



**DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors**

NOTICE OF SPECIAL MEETING

TIME: 5:30 p.m.
PLACE: Special Meeting Place
7051 Dublin Boulevard, Dublin, CA

DATE: Tuesday, March 3, 2015

AGENDA

(NEXT RESOLUTION NO. 9-15)

(NEXT ORDINANCE NO. 336)

Our mission is to provide reliable water and wastewater services to the communities we serve in a safe, efficient and environmentally responsible manner.

BUSINESS:

REFERENCE

- 1. CALL TO ORDER
- 2. PLEDGE TO THE FLAG
- 3. ROLL CALL – Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
- 4. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

<u>Recommended Action</u>	<u>Anticipated Time</u>
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At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speakers’ cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

- 5. BOARD BUSINESS
 - A. CEQA Notice of Exemption for Agreement between EBMUD and DSRSD for 2015 Wheeling of Transfer Water

Operations Manager	Approve by Resolution	5 min
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 - B. Water Purchase Agreement between DSRSD and Yuba County Water Agency (YCWA) for 2015 Transfer Water

Operations Manager	Approve by Resolution	5 min
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 - C. Warren Act Contract between DSRSD and the US Bureau of Reclamation to Facilitate 2015 Transfer Water

Operations Manager	Approve by Resolution	5 min
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 - D. Wheeling Agreement between DSRSD and EBMUD for 2015 Transfer Water

Operations Manager	Approve by Resolution	5 min
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BUSINESS:

REFERENCE

			<u>Recommended Action</u>	<u>Anticipated Time</u>
E.	Consider Financial Impact of Potential Water Transfer from Yuba County Water Agency	Administrative Services Manager	Receive Presentation & Approve by Resolution	5 min
6.	<u>CLOSED SESSION</u>			
A.	Conference with Real Property Negotiator-Pursuant to Government Code Section 54956.8 Property: Potential Water Supply Contract Agency Negotiators: Bert Michalczyk, General Manager Dan Gallagher, Operations Manager John Archer, Administrative Services Manager Carl P.A. Nelson, General Counsel Robert B. Maddow, Assistant General Counsel Negotiating Parties: East Bay Municipal Utility District and Yuba County Water Agency Under Negotiation: Price and Terms			20 min
7.	<u>REPORT FROM CLOSED SESSION</u>			
8.	<u>ADJOURNMENT</u>			

BOARD CALENDAR*

<u>Committee & Board Meetings</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
Financial Affairs	March 17, 2015	4:30 p.m.	District Office
Regular Board Meeting	March 17, 2015	6:00 p.m.	District Office

*Note: Agendas for regular meetings of District Committees are posted not less than 72 hours prior to each Committee meeting at the District Administrative Offices, 7051 Dublin Boulevard, Dublin, California

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.



Reference Operations Manager	Type of Action Authorize CEQA Action	Board Meeting of March 3, 2015
Subject CEQA Notice of Exemption for Agreement between EBMUD and DSRSD for 2015 Wheeling of Transfer Water		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	D. Gallagher
		<input type="checkbox"/> Board Member

Recommendation:

The Operations Manager recommends that the Board approve, by resolution, authorizing staff to file a Notice of Exemption related to the California Environmental Quality Act (CEQA) for the proposed Agreement between East Bay Municipal Utility District (EBMUD) and Dublin San Ramon Services District (DSRSD) for the Wheeling of Transfer Water during 2015.

Summary:

The California Environmental Quality Act (CEQA) is a statute that requires state and local agencies to identify the significant environmental impacts of their actions, and to avoid or mitigate those impacts, if feasible. The proposed wheeling of transfer water from YCWA to DSRSD utilizing EBMUD’s Freeport intake, conveyance, storage, and treatment facilities constitutes an action with potential environmental impacts. However, the DSRSD Board of Directors declared a state of Community Drought Emergency on February 18, 2014, in response to similar emergency drought declarations issued by the State of California and the Zone 7 Water Agency. The District’s Community Drought Emergency has been reaffirmed monthly and extended by Board action until at least June 30, 2015.

The Zone 7 Water Agency has provided preliminary notification that their water supply will not be able to meet customer demands again in 2015, and Zone 7 recommends that the Retailers continue to require 25% conservation. Staff recommends that supplemental water is necessary to help mitigate the ongoing Community Drought Emergency. CEQA provides a statutory exemption for actions taken in direct response to declared emergencies. The attached Notice of Exemption fulfills the District’s statutory obligation related to CEQA for the proposed Wheeling Agreement.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR Dan Gallagher	DEPARTMENT Operations	REVIEWED BY BLM
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost None	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Notice of Exemption & Attachment A 2. DSRSD Service Area Map 3.				

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AND FILE A NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE WHEELING OF UP TO 1,500 ACRE-FEET OF YUBA ACCORD TRANSFER WATER TO THE DISTRICT'S SERVICE AREA DURING 2015

WHEREAS, on January 17, 2014, California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014, the Zone 7 Water Agency ("Zone 7") issued a Proclamation of a Local Drought Emergency and authorized their General Manager to "establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions;" and

WHEREAS, on February 18, 2014 the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%); and

WHEREAS, on April 16, 2014, Zone 7 notified its retailers, including the District that it would only be able to meet 75% of potable water needs and directed the retailers to take steps to achieve a 25% total reduction in water use for 2014, including adopting mandatory conservation measures to achieve these reductions, and notified the retailers that they could seek alternative supplies and added "Zone 7 strongly urges you to do so"; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water; and

WHEREAS, on May 5, 2014, the District implemented Stage 3 drought rates and adopted urgency ordinances establishing mandatory limitations on water use and an enforcement program to ensure the achievement of a twenty five percent (25%) reduction in overall water use; and

WHEREAS, the State of California has and continues to experience record drought conditions; and

Res. No. _____

WHEREAS, during January 2015 no precipitation occurred and the month has now become the driest January on record in California history; and

WHEREAS, meteorological and hydrological conditions remain poor, and despite storm events that occurred during December and February, 2015 remains a critically dry year as classified by the State of California; and

WHEREAS, on February 11, 2015, Zone 7 notified its retailers that they would be unable to deliver the full amount of water requested and directed the retailers to continue implementing conservation strategies similar to 2014; and

WHEREAS, the Yuba County Water Agency (“YCWA”) has developed, and received all necessary governmental permits and approvals for, and completed full environmental review and documentation for the Yuba Accord and the Water Purchase Agreement, as amended, for Accord Transfer Water, and pursuant to the Accord YCWA has delivered over one million acre-feet of transfer water since pilot testing began in 2006 and full implementation occurred in 2008, and YCWA has determined that it has water available for transfer in the spring of 2015, including water that can be transferred to the District; and

WHEREAS, the East Bay Municipal Utility District (“EBMUD”) has developed, received all necessary governmental permits and approvals for, and completed full environmental review and documentation for the Freeport Regional Water Project, which includes existing facilities that allow it to make authorized diversions of Yuba Accord transfer water, and convey that water via existing EBMUD facilities to existing interties between the EBMUD and District water systems at points where the service area boundaries of the two districts are adjoining; and

WHEREAS, the District’s acquisition of 2015 Yuba Accord transfer water, and the wheeling of that water to the District’s service area, are actions necessary to mitigate the Community Drought Emergency in the District’s service area, and all of said actions will occur using existing facilities.

Res. No. _____

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that:

1. The Community Drought Emergency has existed since February 18, 2014, and continues to prevail in the area served by Zone 7 such that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies normally available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection.
2. The General Manager is hereby authorized and directed to execute a Notice of Exemption from the requirements of the California Environmental Quality Act, in a form approved by the District Counsel, for the wheeling of up to 1,500 acre-feet of Yuba Accord Transfer Water to the District's service area during 2015, and the District Secretary is hereby authorized and directed to file said Notice with the County Clerks of Alameda and Contra Costa Counties.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its special meeting held on the 3rd day of March 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

Edward R. Duarte, President

ATTEST: _____
Nancy G. Hatfield, District Secretary



NOTICE OF EXEMPTION

PROJECT INFORMATION

INITIATING UNIT: OPERATIONS

1. **TITLE:** Wheeling of 2015 Yuba Accord Transfer Water to DSRSD via EBMUD facilities
2. **LOCATION** (City, County, and specific location): Alameda, Contra Costa Counties
3. **DESCRIPTION:** Water needed to supplement DSRSD's available water supplies during continuing Community Drought Emergency will be wheeled to its service area via existing facilities of East Bay Municipal Utility District (EBMUD); DSRSD has reached agreement with Yuba County Water Agency (YCWA) to acquire up to 1,500 acre-feet of Yuba Accord transfer water for this purpose. See Attachment A for additional detail.

EXEMPTION FINDING (Check one)

This project is exempt from CEQA because:

1. Activity is not a Project.
2. Activity is Ministerial (Sec.21080(b)(1); Guideline 15268).
3. Activity is a Declared Emergency (Sec.21080(b)(3); Guideline 15269(a)).
4. Activity is an Emergency Project (Sec.21080(b)(4); Guideline 15269(b)(c)).
5. Activity is Categorically Exempt Under Guideline 14CCR15301 and 15061(b)(3).
6. Activity is Statutorily Exempt Under Guideline Pub. Res. Code Sec. 21080(b)(4).
7. Reasons why project is exempt: 2015 YCWA Accord transfer water is available due to fully documented, permitted and approved Yuba Accord, Water Purchase Agreement, as amended, and existing facilities owned and operated by YCWA. Water will flow into Sacramento River for diversion via EBMUD's fully documented, permitted, and approved Freeport facilities, and be conveyed to DSRSD service area via existing interties between EBMUD and DSRSD systems. Project will solely use existing facilities to transfer water needed to respond to and mitigate consequences of Community Drought Emergency declared and extended by DSRSD's Board of Directors in 2014, and has no potential to cause significant environmental impacts.

APPROVAL

March 3, 2015	Dan Gallagher	
DATE PREPARED	RECOMMENDED BY	
Dan Gallagher	Operations Manager	(925) 875-2345
CONTACT PERSON	TITLE	PHONE

NOTICE OF EXEMPTION APPROVED FOR FILING WITH THE COUNTY CLERK

DATE	GENERAL MANAGER
DATED FORWARDED TO COUNTY CLERK	DISTRICT SECRETARY

Attachment A

2015 Wheeling of Yuba Accord Transfer Water to Dublin San Ramon Services District

Project Description

Dublin San Ramon Services District (DSRSD) would acquire, and EBMUD would wheel, up to 1,500 acre-feet of water through existing infrastructure to facilitate a transfer of water from Yuba County Water Agency (YCWA) to DSRSD. YCWA would make the water available for DSRSD as part of its implementation of the Lower Yuba River Accord (Yuba Accord), which was subject to CEQA analysis in YCWA's 2007 Yuba Accord EIR, and subsequent addenda thereto. With respect to the transfer, DSRSD's sole actions are approval of and operation under a transfer agreement with YCWA and a wheeling agreement with EBMUD. On March 3, 2015 DSRSD's Board of Directors are expected to consider and approve both the transfer and the wheeling agreement.

The transfer would begin in mid-April 2015. YCWA would make transfer water available from supplies that cannot be delivered to existing Yuba Accord buyers located south of the Delta due to constraints on cross-Delta water transfers. The transfer water would be diverted by EBMUD at the existing Freeport Regional Water Project (Freeport Project) intake on the Sacramento River, a fully authorized point of diversion of Yuba Accord transfer water, at a maximum rate of 140 cubic feet per second (cfs) over a period of approximately 5 days. The transfer water would be conveyed through existing Freeport Project facilities, the United States Bureau of Reclamation's (Reclamation's) existing Folsom South Canal (FSC), and EBMUD's existing raw water system to EBMUD's service area. The transfer water would then be temporarily stored in EBMUD's existing local reservoirs before being treated to meet drinking water standards and delivered to DSRSD during the period June through September 2015 via existing, small diameter interties connecting EBMUD and DSRSD's water distribution systems. (See Figures 1 and 2) Pursuant to applicable provisions of the Yuba Accord, the transfer water will be delivered for use within the Dougherty Valley portion of DSRSD's service area to help meet DSRSD's need for supplemental water in 2015 and help to mitigate the ongoing Community Drought Emergency.

Purpose

DSRSD is a public agency located in Alameda and Contra Costa counties that serves potable water to an estimated 80,000 residents. DSRSD normally purchases potable water required for use within its service area through a contract with Zone 7 Water Agency (Zone 7), a State Water Project (SWP) contractor. Due to severe cutbacks in SWP deliveries in 2014, DSRSD's Board of Directors declared and subsequently extended a Community Drought Emergency in February 2014, and has imposed mandatory water use restrictions and prohibitions with a goal of achieving a 25% overall water use reduction. DSRSD is seeking supplemental water in anticipation of another dry year in which DSRSD's existing water supplies would be severely limited.

Schedule

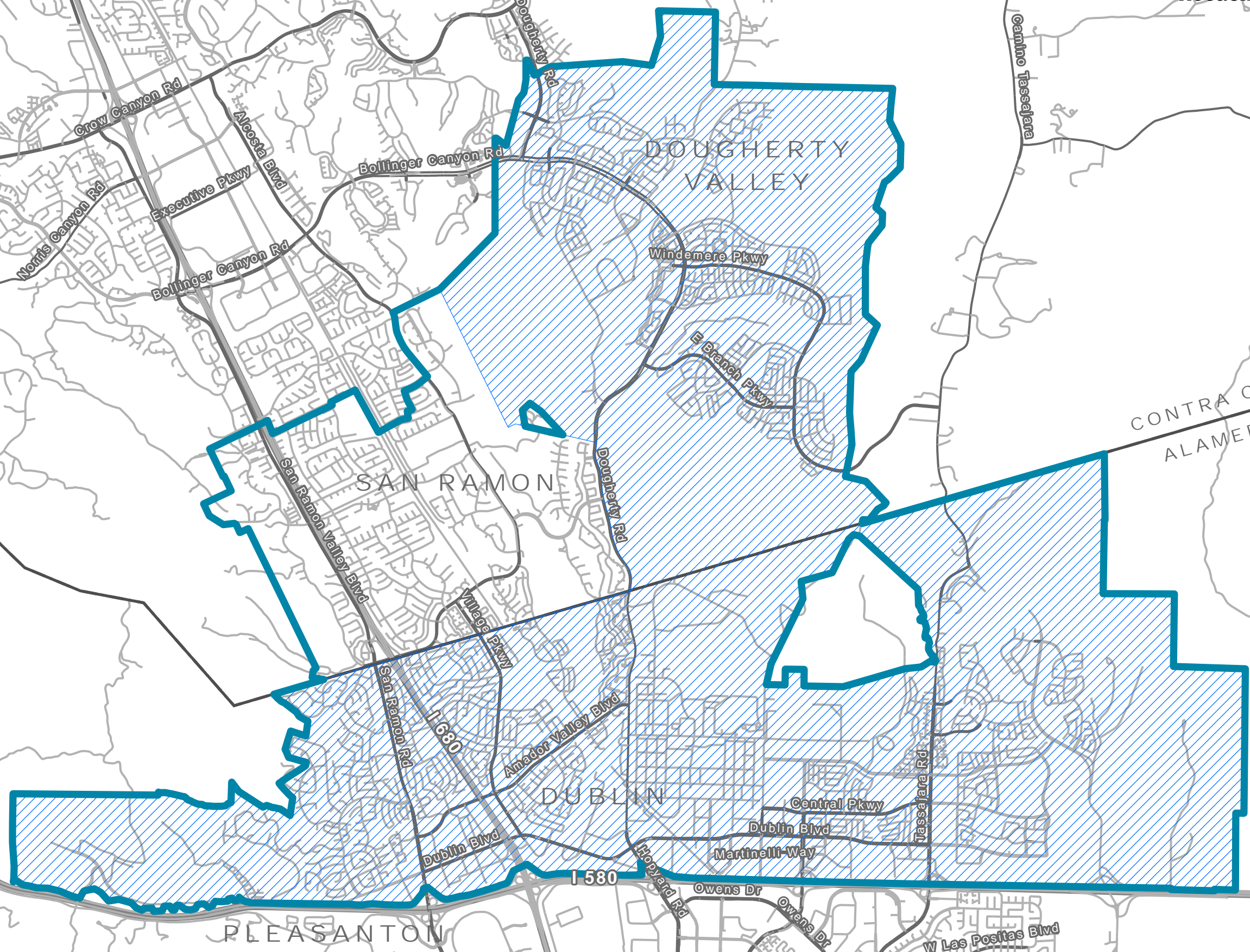
The transfer is scheduled to begin in mid-April 2015 and wheeling of the transfer water to DSRSD by EBMUD is expected to be completed by the end of September 2015.

Approvals/Permits

In addition to existing approvals that are already in place, the following permits or approvals are required: Reclamation approval of Warren Act contract with DSRSD for conveyance of transfer through FSC; Division of Drinking Water approval for an alternative source of water to be wheeled through the Freeport Project and EBMUD facilities and used within DSRSD's service area.

Public Impacts

No construction activities will be required, and no public impacts are anticipated. Water users within DSRSD's service area will benefit from the increased water supply provided by the Project.



DUBLIN SAN RAMON SERVICES DISTRICT
POTABLE WATER SERVICE AREA

11/5/2014





Reference Operations Manager	Type of Action Provide Authorization	Board Meeting of March 3, 2015
Subject Water Purchase Agreement between DSRSD and Yuba County Water Agency (YCWA) for 2015 Transfer Water		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	D. Gallagher
		<input type="checkbox"/> Board Member

Recommendation:

The Operations Manager recommends that the Board approve by Resolution, authorizing the General Manager to execute an agreement with the Yuba County Water Agency (YCWA) for the purchase of up to 1,500 acre-feet of transfer water. The purchased water would be released into the Sacramento River at the Marysville Gage for diversion at EBMUD's Freeport Facilities.

Summary:

The District's Board of Directors declared a state of Community Drought Emergency on February 18, 2014, in response to similar emergency drought declarations issued by the State of California and the Zone 7 Water Agency. The District's Community Drought Emergency has been reaffirmed monthly and extended by Board action until at least June 30, 2015.

On April 16, 2014, Zone 7 Water Agency notified DSRSD and its other retailers that they would be able to meet only 75% of potable water needs and outlined an action plan to reduce demands by 25%. In the April 2014 notification, Zone 7 reported that the retailers were permitted to seek alternative supplies such as those available to you through emergency interties and "Zone 7 strongly urges you to do so". On February 11, 2015, Zone 7 provided DSRSD with preliminary notification that their water supply will not be able to meet customer demands again in 2015, and Zone 7 recommended that the Retailers continue to require 25% conservation. Staff recommends that supplemental water is necessary to help mitigate the ongoing Community Drought Emergency.

Staff met with representatives of the Yuba County Water Agency (YCWA) and negotiated a proposed Temporary Transfer Agreement for the purchase of 1,500 acre-feet of water, at a cost of \$500 per acre-foot. The proposed Temporary Transfer Agreement would also require DSRSD to reimburse YCWA \$20,000 for costs in developing and obtaining approval of the Water Transfer and related administrative matters. Therefore, the total cost of the proposed Temporary Transfer Agreement would be \$770,000.

If the Temporary Transfer Agreement is approved, it is anticipated that YCWA would release the water into the Sacramento River in late April or early May of 2015. Under a separate agreement the transfer water would be diverted by EBMUD at their Freeport Facilities and conveyed to the Bay Area for treatment and delivery to DSRSD during the period June 1 through September 30. Deliveries would be accepted at two of DSRSD's existing emergency interties with EBMUD.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE	RECOMMENDATION ---	Yes	ORIGINATOR D. Gallagher	DEPARTMENT Operations	REVIEWED BY BLM
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$770,000	<input type="checkbox"/> Funding Source A. Water Enterprise (Fund 600) B.		Attachments to S&R 1. Temporary Water Transfer Agreement 2. Zone 7 Retailer Letter April 16, 2014 3. Zone 7 Retailer letter February 11, 2015 4. DSRSD Service Area Map 5. Water Transfer 2015 Estimated Cost			
H:\Board\2015\03-03-15\Water Transfer Purchase Agreement YCWA\SR - Water Purchase Agreement YCWA.docx						10 of 115

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH THE YUBA COUNTY WATER AGENCY (YCWA) FOR THE PURCHASE OF UP TO 1,500 ACRE-FEET OF TRANSFER WATER DURING 2015

WHEREAS, on January 17, 2014, California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014, the Zone 7 Water Agency issued a Proclamation of a Local Drought Emergency and authorized their General Manager to “establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions;” and

WHEREAS, on February 18, 2014, the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%); and

WHEREAS, on April 16, 2014, the Zone 7 Water Agency notified its retailers that it would only be able to meet 75% of potable water needs and directed the retailers to take steps to achieve a 25% total reduction in water use for 2014, including adopting mandatory conservation measures to achieve these reductions, and notified the retailers that they could seek alternative supplies and added “Zone 7 strongly urges you to do so”; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water; and

WHEREAS, on May 5, 2014, the District implemented Stage 3 drought rates and adopted urgency ordinances establishing mandatory limitations on water use and an enforcement program to ensure the achievement of a twenty five percent (25%) reduction in overall water use; and

WHEREAS, the State of California has and continues to experience record drought conditions; and

Res. No. _____

WHEREAS, during January 2015 no precipitation occurred and the month has now become the driest January on record in California history; and

WHEREAS, meteorological and hydrological conditions remain poor, and despite storm events that occurred during December and February, 2015 remains a critically dry year as classified by the State of California; and

WHEREAS, on February 11, 2015, the Zone 7 Water Agency notified its retailers that they would be unable to deliver the full amount of water requested and directed the retailers to continue implementing conservation strategies similar to 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that:

1. The Community Drought Emergency has existed since February 18, 2014, and continues to prevail in the area served by Zone 7 such that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies normally available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection.
2. To help mitigate the ongoing water shortage the General Manager is authorized to execute an agreement with the Yuba County Water Agency (YCWA) for the purchase of up to 1,500 acre-feet of transfer water at a cost of \$500 per acre-foot as a supplemental supply of water for use by the District's customers during 2015.

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its special meeting held on the 3rd day of March 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

Edward R. Duarte, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

**Potential 2015 Yuba Accord Transfer and Wheeling to
Dublin San Ramon Services District****PROJECT DESCRIPTION – FEBRUARY 25, 2015**

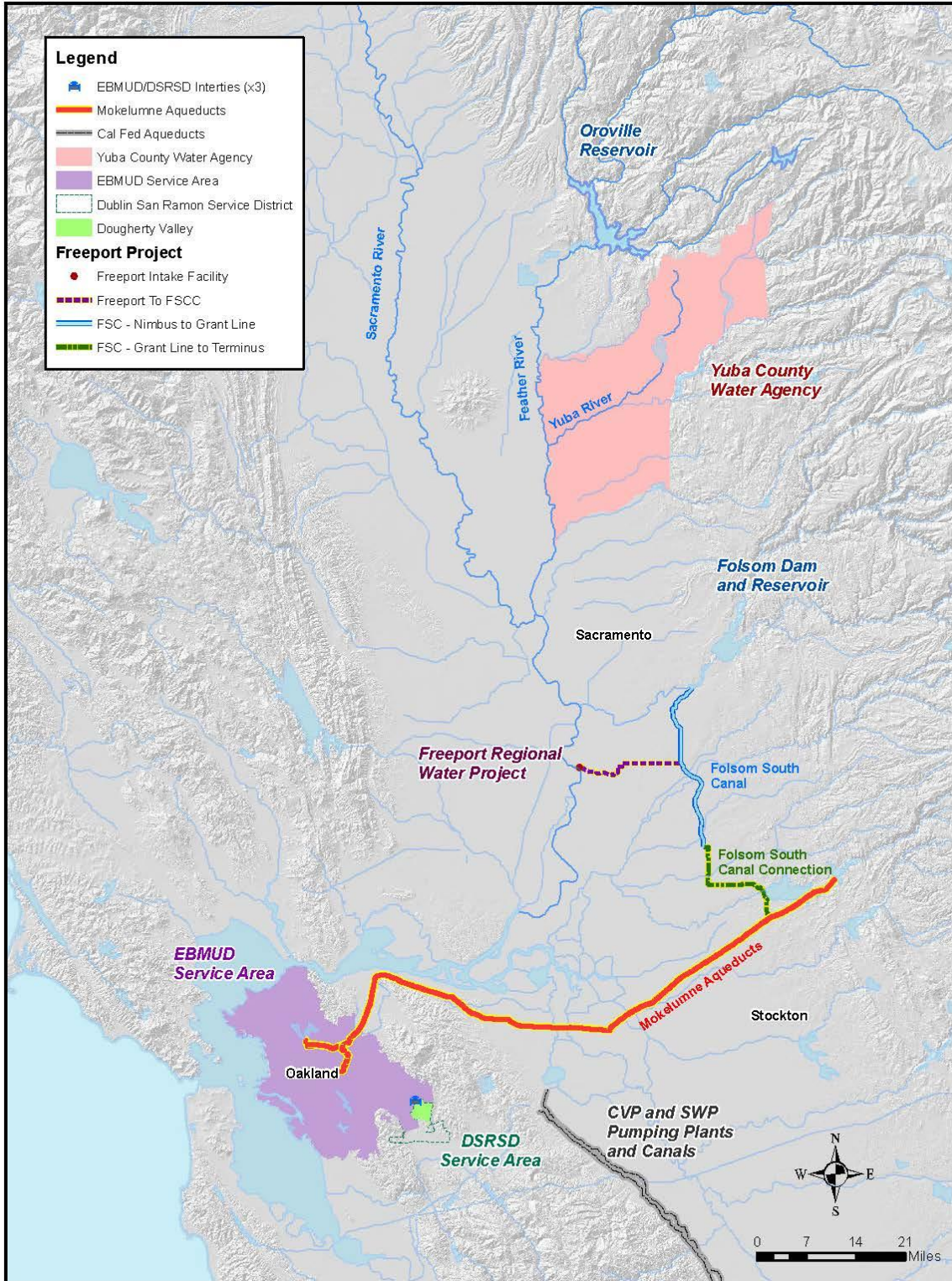
SUMMARY

Dublin San Ramon Services District (DSRSD) is proposing to purchase up to 1500 acre-feet (AF) of transfer water from the Yuba County Water Agency (YCWA) and wheel the transfer water through facilities owned by the Freeport Regional Water Authority (FRWA) and East Bay Municipal Utility District (EBMUD) to meet customer water demands in 2015. DSRSD is a public agency in Alameda and Contra Costa counties that serves potable water to an estimated 80,000 residents and is located adjacent to the southern boundary of EBMUD. In February 2014, DSRSD declared a Community Drought Emergency that extends through June 30, 2015. DSRSD has imposed mandatory water use restrictions and prohibitions with a goal of achieving a 25% overall water use reduction. At the end of 2014, DSRSD achieved 24% conservation for the year compared to 2013. DSRSD is seeking supplemental water in anticipation of another dry year in which DSRSD's existing water supplies would be severely limited.

The DSRSD transfer would begin in mid-April 2015. The transfer water would be released by YCWA from New Bullards Bar Reservoir and be diverted by EBMUD at the Freeport Regional Water Project (Freeport Project) intake on the Sacramento River at a maximum rate of 140 cubic feet per second (cfs) over a period of approximately 5 days. The transfer water would be conveyed through Freeport Project facilities, the United States Bureau of Reclamation's (Reclamation's) Folsom South Canal (FSC), and EBMUD's raw water system to EBMUD's service area. The transfer water would then be temporarily stored in EBMUD's local reservoirs before being delivered to DSRSD during June through September via existing, small diameter interties connecting EBMUD and DSRSD's water distribution systems. Figure 1 shows the proposed routing and facilities that would be used to convey transfer water from YCWA to DSRSD.

The transfer water would be made available for transfer from supplies that cannot be delivered to existing buyers of YCWA's Lower Yuba River Accord (Yuba Accord) transfer water located south of the Delta due to constraints on cross-Delta water transfers. YCWA would make Yuba Accord transfer water available for redirection at the Freeport Project intake consistent with the terms of the State Water Resources Control Board (SWRCB) order that authorized the Freeport Project intake as a point of redirection for that transfer water. The proposed transfer would not result in any changes to YCWA operations or Yuba River flows that are already part of the Yuba Accord. Additionally, the proposed transfers would not involve construction of any new facilities, and would comply with all regulatory requirements applicable to YCWA's water rights, the Yuba Accord, Freeport Project operations, and use of other existing facilities needed to convey water to DSRSD.

Figure 1. Location Map for Proposed Yuba Accord Transfer to DSRSD



BACKGROUND

Purpose and Need

DSRSD is a public agency located in Alameda and Contra Costa counties that serves potable water to an estimated 80,000 residents. Of this number, approximately 22,500 residents are located in Dougherty Valley, a portion of the City of San Ramon located in Contra Costa County. Since 1999, DSRSD has partnered with EBMUD in producing recycled water for landscape irrigation and construction.

DSRSD normally purchases all water required for use within DSRSD's service area through a contract with Zone 7 Water Agency (Zone 7), with the exception of groundwater extracted per the contract provisions, and recycled water. Over 80% of Zone 7's water supply is imported from the SWP and surplus water from the Byron Bethany Irrigation District. Zone 7's remaining water supply is from local surface water runoff and local storage (i.e. the groundwater basin). Zone 7 also has non-local storage with Semitropic Water Storage District and Cawelo Water District. DSRSD's most recent contract with Zone 7 went into effect on August 23, 1994 and has a 30-year term (until 2024). Under Provision 5C of the contract DSRSD may seek alternative potable water supplies in situations where Zone 7 may not be able to meet DSRSD's water demands.

DSRSD's water supply is highly dependent on Zone 7's SWP allocation and the ability to convey water through the South Bay Aqueduct. The ongoing drought has significantly impacted DSRSD and Zone 7's other retailers. During 2014, Zone 7's SWP allocation was just 5%, and deliveries could not be made until September 1, 2014. As a result, Zone 7 directed its retailers to reduce overall water use by 25% compared to 2013 water use.

In February 2014 the DSRSD Board of Directors declared a Community Drought Emergency and asked customers to voluntarily conserve 20% on their water use. On April 16, 2014, the Zone 7 Board directed their staff and the retailers to achieve 25% conservation and implemented a Stage 2 Action Plan and provided written notice to the retailers that Zone 7 would only be able to provide 75% of the treated water necessary to satisfy retailer water demands in 2014. Zone 7 further stated that by not being able to meet the needs of the retailers, Provision 5C of Zone 7's contracts permits retailers to seek alternative supplies through emergency interties, and "Zone 7 strongly urges you to do so".

On May 5, 2014, the DSRSD Board revised their emergency declaration from 20% to 25% conservation, adopted two urgency ordinances, and implemented Stage 3 drought rates. Ordinance 333 imposed mandatory water use restrictions and prohibitions with a goal of achieving a 25% overall water use reduction, 5% inside and 50-60% outside, as compared to 2013 use. Ordinance 334 authorized staff to use warnings, fines, and flow restrictors or service disconnection to enforce the water use limitations described in Ordinance 333. The DSRSD Board later adopted Ordinance 335 that revised the enforcement program by clarifying that warnings are not violations. The ordinances authorized DSRSD's General Manager to enforce the mandatory water use limitations as necessary to ensure continued integrity of the community water supply system for health and safety purposes. At the end of 2014 DSRSD had achieved 24% conservation for the year compared to 2013.

Due to another year of anticipated drought, in December 2014 DSRSD extended its emergency drought declaration through June 30, 2015. DSRSD is also seeking alternative water supplies in anticipation of another year where Zone 7's SWP allocation may be severely cutback and once again Zone 7 may not be able to meet DSRSD's need for water. The Yuba Accord transfer water would be used within a portion of DSRSD's service area referred to as Dougherty Valley (see Figure 1).

Yuba Accord Transfer Water

The Yuba Accord is a comprehensive settlement agreement that has been in effect since 2008. It was designed by local, state, and federal agencies, and conservation groups, to resolve instream flow issues associated with YCWA's operation of the Yuba River Development Project. The Yuba Accord protects and enhances lower Yuba River fisheries, improves water supply reliability and provides revenue for the Yuba Accord fisheries science program, local flood control and water supply projects. Under the WPA, California's Department of Water Resources (DWR) purchases Yuba Accord transfer water for fish and wildlife purposes in the Bay-Delta, and for cities and farms throughout the State through contracts with the SWP and CVP. Presently, CVP contractors receive a share of Yuba Accord transfer water via the San Luis and Delta-Mendota Water Authority (SLDMWA), which has an agreement with DWR.

The Yuba Accord's implementation began in 2008 following YCWA's certification of a Final Environmental Impact Report (EIR) and the issuance by the State Water Resources Control Board (SWRCB) of Corrected Water Right Order 2008-0014, which approved the addition of the SWP and CVP service areas as places of use and the Delta export pumps as points of rediversion to YCWA's Permit 15026 (Application 5632) through year 2025. As a result of evolving regulatory requirements that have constrained cross-Delta pumping, there are fewer periods when Yuba Accord transfer water can be transferred to south of Delta buyers than was anticipated when the Yuba Accord was signed. Under these conditions, DWR has attempted to "back up" Yuba Accord transfer water into storage in the SWP's Oroville Reservoir.¹ This operation cannot always be accomplished, however, and even when it is successful, the transfer water stored in Oroville Reservoir is sometimes spilled at a later time when winter runoff fills the reservoir. The spilling of Yuba Accord transfer water results in YCWA receiving less revenue to achieve the environmental and water supply benefits anticipated as part of the Yuba Accord.

On January 28, 2014, YCWA's Board of Directors adopted an Addendum (Addendum) to the Yuba Accord Final EIR that analyzed the potential effects of authorizing the Freeport Project intake as a point of rediversion for Yuba Accord transfer water. The diversion of Yuba Accord transfer water at the Freeport Project intake would not involve any changes to YCWA's operations under the Yuba Accord or schedules for making instream flow releases to benefit the lower Yuba River. To support the Addendum, YCWA conducted a detailed technical analysis of

¹ DWR "backs up" Yuba Accord water into Oroville Reservoir storage by relying on the Yuba Accord water to meet requirements downstream of the Feather and Yuba Rivers' confluence that would otherwise require releases of equal amounts of water from Oroville Reservoir. The Yuba Accord water allows DWR to reduce releases from Oroville that otherwise would need to be higher to meet those requirements. The resulting increment of retained Oroville storage that is a result of releasing less water than would have been required without the Yuba Accord water is the "backed up" Yuba Accord water.

the hydrologic changes that could occur as a result of conducting YCWA water transfers through the Freeport Project and any potential fishery impacts. YCWA's analysis indicated that only changes in stream flows, reservoir storage, and the Delta would occur and only outside of the Yuba River watershed as a result of less Yuba Accord transfer water being “backed up” in Oroville Reservoir than under existing conditions. YCWA's analysis determined that no significant fishery impacts would occur. The proposed diversion of Yuba Accord transfer water at the Freeport Project intake results in a transfer delivery schedule more similar to that anticipated in the Yuba Accord Final EIR. The Addendum found no new environmental impacts or substantial increases in the severity of significant impacts analyzed in the Final EIR.

On June 9, 2014, the SWRCB issued a Corrected Order approving the addition of the Freeport Project intake as a point of rediversion for Yuba Accord transfer water through year 2025, with quantities not to exceed 34,000 AF per year or 9,600 AF per month. The addition of the Freeport Project intake allows YCWA to transfer water under, among other terms, the following:

- Freeport Project diversion limits of 34,000 acre-feet per year and 9,600 acre-feet per month;
- Compliance with all applicable biological opinions, the incidental take permit issued under the California Endangered Species Act for the Freeport Project and the California Department of Fish and Wildlife's streambed alteration agreement for that project; and
- Compliance with all of the pre-existing instantaneous and annual limits on Yuba Accord transfer diversions, which were extended from the CVP and SWP export pumps to include Freeport Project diversions of Yuba Accord transfer water.

Under Amendment 5 of the WPA (December 2014), YCWA agreed that YCWA will not make Yuba Accord transfer water available within the boundaries of a WPA “Participating Contractor” (other than under the WPA). Consistent with Amendment 5 of the WPA, all of the Yuba Accord transfer water under this project description would be made available for use outside the boundaries of WPA Participating Contractors.

Conveyance and Wheeling

YCWA would make up to 1500 AF of Yuba Accord transfer water available for DSRSD in mid-April 2015 from supplies released from New Bullards Bar Reservoir that cannot be delivered to existing buyers under the Yuba Accord because of constraints on cross-Delta water transfers. The Yuba Accord transfer water would flow down the Feather and Sacramento rivers before being diverted by EBMUD at the Freeport Project intake. The Freeport Project intake is owned by the Freeport Regional Water Authority (FRWA), a joint powers authority between Sacramento County Water Agency (SCWA) and EBMUD. Diversion of Yuba Accord transfer water would be at a flow rate of up to approximately 90 million gallons per day (MGD), and total EBMUD diversions would not exceed EBMUD’s allocated Freeport Project capacity of 100 MGD. The total diversion rate of the Freeport Project intake, including use of the facility by SCWA, would remain within its design capacity and permitted capacity of 185 MGD.

As shown on Figures 2 and 3, after diversion of the Yuba Accord transfer water at the Freeport Project intake, that transfer water would be pumped eastward through the FRWA's Joint Pipeline and EBMUD's Gerber Pipeline into the Folsom South Canal where it crosses Grant Line Road (Canal Mile 12.4). The water would then flow 12 miles southward along the Folsom South Canal. Near the terminus of the canal, the water would be diverted by EBMUD's Clay Station Pumping Plant and pumped into EBMUD's Folsom South Canal Connection facilities, ultimately entering the Mokelumne Aqueducts for conveyance to EBMUD's service area. All of the transfer water would be diverted into two of EBMUD's terminal reservoirs: San Pablo Reservoir and Upper San Leandro Reservoir. The water would be treated at EBMUD's conventional treatment plants, Sobrante Water Treatment Plant and Upper San Leandro Water Treatment Plant, before entering EBMUD's treated water distribution system and being delivered to DSRSD's service area.

Figure 2. Map of the Freeport Regional Water Project

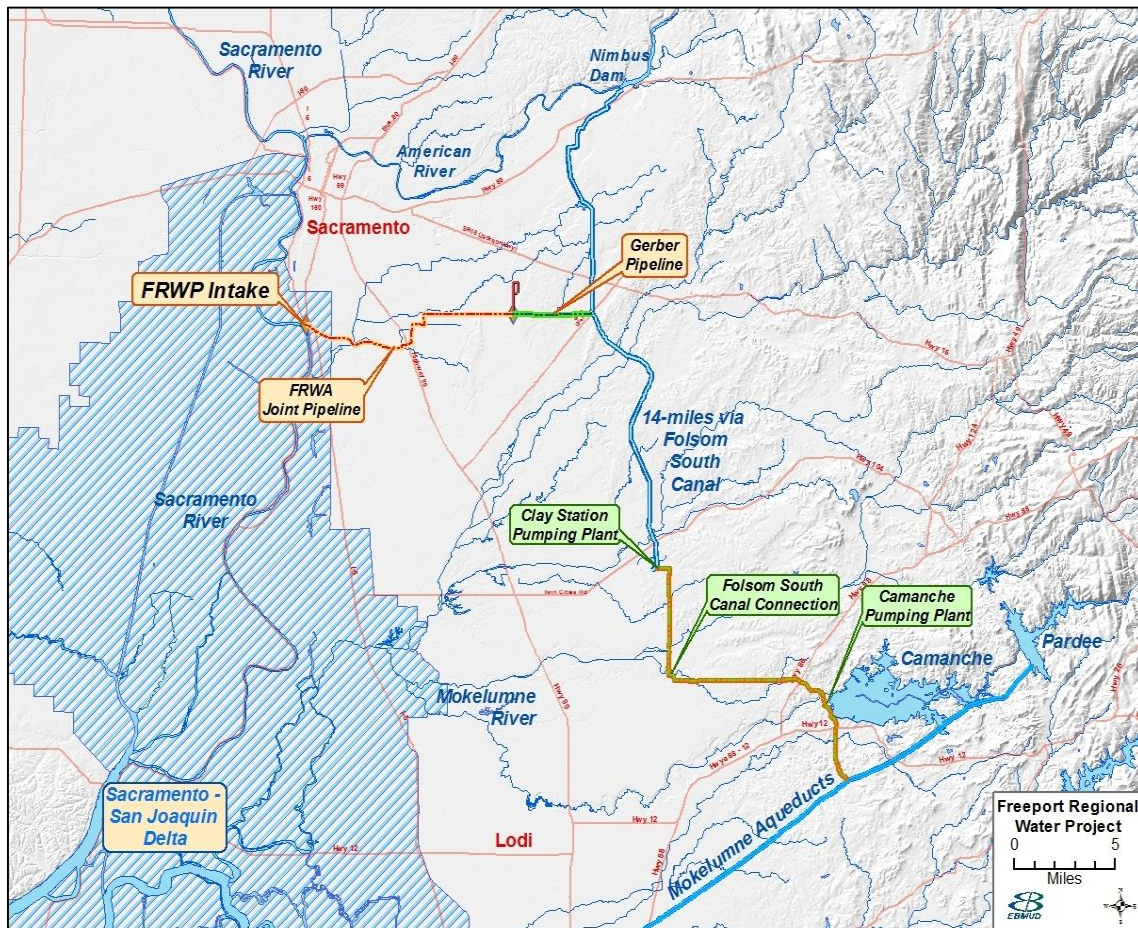
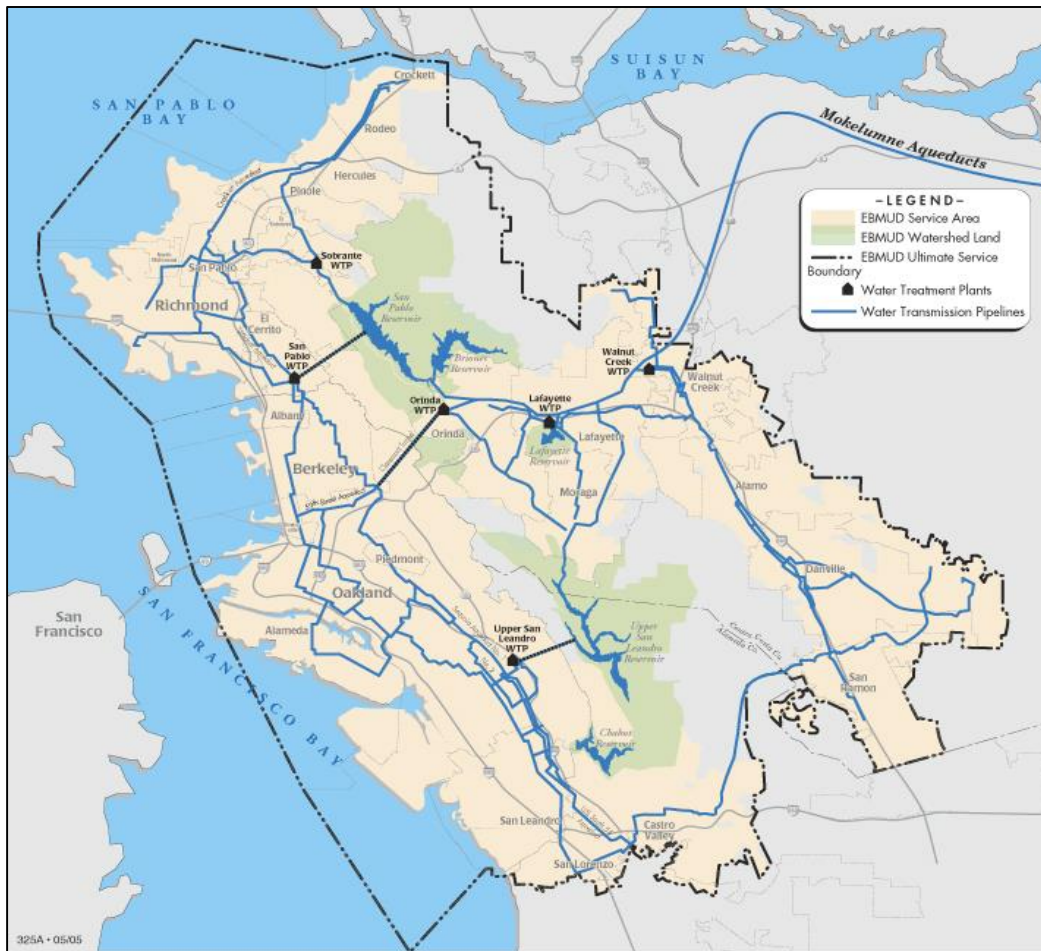


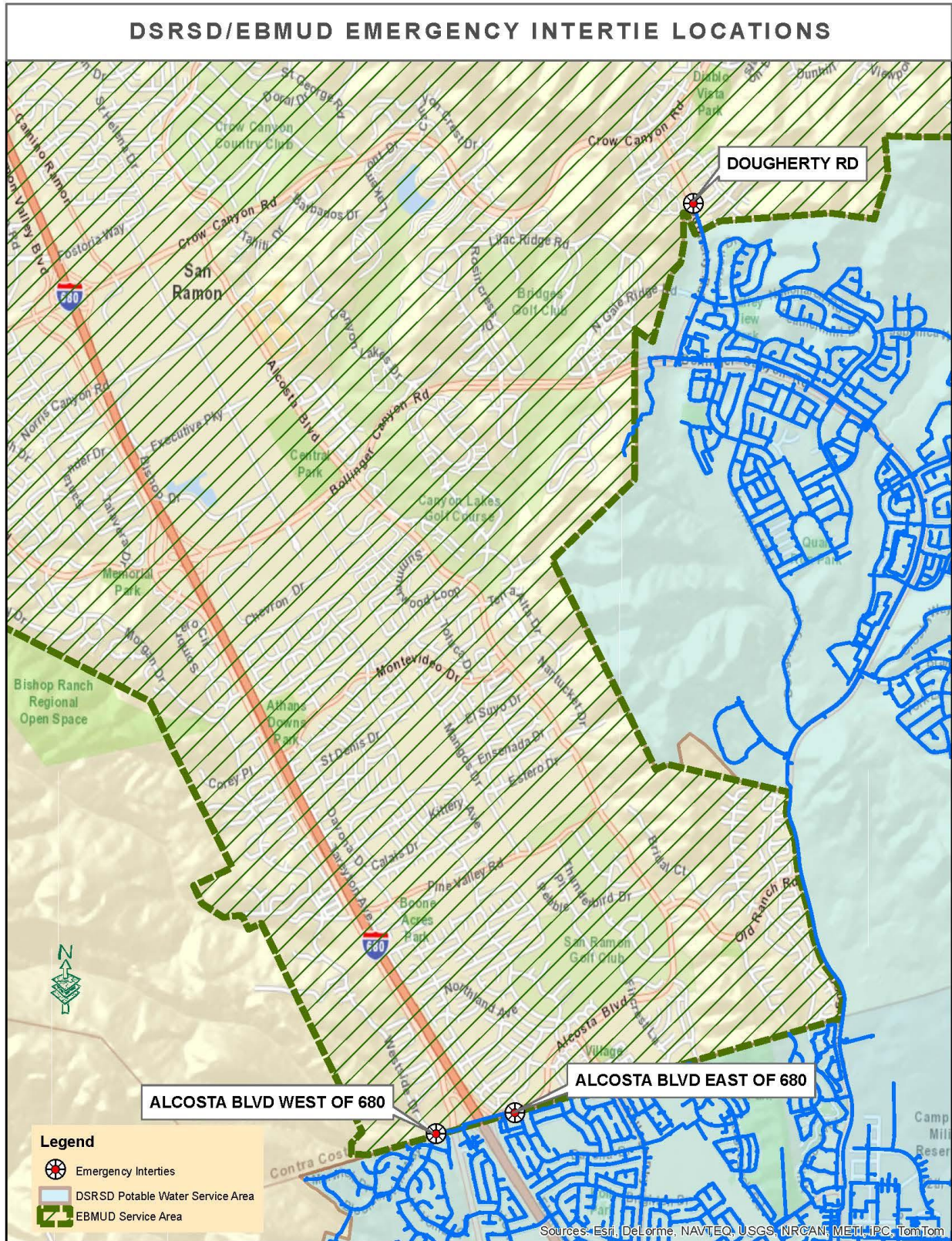
Figure 3. EBMUD Water System



DSRSD has three emergency interties along the service area boundary adjacent to EBMUD (see Figure 4). The interties are designed to maintain public safety during a critical water shortage caused by a major pipeline failure, earthquake, drought, or fire. The intertie connection points consist of small diameter (less than 12-inch) pipeline stub-outs from each agency, separated by about ten feet. During an emergency, the adjacent agency pipe stub-outs are connected above-grade with temporary piping and/or portable pumps for transferring water. EBMUD and DSRSD tested the interties in November 2014 to ensure that staff from both agencies could quickly install and operate the interties if needed. Based on operational testing, up to approximately 1,500 to 2,000 gallons per minute (GPM) of water could be transferred from EBMUD to DSRSD’s system at each of the interties.

DSRSD anticipates needing supplemental water during the summer months when Zone 7’s surface and groundwater systems are operated at capacity to make up for surface water cutbacks from DWR due to drought conditions. DSRSD proposes to receive Yuba Accord transfer water from YCWA in spring 2015 (when that transfer water is available) and temporarily store that transfer water in EBMUD’s local reservoirs before that transfer water is wheeled through EBMUD’s treated water system and existing interties to meet summertime demands during June through September.

Figure 4. Location Map of DSRSD/EBMUD Emergency Intertie Locations





ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
 100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551-9486 • PHONE (925) 454-5000

April 16, 2014

Bert Michalczyk, General Manager
 Dublin San Ramon Services District
 7051 Dublin Boulevard
 Dublin, CA 94568

Daniel McIntyre, Public Works Director
 City of Livermore
 1052 S. Livermore Ave.
 Livermore, CA 94550

Daniel Smith, Director of Operation Services
 City of Pleasanton
 3333 Busch Road
 Pleasanton, CA 94566

Frank Vallejo, District Manager
 California Water Service Co.
 195 S N Street
 Livermore, CA 94550

Subject: ***25% Water Shortage – Stage 2 Actions***

Zone 7's Board of Directors received the Annual Review of Sustainable Water Supply at this evening's Regular Board Meeting. Due to the unprecedented and extreme drought conditions, the Zone 7 Board declared a local state of drought emergency on January 29, 2014. On January 31, 2014, the California Department of Water Resources (DWR) reduced the State Water Project's 2014 Table A allocation to 0% for the first time in the history of the Project. This evening, taking these changed conditions into consideration, the Zone 7 Board directed staff and the retailers to achieve the necessary 25% conservation following Zone 7's Stage 2 Action Plan (attached). Note that, based on conditions that have changed since December 2013, this letter supersedes any previous letter sent by Zone 7 related to water availability in 2014.

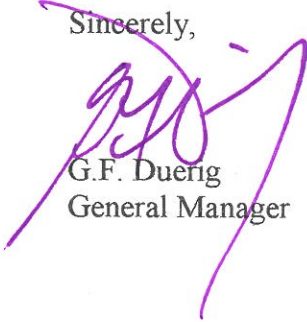
Under Water Service Provision 5(c) of Zone 7's Contracts and "Terms and Conditions," Zone 7 hereby notifies each of you that Zone 7 is unable to provide 25% of your projected demands for Calendar Year 2014 and will only be able to provide 75% of the treated water necessary to satisfy your requirements this year. The attached Action Plan is an outline of minimum actions required to reduce demands by 25%. If additional actions are needed in your individual service areas to assure a 25% demand reduction, it is imperative that you implement such program actions as soon as possible. In addition, Provision 5(c) permits retailers to seek alternative supplies such as those available to you through emergency interties or through accelerated recycled water projects and Zone 7 strongly urges you to do so.

Zone 7 staff are preparing updated tables for each retailer, outlining projected deliveries by turnout based on providing 75% of your requested deliveries and a focus on reduced outdoor water use. It is important to note that with this year's reduced supplies, if more water is taken earlier in the year, less will be available later. We hope to distribute the updated tables by the end of this month.

If you need any additional information or have any questions, you can reach me at 925 454-5016

or by email at jduerig@zone7water.com.

Sincerely,



G.F. Duerig
General Manager

cc: Carol Mahoney
Robyn Navarra

Zone 7's Stage 2 Action Plan to Reduce Demands by 25%

REDUCE INDOOR WATER USE BY AT LEAST 5%

- Water service in restaurants to be provided only when requested.
- Check your home's water meter to see if you have a leak (directions are posted at http://h2ouse.org/action/details/action_element_contents.cfm?actionID=F56F50F2-34E3-4095-9A919C304D945B5F&elementID=FCC1BED3-B2D1-4253-A3D07864BBA98629&parentPage=Take%20Action/action/index.cfm).
- Leaks are prohibited. If you find a leak (even a small one), arrange for it to be repaired as quickly as possible.
- Rebate programs for water –efficient appliances, low-flow toilets (replacing older, high-flow toilets) and waterless urinals will remain available while funds last (first come, first served)

REDUCE OUTDOOR WATER USE BY AT LEAST 50-60% (these limitations apply to outdoor use of tap water, only; they do not apply to applications or use of recycled water)

- The following practices are **prohibited** during the Drought Emergency
 - Watering while it's raining or less than three days after a rain event
 - Any irrigation that results in ponding, flooding, excessive runoff or marshy conditions
 - Watering during daylight hours, due to the higher evaporation rates
 - Filling a new swimming pool or draining and subsequent complete refilling of existing swimming pools (in some extremely limited situations related to health and safety needs and localized groundwater conditions, waivers may be considered)
 - Refilling (topping off) swimming pools that are uncovered when not in use
 - Use of non-recycling decorative water fountains
 - Using hoses without quick-acting positive shutoff nozzles
 - Hosing off sidewalks, driveways, building exteriors, etc.
 - Any use of potable water related to street sweeping, sewer maintenance, gutter flushing, etc.
- Lawn and Landscape Irrigation Limitations
 - April – May: Water no more than once per week
 - June – September: Water no more than twice per week
 - October – November: Water no more than once per week
 - December – March: Do not water (landscape can be dormant)

- Outdoor Landscaping Improvements
 - Zone 7 will continue to offer outdoor rebate programs - lawn replacement rebates will be broken into up-front funding for lawn removals and replacement with sheet-mulching - plantings shall be deferred until the Fall rains begin (since new drought-tolerant plants require water during the period of establishment) and the remainder of the rebate will only be available after such Fall plantings have been completed. Single-family residential WBIC rebates are being discontinued during the drought due to irrigation limitations outlined above.
 - Zone 7 has developed a new menu of incentive programs for untreated water users. The programs will vary based on the specific site profile and will offer incentives for irrigation hardware upgrades and site monitoring.

[Note that, as with potable water customers, agricultural (untreated water) customers will be provided no more than 75% of their projected demands (i.e., untreated water customers must also reduce their demands by at least 25%).]



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551-9486 • PHONE (925) 454-5000

February 11, 2015

Rhodora Biagtan, Interim Engineering Manager
Dublin San Ramon Services District
7051 Dublin Blvd
Dublin, CA 94568

RE: Preliminary Approval of 2015 Treated Water Request

Dear Ms. ^{Rhodora}Biagtan:

Thank you for submitting a Preliminary Delivery Schedule for years 2015-2019. Zone 7 hereby acknowledges your request for **12,670** acre-feet of treated water in calendar year 2015. Please note that due to the 2014 record-low hydrology, Zone 7 anticipates a water supply shortage of some amount in 2015. Based on the most recent projections, Zone 7 will be unable to deliver the full amount of water you have requested, but we continue to monitor conditions. Enclosed you will find tables showing turnout deliveries in 2013, 2014 and projections for the early part of 2015.

Currently, the 2015 State Water Project (SWP) allocation is 15% and there are still various unknowns regarding available supplies. Given current conditions, we anticipate the Retailers will continue implementing conservation strategies similar to 2014. As you know, the Board of Directors has not lifted the drought declaration and is not expected to take action until the April Board meeting. Following our Board's review of the Annual Sustainability Report in April, we will provide you with a final conservation target for 2015.

We will keep you apprised of our water supply outlook as the season unfolds. Thank you for your attention to this matter. If you have any questions, please contact me at (925) 454-5068 or via email at ssegura@zone7water.com.

Sincerely,

Sal Segura
Associate Civil Engineer

Enc.
SS:

cc: Jill Duerig, w/ enclosures, Zone 7
Kurt Arends, w/ enclosures, Zone 7
Carol Mahoney, w/ Enclosures, Zone 7
Dan Gallagher, w/ Enclosures, DSRSD
Stan Kolodzie, w/ enclosures, DSRSD
Citizens for Balanced Growth
City of Livermore

Zone 7 Water Agency

Table 1

DSRSD USAGE 2013--MILLIONS OF GALLONS

Month	DSRSD-1	DSRSD-2	DSRSD-3	DSRSD-4	DSRSD-5	TOTALS	Monthly Percent	Total Acre-Ft
Jan-13	0	91	0	68	31	190	5%	584
Feb-13	0	95	0	77	20	192	5%	589
Mar-13	23	104	0	106	16	248	7%	763
Apr-13	75	96	0	66	45	282	8%	867
May-13	152	106	0	0	97	354	10%	1,088
Jun-13	162	114	0	2	108	386	11%	1,186
Jul-13	165	113	0	0	136	414	11%	1,270
Aug-13	155	98	0	1	148	403	11%	1,237
Sep-13	120	103	0	0	142	365	10%	1,120
Oct-13	97	102	0	1	135	335	9%	1,028
Nov-13	59	93	0	1	115	266	7%	818
Dec-13	0	105	0	1	122	228	6%	700
Total MG	1,009	1,219	0	322	1,115	3,665		
Total AF	3,097	3,741	0	987	3,422	11,248	100%	11,248

DSRSD PERCENT TURNOUT USAGE 2013

Month	DSRSD-1	DSRSD-2	DSRSD-3	DSRSD-4	DSRSD-5	TOTALS
Jan-13	0%	48%	0%	36%	16%	100%
Feb-13	0%	50%	0%	40%	10%	100%
Mar-13	9%	42%	0%	42%	7%	100%
Apr-13	27%	34%	0%	23%	16%	100%
May-13	43%	30%	0%	0%	27%	100%
Jun-13	42%	30%	0%	0%	28%	100%
Jul-13	40%	27%	0%	0%	33%	100%
Aug-13	39%	24%	0%	0%	37%	100%
Sep-13	33%	28%	0%	0%	39%	100%
Oct-13	29%	30%	0%	0%	40%	100%
Nov-13	22%	35%	0%	0%	43%	100%
Dec-13	0%	46%	0%	0%	54%	100%
% Ann.Total	28%	33%	0%	9%	30%	100%

Zone 7 Water Agency

Table 2

DSRSD USAGE 2014--MILLIONS OF GALLONS

Month	DSRSD-1	DSRSD-2	DSRSD-3	DSRSD-4	DSRSD-5	TOTALS	Monthly Percent	Total Acre-Ft
Jan-14	0	116	0	0	124	240	9%	738
Feb-14	34	51	0	2	92	180	6%	553
Mar-14	0	91	0	0	118	209	7%	641
Apr-14	0	98	0	0	131	229	8%	702
May-14	0	132	0	0	162	294	11%	903
Jun-14	0	130	0	0	146	277	10%	849
Jul-14	0	136	0	0	137	273	10%	838
Aug-14	0	133	0	0	131	264	9%	810
Sep-14	0	125	0	0	120	244	9%	750
Oct-14	0	118	0	0	108	226	8%	694
Nov-14	0	91	0	0	92	184	7%	563
Dec-14	0	75	0	0	91	166	6%	509
Total MG	35	1,296	0	2	1,453	2,786		
Total AF	106	3,977	0	7	4,460	8,550	100%	8,550

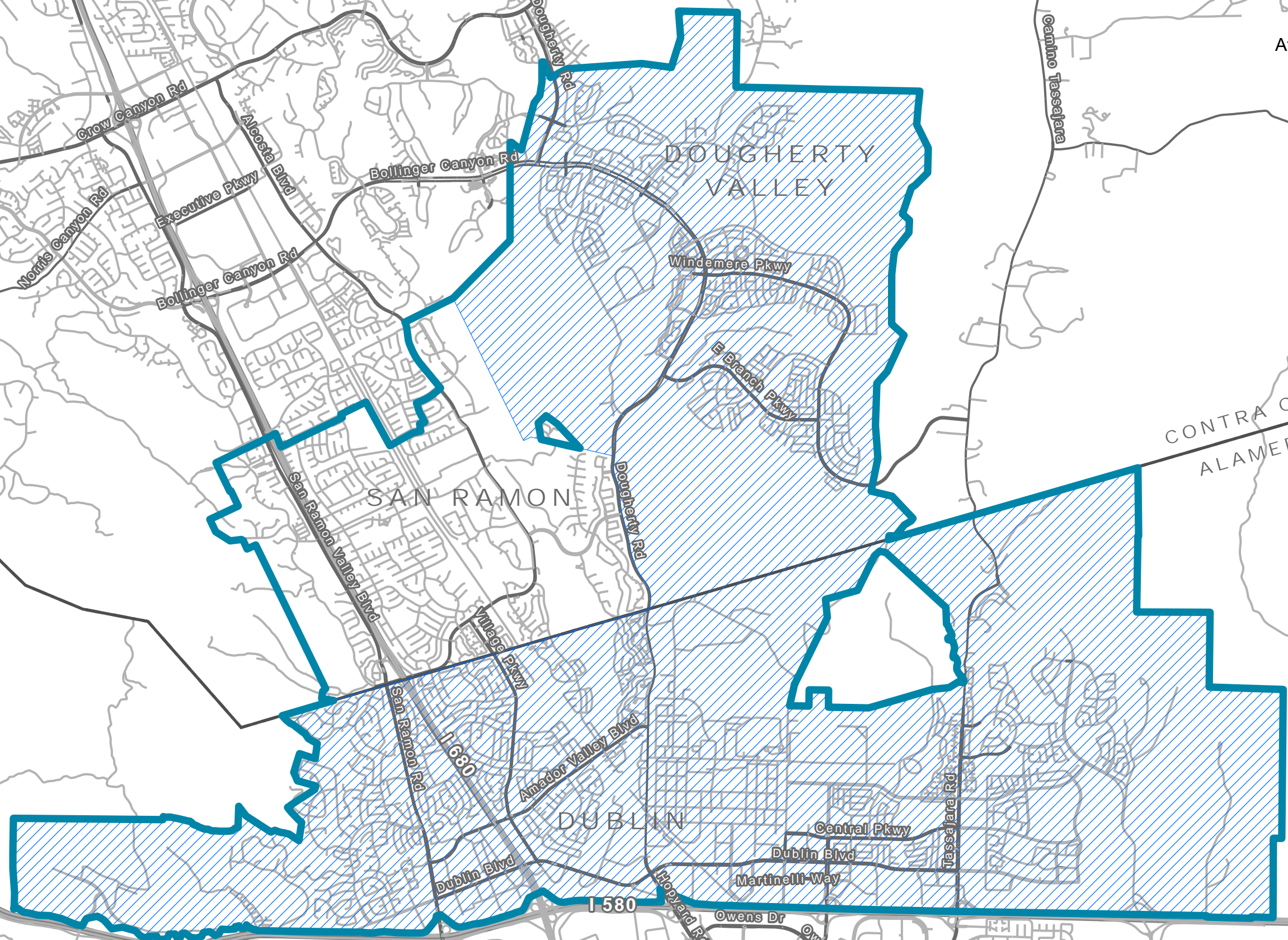
DSRSD PERCENT TURNOUT USAGE 2014

Month	DSRSD-1	DSRSD-2	DSRSD-3	DSRSD-4	DSRSD-5	TOTALS
Jan-14	0%	48%	0%	0%	52%	100%
Feb-14	19%	28%	0%	1%	51%	100%
Mar-14	0%	43%	0%	0%	57%	100%
Apr-14	0%	43%	0%	0%	57%	100%
May-14	0%	45%	0%	0%	55%	100%
Jun-14	0%	47%	0%	0%	53%	100%
Jul-14	0%	50%	0%	0%	50%	100%
Aug-14	0%	50%	0%	0%	50%	100%
Sep-14	0%	51%	0%	0%	49%	100%
Oct-14	0%	52%	0%	0%	48%	100%
Nov-14	0%	50%	0%	0%	50%	100%
Dec-14	0%	45%	0%	0%	55%	100%
% Ann.Total	1%	47%	0%	0%	52%	100%

DSRSD TARGET TURNOUT DELIVERIES 2015--MILLIONS OF GALLONS

Month	DSRSD-1	DSRSD-2	DSRSD-3	DSRSD-4	DSRSD-5	Total MG	Monthly Percent	Total Acre-Ft	2013 Delivered	Percent Reduction
Jan-15	0	71	0	0	109	180	7%	552	584	-6%
Feb-15	0	86	0	69	18	173	6%	530	589	-10%
Mar-15	20	88	0	90	14	211	8%	648	763	-15%
Apr-15	60	77	0	53	36	226	8%	694	867	-20%

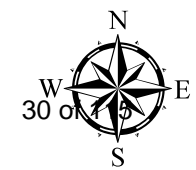
Actual Deliveries



11/5/2014

DUBLIN SAN RAMON SERVICES DISTRICT

POTABLE WATER SERVICE AREA



DUBLIN SAN RAMON SERVICES DISTRICT
Proposed YCWA Water Transfer via EBMUD
CY 2015

Purchased Quantity (AF): **1,500**
 Delivered Quantity (AF): **1,275**
 System Losses: **15%**

No.	Term	Total AF	Cost \$	\$/AF
1	Procurement of Transfer Water-YCWA	1,500	\$750,000	\$500
2	Admin Costs-YCWA	1,500	\$20,000	\$13
Subtotal-YCWA Costs			\$770,000	
3	Regulatory Approvals: Warren Act Contract	1,500	\$25,000	\$17
4	Regulatory Approvals: Drinking Water Permit	1,500	\$5,000	\$3
5	Environmental Reviews: CEQA	1,500	\$5,000	\$3
6	Environmental Reviews: NEPA/ESA	1,500	\$50,000	\$33
7	EBMUD costs to facilitate transfer/approvals	1,500	\$30,000	\$20
Subtotal-Environmental/Regulatory			\$115,000	
8	Conveyance Charge-FSC	1,500	\$22,500	\$15
Subtotal-Warren Act Contract USBOR			\$22,500	
9	Freeport Intake (EBMUD)	1,500	\$400,000	\$267
10	Conveyance Cost-EBMUD	1,500	\$300,000	\$200
11	Treatment Cost-EBMUD	1,275	\$293,250	\$230
12	Distribution System Cost-EBMUD	1,275	\$70,125	\$55
13	Capacity+Depreciation+CIP & Rehab	1,500	\$262,500	\$175
Subtotal-EBMUD Wheeling Agreement			\$1,325,875	
TOTAL		1,275	\$2,233,375	\$1,752



Reference Operations Manager	Type of Action Provide Authorization	Board Meeting of March 3, 2015
Subject Warren Act Contract between DSRSD and the US Bureau of Reclamation to Facilitate 2015 Transfer Water		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	D. Gallagher
		<input type="checkbox"/> Board Member

Recommendation:

The Operations Manager recommends the Board approve by Resolution, authorizing the General Manager to execute a Warren Act Contract with the United States Bureau of Reclamation (BOR) for the conveyance of up to 1,500 acre-feet of transfer water through the Folsom South Canal. The transfer water would be released into the Folsom South Canal from EBMUD’s Freeport facilities for diversion at EBMUD’s Freeport Facilities.

Summary:

The District Board of Directors declared a state of Community Drought Emergency on February 18, 2014, in response to similar emergency drought declarations issued by the State of California and the Zone 7 Water Agency. The District’s Community Drought Emergency has been reaffirmed monthly and extended by Board action until at least June 30, 2015.

On April 16, 2014, Zone 7 Water Agency notified DSRSD and its other retailers that they would be able to meet only 75% of potable water needs and outlined an action plan to reduce demands by 25%. In the April 2014 notification, Zone 7 reported that the retailers were permitted to seek alternative supplies such as those available to you through emergency interties and “Zone 7 strongly urges you to do so”. On February 11, 2015, Zone 7 provided DSRSD with preliminary notification that their water supply will not be able to meet customer demands again in 2015, and Zone 7 recommended that the Retailers continue to require 25% conservation. Staff recommends that supplemental water is necessary to help mitigate the ongoing Community Drought Emergency.

In the fall of 2014 staff met with representatives of the East Bay Municipal Utility District (EBMUD) to discuss and negotiate a proposed water transfer using EBMUD’s Freeport facilities. The proposed transfer of up to 1,500 acre-feet of water from the Yuba County Water Agency (YCWA) must utilize the Folsom South Canal (FSC) to convey the water from EBMUD’s Freeport facilities to the Mokelumne Aqueducts. The FSC is managed by the US Bureau of Reclamation (BOR), so the transfer of non-CVP water from YCWA via the FSC requires the execution of a Warren Act Contract. The proposed Warren Act Contract will not be prepared until DSRSD and YCWA execute a purchase agreement and all of the environmental reviews have been completed. The latter is expected to occur in late March or early April 2015. It is anticipated that BOR will assess a Conveyance Charge for the use of the FSC as a condition of the Warren Act Contract, at an estimated cost of \$15 per acre-foot or up to \$22,500 for the proposed transfer of 1,500 acre-feet.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR D. Gallagher	DEPARTMENT Operations	REVIEWED BY BLM
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$22,500	<input type="checkbox"/> Funding Source A. Water Enterprise (Fund 600) B.		Attachments to S&R 1. Sample Warren Act Contract 2. Project Description 3. Water Transfer 2015 Estimated Cost			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION (USBOR) FOR THE DISTRICT'S USE OF THE FOLSOM SOUTH CANAL TO CONVEY UP TO 1,500 ACRE-FEET OF TRANSFER WATER DURING 2015

WHEREAS, on January 17, 2014, California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014, the Zone 7 Water Agency issued a Proclamation of a Local Drought Emergency and authorized their General Manager to “establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions;” and

WHEREAS, on February 18, 2014, the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%); and

WHEREAS, on April 16, 2014, the Zone 7 Water Agency notified its retailers that it would only be able to meet 75% of potable water needs and directed the retailers to take steps to achieve a 25% total reduction in water use for 2014, including adopting mandatory conservation measures to achieve these reductions, and notified the retailers that they could seek alternative supplies and added “Zone 7 strongly urges you to do so”; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water; and

WHEREAS, on May 5, 2014, the District implemented Stage 3 drought rates and adopted urgency ordinances establishing mandatory limitations on water use and an enforcement program to ensure the achievement of a twenty five percent (25%) reduction in overall water use; and

WHEREAS, the State of California has and continues to experience record drought conditions; and

Res. No. _____

WHEREAS, during January 2015 no precipitation occurred and the month has now become the driest January on record in California history; and

WHEREAS, meteorological and hydrological conditions remain poor, and despite storm events that occurred during December and February, 2015 remains a critically dry year as classified by the State of California; and

WHEREAS, on February 11, 2015, the Zone 7 Water Agency notified its retailers that they would be unable to deliver the full amount of water requested and directed the retailers to continue implementing conservation strategies similar to 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that:

1. The Community Drought Emergency has existed since February 18, 2014, and continues to prevail in the area served by Zone 7 such that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies normally available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection.
2. To help mitigate the ongoing water shortage the General Manager is authorized to execute a Warren Act Contract with the United States Bureau of Reclamation (USBOR) for the conveyance of up to 1,500 acre-feet of transfer water during 2015 between EBMUD's Freeport Facilities and EBMUD's Mokelumne Aqueducts.
3. For the District's use of the Folsom South Canal the USBOR will invoice DSRSD for conveyance charges, the exact cost for which will be determined by USBOR when the Warren Act Contract is prepared for execution by the General Manager in March or April.

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its special meeting held on the 3rd day of March 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

Edward R. Duarte, President

ATTEST:

Nancy Gamble Hatfield, District Secretary

H:\Board\2015\03-03-15\Water Transfer Warren Act Contract\Resolution Warren Act Contract USBOR.docx

Temporary Warren Act Contract – Year 2013
Irrigation Only/Irrigation and M&I/M&I Only
[select applicable purpose of use]

Contract No. _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

[insert Division/Unit], Central Valley Project, California

TEMPORARY CONTRACT BETWEEN THE UNITED STATES
AND

[insert name of Contractor in CAPS]

PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

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Temporary Warren Act Contract – Year 2013
Irrigation Only/Irrigation and M&I/M&I Only

[select applicable purpose of use]

Contract No.

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SAMPLE

Contract No. _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

_____ [insert Division/Unit], Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES

AND

_____ [insert name of contractor in CAPS]

PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

THIS CONTRACT, made this _____ day of _____, 20____,

pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including the Act of February 21, 1911 (36 Stat. 925), and Section 305 of the Reclamation States Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59), all collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer executing this Contract, hereinafter referred to as the Contracting Officer, and _____ [insert name of Contractor in CAPS], hereinafter referred to as the Contractor;

WITNESSETH, That:

EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and

29 other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River,
30 and the San Joaquin River and their tributaries; and

31 [2nd] WHEREAS, the Contractor asserts a right to a Non-Project Water supply
32 for [redacted] purposes [insert applicable purpose(s) of use] through its interest in
33 [redacted] [identify source of right, quantity, and season of diversion for surface water] and
34 has requested the United States convey said Non-Project Water through Excess Capacity in the
35 [redacted] [insert name of Canal] and associated facilities, features of the [redacted]
36 [insert Division/Unit], Central Valley Project; and

37 [Note: This explanatory recital will require modification if the source of the Non-Project Water
38 is groundwater.]

39 [3rd] WHEREAS, the United States is willing to convey said Non-Project
40 Water to the Contractor through Excess Capacity in said Project Facilities in accordance with the
41 terms and conditions hereinafter stated; and

42 NOW, THEREFORE, in consideration of the covenants herein contained, the
43 parties agree as follows:

44 DEFINITIONS

45 1. When used herein unless otherwise distinctly expressed, or manifestly
46 incompatible with the intent of the parties as expressed in this Contract, the term:

47 (a) "Calendar Year" shall mean the period January 1 through December 31,
48 both dates inclusive;

49 (b) "Contracting Officer" shall mean the Secretary of the Interior's duly
50 authorized representative acting pursuant to this Contract or applicable Reclamation law or
51 regulation;

52 (c) “Contractor’s Boundaries” shall mean the geographic area within which
53 the Contractor is authorized to serve Non-Project Water as set forth on Exhibit A, which may be
54 modified in accordance with Article 24, without amendment of this Contract;

55 (d) “Eligible Lands” shall mean all lands to which Irrigation Water may be
56 delivered in accordance with Section 204 of the RRA; [omit from M&I Only contract]

57 (e) “Excess Capacity” shall mean capacity in the Project Facilities in excess
58 of that needed to meet the Project’s authorized purposes, as determined solely by the Contracting
59 Officer, which may be made available to convey and deliver Non-Project Water;

60 (f) “Full-Cost Lands” shall mean landholdings described in Sections
61 205(a)(3) and 202(3) of the RRA; [omit from M&I Only contract]

62 (g) “Incremental Fee” shall mean the fee, as set forth in Exhibit B, to be paid
63 to the United States pursuant to the acreage limitation provisions of the Federal Reclamation
64 laws for Non-Project Water conveyed through Project Facilities that will be used to irrigate
65 Ineligible Lands; [omit from M&I Only contract]

66 (h) “Ineligible Lands” shall mean all lands to which Irrigation Water may not
67 be delivered in accordance with Section 204 of the RRA; [omit from M&I Only contract]

68 (i) “Irrigation Water” shall mean Non-Project Water that is used in the
69 commercial production of agricultural crops or livestock, including domestic use incidental
70 thereto. Irrigation Water shall not include water used for purposes such as the watering of
71 landscaping or pasture for animals (e.g., horses) which are kept for personal enjoyment or water
72 delivered to landholdings operated in units of less than 5 acres, unless the Contractor establishes
73 to the satisfaction of the Contracting Officer that the use of water delivered to such landholding
74 is a use described in the first sentence of this subdivision of this Article; [omit from M&I Only
75 contract]

76 (j) “Municipal and Industrial (M&I) Water” shall mean Non-Project Water,
 77 other than Irrigation Water, made available to the Contractor. M&I Water shall include water
 78 used for human use and purposes such as the watering of landscaping or pasture for animals
 79 (e.g., horses) which are kept for personal enjoyment or water delivered to land holdings operated
 80 in units of less than five acres unless the Contractor establishes to the satisfaction of the
 81 Contracting Officer that the use of water delivered to any such landholding is a use described in
 82 subdivision (i) of this Article; [omit from Irrigation Only contract]

83 (k) “Non-Project Water” shall mean water acquired by or available to the
 84 Contractor from the source(s) identified in Exhibit C that has not been appropriated or acquired
 85 by the United States;

86 (l) “Operating Non-Federal Entity” shall mean the non-Federal entity that has
 87 the obligation pursuant to a separate agreement with the United States to operate and maintain all
 88 or a portion of the Project Facilities, and which may have funding obligations with respect
 89 thereto; [omit if no ONFE]

90 (m) “Project” shall mean the Central Valley Project, owned by the United
 91 States and managed by the Department of the Interior, Bureau of Reclamation;

92 (n) “Project Facilities” shall mean the [insert name of Canal,
 93 river, and/or reservoir] and associated facilities, constructed as features of the
 94 [insert Division/Unit], Central Valley Project;

95 (o) “Project-Use Power” is that electrical energy, and its associated ancillary
 96 service components, required to provide the full electrical service needed to operate and maintain
 97 Project Facilities, and to provide electric service for Project purposes and loads in conformance
 98 with the Reclamation Project authorization. Project-Use Power is not available to pump
 99 Non-Project Water, to operate pumps that were not built as Federal facilities as part of the

100 Project, to pump Project Water outside the authorized service area, or provide for on-farm uses;

101 (p) "Rates" shall mean the amount to be paid to the United States by the
102 Contractor, as set forth in Exhibit B, for the use of Excess Capacity in the Project Facilities made
103 available pursuant to this Contract;

104 (q) "RRA" shall mean the Reclamation Reform Act of October 12, 1982
105 (96 Stat. 1263), as amended;

106 (r) "Secretary" shall mean the Secretary of the Interior, a duly appointed
107 successor, or an authorized representative acting pursuant to any authority of the Secretary and
108 through any agency of the Department of the Interior; and

109 (s) "Year" shall mean the period from and including March 1 of the Calendar
110 Year through the last day of February of the following Calendar Year.

111 TERM OF CONTRACT

112 2. This Contract shall become effective on the date hereinabove written and shall
113 remain in effect through February __, 20__ [insert correct ending date]: *Provided*, That upon
114 written notice to the Contractor, this Contract may be terminated by the Contracting Officer at an
115 earlier date, if the Contracting Officer determines that the Contractor has not been complying
116 with one or more terms or conditions of this Contract. [Note: The term of the Contract cannot
117 exceed that of the Contractor's right to the source(s) of the Non-Project Water identified on
118 Exhibit C. For example, if the Contractor has entered into an agreement for a supply of Non-

119 Project Water that is effective through June 1, 2012, Article 2 should not provide for the Warren
 120 Act contract to be effective through February 29, 2013.]

121 INTRODUCTION, CONVEYANCE, AND DELIVERY
 122 OF NON-PROJECT WATER

123 3. (a) During the term of this Contract [modify, as appropriate, to conform to
 124 authorized season of diversion or other limitation], the Contractor may introduce up to
 125 [insert quantity] acre-feet of Non-Project Water from the source(s) identified in
 126 Exhibit C into the Project Facilities at [identify authorized point(s) of introduction
 127 on Canal, river, and/or reservoir]. The United States or the designated Operating Non-Federal
 128 Entity [omit highlighted text if no ONFE] shall convey Non-Project Water through Excess
 129 Capacity in the Project Facilities from said point(s) of introduction for delivery to the Contractor
 130 at [identify authorized point(s) of delivery on the Canal, river, and/or reservoir] or
 131 other location(s) mutually agreed to in writing by the Contracting Officer and the Contractor, in
 132 accordance with an approved schedule submitted by the Contractor pursuant to subdivision (d) of
 133 this Article: *Provided*, That the quantity of Non-Project Water to be delivered to the Contractor
 134 from Project Facilities shall not exceed the quantity of Non-Project Water previously introduced
 135 into the Project Facilities by the Contractor at said point(s) of introduction, less % [insert
 136 percent amount] percent for conveyance losses.

137 [Note: The contract quantity cannot exceed the Contractor's Non-Project Water supply nor the
 138 authorized season of diversion. Please note, the Contractor's Non-Project Water supply and the
 139 authorized season of diversion, must be verified and approved by Regional Water Rights Branch
 140 MP-460.]

141 (a.1) In the event the quantity of water delivered to the Contractor exceeds the
 142 quantity of Non-Project water authorized pursuant to subdivision (a) of this Article, the

143 contractor shall immediately take all reasonable actions to make available a like amount of
144 water, plus conveyance loss, into the Project Facilities for use by the United States for Project
145 purposes. The provisions of this subdivision are not exclusive and shall not prohibit the United
146 States from exercising any other remedy under existing law, including the early termination of
147 this Contract pursuant to Article 2 of this Contract.

148 [Note: Article (3 (a.1) is to be used for non CVP contractors. Omit this article for CVP
149 contractors as an over deliverance of Non-Project water is taken care of for CVP contractors in
150 article 6(b).]

151 (b) Exhibit C may be modified or replaced by mutual agreement of the
152 Contractor and the Contracting Officer to reflect changes to the source(s) of Non-Project water
153 without amendment of this Contract: *Provided, however,* That no such modification or
154 replacement shall be approved by the Contracting Officer absent the completion of all
155 appropriate environmental documentation, including but not limited to documents prepared
156 pursuant to the National Environmental Policy Act of 1969 (NEPA) and the Endangered Species
157 Act of 1973 (ESA), as amended.

158 (c) All Non-Project Water conveyed and delivered to the Contractor pursuant
159 to this Contract shall be used for [REDACTED] [insert applicable purpose(s) of use].

160 (d) Prior to the introduction of Non-Project Water into the Project Facilities,
161 the Contractor shall submit a schedule to the Contracting Officer and the designated Operating
162 Non-Federal Entity [omit highlighted text if no ONFE] showing the quantities of Non-Project
163 Water to be introduced into the Project Facilities, and the desired time or times for delivery of
164 said Non-Project Water: *Provided,* That the Contractor is not required to initially schedule
165 delivery of the maximum quantity of Non-Project Water for which the Contractor desires
166 conveyance during the term of this Contract. The initial schedule and any revision(s) thereof

167 shall be in a form acceptable to the Contracting Officer and shall be submitted at such times and
168 in such manner as determined by the Contracting Officer. The Contractor shall not introduce
169 Non-Project Water into the Project Facilities unless and until the schedule and any revision(s)
170 thereof have been approved by the Contracting Officer.

171 (e) All Non-Project Water remaining in the Project Facilities after 30 days
172 from the date of introduction or upon expiration or termination of this Contract shall be deemed
173 to be unused water donated to the United States for Project purposes. Further, all Non-Project
174 Water made available for delivery to the Contractor from the Project Facilities and not accepted
175 by the Contractor shall be deemed to be unused water donated to the United States for Project
176 purposes.

177 (f) Unless otherwise agreed to in writing by the Contracting Officer, the
178 Non-Project Water shall be introduced into and delivered to the Contractor through existing
179 Project Facilities. If temporary inflow or delivery facilities are required to effectuate the
180 introduction of Non-Project Water into the Project Facilities or the delivery of the Non-Project
181 Water to the Contractor from the Project Facilities, the Contractor shall, at its own cost and
182 expense obtain all appropriate environmental documents, necessary rights-of-way for such
183 facilities, including the appropriate right-of-use agreement(s) or other authorizations issued by
184 the United States for any such facilities located on right-of-way for existing Project Facilities.
185 The Contractor, at its own cost and expense, shall be responsible for providing, installing,
186 operating, maintaining, repairing, replacing, and removing said inflow and delivery facilities.
187 The Contractor hereby grants to the Contracting Officer and the Operating Non-Federal Entity
188 [omit highlighted text if no ONFE] access, for the purpose of this Contract, to all temporary
189 inflow and delivery facilities installed by the Contractor. [Note: Subdivision (f) should be
190 modified, as appropriate, to identify the specific facilities to be used to effectuate the

191 introduction and delivery of the Non-Project Water from the Project Facilities, and the associated
192 responsibilities of the Contractor, Contracting Officer, and the ONFE, if applicable. The
193 issuance of the Warren Act contract and any right-of-use agreement or other requisite
194 authorization required for the temporary inflow and discharge facilities installed by the
195 Contractor needs to be coordinated to ensure that the effective dates are consistent and to avoid
196 conflicting terms and conditions in the respective documents. If available, the title, contract
197 number, and date of the right-of-use agreement or other authorization should be specifically
198 referenced.]

199 (g) The introduction, conveyance, and delivery of Non-Project Water pursuant
200 to this Contract will not be supported with Project-Use Power. If electrical power is required to
201 convey or pump the Non-Project Water into, through or from the Project Facilities, the
202 Contractor shall: (i) be responsible for the acquisition and payment of all electrical power and
203 associated transmission service charges, and provide a copy of a power contract and copies of
204 payment documents to the Contracting Officer as evidence that such electrical power has been
205 contracted and paid for prior to the introduction, conveyance, and delivery of any Non-Project
206 Water ; and/or (ii) prior to the introduction, conveyance, and delivery of any Non-Project Water,
207 enter into a letter of agreement with the United States that provides for the payment of all actual
208 energy costs and fees incurred in the introduction, conveyance and delivery of the Non-Project
209 Water .

210 (h) The Contractor shall have no rights to any benefits from increased power
211 generation that may result from the conveyance of the Non-Project Water through excess
212 capacity in the Project Facilities authorized pursuant to this Contract.

213 (i) The introduction of Non-Project Water into the Project Facilities by the
214 Contractor shall be conditioned upon compliance by the Contractor with the environmental

215 measures described in the environmental documentation prepared in connection with the
216 execution of this Contract and with the terms of the applicable operations procedures approved
217 by the Contracting Officer.

218 MEASUREMENT OF NON-PROJECT WATER

219 4. (a) All Non-Project Water shall be measured and recorded at the point(s) of
220 introduction and point(s) of delivery established pursuant to Article 3 herein with measurement
221 devices acceptable to the Contracting Officer and the methods used to make such measurements
222 shall be in accordance with sound engineering practices.

223 (b) Unless otherwise agreed to in writing by the Contracting Officer, the
224 Contractor, at its own cost and expense, shall be responsible for providing, installing, operating,
225 maintaining, repairing, replacing, and removing all measurement devices required under this
226 Contract in accordance with any right-of-use agreement(s) or other requisite authorization(s)
227 issued by the United States. The Contractor shall be responsible for all costs associated with the
228 issuance of such right-of-use agreement(s) and authorization(s). [Note: Subdivision (b) should
229 be modified, as appropriate, if the Non-Project Water can be measured with existing
230 measurement devices on the Project Facilities and the Contractor will not have responsibility for
231 the measurement devices. The issuance of a Warren Act contract and any right-of-use agreement
232 or other requisite authorization required for measurement devices required to effectuate the
233 Warren Act contract needs to be coordinated to ensure that the effective dates are consistent and
234 to avoid conflicting terms and conditions in the respective documents. If the title, Contract No.,
235 date, etc. of the right-of-use agreement or other authorization is known, this information should
236 be specifically referenced.]

237 (c) The Contractor shall maintain accurate records of the quantity of
238 Non-Project Water, expressed in acre-feet, introduced into and delivered from Project Facilities

239 at said authorized point(s) of introduction and delivery and shall provide such records to the
240 Contracting Officer and the Operating Non-Federal Entity [omit highlighted text if no ONFE] at
241 such times and in such manner as determined by the Contracting Officer.

242 (d) Upon the request of either party to this Contract, the Contracting Officer
243 shall investigate, or cause to be investigated by the Operating Non-Federal Entity, [omit
244 highlighted text if no ONFE] the accuracy of all measurements of Non-Project Water required by
245 this Contract. If the investigation discloses errors in the recorded measurements, such errors
246 shall be promptly corrected. If the investigation discloses that measurement devices are
247 defective or inoperative, the Contracting Officer shall take any necessary actions to ensure that
248 the responsible party makes the appropriate adjustments, repairs, or replacements to the
249 measurement devices. In the event the Contractor, as the responsible party, neglects or fails to
250 make such adjustments, repairs, or replacements to the measurement devices within a reasonable
251 time and to the reasonable satisfaction of the Contracting Officer, the Contracting Officer may
252 cause such adjustments, repairs, or replacements to be made and the costs thereof shall be
253 charged to the Contractor and the Contractor shall pay said charges to the United States
254 immediately upon receipt of a detailed billing. For any period of time during which accurate
255 measurements of the Non-Project Water have not been made, the Contracting Officer shall
256 consult with the Contractor and the Operating Non-Federal Entity [omit highlighted text if no
257 ONFE] prior to making a determination of the quantity of Non-Project Water introduced,
258 conveyed and delivered for that period of time and such determination by the Contracting Officer
259 shall be final and binding on the Contractor

260 OPERATION AND MAINTENANCE BY OPERATING NON-FEDERAL ENTITY

261 **[Note: Omit Article 5 in its entirety if O&M has not been transferred to ONFE.]**

262 5. (a) The operation and maintenance of a portion of the Project Facilities to be
263 used to introduce, convey and deliver the Non-Project Water to the Contractor, and responsibility
264 for funding a portion of the costs of such operation and maintenance, have been transferred
265 from the United States to the [redacted] [insert name of ONFE], the designated
266 Operating Non-Federal Entity, pursuant to a separate agreement, identified as Contract
267 No. [redacted], dated [redacted] [if applicable, insert "as amended" or "as amended
268 and assigned"]. That separate agreement shall not interfere with or affect the rights or
269 obligations of the Contractor or the United States hereunder.

270 (b) The Contractor shall pay directly to the [redacted] [insert name of
271 ONFE], or to any successor approved by the Contracting Officer under the terms and conditions
272 of the separate agreement described in subdivision (a) of this Article 5, all rates, charges, or
273 assessments of any kind, including any assessment for reserve funds, that the [redacted]
274 [insert name of ONFE] or such successor determines, sets, or establishes for the operation and
275 maintenance of the portion of the Project Facilities operated and maintained by the [redacted]
276 [insert name of ONFE] or such successor used to convey and deliver the Non-Project Water to
277 the Contractor.

278 (c) For so long as the operation and maintenance of any portion of the Project
279 Facilities used to convey and deliver the Non-Project Water to the Contractor is performed by
280 the [redacted] [insert name of ONFE], or any successor thereto, the Contracting Officer shall
281 adjust those components of the Rates for the Non-Project Water conveyed under this Contract by
282 deleting the costs associated with the activity being performed by the [redacted] [insert name
283 of ONFE] or its successor.

284 (d) In the event the United States reassumes operation and maintenance of any
285 portion of the Project Facilities from the Operating Non-Federal Entity, the Contracting Officer
286 shall so notify the Contractor, in writing, and shall revise the Rates on Exhibit B to include the
287 costs associated with the operation and maintenance activities reassumed by the United States.
288 The Contractor shall, thereafter, in the absence of written notification from the Contracting
289 Officer to the contrary, pay the Rates, specified in the revised Exhibit B directly to the United
290 States in compliance with Article 6 of this Contract.

291 PAYMENTS AND ADJUSTMENTS

292 6. (a) At the time the Contractor submits a schedule, or any revision(s) thereof
293 pursuant to subdivision (d) of Article 3 of this Contract, the Contractor shall make an advance
294 payment to the United States equal to the total amount payable pursuant to the applicable Rates
295 shown on Exhibit B for each acre-foot of Non-Project Water to be introduced into the Project
296 Facilities. Non-Project Water shall not be introduced into Project Facilities by the Contractor
297 prior to such payment being received by the United States.

298 (b) In the event the quantity of water delivered to the Contractor
299 exceeds the quantity of Non-Project Water authorized pursuant to subdivision (a) of Article 3 of
300 this Contract, that additional amount of water shall be deemed Project water delivered to the
301 Contractor, and an equivalent quantity of water shall be deducted from the Contractor's Project
302 water supply available thereafter under that certain "Long-Term Renewal Contract Between the
303 United States and [insert name of Contractor] Providing for Project Water
304 Service," [modify title if Contractor has not entered into a LTRC.] designated Contract
305 No. [insert name of Contractor], dated [insert date], and payment shall be made at the applicable rate
306 identified on Exhibit [insert appropriate Exhibit designation] to said water service contract.
307 The provisions of this subdivision are not exclusive and shall not prohibit the United States from

308 exercising any other remedy, including the early termination of this Contract pursuant to Article
309 2 of this Contract. [Note: Subdivision (b) of Article 6 is to be included if the Contractor has a
310 long-term or interim renewal contract. For Friant Division contractors with Class 1 and Class 2
311 water supplies, the additional water is to be deducted from the next available Class 1 supply,
312 with any remaining amount to be deducted from available Class 2 water supply. Subdivision (c)
313 should be modified accordingly to reflect this requirement for the Friant Division contractors.]
314 [For non CVP contractors, Article 6(b) can be omitted because over delivery of water to non
315 CVP contractors is taken care of in Article 3(a.1).]

316 (c) The amount of any overpayment by the Contractor by reason of the
317 quantity of Non-Project Water introduced into the Project Facilities and conveyed pursuant to
318 this Contract, as conclusively determined by the Contracting Officer, having been less than the
319 quantity which the Contractor otherwise under the provisions of this Contract would have been
320 required to pay for, shall be applied first to any accrued indebtedness arising out of this Contract
321 then due and owing to the United States by the Contractor. Any amount of such overpayment
322 then remaining shall be refunded to the Contractor: *Provided, however,* That no refund shall be
323 made by the United States to the Contractor for any quantity of Non-Project Water deemed to be
324 unused water donated to the United States for Project purposes pursuant to subdivision (e) of
325 Article 3 of this Contract.

326 (d) All payments made by the Contractor pursuant to subdivision (a) of this
327 Article 6 shall be covered into the Reclamation Fund pursuant to Section 3 of the Act of
328 February 21, 1911 (36 Stat. 925).

329 (e) The payment of the Rates set forth in this Article 6 for the use of Excess
330 Capacity are exclusive of O&M costs to be paid directly to the Operating Non-Federal Entity by
331 the Contractor, and [omit highlighted text if no ONFE] any additional charges that the Contractor

332 may assess its water users. In accordance with the Act of February 21, 1911 (36 Stat. 925), the
333 Contractor may not impose on its water users any charge for the use of Excess Capacity that
334 exceeds the total amount paid to the United States and to the Operating Non-Federal Entity [omit
335 highlighted text if no ONFE]: *Provided*, That the Contractor may also charge its water users
336 such additional amounts as are necessary to cover the Contractor's reasonable administrative
337 costs in contracting with the United States for the use of Excess Capacity in the Project
338 Facilities.

339 MEDIUM FOR TRANSMITTING PAYMENTS

340 7. (a) All payments from the Contractor to the United States under this Contract
341 shall be by the medium requested by the United States on or before the date payment is due. The
342 required method of payment may include checks, wire transfers, or other types of payment
343 specified by the United States.

344 (b) Upon execution of the Contract, the Contractor shall furnish the
345 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
346 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
347 out of the Contractor's relationship with the United States.

348 EXCESS CAPACITY

349 8. (a) The availability of Excess Capacity shall be determined solely by the
350 Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States
351 from utilizing available capacity in the Project Facilities for the storage and conveyance of
352 Project Water pursuant to Federal law, Reclamation law or policy, and existing contract(s); or for
353 using Excess Capacity in the Project Facilities for the storage and conveyance of any other
354 supplies of Non-Project Water.

355 (b) The Contracting Officer and the Operating Non-Federal Entity [omit
356 highlighted text if no ONFE] shall not be obligated to convey Non-Project Water during periods
357 of maintenance or for other operating requirements. [Note: If the Project Facilities are routinely

358 taken out of service for an extended period of time, such as for dewatering, this provision should
359 be modified to include specific reference to the period of unavailability.]

360 (c) If at any time the Contracting Officer determines that there will not be
361 Excess Capacity in the Project Facilities sufficient to allow the Non-Project Water to be
362 introduced into, conveyed, and delivered in accordance with an approved schedule submitted by
363 the Contractor, the Contracting Officer shall so notify the Contractor in writing. Within 24 hours
364 of said notice, the Contractor shall revise its schedule accordingly.

365 (d) No provision of this Contract shall be construed in any way as a basis for
366 the Contractor to establish a priority to or a permanent right to the use of Excess Capacity in the
367 Project Facilities nor to set a precedent to obligate the United States to enter into contracts with
368 any other entities or individuals for the conveyance or storage of Non-Project Water.

369 ACREAGE LIMITATION PROVISIONS

370 **[Note: Omit Article 9 in its entirety from M&I Only contracts.]**

371 9. (a) The Non-Project Water introduced, conveyed, and delivered pursuant to
372 this Contract cannot be furnished to irrigate more than 160 acres of Eligible Lands owned
373 directly or indirectly by any one person unless that person has become subject to the
374 discretionary provisions of the RRA. The Rates for furnishing water to irrigate such Eligible

375 Lands are identified as Irrigation Cost of Service, RRA Full Cost 202(3), and RRA Full Cost
376 205(a)(3) on Exhibit B.

377 (b) The Non-Project Water conveyed pursuant to this Contract can be
378 furnished to Ineligible Lands only if the Contractor pays the Incremental Fee specified on
379 Exhibit B.

380 RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER - SALE, TRANSFER,
381 OR EXCHANGE OF NON-PROJECT WATER

382 10. (a) The parties hereto acknowledge that this Contract does not grant any
383 permission or entitlement to the Contractor to extract and/or divert Non-Project Water from the
384 source(s) described on Exhibit C or to change the nature or place of use of its rights to said Non-
385 Project Water in any way. It is the responsibility of the Contractor to comply with all applicable
386 Federal, State, and local laws, rules and regulations, including, but not limited to, State water law
387 in relation to the Non-Project Water. It is expressly understood by the parties that the
388 United States is only providing conveyance capacity for the Non-Project Water and does not
389 claim any interest in the acquisition or use of the Non-Project Water beyond the terms
390 specifically set forth in this Contract.

391 (b) The Contracting Officer makes no representations as to the accuracy of the
392 description or of the validity of the Contractor's rights to the Non-Project Water described in
393 Exhibit C.

394 (c) No sale, transfer, or exchange of Non-Project Water conveyed under this
395 Contract may take place without the prior written approval of the Contracting Officer.

396 WATER CONSERVATION

397 11. (a) Prior to the delivery of water provided from or conveyed through federally
398 constructed or federally financed facilities pursuant to this Contract, the Contractor shall develop
399 a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of
400 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations). [Note: If paragraph (b)

401 is omitted, delete yellow highlight on text (a).]

402 (b) The parties hereto acknowledge and agree that pursuant to Contract No.
 403 _____, “_____,” dated _____, [insert appropriate Contract No.,
 404 title of contract, and date] the Contractor has implemented an effective water conservation
 405 plan/program [modify highlighted text, as appropriate, to conform to requirement in the water
 406 service contract] that has been approved by the Contracting Officer. Said water conservation
 407 plan/program [modify highlighted text, as appropriate, to conform to requirement in the water
 408 service contract] shall be deemed to meet the requirements of subdivision (a) of this Article 11:
 409 *Provided*, That the Contractor, prior to execution of this Contract, documents to the satisfaction
 410 of the Contracting Officer that the quantity of Non-Project Water to be conveyed pursuant to this
 411 Contract has been included in its approved water conservation plan/program [modify highlighted
 412 text, as appropriate, to conform to the requirement in water service contract] and that all
 413 Non-Project Water shall be subject to the same water conservation requirements as the Project
 414 Water under Contract No. _____. [insert appropriate Contract No.] [Note: Include
 415 subdivision (b) only if the Contractor has implemented a current Reclamation-approved water
 416 conservation program/plan under an existing water service contract.]

417 UNITED STATES NOT LIABLE

418 12. (a) The United States, its officers, agents and employees, including the
 419 Operating Non-Federal Entity, [omit highlighted text if no ONFE] shall not be responsible for
 420 the control, care, or distribution of the Non-Project Water before it is introduced into or after it is
 421 delivered from the Project Facilities. It is specifically understood by the parties hereto that the
 422 United States is only providing conveyance capacity for the Non-Project Water and does not
 423 claim any interest in the Non-Project Water beyond the terms specifically set forth in this
 424 Contract.

425 (b) The Contractor shall indemnify and hold harmless the United States, its
426 officers, agents and employees, **and the Operating Non-Federal Entity**, [omit highlighted text if
427 **no ONFE**] from any loss or damage and from any liability on account of personal injury, death,
428 or property damage, or claims for personal injury, death, or property damage, of any nature
429 whatsoever arising out of any actions or omissions of the Contractor, its directors, officers,
430 agents, contractors, and employees, under this Contract, including the manner or method in
431 which the Non-Project Water identified on Exhibit C is introduced into and delivered from the
432 Project Facilities. The Contractor further releases the United States, its officers, agents and
433 employees, **and the Operating Non-Federal Entity**, [omit highlighted text if no ONFE] from every
434 claim for injury to persons, death, or property damage, direct or indirect, resulting from the
435 Contracting Officer's determination of the quantity of Excess Capacity available in the Project
436 Facilities for conveyance of the Contractor's Non-Project Water, the determination that the Non-
437 Project Water introduced into Project Facilities must be terminated, and the elimination from
438 Exhibit C of any source(s) of Non-Project Water. Nothing contained in this Article shall be
439 construed as an assumption of liability by the Contractor with respect to such matters.

440 OPINIONS AND DETERMINATIONS

441 13. (a) Where the terms of this Contract provide for actions to be based upon the
442 opinion or determination of either party to this Contract, said terms shall not be construed as
443 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or
444 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly
445 reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious,
446 or unreasonable opinion or determination. Each opinion or determination by either party shall be
447 provided in a timely manner. Nothing in subdivision (a) of this Article 13 is intended to or shall
448 affect or alter the standard of judicial review applicable under Federal law to any opinion or

449 determination implementing a specific provision of Federal law embodied in statute or
450 regulation.

451 (b) The Contracting Officer shall have the right to make determinations
452 necessary to administer this Contract that are consistent with the provisions of this Contract, the
453 laws of the United States and the State of California, and the rules and regulations promulgated
454 by the Secretary. Such determinations shall be made in consultation with the Contractor to the
455 extent reasonably practicable.

456 PROTECTION OF WATER AND AIR QUALITY

457 14. (a) Project Facilities used to make available and deliver Non-Project Water to
458 the Contractor shall be operated and maintained in the most practical manner to maintain the
459 quality of the Non-Project Water at the highest level possible as determined by the Contracting
460 Officer: *Provided*, That the United States does not warrant the quality of the Non-Project Water
461 delivered to the Contractor and is under no obligation to furnish or construct water treatment
462 facilities to maintain or improve the quality of the Non-Project Water delivered to the
463 Contractor.

464 (b) The Contractor shall comply with all applicable water and air pollution
465 laws and regulations of the United States and the State of California; and shall obtain all required
466 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
467 delivery of Non-Project Water by the Contractor; and shall be responsible for compliance with
468 all Federal, State, and local water quality standards applicable to surface and subsurface drainage
469 and/or discharges generated through the use of Project Facilities or Contractor facilities or Non-
470 Project Water provided by the Contractor within the Contractor's Boundaries.

471 (c) This Article 14 shall not affect or alter any legal obligations of the
472 Secretary to provide drainage or other discharge services.

473 (d) The Non-Project Water introduced into the Project Facilities shall be of
474 such quality, as determined solely by the Contracting Officer, as to not significantly degrade the
475 quality of the Project water. If it is determined by the Contracting Officer that the quality of the
476 Non-Project Water from any source(s) identified in Exhibit C will significantly degrade the
477 quality of Project water in or introduced into the Project Facilities, the Contractor shall, upon
478 receipt of a written notice from the Contracting Officer, arrange for the immediate termination of

479 the introduction of Non-Project Water from such sources(s) into the Project Facilities, and
480 Exhibit C shall be modified to delete such sources(s) of Non-Project Water.

481 (e) Exhibit D identifies the minimum water quality standards for monitoring
482 the quality of Non-Project Water introduced by the Contractor into Project Facilities. Exhibit E
483 identifies the laboratories approved by the Contracting Officer that are to be used for conducting
484 water quality analyses. The Contractor is responsible for sampling and analytical costs
485 associated with evaluating quality of the Non-Project Water. Non-Project Water introduced into
486 Project Facilities for purposes of water quality testing is considered Project water.

487 (f) At all times during the term of this Contract, the Contractor shall be in
488 compliance with the requirements of the then-current Quality Assurance Project Plan (Plan)
489 approved/prepared [select appropriate option] by the Contracting Officer to monitor Non-Project
490 Water introduced into and conveyed through the Project Facilities. The Plan describes the
491 sample collection procedures, water testing methods, and data review process, including quality
492 control/quality assurance protocols, to verify analytical results.

493 [Note: Include subdivision (f) as appropriate. If the Plan includes the water quality standards
494 and approved laboratory list, the Plan can be incorporated by reference or included as an exhibit
495 to the contract in lieu of Exhibits D and E referenced in subdivision (e) of this Article. In such
496 cases, subdivision (e) of this Article should be modified accordingly.]

497 (g) The Contracting Officer reserves the right to require additional analyses to
498 ensure the Non-Project Water meets the Bureau of Reclamation's water quality acceptance
499 criteria.

500 CHARGES FOR DELINQUENT PAYMENTS

501 15. (a) The Contractor shall be subject to interest, administrative, and
 502 penalty
 503 charges on delinquent payments. If a payment is not received by the due date, the Contractor
 504 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
 505 beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest
 506 charge, the Contractor shall pay an administrative charge to cover additional costs of billing and
 507 processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to
 508 the interest and administrative charges, the Contractor shall pay a penalty charge for each day the
 509 payment is delinquent beyond the due date, based on the remaining balance of the payment due
 510 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
 511 collection services associated with a delinquent payment.

512 (b) The interest charge rate shall be the greater of either the rate prescribed
 513 quarterly in the Federal Register by the Department of the Treasury for application to overdue
 514 payments or the interest rate of 0.5 percent per month. The interest charge rate will be
 515 determined as of the due date and remain fixed for the duration of the delinquent period.

516 (c) When a partial payment on a delinquent account is received, the amount
 517 received shall be applied first to the penalty charges, second to the administrative charges, third
 518 to the accrued interest, and finally to the overdue payment.

519 EQUAL EMPLOYMENT OPPORTUNITY

520 16. During the performance of this Contract, the Contractor agrees as follows:

521 (a) The Contractor will not discriminate against any employee or applicant for
 522 employment because of race, color, religion, sex, disability, or national origin. The Contractor
 523 will take affirmative action to ensure that applicants are employed, and that employees are
 524 treated during employment, without regard to their race, color, religion, sex, disability, or
 525 national origin. Such action shall include, but not be limited to the following: employment,
 526 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination;
 527 rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 528 The Contractor agrees to post in conspicuous places, available to employees and applicants for
 529 employment, notices to be provided by the Contracting Officer setting forth the provisions of this
 530 nondiscrimination clause.

531 (b) The Contractor will, in all solicitations or advertisements for employees
 532 placed by or on behalf of the Contractor, state that all qualified applicants will receive
 533 consideration for employment without regard to race, color, religion, sex, disability, or national
 534 origin.

535 (c) The Contractor will send to each labor union or representative of workers
 536 with which it has a collective bargaining agreement or other contract or understanding, a notice,
 537 to be provided by the Contracting Officer, advising the labor union or workers' representative of
 538 the Contractor's commitments under Section 202 of Executive Order 11246 of September 24,
 539 1965 (EO 11246), and shall post copies of the notice in conspicuous places available to
 540 employees and applicants for employment.

541 (d) The Contractor will comply with all provisions of EO 11246, and of the
 542 rules, regulations, and relevant orders of the Secretary of Labor.

543 (e) The Contractor will furnish all information and reports required by
 544 EO 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant
 545 thereto, and will permit access to his books, records, and accounts by the Contracting Agency
 546 and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules,
 547 regulations, and orders.

548 (f) In the event of the Contractor's noncompliance with the nondiscrimination
 549 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
 550 canceled, terminated or suspended in whole or in part and the Contractor may be declared
 551 ineligible for further Government contracts in accordance with procedures authorized in EO
 552 11246, and such other sanctions may be imposed and remedies invoked as provided in EO 11246
 553 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

554 (g) The Contractor will include the provisions of paragraphs (a) through (g) in
 555 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
 556 Secretary of Labor issued pursuant to Section 204 of EO 11246, so that such provisions will be
 557 binding upon each subcontractor or vendor. The Contractor will take such action with respect to
 558 any subcontract or purchase order as may be directed by the Secretary of Labor as a means of
 559 enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in
 560 the event the Contractor becomes involved in, or is threatened with, litigation with a
 561 subcontractor or vendor as a result of such direction, the Contractor may request the United
 562 States to enter into such litigation to protect the interests of the United States.

563 CERTIFICATION OF NONSEGREGATED FACILITIES

564 17. The Contractor hereby certifies that it does not maintain or provide for its
 565 employees any segregated facilities at any of its establishments and that it does not permit its
 566 employees to perform their services at any location under its control where segregated facilities
 567 are maintained. It certifies further that it will not maintain or provide for its employees any
 568 segregated facilities at any of its establishments and that it will not permit its employees to
 569 perform their services at any location under its control where segregated facilities are
 570 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
 571 Employment Opportunity clause in this Contract. As used in this certification, the term

572 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,
 573 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
 574 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
 575 facilities provided for employees which are segregated by explicit directive or are in fact
 576 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
 577 disability, or otherwise. The Contractor further agrees that (except where it has obtained
 578 identical certifications from proposed subcontractors for specific time periods) it will obtain
 579 identical certifications from proposed subcontractors prior to the award of subcontracts
 580 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
 581 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
 582 following notice to such proposed subcontractors (except where the proposed subcontractors
 583 have submitted identical certifications for specific time periods):

584 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT
 585 FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

586 A Certification of Nonsegregated Facilities must be submitted prior to the award
 587 of a subcontract exceeding \$10,000 which is not exempt from the provisions of
 588 the Equal Employment Opportunity clause. The certification may be submitted
 589 either for each subcontract or for all subcontracts during a period (i.e., quarterly,
 590 semiannually, or annually). Note: The penalty for making false statements in
 591 offers is prescribed in 18 U.S.C. 1001.

592 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

593 18. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
 594 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
 595 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
 596 Title III; 42 U.S.C. § 6101, et seq.), [Title II of the Americans with Disabilities Act of 1990
 597 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.),] [Title III of the Americans with Disabilities Act
 598 of 1990 (Pub. L. 101-336; 42 U.S.C. § 12181, et seq.),]¹ and any other applicable civil rights
 599 laws, and with the applicable implementing regulations and any guidelines imposed by the U.S.
 600 Department of the Interior and/or Bureau of Reclamation.

601 ¹ Language appearing in brackets is alternate, depending on the contractor. Use the language referring to Title II if the
 602 contractor is a State or local government entity. Use the language referring to Title III if the contractor is a non-government
 603 entity.

604 (b) These statutes prohibit any person in the United States from being
 605 excluded from participation in, being denied the benefits of, or being otherwise subjected to
 606 discrimination under any program or activity receiving financial assistance from the Bureau of
 607 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this
 608 contract, the Contractor agrees to immediately take any measures necessary to implement this
 609 obligation, including permitting officials of the United States to inspect premises, programs, and
 610 documents.

611 (c) The Contractor makes this agreement in consideration of and for the
 612 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
 613 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of

614 Reclamation, including installment payments after such date on account of arrangements for
 615 Federal financial assistance which were approved before such date. The Contractor recognizes
 616 and agrees that such Federal assistance will be extended in reliance on the representations and
 617 agreements made in this Article and that the United States reserves the right to seek judicial
 618 enforcement thereof.

619 (d) Complaints of discrimination against the Contractor shall be investigated
 620 by the Contracting Officer's Office of Civil Rights.

621 GENERAL OBLIGATION - BENEFITS CONDITIONED UPON PAYMENT

622 19. (a) The obligation of the Contractor to pay the United States as provided in
 623 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
 624 obligation may be distributed among the Contractor's water users and notwithstanding the
 625 default of individual water users in their obligation to the Contractor.

626 (b) The payment of charges becoming due pursuant to this Contract is a
 627 condition precedent to receiving benefits under this Contract. The United States shall not make
 628 Non-Project Water available to the Contractor through Project Facilities during any period in
 629 which the Contractor is in arrears in the advance payment of Rates and charges due the United
 630 States. The Contractor shall not deliver Non-Project Water under the terms and conditions of
 631 this Contract for lands or parties that are in arrears in the advance payment of rates and charges
 632 as levied or established by the Contractor.

633 BOOKS, RECORDS, AND REPORTS

634 20. The Contractor shall establish and maintain accounts and other books and records
 635 pertaining to administration of the terms and conditions of this contract, including the
 636 Contractor's financial transactions; water supply data; project operation, maintenance, and
 637 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop
 638 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting
 639 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on
 640 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws
 641 and regulations, each party to this contract shall have the right during office hours to examine
 642 and make copies of the other party's books and records relating to matters covered by this
 643 contract.

644 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

645 21. The expenditure or advance of any money or the performance of any obligation of
 646 the United States under this contract shall be contingent upon appropriation or allotment of
 647 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
 648 obligations under this contract. No liability shall accrue to the United States in case funds are
 649 not appropriated or allotted.

650 ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

651 22. The provisions of this Contract shall apply to and bind the successors and assigns
652 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein
653 by either party shall be valid until approved in writing by the other party.

654 OFFICIALS NOT TO BENEFIT

655 23. No Member of or Delegate to the Congress, Resident Commissioner, or official of
656 the Contractor shall benefit from this Contract other than as a water user or landowner in the
657 same manner as other water users or landowners.

658 CHANGES IN CONTRACTOR'S ORGANIZATION

659 24. While this Contract is in effect, no change may be made in the Contractor's
660 organization, by inclusion or exclusion of lands or by any other changes which may affect the
661 respective rights, obligations, privileges, and duties of either the United States or the Contractor
662 under this Contract including, but not limited to, dissolution, consolidation, or merger, except
663 upon the Contracting Officer's written consent.

664 NOTICES

665 25. Any notice, demand, or request authorized or required by this Contract
666 shall be deemed to have been given, on behalf of the Contractor, when mailed, postage
667 prepaid, or delivered to Bureau of Reclamation, [redacted] [insert name and address of
668 the appropriate Area Office], and on behalf of the United States, when mailed, postage prepaid,
669 or delivered to [redacted] [insert Contractor name and address]. The designation of the
670 addressee or the address may be changed by notice given in the same manner as provided in this
671 Article for other notices.

672 INCORPORATION OF EXHIBITS

673 26. Exhibits A through E are attached hereto and incorporated herein by reference.

[Note: If the Quality Assurance Project Plan is incorporated by reference or used as an exhibit to
the Contract, the exhibits referenced in this Article will require revision.]

674 CONTRACT DRAFTING CONSIDERATIONS

675 27. This Contract has been negotiated and reviewed by the parties hereto, each of
676 whom is sophisticated in the matters to which this Contract pertains. The double-spaced articles
677 of this Contract have been drafted, negotiated, and reviewed by the parties, and no one party
678 shall be considered to have drafted the stated articles.

679 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
680 the day and year first above written.

681 UNITED STATES OF AMERICA

682 By: _____
683 Area Manager
684 _____ [insert Area Office name]
685 Mid-Pacific Region
686 Bureau of Reclamation

687 DISTRICT _____ [insert Contractor name in CAPS]

688 (SEAL)

689 By: _____
690 President of the Board of Directors

691 Attest:

692 By: _____
693 Secretary of the Board of Directors

[NOTE: Titles for the Contractor representatives will need to be revised for counties, cities, etc.]

T:\PUB440\CONTRACTS\Temporary Contracts\Warren Act\2011 WA Template\2011 Temporary WA Final Template - Conveyance Only Irrigation and M&I - 04-12-11.doc

NOTE: A separate page with the filename information is to be included with the Official File Copy. The filename information is not to be included with the contracts sent to the Contractor.]

SAMPLE

Temporary Warren Act Contract – Year 2013
Irrigation Only/Irrigation and M&I/M&I Only
[select applicable purpose of use]

Contract No. _____

EXHIBIT A

CONTRACTOR'S BOUNDARY MAP

This is a placeholder page. The Contractor's Boundary Map is to be designated as Exhibit A and appended to the contract.

SAMPLE

EXHIBIT B

[insert Contractor name in CAPS]

**YEAR 2013 CONVEYANCE RATES
 (Per Acre-Foot)**

Cost Component	(1) Irrigation Cost of Service	(2) RRA Full Cost 202(3)	(3) RRA Full Cost 205(a)(3)	(4) Incrementa Fee	(5) M&I Cost of Service
Water Marketing					
Conveyance					
O&M					
Capital					
Other Cost					
Total					

- (1) The Irrigation Cost of Service Rate is applicable to Eligible Lands that are entitled to receive Irrigation Water at other than a Full-Cost Rate.
- (2) The RRA Section 202(3) Full Cost Rate is applicable to a Qualified Recipient or to a Limited Recipient (as those terms are defined in Section 202 of the RRA) receiving Irrigation Water on or before October 1, 1981.
- (3) The RRA Section 205(a)(3) Full Cost Rate is applicable to a Limited Recipient (as that term is defined in Section 202 of the RRA) that did not receive Irrigation Water on or before October 1, 1981, and those prior law landholders leasing land in excess of their entitlement.
- (4) The Incremental Fee is applicable to Ineligible Lands pursuant to subdivision (b) of Article 9 of this Contract. (Incremental Fee requirements for Ineligible Lands are set forth in 43 CFR 426.15.)
- (5) The M&I Cost of Service Rate is applicable to Non-Project Water delivered for municipal and industrial purposes. See definition of “Municipal and Industrial Water” in subdivision (j) of Article 1 of this Contract.

*Conveyance operation and maintenance costs were removed for ratesetting purposes and are billed directly by the Operating Non-Federal Entity.

NOTE: If the Non-Project Water is being conveyed through the Contractor’s 9(d) distribution system, a separate rate will be developed for that system.

**Additional details of rate components are available on the Internet at
<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>.**

[NOTES: Rates and footnotes will need to be modified for “Irrigation Only” and “M&I Only” contracts and if no ONFE. Conveyance pumping and storage components are to be added as appropriate.]

EXHIBIT C

SOURCE(S) OF CONTRACTOR'S NON-PROJECT WATER

_____ [insert Contractor name in CAPS]

The source of the Contractor's Non-Project Water supply, commonly known as "_____", (if applicable) is described herein below:

[NOTE: This section should describe the type of right (i.e. stock ownership, pre-1914 water right, etc.), and identify the season of and associated quantities of Non-Project Water available under the claimed right. The timeframe for introduction of the Non-Project Water supply and the monthly quantities must correspond to the claimed right.]

The information requirements for evaluating proposed Warren Act contracts are set forth in the "Water Rights Data Checklist for Proposals Involving Non-CVP Water for Water Exchanges, Water Acquisitions, or Warren Act Contracts." The referenced checklist was recently updated and transmitted to the Area Office by Regional Office memorandum dated April 7, 2011. This checklist must be sent to the appropriate Repayment Specialist in the Regional Office, MP-440.

EXHIBIT D

WATER QUALITY STANDARDS

This is a placeholder page. The water quality monitoring requirements applicable to the specific Project facilities to be used to convey the Non-Project Water are to be identified as Exhibit D and appended to the Contract.

[Note: If the Contractor has a Reclamation-approved Quality Assurance Project Plan that includes the water quality monitoring requirements applicable to the Project Facilities to be used under this Contract, the Plan can be incorporated into the Contract by reference or designated as an exhibit to satisfy the requirement for the Contract to include water quality monitoring requirements.]

SAMPLE

Temporary Warren Act Contract – Year 2013

Irrigation Only/Irrigation and M&I/M&I Only
[select applicable purpose of use]

Contract No. _____

EXHIBIT E

APPROVED LABORATORY LIST

This is a placeholder page. The Approved Laboratory List for the 2013 water year is to be designated as E and appended to the Contract.

[Note: If the Contractor has a Reclamation-approved Quality Assurance Project Plan that includes a list of approved laboratories, the Plan can be incorporated into the Contract by reference or designated as Exhibit E to the Contract to satisfy the requirement to include a list of approved laboratories.]

SAMPLE E

**Potential 2015 Yuba Accord Transfer and Wheeling to
Dublin San Ramon Services District****PROJECT DESCRIPTION – FEBRUARY 25, 2015**

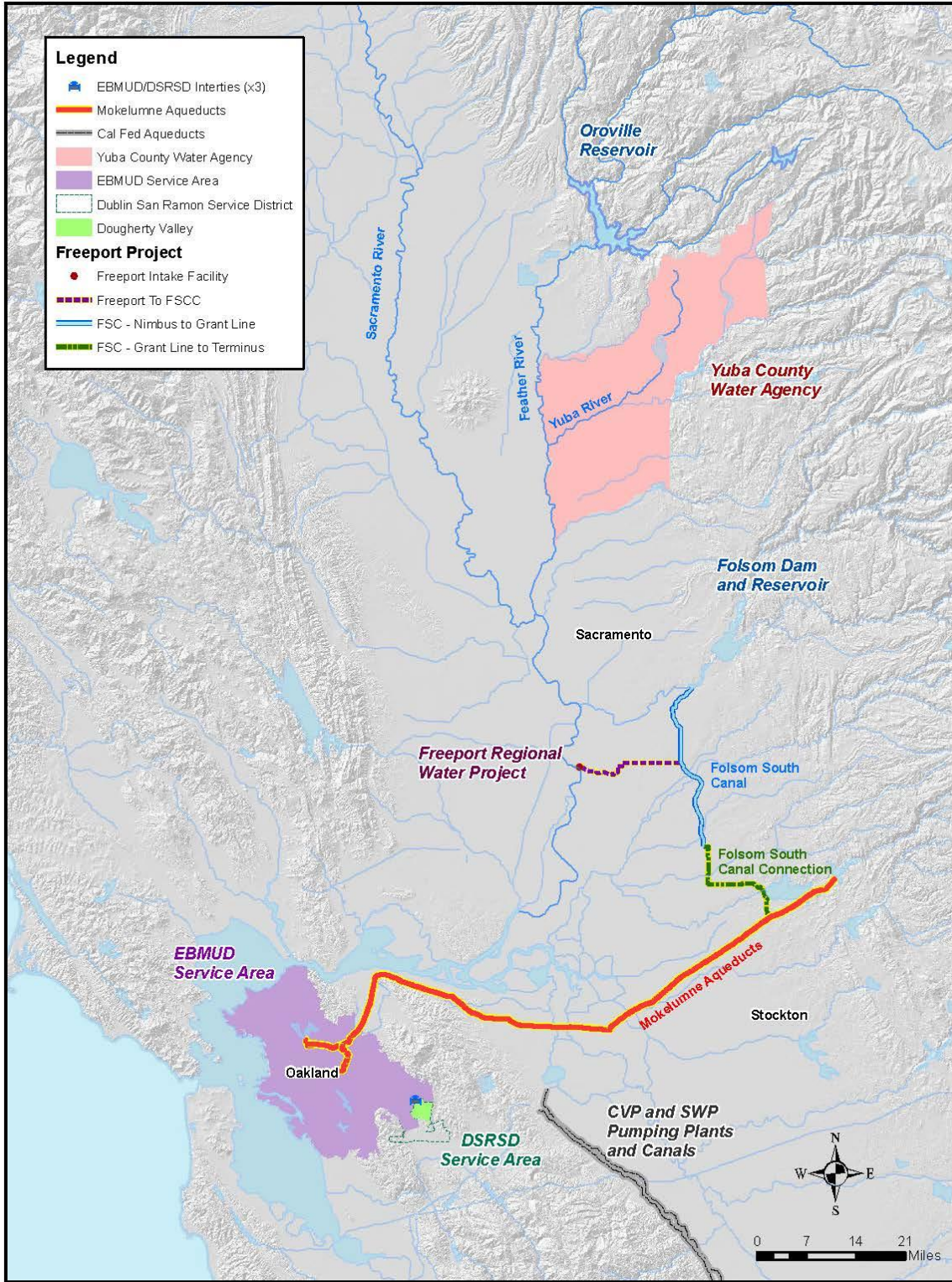
SUMMARY

Dublin San Ramon Services District (DSRSD) is proposing to purchase up to 1500 acre-feet (AF) of transfer water from the Yuba County Water Agency (YCWA) and wheel the transfer water through facilities owned by the Freeport Regional Water Authority (FRWA) and East Bay Municipal Utility District (EBMUD) to meet customer water demands in 2015. DSRSD is a public agency in Alameda and Contra Costa counties that serves potable water to an estimated 80,000 residents and is located adjacent to the southern boundary of EBMUD. In February 2014, DSRSD declared a Community Drought Emergency that extends through June 30, 2015. DSRSD has imposed mandatory water use restrictions and prohibitions with a goal of achieving a 25% overall water use reduction. At the end of 2014, DSRSD achieved 24% conservation for the year compared to 2013. DSRSD is seeking supplemental water in anticipation of another dry year in which DSRSD's existing water supplies would be severely limited.

The DSRSD transfer would begin in mid-April 2015. The transfer water would be released by YCWA from New Bullards Bar Reservoir and be diverted by EBMUD at the Freeport Regional Water Project (Freeport Project) intake on the Sacramento River at a maximum rate of 140 cubic feet per second (cfs) over a period of approximately 5 days. The transfer water would be conveyed through Freeport Project facilities, the United States Bureau of Reclamation's (Reclamation's) Folsom South Canal (FSC), and EBMUD's raw water system to EBMUD's service area. The transfer water would then be temporarily stored in EBMUD's local reservoirs before being delivered to DSRSD during June through September via existing, small diameter interties connecting EBMUD and DSRSD's water distribution systems. Figure 1 shows the proposed routing and facilities that would be used to convey transfer water from YCWA to DSRSD.

The transfer water would be made available for transfer from supplies that cannot be delivered to existing buyers of YCWA's Lower Yuba River Accord (Yuba Accord) transfer water located south of the Delta due to constraints on cross-Delta water transfers. YCWA would make Yuba Accord transfer water available for redirection at the Freeport Project intake consistent with the terms of the State Water Resources Control Board (SWRCB) order that authorized the Freeport Project intake as a point of redirection for that transfer water. The proposed transfer would not result in any changes to YCWA operations or Yuba River flows that are already part of the Yuba Accord. Additionally, the proposed transfers would not involve construction of any new facilities, and would comply with all regulatory requirements applicable to YCWA's water rights, the Yuba Accord, Freeport Project operations, and use of other existing facilities needed to convey water to DSRSD.

Figure 1. Location Map for Proposed Yuba Accord Transfer to DSRSD



BACKGROUND

Purpose and Need

DSRSD is a public agency located in Alameda and Contra Costa counties that serves potable water to an estimated 80,000 residents. Of this number, approximately 22,500 residents are located in Dougherty Valley, a portion of the City of San Ramon located in Contra Costa County. Since 1999, DSRSD has partnered with EBMUD in producing recycled water for landscape irrigation and construction.

DSRSD normally purchases all water required for use within DSRSD's service area through a contract with Zone 7 Water Agency (Zone 7), with the exception of groundwater extracted per the contract provisions, and recycled water. Over 80% of Zone 7's water supply is imported from the SWP and surplus water from the Byron Bethany Irrigation District. Zone 7's remaining water supply is from local surface water runoff and local storage (i.e. the groundwater basin). Zone 7 also has non-local storage with Semitropic Water Storage District and Cawelo Water District. DSRSD's most recent contract with Zone 7 went into effect on August 23, 1994 and has a 30-year term (until 2024). Under Provision 5C of the contract DSRSD may seek alternative potable water supplies in situations where Zone 7 may not be able to meet DSRSD's water demands.

DSRSD's water supply is highly dependent on Zone 7's SWP allocation and the ability to convey water through the South Bay Aqueduct. The ongoing drought has significantly impacted DSRSD and Zone 7's other retailers. During 2014, Zone 7's SWP allocation was just 5%, and deliveries could not be made until September 1, 2014. As a result, Zone 7 directed its retailers to reduce overall water use by 25% compared to 2013 water use.

In February 2014 the DSRSD Board of Directors declared a Community Drought Emergency and asked customers to voluntarily conserve 20% on their water use. On April 16, 2014, the Zone 7 Board directed their staff and the retailers to achieve 25% conservation and implemented a Stage 2 Action Plan and provided written notice to the retailers that Zone 7 would only be able to provide 75% of the treated water necessary to satisfy retailer water demands in 2014. Zone 7 further stated that by not being able to meet the needs of the retailers, Provision 5C of Zone 7's contracts permits retailers to seek alternative supplies through emergency interties, and "Zone 7 strongly urges you to do so".

On May 5, 2014, the DSRSD Board revised their emergency declaration from 20% to 25% conservation, adopted two urgency ordinances, and implemented Stage 3 drought rates. Ordinance 333 imposed mandatory water use restrictions and prohibitions with a goal of achieving a 25% overall water use reduction, 5% inside and 50-60% outside, as compared to 2013 use. Ordinance 334 authorized staff to use warnings, fines, and flow restrictors or service disconnection to enforce the water use limitations described in Ordinance 333. The DSRSD Board later adopted Ordinance 335 that revised the enforcement program by clarifying that warnings are not violations. The ordinances authorized DSRSD's General Manager to enforce the mandatory water use limitations as necessary to ensure continued integrity of the community water supply system for health and safety purposes. At the end of 2014 DSRSD had achieved 24% conservation for the year compared to 2013.

Due to another year of anticipated drought, in December 2014 DSRSD extended its emergency drought declaration through June 30, 2015. DSRSD is also seeking alternative water supplies in anticipation of another year where Zone 7's SWP allocation may be severely cutback and once again Zone 7 may not be able to meet DSRSD's need for water. The Yuba Accord transfer water would be used within a portion of DSRSD's service area referred to as Dougherty Valley (see Figure 1).

Yuba Accord Transfer Water

The Yuba Accord is a comprehensive settlement agreement that has been in effect since 2008. It was designed by local, state, and federal agencies, and conservation groups, to resolve instream flow issues associated with YCWA's operation of the Yuba River Development Project. The Yuba Accord protects and enhances lower Yuba River fisheries, improves water supply reliability and provides revenue for the Yuba Accord fisheries science program, local flood control and water supply projects. Under the WPA, California's Department of Water Resources (DWR) purchases Yuba Accord transfer water for fish and wildlife purposes in the Bay-Delta, and for cities and farms throughout the State through contracts with the SWP and CVP. Presently, CVP contractors receive a share of Yuba Accord transfer water via the San Luis and Delta-Mendota Water Authority (SLDMWA), which has an agreement with DWR.

The Yuba Accord's implementation began in 2008 following YCWA's certification of a Final Environmental Impact Report (EIR) and the issuance by the State Water Resources Control Board (SWRCB) of Corrected Water Right Order 2008-0014, which approved the addition of the SWP and CVP service areas as places of use and the Delta export pumps as points of rediversion to YCWA's Permit 15026 (Application 5632) through year 2025. As a result of evolving regulatory requirements that have constrained cross-Delta pumping, there are fewer periods when Yuba Accord transfer water can be transferred to south of Delta buyers than was anticipated when the Yuba Accord was signed. Under these conditions, DWR has attempted to "back up" Yuba Accord transfer water into storage in the SWP's Oroville Reservoir.¹ This operation cannot always be accomplished, however, and even when it is successful, the transfer water stored in Oroville Reservoir is sometimes spilled at a later time when winter runoff fills the reservoir. The spilling of Yuba Accord transfer water results in YCWA receiving less revenue to achieve the environmental and water supply benefits anticipated as part of the Yuba Accord.

On January 28, 2014, YCWA's Board of Directors adopted an Addendum (Addendum) to the Yuba Accord Final EIR that analyzed the potential effects of authorizing the Freeport Project intake as a point of rediversion for Yuba Accord transfer water. The diversion of Yuba Accord transfer water at the Freeport Project intake would not involve any changes to YCWA's operations under the Yuba Accord or schedules for making instream flow releases to benefit the lower Yuba River. To support the Addendum, YCWA conducted a detailed technical analysis of

¹ DWR "backs up" Yuba Accord water into Oroville Reservoir storage by relying on the Yuba Accord water to meet requirements downstream of the Feather and Yuba Rivers' confluence that would otherwise require releases of equal amounts of water from Oroville Reservoir. The Yuba Accord water allows DWR to reduce releases from Oroville that otherwise would need to be higher to meet those requirements. The resulting increment of retained Oroville storage that is a result of releasing less water than would have been required without the Yuba Accord water is the "backed up" Yuba Accord water.

the hydrologic changes that could occur as a result of conducting YCWA water transfers through the Freeport Project and any potential fishery impacts. YCWA's analysis indicated that only changes in stream flows, reservoir storage, and the Delta would occur and only outside of the Yuba River watershed as a result of less Yuba Accord transfer water being “backed up” in Oroville Reservoir than under existing conditions. YCWA's analysis determined that no significant fishery impacts would occur. The proposed diversion of Yuba Accord transfer water at the Freeport Project intake results in a transfer delivery schedule more similar to that anticipated in the Yuba Accord Final EIR. The Addendum found no new environmental impacts or substantial increases in the severity of significant impacts analyzed in the Final EIR.

On June 9, 2014, the SWRCB issued a Corrected Order approving the addition of the Freeport Project intake as a point of rediversion for Yuba Accord transfer water through year 2025, with quantities not to exceed 34,000 AF per year or 9,600 AF per month. The addition of the Freeport Project intake allows YCWA to transfer water under, among other terms, the following:

- Freeport Project diversion limits of 34,000 acre-feet per year and 9,600 acre-feet per month;
- Compliance with all applicable biological opinions, the incidental take permit issued under the California Endangered Species Act for the Freeport Project and the California Department of Fish and Wildlife's streambed alteration agreement for that project; and
- Compliance with all of the pre-existing instantaneous and annual limits on Yuba Accord transfer diversions, which were extended from the CVP and SWP export pumps to include Freeport Project diversions of Yuba Accord transfer water.

Under Amendment 5 of the WPA (December 2014), YCWA agreed that YCWA will not make Yuba Accord transfer water available within the boundaries of a WPA “Participating Contractor” (other than under the WPA). Consistent with Amendment 5 of the WPA, all of the Yuba Accord transfer water under this project description would be made available for use outside the boundaries of WPA Participating Contractors.

Conveyance and Wheeling

YCWA would make up to 1500 AF of Yuba Accord transfer water available for DSRSD in mid-April 2015 from supplies released from New Bullards Bar Reservoir that cannot be delivered to existing buyers under the Yuba Accord because of constraints on cross-Delta water transfers. The Yuba Accord transfer water would flow down the Feather and Sacramento rivers before being diverted by EBMUD at the Freeport Project intake. The Freeport Project intake is owned by the Freeport Regional Water Authority (FRWA), a joint powers authority between Sacramento County Water Agency (SCWA) and EBMUD. Diversion of Yuba Accord transfer water would be at a flow rate of up to approximately 90 million gallons per day (MGD), and total EBMUD diversions would not exceed EBMUD's allocated Freeport Project capacity of 100 MGD. The total diversion rate of the Freeport Project intake, including use of the facility by SCWA, would remain within its design capacity and permitted capacity of 185 MGD.

As shown on Figures 2 and 3, after diversion of the Yuba Accord transfer water at the Freeport Project intake, that transfer water would be pumped eastward through the FRWA's Joint Pipeline and EBMUD's Gerber Pipeline into the Folsom South Canal where it crosses Grant Line Road (Canal Mile 12.4). The water would then flow 12 miles southward along the Folsom South Canal. Near the terminus of the canal, the water would be diverted by EBMUD's Clay Station Pumping Plant and pumped into EBMUD's Folsom South Canal Connection facilities, ultimately entering the Mokelumne Aqueducts for conveyance to EBMUD's service area. All of the transfer water would be diverted into two of EBMUD's terminal reservoirs: San Pablo Reservoir and Upper San Leandro Reservoir. The water would be treated at EBMUD's conventional treatment plants, Sobrante Water Treatment Plant and Upper San Leandro Water Treatment Plant, before entering EBMUD's treated water distribution system and being delivered to DSRSD's service area.

Figure 2. Map of the Freeport Regional Water Project

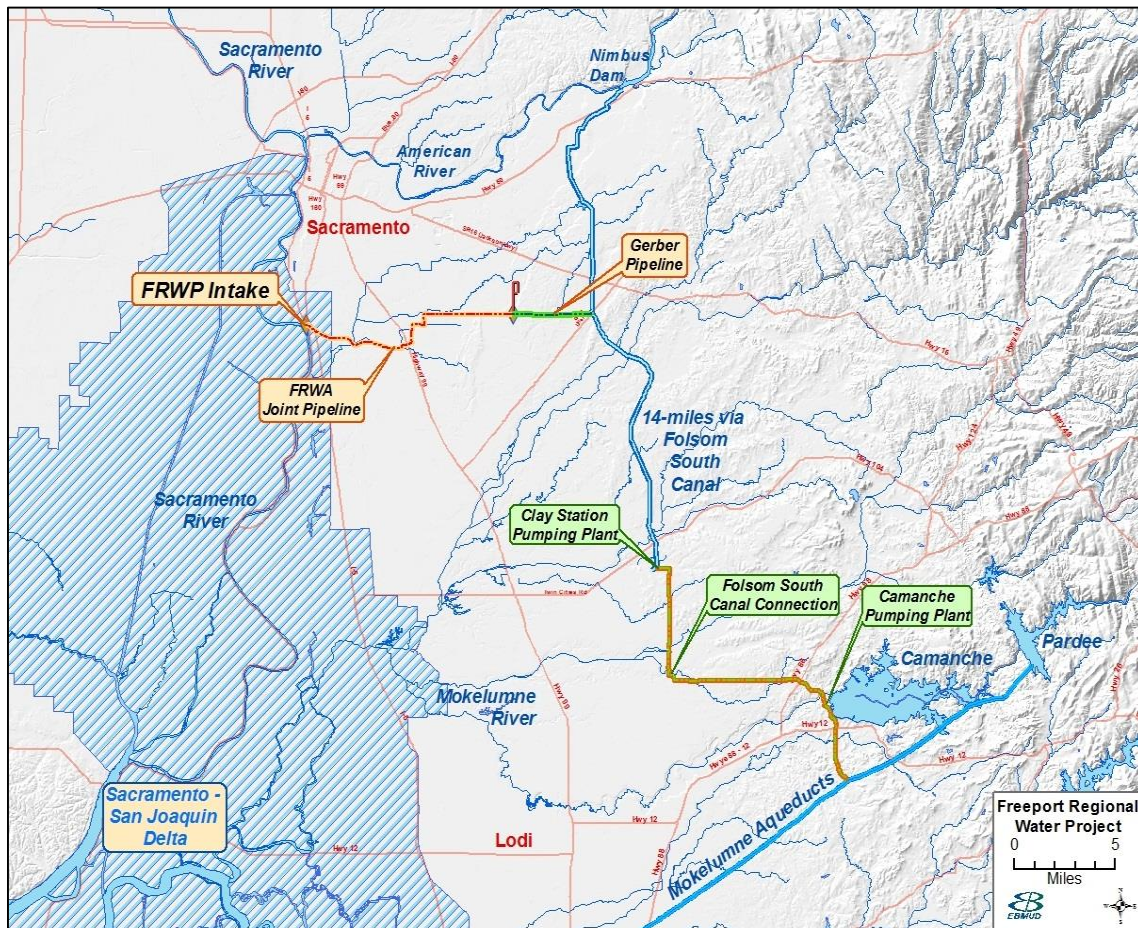
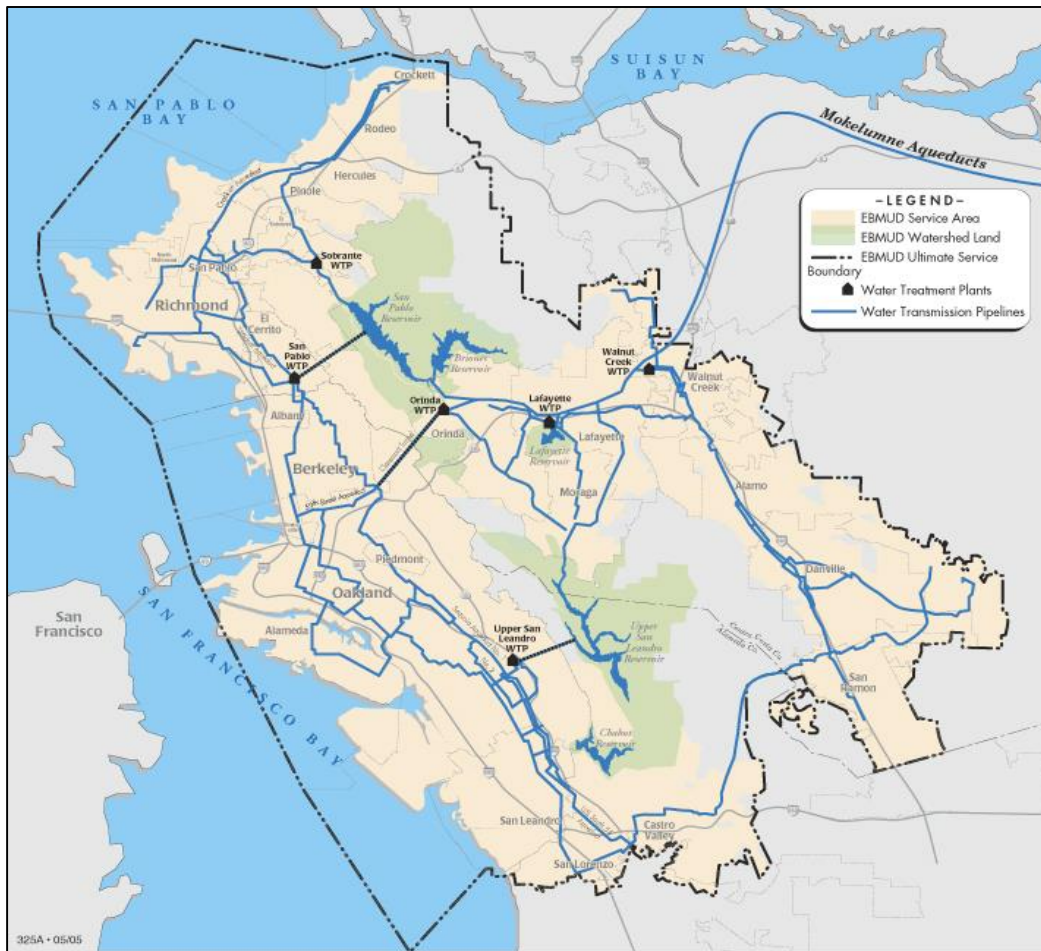


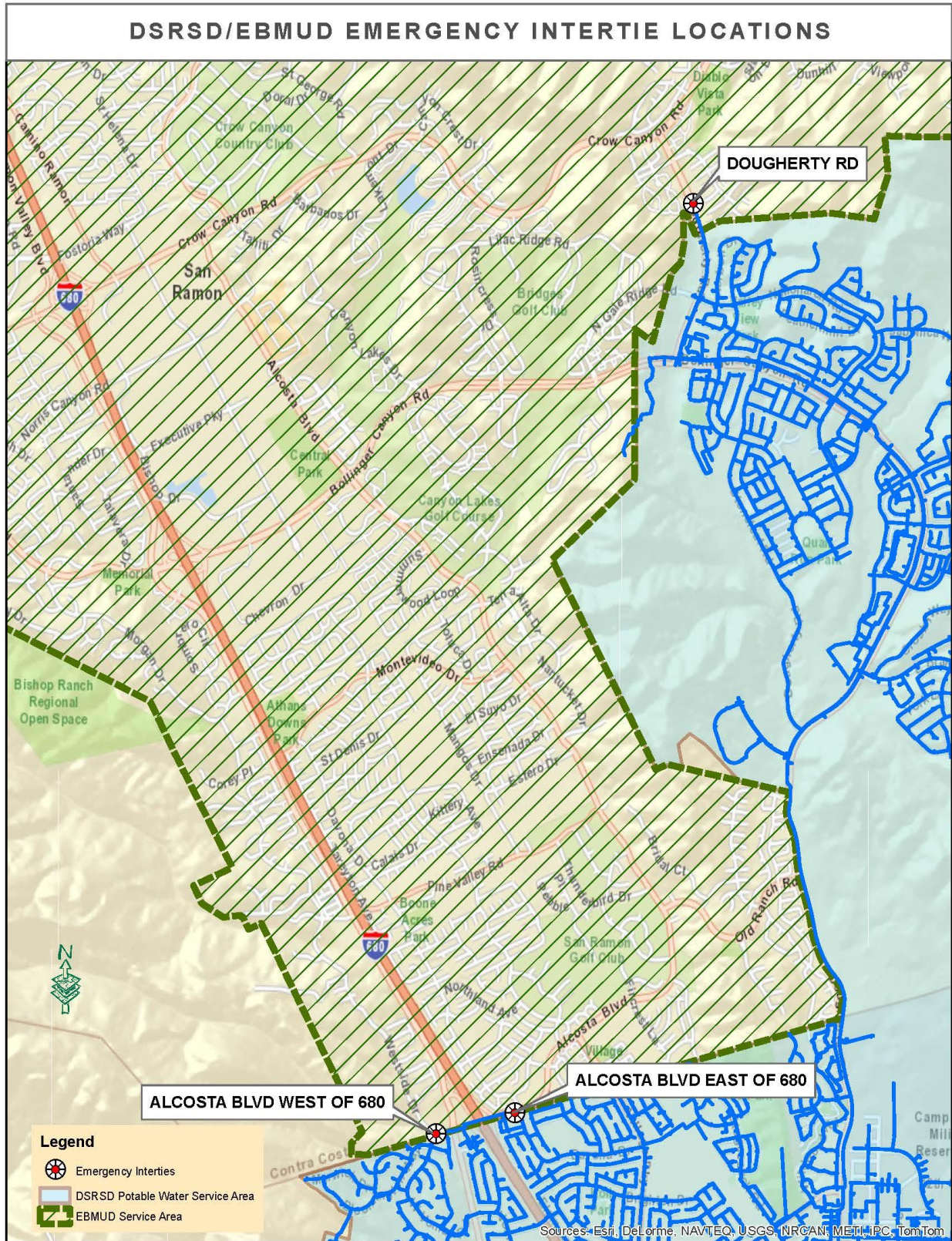
Figure 3. EBMUD Water System



DSRSD has three emergency interties along the service area boundary adjacent to EBMUD (see Figure 4). The interties are designed to maintain public safety during a critical water shortage caused by a major pipeline failure, earthquake, drought, or fire. The intertie connection points consist of small diameter (less than 12-inch) pipeline stub-outs from each agency, separated by about ten feet. During an emergency, the adjacent agency pipe stub-outs are connected above-grade with temporary piping and/or portable pumps for transferring water. EBMUD and DSRSD tested the interties in November 2014 to ensure that staff from both agencies could quickly install and operate the interties if needed. Based on operational testing, up to approximately 1,500 to 2,000 gallons per minute (GPM) of water could be transferred from EBMUD to DSRSD’s system at each of the interties.

DSRSD anticipates needing supplemental water during the summer months when Zone 7’s surface and groundwater systems are operated at capacity to make up for surface water cutbacks from DWR due to drought conditions. DSRSD proposes to receive Yuba Accord transfer water from YCWA in spring 2015 (when that transfer water is available) and temporarily store that transfer water in EBMUD’s local reservoirs before that transfer water is wheeled through EBMUD’s treated water system and existing interties to meet summertime demands during June through September.

Figure 4. Location Map of DSRSD/EBMUD Emergency Intertie Locations



DUBLIN SAN RAMON SERVICES DISTRICT
Proposed YCWA Water Transfer via EBMUD
CY 2015

Purchased Quantity (AF): **1,500**
 Delivered Quantity (AF): **1,275**
 System Losses: **15%**

No.	Term	Total AF	Cost \$	\$/AF
1	Procurement of Transfer Water-YCWA	1,500	\$750,000	\$500
2	Admin Costs-YCWA	1,500	\$20,000	\$13
	Subtotal-YCWA Costs		\$770,000	
3	Regulatory Approvals: Warren Act Contract	1,500	\$25,000	\$17
4	Regulatory Approvals: Drinking Water Permit	1,500	\$5,000	\$3
5	Environmental Reviews: CEQA	1,500	\$5,000	\$3
6	Environmental Reviews: NEPA/ESA	1,500	\$50,000	\$33
7	EBMUD costs to facilitate transfer/approvals	1,500	\$30,000	\$20
	Subtotal-Environmental/Regulatory		\$115,000	
8	Conveyance Charge-FSC	1,500	\$22,500	\$15
	Subtotal-Warren Act Contract USBOR		\$22,500	
9	Freeport Intake (EBMUD)	1,500	\$400,000	\$267
10	Conveyance Cost-EBMUD	1,500	\$300,000	\$200
11	Treatment Cost-EBMUD	1,275	\$293,250	\$230
12	Distribution System Cost-EBMUD	1,275	\$70,125	\$55
13	Capacity+Depreciation+CIP & Rehab	1,500	\$262,500	\$175
	Subtotal-EBMUD Wheeling Agreement		\$1,325,875	
	TOTAL	1,275	\$2,233,375	\$1,752



Reference Operations Manager	Type of Action Provide Authorization	Board Meeting of March 3, 2015
Subject Wheeling Agreement between DSRSD and EBMUD for 2015 Transfer Water		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	D. Gallagher
		<input type="checkbox"/> Board Member

Recommendation:

The Operations Manager recommends the Board approve, by Resolution, authorizing the General Manager to execute an agreement with East Bay Municipal Utility District (EBMUD) for the diversion and wheeling of up to 1,500 acre-feet of transfer water from the Yuba County Water Agency (YCWA), and further authorizing the General Manager to notify EBMUD at a time deemed appropriate to begin startup procedures for operating the Freeport facilities. The purchased water would be released by YCWA into the Sacramento River at the Marysville Gage for diversion by EBMUD using their Freeport Facilities.

Summary:

The DSRSD Board of Directors declared a state of Community Drought Emergency on February 18, 2014, in response to similar emergency drought declarations issued by the State of California and the Zone 7 Water Agency. The District’s Community Drought Emergency was extended by Board action on December 2, 2014, until at least June 30, 2015.

The Zone 7 Water Agency has provided preliminary notification that their water supply will not be able to meet customer demands again in 2015, and Zone 7 recommends that the Retailers continue to require 25% conservation. Staff recommends that supplemental water is necessary to help mitigate the ongoing Community Drought Emergency.

Staff met with representatives of the East Bay Municipal Utility District (EBMUD) and negotiated a proposed Wheeling Agreement for the diversion, conveyance, storage, treatment, and delivery of up to 1,500 acre-feet of transfer water, at a cost of approximately \$1,325,375 or \$884 per acre-foot. The proposed Wheeling Agreement includes Attachments 1 & 2 detailing the costs that DSRSD would reimburse EBMUD for. DSRSD would also agree to reimburse EBMUD for staff costs of about \$30,000 associated with facilitating the transfer and obtaining the various approvals. Once DSRSD notifies EBMUD to begin startup procedures for the operation of the Freeport facilities, costs for Freeport will begin to accrue that must be paid by DSRSD even if the water transfer is cancelled for any reason.

If the Temporary Transfer Agreement is approved, it is anticipated that YCWA would release the water into the Sacramento River in late April or early May of 2015, and the water would be released at a rate of about 90 MGD. EBMUD would operate the Freeport intake to capture the release from YCWA, which would then be conveyed to the Bay Area for temporary storage, treatment, and delivery to DSRSD during the period June 1 through September 30. Deliveries would be accepted at two of DSRSD’s existing emergency interties with EBMUD.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR D. Gallagher	DEPARTMENT Operations	REVIEWED BY BLM
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$1,325,405	<input type="checkbox"/> Funding Source A. Water Enterprise (Fund 600) B.		Attachments to S&R 1. Wheeling Agreement and Attachments 1 & 2 2. Map of DSRSD-EBMUD Interties 3. Water Transfer 2015 Estimated Cost			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH THE EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) FOR THE WHEELING OF UP TO 1,500 ACRE- FEET OF TRANSFER WATER DURING 2015

WHEREAS, on January 17, 2014, California Governor Edmund G. Brown issued a Proclamation of a State of Emergency, and encouraged all Californians to reduce their water usage by 20%; and

WHEREAS, on January 29, 2014, the Zone 7 Water Agency issued a Proclamation of a Local Drought Emergency and authorized their General Manager to “establish appropriate levels of conservation consistent with the California State of Drought Emergency and local conditions;” and

WHEREAS, on February 18, 2014, the District declared a State of Community Drought Emergency and established a goal of curtailing overall District water usage by twenty percent (20%); and

WHEREAS, on April 16, 2014, the Zone 7 Water Agency notified its retailers that it would only be able to meet 75% of potable water needs and directed the retailers to take steps to achieve a 25% total reduction in water use for 2014, including adopting mandatory conservation measures to achieve these reductions, and notified the retailers that they could seek alternative supplies and added “Zone 7 strongly urges you to do so”; and

WHEREAS, on April 25, 2014 Governor Edmund G. Brown proclaimed a Continued State of Emergency in the State of California and ordered that California residents should refrain from wasting water; and

WHEREAS, on May 5, 2014, the District implemented Stage 3 drought rates and adopted urgency ordinances establishing mandatory limitations on water use and an enforcement program to ensure the achievement of a twenty five percent (25%) reduction in overall water use; and

WHEREAS, the State of California has and continues to experience record drought conditions; and

WHEREAS, during January 2015 no precipitation occurred and the month has now become the driest January on record in California history; and

Res. No. _____

WHEREAS, meteorological and hydrological conditions remain poor, and despite storm events that occurred during December and February, 2015 remains a critically dry year as classified by the State of California; and

WHEREAS, on February 11, 2015, the Zone 7 Water Agency notified its retailers that they would be unable to deliver the full amount of water requested and directed the retailers to continue implementing conservation strategies similar to 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that:

1. The Community Drought Emergency has existed since February 18, 2014, and continues to prevail in the area served by Zone 7 such that the ordinary demands and requirements of the water consumers in the District's service area cannot be met and satisfied by the water supplies normally available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection.
2. To help mitigate the ongoing water shortage the General Manager is authorized to execute an agreement with the East Bay Municipal Utility District (EBMUD) for the wheeling of up to 1,500 acre-feet of transfer water as a supplemental supply of water for use by the District's customers during 2015, the costs, terms, and conditions for which are described in said Wheeling Agreement.
3. The General Manager is further authorized to notify EBMUD, at a time deemed appropriate by the General Manager, that DSRSD intends to proceed with the water transfer and therefore EBMUD should begin startup procedures for their Freeport Facilities, which will begin to accrue costs that DSRSD agrees to pay even if the water transfer is later cancelled for any reason.

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its special meeting held on the 3rd day of March 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

Edward R. Duarte, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

**AGREEMENT
BETWEEN
EAST BAY MUNICIPAL UTILITY DISTRICT
AND
DUBLIN SAN RAMON SERVICES DISTRICT
FOR
2015 WHEELING OF TRANSFER WATER**

THIS AGREEMENT is made as of the 10th day of March, 2015, between East Bay Municipal Utility District (“EBMUD”), a public agency in the State of California and Dublin San Ramon Services District (“DSRSD”), a public agency in the State of California as to the wheeling of Transfer Water secured by DSRSD from Yuba County Water Agency (“YCWA”), a public agency in the State of California, through EBMUD water facilities to DSRSD’s service area.

RECITALS

WHEREAS, EBMUD, a public agency formed under the Municipal Utility District Act passed by the California Legislature in 1921, owns and operates a water system that delivers potable water to 1.3 million customers in Alameda and Contra Costa Counties; and

WHEREAS, the Freeport Regional Water Authority (“FRWA”) a Joint Powers Authority established by agreement in February 2002 between EBMUD and Sacramento County Water Agency (“SCWA”), completed the Freeport Regional Water Project (“FRWP”) in 2011, with an intake located on the Sacramento River near the town of Freeport; and

WHEREAS, FRWA owns and operates the FRWP intake, an authorized point of redirection for transfer water made available by YCWA as part of its implementation of the Yuba Accord, a fully documented and approved project of the YCWA, and EBMUD also owns and operates associated joint pipelines and related facilities located in Sacramento County and San Joaquin County that convey water from the FRWP to EBMUD’s Mokelumne Aqueducts for conveyance to EBMUD’s service area; and

WHEREAS, Article IV, Section 4.3 of the third amended FRWA agreement, as approved by the EBMUD Board on February 9, 2010, provides for a member agency to enter into an agreement with a third party for use of that member agency’s share of dedicated FRWP capacity under certain conditions; and

WHEREAS, DSRSD, a public agency formed in 1953 under the Community Services District Law (Government Code Sections 61000-61802), owns and operates a water system that delivers potable water to approximately 79,500 residents and to various businesses and institutional customers in Alameda and Contra Costa Counties; and

WHEREAS, DSRSD purchases the majority of its potable water supply at wholesale from Zone 7 Water Agency (Zone 7), which primarily provides water delivered to Zone 7 by the State Water Project (SWP), as well as some water from local surface and groundwater resources ; and

WHEREAS, DSRSD's water supply is highly dependent on Zone 7's allocation from the SWP, which was reduced to 5 percent of Zone 7's contractual entitlement to water in 2014, and SWP water deliveries did not commence until after September 1, 2014; and

WHEREAS, on February 18, 2014, DSRSD's Board of Directors declared a Community Drought Emergency and established a goal of curtailing overall District water use by 20 percent; and

WHEREAS, on April 16, 2014, Zone 7 notified its retailers that it would be unable to provide 25% of projected demands, and further notified the retailers that they could seek alternative supplies and added "Zone 7 strongly urges you to do so", and;

WHEREAS, on May 5, 2014 DSRSD reaffirmed the Community Drought Emergency and declared a Stage 3 water supply shortage, which authorized DSRSD's General Manager to enforce 25 percent mandatory water use limitations as necessary to ensure continued integrity of the community water supply system for health and safety purposes; and

WHEREAS, due to another year of anticipated drought DSRSD has extended its emergency drought declaration to at least June 30, 2015, and is seeking alternative water supplies in anticipation that Zone 7 may not be able to meet DSRSD's 2015 projected needs for water; and

WHEREAS, DSRSD, which is within the authorized place of use for Yuba Accord transfer water, intends to purchase Yuba Accord Transfer Water to help meet customer demands and reduce the adverse impacts of the drought during 2015; and

WHEREAS, EBMUD and DSRSD have previously constructed, tested, and operated three emergency pipeline interties along the service area boundary between EBMUD and DSRSD.

AGREEMENT

In consideration of the foregoing recitals and the terms and conditions contained herein, EBMUD and DSRSD agree to the following:

1. Definitions.

When used in this Agreement, the following definitions will apply:

- (a) "Agreement" or "Wheeling Agreement" means this agreement for the wheeling of water.
- (b) "CEQA" means the California Environmental Quality Act.
- (c) "CVP" means the Central Valley Project.

- (d) “DDW” means the California State Water Resources Control Board, Division of Drinking Water.
- (e) “DSRSD” means Dublin San Ramon Services District.
- (f) “DSRSD Service Area” means all areas or lands where DSRSD is authorized to provide water service
- (g) “EBMUD” means East Bay Municipal Utility District.
- (h) “EBMUD Service Area” means all areas or lands where EBMUD is authorized to provide water service.
- (i) “EBMUD System” means all EBMUD owned and operated facilities including its raw water system, water storage facilities including surface reservoirs, water treatment systems and facilities, and distribution system.
- (j) “EA” means Environmental Assessment.
- (k) “ESA” means the Endangered Species Act.
- (l) “FSC” means the USBR’s Folsom South Canal.
- (m) “Freeport Facilities” means water supply facilities jointly owned and operated by EBMUD and Sacramento County Water Authority constructed as part of the Freeport Regional Water Project.
- (n) “FRWA” means the Freeport Regional Water Authority, a Joint Powers Authority between EBMUD and Sacramento County Water Authority.
- (o) “FRWP” means the Freeport Regional Water Project.
- (p) “Mokelumne Aqueduct” means EBMUD’s Mokelumne Aqueduct used to convey raw water from the Mokelumne River watershed as well as from the FRWP to EBMUD’s Service Area.
- (q) “NEPA” mean the National Environmental Policy Act.
- (r) “NOE” means Notice of Exemption.
- (s) “Parties” mean DSRSD and EBMUD.
- (t) “Point of Delivery” means one or more of the three existing interties present along DSRSD’s Service Area boundary adjacent to EBMUD’s Service Area boundary that can be used to connect DSRSD’s treated water system to EBMUD’s treated water system.
- (u) “Point of Diversion” means the FRWP intake facility as located on the Sacramento River and as owned and operated by the FRWA at which location EBMUD assumes responsibility for wheeling of water.
- (v) “SCWA” means Sacramento County Water Agency.
- (w) “SWRCB” means the California State Water Resources Control Board.
- (x) “Transfer Water” means 500 to 1,500 acre-feet of raw water to be purchased by DSRSD from Yuba County Water Agency under a separate water transfer agreement between DSRSD and YCWA.

- (y) “USBR” means the United States Department of the Interior, Bureau of Reclamation.
- (z) “Water Transfer Agreement” means that certain 2015 agreement between YCWA and DSRSD for the transfer to DSRSD of from 500 to 1,500 acre-feet of water.
- (aa) “Wheeled Water” means the 500 to 1,500 acre-feet of Transfer Water as purchased by DSRSD and as diverted, conveyed, temporarily stored, and treated by EBMUD, less Wheeling Losses.
- (bb) “Wheeling Losses” means the water quantity lost during the wheeling of water (fifteen percent (15%)) which shall include losses during transport of raw water through the FRWP and the Mokelumne Aqueducts, losses during temporary storage of raw water by EBMUD in its local reservoirs, and losses during treatment and conveyance of treated water to the Point of Delivery.
- (cc) “YCWA” means the Yuba County Water Agency.
- (dd) “Zone 7” means the Alameda County Flood Control and Water Conservation District, Zone 7.

2. Term.

- (a) This Agreement shall become effective upon its execution by the Parties.
- (b) The Parties will have no obligation to wheel water under this Agreement until the last of the following has occurred:
 - (i) Execution of a Warren Act contract between the USBR and DSRSD to allow for conveyance of DSRSD’s Transfer Water through the FSC, under terms acceptable to EBMUD, which acceptance shall not unreasonably be withheld;
 - (ii) Receipt of all necessary approvals for DSRSD to secure Transfer Water from YCWA and for EBMUD to wheel Transfer Water to DSRSD’s service area, including but not limited to completion of necessary environmental reviews and execution of a water purchase agreement between YCWA and DSRSD. Required permits and approvals are anticipated to include a drinking water permit as obtained from DDW, a Warren Act contract as obtained from USBR, and environmental approvals as required under NEPA/ESA.
- (c) This Agreement will terminate on June 30, 2016 or when all obligations under this Agreement have been performed, whichever occurs first, unless this Agreement is cancelled pursuant to Article 8 (Cancellation).
 - (i) Payment obligations under Article 7 (Reimbursable Wheeling Expenses, Other Expenses and Payments) and Article 8 (Cancellation) shall survive discharge or termination of this Agreement until obligations are satisfied.

3. Wheeling of Water - Wheeling Quantity, Wheeling Timing, Wheeling Route, and Temporary Storage of Water by EBMUD.

Consistent with the Water Transfer Agreement, DSRSD will take control of the Transfer Water at the Marysville Gage for diversion by EBMUD at the FRWP Point of Diversion. After the necessary permits and approvals are received, DSRSD will inform EBMUD when and how much Transfer Water to divert at the Point of Diversion.

- (a) **Wheeling Quantity.** Subject to satisfaction of the requirements of Article 2 (b) and the other provisions of this Agreement, EBMUD agrees to divert from 500 to 1,500 acre feet of Transfer Water at the Point of Diversion at a rate of approximately 90 million gallons per day (276 acre feet per day) and make the diverted water, less the 15% Wheeling Losses, available at the Point of Delivery.
- (b) **Wheeling Timing.** At the time of this Agreement's execution, the Parties understand that water available from YCWA for possible transfer falls within a window of time as defined by YCWA in their proposed Water Transfer Agreement with DSRSD. EBMUD shall be provided advanced notice by DSRSD confirming that water is available for diversion. Notification procedures shall be addressed in the Wheeling Operations Plan as referenced in Article 4 of this Agreement. EBMUD understands that DSRSD intends to request from YCWA that Transfer Water be made available from a period beginning on approximately April 1, 2015 and ending on approximately May 30, 2015. DSRSD has informed EBMUD that the Transfer Water would be utilized to address a portion of DSRSD customer water needs during a window of time beginning on approximately June 1, 2015 and ending on approximately September 30, 2015. Further, the Parties are aware that two of the existing three DSRSD/EBMUD interties will be utilized as the Point of Delivery for Transfer Water and have a combined maximum capacity of approximately 3,450 gallons per minute, and that temporary storage of Wheeled Water by EBMUD is required to facilitate the wheeling. The Parties agree that the exact timing of the wheeling shall be stipulated in a separate Wheeling Operations Plan to be developed consistent with Article 4 of this Agreement.
- (c) **Wheeling Route.** The wheeling of the water shall commence at the Freeport Facilities intake structure on the Sacramento River, which for the purpose of this Agreement shall be the defined Point of Diversion for the Transfer Water. From the Point of Diversion, the Transfer Water shall be pumped eastward and southward through the Freeport Facilities, the Folsom South Canal, and the Folsom South Canal Connection to EBMUD's Mokelumne Aqueducts. Transfer water shall be directed into those Aqueducts for conveyance to EBMUD's Service Area. Once in EBMUD's Service Area, all of Transfer Water shall then be diverted into one of EBMUD's local terminal reservoirs for temporary storage. Following temporary storage of the Transfer Water, the Transfer Water shall be treated at one of EBMUD's treatment plants before entering EBMUD's treated water distribution system. The treatment facility utilized by EBMUD will be dependent on where Transfer Water is temporarily stored.
 - (i) **Point of Delivery.** Three interties have been constructed at the DSRSD Service Area and the EBMUD Service Area boundaries. The interties are designed to maintain public safety during a critical water shortage caused by a major pipeline

failure, earthquake, or fire. Notwithstanding the 1990 Agreement for Emergency Water Services Between DSRSD and EBMUD, the Parties agree that the interties may be used in 2015 for purposes of wheeling Transfer Water. The intertie connection points consist of small diameter (12-inch diameter or less) pipeline stub-outs from each agency, separated by approximately ten feet. To complete the Points of Delivery, each Party shall concurrently perform the required work to connect pipe stub-outs that are located on their respective systems, above-grade, with the temporary piping, metering, and controls necessary to convey the Transfer Water. Based on operational testing performed in November 2014, the Parties agree that up to a maximum of 3,450 gallons per minute of water can be transferred from EBMUD to DSRSD's system using two of the three interties, although actual deliveries are expected to average about 2,275 gallons per minute. The Parties agree that the water to be delivered to DSRSD by EBMUD will be fluoridated and chloraminated.

- (d)** Temporary Storage. As part of this Agreement, EBMUD will allow DSRSD to temporarily store the Wheeled Water in one of EBMUD's service area surface water terminal reservoirs, as noted in Article 4.(c), under the following stipulations:
- (i)** EBMUD has sole discretion over which of its local reservoirs it selects to use for temporary storage.
 - (ii)** Water stored for a period of time greater than six months shall become the property of EBMUD and hence forfeited by DSRSD. For the purpose of this Agreement, the storage period shall be calculated as beginning on the date that Transfer Water is last drawn from the Point of Diversion. Any volume of water that remains in storage for a period of greater than six months from that beginning date shall be considered as forfeited, unless EBMUD is unable to deliver some or all of the diverted water through no fault of DSRSD, in which case the Parties would meet and confer as described in Article 8.
 - (iii)** Reservoir spillage/releases during Temporary Storage. The Parties are aware that EBMUD's local reservoirs will likely be in a near full position during the period of Temporary Storage. Further, the Parties agree that there is the possibility that events such as runoff following rains that occur in EBMUD's Service Area could result in releases/spills from the reservoirs. If releases/spills occur, the volume of flow that is released/spilled will be subtracted from the quantity of Wheeled Water being temporarily stored at that time. If releases/spills from storage are greater than the quantity of Wheeled Water held in storage at the time of said event, EBMUD shall no longer have any responsibility to complete the wheeling under this Agreement and further DSRSD shall be responsible for all wheeling expenses incurred prior to the date of the releases/spillage. Nevertheless, EBMUD shall endeavor in good faith to avoid releases/spillage of the DSRSD water in storage, and shall provide as much notice as feasibly possible alerting DSRSD to the possibility of releases/spillage so that DSRSD may accelerate its planned deliveries from EBMUD.

- (iv) Reservoir releases/spillage following Temporary Storage. The Parties understand the following:
- (1) If water releases/spills from the EBMUD reservoir used for temporary storage during water year 2016, which begins on October 1, 2015 and ends on September 30, 2016, and
 - (2) If EBMUD determines that temporary storage of DSRSD's transfer water in calendar year 2015 has resulted in a quantity of local water to be spilled or released in the aforementioned water year, and
 - (3) If EBMUD determines that due to supply shortfall conditions that CVP or transfer water must be purchased to make up for the shortfall,
 - (4) Then DSRSD shall be responsible for reimbursing EBMUD the cost to purchase CVP water or Transfer Water . That purchase price shall be provided by EBMUD to DSRSD at least 15 days in advance of the purchase. DSRSD shall be responsible for the purchase cost only, and costs associated with conveying the water, treating the water, and delivering the water will not be assessed to DSRSD.

4. Wheeling Operations Plan

DSRSD and EBMUD shall jointly develop a Wheeling Operations Plan prior to the commencement of wheeling of water. The Wheeling Operations Plan shall set forth the procedures, timing, facilities, rates of delivery and other pertinent information and assumptions concerning the wheeling services to be provided under this Agreement, including but not limited to references to the Wheeling of Water discussion as provided in Article 3 of this Agreement.

- (a) The Parties agree that all wheeling services shall be as stipulated in the proposed Wheeling Operations Plan.
- (b) The Parties agree that the Wheeling Operations Plan will include a schedule regarding the release of proposed Transfer Water by YCWA for DSRSD's use. The Parties are aware of YCWA's water availability as detailed in Article 3(b) of this Agreement.
- (c) The Parties agree that the Wheeling Operations Plan shall describe the specific EBMUD facilities and operations that will be utilized to perform the wheeling services.
- (d) The Parties agree that the Wheeling Operations Plan shall include mutual points of contact and other communication procedures that will be followed during the wheeling of water. As referenced in Article 3 (b), EBMUD will be notified when water is available for diversion. Notification procedures, including mutual points of contact, shall be addressed in the Wheeling Operations Plan.
- (e) EBMUD shall reserve the right to modify, adjust, suspend or terminate the Wheeling Operations Plan, at its sole discretion, if needed to:
 - (i) Protect the integrity of FRWP and or EBMUD facilities.
 - (ii) Respond to regulatory directives from state and or federal agencies.
 - (iii) Protect the health and safety of EBMUD's employees and or customers.

- (iv) Respond to emergencies or operational issues that may arise during the period of wheeling.
- (f) DSRSD shall reserve the right to modify, adjust, suspend or terminate the Wheeling Operations Plan if such changes are needed to:
 - (i) Protect the integrity of DSRSD infrastructure.
 - (ii) Respond to regulatory directives from state and or federal agencies.
 - (iii) Protect the health and safety of DSRSD's employees and or customers.
 - (iv) Respond to emergencies or operational issues that may arise during the period of wheeling.
- (g) The Parties agree to meet and confer as soon as practicable in the event that either Party seeks to modify or adjust the Wheeling Operations Plan and or wheeling operations. If it is deemed by either Party that the Wheeling Agreement must be terminated or canceled, the Parties shall follow the procedures in Article 8.

5. Notification of Water Transfer Releases by YCWA for DSRSD

In order to verify releases of water by YCWA for DSRSD's use under the Water Transfer Agreement, and aside from the schedule to be developed as detailed in Article 4(b) of this Agreement, the Parties understand and agree to the following:

- (a) DSRSD shall provide EBMUD with a minimum of twenty eight (28) calendar days' notice of a requested schedule for EBMUD to operate the FRWP and commence the wheeling of water.
 - (i) EBMUD shall in turn respond to DSRSD within ten (10) business days regarding whether EBMUD can accommodate DSRSD's requested schedule.
 - (ii) The Parties understand that EBMUD's response as provided under Article 5 (a)(i) is subject to change if the provisions as detailed in Article 4(e) affect EBMUD's ability to provide wheeling services.
- (b) In the event that EBMUD is unable to accommodate DSRSD's requested wheeling schedule, the Parties agree to meet and confer as soon as practicable in order to identify an alternative delivery schedule. If it is deemed by either Party that an alternative delivery schedule cannot be accommodated, and that the Wheeling Agreement therefore must be terminated or canceled, the Parties shall follow the procedures in Article 8.

6. Regulatory Approvals, Environmental Compliance and Environmental Reviews.

- (a) The Parties understand that an executed Warren Act contract from USBR is necessary to convey Transfer Water through the FSC. EBMUD shall lead the effort to obtain a Warren Act contract from USBR. EBMUD shall execute a Letter of Agreement as required by USBR in order to direct USBR staff to prepare the Warren Act contract. As part of that Letter of Agreement, EBMUD shall pay the required fee(s) to cover USBR staff costs incurred as part of Warren Act contract preparation. EBMUD shall be reimbursed by DSRSD for those fees

- (b) EBMUD will seek an amendment from DDW allowing it to divert Transfer Water for DSRSD's use at the FRWP's intake. EBMUD shall be reimbursed for the cost of that amendment in accordance with the provisions of Article 7.(b) of this Agreement.
- (c) Each Party shall be responsible for ensuring CEQA compliance for their respective actions required to wheel Transfer Water.
 - (i) The parties agree that the actions contemplated in this Agreement are exempt from the requirements of CEQA pursuant to CEQA Guidelines Sections 15301 and 15061 (b)(3).
 - (1) EBMUD will prepare and provide to DSRSD a draft copy of a Notice of Exemption for the Agreement. Each party is responsible for final preparation, filing and posting of the NOE.
 - (2) DSRSD agrees to reimburse EBMUD for the cost of EBMUD's time to prepare the draft NOE and for fees to file the NOE in accordance with the provisions of Article 7(b) of this Agreement.
 - (3) DSRSD will prepare and provide to EBMUD a draft copy of a Notice of Exemption for the Agreement based upon DSRSD's declaration of a Community Drought Emergency and the statutory CEQA exemption for specific actions necessary to mitigate an emergency.
 - (4) If it is subsequently determined that additional CEQA review is required, this Agreement may be amended as necessary with the mutual written consent of the Parties as stipulated in Article 14 or may be terminated in accordance with the provisions as stipulated in Article 8.
 - (5) DSRSD shall defend and hold harmless EBMUD in accordance with the provisions of Article 10 of this Agreement in the event that any legal claims arise during the CEQA process and or as a result of the implementation of required actions or mitigations under CEQA.
 - (ii) As of the date of the execution of this Agreement, the Parties anticipate that preparation of an Environmental Assessment (EA) will be required to comply with NEPA/ESA requirements for Reclamation's approval of a Warren Act contract.
 - (1) In coordination with Reclamation, YCWA, and DSRSD, EBMUD will prepare a draft EA to evaluate the potential environmental effects of wheeling water from YCWA to DSRSD pursuant to this Agreement.
 - (2) DSRSD agrees to reimburse EBMUD for the costs incurred to prepare the draft EA and submit the document to Reclamation for review and approval. Reimbursement shall be in accordance with Article 7 of this Agreement.
 - (3) If it is subsequently determined that an EA is not the appropriate level of NEPA environmental documentation, this Agreement may be amended as necessary at the mutual written consent of the Parties as stipulated in

Article 14 or may be terminated in accordance with the provisions in Article 8.

- (4) DSRSD shall defend and hold harmless EBMUD in accordance with the provisions of Article 10 of this Agreement in the event that any legal claims arise during the NEPA/ESA process and or as a result of the implementation of required actions or mitigations under NEPA/ESA.
- (d) The parties recognize that any order by the SWRCB or other regulatory agency to curtail YCWA's rights beyond the limitations currently contained in YCWA's existing water rights permits or accords may affect or eliminate the ability to perform the wheeling. In the event that DSRSD is notified by YCWA that it cannot provide all of the water specified in their Water Transfer Agreement with DSRSD, DSRSD shall notify EBMUD in accordance with the communications procedures as stipulated in the Wheeling Operations Plan as noted in Article 6 (b).

7. Reimbursable Wheeling Expenses, Other Expenses and Payments.

- (a) Reimbursable Wheeling Expenses. DSRSD shall bear all costs of wheeling services, including all operational expenses as summarized in **Attachment 1** to this Agreement. At the time of this Agreement's execution, EBMUD has indicated that it is unlikely that the FRWP will be in operation when the Transfer Water will be made available by YCWA, meaning that DSRSD would be responsible to reimburse EBMUD the full FRWP startup, operational, and shut down costs associated with wheeling the Transfer Water as described on Attachment 1. In the event that one or more other parties utilize EBMUD's FRWP capacity during the period of time when the Freeport Facilities are being used for the wheeling of DSRSD's Transfer Water, then startup and shut down costs would be proportionately shared by DSRSD and those other parties.
- (b) Other Expenses. Other expenses for which DSRSD shall bear cost responsibilities include engineering and technical expenses as required to obtain regulatory approvals for the water transfer and wheeling, including the costs as expended by EBMUD to assist in CEQA, NEPA, ESA, and other environmental permitting efforts, plus filing fees, and any attorney fees or other related expenses necessary for accomplishing the wheeling of water pursuant to this Agreement. Costs attributable to DSRSD are listed in **Attachment 2** to this Agreement. This provision supersedes the January 20, 2015, "Letter of Commitment to Reimburse Costs for the Proposed YCWA Water Transfer" between DSRSD and EBMUD. Any unreimbursed costs incurred by EBMUD between the date of the Letter and the execution of this Agreement shall be reimbursed pursuant to this provision.
 - (i) Other Expenses for which DSRSD is responsible are identified in **Attachment 2** to this Agreement. These expenses are considered a separate cost item not included in the Price for Wheeling of Water referenced in Article 7 (a).
 - (ii) A Warren Act contract with USBR must be obtained to utilize the FSC. As discussed in Article 2 (a) of this Agreement, EBMUD shall perform the work associated with obtaining the Warren Act contract. DSRSD shall reimburse

EBMUD for the costs of performing that work. This cost is listed as an “Other Expense” on **Attachment 2** to this Agreement.

- (c) Two (2) copies of each invoice for Payments, together with supporting documentation, will be submitted to the General Manager of DSRSD at the following address:

Bert L. Michalczyk, General Manager
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568

8. Cancellation.

Cancellation of this Agreement may be effected by delivering to the other Party written notice of cancellation. Cancellation shall take effect five (5) business days following the receipt of notice by the other Party. Upon any cancellation, all amounts theretofore paid by EBMUD in support of this Agreement and in support of the proposed water transfer agreement between YCWA and DSRSD shall be promptly paid by DSRSD to EBMUD.

- (a) This Agreement may be canceled by DSRSD or by EBMUD within five (5) business days of the issuance of either the Warren Act contract by USBR or the Drinking Water Permit amendment by DDW if either Party reasonably determines that any term or condition of said Contract or Permit is unacceptable. Additionally, this Agreement may be canceled by DSRSD or by EBMUD if the conditions or obligations required through environmental compliance and permitting, as detailed in Article 6, are unacceptable.
 - (i) The Parties will consult with each other and make a good faith effort to amend this Agreement, if necessary, to attempt to address any unacceptable terms or conditions of said permits and contracts or to address revised environmental compliance requirements or operational conditions.
- (b) This Agreement may be terminated by EBMUD if it determines, at its sole discretion, that wheeling Transfer Water is causing, or has the potential to cause unacceptable impacts to EBMUD’s Water System and supplies.
 - (i) In the event that operational issues are encountered whereby EBMUD determines that it may be necessary to terminate wheeling of water, the Parties shall meet and confer as soon as practical to determine if operational issues could be addressed and or mitigated in some manner or form such that wheeling could resume.
- (d) This Agreement may be cancelled by DSRSD prior to the commencement of wheeling of water if it is determined by DSRSD that changed water supply and or operational conditions have occurred such that wheeling of water is no longer necessary due to an abundance of supply on the part of DSRSD or no longer advisable due to DSRSD operational constraints. DSRSD shall be responsible for addressing expenses incurred by EBMUD in accordance with Article 7 of this Agreement.

9. Water Rights Protection and Responsibilities following Point of Delivery.

Neither Party will assert that activities under this Agreement affect any existing water rights or contracts held by either Party to this Agreement. The execution of this Agreement is not intended by either Party to endorse water rights claimed by the other Party. Wheeling of water pursuant to this Agreement will not confer any appropriative, public trust or other right to water to any person or entity.

EBMUD is not responsible for the Transfer Water following its delivery to DSRSD at the Point of Delivery.

10. Hold Harmless, Indemnification and Remedies.

- (a) To the extent permitted by State law, DSRSD will indemnify, defend and hold EBMUD and its directors, officers, agents, and employees safe and harmless from any and all claims, suits, judgments, damages, penalties, costs, expenses, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorneys' fees, paralegal fees, consultant fees, engineering fees, expert fees and any other professional fees) that arise from or are related in any way to DSRSD's, its associates', employees', subconsultants', or other agents' negligent acts, errors or omissions, or willful misconduct, in the operation and/or performance of this Agreement, including those actions related to securing Transfer Water from YCWA. DSRSD also agrees to indemnify, defend and hold EBMUD and its directors, officers, agents, and employees safe and harmless in the event of challenges to any CEQA, NEPA, ESA documentation or other regulatory permitting actions or water rights related to the Water Transfer Agreement and Wheeling Agreement. DSRSD will defend EBMUD in any such action or lawsuit using counsel approved by EBMUD.
- (b) To the extent permitted by State law, EBMUD will indemnify, defend and hold DSRSD and its directors, officers, agents, and employees safe and harmless from any and all claims, suits, judgments, damages, penalties, costs, expenses, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorneys' fees, paralegal fees, consultant fees, engineering fees, expert fees and any other professional fees) that arise from or are related in any way to EBMUD's, its associates', employees', subconsultants', or other agents' negligent acts, errors or omissions, or willful misconduct, in the operation and/or performance of this Agreement.

11. Disputes.

Any claim that a Party may have against the other Party regarding the performance of this Agreement including, but not limited to, claims for compensation or extension of time, will be submitted to the other Party. Parties will attempt to negotiate a resolution of such claim and if necessary process an amendment to this Agreement or a settlement agreement to implement the terms of any such resolution.

12. Agreement Not a Precedent.

The Parties intend that the provisions of this Agreement will not bind the Parties as to the provisions of any future agreement between them. This Agreement was developed specifically for the specified Agreement term.

13. Notices.

Except as discussed in Article 4 (Wheeling Operations Plan) and Article 7 (Reimbursable Wheeling Expenses, Other Expenses, and Payments), any notice, demand, or request made in connection with this Agreement must be in writing and will be deemed properly served if delivered in person or sent by United States mail, postage prepaid, to the addresses specified below:

To EBMUD: Alexander R. Coate, General Manager
East Bay Municipal Utility District
P.O. Box 24055
Oakland, CA 94623-1055
Telephone: (510) 287-0101

With Copy to: Craig S. Spencer, General Counsel
East Bay Municipal Utility District
P.O. Box 24055
Oakland, CA 94623-1055
Telephone: (510) 287-0169

To DSRSD: Bert L. Michalczyk, General Manager
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568
Telephone: (925) 829-1180

With Copy to: Carl P.A. Nelson, District Counsel
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568
Telephone: (925) 829-1180

14. Modification.

This Agreement may be modified only upon the mutual written consent of the Parties.

15. No Third-Party Beneficiaries.

No third-party beneficiaries are intended or created by this Agreement.

16. Severability.

If any term or provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it will not affect the validity of any other provision, which will remain in full force and effect.

17. Complete Agreement.

Other than as specified herein, no document or communication passing between the Parties to this Agreement will be deemed to be part of this Agreement.

18. Counterpart.

This Agreement may be executed in counterpart. DSRSD will deliver two copies of an executed counterpart to EBMUD, and EBMUD will then execute two copies of an executed counterpart. One fully executed agreement will remain with EBMUD and the other fully executed agreement will be delivered to DSRSD. Facsimile and electronic signatures shall be binding.

19. Assignment.

This Agreement is not assignable either in whole or in part, except upon mutual written consent of the Parties.

20. Time of the Essence.

Time is of the essence in this Agreement.

21. Waiver.

The waiver at any time by either Party of its right with respect to default or other matter arising in connection with this Agreement will not be deemed a waiver by that Party with respect to any subsequent default or matter.

22. Governing Law.

This Agreement is governed by and will be interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written.

Approved as to legal form:

East Bay Municipal Utility District

Craig S. Spencer, General Counsel

Alexander R. Coate, General Manager

Approved as to legal form:

Dublin San Ramon Services District

Carl P. A. Nelson, District Counsel

Bert L. Michalczyk, General Manager

ATTACHMENT 1
ESTIMATED WHEELING SERVICES EXPENSES

ATTACHMENT 1

COST OF WHEELING

Cost Item #	Cost Item	\$ / AF	\$	Cost Basis	Assumptions
1	Freeport Start-up & Shut-down Cost	--	\$400,000	Actual charge will be based on Time & Materials. Cost shown represents possible magnitude of cost. Please refer to Note 3 (below) for additional details.	Assumes DSRSD will pay for the entire, one-time FRWP start-up & shut-down cost.
2	Conveyance Cost	200	--	AF applied will be based on quantity diverted at Freeport	Includes FRWP operations, FSCC, Moraga RWPP, SMUD mitigation, chemicals, labor, reservoir refill, ODCs.
3	Treatment Cost	230	--	AF applied will be based on quantity delivered to DSRSD	Assumes USL treatment plant operation. Includes labor, checmicals, power and sludge disposal costs.
4	Distribution System Cost	55	--	AF applied will be based on quantity delivered to DSRSD	Based on Distribution System expenditures as incurred during 2014, factored to consider the portion of the system to be utilized for the DSRSD transfer (also includes Dist. System Capital Recovery)
5	Capacity Charge + Depreciation + Capital Improvement & Rehabilitation	175	--	AF applied will be based on quantity diverted at Freeport	Based on calculations prepared as part of an evaluation conducted for a conceptual regional desalination project (spring 2014)
Total	Cost to Wheel	\$660	\$400,000		
Definitions:	AF = Acre-Foot FRWA = Freeport Regional Water Authority FRWP = Freeport Regional Water Project FSCC = Folsom South Canal Connection (a component of the Freeport Regional Water Project) SMUD = Sacramento Municipal Utility District Reservoir = Briones Reservoir, EBMUD's local reservoir assumed to be utilized for the purpose of this cost estimate Capacity Charge = Assigned to wheeling requestors to recover facility capacity costs ODCs = Other Direct Costs USL = Upper San Leandro WTP = Water Treatment Plant				
Notes:	1. Cost of FRWP start-up and shut-down based on 2014 Freeport cost records. 2. FRWP start-up and shut-down costs could be shared if other users, including EBMUD, are operating the FRWP concurrent with DSRSD's wheeling. 3. In the event that unusual expenses are anticipated or incurred that substantially increase the charge of Cost Item #1, DSRSD and EBMUD shall meet and confer to discuss this cost impact and consider course(s) of action.				

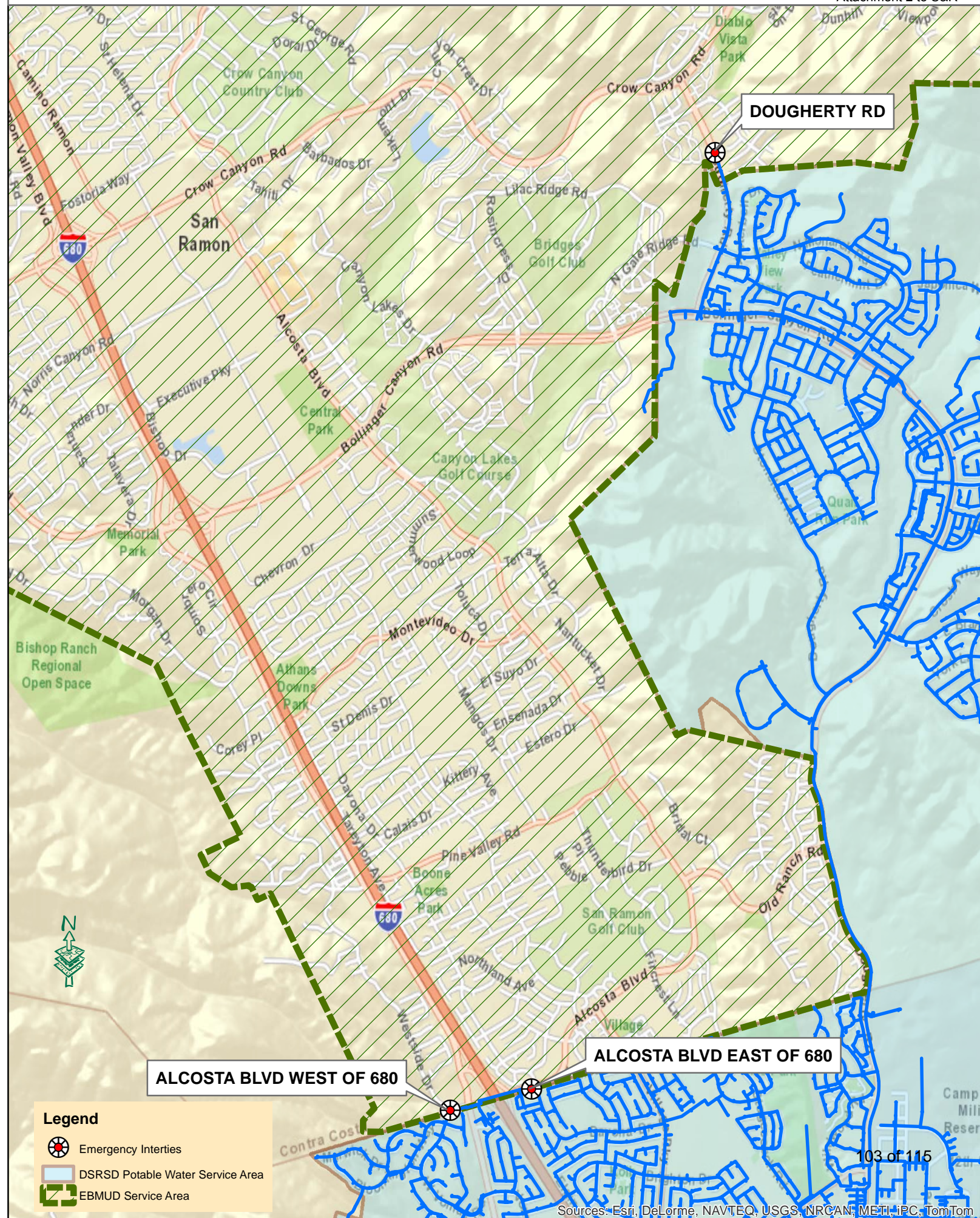
**ATTACHMENT 2
OTHER EXPENSES**

ATTACHMENT 2

OTHER EXPENSES

Cost Item #	Cost Item	Estimated Cost (\$)	Basis
1	Reclamation Work on Warren Act Contract	25,000	Estimated cost is the maximum reimbursement for all U.S. Bureau of Reclamation (Reclamation) costs incurred to prepare and approve a Warren Act contract for DSRSD as provided for in Letter of Agreement Number 15-WC-20-4674 between EBMUD and Reclamation. Actual charges will be based on Reclamation statements summarizing actual expenses incurred by Reclamation in connection with facilitating the DSRSD Warren Act contract.
2	Preparation of NEPA / ESA Document by Consultant	50,000	Estimated consultant cost to prepare a draft Environmental Assessment to comply with NEPA/ESA requirements needed for Reclamation to approve a Warren Act contract. Actual charges will be based on actual consultant costs incurred as provided for in Amendment No. 1 to the Cost-Sharing Agreement between YCWA and EBMUD for the Yuba Accord-Freeport Point of Rediversion Project. An additional \$30,000 in contingency is available to be authorized to complete this task based on mutual agreement with DSRSD.
3	CEQA Compliance	5,000	Estimated cost for EBMUD staff time to prepare a Notice of Exemption. Estimate includes filing fees for up to five counties. Actual charges will be time and materials based on EBMUD hours billed and EBMUD FY15 Full Labor Rates.
4	Department of Drinking Water Permit Amendment	5,000	Estimated cost for EBMUD staff time to secure an amendment to EBMUD's drinking water permit to allow transfer water to be diverted and conveyed through the Freeport Project for DSRSD. Actual charges will be time and materials based on EBMUD hours billed and EBMUD FY15 Full Labor Rates.
5	EBMUD Costs to Facilitate Transfer Approvals and Wheeling Arrangement	30,000	Estimated cost for EBMUD staff time to facilitate approvals (Items 1 through 4) and other efforts prior to the commencement of wheeling, including development of the Wheeling Operations Plan. Actual charges will be time and materials based on EBMUD hours billed and EBMUD FY15 Full Labor Rates.
Total		115,000	
Definitions:			
YCWA = Yuba County Water Agency			
Notes:			
<ol style="list-style-type: none"> 1. It is assumed that DSRSD will enter into a water purchase agreement with YCWA. 2. Costs are estimated as based on assumptions as to the level of work required . 3. DSRSD will be billed for actual costs in accordance with the terms of this Agreement. 			

DSRSD/EBMUD EMERGENCY INTERTIE LOCATIONS



ALCOSTA BLVD WEST OF 680

ALCOSTA BLVD EAST OF 680

DOUGHERTY RD

Legend

- Emergency Interties
- DSRSD Potable Water Service Area
- EBMUD Service Area

DUBLIN SAN RAMON SERVICES DISTRICT
Proposed YCWA Water Transfer via EBMUD
CY 2015

Purchased Quantity (AF): **1,500**
Delivered Quantity (AF): **1,275**
System Losses: **15%**

No.	Term	Total AF	Cost \$	\$/AF
1	Procurement of Transfer Water-YCWA	1,500	\$750,000	\$500
2	Admin Costs-YCWA	1,500	\$20,000	\$13
	Subtotal-YCWA Costs		\$770,000	
3	Regulatory Approvals: Warren Act Contract	1,500	\$25,000	\$17
4	Regulatory Approvals: Drinking Water Permit	1,500	\$5,000	\$3
5	Environmental Reviews: CEQA	1,500	\$5,000	\$3
6	Environmental Reviews: NEPA/ESA	1,500	\$50,000	\$33
7	EBMUD costs to facilitate transfer/approvals	1,500	\$30,000	\$20
	Subtotal-Environmental/Regulatory		\$115,000	
8	Conveyance Charge-FSC	1,500	\$22,500	\$15
	Subtotal-Warren Act Contract USBOR		\$22,500	
9	Freeport Intake (EBMUD)	1,500	\$400,000	\$267
10	Conveyance Cost-EBMUD	1,500	\$300,000	\$200
11	Treatment Cost-EBMUD	1,275	\$293,250	\$230
12	Distribution System Cost-EBMUD	1,275	\$70,125	\$55
13	Capacity+Depreciation+CIP & Rehab	1,500	\$262,500	\$175
	Subtotal-EBMUD Wheeling Agreement		\$1,325,875	
	TOTAL	1,275	\$2,233,375	\$1,752



Reference Administrative Services Manager	Type of Action Receive Presentation	Board Meeting of March 3, 2015
Subject Consider Financial Impact of Potential Water Transfer from Yuba County Water Agency		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input checked="" type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Archer
		<input type="checkbox"/> Board Member

Recommendation:

The Administrative Services Manager recommends the Board of Directors receive a briefing on the financial impacts of the potential purchase of supplemental water to lessen the impact of the drought and approve, by Resolution, direction to the General Manager to make any contractually required payments and budget adjustments to support the transactions and provide further direction as necessary.

Summary:

The purchase of water from a source other than Zone 7 has potential accounting and financial impacts due to the costs and the timing of the transactions. In order for the Board to be able to make a fully informed decision about the purchase, staff will present an analysis of the possible financial, economic and bookkeeping impacts related to this potential transaction.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Admin Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$2.23 million	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Letter of Commitment with EBMUD, dated Jan 20, 2015 2. Water Transfer 2015 Estimated Cost			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO AUTHORIZE AND APPROVE PAYMENTS FOR THE PURCHASE AND TRANSFER OF WATER FROM THE YUBA COUNTY WATER AGENCY, FOR COSTS RELATED TO THE WARREN ACT CONTRACT, AND FOR COSTS RELATED TO THE AGREEMENT WITH EAST BAY MUNICIPAL UTILITY DISTRICT FOR 2015 WHEELING OF TRANSFER WATER, AND TO DIRECT RELATED BUDGET ADJUSTMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015

WHEREAS, Yuba County Water Agency (YCWA) is a public agency located in Yuba County and is authorized by the Yuba County Water Agency Act to sell and transfer water to Dublin San Ramon Services District (DSRSD); and

WHEREAS, East Bay Municipal Utility District (EBMUD), a public agency formed under the Municipal Utility District Act passed by the California Legislature in 1921, owns and operates a water system that delivers potable water to 1.3 million customers in Alameda and Contra Costa Counties; and

WHEREAS, the Board recognizes the opportunity and the need due to the ongoing drought, to utilize the services of EBMUD to divert, transfer, store and deliver potable water to DSRSD; and

WHEREAS, the District has authorized the execution of a Letter of Commitment to reimburse EBMUD for expenses related to the proposed water transfer, dated January 20, 2015, specifically to cover the costs of preparing the necessary environmental reviews and securing regulatory approvals for a 2015 water transfer, including the cost of EBMUD's staff time to facilitate these activities; and

WHEREAS, the Board has authorized the execution of a Temporary Transfer Agreement with the YCWA for the purchase of up to 1,500 acre-feet of water to be discharged into the Sacramento River for diversion by EBMUD on behalf of DSRSD during 2015; and

WHEREAS, the Board has authorized the execution of a Warren Act Contract with the United States Bureau of Reclamation (USBOR) for the District's use of the Folsom South Canal to convey up to 1,500 acre-feet of transfer water from EBMUD's Freeport Facilities to EBMUD's Mokelumne Aqueducts during 2015; and

WHEREAS, the Board has authorized the execution of a Wheeling Agreement with EBMUD for the diversion, conveyance, storage, treatment, and delivery of up to 1,500 acre-feet of water to DSRSD via EBMUD's Freeport intake and related facilities during 2015; and

Res. No. _____

WHEREAS, the Board recognizes the need to make payments for the goods and services provided in accordance with the agreements; and

WHEREAS, the Board recognizes the timing of such payments will depend on factors which cannot be reasonably determined at this time; and

WHEREAS, the Board recognizes the importance of the timing of the payments under the terms of both agreements; and

WHEREAS, the Budget Accountability policy requires the Board to approve the budget at the total fund level to ensure control of rates and fees; and

WHEREAS, the Board, through Resolution No. 22-13, adopted the Annual Operating Budgets for Fiscal Years Ending (FYE) 2014 and 2015, which includes water purchases from Zone 7; and

WHEREAS, the State of Community Drought Emergency, originally declared on February 18, 2014, by Resolution No. 10-14, and updated and re-declared on May 5, 2014, by Resolution No. 26-14, and further updated and re-declared on December 2, 2014, by Resolution No. 78-14, and each of the actions described in this Resolution is a specific action necessary to mitigate the Community Drought Emergency pursuant to CEQA Guideline 15269(c); and

WHEREAS, the District intends to purchase water from YCWA in Fiscal Year 2015, but intends to sell the water to its customers over a period of time between May 2015 and October 2015; and

WHEREAS, the purchase and transfer of water from YCWA to DSRSD was not included in the Operating Budget for Fiscal Year 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that upon execution of all aforementioned agreements:

1. The General Manager is hereby authorized and directed to make the appropriate payments to YCWA, the United States Bureau of Reclamation, and to EBMUD in accordance with the stated terms contained in each agreement, once fully executed; and
2. The costs associated with the Letter of Commitment with EBMUD, dated January 20, 2015, which originally were expected to be solely within the General Manager's spending authority but are now expected to exceed the General Manager's spending authority, are hereby authorized; and

Res. No. _____

3. The General Manager is hereby authorized and directed to adjust the Fiscal Year Ended 2015 Operating Budget, Account 600.70.70.000.2.290, by the amount of the purchase and related transfer, environmental, administration, storage, and delivery costs; and
4. The General Manager is further authorized and directed to establish such general ledger accounts to record the water owned at June 30, 2015, in accordance with Generally Accepted Accounting Principles.

ADOPTED by the Board of Directors of Dublin San Ramon Services District at its special meeting held on the 3rd day of March 2015, and passed by the following vote:

AYES:

NOES:

ABSENT:

Edward R. Duarte, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

STAFF REPORT



Board of Directors
March 3, 2015

Financial Consideration of Potential Water Transfer from Yuba County Water Agency

The following is a brief outline of the financial implications related to the potential purchase of water from the YCWA (Yuba County Water Agency).

Cash Available to Complete Purchase

The total cost for the 1,275 acre-feet (AF) of net water purchased from YCWA is \$2.23 million (\$1,752/AF). Working Capital in the District's Operations fund is \$10.69 million as of the end of January 2015. There are sufficient reserves to fully fund a purchase of this size.

Fiscal Impact of Purchase

Billing for residential water consumption is comprised of two fees: "Cost of Water" (Zone 7 costs) plus the District distribution component referred to as the Tier 1, 2 or 3 rates.

The "Cost of Water" rate is based on the District's cost of water supplied by Zone 7. Staff have confirmed with District General Counsel that this rate can be charged for water purchased (and consumed) from YCWA. The current rate is based on the 2015 Zone 7 rate of \$999/AF. The billing rate in centum cubic feet (CCF) is \$2.40/CCF (\$1,045/AF) and includes a lost water component of 4.6%, which would be the same regardless of supply. The cost of water from YCWA is proposed to be \$1,752/AF delivered. Based on these numbers, the difference between the billed amount and the cost of water is \$706/AF or \$0.90 million.

District Distribution Costs - Tier 3 Water Rate (distribution/delivery costs)

In addition to the "Cost of Water" rate, the purchased water will also include the District's distribution component (Tier 1, 2, or 3). A Tier 2 consumption charge at the Stage 3 (35% conservation) water shortage condition (\$2.22/CCF or \$967/AF) for 1,275 AF results in distribution charge revenue of \$1.23 million. This incremental revenue covers the cost of the purchase and provides an additional \$300,000.

Different tier and stage assumptions will have a material effect on the fiscal impact of this water purchase. A separate spreadsheet is included as Attachment A to show the potential impact under various scenarios. A Stage 1 (10% conservation) water shortage condition assumption has a net impact that varies between a cost of \$165,000 and a surplus of \$128,000.

Recording of the Transaction(s)

PURCHASE

The purchase of the water will be in different months than the sale of the water. Therefore, the accounting treatment will be a bit different than our normal purchases from Zone 7. Using the total amounts above, the simplified recording is as follows:

A cash reduction will be replaced by an equal balance sheet amount called "Inventory." As both are current items, the working capital impact will be zero.

DELIVERIES

As water is released to the District for sale, the inventory amount will be reduced and the cost of water (purchased water) will increase. This will "match" the water sales with the cost of water.

Deliveries are anticipated during the months of June through October 2015. This activity will span two fiscal years. The "matching" will reflect an increased cost of water for partial deliveries in June 2015. The balance of the cost will be reflected in FYE 2016 as remaining deliveries are received.

Summary

The Water Operations Fund has working capital of \$10.69 million and the Rate Stabilization Fund has working capital of \$10.31 million. The Financial Reserves policy (P400-14-5) indicates it is appropriate to use operating funds for the initial purchase. If working capital in the Water Operations Fund drops below the policy minimum level (2 months), a transfer from the Water Rate Stabilization Fund would be used to replenish the Operations Fund to the minimum working capital. Given the amounts presented, the cost of the purchase should not require the transfer of additional funds as the Operations Fund working capital would remain well above the minimum target level.

Attachment A: Water Purchase from YCWA

Water Purchase from YCWA

	Volume in AF	Cost /CCF	Cost per AF	Total cost
Purchase	1,500			
Loss in transfer	(225)			
Delivered water	<u>1,275</u>	\$ 4.02	\$ 1,752	\$ 2,233,375
CCF /AF	435.6			

Revenue	\$/CCF	\$/AF	\$	Total revenue	RSF funding required
Water purchase(Zone 7)	\$ 2.40	\$ 1,045.44	1,332,936		

\$ 706.23 \$ 900,439

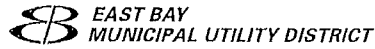
Overhead Revenue

@ Stage 3 (35%)

Tier 2	2.22	\$ 967.03	1,232,965.80	2,565,902	\$ (332,527)
Tier 3	4.14	\$ 1,803.38	2,299,315	3,632,251	\$ (1,398,876)

@ Stage 1 (10%)

Tier 2	1.39	\$ 605.48	771,992	2,104,928	\$ 128,447
Tier 3	1.92	\$ 836.35	1,066,349	2,399,285	\$ (165,910)



ORIGINAL

A15-01

1/23/15
 RICHARD G. SYKES
 DIRECTOR OF WATER AND NATURAL RESOURCES
 (510) 287-1628
 rsykes@ebmud.com

January 20, 2015

JAN 23 15 PM 1:35

Bert L. Michalczyk, General Manager
 Dublin San Ramon Services District
 7051 Dublin Boulevard
 Dublin, CA 94568

RE: Letter of Commitment to Reimburse Costs for the Proposed YCWA-DSRSD Water Transfer

Dear Mr. Michalczyk:

The purpose of this letter is to document Dublin San Ramon Services District's (DSRSD) commitment to reimburse East Bay Municipal Utility District (EBMUD) for certain permitting and environmental documentation costs it incurs to assist with a proposed water transfer from Yuba County Water Agency (YCWA) to DSRSD. To take delivery of the transfer water, DSRSD requires the use of facilities which are owned by EBMUD and the U.S. Department of Interior Bureau of Reclamation (Reclamation). This letter agreement shall be in force upon DSRSD's authorized representative's signature below. We request that the original letter be returned to EBMUD as explained below.

Statement of Reimbursement Commitment - DSRSD agrees to reimburse EBMUD up to \$50,000 for EBMUD-incurred expenses to prepare environmental documents and obtain approvals needed to wheel transfer water from YCWA to DSRSD via the Freeport Regional Water Project, EBMUD's water system, and EBMUD/DSRSD interties.

Anticipated Services Provided by EBMUD - The expenses to be covered under this reimbursement commitment are to include, but are not limited to:

- Funds paid by EBMUD to Reclamation to cover Reclamation staff time, consistent with a Letter of Agreement (LOA) to be executed by EBMUD and Reclamation to conduct environmental review(s) and approve a Warren Act contract between Reclamation and DSRSD regarding the conveyance of YCWA transfer water through the Folsom South Canal. It is understood that DSRSD's portion of the cost shall be an equal share of the actual costs paid by EBMUD to Reclamation based on the number of potential buyers identified in the final environmental documentation.
- Funds paid by EBMUD to YCWA, consistent with an amendment to the Cost-sharing Agreement between YCWA and EBMUD, for YCWA's consultant to prepare environmental documentation to support the Warren Act contract(s) for YCWA transfers in 2015. DSRSD's portion of the cost shall be an equal share of the actual costs paid by EBMUD to YCWA for such environmental work based on the number of potential buyers identified in the final environmental documentation.

375 ELEVENTH STREET . OAKLAND . CA 94607-4240 . FAX (510) 287-0541
 P.O. BOX 24055 . OAKLAND . CA 94623-1055

Bert L. Michalczyk, General Manager
Dublin San Ramon Services District
Page 2

- EBMUD staff time to facilitate environmental reviews and approvals, including but not limited to DSRSD's Warren Act contract, CEQA, NEPA, and ESA compliance and permitting to allow wheeling of water transferred by YCWA to DSRSD through EBMUD facilities.

As the work is performed, EBMUD shall provide DSRSD with periodic invoices summarizing the expenses incurred. EBMUD requires that DSRSD reimburse EBMUD within 30 days of the date of each invoice.

In the event that EBMUD foresees expenditures in excess of \$50,000, EBMUD shall notify DSRSD in advance regarding the need to commit to expending additional funds. The notification will provide details regarding what additional work must be performed and the estimated cost of that additional work. Further, a new commitment letter will be prepared by EBMUD and provided to DSRSD for signature. No expenses will be incurred beyond the \$50,000 ceiling without prior approval by DSRSD.

Any EBMUD costs to physically wheel the transfer water are not a part of this \$50,000 ceiling. EBMUD and DSRSD will instead prepare a separate wheeling agreement detailing the wheeling services and the costs for EBMUD to wheel the transfer water from YCWA to DSRSD.

This letter of reimbursement commitment shall be deemed effective upon signature by the appropriate DSRSD official below, and shall remain in effect until terminated upon the earlier of the following circumstances:

1. DSRSD's execution of the Warren Act contract required by Reclamation coupled with the securing of all environmental permits and approvals as needed to facilitate the water transfer between YCWA and DSRSD; or
2. Receipt by EBMUD or DSRSD of written notification from the other party that it has determined that further work pursuant to this letter of agreement should cease. It is understood and agreed that DSRSD is responsible for all expenses incurred by EBMUD to the date of termination of this agreement.

If the terms of this agreement are satisfactory, please sign below, return the original signed copy to EBMUD at the mailing address provided below, and keep one photocopy for DSRSD records. If you have any questions, please contact me at 510-287-0125 or mtognoli@ebmud.com.

Please return the signed original of this letter to the following address:

Michael T. Tognolini
Manager of Water Supply Improvements
East Bay Municipal Utility District
375 11th Street, MS 407
Oakland, California 94607-4240

1-15-15

Bert L. Michalczyk, General Manager
Dublin San Ramon Services District
Page 3

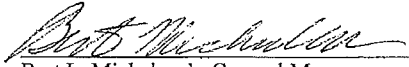
EBMUD looks forward to working together on this project aimed to support DSRSD meet its water supply needs.

Sincerely,



Michael T. Tognolini
Manager of Water Supply Improvements

Signature indicating DSRSD's agreement to reimburse EBMUD for the expenses as detailed in this letter:


Bert L. Michalczyk, General Manager
Dublin San Ramon Services District

1-26-15
Date

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3 2 3

DUBLIN SAN RAMON SERVICES DISTRICT
Proposed YCWA Water Transfer via EBMUD
CY 2015

Purchased Quantity (AF): **1,500**
Delivered Quantity (AF): **1,275**
System Losses: **15%**

No.	Term	Total AF	Cost \$	\$/AF
1	Procurement of Transfer Water-YCWA	1,500	\$750,000	\$500
2	Admin Costs-YCWA	1,500	\$20,000	\$13
	Subtotal-YCWA Costs		\$770,000	
3	Regulatory Approvals: Warren Act Contract	1,500	\$25,000	\$17
4	Regulatory Approvals: Drinking Water Permit	1,500	\$5,000	\$3
5	Environmental Reviews: CEQA	1,500	\$5,000	\$3
6	Environmental Reviews: NEPA/ESA	1,500	\$50,000	\$33
7	EBMUD costs to facilitate transfer/approvals	1,500	\$30,000	\$20
	Subtotal-Environmental/Regulatory		\$115,000	
8	Conveyance Charge-FSC	1,500	\$22,500	\$15
	Subtotal-Warren Act Contract USBOR		\$22,500	
9	Freeport Intake (EBMUD)	1,500	\$400,000	\$267
10	Conveyance Cost-EBMUD	1,500	\$300,000	\$200
11	Treatment Cost-EBMUD	1,275	\$293,250	\$230
12	Distribution System Cost-EBMUD	1,275	\$70,125	\$55
13	Capacity+Depreciation+CIP & Rehab	1,500	\$262,500	\$175
	Subtotal-EBMUD Wheeling Agreement		\$1,325,875	
	TOTAL	1,275	\$2,233,375	\$1,752