair.
3. Routine operations as required by permit.
4. Road and culvert repairs to divert rainwater flows away from Pond 4 by construction crews.
5. Assisted Mechanical with the installation of the wet well pumps at the bottom of Pond 6 were with modified standoffs on the bottom of the pumps.

Copper Cove Wastewater Reclamation Plant:

1. The plant was offline during the month. Only routine maintenance and required sampling were performed.
2. Saddle Creek Golf Course has sold and we are awaiting new management staff at the golf course to work with on the NPDES permit. No Superintendent currently on staff.

Country House Wastewater Facility:

1. Operations as usual
2. Trimmed trees and completed brush removal

Forest Meadows Wastewater Treatment Plant:

1. Operations as usual
2. Daily, monthly, annual, and primary pollutant samples taken
3. Serviced UV system. Replaced lamps
4. Changed oil in air compressors
5. Secondary and primary calibrations of process control instruments

Indian Rock Vineyards Wastewater Facility:

1. Operations as Usual - Weekly inspection of facility. Switched leach fields, tested pumps, changed chart, pulled weeds, weekly reads for state compliance and insert data.
2. Quarterly effluent sampling.

La Contenta Wastewater Treatment Plant:

1. Operations as usual
2. Servicing the U.V. system lamps and UVI sensors were replaced this month as per state requirements and Maintenance requirements from Trojan.
3. The sludge rake for the Clarifier had its cable replaced.
4. Maintenance and work on sand filters in preparation for storms was also done.

Mountain Retreat / Sequoia Woods Wastewater Facility:

1. Operations as usual

Six Mile Wastewater Collection System:

1. Monthly reads taken and report submitted to the City of Angels Camp

Southworth Wastewater Treatment Plant:

1. Operations as usual

Vallecito / Douglas Flat Wastewater Treatment Plant:

1. Operations as usual

West Point Wastewater Treatment Plant:

1. Operations as usual

Wilseyville Wastewater Facility:

1. Operations as usual

Distribution:

Copperopolis Distribution System:

SERVICE LINE WORK

1. Foothill - 1 gpm
2. Foothill - 5 gpm
3. Poker flat - 10 gpm
4. Poker flat - 3 gpm
5. Sunrise - 7 gpm
6. Dolores - 1 gpm

MAIN LINE WORK

1. Snowbird - 5 gpm
2. Arrowhead - 30 gpm

Additional Work

1. Replaced 1" Pressure Reducing Valve on Arrowhead
2. Completed Snowbird Court Service Line Replacement Project

3. System Flushing
4. Customer Service Work Orders for various items including but not limited to: check meter function, re-read, replace meter, etc.
5. USA line locates

Ebbett's Pass Distribution System:

SERVICE LINE WORK

1. Dardanelle Vista – 10 gpm
2. Fern – 5 gpm
3. Norwach – 5 gpm

MAIN LINE WORK

1. Reach 1 off HWY 4 – 50 gpm

Additional Work

1. Customer Service Work Orders for various items including but not limited to: check meter function, re-read, replace meter, etc.
2. USA line locates
3. Rebuilt CRD (pressure relief pilot control valve) on PRV (Pressure Relief Valve) #97
4. Exercised Surge Relief valves on PRV's #97, #98, and #99

Jenny Lind Distribution System:

SERVICE LINE WORK

1. Baldwin – 5 different leaks – ranging from 2 and 10 gpm
2. Hartvickson - 2 different leaks – 5 gpm each
3. Davidson Ct – 5 gpm
4. Mitchell Ct – 5 gpm
5. Gabor – 20 gpm
6. Sparrowk – 10 gpm
7. Hautley – 5 gpm
8. Hanley – 3 gpm
9. Driver Rd / Driver Ct – 10 gpm
10. Garner – 5 gpm
11. Hironymous – 2 gpm
12. Kirby – 5 different leaks ranging from 2 and 10 gpm
13. McCall – 2 gpm
14. Dunn – 20 gpm
15. Cane – 10 gpm
16. Wong – 15 gpm

MAIN LINE WORK

1. Hwy 26 @ Silver Rapids – 2- inch valve - 20 gpm
2. Friedman at Pastorello – 2-inch valve – 10 gpm
3. Bergsma – 6-inch – 5 gpm
4. Demin – 2-inch - 5 gpm
5. Jenny Lind – 2-inch – 30 gpm

ADDITIONAL WORK

1. Coordinate patch paving with paving contractor and County
2. USA line locates
3. Installed Hi-Line Jumper service line to provide water to customer fed via failed 2-inch service line at HWY 26 and Silver Rapids
4. Pothole leak on Blake – continue to search to pinpoint leak
5. Coordinate Fire Flow tests by outside contractor

West Point Distribution System:

SERVICE LINE WORK

1. Barney – 5 gpm

MAIN LINE WORK

ADDITIONAL WORK

1. Removed 3 trees at Bear Creek Diversion
2. Weather protected Regulator Dam to prevent erosion

3. Customer Service / Meter Reader Work Orders – Door Tags / Lock-offs / Restores
4. USA line locates
5. Fueled and checked generators in prep for storm
6. Storm prep / storm cleanup

Collections:

1. Pumped and cleaned wet wells at lift stations 1,2, and 3 in Copperopolis.
2. Quarterly grease trap checks district wide
3. Continued checking and pumping septic tanks in Millwood's and Southworth.
4. Weekly lift station checks X4
5. USA line locates district wide
6. Continued work associated with the SSMP audit
7. No spill certifications through California Integrated Water Quality System (CIWQS) Reporting Portal
8. Started the work effort associated with access and maintenance of district wide Collection System easements
9. Call out - plugged septic tank, due to grease, on China Springs Rd. in West Point
10. Call out - septic tank alarm on Bullwhacker Rd. in Arnold
11. Smoke testing in Copperopolis
12. Call out - transducer failure at lift station 2 in Arnold
13. Call out - failed high level float at lift station 13 in Copperopolis
14. Responded to and remediated multiple problems at lift stations 8,14,17, and 19 in Copperopolis due to the storm events
15. Changed out a failing check valve on pump 2 in the dry can at lift station 18 - Copperopolis
16. Provided leak repair assistance to the La Contenta and Ebbetts Pass distribution crews
17. Video inspection of sewer lines and information gathering for engineering department regarding Jenny Lind school project

Construction:

1. Repaired road to the Arnold WWTP Storage Tank
2. Established erosion control on Snowbird Court in Copperopolis and assisted with the Snowbird Court service line replacement project
3. Assisted with the repair of a 2-inch valve at HWY 26 and Silver Rapids Road in La Contenta (12 ft. deep)
4. Hauled material to the Copper Cove W and WWTP Facilities in anticipation of repairing the failing roadways onsite
5. Assisted Copper and Jenny Lind Water system crews with service line leak repairs
6. Met with Electrical, Water Resources, and Wastewater Treatment Staff to discuss placement and construction of a treated effluent pump station at the Vallecito WWTP.
7. Worked with the Director of Operations to obtain additional equipment quotes for the purchase of a mini-excavator and skid-steer for the Copper Cove Service Area.

Electrical:

1. Overhauled the Old Hunters Dam pumps and motor control center in anticipation of the annual switch to our alternative source water supply from our tunnel tap off McKay's Reservoir (Primary Source) for NCPA's annual tunnel tap maintenance.
2. Lift Station 2 Arnold level transducer failed - replaced.
3. Arnold WWTP SCADA Alarm phone line failed - replaced.
4. Copper B Tank UPS failed - replaced.
5. Wallace WWTP Effluent/Recirculation valves installed and wired.
6. Wallace WWTP Effluent flow meter repair.
7. Lift Station 14 backup float system rewire - Copperopolis
8. Addressed Lift Station 14 drainage issues - Copperopolis
9. Lift Station 8 pump 2 failure. Reset and programmed soft start to auto reset phase loss failure.
10. Saddle creek main Lift Station VFD (Variable Frequency Drive) control voltage failed - repaired.

11. Inspected 602 Tank as a result of vandalism. Met with the Sherriff's Dept. RE: coordinating with a security camera system as their cell tower was vandalized near 602 Tank.
12. Replaced flagpole lights at main office
13. Sawmill tank pump 2 under voltage soft start failure-reset and set to auto reset.
14. Southworth septic tank rewire.
15. Repaired Indian rock west leach field flow meter
16. Wallace WWTP Assessment District - SCADA improvements design.
17. Big Trees Tanks 4&5 Repeater VPN (Virtual Private Network) restore.
18. Lift Station 19 portable generator installation.
19. Disconnected Copper WWTP pond 4 aerator for repair.
20. Jenny Lind WTP pretreatment construction project electrical underground inspection.
21. West Point main Lift Station alarm auto dialer reprogrammed.
22. Lakeside Lift Station UPS failure and replacement - Copperopolis
23. Hunters WTP CL2 dosing system rewire and system integration. PLC (Programmable Logic Controller) program and HMI (Human Machine Interface) graphics. PID (Proportional Integral Derivative) Loop tuning.
24. Jenny Lind Water System B Tank level display repair
25. Jenny Lind WTP SCM solenoid valve replacement
26. West Point WTP Blower 1 tripping repair
27. Vallecito WWTP belt press polymer blending unit power feed failure and replacement. LMI pump troubleshooting and repair
28. Vallecito WWTP Weather station repair
29. Vallecito WWTP Headworks screening unit control fuse replacement and restart
30. Jenny Lind Water System E Tank level transducer scaling repair

Mechanical:

1. Replaced mechanical seal on pump 5 at A Tank – Jenny Lind Water System
2. Installed new ASCO Solenoid valve on Filter 1 at the Hunters WTP
3. With Electrical, prepped the Old Hunters Pump Station (alternative supply) for use in anticipation of the tunnel tap (primary supply) being taken offline. Flushed all control valves, operated all pumps and appurtenances to verify operation.
4. Repaired leak on Cla-Val at the Avery Pump Station
5. Service Blowers, removed Blower Check Valve, rebuilt and re-installed at the Arnold WWTP
6. Repaired Leaking Cla-Val at the Sawmill Pump Station - Arnold
7. Replaced brake pads on truck 523. Replaced brake pads and front rotors on truck 522
8. Repaired Vault lid at the Forest Meadows WWTP – was not closing properly
9. Replaced Filter Screens on Filter #1 at the Copper Cove Water Treatment Plant
10. Multiple repairs on District vehicles – 132(repair crane harness), 621(troubleshoot and repaired coolant leak), 131(hard start condition)
11. Installed radio in vehicle 725
12. Repaired ruptured fuel line on backhoe – Copper Cove Maintenance Yard
13. Monthly Generator Checks and Test runs (73 total) as well as additional checks to prepare for January Storms. Replaced Generator batteries as needed
14. Ordered replacement van (as budgeted) for the Facilities Maintenance Technician Position
15. Replaced water pump, 8" scissor valve, and coolant hoses on Vacon Truck #123
16. Pulled aerator out of Pond 4 at the Copper Cove WWTP. Install backup aerator and removed old motor and sent in for repair
17. Changed vertical turbine motor oil at the Jenny Lind WTP on both influent and effluent pumps
18. Repaired filter backflow prevention device – Copper Cove WTP
19. Replaced seals on level control Cla-Val at the D Tank Pressure system – Jenny Lind Water System
20. Replaced broken float at the Copper Cove WTP Backwash Pond
21. Replaced failed pump at the base of Pond 6 – Copper Cove WWTP
22. Replaced transfer switch controller on standby generator – West Point WTP

Prepared by: Damon Wyckoff, Director of Operations

Agenda Item

DATE: February 13, 2019
TO: Jeffrey Meyer, Interim General Manager *JM*
FROM: Damon Wyckoff, Director of Operations
RE: Information/Discussion regarding the Rancho Calaveras/Jenny Lind
Weekend Leak Repair Work Plan

RECOMMENDED ACTION:

Information only.

SUMMARY:

The Rancho Calaveras and Jenny Lind communities have a failing water distribution system. The System was installed in the late 1960's and early 1970's and consists mainly of asbestos cement water mains bedded in native backfill material with polypropylene (tough tube) plastic service lines used to feed customer homes. These service lines, also bedded in native backfill, are connected to the main without corporation stop valves. The tough tube service lines are prone to leaking and, due to the fact that there is no corporation stop, isolation of the leaking line in order to make a repair is difficult.

As a result of these conditions repairs must oftentimes be made with the system "hot" (under pressure). Additionally, leaks that could be easily isolated and repaired at a more safe or convenient time (when additional staff is available to facilitate flagging for instance) must either be left to leak or must be repaired under potentially unsafe conditions (middle of the night with poor lighting, lack of flagging, lack of proper signage, etc.). Moreover, it has been recognized for some time that leaks are developing in this service area at an increasing rate.

The La Contenta distribution crew, which is responsible for the operation and maintenance of the distribution system in this area, has become a reactionary force that spends the majority of its time repairing between five and seven leaks a day. Even at this aggressive rate of leak repair, the system has anywhere from forty (40) to fifty (50) leaks in process at any given time. It is not uncommon for the crew to head back to the yard after a day of leak repair only to find that three or four new leaks have been reported. Furthermore, due to the fact that the crew is mostly focused on repairing leaks, additional work orders associated with other duties and responsibilities, such as meter replacements, relocates, re-reads, etc., have been delayed and/or the District must pull staff from other service areas and/or disciplines to complete work efforts in a timely manner. This course of

action, while bolstering work assistance in the Jenny Lind/ Rancho Calaveras area, also draws staff away from other work in different disciplines and/or service areas.

To address the heavy backlog of leak repairs, the Director of Operations, with concurrence of the Interim General Manager, has approved a weekend/after-hours work program to assist the La Contenta distribution crew in eradicating in-process service line leaks.

Work Plan:

- Make available up to six (6) weekend backlog repair positions for each Saturday to repair service line leaks in the Rancho Calaveras / Jenny Lind Distribution System.
- This work effort is on a voluntary basis.
- Spots will be filled on a first come, first served basis
- If less than 3 employees sign up for any one Saturday, the work effort will be called off for that Saturday. No less than 3 crew members can work any one Saturday.
- The La Contenta Distribution Supervisor or representative will designate the weekend work crew on the Friday before the work effort and provide a list of addresses nearest the leak to weekend crew member via email the Friday before the work effort.
- The objective will be to select the easiest and safest repairs from a list of acknowledged on-going service line leaks kept by the La Contenta distribution crew.
- The weekend repair crew will report to the La Contenta Maintenance Shop at 0700 and work an 8-hour day with associated breaks and lunch.
- The weekend repair crew will use the material and equipment stored at the La Contenta shop to complete the work.
- On the Monday following weekend work effort, a designated member of the weekend crew will provide the La Contenta Distribution Supervisor and the Director of Operations with a list of completed repairs and comments regarding anything of note.
- To facilitate work schedules, the work effort can be changed to Sunday upon coordination with the La Contenta Distribution Supervisor and Director of Operations.
- At such point and time as all main and service line leaks are repaired, the weekend crew, with prior approval of the Director of Operations, can re-direct its focus toward other objectives such as valve replacements, hydrant replacement, uni-directional flushing, etc., provided adequate funding is available.

Leak List: (as of Jan 29, 2019)

Harper	Mc Atee – 2 or 3?	Clements
Hoffman	Rippon	Connor
Bane 2"	Bartelink – 2 (leak/move meter)	Cox – 4
Hartvickson	Goggin – 3	Cane – 2
McNeil Court 2-2"	Gabor – 2	Blake
Pardini – 4	Siegel	Heinemann
3995 Hwy 26 – Main Line Valve	Freidman	Ormes Court
Jean Street	Pastorellos (main line valve 2")	Barde
Main Street	Dunn – 2	Huckleberry
Hanley – 2 or 3?	Yost	Meadowood
Westhill – 2	Harding – 2	Mitchell Court
Baldwin – 5	Thornicroft – 2	Davidson Court

Cost Analysis:

It is anticipated that a weekend crew can successfully repair an average of six (6) service line leaks per weekend. Based on this assumption the work effort will take nine (9) work weekends to return the system back to zero leaks outstanding. With the understanding that leaks continually surface in this area, the work effort will be reviewed after nine weekends or when the list of outstanding leaks is eliminated – whichever comes first.

It is estimated this work effort will cost approximately \$2,000 per day in overtime salary and benefit costs, or \$18,000 for the nine (9) day work effort.

Conclusion:

Addressing the failing water distribution systems in the Rancho Calaveras and Jenny Lind communities requires a multi-pronged approach. The weekend work effort, coupled with an aggressive work week approach to leak repair, and Capital Renovation and Replacement (Capital R&R) projects that address larger systemic leak areas (ones where just patching and repairing are ineffective) will work in concert to improve the Rancho / Jenny Lind distribution systems, address issues associated with water loss, reduce operational expense at the Jenny Lind water treatment plant, and perhaps most importantly, begin to restore public confidence in the water supply and distribution system.

FINANCIAL CONSIDERATIONS:

It is estimated that the Weekend Leak Repair Work Program will cost approximately \$18,000 in salary and benefit costs. These costs were identified in the FY 2018-19 Mid-Year Budget Report and were included in the repurposing of the Utilities' FY 2018-19 capital outlay budget.

Agenda Item

DATE: February 13, 2019
TO: Board of Directors
FROM: Jeffrey Meyer, Interim General Manager *JM*
SUBJECT: Review of District's Assessment of Telecommunication Tower Requests

RECOMMENDED ACTION:

Information only.

SUMMARY:

The District has approximately thirty water storage tanks at various locations throughout the county. These tanks are located on either District property, or on easements obtained by the District, such as the water storage tank in Big Trees State Park. Due to the location and elevation of these tanks and tank sites, these properties can be attractive to private telecommunication companies for locating their antennas and access points.

The District currently has a lease with Verizon Wireless for access to properties located in Dorrington, Big Tress Village, West Point, and in Forest Meadows. Additionally, the Sheriff's department has installed a tower at the Sawmill Tank site in Ebbetts Pass.

When assessing the feasibility of allowing private telecommunications companies access to our sites, staff has developed criteria that evaluates each site and develops the conditions that must be met prior to private use, including but not limited to:

- Use priorities – District, public safety, county, government agencies, private
- Land restrictions – District owned, state owned, leased properties, and easements
- Security, risk and accessibility
- Compatibility with current and future District operations

Staff will present an overview of the inventory of the District's water storage tank and tank sites, and the assessment process. Staff will be available to answer questions.

FINANCIAL CONSIDERATIONS:

None at this time.

Agenda Item

DATE: February 13, 2019

TO: Board of Directors

FROM: Jeffrey Meyer, Interim General Manager *JM*

SUBJECT: Discussion / Action Regarding Amending the FY 2018-19 CIP Budget for the Meadowmont Pump Station Improvement Project, CCWD CIP #11099

RECOMMENDED ACTION:

Motion _____/_____ adopting Resolution No. 2019 -____ amending the Fiscal Year 2018-19 CIP Budget for the Meadowmont Pump Station Improvement Project, CCWD CIP #11099.

SUMMARY:

The Meadowmont pump station was constructed in 1996. In early August 2018, one of three pumps at the Meadowmont pump station had a catastrophic failure of the pump discharge head resulting in flooding of the pump station building, damage to the pump and damage to an electrical motor. Fortunately, the flooding did not reach the electrical room and electrical motor controls. A subsequent review by staff and discussion with the pump manufacturer determined that upon startup the pumps are reaching a discharge pressure of 500-psig or greater and exceeding the 400-psig working pressure rating of the exiting cast iron pump discharge head.

The catastrophic damage to the pumps is due to metal fatigue and, unless a permanent fix is implemented, is likely to occur in the future with the two remaining pumps, which are approximately twenty-three (23) years old. Staff recommends a complete rebuild and rehabilitation of the three pumps at an estimated cost \$175,000. This estimate also includes pump removal, installation, labor and crane rentals. Since the project is iterative, it is anticipated that the project will be completed by December 31, 2019.

FINANCIAL CONSIDERATIONS:

Total expenditures for the Meadowmont Pump Station Improvements Project (CCWD CIP #11099) are estimated to be \$175,000. Funding will be provided by the Water Capital Renovation and Replacement Fund (Fund 125). The amended FY 2018-19 CIP Budget of \$13,108,206 will be increased by \$175,000.

Attachment: *Resolution 2019 -__ Amending the FY 2018-19 CIP Budget for the Meadowmont Pump Station Improvements Project, CCWD CIP #11099*

Calaveras County Water District
 Fiscal Year 2018-19
 Budget Adjustment - Number 19-04

From			To		
Department	Account	Amount	Department	Account	Amount
1 Water Capital R&R Fund (Fund 125)	Reserves	(175,000)	Water Capital R&R Fund (Fund 125)	Meadowmont Pump Station Improvement Project (CIP#11099)	175,000
		(175,000)			175,000

Descriptions (for additional information please see staff report)

- 1 Increase appropriations by \$175,000 in the Water Capital Renovation and Replacement (Capital R&R) Fund (Fund 125) to fund the Meadowmont Pump Station Improvement Project (CIP#11099). The funding source is the Water Capital R&R Fund Reserves (Fund 125).

RESOLUTION NO. 2019-

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

**AMENDING THE FY 2018-19 CAPITAL IMPROVEMENT PROGRAM BUDGET
FOR THE MEADOWMONT PUPM STATION IMPROVEMENT PROJECT,
CCWD CIP #11099**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2018-27 on June 27, 2018 approving the Fiscal Year 2018-19 Capital Improvement Program (CIP) Budget in the amount of \$12,277,206; and

WHEREAS, the Board of Directors approved Resolution 2018-52 on September 19, 2018 that increased the FY CIP Budget by \$831,000 to \$13,108,206 for the Jenny Lind Water Treatment Plant Pre-Treatment Facility Project (CIP#11092); and

WHEREAS, the District has determined that the Meadowmont Pump Station Improvement Project (CCWD CIP #11099) will improve equipment and water reliability in the Arnold area and needs to be added to the FY 2018-19 CIP budget; and

WHEREAS, the Meadowmont Pump Station Improvement Project, including pump removal, rehabilitation, installation and related expenses is estimated at \$175,000; and

WHEREAS, funding is available in the Water Capital Renovation and Replacement Fund (Fund 125) to fund the project; and

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby find that it is in the best interest of the Calaveras County Water District to amend the adopted FY 2018-19 CIP Budget accordingly.

NOW, THEREFORE BE IT RESOLVED, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopts an amendment to the Fiscal Year 2018-19 Operating Budget as set forth in Budget Adjustment 19-04, attached hereto and made a part hereof, and authorizes the Interim General Manager to record the appropriate accounting entries.

PASSED AND ADOPTED this 13th day of February, 2019 by the following vote:

/

/

/

AYES:
NOES:
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Russ Thomas
President, Board of Directors

ATTEST:

Rebecca Hitchcock, Clerk to the Board

Agenda Item

DATE: February 13, 2019
TO: Jeffrey Meyer, Interim General Manager *JM*
FROM: Joel Metzger, Manager of External Affairs, Conservation & Grants
SUBJECT: Update on the Implementation and Efficiencies of Paymentus

RECOMMENDED ACTION:

Information only. Staff will present an overview of the Paymentus implementation process, outline the efficiencies offered the payment system, and will be available to answer questions.

SUMMARY:

In response to numerous customer requests that the District offer additional payment options, staff conducted extensive research in 2015 to see which payment processing company was best able to meet the needs of the District and its customers. Staff assessed the benefits and costs of multiple providers, including the District's then current payment processing company, Merchant Transact (owned by Springbrook). After a comprehensive review staff identified Paymentus as the vendor offering the most options at the least cost, including:

- Automatic payments using a credit, debit or bank account
- Interactive voice response (IVR) automated phone payment system that takes payments 24/7
- The ability for customers to register online and easily manage their accounts
- Payment information that can be saved online for convenient payments
- A one-time payment feature to process payments quickly
- Electronic bills that can be viewed online and can be sent via email
- Allows use of Discover cards
- Payment website designed to function seamlessly on mobile devices
- Outbound customer communication via email, text and phone

On March 11, 2015 the Board of Directors authorized the General Manager to execute a three-year \$150,000 contract with Paymentus to provide payment processing services. As per Paymentus, its system was to be fully implemented within 90 days of contract approval. However, implementation issues were soon discovered and the system was not launched until June 20, 2016.

Customer adoption

An extensive customer outreach campaign designed to promote Paymentus led to rapid customer adoption of the new service. By January 2017, 3,481, or twenty seven percent (27%) of the District's 13,000 customers had signed up for Paymentus. Additionally, 1,887 customers, or fifty-four percent (54%) of those 3,481 customers signed up for automatic payments. Fifteen percent (15%) of the District's total customers are now enrolled in some form of automatic payment program.

As of January 2019, nearly 6,000 customers had created accounts using Paymentus – or approximately forty-six percent (46%) of the District's total customers. Of those 6,000 customers, about 3,000, or fifty percent (50%) have signed up for automatic payments.

Customer feedback

The transition to Paymentus required significant interaction between Customer Service staff and our customers. Initially there was a high customer call volume. However, once customers successfully signed up for a Paymentus account, the call volume dropped significantly as the majority of the customers utilizing the Paymentus system have not had to contact the District, which staff views as a good thing. The feedback we have received is that most customers are happy with the service and use it regularly.

Nevertheless, especially in light of the demographics and lack of familiarity with technology in Calaveras County, some customers become frustrated and call Customer Service to ask for assistance navigating the Paymentus system. Some customers have experienced difficulty when updating their Paymentus account information, and this generally leads to lengthy calls to Customer Service for assistance. Additionally, due to technical issues, some customers have not been able to successfully make payments using the IVR, which can be frustrating and lead to a call to Customer Service.

Staff benefits

Paymentus has helped the Customer Service staff be more efficient by eliminating the processing of forms for auto credit card payments and auto bank account withdrawals. Customers are now responsible for setting up AutoPay and updating payment options using their online accounts.

The interactive voice response (IVR) automated phone system is available to customers 24/7, which has significantly reduced the number of calls coming into the Customer Service Department. Even during business hours, customers who simply want to make a payment can do so using the automated system rather than needing to speak to a customer service representative (CSR). The IVR diverts a significant number of customer payment calls away from CSRs every day.

The Paymentus Agent Dashboard allows Customer Service staff to process payments from customers over the phone or the counter, and save payment interactions in a searchable format. Additionally, staff can suspend certain customers from making payments, which allows the website to stay online, even during lock-off days, which was not possible using the Merchant Transact system. Customers' phone numbers and email addresses are stored in the system.

Staff challenges

The biggest challenge staff faces is that Paymentus does not provide real-time payment processing – instead payments post to customers' accounts within 24-72 hours. This leads to a variety of manual processes that take staff time and increase the potential for errors, which can negatively affect the customers. These challenges not only impact Customer Service, but also IT and Finance. Paymentus Customer Service staff do not always resolve issues and complaint resolution is not always timely. Furthermore, the Paymentus Agent Dashboard is not always user-friendly. In order to obtain up-to-date customer account information, CSRs must check both Paymentus and Springbrook.

FINANCIAL CONSIDERATIONS:

The following is a comparison summary of the number of transactions, total sales, total fees paid, and cost per transaction processed under Merchant Transact (FY 2015-16) and Paymentus (FY 2017-18):

	FY 2015-16					FY 2017-18				
	Number of Trans	Total Sales	Fee	Fee as % of Sales	Cost per Trans	Number of Trans	Total Sales	Fee	Fee as % of Sales	Cost per Trans
Merchant Transact	16,259	3,114,101	34,153	1.10%	2.10	■	■	■	■	■
Paymentus	■	■	■	■	■	■	■	■	■	■
Paymentus - E Check	■	■	■	■	■	■	■	■	■	■
Customer Service	1,184	298,460	8,506	2.85%	7.18	93	72,118	3,844	5.33%	41.33
ACH	2,086	378,074	12,753	3.37%	6.11	■	■	■	■	■
Paymentus - NSF	■	■	■	■	■	72	(15,497)	650	-4.19%	9.03
Total	19,529	3,790,635	55,413	1.46%	2.84	37,197	6,766,109	71,104	1.05%	1.91

As indicated above, the total number of transactions processed by Paymentus and Customer Service in FY 2017-18 are nearly double that of FY 2015-16. The transactions listed under the categories "Merchant Transact" (16,259) and "Paymentus" (29,577) include both online customer payments and payments initiated by Customer Service staff. The transactions listed under "Customer Service" are over-the-counter payments processed by Customer Service staff, which decreased significantly in FY 2017-18.

The table also shows total sales increased by almost \$3 million, or seventy-eight percent (78%), while the cost per transaction decreased from \$2.84 to \$1.91, (-33%). While Paymentus has created savings on a per transaction basis, the fact that more

transactions are being processed through Paymentus has led to a twenty-eight percent (28%) increase in total payment process fees paid (\$71,104) in FY 2017-18.

Agenda Item

DATE: February 13, 2019

TO: Board of Directors

FROM: Jeffrey Meyer, Interim General Manager *JM*

SUBJECT: General Manager Report

Customer Service:

The Customer Service department has processed and approved 200 water Customer Assistance Program (CAP) applications, the maximum number of credits available. They have also processed and approved 122 sewer CAP applications. Seventy-eight (78) sewer credits are still available.

Engineering:

Ebbetts Pass Reach 1 Water Line Replacement Project – Bid opening is set for February 26th and construction is scheduled to start in the spring.

Ebbetts Pass Techite Water Line Replacement Project – The consultant submitted 100% plans to Engineering on February 6th. Construction to start this summer.

Jenny Lind Water Plant Pretreatment Project – Construction is 70% complete. Remaining work includes a significant amount of above-ground mechanical equipment and piping installation, replacement of main PG&E electrical service, and electrical distribution panels. Work is being delayed by winter storms. The scheduled project completion date is May 14, 2019. However, staff has requested Cal-OES approve a time extension until September 31, 2019 in order to complete construction. Additionally, FEMA approved a significant budget increase of over \$500,000 in additional grant funds.

Vallecito Recycled Water Distribution Project – Partially funded by a grant obtained through the T-STAN. Ordered a prepackaged pump station on February 6th. The District's construction crew will install the pump station.

Finance:

Finance is updating the District's Investment Policy. The first draft was reviewed by the Finance Committee on January 15th, with a second review scheduled for the next Finance Committee meeting on February 19th. Finance is also working on a new policy that outlines procedures to address how to pay bills for assessment districts that do not

have a sufficient balance in its deposit account. This new policy will also be reviewed by the Finance Committee on February 19th.

Operations:

Storm related issues over the weekend of February 2nd/3rd – Operations weathered the storm fairly well. However, a lightning strike on Saturday in Copperopolis damaged two PG&E electrical transformers, knocking out power to a portion of the Copper Cove Subdivision and damaging our generator controller at the B-Tank Pump Station (replacement of generator controller will cost about \$9,000). Standby mechanical and electrical staff were able to confirm the B Tank Pump Station pumps were not damaged. Staff was able to manually transfer power for the pump station to the generator. The generator ran the pump station for the duration of the weekend.

The trailer mounted generator at Lift Station 19 in Copper was also energized during the power fail as the lift station went into high level. Staff also noted a high level of inflow and infiltration (I&I) due to a broken electrical conduit under the slab, which is capturing a large amount of groundwater runoff and depositing right into the wet well. The broken conduit will need to be repaired soon, and will involve jackhammering out the slab