



AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, DECEMBER 21, 2022 – 4:00 PM
9300 FANITA PARKWAY, SANTEE, CA 92071

NOTICE TO THE PUBLIC

The meeting will be held at the appointed meeting place, the Board Room at the District's Customer Service Center, located at 9300 Fanita Parkway in Santee.

The meeting is also being held virtually via Zoom pursuant to recent amendments to the Brown Act permitting virtual meetings and waiving certain teleconference requirements under certain circumstances. Some Board Members may attend the meeting virtually pursuant to such Brown Act amendments.

Register to watch the webinar via the link below:

[December 21, 2022 Board Meeting](#)

After registering, you will receive a confirmation with a link to join the webinar.

For teleconference dial:

+1-646-568-7788

Webinar/Meeting ID:

845 3958 9712#

Enter # for participant ID

PUBLIC COMMENT INSTRUCTIONS

Members of the public may address the Board on any item on the agenda when the item is considered, or under "Opportunity for Public Comment" regarding items not on the posted agenda that are within the subject matter jurisdiction of the Board. If attending via Zoom, attendees must click the hand raise icon within the meeting platform and will be called on to unmute themselves when it is their turn to speak. If attending in person, fill out a "request to speak" form located near the entrance of the board room and give to the Board Secretary. Public comments are limited to 3 minutes.

Public comments may also be submitted in writing through the [public comment e-form](#) at least a half hour prior to the start of the meeting or mailed to the attention of Amy Pederson, Padre Dam, PO Box 719003, Santee, CA 92072. These public comment procedures supersede the District's normal public comment policies and procedures to the contrary.

The complete agenda package is available for public review at www.PadreDam.org. No action may be taken on any item not appearing on the posted agenda, except as provided by Gov. Code Section 54954.2. Any written materials provided to the Board within 72 hours of the meeting regarding any item on this agenda will be available for public inspection on the District's website. For questions or request for information related to this agenda contact Amy Pederson, Board Secretary, at 619.258.4614 or apederson@padre.org.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should contact our ADA Coordinator: Larry Costello at 619.258.4678 or lcostello@padre.org.

AGENDA

- **CALL TO ORDER**

- **PLEDGE OF ALLEGIANCE**

- **OPPORTUNITY FOR PUBLIC COMMENT**

Opportunity for members of the public to address the Board regarding items not appearing on this agenda and are within the jurisdiction of the Board (Gov. Code 54954.3)

- **ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA**

- 1. APPROVAL OF MINUTES**

Recommendation:

Approve the minutes of the December 7, 2022 Regular Board Meeting.

- **CONSENT AGENDA**

Items are considered to be routine and will be acted upon by a single motion without discussion, unless a Board Member, staff, or the public request a specific item be removed from the consent agenda for discussion.

- 2. DIRECTORS COMPENSATION AND EXPENSE CLAIMS**

Recommendation:

Approve claims and authorize payments.

- 3. AUTHORIZATION FOR REMOTE TELECONFERENCE PUBLIC MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361**

Recommendation:

Make findings that the Governor's Proclamation of a State of Emergency remains in effect, and state and local officials continue to impose or recommend social distancing, and authorize remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.

- 4. AWARD OF CONTRACT FOR JANITORIAL SERVICES**

Recommendation:

Award the contract for janitorial services to the lowest responsive responsible bidder, JAN-PRO of San Diego and authorize the CEO/General Manager, or his designee to execute a maintenance service contract with JAN-PRO of San Diego for three years at a cost of \$419,472, with the option to extend the agreement for one additional two year period on the same terms and conditions.

- 5. PUMP REFURBISHMENT/PUMP BOWL REPLACEMENT FOR ARNOLD WAY PUMP STATION**

Recommendation:

Approve purchase of the needed replacement parts and repairs at a cost of \$62,611.17, plus \$3,500 for contingency repairs.

- 6. DISTRICT FLEET VEHICLE/EQUIPMENT PURCHASES**

Recommendation:

Approve purchase of new 2023 John Deere 60G MINI excavator for \$91,073.32 through a cooperative purchasing program with Sourcewell.

- **ACTION AGENDA**

Items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

7. APPOINTMENT OF BOARD COMMITTEES AND REPRESENTATIVES FOR OUTSIDE ORGANIZATIONS

Recommendation:

Approve the 2023 Board appointments proposed by President Pommering as shown in Attachment 1.

8. DISTRICT ANNUAL REPORT FOR FISCAL YEAR 2022

Recommendation:

Hear staff report; no action required.

- **REPORTS**

The following items are reports and are placed on the Agenda to provide information to the Board and the public. There is no action called for on these items. The Board may engage in discussion upon which a specific subject matter is identified but may not take any action other than to place the matter on a future agenda.

9. BOARD REPORTS

- A. County Water Authority (CWA) Board of Directors Meeting
- B. Metro Commission/Metro Wastewater JPA
- C. Santee Chamber of Commerce Board Meeting
- D. East County Economic Development Council
- E. Other meetings/conferences/events attended by Directors per AB1234
(Council of Water Utilities, CSDA San Diego Chapter, etc.)

10. DIRECTORS COMMENTS

Directors' comments are to be related to District business which may be of interest to the Board. They are placed on the agenda to enable individual Board Members to convey information to the Board and the Public. There is to be no discussion or action taken on comments made by Board Members.

10. DISTRICT COUNSEL'S REPORT

11. GENERAL MANAGER'S REPORT

12. INFORMATIONAL REPORTS

- A. Facilities Development & Operations Committee Meeting Minutes of November 28, 2022

- **CLOSED SESSION**

At any time during the regular session, the Board may adjourn to closed session to consider litigation, or discuss with Legal Counsel matters within the attorney-client privilege, subject to the appropriate disclosures.

13. CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code Section 54956.8)

Property: 404-520-17-00

Agency negotiator: Kyle Swanson, CEO/General Manager

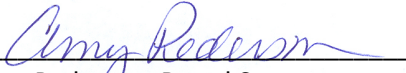
Negotiating Parties: Fisher's Landing Inc.

Under negotiation: price and terms

● **ADJOURNMENT**

CERTIFICATION OF POSTING

I certify that on December 16, 2022, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Padre Dam Municipal Water District, said time being at least 72 hours prior to the meeting, in accordance with Gov. Code Section 54954.2(a).



Amy Pederson, Board Secretary

December 2022

December 2022							January 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
4	5	6	7	1	2	3	1	2	3	4	5	6	7
11	12	13	14	8	9	10	8	9	10	11	12	13	14
18	19	20	21	15	16	17	15	16	17	18	19	20	21
25	26	27	28	22	23	24	22	23	24	25	26	27	28
				29	30	31	29	30	31				

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Nov 28	29	30	Dec 1 12:00pm Metro Commission/JPA	2
5	6 7:30am San Diego East County Chamber's Government Affairs Committee meetings	7 4:00pm Board Meeting	8	9
12	13	14	15 7:30am Santee Chamber Board Mtg	16
19	20	21 7:30am East County Economic Development Council 4:00pm Board Meeting	22	23
26	27	28	29	30

January 2023

January 2023							February 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28				

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Jan 2	3 7:30am San Diego East County Chamber's Government Affairs Committee meetings	4	5 12:00pm Metro Commission/JPA	6
9	10	11	12 1:30pm CWA Special Board Meeting	13
16 8:30am Santee Chamber Governmental Affairs Committee	17 8:00am COWU	18 7:30am East County Economic Development Council 4:00pm Board Meeting	19 7:30am Santee Chamber Board Mtg 2:00pm East County AWP JPA Board Meeting	20
23	24	25	26 9:00am CWA Board Mtg	27
30	31	Feb 1	2	3

February 2023

February 2023							March 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
5	6	7	1	2	3	4	5	6	7	1	2	3	4
12	13	14	8	9	10	11	12	13	14	15	16	17	18
19	20	21	15	16	17	18	19	20	21	22	23	24	25
26	27	28	22	23	24	25	26	27	28	29	30	31	

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Jan 30	31	Feb 1 4:00pm Board Meeting	2 12:00pm Metro Commission/JPA	3
6	7 7:30am San Diego East County Chamber's Government Affairs Committee meetings	8	9	10
13	14	15 7:30am East County Economic Development Council 4:00pm Board Meeting	16 7:30am Santee Chamber Board Mtg 2:00pm East County AWP JPA Board Meeting 6:00pm CSDA Quarterly Meeting	17
20 Office Closed (Presidents' Day) 8:30am Santee Chamber Governmental Affairs Committee	21	22 4:00pm Park Committee	23 9:00am CWA Board Mtg	24
27 4:00pm Facilities Dev. & Ops Committee	28	Mar 1	2	3

March 2023

March 2023							April 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
5	6	7	1	2	3	4	2	3	4	5	6	7	1
12	13	14	8	9	10	11	9	10	11	12	13	14	8
19	20	21	15	16	17	18	16	17	18	19	20	21	15
26	27	28	22	23	24	25	23	24	25	26	27	28	22
			29	30	31		30						

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Feb 27	28	Mar 1 4:00pm Board Meeting	2 12:00pm Metro Commission/JPA	3
6	7 7:30am San Diego East County Chamber's Government Affairs Committee meetings	8	9	10
13	14	15 7:30am East County Economic Development Council 4:00pm Board Meeting	16 7:30am Santee Chamber Board Mtg 2:00pm East County AWP JPA Board Meeting	17
20 8:30am Santee Chamber Governmental Affairs Committee	21 8:00am COWU	22	23 9:00am CWA Board Mtg	24
27 4:00pm Finance & Admin Committee	28	29	30	31

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF PADRE DAM
MUNICIPAL WATER DISTRICT HELD ON
WEDNESDAY, DECEMBER 7, 2022**

The regular meeting of the Board of Directors of Padre Dam Municipal Water District was held on Wednesday, December 7, 2022, at the appointed meeting place, the Board Room at the District's Customer Service Center, located at 9300 Fanita Parkway in Santee and by video conference as an option for remote participation pursuant to recent amendments to the Brown Act permitting virtual meetings and waiving certain teleconference requirements under certain circumstances.

President Pommering called the meeting to order at 4:00 pm. A quorum was declared by roll call vote, and the following Directors were present: Caires, Fordyce, Pommering and Till.

Directors absent: Qualin

Staff members present: Kyle Swanson, CEO/General Manager; Karen Jassoy, CFO/Director of Finance; Lisa Sorce, Director of Human Resources & Administrative Services; Paul Clarke, Director of Operations & Water Quality; Jeff Moneda, Director of Engineering; Laura Koval, Director of Park & Recreation; Amy Pederson, Board Secretary; Nicholas Norvell, District Counsel; Melissa McChesney, Communications Manager; Diane Johnson, Information Systems Technical Specialist; Rob Northcote, Plant Manager; Rebecca Abbott, AWP Engineering Manager; Nina Tarantino, Human Resources Specialist; Melissa Kussman, Human Resources Specialist; Melanie Schott, Accounting Specialist; Lewis Clapp, Engineering Manager; Tom Martin, Engineering Technician

Visitors present: Justin Ryan, Santee resident; John Morley

OPPORTUNITY FOR PUBLIC COMMENT

There were no public comments.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items to be added, withdrawn, or reordered at this time.

PRESENTATIONS

Kyle Swanson, General Manager, recognized Lisa Sorce, Director of Human Resources and Administrative Services, for 10 years of District Service and presented a framed resolution memorializing her contributions to the District.

Karen Jassoy, Director of Finance, recognized Melanie Schott, Accounting Specialist, on the occasion of her retirement and presented an engraved resolution memorializing her contributions to the District.

The Board congratulated and thanked Ms. Sorce and Ms. Schott for their service.

1. APPROVAL OF MINUTES

On motion of Director Till, seconded by Director Caires, and carried by roll call vote with Director Fordyce abstaining and Director Qualin absent, the minutes of the November 16, 2022 Regular Board Meeting were approved as submitted.

- **CONSENT AGENDA**

Items are considered to be routine and will be acted upon by a single motion without discussion, unless a Board Member, staff, or the public request a specific item be removed from the consent agenda for discussion.

On motion of Director Fordyce, seconded by Director Caires, and unanimously carried by roll call vote with Director Qualin absent, items 2 through 6 were approved as submitted.

2. AUTHORIZATION FOR REMOTE TELECONFERENCE PUBLIC MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361

The Board made findings that the Governor's Proclamation of a State of Emergency remains in effect, and state and local officials continue to impose or recommend social distancing, and authorized remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.

3. GENERAL MANAGER'S EXPENSE CLAIM

The Board approved the claim and authorized payment.

4. RESOLUTION RECOGNIZING MARK NIEMIEC FOR 20 YEARS OF DISTRICT SERVICE

The Board adopted Resolution 2022-38 recognizing Mark Niemiec, Director of AWP, upon completion of 20 years of service with Padre Dam.

5. CANCELLATION OF JANUARY 4, 2023 BOARD MEETING

The Board cancelled the January 4, 2023 Board meeting.

6. QUITCLAIM OF WATER AND SEWER EASEMENTS ON PARCEL APNS 383-112-32 & 55

The Board adopted Resolution 2022-39 approving a full quitclaim for easement document no. 1983-114716 and a partial quitclaim for easement document no. 1983-114715 located on APN 383-112-32-00 and APN 383-112-55-00.

- **ACTION AGENDA**

Items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

7. ELECTION OF BOARD OFFICERS

President Pommering opened the floor for nominations for President. Director Caires nominated Director Pommering to retain the position of Board President.

On motion of Director Caires, seconded by Director Till, and unanimously carried by roll call vote with Director Qualin absent, the Board adopted Resolution 2022-40 reelecting Director Pommering as President of the Board.

President Pommering nominated Director Caires for Vice President.

On motion of Director Pommering, seconded by Director Till, and unanimously carried by roll call vote with Director Qualin absent, the Board adopted Resolution 2022-41 electing Director Caires as Vice President of the Board.

8. 2023 EMPLOYEE BENEFIT INSURANCE RENEWAL

Lisa Sorce, Director of Human Resources and Administrative Services, reviewed the objectives and renewal process stating staff negotiated from a 2.8 percent to a 1.3 percent renewal increase, saving the District nearly \$40,000. She explained the District is also monitoring several large ongoing insurance claims, which may effect next year's renewal increase.

Informational report only; no action required.

● REPORTS

The following items are reports and are placed on the Agenda to provide information to the Board and the public. There is no action called for on these items. The Board may engage in discussion upon which a specific subject matter is identified but may not take any action other than to place the matter on a future agenda.

9. BOARD REPORTS

- A. County Water Authority (CWA) Board of Directors Meeting
Director Pommering offered to answer any questions to his written report.
- B. Metro Commission/Metro Wastewater JPA
Karen Jassoy, Director of Finance, stated she attended Metro's Finance Committee meeting in which the budget was discussed and the Commission meeting where several staff were recognized on their retirements and the Finance Committee gave a brief report to the Commission with recommended changes to the budget.
- B. Santee Chamber of Commerce Board Meeting
President Pommering noted Director Qualin's written report is available in the agenda packet.
- D. East County Advanced Water Purification (AWP) Joint Powers Authority Board of Directors Meeting
Director Caires referred to the action summary available in the agenda packet, stating he has nothing to add.
- E. San Diego East County Chamber of Commerce Government Affairs & Infrastructure Land Use Committee
Director Pommering offered to answer any questions to his written report.
- F. Other meetings/conferences/events attended by Directors per AB1234
(Council of Water Utilities, CSDA San Diego Chapter, etc.)
None

● DIRECTORS COMMENTS

Directors' comments are to be related to District business which may be of interest to the Board. They are placed on the agenda to enable individual Board Members to convey information to the Board and the Public. There is to be no discussion or action taken on comments made by Board Members.

Director Till shared photos of her students collecting acorns at Santee Lakes to harvest new native California trees for a project they are working on and shared the environmental benefits of Coastal Live Oak Trees.

Director Fordyce stated he is happy to be joining the organization.

Director Caires welcomed Director Fordyce to the Board.

10. DISTRICT COUNSEL'S REPORT

Nicholaus Norvell, District Counsel, explained the Fair Political Practice Commission increased the gift limit from \$520 to \$590 for calendar year 2023 and offered assistance if the Board or staff have any questions regarding any disclosure requirements.

11. GENERAL MANAGER'S REPORT

Mr. Swanson recognized and thanked Mr. Norvell for his efforts in negotiating the contracts between the City of San Diego and the East County Advanced Water Purification Joint Powers Authority.

12. INFORMATIONAL REPORTS

The following reports were noted and filed.

- A. Finance and Treasurer's Report for the twelve months ended June 30, 2022 (audited)
- B. Finance and Treasurer's Report for the four months ended October 31, 2022

● **CLOSED SESSION**

At any time during the regular session, the Board may adjourn to closed session to consider litigation, or discuss with Legal Counsel matters within the attorney-client privilege, subject to the appropriate disclosures.

13. CLOSED SESSION

At 4:30 pm, the Board recessed to convene in closed session to discuss the following:

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (GOVERNMENT CODE 54956.9)

Anticipated litigation, significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 – 1 case

The meeting reconvened in open session at 4:50 pm and the Board Secretary reported no reportable action was taken in closed session.

● **ADJOURNMENT**

President Pommering declared the meeting adjourned at 4:50 pm.

ATTEST:

Board President

Board Secretary

**PADRE DAM MUNICIPAL WATER DISTRICT
DIRECTORS' MONTHLY PER DIEM AND EXPENSE CLAIM SUMMARY**

NAME: August Caires **EMP. NO.** 9813 **MONTH/YR** November-22


DATE		MEETING ATTENDED	MILEAGE \$ 0.585	AMOUNT \$145
1	11/2/2022	Regular Board Meeting	0	145.00
2	11/10/2022	GM Issues Meeting	0	145.00
3	11/16/2022	Regular Board Meeting	0	145.00
4	11/17/2022	AWP JPA Board Meeting	0	145.00
5	11/28/2022	Facilities Development & Operations Committee	0	145.00
6				
7				
8				
9				
10				
11				
12				
13				
TOTAL:			0	\$725.00

SECTION II - EXPENSE CLAIM SUMMARY (Expense Report form must be attached) (PAY TYPE 805)

DATE	DESCRIPTION	AMOUNT

SECTION III - LOCAL MEETING EXPENSE PAID BY DISTRICT

SECTION IV - SUMMARY

		Total Meetings Attended:	
The undersigned presents this claim in good faith for per diem due and expenses incurred, and not heretofore paid by the District. Signed:  Date: 12/1/2022		Total Eligible Per Diem (Pay Type 105)	\$725.00
		Total Expense Claim (Pay Type 805)	\$0.00
		Total Mileage x IRS rate (Pay Type 800)	\$0.00
		TOTAL AMOUNT DUE	\$725.00
Board Approved:			

MAXIMUM OF 10 MEETINGS PER MONTH – 120 MEETINGS PER YEAR

Per Diems are due the 1st of each month

**PADRE DAM MUNICIPAL WATER DISTRICT
DIRECTORS' MONTHLY PER DIEM AND EXPENSE CLAIM SUMMARY**

NAME: Doug Wilson **EMP. NO.** 8040 **MONTH/YR** November-22

DATE		MEETING ATTENDED	MILEAGE \$ 0.625	AMOUNT \$145
1	11/2/2022	Regular Board Meeting		145.00
2	11/16/2022	Regular Board Meeting		145.00
3	11/17/2022	AWP Board Meeting		145.00
4	11/18/2022	GM Issues Meeting		145.00
5	11/29/2022	ACWA -Indian Wells		145.00
6	11/30/2022	ACWA -Indian Wells		145.00
7	12/1/2022	ACWA -Indian Wells		145.00
8				
9				
10				
11				
12				
13				
TOTAL:			0	\$1,015.00

SECTION II - EXPENSE CLAIM SUMMARY (Expense Report form must be attached) (PAY TYPE 805)

DATE	DESCRIPTION	AMOUNT
11/29-12/1/22	ACWA Conference (Expense Report attached)	214.75

SECTION III - LOCAL MEETING EXPENSE PAID BY DISTRICT

11/29-12/1/22	ACWA Conference (Expense Report attached)	1292.47

SECTION IV - SUMMARY

		Total Meetings Attended:	
The undersigned presents this claim in good faith for per diem due and expenses incurred, and not heretofore paid by the District. Signed: <u><i>Doug Wilson</i></u>		Total Eligible Per Diem (Pay Type 105)	\$1,015.00
		Total Expense Claim (Pay Type 805)	\$214.75
Date: 12/5/2022		Total Mileage x IRS rate (Pay Type 800)	\$0.00
Board Approved:		TOTAL AMOUNT DUE	\$1,229.75

MAXIMUM OF 10 MEETINGS PER MONTH – 120 MEETINGS PER YEAR

Per Diems are due the 1st of each month

Travel and Meeting Expense Report

Name: Doug Wilson
 Purpose: ACWA Conference
 Location: Indian Wells, CA

Employee # 8040
 Cost Center: 93
 Dept. Board
 Dates 11/29-12/1/22

Dates:	11/29/22	11/30/22					Totals
<u>Paid by District warrant or District Credit Card</u>							
1. Registration/Tuition	\$ 775.00						\$ 775.00
2. Lodging	\$ 241.48	\$ 241.48					\$ 482.96
3. Air Transportation							\$ -
4. Ground Trans./Vehicle Rental							\$ -
5. Breakfast		\$ 4.17					\$ 4.17
6. Lunch	\$ 30.34						\$ 30.34
7. Dinner							\$ -
8. Other							\$ -
9. Subtotal (Items 1-8)	\$ 1,046.82	\$ 245.65	\$ -	\$ -	\$ -	\$ -	\$ 1,292.47
<u>Paid by Claimant (Cash, Personal Credit Card or Check)</u>							
10. Registration/Tuition							\$ -
11. Lodging							\$ -
12. Air Transportation							\$ -
13. Ground Trans./Vehicle Rental							\$ -
14. Personal Vehicle Use	Total Miles:		327.6	at rate	0.625		\$ 204.75
15. Vehicle Parking							\$ -
16. Breakfast							\$ -
17. Lunch							\$ -
18. Dinner							\$ -
19. Baggage Handler tip (cash)		\$ 10.00					\$ 10.00
20. Subtotal (Item 10-19)	\$ -	\$ 10.00	\$ -	\$ -	\$ -	\$ -	\$ 214.75
<u>Summary of Trip/Meeting Expenditures</u>							
21. Total District Trip/Meeting Expense (item #9 plus item #20)							\$ 1,507.22
22. Paid by District							\$ 1,292.47
24. Amount due to Claimant							\$ 214.75

Signed _____

Approved _____

Date _____

Reviewed _____

**PADRE DAM MUNICIPAL WATER DISTRICT
DIRECTORS' MONTHLY PER DIEM AND EXPENSE CLAIM SUMMARY**

NAME: Bill Pommering

EMP. NO.

180494

MONTH/YR November, 2022

DATE		MEETING ATTENDED	MILEAGE \$ 0.625	AMOUNT \$145
1	11/01/2022	SD East County Chamber of Commerce Government Affairs	0	145.00
2	11/02/2022	General Board Meeting	0	145.00
3	11/08/2022	Meeting w/General Manager	0	145.00
4	11/14/2022	Santee CC Government Affairs Committee	0	145.00
5	11/15/2022	PreBoard Meeting	0	145.00
6	11/16/2022	ECEDC Baord Meeting	0	0.00
7	11/16/2022	Helix Water District Board Meeting	0	0.00
8	11/16/2022	General Board Meeting	0	145.00
9	11/28/2022	FD&O Committee Meeting	0	145.00
10				
11				
12				
13				
TOTAL:			0	\$1,015.00

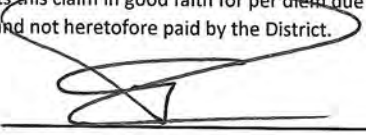
SECTION II - EXPENSE CLAIM SUMMARY (Expense Report form must be attached) (PAY TYPE 805)

DATE	DESCRIPTION	AMOUNT

SECTION III - LOCAL MEETING EXPENSE PAID BY DISTRICT

12/29	ACWA Conference (unable to attend due to illness)	\$1,004.95

SECTION IV - SUMMARY

The undersigned presents this claim in good faith for per diem due and expenses incurred, and not heretofore paid by the District. Signed:  Date: 12/02/2022		Total Meetings Attended:	
		Total Eligible Per Diem (Pay Type 105)	\$1,015.00
		Total Expense Claim (Pay Type 805)	\$0.00
		Total Mileage x IRS rate (Pay Type 800)	\$0.00
		TOTAL AMOUNT DUE	\$1,015.00

Board Approved:

MAXIMUM OF 10 MEETINGS PER MONTH – 120 MEETINGS PER YEAR

Per Diems are due the 1st of each month

Travel and Meeting Expense Report

Name: Bill Pommering
 Purpose: ACWA Conference
 Location: Indian Wells, CA

Employee # 180494 Dept. Board
 Cost Center: 93 Dates 11/29-12/1/22

Dates:	11/29/22	11/30/22					Totals
<u>Paid by District warrant or District Credit Card</u>							
1. Registration/Tuition	\$ 775.00						
2. Lodging	\$ 229.95						
3. Air Transportation							
4. Ground Trans./Vehicle Rental							
5. Breakfast							
6. Lunch							
7. Dinner							
8. Other							\$ -
9. Subtotal (Items 1-8)	\$ 1,004.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,004.95
<u>Paid by Claimant (Cash, Personal Credit Card or Check)</u>							
10. Registration/Tuition							\$ -
11. Lodging							\$ -
12. Air Transportation							\$ -
13. Ground Trans./Vehicle Rental							\$ -
14. Personal Vehicle Use	Total Miles:			at rate	0.625		\$ -
15. Vehicle Parking							\$ -
16. Breakfast							\$ -
17. Lunch							\$ -
18. Dinner							\$ -
19. Baggage Handler tip (cash)							\$ -
20. Subtotal (Item 10-19)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Summary of Trip/Meeting Expenditures</u>							
21. Total District Trip/Meeting Expense (item #9 plus item #20)							\$ 1,004.95
22. Paid by District							\$ 1,004.95
24. Amount due to Claimant							\$ -

Unable to attend due to illness

Signed _____

Approved _____

Date _____

Reviewed _____

**PADRE DAM MUNICIPAL WATER DISTRICT
DIRECTORS' MONTHLY PER DIEM AND EXPENSE CLAIM SUMMARY**

NAME: Rocky Qualin **EMP. NO.** 200201 **MONTH/YR** November-22

DATE		MEETING ATTENDED	MILEAGE \$ 0.625	AMOUNT \$145
1	11/2/2022	Board Meeting		145.00
2	11/16/2022	Board Meeting		145.00
3	11/17/2022	Santee Chamber - Board of Directors Meeting		145.00
4	11/28/2022	Facilities Dev & Ops Committee		145.00
5				
6				
7				
8				
9				
10				
11				
12				
13				
TOTAL:			0	\$580.00

SECTION II - EXPENSE CLAIM SUMMARY (Expense Report form must be attached) (PAY TYPE 805)

DATE	DESCRIPTION	AMOUNT

SECTION III - LOCAL MEETING EXPENSE PAID BY DISTRICT

SECTION IV - SUMMARY

		Total Meetings Attended:	
The undersigned presents this claim in good faith for per diem due and expenses incurred, and not heretofore paid by the District.		Total Eligible Per Diem (Pay Type 105)	\$580.00
		Total Expense Claim (Pay Type 805)	\$0.00
Signed: <u>Rocky Qualin</u>		Total Mileage x IRS rate (Pay Type 800)	\$0.00
Date: 12/6/2022		TOTAL AMOUNT DUE	\$580.00
Board Approved:			

MAXIMUM OF 10 MEETINGS PER MONTH – 120 MEETINGS PER YEAR

Per Diems are due the 1st of each month

**PADRE DAM MUNICIPAL WATER DISTRICT
DIRECTORS' MONTHLY PER DIEM AND EXPENSE CLAIM SUMMARY**

NAME: Suzanne Till **EMP. NO.** 200143 **MONTH/YR** November-22

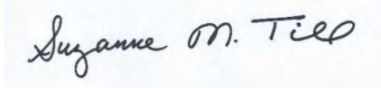
DATE	2/	MILEAGE	AMOUNT
		\$ 0.625	\$145
1 11/2/2022	Board meeting		145.00
2 11/9/200	Meeting with GM, CA officials tour of AWP		145.00
3 11/16/2022	Board meeting		145.00
4 11/17/2022	CSDA meeting		145.00
5 11/21/2022	Meeting with GM		145.00
6 11/29/2022	Facilities, Development and Operations Committee meeting		145.00
7			
8			
9			
10			
11			
12			
13			
TOTAL:		0	\$870.00

SECTION II - EXPENSE CLAIM SUMMARY (Expense Report form must be attached) (PAY TYPE 805)

DATE	DESCRIPTION	AMOUNT

SECTION III - LOCAL MEETING EXPENSE PAID BY DISTRICT

SECTION IV - SUMMARY

		Total Meetings Attended:		
<div>The undersigned presents this claim in good faith for per diem due and expenses incurred, and not heretofore paid by the District.</div> <div>Signed: </div> <div>Date Dec-22</div> <div>Board Approved:</div>		Total Eligible Per Diem		\$870.00
		(Pay Type 105)		
		Total Expense Claim		\$0.00
		(Pay Type 805)		
		Total Mileage x IRS rate		\$0.00
		(Pay Type 800)		
		TOTAL AMOUNT DUE		\$870.00

MAXIMUM OF 10 MEETINGS PER MONTH – 120 MEETINGS PER YEAR

Per Diems are due the 1st of each month



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Kyle Swanson
Submitted by: Amy Pederson
Department: Administration
Approved by: Kyle Swanson, CEO/GM

SUBJECT: AUTHORIZATION FOR REMOTE TELECONFERENCE PUBLIC MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361

RECOMMENDATION(S):

Make findings that the Governor's Proclamation of a State of Emergency remains in effect, and state and local officials continue to impose or recommend social distancing, and authorize remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.

ALTERNATIVE(S):

None recommended; not implementing AB 361 would result in the requirement to adhere to previous Brown Act provisions that include providing the location of any Board Member teleconferencing on the agenda and posting the agenda at their publicly accessible teleconference site.

ATTACHMENT(S):

None

FUNDING:

Requested amount: n/a

Budgeted amount:

Are funds available? ☐ Yes ☐ No

Project cost to date:

PRIOR BOARD/COMMITTEE CONSIDERATION: The Board last made the required findings authorizing continued use of remote teleconference public meetings at its December 7, 2022 meeting.

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Plan and meets one or more of the following Strategic Goals: Provide safe, reliable water, recycled water and sewer services; Ensure fiscal health and competitively sustainable rates; Enhance customer communications and education; Increase water, wastewater and energy independence; Maintain workforce excellence; Expand park and recreation opportunities.

Reviewed by:		Action Required:		Policy Updates:		Action Taken:
Dept Head	<input checked="" type="checkbox"/>	Motion	<input checked="" type="checkbox"/>	Rules & Regulations	<input type="checkbox"/>	As Recommended _____
Finance	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Standard Practices	<input type="checkbox"/>	Reso/Ord. No. _____
Legal Counsel	<input checked="" type="checkbox"/>	Ordinance	<input type="checkbox"/>	& Policies		Other _____
Standard Form	<input type="checkbox"/>	None	<input type="checkbox"/>			

EXECUTIVE SUMMARY:

In order to continue to allow virtual or hybrid (virtual and in person) public meetings without the need to comply with the Brown Act's pre-pandemic teleconferencing requirements the Board must comply with provisions of AB 361 which include adopting findings every 30 days that 1) the Board has reconsidered the circumstances of the state of emergency and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

Currently the COVID-19 State of Emergency remains in effect, and state and local health officials continue to recommend or require social distancing. Therefore, staff recommends the Board make the required findings and authorize remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.

DESCRIPTION:

As the COVID-19 pandemic has evolved, so has the legislation governing public meetings (Board and Committee meetings) subject to the Brown Act. Beginning in March 2020, Governor Newsom issued a series of Executive Orders in an effort to contain the spread of the COVID-19 virus. These Executive Orders (N-25-20, N-29-20, N-35-20) collectively modified certain requirements of the Brown Act and expired on September 30, 2021.

Assembly Bill (AB) 361 was passed and, effective October 1, 2021, amended the Brown Act to allow public agencies to continue conducting virtual/remote meetings without the need to comply with all of the "pre-pandemic" teleconferencing requirements so long as the following conditions are met:

- There is a gubernatorial proclaimed state of emergency.
- There are state or local measures to promote or require social distancing.
- The agenda must include the meeting link or dial-in for public access.
- Members of the public must be allowed to address the Board in real-time during the meeting.
- Public comments can no longer be required to be submitted in advance.
- If technical problems arise that result in the public's access being disrupted, the legislative body may not take any vote or other official action until the technical disruption is corrected and public access is restored.
- The Board must adopt findings every 30 days that 1) the Board has reconsidered the circumstances of the state of emergency and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

The provisions enacted by AB 361 providing flexibility to meet remotely during a proclaimed emergency will sunset on January 1, 2024.

Padre Dam's Board last adopted the required findings at its December 7, 2022 meeting and must do so again at its December 21, 2022 meeting in order to continue to meet remotely under modified Brown Act requirements for the next 30 days.

Currently the Governor-declared State of Emergency remains in effect, and state and local health officials continue to recommend or require social distancing. Therefore, staff recommends the Board make the required findings (that the State of Emergency remains in effect, state and local officials continue to impose or recommend social distancing) and authorize remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.

RECOMMENDATION(S):

Make findings that the Governor's Proclamation of a State of Emergency remains in effect, and state and local officials continue to impose or recommend social distancing, and authorize remote teleconference meetings for Padre Dam's legislative bodies pursuant to Brown Act provisions enacted by AB 361.



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Paul Clarke
Submitted by: Cory Kading
Department: Operations
Approved by: Kyle Swanson, CEO/GM

SUBJECT: AWARD OF CONTRACT FOR JANITORIAL SERVICES

RECOMMENDATION(S):

Award the contract for janitorial services to the lowest responsive responsible bidder, JAN-PRO of San Diego and authorize the CEO/General Manager, or his designee to execute a maintenance service contract with JAN-PRO of San Diego for three years at a cost of \$419,472, with the option to extend the agreement for one additional two year period on the same terms and conditions.

ALTERNATIVE(S):

Reject all proposals and do not award the Janitorial Services contract at this time.

ATTACHMENT(S):

1. Project scope from Padre Dam Municipal Water District
2. Fee proposal from JAN-PRO of San Diego

FUNDING:

Requested amount: \$419,472
Budgeted amount: \$441,720
Are funds available? ☒ Yes ☐ No
Project cost to date: \$0

PRIOR BOARD/COMMITTEE CONSIDERATION: The proposed maintenance service agreement will be funded by the Board approved Operational Budget of the Five Year Strategic Business Plan and Budget for FY 2023-2027.

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Plan and meets one or more of the following Strategic Goals: Provide safe, reliable water, recycled water and sewer services; Ensure fiscal health and competitively sustainable rates; Enhance customer communications and education; Increase water, wastewater and energy independence; Maintain workforce excellence; Expand park and recreation opportunities.

Reviewed by:		Action Required:		Policy Updates:		Action Taken:
Dept Head	<input checked="" type="checkbox"/>	Motion	<input checked="" type="checkbox"/>	Rules & Regulations	<input type="checkbox"/>	As Recommended _____
Finance	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Standard Practices	<input type="checkbox"/>	Reso/Ord. No. _____
Legal Counsel	<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	& Policies		Other _____
Standard Form	<input type="checkbox"/>	None	<input type="checkbox"/>			

EXECUTIVE SUMMARY:

The Board approved the Five-Year Strategic Business Plan and Budget for Fiscal Years 2023-2027 including funding for District wide janitorial services. The janitorial services agreement includes nine locations with over 60,000 square feet of cleanable space. The janitorial services provider is a critical component and a partner with the District in maintaining the health and safety of our buildings, employees and customers.

District staff prepared a Request for Quote (RFQ) to solicit janitorial service providers for a maintenance service agreement for a three year term, with the option to extend the agreement for one additional two year period on the same terms and conditions. Proposals were received from service providers on November 14, 2022. The bid review process has been completed and the District recommends the award of the janitorial services contract to JAN-PRO of San Diego for three years at a cost of \$419,472.

DESCRIPTION:

The District intends to contract with a reputable janitorial company to provide timely and consistent janitorial services to ensure clean and safe office facilities for employees and customers doing business with the District. A high quality of work is imperative and the District will hold the contractor responsible for delivering the appropriate levels of service.

Janitorial services, frequencies and requirements have become more stringent in response to the COVID-19 global pandemic. District staff implemented a cleaning and sanitation schedule that is essential to provide the safest, cleanest environments for employees and customers.

RFQ RESULTS:

An RFQ for the agreement was prepared and released on September 30, 2022. Proposals were received from three service providers on November 14, 2022 as shown in Table 1.

Table1. RFQ's Received for Janitorial Services

Janitorial Service Provider	Proposal for Project Scope
JAN-PRO	\$419,472.00
MEK Enterprise	\$493,276.68
JLK Enterprise	\$926,208.00

RECOMMENDATION(S):

Award the contract for janitorial services to the lowest bid from a janitorial service provider, JAN-PRO of San Diego and authorize the CEO/General Manager, or his designee to execute a maintenance service agreement with JAN-PRO of San Diego for three years at a cost of \$419,472, with the option to extend the agreement for one additional two year period on the same terms and conditions.



REQUEST FOR QUOTE

JANITORIAL SERVICES

September 30, 2022

Quotes Due Date & Time:

Monday, November 14, 2022

2:00pm

PADRE DAM MUNICIPAL WATER DISTRICT

Cory Kading

Cory Kading
Operations Supervisor

REQUEST FOR QUOTE

JANITORIAL SERVICES

Introduction

Padre Dam Municipal Water District (hereinafter referred to as “District”) is requesting quotes to provide Janitorial Services as described in the “Scope of Work” for a period up to three (3) years from the start date of the contract unless the “not to exceed” amount of the contract precedes the expiration date. The District may elect to extend the agreement for one (1) additional (2) year period on the same terms and conditions, upon providing written notice to the contractor not less than (30) days prior to the expiration of the Contract. This Request for Quote describes the general scope of work and the quote submittal requirements. Failure to submit the information in accordance with the requirements of this Request for Quote and its associated procedures may be cause for disqualification.

Background

The District provides water, wastewater, recycled water, and park and recreation services to over 100,000 residents and covers approximately 72 square miles in the East San Diego County communities of Santee, El Cajon, Lakeside, Flinn Springs, Harbison Canyon, Blossom Valley, Alpine, Dehesa, and Crest. Padre Dam Municipal Water District has approximately 400 miles of water pipeline, 165 miles of wastewater mains, and 26 miles of recycled water mains in the system, along with 30 storage tanks, 16 pump stations, 4 lift stations, and a 2 MGD Recycled Water Treatment Plant.

Scope of Work

The District intends to contract for the services of a reputable janitorial company to provide timely and consistent Janitorial Services to ensure clean and safe office facilities for employees and customers doing business with the District. Prospective Contractors must provide to the District that they are qualified, fully equipped and capable to fulfill and abide by the requirements listed herein. Quotes will only be accepted from firms that have service, administration and warehouse facilities located within 50 miles from the District to provide local service support. Quality of work is paramount and the District will hold the Contractor responsible for delivering appropriate levels of service. The Scope of Work may include, but is not limited to, the following key elements:

- Vendor will be responsible for the cleanliness and sanitation of the District facilities as outlined in Exhibits A-H. The Specifications in Exhibits A-H define the minimum level of service and frequency deemed acceptable. It is intended that the selected Vendor will schedule their operations to meet or exceed these requirements.
- It is intended that the selected Vendor put forth a level of effort to provide a thorough cleaning of the facilities, not merely a surface cleaning. Some examples include: carpeted floors shall be thoroughly vacuumed, windows shall be cleaned to where all film, smudges and streaks are removed, and communal surfaces (such as lobby counters) and restroom facilities shall be cleaned and polished to sanitary levels equivalent of a hospital.
- Vendor is expected to utilize its own equipment, of types and quantities necessary to perform the described work in an efficient, effective and safe manner.
- The District will supply all toilet paper, paper towels, toilet seat covers, and hand soap, trash liners and urinal screens. All supplies remain property of the District and may only be used at the specified site.
- The District will supply cleaning supplies.

- Vendor is expected to perform services as frequently as daily as outlined in the Exhibit A-D attached hereto.
- For the purpose of this bid the term “Daily” should be understood to mean Monday through Friday.
- Vendor shall have designated staff and alternates assigned to each District location for cleaning services.
- Vendor’s Manager or Supervisor shall conduct quarterly site inspections as outlined under Exhibits A-D in order to ensure consistent quality of work. A follow up communication will be sent to the district to confirm the findings of the inspection.
- Vendor will be responsible for :
 - a) Adherence to schedules
 - b) Maintenance of or replacement of cleaning equipment
 - c) Notifying the District of any personnel changes
 - d) Notifying the District of any vandalism or damage to physical or personal property observed or occurring during vendor’s service visit.
 - e) Training of new personnel
- Contractor staff is required to pass a background check prior to first day of the services

The District shall separately specify locations and details for all Work on an as-needed basis (“Task”). No work shall be performed by Contractor unless authorized by a Task assigned to Contractor by District.

Quote Requirements

Quotes shall be concise, well organized, and shall demonstrate the responder’s qualifications and experience applicable to the service(s) as defined in the Scope of Work. The quote shall contain the following information:

1. **Identification of the Responder.** The quote shall include the following: the legal business name, address, and the form of the company (sole proprietor, partnership, corporation, joint venture, etc.). If the company is a wholly-owned subsidiary of a parent company, the parent company must be identified. Include the number of years the company has been in business, how long it has maintained an office in San Diego County and the name, title, address, email, and telephone number of the person to contact regarding the quote (see attached Bidder’s Qualification and Identification of Responder Form).
2. **Experience and Technical Competence.** Please describe the company’s experience in providing similar services as those described in the Scope of Work. Include three current references of similar work performed in the San Diego County area. Please include the references’ contact information, including business/company name and address, name of a contact person and phone number (see attached form). Please also provide the name of any governmental agency your company has provided service to in the last three years.
3. **Subcontractors.** If subcontracted services are to be provided, please include the subcontractor’s name, business address, license number, class codes(s), and what specific service(s) they will provide.
4. **Proof of Insurance.** If selected, provide proof of insurance per District requirements. See sample agreement (Exhibit J).
5. **Sample Agreement Review.** Review the sample agreement (Exhibit J): “AGREEMENT FOR JANITORIAL SERVICES”.

6. Completed Bid Sheet. Please fill out Bid Sheet (see attached form)

NOTES: Labor and material costs are to include, overhead, and profit. The bid should include any charges for insurance policy endorsements, as applicable. Failure to provide the required information may result in a Bid submittal being deemed unresponsive and as such, the bidder may be disqualified from consideration.

Basis for Awarding Bid

Total monthly cost to provide cleaning services for all locations outlines in Exhibits A-I on a monthly basis.

Bids for services should be inclusive of all costs to provide the janitorial services as outlines and include all overhead costs and any costs for maintain the required insurances

Vendors must attend a mandatory pre-quote site visit. Any vendor who does not attend the site visit described below, will be disqualified from consideration.

At such a time that the contract for services is offered, the selected vendor will be asked to furnish the District with a calendar proposing when the needed quarterly, semi-annual and annual janitorial services as outlined under Exhibits A-I are to be performed.

Right to Reject Quote

The District reserves the right to reject any and all quotes, to waive any of these procedures for submitting quotes, to waive any informality in quotes received, to accept or reject any or all of the items in the quote, and to award the contract in whole or in part if it is deemed in the District's best interest.

Reservations

This Request for Quote does not commit the District to award a contract, to defray any costs incurred in the preparation of a quote pursuant to this Request for Quote, or to produce or contract the work.

Code Standards

Work shall be completed in accordance with all State and Federal regulations, including CAL/OSHA requirements.

Site Visit

Mandatory site visits are scheduled for October 13, 2022 at 10:00am. RSVPs for the site visit are required in advance via, Cory Kading at ckading@padre.org. The location for the first site visit, will be the Customer Service Center located at 9300 Fanita Parkway, Santee, CA 92071. **Site visits are mandatory to submit a quote.**

Questions concerning the Request for Quote (RFQ)

All questions regarding the RFQ should be directed to: Padre Dam Municipal Water District, Cory Kading, Operations Supervisor, ckading@padre.org or 619.247.2774 no later than 10:00 am on October 24, 2022. Written answers to questions shall be sent to all vendors invited to respond to the RFQ by October 28, 2022; an addendum to this Request for Quote may be issued if warranted.

Quote Deadline

Interested firms shall submit their quotes no later than 2:00 pm on Monday, November 14, 2022 with "Janitorial Services" in the email subject line or clearly marked on the outside of package if mailed or delivered:

Via email:

ckading@padre.org

Mail or hand delivery to:

Padre Dam Municipal Water District

ATTN: Cory Kading

PO Box 719003 (for mailing)

Santee, California 92072-9003

9300 Fanita Parkway (hand delivery Mon-Thu, 9am-4:30pm; Fri, 8am-noon)

Santee, California 92071

Quotes will be time stamped and dated as received. Late quotes will not be accepted. Vendors are solely responsible for ensuring timely receipt of their quotes in accordance with the deadline identified above.

All quotes shall become the property of the District and will not be returned. Quotes may also become public records and, as such, may be subject to public review.

BIDDER'S QUALIFICATION AND IDENTIFICATION OF RESPONDER FORM

Company Name: _____

Legal Business Name: _____

Parent Company:
(If Applicable) _____

Company Form:
(e.g. sole proprietor,
partnership, corporation) _____

Business License Number: _____

Name of Individual Directing
Work: _____

Number of Years Office
Maintained in San Diego: _____

Name of Person Completing
RFQ: _____

Title: _____

Address: _____

Phone Number: _____

E-mail Address: _____

Phone Number for After Hours
Emergency Service: _____

Bid Sheet

Include price quote for each line item specified. Line items that are left blank or are indicated as N/A will render a bidder "non-responsive." If cost, enter "0". If "additional charges" apply, please clarify charge basis (e.g. per hour, daily etc).

LOCATION	REFERENCE	MONTHLY COST
Customer Service Center 9300 Fanita, Santee, CA 92071	Exhibit A	\$_____
OPS Building "A" 9120 Carlton Oaks Dr, Santee, CA 92071	Exhibit B	\$_____
OPS Building "B" 9120 Carlton Oaks Dr, Santee, CA 92071	Exhibit C	\$_____
OPS Building "C" 9120 Carlton Oaks Dr., Santee, CA 92071	Exhibit D	\$_____
WRF Building "1" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit E	\$_____
WRF Building "2" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit F	\$_____
WRF Building "3" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit G	\$_____
WRF Building "4" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit H	\$_____
Alpine Facility 9790 Chocolate Summit Dr. El Cajon, CA 91901	Exhibit I	\$_____

OTHER	FREQUENCY	HOURLY RATE
As-Needed Cleaning Services During Normal Business Hours Monday- Friday 8:00am-5:00pm	As Needed	\$_____
As- Needed After Hours and Weekends Cleaning Services	As Needed	\$_____
Emergency Call- out Mobilization Fee	As Needed	\$_____
OTHER	FREQUENCY	COST PER CHAIR
Upholstery Cleaning	As needed	\$_____

EXHIBIT A

CUSTOMER SERVICE CENTER

9300 FANITA PARKWAY, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 30,000						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Add water to floor drains			X			
• Remove and replace all urinal deodorizers				X		
Kitchen/ Break Rooms (1st and 2nd Floor) :						
• Clean and sanitize sinks, counter tops, fixtures, tables, chairs, door handles, microwaves, cook tops, refrigerators doors, coffee pots, dishes and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					
• Sweep and mop floors with disinfectant	X					
• Load, run and unload dishwasher as needed	X					
• Clean exterior patio furniture, dust for cobwebs		X				

• Deep clean refrigerators (last Friday of the Month)			X			
General Areas/Offices/Conference rooms/Board Room :						
• Empty trash and recycling receptacles (Interior and exterior) placing contents in proper dumpsters, wipe down trash cans and change liners	X					
• Sweep exterior entrance	X					
• Clean interior and exterior of lobby glass	X					
• Dust desks and office furniture and wipe clean	X					
• Vacuum All carpet and floor mats	X					
• Clean disinfect and polish drinking fountain	X					
• Clean and polish elevator interior and exterior	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, hand rails, light switches, etc.)	X					
• Spot Clean walls and glass surfaces as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Sweep and mop stairwells		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Detail all millwork, audience seating, Dias, countertops and work stations in Boardroom (Mondays)		X				
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Polish all dispenser, mirrors and bright work			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Spot clean carpets			X			
• Pressure wash North and West exterior lobby entrances				X		
• Clean all exterior windows				X		
• Clean all interior windows					X	
• Polish customer lobby floor					X	
• Strip and wax all VCT						X

EXHIBIT B
OPERATIONS BUILDING "A"
9120 CARLTON OAKS DRIVE, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 5,054						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Add water to floor drains			X			
• Remove and replace all urinal deodorizers				X		
Locker Room :						
• Clean and disinfect shower tile floors, walls, glass and fixtures	X					
• Organize towels as needed	X					
• Clean and sanitize Lockers and bench seating		X				
Kitchen/ EOC :						
• Clean and sanitize sinks, counter tops, fixtures, tables, chairs, door handles, microwaves, cook tops, refrigerator doors. coffee pots, dishes and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					

• Sweep and mop floors with disinfectant	X					
• Deep clean refrigerators (last Friday of the Month)			X			
• Polish concrete floors					X	
Wellness Center :						
• Spot clean mirrors and glass	X					
• Clean and sanitize equipment	X					
• Sweep and light mop floors	X					
General Areas/Offices/Conference rooms :						
• Empty trash and recycling receptacles (Interior and exterior) placing contents in proper dumpsters, wipe down trash cans and change liners	X					
• Sweep exterior entrance	X					
• Clean interior and exterior of Operations entrance	X					
• Dust desks and office furniture and wipe clean	X					
• Vacuum All carpet and floor mats	X					
• Clean disinfect and polish drinking fountain	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, hand rails, light switches, etc.)	X					
• Spot Clean walls and glass surfaces as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Polish all dispenser, mirrors and bright work			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Spot clean carpets			X			
• Dust exterior block, stucco and pedestrian gates remove all spider webs			X			
• Clean all exterior windows				X		
• Clean all interior windows					X	

EXHIBIT C
OPERATIONS BUILDING “B”
9120 CARLTON OAKS DRIVE, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 6,198						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Remove and replace all urinal deodorizers				X		
Kitchen :						
• Clean and sanitize sinks, counter tops, fixtures, tables, chairs, door handles, microwaves, cook tops, exterior refrigerators. coffee pots, dishes and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					
• Sweep and mop floors with disinfectant	X					
• Deep clean refrigerators (last Friday of the Month)			X			
General Areas/Offices :						
• Empty trash and recycling receptacles (Interior and exterior) placing contents in proper	X					

dumpsters, wipe down trash cans and change liners						
• Dust desks and office furniture and wipe clean	X					
• Clean disinfect and polish drinking fountain	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, hand rails, light switches, etc.)	X					
• Spot Clean walls and glass surfaces as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Polish all dispenser, mirrors and bright work			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Dust exterior block and wood remove all spider webs			X			
• Clean all exterior windows				X		
• Clean all interior windows					X	

EXHIBIT D
OPERATIONS BUILDING "C"
9120 CARLTON OAKS DRIVE, SANTEE, CA, 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 9,000						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liner	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Add water to floor drains			X			
• Remove and replace all urinal deodorizers				X		
Break Room :						
• Clean and sanitize counter tops, fixtures, door handles, microwaves, refrigerator door, coffee pots and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					
• Sweep and mop floors with disinfectant	X					
• Deep clean refrigerators (last Friday of the Month)			X			
General Areas/Offices :						
• Empty trash and recycling receptacles placing contents in	X					

proper dumpsters, wipe down trash cans and change liners						
• Clean disinfect and polish drinking fountain	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, light switches, etc.)	X					
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Clean and buff concrete floors				X		
• Clean all exterior windows				X		
• Clean all interior windows					X	
• Strip and wax all VCT						X

EXHIBIT E
WRF BUILDING 1
12001 NOTRTH FANITA PARKWAY, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 3,201						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Remove and replace all urinal deodorizers				X		
Kitchen :						
• Clean and sanitize sinks, counter tops, fixtures, door handles, microwaves, refrigerator doors. coffee pots, dishes and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					
• Sweep and mop floors with disinfectant	X					
• Deep clean refrigerators (last Friday of the Month)			X			
General Areas/Offices :						
• Empty trash and recycling receptacles placing contents in	X					

proper dumpsters, wipe down trash cans and change liners						
• Sweep exterior entrance	X					
• Clean interior and exterior of glass main entrance	X					
• Dust desks and office furniture and wipe clean	X					
• Vacuum All carpet and floor mats	X					
• Clean disinfect and polish drinking fountain	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, hand rails, light switches, etc.)	X					
• Spot Clean walls and glass surfaces as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Polish all dispenser, mirrors and bright work			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Spot clean carpets			X			
• Dust exterior block, stucco and glass remove all spider webs			X			
• Clean all exterior windows				X		
• Clean all interior windows					X	
• Clean and buff LVP flooring (Saturday only)					X	

EXHIBIT F
WRF BUILDING 2
12001 NORTH FANITA PARKWAY, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 400						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Office :						
• Empty trash and recycling receptacles placing contents in proper dumpsters, wipe down trash cans and change liners	X					
• Dust desks and office furniture and wipe clean	X					
• Vacuum All carpet and floor mats	X					
• Clean and sanitize high touch points (door handles, common surfaces, light switches, etc.)	X					
• Spot Clean walls and glass surfaces as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Clean all baseboards and cove base			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Spot clean carpets			X			
• Dust exterior block, stucco and glass remove all spider webs			X			
• Clean all exterior windows				X		
• Clean all interior windows					X	

EXHIBIT G
WRF BUILDING 3
12001 NOTH FANITA PARKWAY, SANTEE, CA 92071

SCOPE OF SERVICES

Estimated Cleanable Square footage = 1,322						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Add water to floor drains			X			
• Remove and replace all urinal deodorizers				X		
Shower/ Locker Room :						
• Clean and disinfect shower tile floors, walls, glass and fixtures	X					
• Organize towels as needed	X					
• Clean and sanitize Lockers and bench seating		X				
Kitchen :						
• Clean and sanitize sinks, counter tops, fixtures, tables, chairs, door handles, microwaves, refrigerator doors. coffee pots, dishes and trash receptacles	X					
• Empty trash receptacles and replace liners	X					
• Restock liquid and paper products	X					

• Sweep and mop floors with disinfectant	X					
• Deep clean refrigerators (last Friday of the Month)			X			
General Areas/Offices :						
• Empty trash and recycling receptacles placing contents in proper dumpsters, wipe down trash cans and change liners	X					
• Dust desks and office furniture and wipe clean	X					
• Vacuum All carpet and floor mats	X					
• Sweep and mop hard surfaces with disinfectant	X					
• Clean and sanitize high touch points (door handles, common surfaces, light switches, etc.)	X					
• Spot Clean walls as needed for removal of fingerprints, spillage, scuff or coffee stains		X				
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures		X				
• Vacuum/dust HVAC vents			X			
• Clean all baseboards and cove base			X			
• Polish all dispensers, mirrors and bright work			X			
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs			X			
• Spot clean carpets			X			
• Dust exterior block, stucco and pedestrian gates remove all spider webs			X			

EXHIBIT H
WRF BUILDING 4
12001 NOTH FANITA PARKWAY, SANTEE, CA 92071

SCOPE OF SERVICES

<i>Estimated Cleanable Square footage = 300 Restroom Only</i>						
<i>Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday</i>						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
<i>Restroom :</i>						
• Clean and sanitize sink, toilet, urinal, floors, counters, walls, fixtures, door handles and light switches	X					
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners	X					
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)	X					
• Polish all faucets, dispensers, shelves and mirrors	X					
• Sweep and mop floors with disinfectant	X					
• Test the functionality of all installed fixtures and report any items needing repair or replacement	X					
• Clean and disinfect shower tile floors, walls, and fixtures	X					
• Organize towels as needed	X					
• Clean and sanitize Lockers and bench seating		X				
• Add water to floor drains			X			
• Remove and replace all urinal deodorizers				X		

EXHIBIT I
ALPINE FACILITY
9790 CHOCOLATE SUMMIT DRIVE, EL CAJON, CA 91901

SCOPE OF SERVICES

Estimated Cleanable Square footage = 4,146 (office space only)						
Janitorial Vendor Manager/Supervisor Quarterly Visit required During normal business hours 7:00 A.M.- 3:30 P.M Monday – Friday						
Description	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Restrooms :						
• Clean and sanitize sinks, toilets, urinals, floors counters, walls, partitions, fixtures, door handles and light switches			X			
• Empty all trash receptacles, sanitary napkin receptacles, clean, disinfect and replace liners			X			
• Restock all liquid and paper products (soap, toilet paper, paper towels, etc.)			X			
• Polish all faucets, dispensers, shelves and mirrors			X			
• Sweep and mop floors with disinfectant			X			
• Test the functionality of all installed fixtures and report any items needing repair or replacement			X			
• Remove and replace all urinal deodorizers				X		
Shower/ Locker Room :						
• Clean and disinfect shower tile floors, walls, fixtures				X		
Kitchen :						
• Clean and sanitize sinks, counter tops, fixtures, tables, chairs, door handles, microwaves, cook tops, refrigerator doors. coffee pots, dishes and trash receptacles			X			
• Empty trash receptacles and replace liners			X			
• Restock liquid and paper products			x			
• Sweep and mop floors with disinfectant			X			
• Deep clean refrigerators (last Friday of the Month)				X		

• Polish concrete floors					X	
General Areas/Offices :						
• Empty trash and recycling receptacles , wipe down trash cans and change liners (all trash to be hauled offsite)			X			
• Dust desks and office furniture and wipe clean			X			
• Vacuum All carpet and floor mats			X			
• Clean disinfect and polish drinking fountain			X			
• Sweep and mop hard surfaces with disinfectant			X			
• Clean and sanitize high touch points (door handles, common surfaces, hand rails, light switches, etc.)						
• Dust desks, tables, window treatment, window ledges, file cabinets and pictures				X		
• Vacuum/dust HVAC vents				X		
• Clean all baseboards and cove base				X		
• Polish all dispenser, mirrors and bright work				X		
• High dusting of all air vents, tops of door, door frames, ceiling corners and removal of cobwebs				X		
• Spot clean carpets					X	

**PADRE DAM MUNICIPAL WATER DISTRICT
AGREEMENT FOR JANITORIAL SERVICES**

This Agreement is made and entered into as of _____, 2022, ("Effective Date") by and between the PADRE DAM MUNICIPAL WATER DISTRICT (hereinafter referred to as the "District"), organized and existing under the Municipal Water District Law of 1911, Water Code § 71000 et seq., and _____, a [insert type of business or entity] (hereinafter referred to as "Contractor").

RECITALS

- A. District is a public agency of the State of California and is in need of professional janitorial services, (hereinafter referred to as "Services").
- B. Contractor is duly licensed and has the necessary qualifications to provide such services.
- C. The parties desire by this Agreement to establish the terms for District to retain Contractor to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Contractor shall provide the District with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Contractor under this Agreement exceed the sum of \$_____ ("Total Contract Price"). This amount is to cover all labor, materials, tools, equipment, supplies, services, incidental and customary work and administrative costs, including printing and related costs, and the District will not pay any additional fees for any such expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Contractor for work performed will be made on a monthly billing basis.

3. Term.

The term of this Agreement is from the Effective Date through June 30, 2025, unless earlier terminated as prescribed herein. Within 30 days prior to the expiration of this Agreement, the Parties may, by mutual, written consent, extend the term of this Agreement for one additional two year period on the same terms and conditions in this Agreement. Contractor shall perform its services in a prompt

and timely manner and shall commence performance upon receipt of written notice from the District to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

4. Additional Work/ Disputed Work.

a. If additions or changes in the work seem merited by Contractor or the District, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Contractor with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by both parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

b. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the District. If Contractor disputes the District's decision, Contractor shall have such remedies as may be provided by law.

5. Completion and Inspection.

When Contractor determines that it has completed the work required herein, Contractor shall so notify District in writing. District shall thereupon inspect the work. If the work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory work, Contractor may request a reinspection by the District. Once all work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain.

6. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Contractor and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by District.

7. Delays in Performance.

a. Neither District nor Contractor shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the

circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law and Safety.

a. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising there from. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold District, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

b. If required, Contractor shall assist the District, as requested, in obtaining and maintaining all permits required of Contractor by federal, state and local regulatory agencies.

c. If applicable, Contractor is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

d. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its work, Contractor shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

9. Standard of Care

Contractor's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subcontractors

Contractor shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Nothing contained herein shall prevent Contractor from employing independent associates, and subcontractors as Contractor may deem appropriate to assist in the performance of services hereunder.

11. Independent Contractor

Contractor is retained as an independent contractor and is not an employee of District. No employee or agent of Contractor shall become an employee of District. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided. Any additional personnel performing the work under this Contract on behalf of Contractor shall also not be employees of District and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

12. Loss and Damage

Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the work until the same is fully completed and accepted by District. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the District may terminate this Agreement as herein provided, however, that the District needs to provide Contractor with only one (1) day advanced written notice.

13. Claims

a. Resolution of Claims. Notwithstanding any other provision herein, all claims shall be resolved pursuant to the claims resolution process set forth in Public Contract Code § 9204. Furthermore, the resolution of claims of \$375,000 or less shall also comply with the claims resolution procedures set forth in California Public Contract Code §§ 20104, et seq.

b. Third Party Claims. Pursuant to Public Contract Code Section 9201, the District shall provide Contractor with timely notification of the receipt of any third-party claim, relating to this Agreement. The District is entitled to recover its reasonable costs incurred in providing such notification.

c. Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District.

14. Insurance

a. Commercial General Liability

(i) The Contractor shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply for the Services
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(v) The policy shall give Padre Dam Municipal Water District, the Board and each member of the Board, its officers, employees, agents and District designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Contractor shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give Padre Dam Municipal Water District, the Board, Board members, its officers, employees, agents and District designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Contractor has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Contractor shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Contractor shall require all subcontractors to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Contractor's Pollution Liability Coverage

[REQUIRED FOR CONTRACTS INVOLVING HAZARDOUS SUBSTANCES.] At all times during the performance of the work under this Agreement, the Contractor shall maintain Contractor's Pollution Legal Liability and/ or Asbestos Legal Liability and/ or Errors and Omissions Insurance covering losses caused by pollution conditions arising from the operations of Contractor.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$2,000,000 per occurrence/\$4,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Pollution Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.

f. Evidence Required

Prior to execution of the Agreement, the Contractor shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Contractor shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Contractor shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(1) The Commercial General Liability Policy, Automobile Policy and Contractor's Pollution Legal Liability Policy shall each contain a provision stating that Contractor's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(ii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Contractor shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Contractor shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement;

B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iii) All required insurance coverages shall contain or be endorsed to waive subrogation against the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(ii) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Contractor or District will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Contractor to provide complete copies of all insurance policies in effect for the duration of the contract.

(iv) Neither the District nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this Section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Contractor, District may approve different scopes or minimum limits of insurance for particular subcontractors.

15. Bonds.

- a. For purposes of this agreement, Payment ad Performance Bonds are not required.

16. Indemnification.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the District or the District's agents, servants, or independent contractors who are directly responsible to the District, or for defects in design furnished by those persons.

b. Contractor shall defend, with counsel of District's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against District or its Board, members of the Board, employees, and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against District or its Board, members of the Board, employees, and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse District for the cost of any settlement paid by District or its Board, members of the Board, employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Contractor shall reimburse District and its Board, members of the Board, employees, and/or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its Board, members of the Board, employees, or authorized volunteers.

17. California Labor Code Requirements.

a. Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws, if applicable. Contractor shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which

include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

b. If the services are being performed as part of an applicable “public works” or “maintenance” project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, Contractor and all subcontractors must be registered with the Department of Industrial Relations (“DIR”), unless this Contract is exempt from the requirement pursuant to Labor Code section 1725.5(f). Contractor shall maintain registration for the duration of the project and require the same of any subcontractors. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

18. Verification of Employment Eligibility.

By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and consultants to comply with the same.

19. Laws, Venue, and Attorneys’ Fees

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.

20. Termination or Abandonment

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Contractor. In such event, District shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Contractor the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Services for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Contractor of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Contractor may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days’ written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Contractor.

21. Warranty.

Contractor warrants all work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the work or non-conformance of the work under the Agreement, commence and prosecute with due diligence all work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the work (or work of other contractors) damaged by its defective work or which becomes damaged in the course of repairing or replacing defective work. For any work so corrected, Contractor's obligation hereunder to correct defective work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected work. Contractor shall perform such tests as the District may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or non-conforming work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

22. Equal Opportunity Employment.

Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Displaced Janitor Opportunity Act.

If applicable, Contractor, as the "Successor Service Contractor", shall comply with California Labor Code Sections 1060 and 1061 pertaining to the retention of employees for a minimum 60-day transition employment period, employees who have been employed by the terminated Contractor or any Subcontractors. Contractor expressly agrees to indemnify all of the indemnified parties for any damages or claims of any type arising from Contractor's breach of its obligations under these provisions of law.

24. Organization

Contractor shall assign _____ as Project Manager. The Project Manager shall not be removed or reassigned without the prior written consent of the District.

25. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

Padre Dam Municipal Water District
Attn: Cory Kading, Operations Supervisor
P.O. Box 719003
Santee, CA 92072-9003

CONTRACTOR:

and shall be effective upon receipt thereof.

26. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Contractor.

27. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of District and Contractor as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both parties hereto. This is an integrated Agreement.

28. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

29. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Contractor shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations

without the prior written consent of District. Any attempted assignment without such consent shall be invalid and void.

30. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

31. Time of Essence

Time is of the essence for each and every provision of this Agreement.

32. District's Right to Employ Other Contractors

District reserves right to employ other contractors in connection with these Services..

33. Prohibited Interests

Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

34. Certification of License.

a. Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

b. STATE LICENSE BOARD NOTICE. Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PADRE DAM MUNICIPAL WATER DISTRICT

By: _____

Name: Kyle Swanson

Title: CEO/General Manager

[INSERT CONTRACTOR NAME]:

By: _____

Name: _____

Title: _____

Approved as to Form:

Paula de Sousa
District Legal Counsel
PADRE DAM MUNICIPAL WATER DISTRICT

Approved by the Padre Dam MWD
Board of Directors

Meeting Date: _____

Attest: _____
Board Secretary

EXHIBIT A
SCOPE OF SERVICES

EXHIBIT B
SCHEDULE OF CHARGES/PAYMENTS

Contractor will invoice Padre Dam Municipal Water District ("District" on a monthly cycle. Contractor will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Contractor will inform District regarding any out-of-scope work being performed by Contractor. This is a time-and-materials contract.

Bid Sheet *

Include price quote for each line item specified. Line items that are left blank or are indicated as N/A will render a bidder "non-responsive." If cost, enter "0". If "additional charges" apply, please clarify charge basis (e.g. per hour, daily etc).

****See following page for breakdown of Regular Service and Window Maintenance.***

LOCATION	REFERENCE	MONTHLY COST
Customer Service Center 9300 Fanita, Santee, CA 92071	Exhibit A	\$ <u>6272.00</u>
OPS Building "A" 9120 Carlton Oaks Dr, Santee, CA 92071	Exhibit B	\$ <u>1395.00</u>
OPS Building "B" 9120 Carlton Oaks Dr, Santee, CA 92071	Exhibit C	\$ <u>976.00</u>
OPS Building "C" 9120 Carlton Oaks Dr., Santee, CA 92071	Exhibit D	\$ <u>1137.00</u>
WRF Building "1" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit E	\$ <u>988.00</u>
WRF Building "2" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit F	\$ <u>156.00</u>
WRF Building "3" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit G	\$ <u>454.00</u>
WRF Building "4" 12001 N. Fanita Pkwy. Santee, CA 92071	Exhibit H	\$ <u>115.00</u>
Alpine Facility 9790 Chocolate Summit Dr. El Cajon, CA 91901	Exhibit I	\$ <u>159.00</u>

OTHER	FREQUENCY	HOURLY RATE
As-Needed Cleaning Services During Normal Business Hours Monday- Friday 8:00am-5:00pm	As Needed	\$32.00__
As- Needed After Hours and Weekends Cleaning Services	As Needed	\$32.00__
Emergency Call- out Mobilization Fee	As Needed	\$_0.0__
OTHER	FREQUENCY	COST PER CHAIR
Upholstery Cleaning	As needed	\$ 14.00__



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Paul Clarke
Submitted by: Paul Clarke
Department: Operations
Approved by: Kyle Swanson, CEO/GM

SUBJECT: PUMP REFURBISHMENT/PUMP BOWL REPLACEMENT FOR ARNOLD WAY PUMP STATION

RECOMMENDATION(S):

Approve purchase of the needed replacement parts and repairs at a cost of \$62,611.17, plus \$3,500 for contingency repairs.

ALTERNATIVE(S):

Do not approve purchase and provide direction.

ATTACHMENT(S):

None

FUNDING:

Requested amount: \$62,611.17
Budgeted amount: \$150,000 for Fiscal Year 2023
Are funds available? ☒ Yes ☐ No
Project cost to date: None

PRIOR BOARD/COMMITTEE CONSIDERATION: Five Year Strategic Business Plan and Budget for FY 2023-2027 approved by the Board of Directors.

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Business Plan and meets one or more of the following Strategic Objectives: Customer Experience; Fiscal Stability; Operational Excellence, Sustainability and Resource Management; Talent Management; Technology and Innovation.

Reviewed by:	Action Required:	Policy Updates:	Action Taken:
Dept Head <input checked="" type="checkbox"/>	Motion <input checked="" type="checkbox"/>	Rules & Regulations <input type="checkbox"/>	As Recommended _____
Finance <input type="checkbox"/>	Resolution <input type="checkbox"/>	Standard Practices <input type="checkbox"/>	Reso/Ord. No. _____
Legal Counsel <input type="checkbox"/>	Ordinance <input type="checkbox"/>	& Policies	Other _____
Standard Form <input type="checkbox"/>	None <input type="checkbox"/>		

EXECUTIVE SUMMARY:

Staff recently removed a potable water pump from service at the Arnold Way Pump Station after signs of wear were observed. The pump was sent to Brax Process and Pump Equipment for further inspection to be rebuilt/reconditioned. After disassembly and inspection by the vendor, the impellers and pump bowls were found to be in unserviceable condition. The vendor recommended replacement of the impellers and stated that they would be able to recondition the bowls. Staff asked for a quote for new bowls and impellers and the cost was close enough that the decision was made to purchase a new set of bowls and impellers and the rest of the components that make up the wet end of the pump. The pump head would be reconditioned and reused.

Per the District's purchasing policy, items up to \$50,000 can be approved by the CEO/General Manager. Since the cost to recondition/repair the pump is above the \$50,000 CEO/General Manager's approval limit, staff is bringing this item to the full Board for consideration and approval.

Staff recommends the Board authorize approval of the purchase of the needed replacement parts and repairs at a cost of \$62,611.17.

DESCRIPTION:

Arnold Way Pump Station is located in the Eastern Service Area (ESA) and provides potable water to the West Victoria and Alpine Heights pressure zone. The station pulls water from the Chocolate Summit pressure zone and consists of five pumps and motors. The pump in question was installed in 1997 during upgrades at the station and has been in service for twenty five years.

During a routine inspection, staff noticed a leaking mechanical seal. The seal and pump were inspected and it was determined that the pump had excessive wear and should be sent in for an inspection and rebuild/recondition. After the pump was disassembled and inspected, a quote of approximately \$67,779.48 was provided by Brax Process and Pump Equipment for the machine work, parts, coatings and labor to repair/recondition the pump.



In the picture above the bowls are coated in green (wet end) and the pump head is coated in blue.

These costs seemed high and after reviewing the quote, staff requested a quote for a complete new pump bowl assembly which included impellers, shafting, wear rings, pipe column and various other parts that are required. The quote received was \$5,000 less than the previous quote and the parts were available from another manufacturer in half the time of the original quote. The cost difference was due to the cost of the parts and the labor charges as there was a significant amount of machine work that would have been required to recondition the old bowls. See table below for cost details.

Pump Recondition	Materials	Labor	Coating	Tax	Inspection	Total	Lead Time
Johnston Pump	\$ 28,806.83	\$ 14,590.00	\$ 11,035.94	\$ 2,232.53	\$ 5,945.87	\$ 62,611.17	10-12 Weeks
Byron Jackson	\$ 31,663.73	\$ 16,680.00	\$ 11,035.94	\$ 2,453.94	\$ 5,945.87	\$ 67,779.48	20-22 Weeks

The pump head will be reconditioned and reused which consists of any needed machine work, sand blasting and recoating the entire pump head. The new bowl assemblies will then be coated internally, shafting and impellers will be assembled and connected to the pump head and the entire bowl section will be externally coated and tested to ensure a holiday free (continuous coating without pinholes) coating was applied.

Per the District's purchasing policy, items up to \$50,000 can be approved by the CEO/General Manager. Since the replacement of the pump is above the \$50,000 CEO/General Manager's approval limit, staff is bringing this item to the full Board for consideration and approval.

RECOMMENDATION(S):

Approve purchase of the needed replacement parts and repairs at a cost of \$62,611.17, plus \$3,500 for contingency repairs.



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Paul Clarke
Submitted by: Cory Kading
Department: Operations
Approved by: Kyle Swanson, CEO/GM

SUBJECT: DISTRICT FLEET VEHICLE/EQUIPMENT PURCHASE

RECOMMENDATION(S):

Approve purchase of new 2023 John Deere 60G MINI excavator for \$91,073.32 through a cooperative purchasing program with Sourcewell.

ALTERNATIVE(S):

Do not approve purchase.

ATTACHMENT(S):

1. Proposal from John Deere

FUNDING:

Requested amount: \$91,073.32 - includes license, fees and taxes.

Budgeted amount: \$91,073.32 in Capital Equipment budget for vehicle and equipment replacement.

Are funds available? ☒ Yes ☐ No

Project cost to date: \$0

PRIOR BOARD/COMMITTEE CONSIDERATION:

The proposed equipment is funded by the Board approved Capital Equipment Budget in the Five Year Strategic Business Plan and Budget for FY 2023-2027.

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Plan and meets one or more of the following Strategic Goals: Provide safe, reliable water, recycled water and sewer services; Ensure fiscal health and competitively sustainable rates; Enhance customer communications and education; Increase water, wastewater and energy independence; Maintain workforce excellence; Expand park and recreation opportunities.

Reviewed by:

Dept Head ☒
Finance ☐
Legal Counsel ☐
Standard Form ☐

Action Required:

Motion ☒
Resolution ☐
Ordinance ☐
None ☐

Policy Updates:

Rules & Regulations ☐
Standard Practices & Policies ☐

Action Taken:

As Recommended _____
Reso/Ord. No. _____
Other _____

EXECUTIVE SUMMARY:

The District owns and operates a fleet of approximately 130 vehicles and pieces of heavy equipment. District staff maintains a robust preventive maintenance program with the goal of extending the life of our equipment, reducing operating costs and minimizing equipment downtime. In order to help track, manage and facilitate these repairs, the District utilizes Collective Fleet software, a fluid management system and Verizon Connect telematics.

District staff continually evaluates the needs and requirements of our Operations staff. In an effort to better serve the community, the District has identified the John Deere 60G for compact applications. The John Deere 60G has a smaller footprint, requiring less space to operate compared to a traditional Backhoe. The John Deere 60G will allow staff the versatility needed to be more effective and efficient in the field.



Traditional Backhoe



John Deere 60 G Mini Excavator

Equipment Make/Model	Equipment #	Sole Source Purchasing
2023 John Deere 60 G MINI Excavator	New	\$91,073.32

Section 18.10 of the District’s Purchasing Policy allows the District to purchase goods and services under cooperative purchasing programs with government agencies when its contract is based on competitive bidding and it is in the District’s best interest to do so. Sourcwell, a government service cooperative conducted a formal competitive request for proposal (RFP) process, substantially complying with District’s policy, for heavy equipment including compact excavators. Based on the requirements for the most advantageous combination of lowest price and overall responsiveness to the criteria in the RFP, John Deere was awarded the contract. Sourcwell purchasing ensures all bid requirements are met and offers significant discounts to member agencies.

The proposed purchase will be funded through the Operations Capital Equipment Budget which has previously been considered and approved by the Board of Directors within the Five Year Strategic Business Plan and Budget for FY 2023-27. Staff assesses the fleet on an ongoing basis, and based on the condition of vehicles, staff may “bump” the purchase of a vehicle further out in the budget cycle. Likewise, staff may replace a vehicle sooner than is listed in the capital equipment budget if the vehicle condition warrants.

RECOMMENDATION(S):

Approve purchase of new 2023 John Deere 60G MINI excavator for \$91,073.32 through a cooperative purchasing program with Sourcwell.

**JOHN DEERE****Retail Purchase Order**

RDO Equipment Co.
10108 Riverford Road
Lakeside CA, 92040
Phone: (619) 443-3758 - Fax: (619) 443-3274

**WARNING**

**Warning: Cancer and
Reproductive Harm.**

For more information go to:
www.P65Warnings.ca.gov

Bill To:
PADRE DAM MUNICIPAL WATER
PO BOX 719003
SANTEE, CA, 920729003
SAN DIEGO ()
(619) 448-3111

Ship To:
PADRE DAM MUNICIPAL WATER
PO BOX 719003
SANTEE, CA, 920729003
(619) 448-3111

Purchase Order Date:
Purchase Order #:
Purchaser Account #:

✓ 12/14/2022
1546899
BBPAD001

Customer Purchaser Type:
Customer Market Use:
Location of First Working Use:
Dealer Account Number:
Account Manager:
Phone:
Fax:
Email:

Governmental - City/Town/Village
Underground - Sewer/Water
SANTEE, CA, 920729003
177636
Ernie Dobson
(619) 270-4300
(619) 443-3274
EDobson@rdoequipment.com

Comments

TERMS: OPEN

Equipment Information

Quantity	Serial Number Stock Number	Hours (approx.)	Status / Year / Make / Model Additional Items	List Price Per Unit	Cash Price
1	593387 X645167	0 ✓	2023 JOHN DEERE 60G Inside Parts BYT11478 QUICK DISCONNECTS ✓ Customer Discount Sourcewell Member Discount Prep / Reconditioning PDI Freight in FACTORY		\$107,158.75 \$166.00 (\$30,291.95) \$2,800.00 \$3,350.00
1	PXBU9KC000669 X729873	0 ✓	2023 JOHN DEERE 60HD12		\$1,340.00
Equipment Subtotal:					\$84,522.80

Purchase Order Totals

Balance: \$84,522.80
CA STATE TAX: \$5,071.37
CA COUNTY TAX: \$211.31
CA SPECIAL TAX: \$1,267.84
Sales Tax Total: \$6,550.52
Sub Total: \$91,073.32
Cash with Order: **\$0.00**
Balance Due: **\$91,073.32**

Legal Information

For the Construction Product(s)

ACKNOWLEDGMENTS - Purchaser offers to sell, transfer, and convey the item(s) listed as "Trade In" to the Dealer at or prior to the time of delivery of the above Product(s), as a "trade-in" to be applied against the cash price. Purchaser represents that each "trade-in" item shall be free and clear of all security interests, liens, and encumbrances at the time of transfer to the Dealer except to the extent shown below. The price to be allowed for each "trade-in" item is listed on this document. The Purchaser promises to pay the balance due shown hereon in cash, or to execute a Time Sale Agreement (Retail Installment Contract), or a Loan Agreement for the purchase price of the Product(s), plus additional charges shown thereon, or to execute a Lease Agreement, on or before delivery of the Product(s) ordered herein. Despite delivery of the Product(s) to the Purchaser, title shall remain with the Seller until one of the foregoing is accomplished. Except as provided herein and as necessary to protect RDO Equipment from the claims of a bankruptcy trustee or a buyer in the ordinary course of business, the Purchaser and the Dealer agree that this Purchase Order is not a security agreement and that delivery of the Product(s) to the Purchaser pursuant to this Purchase Order will not constitute possession of the Product(s) by the Purchaser, as a debtor, for the purposes of the purchase money security provisions in any statutes relating to personal property security or its equivalent. Purchaser understands that its rights in connection with this purchase are limited as set forth in this Purchase Order. I (we) hereby grant a security interest to RDO Equipment in the Product.

DISCLOSURE OF REGULATION APPLICABILITY - When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. More information is available on the California Air Resources Board website at <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>.

IMPORTANT WARRANTY NOTICE - The Standard Warranty for new John Deere construction and forestry products is set forth in a separate document provided by the dealer. Please read the Standard Warranty carefully before signing. No express warranty is made unless specified in the Warranty Statement. PURCHASER'S RIGHTS AND REMEDIES PERTAINING TO THIS PURCHASE ARE LIMITED AS INDICATED IN THE STANDARD WARRANTY AND PURCHASE ORDER. WHERE PERMITTED BY LAW, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.

Telematics: Orders of telematic devices include only the hardware. Where available, telematics software, including JDLink™ connectivity service, may be enabled from your local John Deere Operations Center or JDLink website. Please see your authorized John Deere dealer for assistance.

The undersigned purchaser(s) (the "Purchaser") hereby orders the product (the "Product") described above from the Dealer. The Dealer shall not be liable for failure to provide the Product or for any delay in delivery if such failure or delay is due to the Dealer's inability to obtain such Product from the manufacturer or supplier or other cause beyond the Dealer's control. The cash price shown above is subject to the Dealer receiving the Product from the manufacturer or supplier prior to any change in price by the manufacturer or supplier and is also subject to any new or increased taxes being imposed upon the sale of the Product after the date of this Purchase Order.

Upon signature of delivery acknowledgment, customer is accepting the equipment, including attachments, in "AS IS" condition, agreeing to notify RDO Equipment Co. within 24 hours of any damages or discrepancies found upon receipt of equipment.

Signature Area

Purchase Order Accepted By:

(Customer's Signature)

(Date Accepted)



(Authorized Signature of Dealer)


(Date Accepted)

Delivery of Equipment Acknowledgement:

(Customer's Signature)

Date Accepted

Standard Warranty Acknowledgement:

(Delivered On)

(Warranty Begins)

Equipment Options

Qty	Serial Number	Year / Make / Model	Description
1	593387	2023 JOHN DEERE 60G	8185 CAB WITH HEATER & AIR CONDIT 7120 6'1" (1.85M) LONG ARM 3125 400MM RUBBER TRACK
1	PXBU9KC000669	2023 JOHN DEERE 60HD12	BYT10987 13" TOOTH BUCKET



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Kyle Swanson
Submitted by: Amy Pederson
Department: Administration
Approved by: Kyle Swanson, CEO/GM

SUBJECT: APPOINTMENT OF BOARD COMMITTEES AND REPRESENTATIVES FOR OUTSIDE ORGANIZATIONS

RECOMMENDATION(S):

Approve the 2023 Board appointments proposed by President Pommering as shown in Attachment 1.

ALTERNATIVE(S):

Request modifications to President Pommering's proposed appointments.

ATTACHMENT(S):

1. Redline of current Board Assignments showing the President's recommended changes.

FUNDING:

Requested amount: n/a

Budgeted amount:

Are funds available? ☐ Yes ☐ No

Project cost to date:

PRIOR BOARD/COMMITTEE CONSIDERATION:

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Business Plan and meets one or more of the following Strategic Objections: Customer Experience; Fiscal Stability; Operational Excellence, Sustainability and Resource Management; Talent Management; Technology and Innovation.

Reviewed by:	Action Required:	Policy Updates:	Action Taken:
Dept Head <input checked="" type="checkbox"/>	Motion <input checked="" type="checkbox"/>	Rules & Regulations <input type="checkbox"/>	As Recommended _____
Finance <input type="checkbox"/>	Resolution <input type="checkbox"/>	Standard Practices <input type="checkbox"/>	Reso/Ord. No. _____
Legal Counsel <input type="checkbox"/>	Ordinance <input type="checkbox"/>	& Policies	Other _____
Standard Form <input type="checkbox"/>	None <input type="checkbox"/>		

EXECUTIVE SUMMARY:

With the election a new Board Member, and/or after the election of officers, it is appropriate for the Board to consider changes to Board Member assignments on standing and ad hoc committees and certain outside organizations. The District's Administration Policy allows the President to make appointments and create any new ad hoc or special assignments deemed necessary, with the consent of the Board.

Attached is the current Board Assignments showing (redline/strikeout) the President's recommended changes for 2023.

RECOMMENDATION(S):

Approve the 2023 Board appointments proposed by President Pommering as shown in Attachment 1.

PRESIDENT POMMERING'S RECOMMENDED APPOINTMENTS
2023 PADRE DAM BOARD COMMITTEES & OTHER ASSIGNMENTS

Standing Committees	Board Members	Board Alternate	Staff	
Customer Appeals (as needed)	Pommering , Chair Till, Chair Fordyce	Caires	Art Oughton Kyle Swanson	Karen Jassoy
Park (quarterly, 4 th Wed, 4pm)	Vacant , Chair Till, Chair Qualin	N/A	Kyle Swanson Bryan Hague	Laura Koval Megan Monteith
Finance & Administrative Services (quarterly, 4 th Mon, 4pm)	Vacant Qualin, Chair Pommering	N/A	Kyle Swanson Lisa Sorce Amy Pederson David Salinard	Karen Jassoy Art Oughton Kevin Woo Melissa McChesney
Facilities Development & Operations (quarterly, 4 th Mon, 4pm)	Pommering Fordyce, Chair Till Pommering	N/A	Kyle Swanson Rob Northcote Michael Hindle Lewis Clapp	Paul Clarke Mark Niemiec Jimmy Vargas
Security (biannually, 4 th Mon, 4pm)	Caires, Chair Pommering Fordyce	N/A	Kyle Swanson Larry Costello Kyle James David Salinard	Paul Clarke Lisa Sorce Jimmy Vargas
AD HOC COMMITTEES AND OTHER ASSIGNMENTS – MEETS AS NEEDED				
Basin (Ex Officio Member)	Vacant Fordyce	TillQualin		
Liaison to Tribal Governments	Pommering	Caires		
457 Plan (Ex Officio Member)	Pommering, Qualin Vacant	N/A	Formed January 2019	
OUTSIDE ORGANIZATIONS	Board Rep.	Board Alternate	Misc. Notes	
CWA Board (monthly, 4 th Thu) Committees start at 9am, board mtg at 3pm 2 nd Thu. of each mo. reserved for Special Mtg	Pommering Kyle, GM	N/A	6-year term expires 7/2/22	
Metro Commission/JPA (Metro JPA) (monthly, 1 st Thu, noon; cancelled if not needed)	Karen, CFO	vacant Kyle		
AWP JPA (Qtrly, 3 rd Thu in Feb, May, Aug, Nov at 2pm and monthly in between as needed)	Caires	Pommering	Formed November 5, 2019, Appointments are for 4 year terms, or until successor is appointed	
San Diego Area Wastewater Mgmt (annual mtg > 30 min. in June or July following Metro JPA mtg)	Vacant Karen	Vacant Kyle	Legal entity formed prior to Metro JPA; Still exists for grant eligibility purposes only. Meets annually – less than 30 minutes.	
Santee Chamber of Commerce Board Meetings (monthly, 3 rd Thu.)	Qualin	N/A		
Santee Chamber Governmental Affairs Committee, (3 rd Mon monthly)	Pommering	N/A		
EC Economic Development Council (monthly 3 rd Wed, 7:30am)	Pommering	N/A	Election by ECEDC; Term expires 6/24	
EC Chamber's Government Affairs Committee (monthly, 1 st Tues, 7:30 am)	Pommering	N/A		



BOARD AGENDA REPORT

Meeting Date: 12-21-2022
Dept. Head: Lisa Sorce
Submitted by: Melissa McChesney
Department: HR & Administrative Services
Approved by: Kyle Swanson, CEO/GM

SUBJECT: DISTRICT ANNUAL REPORT FOR FISCAL YEAR 2022

RECOMMENDATION(S):

Hear staff report; no action required.

ALTERNATIVE(S):

n/a

ATTACHMENT(S):

1. Padre Dam's Fiscal Year 2022 Annual Report

FUNDING:

Requested amount: n/a

Budgeted amount:

Are funds available? ☐ Yes ☐ No

Project cost to date:

PRIOR BOARD/COMMITTEE CONSIDERATION:

STRATEGIC PLAN IMPLEMENTATION:

This agenda item is consistent with the District's Strategic Business Plan and meets one or more of the following Strategic Objections: Customer Experience; Fiscal Stability; Operational Excellence, Sustainability and Resource Management; Talent Management; Technology and Innovation.

Reviewed by:		Action Required:		Policy Updates:		Action Taken:
Dept Head	<input checked="" type="checkbox"/>	Motion	<input type="checkbox"/>	Rules & Regulations	<input type="checkbox"/>	As Recommended _____
Finance	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Standard Practices	<input type="checkbox"/>	Reso/Ord. No. _____
Legal Counsel	<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	& Policies		Other _____
Standard Form	<input type="checkbox"/>	None	<input checked="" type="checkbox"/>			

EXECUTIVE SUMMARY:

The District's Fiscal Year 2022 Annual Report (attachment 1) will be presented to the Board. Highlights of the report include: District accomplishments throughout various divisions, Advanced Water Purification Project successes, Operations' Predictive and Preventive Maintenance goals, Capital Improvement Program project successes, customer outreach and District highlights, Santee Lakes' achievements, and District financial results and water use information. Images throughout the report highlight the faces of our employees as well as the successful work completed.

RECOMMENDATION(S):

Hear staff report; no action required.

FISCAL YEAR 2022

ANNUAL REPORT

JULY 1, 2021 – JUNE 30, 2022



PADRE DAM
Municipal Water District

BOARD OF DIRECTORS

FY 2022



In Memorium: James Peasley,
Board member since 2010

The Board of Directors meet on the first and third Wednesdays of each month at 4:00 pm. Agendas and minutes are available at www.padredam.org.

Padre Dam Municipal Water District is a public agency governed by a five-member Board of Directors, each representing a geographic area within the District (see map on pages 4 and 5).

Directors are elected by the voters within their divisions for four-year staggered terms.



Augie Caires
Director, Division 4

William Pommering
Vice President, Division 3

Suzanne Till
Director, Division 2

Doug Wilson
President, Division 1

James Peasley
Director, Division 5



CEO/GM A YEAR OF TRANSITION

This last year was a busy year full of transition for Padre Dam. This report highlights many of the achievements the District has accomplished during Fiscal Year (FY) 2022. In June 2022, after close to 11 years of successful leadership as CEO/General Manager and over 20 years of service at Padre Dam, Allen Carlisle retired from the District leaving it in my hands to continue its mission. I look forward to leading Padre Dam through continual innovation, fiscal responsibility, and exceptional public service.

I am honored to report that the District has successfully completed the last year of the third Five-Year Business Plan and Budget and our ten year Strategic Plan.

The Strategic Plan positioned Padre Dam to have a positive impact on our service area and ensured our systems continue to be maintained and developed for the benefit of our customers. The District is looking forward to continuing its strategic efforts through the newly combined Five Year Strategic Business Plan.

In May 2022, Padre Dam’s Board of Directors adopted a new Five-Year Strategic Business Plan and Budget for FY 2023-2027. The new plan is **“Securing a Sustainable Future”** for Padre Dam, our customers and the communities we serve. It takes a combined approach that identifies strategic goals shaping the District’s future and outlines eight business functions with activities defining the District’s day-to-day mission.

Additionally, in June 2022, the Board of Directors unanimously approved rates reflecting a zero

percent internal increase for water and wastewater rates for the typical residential customer over the next five years. This was done to minimize rate impacts on customers, especially during a time when the public is affected by inflation.

The East County Advanced Water Purification Program (AWP) broke ground and began construction this year, marking an important milestone for this new, key future water supply. Scheduled to be complete in 2026, the East County AWP Program will generate up to 11.5 million gallons per day of new drinking water—approximately 30% of current drinking water demands for East San Diego County. We are now one step closer to creating a local, reliable and sustainable drinking water source that will reduce Padre Dam and East County’s dependence on increasingly expensive imported water.

Providing customers with high quality, affordable and reliable services continues to be our top priority. In FY 2022, we achieved this while successfully moving towards **“Securing a Sustainable Future”** for the District and our customers. I look forward to the great work our teams at Padre Dam will accomplish over this next year and during the new Five Year Strategic Business Plan.

Best Regards,

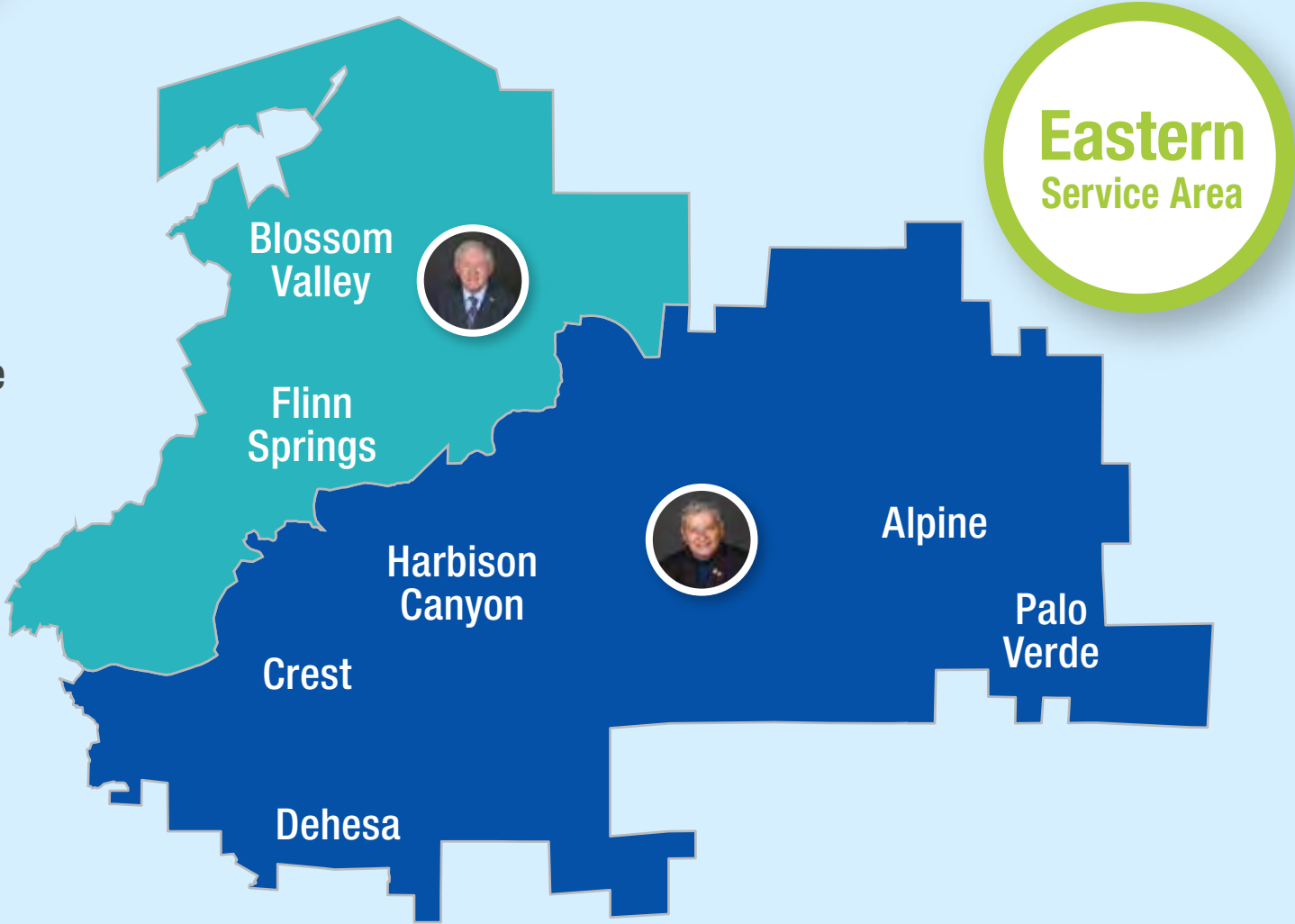
Kyle Swanson
CEO/General Manager

VOTER DIVISION BOUNDARIES

LEGEND

- Division 1
- Division 2
- Division 3
- Division 4
- Division 5

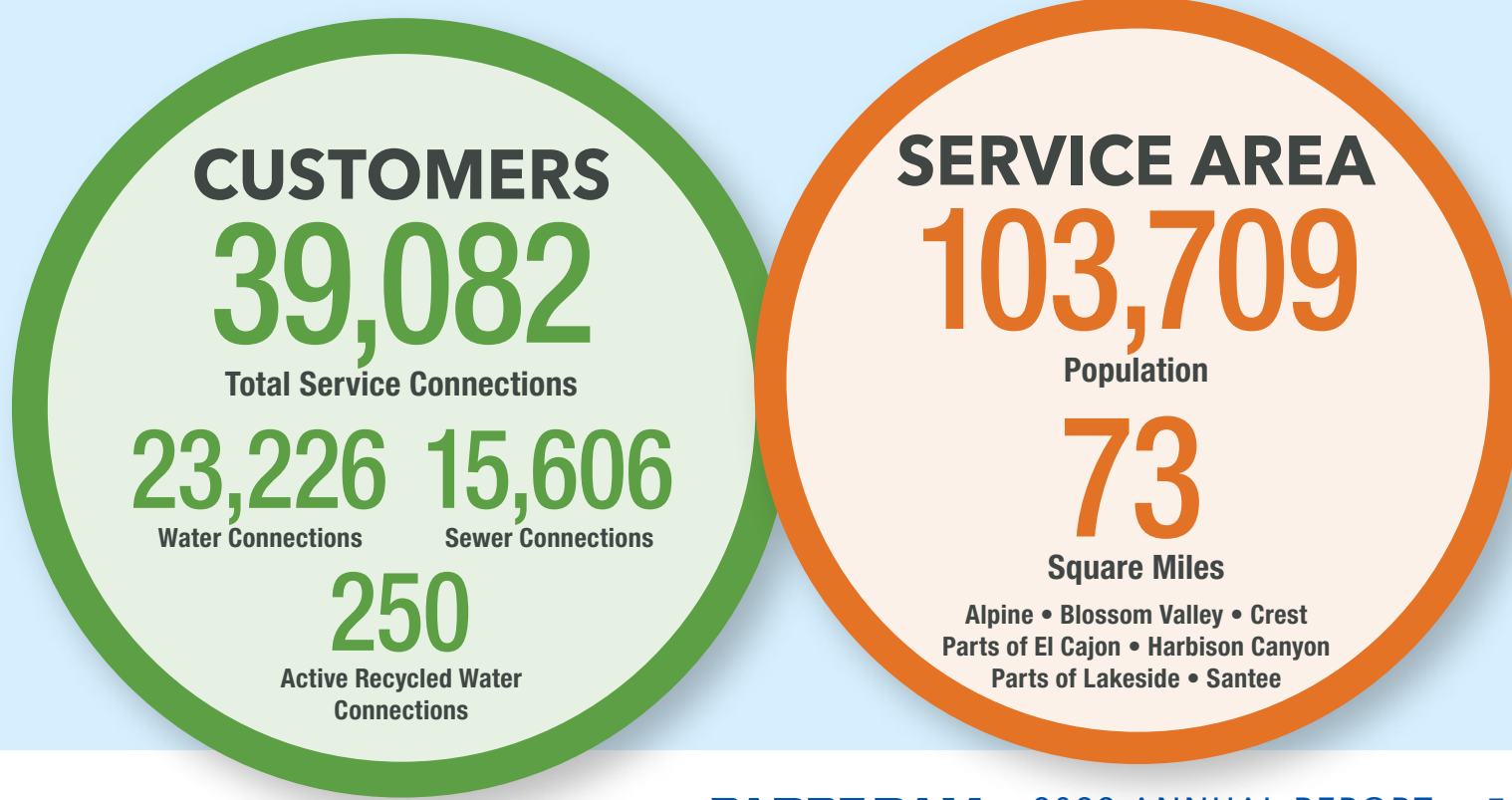
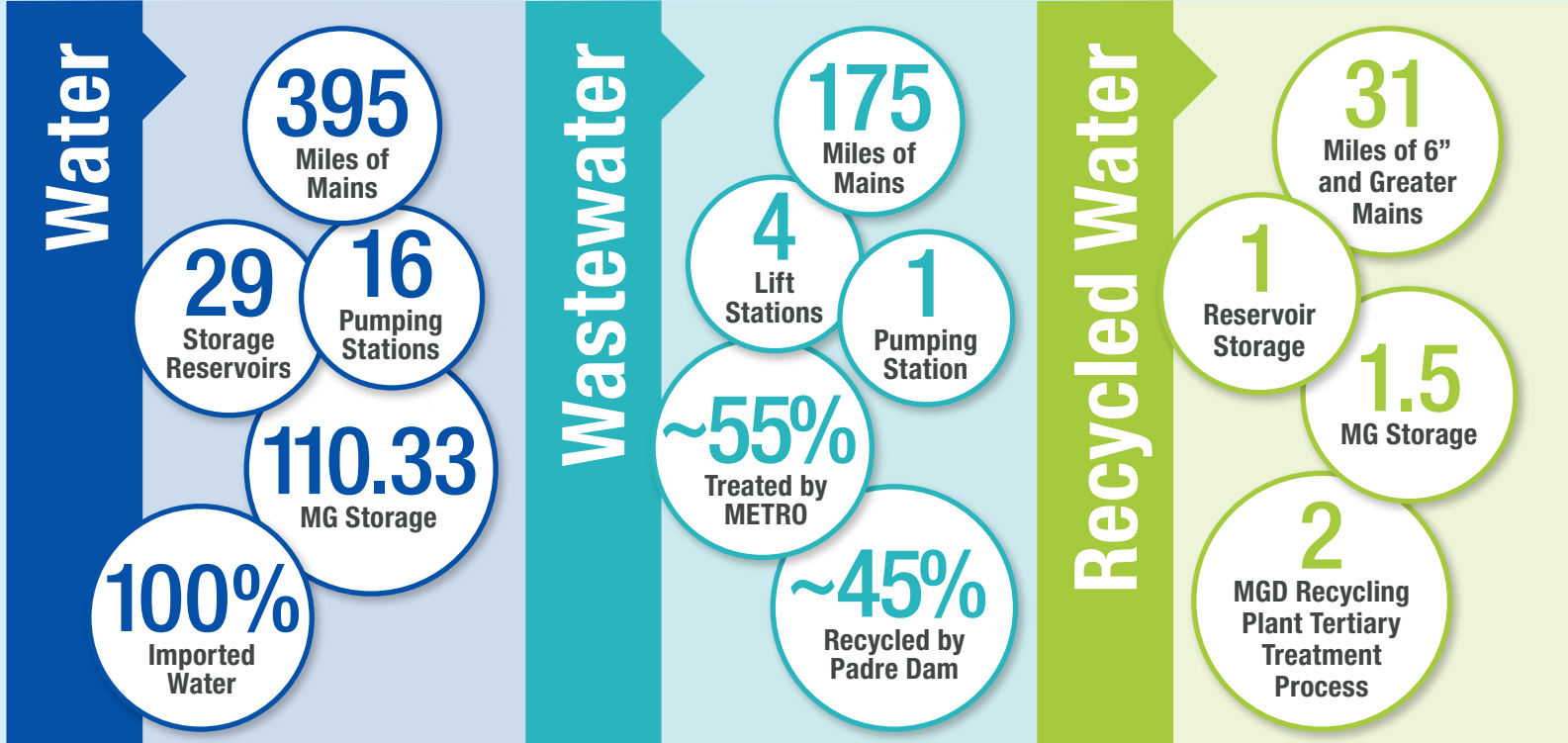
Western
Service Area



Eastern
Service Area

This map reflects new division boundaries that were adopted by the Board of Directors in March 2022. The redistricting process is done every ten years, following the U.S. Census. This process ensures that Padre Dam's five Board of Director divisions are similarly equal in population. Division boundaries may be adjusted to help ensure a close to equal representation across all five divisions.

INFRASTRUCTURE



FY 2022 YEAR AT A GLANCE HIGHLIGHTS

Human Resources

Human Resources continues to build and foster a strong workforce who can provide the best possible services to customers. **This fiscal year, Padre Dam performed 32 recruitments.** These recruitments included hiring to fill positions due to retirements, promotions and general turnover, as well as hiring staff for the East County AWP Program.

The HR department continued to foster a positive working environment by creating and implementing flexible programs such



as the new teleworking policy. Additionally, it performed a complete re-write of the District's Emergency Response Plan to **strengthen the District's response to an emergency.**

Customer Service and Field Services

The Customer Service Team continued to deliver welcoming and helpful support for our customers. In FY 2022, Customer Service staff completed the lengthy conversion of the customer service database. The new software will allow customer service staff to perform tasks more quickly and with better efficiency.

Customer Service supported customers in taking advantage of available programs. **More than half of all customers are currently using Aquahawk** to monitor and manage their water usage. Additionally, **16,300 customers are enrolled in e-billing** which is a convenient, environmentally friendly non-paper option to receive bills.

Field Services staff completed the District Meter Maintenance Program two years ahead of schedule. **Staff installed nearly 23,000 meters** ranging in sizes from the standard 5/8" up to 8" diameter. This updated technology has helped keep **the Automated Meter Infrastructure reading percentage high at 99.8%.**



Engineering

Engineering continued to plan, build and maintain high-functioning water and wastewater infrastructure to serve our community. The District's Capital Improvement Program (CIP) is the foundation of its long-range capital investments and sound financial planning. The CIP budget seeks to fund long-term infrastructure sustainability in the most efficient and cost effective manner possible.

In FY 2022, the Engineering Team completed these projects:

- **Quail Canyon Pressure Reducing Station Construction**
- **Rios Canyon Surge Tank Installation**
- **Sewer and Manhole Rehabilitation**

Several Projects began and are close to completion, including the **Grossmont Reservoir Refurbishment Project** and the **Cordial Road Pipeline Replacement Project.**

These projects will help provide safe and reliable drinking water and wastewater services.

Operations

Operations staff work to maintain the drinking water, recycled water and wastewater infrastructure that keep water running to our homes and businesses. The team works to accomplish annual goals to keep District infrastructure in great condition so that it remains reliable.

Some of these routine tasks include:

- **Valve maintenance and replacements**
- **Sewer line cleaning**
- **Maintenance of infrastructure including fire hydrants, pipelines, pump stations and reservoirs.**

FY 2022 saw the acquisition of several pieces of large equipment such as backhoes, a ten-yard dump truck and two Super Duty work trucks. The Water Recycling Facility staff kept recycled water flowing and also helped to strategize for the future operations of the East County AWP water treatment plant.

FY 2022 YEAR AT A GLANCE HIGHLIGHTS

Finance

The Finance team provides the day-to-day financial transactions that are essential to running the District and financial management for both the District and the East County AWP Joint Powers Authority. In FY 2022, a Cost of Service Study was conducted to help lay the groundwork for the District's Five-Year Budget.

In addition to this work, the Finance team administered an **arrearages program** to help customers struggling to pay their water bills.

Through the
arrearages program,
\$250,000
of relief was offered to
customers through
state funding.

Communications

The District's Outreach and Education team informs and educates the community about the District's services, rates, customer programs and projects. This is accomplished through programs such as **customer newsletters, social media, bill inserts, reports, videos and the District's website.**



The team continued to spread the word about the East County Advanced Water Purification Program. This included a 360-degree virtual tour of the Program's former demonstration facility and the groundbreaking event for the beginning of construction.



Santee Lakes Recreation Preserve continues its mission as a premier destination, recognized as one of the TOP regional park and campground facilities in the country.

The Preserve operates with the primary goal of financial sustainability and focuses on capital improvement and equipment projects, grants and fundraising, recreation programs and events, predictive and preventive maintenance, and brand development. Managing and developing Santee Lakes Recreation Preserve as an enterprise operation is at the core of the operation. Our campground is open **365 days per year** (park 363) and with **190 acres of gated facilities** and **7 privately stocked fishing lakes** to maintain, the team at Santee Lakes is dedicated to creating an unrivaled guest experience.

Santee Lakes
grossed nearly
\$8 million
in revenue which is an
increase of \$800K
from last fiscal
year.

Information Systems

The Information Systems (IS) staff works to provide information technology infrastructure, solutions and services that supports every District function. In FY 2022, IS assisted Customer Service and Administrative Services with their new software upgrades to increase efficiencies. The IS team took steps to strengthen the District's security against any future potential cyberattacks in order to keep systems running smoothly.

With new Census data
available, Geographic
Information System (GIS)
worked to update District
maps and boundaries.



EAST COUNTY AWP PROGRAM HIGHLIGHTS



East County
Advanced Water
Purification



New 360-Degree Virtual Reality Tour Video

The East County AWP Program unveiled a new **360-degree** virtual reality tour video.

Viewers are greeted by the Program’s Big Deal animated mascot and are then immersed into a guided tour of water facilities where they can look all around by simply moving their computer mouse or phones to anywhere in the video they want to see. Locations include the **Ray Stoyer Water Recycling Facility**, the **East County AWP Demonstration Facility** and **Lake Jennings**. Viewers who have a virtual reality headset for cell phones can take engagement one step further by “stepping into” the video!



Program Groundbreaking

On June 1, 2022, program representatives, elected officials and water industry leaders gathered at the future site of the East County AWP Treatment Facility in Santee to celebrate the Program that will create a new, local, sustainable and drought-proof drinking water supply using state-of-the-art technology to purify East San Diego County’s recycled water.

The groundbreaking followed approval of project construction on May 19, 2022, by the East County AWP Joint Powers Authority that owns and operates the Program and is a collaborative partnership between four agencies: **Padre Dam**, the **City of El Cajon**, the **County of San Diego** and **Helix Water District**. The overall cost for the project is **\$950 million** and estimated to create **2500 jobs** in the region.

Program Funding Success

The East County AWP Program has already secured more than **\$123 million** in grant funding and up to **\$796 million** in low interest loans to help finance the Program. East County AWP Program officials anticipate receiving additional state and federal grant funding to help pay for the Program. This year the JPA refinanced a couple of loans that will **save millions of dollars for ratepayers**.



Construction Has Begun!



On May 18, 2022, the JPA Board voted to move forward with construction on the project. Construction is currently underway.

Treatment facilities are being constructed north of Santee Lakes. The purified water pipeline will travel east through Santee and Lakeside ending at Lake Jennings. Two additional pipelines will be constructed south of the new facilities past Carlton Oaks Drive to a pump station just south of the Carlton Oaks golf course. **The Program is one step closer to being operational and providing a new drinking water supply to East San Diego County.**

There's a **BIG DEAL** in East County!

2014

AWP Demonstration Plant Groundbreaking
Feasibility Study MOU

2015

AWP Demo Plant Opening

2017

Water Agency of the Year
MOU Extension
\$116M Grant & SRF
DDW Conceptual Approval for the Project

2018

CEQA Completed and Approved

2019

Interim Funding Agreement: \$9M
EPA Selects ECAWP to Apply for WIFIA: \$342M

2020

Secured \$90M from MWD
Agreements Executed
Design-Build Contracts Executed

2021

Secured \$388M from WIFIA

There's a **BIG DEAL** in East County!

SECURING A SUSTAINABLE FUTURE



Five-Year Strategic Business Plan

Padre Dam developed a new Strategic Business Plan for Fiscal Years 2023-2027 with input from all departments throughout the District. As part of the process to develop a new Plan, the District **engaged with the community** early on to determine information of interest to customers. Open houses and District tours took place prior to the adoption of new rates by the Board. The new Plan was shared with the community through the District’s website, social media and the District’s e-newsletter.

Five-Year Budget and Rate Relief

Padre Dam’s Board of Directors unanimously approved a **zero percent revenue increase** for the District’s water and wastewater operations for Fiscal Years 2023-2027. Notices were mailed to all Padre Dam customers notifying them of proposed rates and providing information about the District and its rate structures. Customers were invited to community meetings to ask questions and learn more about the District before the July Public Hearing.



Rate Assistance

Padre Dam received funding for unpaid customer water and sewer charges from the **State Water Board Community Water Systems COVID Relief Program** or **Arrearages Program**. This program offered customers assistance with their utility bills during the COVID pandemic.

The State Arrearages program provided approximately **\$250,000** in funding to Padre Dam for customers that had outstanding balances between March 2020 and June 2021 due to the pandemic. Because of the pandemic, the Governor’s Executive Order to not perform discontinuances for non-payment resulted in significant past-due balances on customers’ accounts. The moratorium began in April 2020 and was lifted the first quarter of 2022.



CUSTOMER OUTREACH & COMMUNICATIONS

Value of Service

Most of Padre Dam’s work goes on behind-the-scenes and many people are not aware of the broad scope of skills necessary to keep Padre Dam running smoothly. Social media posts highlighted employees and their role in providing safe and reliable services by featuring an employee photo and quote. **Reliable services would not be possible without the dedicated work of Padre Dam employees.**

The Padre Profile series features individual employees and gives a close up look at their responsibilities at the District. Each video is shared in a newsletter, social media and on Padre Dam’s website. Padre Dam embraced the holiday spirit by featuring an **Elf on the Shelf** service on social media, highlighting different services of the District.



Drought Messaging

In November 2021, Padre Dam moved from normal water conditions to a Level 1 – Drought Watch. This was done in response to multiple dry years and a State declared drought emergency. The transition to Level 1 drought was communicated with customers.

In June, Padre Dam’s Board implemented the demand reduction actions in our Level 2 drought condition to meet the State Water Resources Control Board’s emergency drought regulations. These actions were added to Padre Dam’s permanent water restrictions which promote water efficiency. Customers were encouraged to participate in **rebates and incentives** including turf replacement rebates and rebates for water efficient devices and appliances.



INFRASTRUCTURE

PREDICTIVE & PREVENTIVE Maintenance

Our talented service teams conduct regular maintenance of the District's **\$700M** infrastructure system.

The unique area that Padre Dam serves includes significant elevation changes that adds stress to the water transmission system, requiring additional pumping stations and complex maintenance efforts. Even with the added challenges, Padre Dam's dedicated operations team ensures water services are rarely interrupted. A flexible, cross-trained staff help us to continue to meet goals.



Padre Dam is dedicated to ensuring that the **HIGHEST QUALITY** water is always flowing to our customers.

Padre Dam tested **1,419** bacteriological water quality samples in FY 2022 to ensure all regulatory requirements were met.

Padre Dam has approximately **\$700M** of infrastructure in the ground.

Our extensive infrastructure includes **395MI** of water pipeline – enough to stretch from San Diego to Phoenix. Keeping our infrastructure in good working order ensures a safe and reliable water source for our customers.



Maintenance Highlights

Maintenance Task	Goal	# Completed
Sewer Lines Cleaning Footage	604,000	930,170
CCTV Footage	60,000	105,862
Valves Exercised	2,700	3,352
Fire Hydrants Maintained	720	1152
Water Systems Site Inspections (45 sites)	1,000	1,321
Sewer Hot Spots Cleaned	58	241
Water Mains Flushed	400	479
Cross Connection Control Inspections	209	251
Infrared Camera MCC's	160	148
FOG Inspections	116	156
Sewer Lift Station Inspections	180	196
Valve Replacements	132	126
Pressure Reducing Stations Maintenance	9	11
Reservoir - Coating & CP Dive Inspection	4	4
Pump/Motor Maintenance/Recondition	2	3

CIP ACCOMPLISHMENTS FOR FY 2022

Engineering/ Capital Improvement Program (CIP) Summary

The District's infrastructure not only connects our communities, but also drives our economy and keeps us healthy and safe.

Our Capital Improvement Program is the foundation of the District's long-range capital investment and financial planning and prioritizes projects to ensure safe and reliable water and sewer facilities. During FY 2022, the Engineering team developed preliminary analysis and studies, began designs, completed designs and commenced construction for various infrastructure improvements. Major accomplishments include the construction and commissioning of new surge suppression systems for a potable water pump station and a pressure reducing station which improves system reliability, resiliency, and extends the service lives of existing pipelines. Another accomplishment includes the completion of sewer pipe and manhole rehabilitations which allows Padre Dam to maintain high levels of service and protects the environment from contamination.

**Modern,
reliable, and
sustainable
infrastructure is
important to
the communities
we live in.**



Rios Canyon Pump Station Surge Tank Project

A surge analysis was performed and recommended the implementation of surge protection facilities. These can help prevent catastrophic failure of the mechanical systems and piping during a sudden loss of power or other unforeseen events that expose the pump station to surge transients. The work primarily consists of installation of a suction pressure relief valve and discharge hydro-pneumatic tank in order to provide surge protection.

Surge protection equipment was installed at the Rios Canyon Pump Station. This pump station supplies water from the Blossom Valley Pressure Zone to the Mountain Top Pressure Zone. The Mountain Top Pressure Zone supplies water to Crest and Harbison Canyon via the recently commissioned Mountain View Connector Pipeline which heightens the need for surge protection at the Rios Canyon Pump Station.

Quail Canyon Pressure Reducing Station Project

An engineering analysis recommended installing pressure reducing stations in areas of the distribution system where pressures exceed 150 psi.

Reducing pressures to below 150 psi helps to extend the useful life of the distribution system. High pressures increase wear and tear on pipe linings, valve components, and other distribution system components. Relieving high pressure also helps to reduce water losses from leaks, both on the customer side and District side.

The Quail Canyon Pressure Reducing Station project reduces high pressures for approximately 100-parcels on Quail Canyon Road, Lazy Creek Road, Driftwood Creek Road, and Ranch Trail Drive in Blossom Valley.





Sewer and Manhole Rehabilitation Project

After a thorough evaluation and scoring process, sewer lines and manholes have been prioritized for rehabilitation.

The District has been issuing sewer lining contracts routinely for the last several years for the rehabilitation of groups of sewer lines and manholes, focusing on sewer pipelines that are most in need of rehabilitation.

In FY 2022, the work consisted of installation of approximately **4,500 linear feet** of cured-in-place pipe into existing 6, 8, 10, and 15-inch gravity sewers, rehabilitation of **76** service lateral connections and **26** manholes, sewer flow bypass and pumping, spill prevention and emergency response requirements, traffic control, and outreach to residents.



Potable Water Pipeline Condition Assessments

The Potable Water Condition Assessment Program leverages various techniques to obtain data for Padre Dam's aging pipeline infrastructure.

Buried pipelines are inherently difficult to assess due to their location and relatively high cost to expose and inspect them. However, Padre Dam deploys various low cost techniques, relative to traditional excavations, to assess the surrounding environment near the pipes to determine specific locations where pipe corrosion is most likely occurring. In FY 2022, Padre Dam assessed **23,000 feet** of critical pipeline infrastructure near Alpine Blvd, Arnold Way, Tavern Road and West Victoria Drive.



Designs Completed & Construction Contracts Awarded

During FY 2022, detailed design plans and specifications (i.e. construction documents) were completed and construction contracts awarded for the following projects:

Projects in the Design Phase

In FY 2022 three projects are in the design phase, which also includes the development of construction documents:

1

Electrical Improvements for six potable water pump stations

anticipated completion summer 2024

2

Large diameter potable water valve replacements

anticipated completion spring 2023

Jerry Johnson & East County Square Reservoirs Refurbishments

Blossom Valley Reservoir Replacement

Interstate-8 Unencased Main Replacements at Labrador & Dunbar Lanes

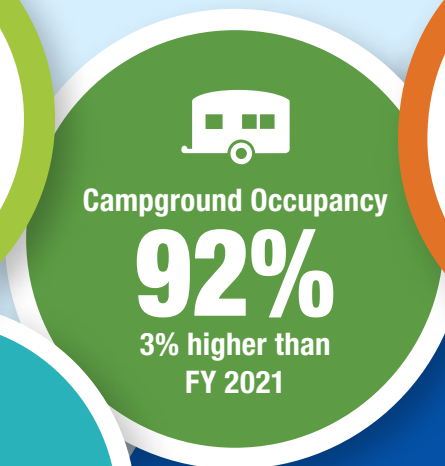
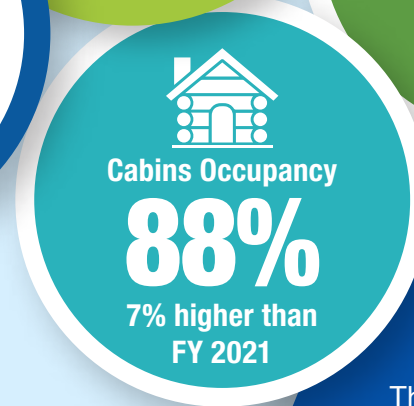


Santee Lakes continues to be a PREMIER DESTINATION for camping, fishing and recreation.

Park staff is dedicated to creating a positive and relaxing guest experience. Santee Lakes prioritizes site cleanliness, guests' safety, and a people-friendly atmosphere.

The Preserve's obligation of financial sustainability continued to be tested in Fiscal Year 2022 after COVID-19 restrictions for outdoor spaces were finally lifted in June 2021. In tandem with COVID impacts, the Preserve's financial strategy had to adjust for anticipated and realized historic inflation, supply-chain issues for park operational needs, the rise of energy costs, historic gas prices impacting the hospitality and tourism industry (especially RV travel), and other budget impacts.

With the benefit of no major construction activities in the park and a refocused marketing campaign, pricing strategies were adjusted for the 2022 fiscal year in an effort to maximize attendance. **As a result, the Preserve grossed nearly \$8M in revenue, an increase of \$800K over the prior fiscal year.**



Dynamic Vision Plan "Pocket" Projects completed:

Gatehouse
Entrance Widening

Lake 3
Restroom Remodel

Campground
Playground Shade Cover



Events:

- Catfish Opener
- 6 Night Fishing events
- Stockzilla Mega Catfish stocking event
- Trout Opener
- Community/Group Fishing Events
- Ladies at the Lake Fall Market
- Campground Decor Contests
- Santa in the Campground
- Cornhole Tournaments
- Summer Campground Concerts

– AWARDS –



"San Diego's Best"

from the San Diego Union Tribune

The San Diego Union Tribune newspaper conducted the 2021 readers' poll. Santee Lakes was recognized by the Community in the following categories:



Best Hiking Trails
Best Place to Get Married
Best Entertainment Venue

Best San Diego Attraction
Best Scenic Spot
Best Staycation Location

"Orchid" nomination from San Diego Architectural Foundation.

Santee Lakes' Administration Center, General Store and Outdoor Dining Deck Remodel was nominated for providing ongoing economic benefits to the community, social interaction for visitors, attractive upgrades for campers and services the community of Santee for many memorable years to come.

"Large Park of the Year" & "Plan-It Green Park of the Year"

from National Association of RV Parks & Campgrounds (ARVC)

"Gold Tier Status in the Halo Club"

from Good Sam

"Santee's Favorite - Best Hospitality & Recreation"

from Santee Chamber of Commerce

"East County Honors – Environmental Stewardship"

from East County Chamber of Commerce

YOUR WATER & SEWER BILL

UNIQUE RATE FACTORS

Padre Dam is committed to providing high quality, professional services at the lowest possible cost to our customers. Padre Dam does not and cannot make a profit on the water and sewer services it provides. Padre Dam has distinct factors that differentiate our agency from other agencies.




100%
of our drinking water supply is imported.

Approx. **55%** of our wastewater is sent to the City of San Diego for treatment. (Padre Dam is taking steps to reduce this with the East County Advanced Water Purification Program).



Significant elevation changes as high as **2,646** feet.



Our **16** pump stations add **\$20M** in infrastructure value to the District.

Large service area per customer: **73** sq. mi. for approx. **25,400** customers.


Over **\$700M** of infrastructure supports the service area.



Every penny from our customers' bills is invested back into providing high quality, reliable water and wastewater services to our customers **365** days a year.

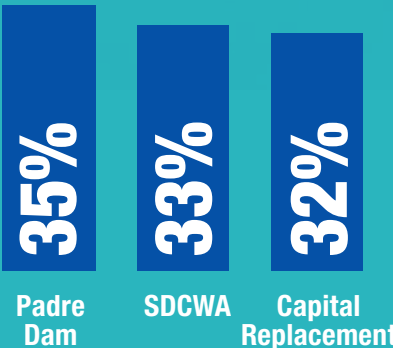


Most of our revenue comes from rates.

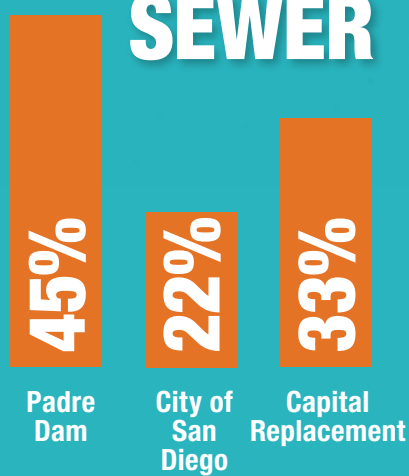


WHERE DOES YOUR MONEY GO?

WATER



SEWER



PUMPING



FY 2022 WATER CONSUMPTION



Gallons Per Capita Per Day

97.9
GPCD

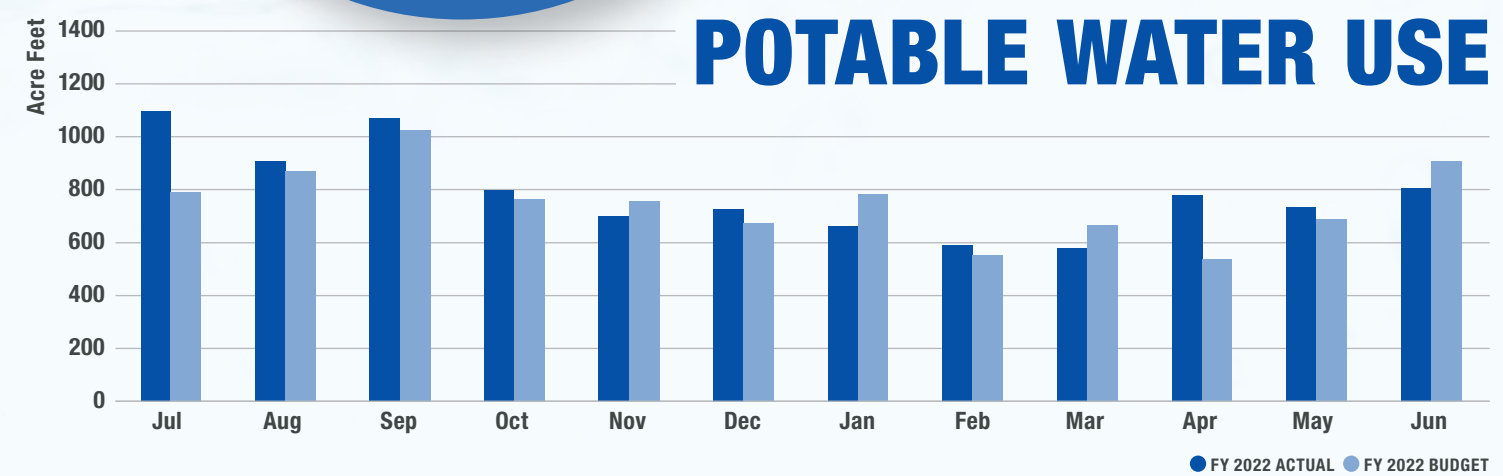
Potable Water Consumption

9,467
Acre-Feet

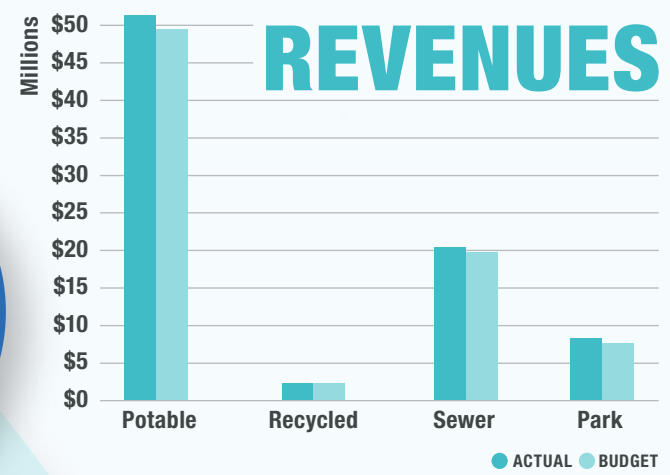
Recycled Water Use

1,005
Acre-Feet

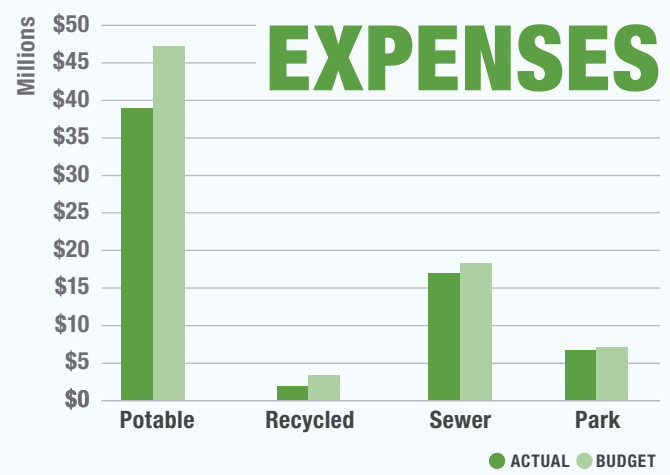
POTABLE WATER USE



REVENUES

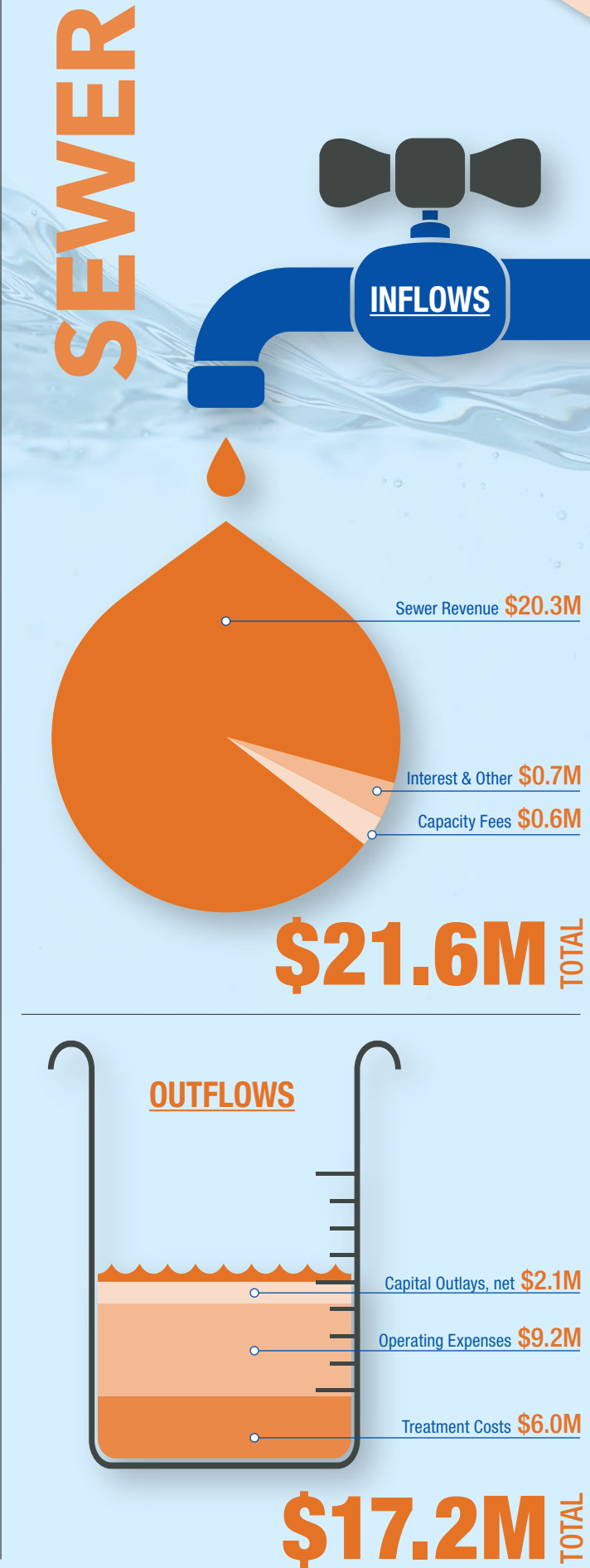
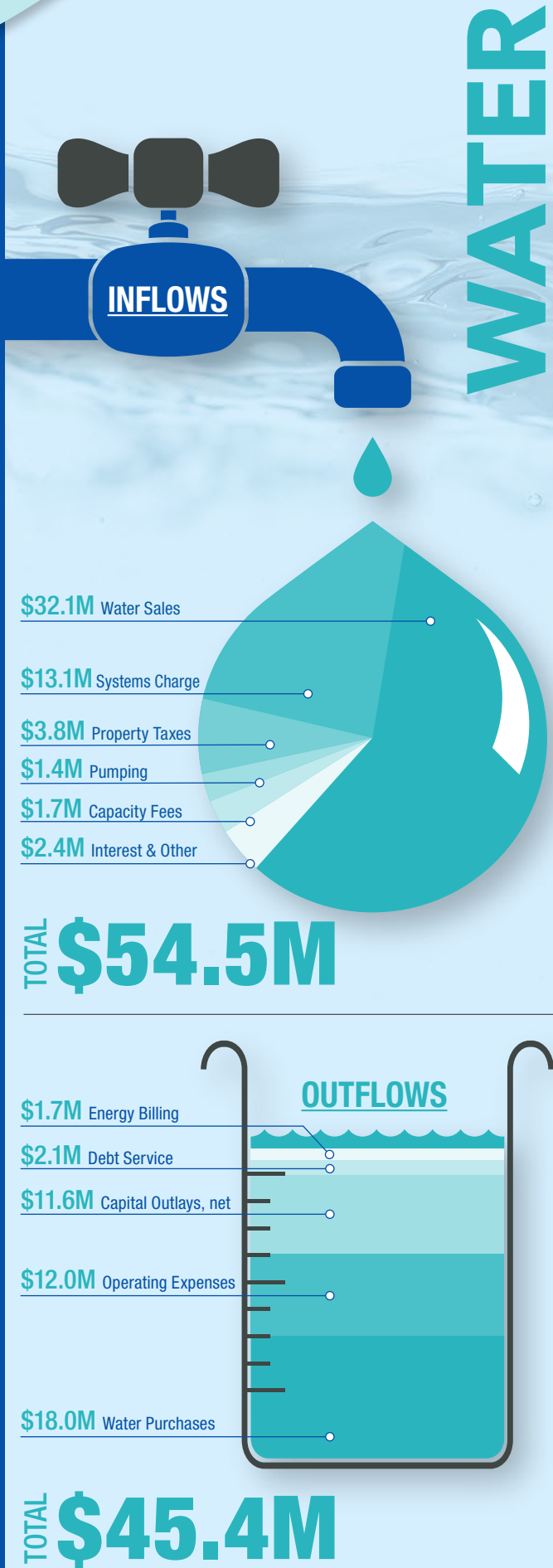


EXPENSES



FY 2022 POTABLE WATER
AUDITED FINANCIALS

Revenue	
Water Sales	\$30,728,799
Infrastructure Access Charge	\$1,394,082
Energy Billings	\$1,403,760
System Charges	\$13,061,410
Property Tax Subvention	\$3,797,521
Other Revenues	\$1,506,486
Total Operating Revenues	\$51,892,058
Direct Costs	
Water Purchases	\$16,617,855
Infrastructure Access Charge	\$1,373,712
Energy Purchases	\$1,689,700
Total Direct Costs	\$19,681,267
Revenues Available for Operating Expenses	\$32,210,791
Operating Expenses	
Salary and Wages	\$7,729,945
Employee Benefits	\$3,214,956
Professional Services	\$1,780,189
Materials, Supplies, Vehicle and Bldg. Rent	\$2,958,767
Administrative Expenses	\$1,692,046
Utilities	\$161,699
Billing Credits	\$(5,516,985)
Operating Expenses Before Depreciation	\$12,020,616
Depreciation / Amortization	\$6,058,304
Operating Income	\$14,131,871
Non-Operating Activity	
Interest Expense	\$(958,943)
Interest Income	\$573,345
Other Income / Expense	\$280,596
Total Non-Operating Activity	\$(105,002)
Change in Net Assets	\$14,026,868
Fund Balances	
ADD:	
Depreciation and Amortization	\$6,058,304
Net Change in Current Liabilities (Assets)	\$(11,694,682)
Capacity Fees	\$1,712,502
DEDUCT:	
Capital Improvement and Equipment	\$(9,329,321)
Debt - Principal	\$(1,147,886)
Transfers in (out)	\$(2,223,461)
Cash Generated	\$(2,597,674)
Beginning Fund Balance	\$51,159,439
Ending Fund Balance	\$48,561,765

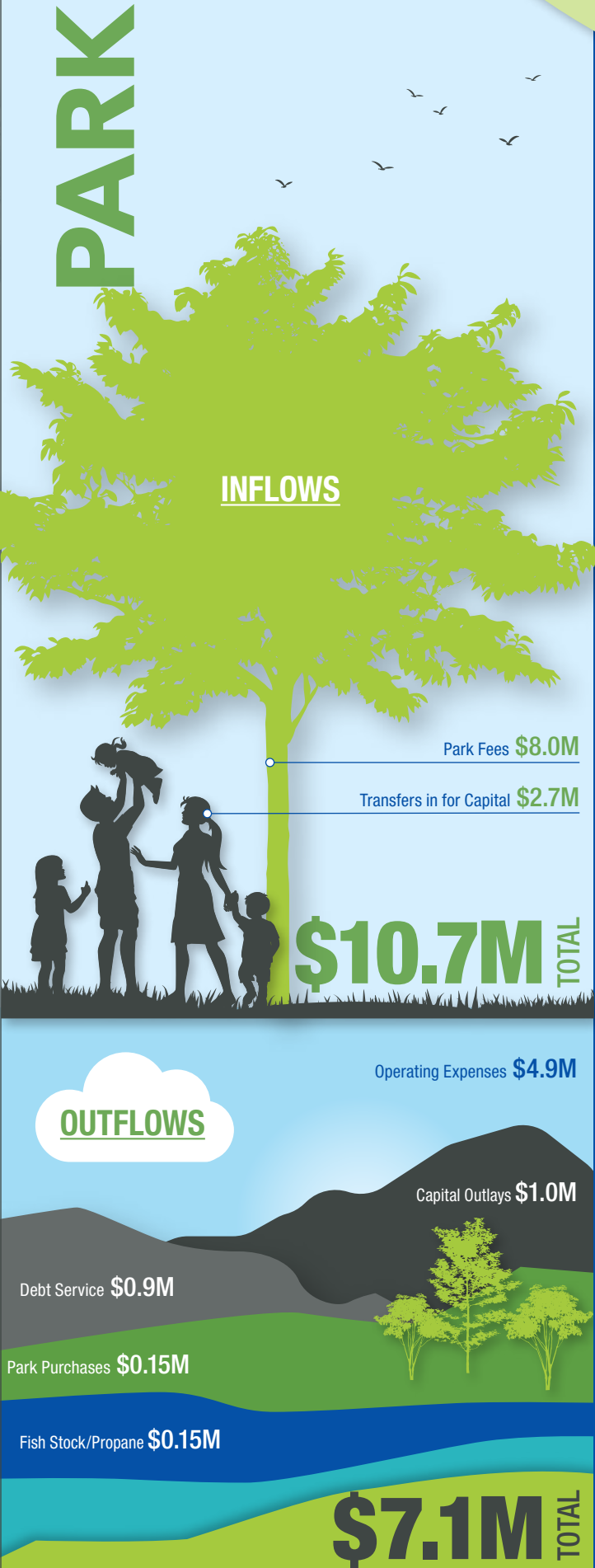
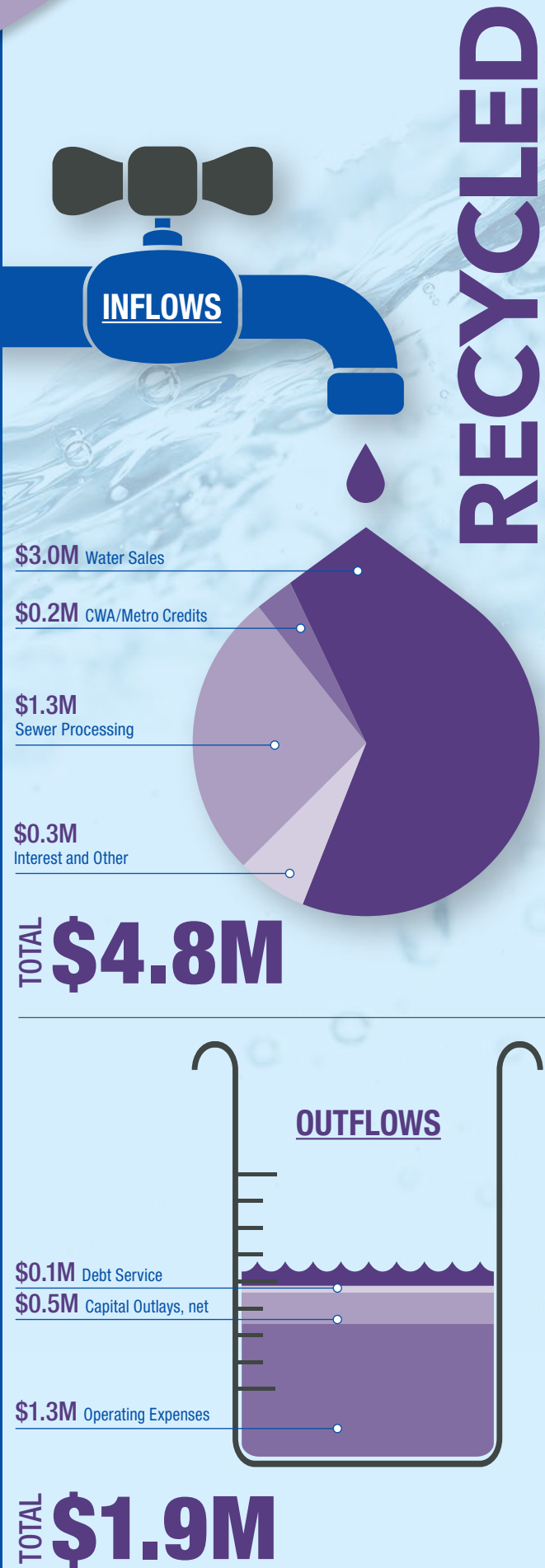


FY 2022 SEWER
AUDITED FINANCIALS

Revenue	
Sewer Revenues	\$20,291,850
Other Revenues	\$14,850
Total Operating Revenues	\$20,306,700
Direct Costs	
Sewer Metro Costs	\$4,692,507
Padre Sewer Processing Fee	\$1,269,016
Total Direct Costs	\$5,961,523
Revenues Available for Operating Expenses	\$14,345,177
Operating Expenses	
Salary and Wages	\$3,513,723
Employee Benefits	\$1,539,146
Professional Services	\$741,812
Materials, Supplies, Vehicle and Building	\$1,921,155
Administrative Expenses	\$737,679
Utilities	\$738,547
Billing Credits	\$(25,109)
Operating Expenses Before Depreciation	\$9,166,953
Depreciation and Amortization	\$1,378,048
Operating Income	\$3,800,176
Non-Operating Activity	
Interest Income	\$721,616
Total Non-Operating Activity	\$721,616
Change in Net Assets	\$4,521,792
Fund Balances	
ADD:	
Depreciation and Amortization	\$1,378,048
Net Change in Current Liabilities (Assets)	\$(5,250,823)
Capacity Fees	\$620,278
DEDUCT:	
Capital Improvement and Equipment	\$(1,018,455)
Transfers in (out)	\$(1,071,627)
Cash Generated	\$(820,787)
Beginning Fund Balance	\$25,465,881
Ending Fund Balance	\$24,645,093

FY 2022 RECYCLED WATER
AUDITED FINANCIALS

Revenue	
Water Sales	\$2,703,923
CWA/Metro Water Purchase Credits	\$170,000
Padre Dam Sewer Processing Revenue	\$1,269,016
System Charges	\$278,919
Total Operating Revenues	\$4,421,858
Revenues Available for Operating Expenses	\$4,421,858
Operating Expenses	
Salary and Wages	\$1,102,514
Employee Benefits	\$442,725
Professional Services	\$123,283
Materials, Supplies, Vehicle and Building	\$360,544
Administrative Expenses	\$178,096
Utilities	\$291,343
Billing Credits	\$(1,232,006)
Operating Expenses before Depreciation	\$1,266,500
Depreciation and Amortization	\$936,521
Operating Income	\$2,218,837
Non-Operating Activity	
Interest Expense	\$(28,590)
Interest Income	\$309,817
Total Non-Operating Activity	\$281,227
Change in Net Assets	\$2,500,064
Fund Balances	
ADD:	
Depreciation and Amortization	\$936,521
Net Change in Current Liabilities (Assets)	\$(2,185,829)
DEDUCT:	
Capital Improvement and Equipment	\$(312,991)
Debt Principal	\$(27,716)
Transfers in (out)	\$(205,786)
Cash Generated	\$704,263
Beginning Fund Balance	\$18,524,738
Ending Fund Balance	\$19,229,000



FY 2022 PARK
AUDITED FINANCIALS

Revenue	
Park Fees	\$7,906,985
Other Revenues	\$59,482
Total Operating Revenues	\$7,966,467
Direct Costs	
Fish Stock / Propane	\$157,621
General Store	\$150,768
Total Direct Costs	\$308,389
Revenues Available for Operating Expenses	\$7,658,078
Operating Expenses	
Salary and Wages	\$1,442,187
Employee Benefits	\$968,120
Professional Services	\$567,452
Materials, Supplies, Vehicle and Building	\$908,211
Administrative Expenses	\$156,566
Utilities	\$941,975
Billing Credits	\$(57,119)
Operating Expenses before Depreciation	\$4,927,392
Depreciation / Amortization	\$1,198,815
Operating Income	\$1,531,870
Non-Operating Activity	
Interest Expense	\$(217,691)
Interest Income	\$66,570
Total Non-Operating Activity	\$(151,121)
Change in Net Assets	\$1,380,749
Fund Balances	
ADD:	
Depreciation and Amortization	\$1,198,815
Financing	\$2,683,584
Net Change in Current Liabilities (Assets)	\$(250,000)
DEDUCT:	
Capital Improvement and Equipment	\$(956,561)
Debt - Principal	\$(689,660)
Cash Generated	\$3,366,928
Beginning Fund Balance	\$4,836,414
Ending Fund Balance	\$8,203,341



PADRE DAM
Municipal Water District



[NOTICE: PER GOVERNOR NEWSOM'S EXECUTIVE ORDERS AND STATE LEGISLATION, THE BELOW MEETING WILL NOT BE HELD IN PERSON BUT ELECTRONICALLY. DIRECTORS WILL BE PROVIDED ELECTRONIC ACCESS INFORMATION SEPARATELY. THE PUBLIC MAY ACCESS THE MEETING ELECTRONICALLY BY GOING TO THIS WEB LINK: <https://www.sdcwa.org/meetings-and-documents> AND THEN CLICKING THE LINK LISTED BELOW "LIVE STREAM" ON THE RIGHT HAND SIDE OF THE PAGE.

PUBLIC COMMENT REQUESTS MAY BE MADE BEFORE THE MEETING, OR BEFORE PUBLIC COMMENT CLOSES AT THE MEETING, BY SUBMITTING YOUR TELEPHONE NUMBER OR WRITTEN COMMENT TO: PUBLICCOMMENTS@SDCWA.ORG. WRITTEN CORRESPONDENCE WILL BE READ AS TIME ALLOWS (THREE-MINUTE LIMIT). SPEAKER REQUEST FORMS WILL BE AVAILABLE TO THE PUBLIC ATTENDING IN PERSON.

IF MODIFICATIONS OR ACCOMMODATIONS FROM INDIVIDUALS WITH DISABILITIES ARE REQUIRED, SUCH PERSONS SHOULD PROVIDE A REQUEST AT LEAST 24 HOURS IN ADVANCE OF THE MEETING BY E-MAIL TO THE WATER AUTHORITY GENERAL COUNSEL AT DEDWARDS@SDCWA.ORG

**4677 Overland Avenue
San Diego, CA 92123**

AGENDA
SPECIAL FORMAL BOARD OF DIRECTORS' MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

**DECEMBER 15, 2022
1:30 PM**

1. Call to Order.
2. Roll call, determination of quorum.
2-A Report on proxies received.
3. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.

4. SPECIAL AB 361 DETERMINATION
Assembly Bill 361 Continued Determination Acknowledging the Governor of the State of California's Proclamation of a State of Emergency and of Remote Teleconference Meetings of the Legislative Bodies of San Diego County Water Authority due to the Emergency Pursuant to Brown Act Provisions; Begin Normal Board Meetings as of January 26, 2023 Meeting.
Staff recommendation: Make a continued determination acknowledging the Governor's proclamation of a state of emergency and of remote teleconference meetings of the legislative bodies of San Diego County

David Edwards



Our Region's Trusted Water Leader
San Diego County Water Authority

Water Authority due to the emergency pursuant to Brown Act provisions; and begin normal Board meetings as of January 26, 2023 meeting. (Action)

5. Claude "Bud" Lewis Carlsbad Desalination Plant.

Jeremy Crutchfield

a. Water Purchase Agreement Contract Administration Memorandum Regarding Final Phase of Intake and Discharge System Modifications.

Staff recommendation: Authorize the General Manager to execute a Water Purchase Agreement Contract Administration Memorandum (CAM) between the Water Authority and Poseidon Resources (Channelside) LP (Poseidon) for the Final Phase of Intake and Discharge System Modifications at the Lewis Carlsbad Desalination Plant. (Action)

Lisa Marie Harris

b. Approve the execution and delivery of the Letter of Representation and Water Authority Continuing Disclosure Agreement and other documents and agreements supporting Poseidon's 2023 Financing.

Staff recommendation: Adopt Resolution No. ____ approving the execution and delivery of a Letter of Representation and a Water Authority Continuing Disclosure Agreement relating to Poseidon Resources (Channelside) LP'S financing through the California Pollution Control Financing Authority and approving such other documents and agreements necessary to support said financing. (Action)

6. Adjournment.

Melinda Nelson
Clerk of the Board

NOTE: All public documents provided to the Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 920123 at the reception desk during normal business hours.



December 7, 2022

Attention: Board of Directors

Assembly Bill 361 Continued Determination Acknowledging the Governor of the State of California's Proclamation of a State of Emergency and of Remote Teleconference Meetings of the Legislative Bodies of San Diego County Water Authority due to the Emergency Pursuant to Brown Act Provisions; Begin Normal Board Meetings as of January 26, 2023 Meeting. (Action)

Staff Recommendation: Make a continued determination acknowledging the Governor's proclamation of a state of emergency and of remote teleconference meetings of the legislative bodies of San Diego County Water Authority due to the emergency pursuant to Brown Act provisions; and begin normal Board meetings as of January 26, 2023 meeting.

Alternative: Do not accept staff recommendation and do not make the AB 361 determination.

Fiscal Impact

There is no fiscal impact.

Executive Summary

COVID-19 legislation passed by the Legislature in Assembly Bill 361 ("AB 361") allows public agencies to have expanded teleconference options under the Brown Act during governmental emergencies, assuming certain conditions are met.

- The legislation requires that there be a proclaimed state of emergency by the Governor. There is one still in effect now.
- The legislation requires certain factors to occur, one of which is that state or local officials have imposed or recommended measures to promote social distancing. That is presently occurring, allowing continued use of virtual Board meetings.

The Governor has announced that he plans to rescind his emergency COVID Declaration in February 2023, which would then not allow further AB 361 teleconference meetings. Staff recommends that we continue the AB 361 meetings for a short time through the holidays, and resume normal meetings as of the January 26, 2023 regular Board meeting. This will still allow other partial teleconference options under the Brown Act that exist outside of AB 361.

Background

The Water Authority is still under a state of emergency caused by the COVID-19 virus, as declared by Board Resolution 2020-02 dated March 26, 2020. The Board also approved Resolution No. 2021-23 at the October 2021 Board meeting, making the requisite findings for use of the Legislature's expanded teleconference option under the Brown Act. The Board also approved

continued findings under AB 361 at the regular November 17, 2022, Board meeting. This is a meeting within 30 days of that approval.

The spread of the COVID-19 virus worldwide caused millions of deaths, widespread economic disruption, and significant forms of government intervention. Though the Governor's March 2020, emergency declaration COVID-19 order is still in effect, he has announced it will end in February 2023. See this link: [Governor Newsom to End the COVID-19 State of Emergency | California Governor](#).

The Water Authority has been meeting virtually since Spring of 2020, and since the summer of 2021 under AB 361 which was signed into law by Governor Newsom as an urgency statute. Basically, AB 361 works like this:

1. A public agency can meet via special expanded teleconference during a proclaimed state of emergency by the Governor so long as:
 - a. State or local officials have imposed or recommended measures to promote social distancing; OR
 - b. The agency holds a meeting to determine, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; OR
 - c. The legislative body holds a meeting and has already determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
2. Once the above has been done, then the decision must be renewed every 30 days, with the legislative body adopting findings that it has reconsidered the circumstances and (1) the emergency continues to directly impact the ability of the members to meet safely in person or (2) state or local officials continue to impose or recommend measures to promote social distancing.

If the above take place, then an AB 361 teleconference meeting can occur, so long as it uses certain procedures: (a) give notice and post agendas as otherwise required by the Brown Act; (b) list on the agenda how the public can electronically attend and comment at the meeting; (c) allow comment in advance of and during the meeting, with a reasonable amount of time to register and comment (at least the amount of time allowed per agency meeting protocols); (d) all votes must be via rollcall; and (e) comply with state and federal civil rights and non-discrimination laws, and protect the statutory and constitutional rights of the public. These processes have been utilized.

Discussion

Staff recommends that the Board continue its AB 361 remote teleconference meetings, resuming normal meetings of the Water Authority Board and Committees as of the regular Board meeting of January 26, 2023. Here is why staff recommends this action:

- a. The Governor is soon ending his emergency COVID Order. Assuming that occurs, AB 361 meetings will be unavailable after February in any event.

b. COVID-19 has decreased meaningfully in local mortality rates, as is stated in the above link to the Governor's announcement. However, it may be prudent to wait through the holidays, and if no major COVID events occur, then have normal meetings resume as of the January 26 meeting.

c. Limited remote teleconference options will remain available should a few Board members still need them (as discussed below).

If we no longer have AB 361 remote Board meetings, this does not mean a limited number of Board members could not utilize existing Brown Act teleconference rules. Basically, as of 2023 the following remote options will still be available:

Traditional Brown Act Teleconferencing Rules: The traditional Brown Act teleconferencing rules continue. They state, in Government Code section 54953:

Quorum of Committee/Board must be in service area.

AND

Agenda must list all teleconference locations, and each location must have agenda posted and allow public access, and agenda states the ability of public to speak to and from all locales.

AND

All votes must be by roll call.

In the past when we have had a few Board members out of the area, we have used the above procedure. We have listed the address where they are at on the agenda, and have told the Board members at those locations they had to post the agenda and allow public access and participation.

AB 2449: Additionally, as of 2023, AB 2449 will be in effect, which also allows teleconferencing in a manner different than the traditional way:

a. No need to post addresses and public access for teleconference locations, BUT: (1) quorum of Board must meet in one spot, open to the public, in the service area; (2) for the public, either an online platform that provides participants with the ability to participate via both an interactive video conference and a two-way telephonic function OR a two-way telephonic service and a live webcasting of the meeting are also provided.

AND

b. Members who are remote cannot do so more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year. Members must publicly disclose whether any persons 18+ are in room, and nature of relationship with such

individual(s). Member also cannot be remote without “just cause” or “emergency circumstances” (complex definitions).

The AB 2449 method is actually more onerous than the traditional method described above, but still can be used if desired.

Until the Governor rescinds his emergency order in February, AB 361 meetings are still allowed for the time being. Up until the summer of 2021 the State of California and local agencies generally mandated social distancing. However, such mandates have been replaced by various social distancing recommendations that are still in place as of this meeting. For example:

- The State of California’s Department of Public Health on its COVID-19 web page entitled “Current Safety Measures,” recommends following the Center for Disease Control’s “How To Protect Yourself and Others” (see <https://covid19.ca.gov/safely-reopening/#dos-and-donts-for-daily-life>). The CDC web page states that one should “keep distance between yourself and others.” <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>).

Therefore, the prerequisite elements technically continue to exist for AB 361’s “virtual” meeting provisions: there is a declared emergency by the Governor; and there are state or local officials which currently recommend social distancing. Voting on this now will allow the January special Board meeting to occur remotely. However, we would not (absent exigent circumstances) make the AB 361 finding at the January special meeting, thus requiring a normal in-person Board meeting on January 26, 2023.

Recommendation

The General Manager and General Counsel recommend that the Board adopt the above staff recommendation to make the AB 361 determinations for now, but to move back to regular Board meetings as of the January 26, 2023 regular meeting.

Prepared by: David J. Edwards, General Counsel
Approved by: Sandra L. Kerl, General Manager



December 8, 2022

Attention: Board of Directors

Claude “Bud” Lewis Carlsbad Desalination Plant: Water Purchase Agreement Contract Administration Memorandum Regarding Final Phase of Intake and Discharge System Modifications. (Action)

Staff recommendation

Authorize the General Manager to execute a Water Purchase Agreement Contract Administration Memorandum (CAM) between the Water Authority and Poseidon Resources (Channelside) LP (Poseidon) for the Final Phase of Intake and Discharge System Modifications at the Lewis Carlsbad Desalination Plant.

Alternative

Do not authorize the General Manager to execute the Water Purchase Agreement CAM and direct staff to work with Poseidon on revising the terms. This action could have the following impacts:

- Loss of access to \$194 million in tax-exempt bonds awarded by the California Pollution Control Financing Authority;
- Loss of access to low-interest financing awarded to the project by the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA);
- Accelerated payments for the Interim Bank Loan that Poseidon entered into in 2019 to fund the Interim Modifications beginning in January 2023;
- Financial impacts caused by further delay in being compliant with the plant’s National Pollution Discharge Elimination System (NPDES) permit that requires the new screened intake system be completed by December 11, 2023.

Fiscal Impact

Under the terms of the Water Purchase Agreement (WPA) between Poseidon and the Water Authority and in order to compensate Poseidon for infrastructure costs related to closure of the adjacent power station as well as to comply with the State’s Ocean Plan Amendment, authorization of this CAM will establish a series of unit price adjustments, resulting from the Permanent Modifications, as shown in Table 2, below.

Executive Summary

- The transition to new intake and discharge facilities is being implemented in three phases to allow for continual operation of the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP) under a revised NPDES permit. CAMs for the first two phases of standalone operations were authorized in April 2019 and October 2019, respectively.
- This final phase is designated the “Permanent Operations Period” (POP) and utilizes new intake screens in compliance with the Ocean Plan Amendment (OPA).
- The CAM for permanent operations includes risk transfer to the private sector, similar to the risk transfer provisions in the WPA.
- Current unit price adjustment covering interim operations will be replaced with a series of unit price adjustments, shown in Table 2, resulting from the Permanent Modifications.

Background

The CDP started commercial operations on December 23, 2015. The project is the result of a long-term WPA executed between the Water Authority and Poseidon that was approved by the Water Authority Board on November 29, 2012. This agreement is the basis for the financing, construction, and now the operation of the CDP. Under the WPA, the Water Authority agreed to purchase the output of the plant – a minimum of 48,000 acre-feet and up to 56,000 acre-feet of product water from the CDP annually. One of the fundamental tenets of the WPA is the risk transfer to the private sector. For example, Poseidon bears the operating risks, including energy consumption, associated with plant production. The Water Authority’s water purchase payments compensate Poseidon for the fixed and variable costs of the CDP including debt service and equity return payments, as well as fixed and variable plant costs for electricity and operations and maintenance (O&M). Since it started commercial operation, the drought-resilient CDP has produced over 310,000 acre-feet (more than 100 billion gallons).

The intake facilities for the CDP were originally configured to draw the plant’s seawater supply from the Encina Power Station (EPS) once-through cooling water system. In order to comply with the State Water Resources Control Board’s (State Water Board) Once-Through Cooling Policy, adopted in 2010, which phases out once-through cooling for power plants, electricity generation operations at the EPS were shut down on December 12, 2018. Leading up to the EPS decommissioning, Poseidon reached agreement with NRG Energy (NRG), the owner of the EPS, to temporarily extend the operation of just the cooling water circulation pumps solely to support desalination plant operations (see Intake Phasing section below).

For the long term, the shutdown of the EPS and its cooling water system requires the construction of new CDP intake and discharge facilities to allow a full transition to “stand-alone” operations of the desalination plant. The first phase of improvements included installation of new fish-friendly (required by the State) dilution pumps, to replace the function of the EPS once-through cooling pumps and allow NRG to demolish the EPS facility. These dilution pumps were placed into service in June 2020 and allowed interim operations to begin. In addition to addressing closure of the EPS, new facilities are required to comply with the intake provisions of

the statewide OPA, adopted by the State Water Board in May 2015. A general flow schematic is shown in **Figure 1**.

The transition to stand-alone operations, including the construction of new intake facilities, was contemplated and addressed in the WPA when it was executed. The WPA obligates the Water Authority to pay, through adjustments to the unit price, for Poseidon's incremental capital and operating costs associated with stand-alone operations, including the improvements resulting from the power plant closure and from compliance with the OPA. Impacts from a "Change in Law" event, such as these, was one of the few risks retained by the Water Authority in order to make the original project financeable. However, the WPA protects the Water Authority by imposing a cap limiting increases due to changes in law (among other provisions) in the water unit price to 10% in any year, and a total of 30% on an aggregate basis. These Change in Law costs fall under the general category of Uncontrollable Circumstances (UC) addressed in the WPA.

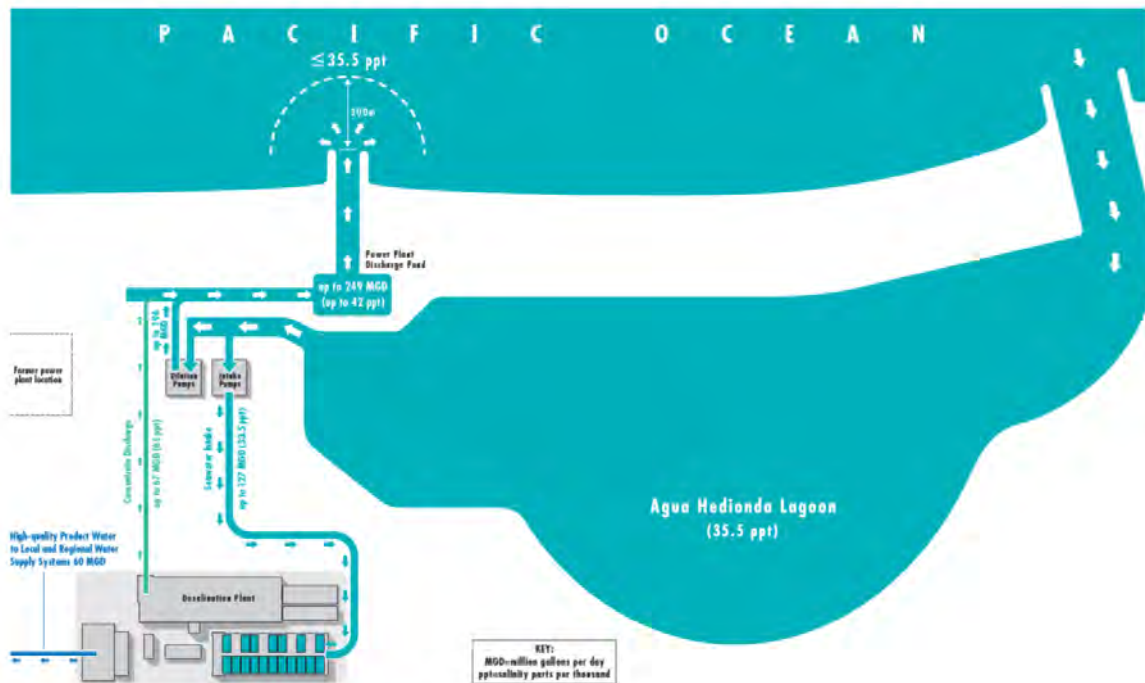
Poseidon secured a new NPDES permit for the project from the San Diego Regional Water Quality Control Board (Regional Water Board) on May 8, 2019 – amended on August 4, 2022 – that covered operation under the use of NRG's cooling water circulation pumps (beginning December 2018), current interim operations with fish-friendly dilution pumps (beginning June 2020), and the proposed new shore-based intake screens.

The 2019 NPDES permit includes a compliance schedule that requires that the Interim Modifications be completed by June 30, 2020 (this was met) and that all Intake Modifications, including the new screened intake system, be completed by December 11, 2023. Poseidon is not anticipating completion of the Permanent Modifications by this deadline, due to the following events:

- Transition to a new shore-based intake design concept that was approved just recently by the Regional Water Board in August 2022 to avoid long-term operational challenges related to marine growth associated with the previously permitted in-lagoon design;
- Environmental review and permitting time for the August 2022 shore-based design concept;
- Ongoing impacts to supply chain related to COVID-19 pandemic, the Russia-Ukraine war, global labor shortages, and decreased equipment availability.

As a result, a 12-month extension of the OPA compliance date to December 2024 was requested by Poseidon in a letter to the Executive Director of the State Water Board on November 1, 2022. In the event Poseidon does not receive an extension, the Regional Water Board may order a suspension of Plant operations until the new intake facilities are completed. Staff is optimistic that the State Water Board will provide an extension and allow the Plant to remain in operation and that the pre-purchase of water will not be required.

Figure 1. Desalination Plant Operations Intake and Discharge Flow Schematic



Previous Board Action: On April 25, 2019, the Board authorized the General Manager to execute a Water Purchase Agreement Contract Administration Memorandum between the Water Authority and Poseidon Resources (Channelside) LP to support Temporary Stand-Alone Operations of the intake and discharge facilities at the Lewis Carlsbad Desalination Plant.

Previous Board Action: On October 29, 2019, the Board authorized the General Manager to execute a Water Purchase Agreement Contract Administration Memorandum between the Water Authority and Poseidon Resources (Channelside) LP for the Second Phase of Intake and Discharge System Modifications at the Lewis Carlsbad Desalination Plant.

Previous Board Action: On May 26, 2022, the Board adopted Resolution No. 2022-10 to support Poseidon Resources (Channelside) LP in their application to the California Pollution Control Financing Authority.

Previous Board Action: On June 23, 2022, the Board approved the execution by Poseidon Resources (Channelside) LP of an amendment to the existing note purchase agreement with Bank of America, N.A. to increase the amount of the existing loan by \$12,980,000, from \$45,000,000 to \$57,980,000, to support development of the final phase of the intake and discharge system modifications.

Previous Board Action: On August 26, 2022, the Board approved the scope of the proposed changes to the Carlsbad Desalination Plant Intake Modifications Project and ratify staff's approval of the Seventh Addendum to the Precise Development Plan and Desalination Plant Final Environmental Impact Report (State Clearinghouse Nos. 200404181 and 2015091060).

Discussion

Intake Phasing

As discussed above, NRG ceased energy production at the EPS effective December 12, 2018. In accordance with its 2019 NPDES permit, Poseidon is implementing a phased implementation of the Intake Modifications that will allow the CDP to remain in service. The three phases are as follows:

1. Temporary Standalone Operating Period – Poseidon reached agreement with NRG to allow for the operation of the cooling water circulation pumps by NRG staff to be extended while an interim intake/discharge system is constructed. On June 13, 2019, the Water Authority executed a CAM compensating Poseidon for this temporary phase of operation as authorized by the Board on April 25, 2019. This phase ended on June 12, 2020.
2. Interim Operating Period (IOP) – This phase primarily includes the new fish-friendly dilution pump system and modifications to the existing intake and discharge channels to keep the plant in operation during and after demolition of the NRG facilities. The CDP is currently operating in this phase.
3. Permanent Operating Period (POP) – Building upon the pumps and facilities installed for the IOP, the new screened intake system, required by provisions of the OPA, is expected to be connected and commissioned in September 2024.

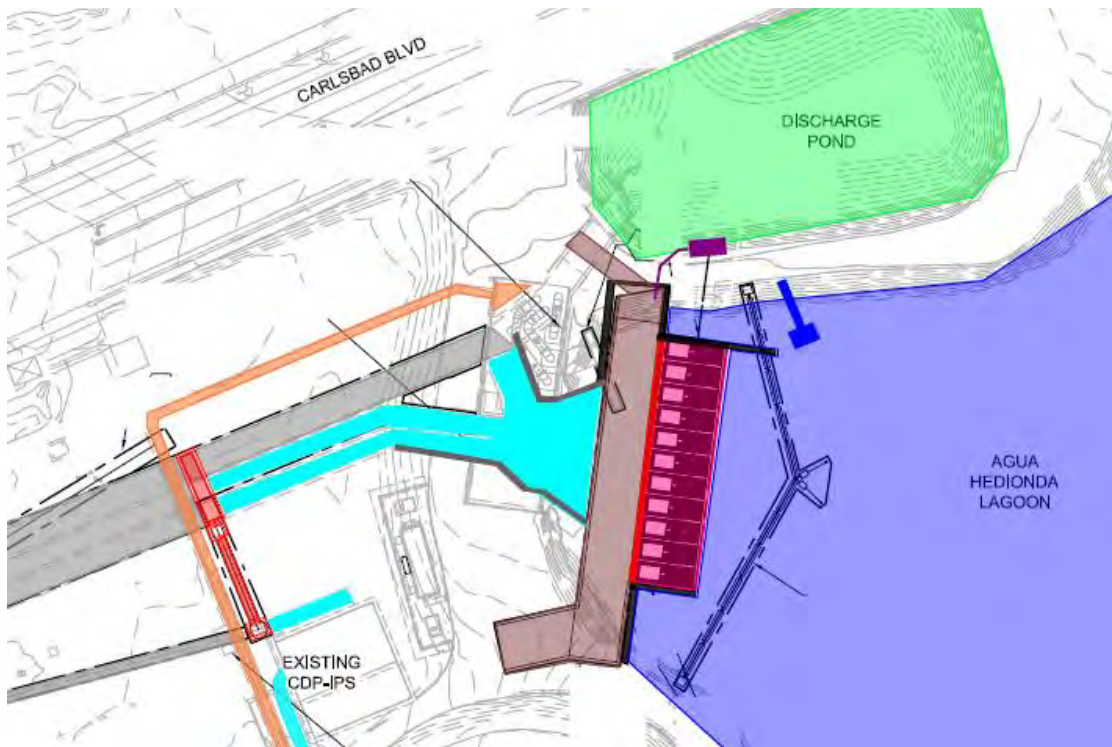
The remainder of this memorandum will focus on the POP, the subject of the requested board action.

Permanent Modifications Contracting and Financing

The Permanent Modifications complete the transition from the original EPS intake screens to a new permit-compliant shore-based intake screen system installed just upstream of the existing intake structure. These improvements are shown in **Figure 2** and include the following:

- New dual-flow screen system and ancillary systems supported on a new concrete access bridge including piles, pile bents, and access ramps
- Dual-flow spray wash system which includes pumps, piping, and nozzles
- Screen debris removal/management system
- Floating debris boom system
- Large organism exclusion system
- New electrical building to house motor controls, variable speed drives, and other controls
- Instrumentation and controls required for the Permanent Modifications
- Connecting piping between the existing intake tunnel and the existing intake pump station
- Abandonment of the generation station intake and discharge tunnel portions no longer needed to support operations

Figure 2. Permanent Modifications



On March 30, 2022, Poseidon executed an agreement with Kiewit-Shea, a Joint Venture (KSJV) to initiate design and preconstruction services for the Permanent Modifications. KSJV is the same team that designed and constructed the CDP, the product water pipeline that connects the plant to the Second Aqueduct, and the fish-friendly dilution pumps supporting IOP.

Poseidon executed a Progressive Design Build Agreement (PDB Agreement) with KSJV on September 30, 2022, to complete the design, procurement, and construction of the Permanent Modifications. Consistent with this type of construction contract, KSJV has completed a 60% design and construction cost estimate that includes appropriate contingencies based on this level of design. Poseidon and KSJV have committed that this estimate represents the maximum base contract price. KSJV has also identified several construction items where additional work could be required due to unknown conditions, items of which will be handled separately from the base contract price. A reasonable "allowance" for these items has been established. In the unlikely event that the allowance is exceeded, the Water Authority will be required to compensate Poseidon/KSJV for the exceedance as these costs would fall under the Change in Law provisions of the WPA. All unused allowance funds would be returned to the Water Authority.

In order to secure tax-exempt, low interest public activity bonds through the California Pollution Control Financing Authority, previously awarded for the project, that expire on January 16, 2023, the funding and pricing information below includes the maximum base contract price, plus a reasonable allowance to account for unknown conditions, and is used to generate the unit price adjustment discussed later in this memo (see **Table 1** on page 9 for a summary of the contract price.) The actual use of any allowance and contingency funds during construction, will be used

to determine a planned follow-up unit price adjustment reconciliation that will occur once the KSJV construction contract is complete. A follow-up CAM will be developed at that time to formalize this “true-up” POP unit price adjustment.

To finance these construction costs and the ancillary costs necessary to implement the Permanent Modifications, Poseidon has entered into (i) a loan agreement with the California Pollution Control Financing Authority, which has issued the Water Furnishing Revenue Bonds (Series 2023 Bonds), (ii) a loan agreement with the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA Loan), and (iii) an equity purchase and contribution agreement with one or more equity investors identified by Aberdeen, Poseidon’s owner, (collectively, the 2023 Financing) concurrently with the CAM. Details of the 2023 Financing are provided below:

Series 2023 Bonds

The Series 2023 Bonds will (i) finance a portion of the Permanent Modifications development and construction costs, (ii) provide permanent financing for the interim loan that Poseidon entered into in 2019 to fund the Interim Modifications (IOP Interim Loan), (iii) finance a portion of Poseidon’s cost of environmental mitigation, and (iv) fund associated transaction costs and financial reserves. The Water Authority has concluded that the portion of the Series 2023 Bonds financing Poseidon’s costs of environmental mitigation and funding the related transaction costs and financial reserves is not eligible for cost recovery through an adjustment to the debt service charge component of the water unit price.

WIFIA Loan

The WIFIA Loan will (i) finance a portion of the Permanent Modifications development and construction costs, (ii) finance a portion of Poseidon’s cost of wetlands mitigation, and (iii) fund associated transaction costs and financial reserves. The Water Authority has concluded that the portion of the WIFIA Loan financing Poseidon’s costs of environmental mitigation and funding the related transaction costs and financial reserves is not eligible for cost recovery through an adjustment to the debt service charge component of the water unit price.

Equity

Provisions in the WPA require Poseidon to secure a plan of finance similar to that which was used to originally finance the CDP. To meet this requirement, and in order to improve debt service coverage ratios and to satisfy requirements of bondholders, the rating agencies, and Poseidon’s financial documents, Poseidon will raise approximately \$65 million in equity. Equity will (i) finance a portion of the Permanent Modifications, (ii) finance a portion of Poseidon’s wetlands project, and (iii) fund associated transaction costs.

Permanent Operations Period Terms and Structure

Water Authority staff and Poseidon have negotiated the key terms addressing financial and contractual conditions during the POP. These conditions align with the provisions and intent of the WPA. Key terms and conditions of this POP CAM are detailed below.

Risk Transfer

In keeping with the provisions of the WPA, a fundamental aspect is the risk transfer to the private sector. Provided that water is produced by Poseidon, the Water Authority will pay a unit price adjustment for each acre-foot produced to compensate Poseidon for the increased cost to implement the Permanent Modifications, but only after the Permanent Modifications are placed into commercial operation. Similar to the pricing structure developed for the WPA, by paying a fixed adjustment to the unit price, the Water Authority is effectively transferring risk to Poseidon. If the costs to construct or operate the Permanent Modifications are higher, that cost is borne by Poseidon, subject only to the Uncontrollable Circumstance relief provisions provided for in the WPA and discussed below.

Duration

The POP shall commence with successful completion of the new intake screen system, currently anticipated to take place in September 2024, and remain in place through the term of the WPA.

Plant Production

The plant will temporarily halt water production to accommodate certain Permanent Modifications construction tie-in activities. This shutdown is expected to extend over a six-week period. Plant production could also be halted due to the current NPDES permit compliance date to complete OPA Improvements by December 11, 2023 without relief by the State Water Board, as discussed above, or impacts to the feedwater quality caused by construction activities that exceed thresholds identified in the WPA resulting in an Uncontrollable Circumstance Event as defined in the WPA.

Cost Components

In accordance with the WPA, the compensation relief provided to Poseidon for the Permanent Modifications shall be provided through adjustments to the various charge components of the unit price. Each component is described below.

Debt Service Charge and Equity Return Charge Adjustments

The Debt Service Charge and Equity Return Charge adjustments compensate Poseidon for the capital and financing expenses incurred for the implementation of the Permanent Modifications and include permitting, design, construction, administrative and financing costs, as well as refunding the IOP Interim Loan and other study costs that will be implemented during the POP. The amount for the Permanent Modifications capital improvements is \$226,654,000. The component costs are summarized in **Table 1** below.

Table 1. Permanent Modifications Capital Costs

Component	Capital Cost
Project Development	
Preliminary Design, Design and Construction	\$205,622,000
Permitting and Studies	\$7,549,000
Construction Risk Allowance	\$13,483,000
<i>Permanent Modifications Sub-Total</i>	<i>\$226,654,000</i>
Financing	
Capitalized Interest	\$10,494,000
Transactional Costs	\$15,596,000
Debt Service and O&M Reserve	\$14,221,000
<i>Financing Sub-Total</i>	<i>\$40,311,000</i>
Contingency	
	<i>\$7,000,000</i>
Interim Modifications Loan Refunding	
	<i>\$45,000,000</i>
Total*	\$318,965,000

**Poseidon's financing will include an additional \$67 million to fund development of the Otay River Estuary Restoration Project that Poseidon is required to construct for compliance with their Coastal Development Permit and NPDES Permit. These costs do not pass through to the Water Authority as part of the POP unit price Adjustment contemplated below.*

The WPA includes provisions detailing how the capital charge component of the unit price will be adjusted to account for the Permanent Modifications. Generally, the actual debt service cost incurred by Poseidon for the Permanent Modifications and refinancing of the IOP Interim Loan will be passed through as an adjustment to the Debt Service Charge component of the unit price. In addition, a market-level return for the equity investment in the Permanent Modifications will be provided through an adjustment to the Equity Return Charge component of the unit price.

Similar to the original financing for the CDP and in keeping with the provisions of the WPA, the total financing amount includes the following allowances and contingencies to deal with different elements of construction risk:

1. Construction Risk Allowance – An estimated allowance of \$13,483,000 has been included in the financed amount to account for certain unknown and uncontrollable circumstance project elements including differing subsurface conditions, removal of contaminated soils, as well potential unforeseen scope changes and work delays and interruptions. This allowance, if not utilized, will accrue to the benefit of the Water Authority once the construction project is complete and permanent operations are underway. There is a small risk that the

total for these costs could exceed the allowance. If that were to happen, the provisions of the WPA will be used to evaluate any potential additional payment or unit price adjustment and would be brought to the Board for consideration.

2. Project Contingency – A fixed construction contingency amount of \$7,000,000 has been included in the financed amount. This contingency provides for construction issues that typically arise during construction. Similar to the contingency that was provided for the construction of the CDP, Poseidon accepts the risk that actual costs may exceed the contingency amount. Conversely, if the contingency amount is not exceeded, the savings would accrue to Poseidon.

Operating Charge Adjustment (fixed and variable)

The operating charge adjustment compensates Poseidon for the fixed and variable costs associated with the operation and maintenance of the Permanent Modifications. There are no operating or maintenance activities linked to the variable flow processed through the new intake system, so the variable cost adjustment is zero. The fixed operating cost on an annual basis is approximately \$5,094,000, which generally includes operation and maintenance costs, annual monitoring and permit costs, insurance, and other annual expenses, and represents the incremental increase from the IOP (primarily the dilution pumps).

Electricity Charge Adjustment (fixed and variable)

The Electricity Charge adjustment compensates Poseidon for the fixed and variable electrical costs associated with the Permanent Modifications. The electricity cost on an annual basis is approximately \$512,000.

POP Unit Price Adjustment

The estimated increases to the unit price of desalinated water based on the cost components above are shown in **Table 2** below. These increases reflect the following:

- Adjustment in the near term to account for refinancing the IOP Interim Loan which will become effective when the 2023 Financing closes;
- Phasing in of equity charges;
- Increased debt and operating costs when the Permanent Modifications are placed into service.

As discussed earlier, a follow-up CAM will be developed at the completion of the project to formalize the actual POP unit price adjustment once all costs and use of reserves is known. Staff has evaluated these increases and determined the annual unit price and the cumulative unit price caps, provided for in the WPA, have not been exceeded.

Table 2. Near-Term Unit Price (Estimate)

	Fiscal Year	Estimated Unit Price
<i>Current Unit Price - IOP</i>	<i>FY 2023</i>	<i>\$2,912/AF</i>
<i>IOP after 2023 Financial Close</i>	<i>FY 2023 (Jan.)</i>	<i>\$2,955/AF</i>
<i>IOP</i>	<i>FY 2024</i>	<i>\$3,115/AF</i>
<i>Beginning of POP</i>	<i>FY 2025 (Sept.)</i>	<i>\$3,498/AF</i>
<i>POP</i>	<i>FY 2026</i>	<i>\$3,809/AF</i>

The POP CAM will be executed with completion of the 2023 Financing.

Prepared by: Jeremy Crutchfield, Water Resources Manager
Reviewed by: Robert R. Yamada, Special Projects Director
Reviewed by: Kelley Gage, Director of Water Resources
Approved by: Dan Denham, Deputy General Manager



December 8, 2022

Attention: Board of Directors

Claude “Bud” Lewis Carlsbad Desalination Plant: Approve the execution and delivery of the Letter of Representation and Water Authority Continuing Disclosure Agreement and other documents and agreements supporting Poseidon’s 2023 Financing. (Action)

Staff recommendation

Adopt Resolution No. ____ approving the execution and delivery of a Letter of Representation and a Water Authority Continuing Disclosure Agreement relating to Poseidon Resources (Channelside) LP’s financing through the California Pollution Control Financing Authority and approving such other documents and agreements necessary to support said financing.

Alternative

The Board may choose not to approve the execution and delivery of the Letter of Representation and Water Authority Continuing Disclosure Agreement relating to Poseidon Resources (Channelside) LP’s financing through the California Pollution Control Financing Authority or such other documents and agreements necessary to support said financing.

Fiscal impact

Approval of these financing documents supports Poseidon’s execution of the 2023 Financing described in the December 7, 2022, memorandum to the Board of Directors. Fiscal impact is associated with the water unit price adjustments described in that separate memorandum.

Background

Staff has presented its recommendation to authorize the General Manager to approve and execute a Water Purchase Agreement Contract Administration Memorandum (CAM) between the Water Authority and Poseidon Resources (Channelside) LP for the Final Phase of Intake and Discharge System Modifications at the Lewis Carlsbad Desalination Plant. This recommendation is provided in the December 7, 2022, memorandum to the Board of Directors.

The 2023 Financing described in that memorandum will be a Poseidon Resources (Channelside) LP financing, and Poseidon will be the borrower and issuer of debt and equity. The Water Authority’s sole undertakings to support Poseidon’s 2023 Financing are approval of the execution and delivery of the Letter of Representation and the Water Authority Continuing Disclosure Agreement, and approval of the inclusion of the “Appendix C - Water Authority Information,” as an appendix to the offering document for Poseidon’s 2023 Financing.

Discussion

The 2023 Financing will impact the Water Authority through adjustments to the water unit price. These adjustments, and other considerations relevant to the Water Authority’s consideration of the 2023 Financing and Permanent Modifications are set forth in the separate memorandum to the Board of Directors.

Board of Directors

December 8, 2022

Page 2 of 2

Prepared by: Jeremy Crutchfield, Water Resources Manager

Reviewed by: Lisa Marie Harris, Director of Finance

Kelley Gage, Director of Water Resources

Approved by: Dan Denham, Deputy General Manager

Attachment A: Resolution No. 2022-____ approving the execution and delivery of a Letter of Representation and Water Authority Continuing Disclosure Agreement relating to Poseidon Resources (Channelside) LP's financing through the California Pollution Control Financing Authority and approving such other documents and agreements necessary to support said financing.

SAN DIEGO COUNTY WATER AUTHORITY
RESOLUTION NO. 2022-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A LETTER OF REPRESENTATIONS AND A WATER AUTHORITY CONTINUING DISCLOSURE AGREEMENT RELATING TO POSEIDON RESOURCES (CHANNELSIDE) LP'S FINANCING THROUGH THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AND APPROVING SUCH OTHER DOCUMENTS AND AGREEMENTS NECESSARY TO SUPPORT SAID FINANCING

WHEREAS, the San Diego County Water Authority is a county water authority duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "Water Authority"); and

WHEREAS, the Claude "Bud" Lewis Carlsbad Desalination Plant (the "Plant"), a state-of-the-art seawater desalination plant and 10-mile water delivery pipeline, is a public private partnership between the Water Authority and Poseidon Resources (Channelside) LP ("Poseidon"); and

WHEREAS, on May 26, 2022, the Water Authority Board of Directors adopted Resolution No. 2022-10 to support Poseidon in its application to the California Pollution Control Financing Authority (the "CPCFA") with respect an approximately \$725,000,000 financing with respect to the Plant; and

WHEREAS, the CPCFA previously issued its Water Furnishing Revenue Bonds, Series 2012 (Poseidon Resources (Channelside) LP Desalination Project) (the "Series 2012 Plant Bonds"), the proceeds of which were loaned to Poseidon, to finance a portion of the cost of acquiring, constructing, rehabilitating, renovating, improving, installing and equipping the Plant; and

WHEREAS, the Series 2012 Plant Bonds were issued concurrently with the CPCFA's Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) (the "Series 2012 Pipeline Bonds"), the proceeds of which were loaned to the Water Authority to finance the costs of development, designing, acquiring and constructing an approximately 10-mile pipeline that connects the Plant to the Water Authority's existing distribution system and an interconnection pipeline and related improvements; and

WHEREAS, the Series 2012 Pipeline Bonds were defeased in full with proceeds of the CPCFA's Water Furnishing Revenue Refunding Bonds, Series 2019 (San Diego County Water Authority Desalination Project Pipeline); and

WHEREAS, Poseidon previously issued its senior notes in an aggregate principal amount of \$45,000,000 (the "Senior Notes"); and

WHEREAS, Poseidon has requested that the CPCFA issue its Water Furnishing Revenue Bonds (Poseidon Resources (Channelside) LP Desalination Project) (AMT) Series 2023A and Water Furnishing Revenue Bonds (Poseidon Resources (Channelside) LP Desalination Project) Series 2023B (Federally Taxable) (collectively, the "Series 2023 Plant Bonds") in an aggregate amount not to exceed \$175,000,000.00, the proceeds of which will be loaned to Poseidon to finance and refinance a portion of the costs of certain improvements to the Plant and its appurtenant facilities (collectively, the "Project"), prepay the Senior Notes in full, and fund other amounts related to the Series 2023 Plant Bonds (including paying capitalized interest, funding debt service reserve accounts for the Series 2023 Plant Bonds and paying costs of issuance related to the Series 2023 Plant Bonds); and

WHEREAS, Poseidon also plans to obtain an up to \$200,000,000.00 Water Infrastructure Finance and Innovation Act (WIFIA) loan from the U.S. Environmental Protection Agency (EPA) to finance, in part, a portion of the Project; and

WHEREAS, there have been placed on file with the Clerk of the Board of the Water Authority the following documents:

- (1) Form of Preliminary Limited Offering Memorandum (the “Preliminary Offering Memorandum”), pursuant to which the Series 2023 Plant Bonds will be offered, including “Appendix C - Water Authority Information, ” thereto, which contains information about the Water Authority (“Appendix C”);
- (2) Form of Letter of Representations (the “Letter of Representations”) attached to the form of Bond Purchase Agreement for the Series 2023 Plant Bonds and addressed to the initial purchasers of the Series 2023 Plant Bonds and the CPCFA, to be executed and delivered by the Water Authority; and
- (3) Form of Continuing Disclosure Agreement (the “Water Authority Continuing Disclosure Agreement”), to be executed and delivered by the Water Authority, U.S. Bank and Trust Company, National Association, as the Trustee for the Series 2023 Plant Bonds and Digital Assurance Corporation, as Dissemination Agent for the Series 2023 Plant Bonds.

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the making of the agreements and the consummation of the transactions by this Resolution do exist, have happened and have been performed in regular and due time, form and manner, and the Water Authority is duly authorized and empowered, pursuant to each and every requirement of law, to consummate the transactions as described in this Resolution.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY RESOLVES AS FOLLOWS:

1. The foregoing recitals are adopted as findings and determinations of the Board.
2. The Chair of the Board, the General Manager, and the Director of Finance/Treasurer (each, and “Authorized Officer”) are each acting individually, authorized and directed, on behalf of the Water Authority, to execute and deliver each or any of the financing documents listed in the following paragraph, substantially in the approved form, with such changes as the Authorized Officer executing such document may, with the concurrence of the General Counsel, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.
3. The following agreements on file with the Clerk of the Board are approved and may be executed on behalf of the Water Authority as provided in paragraph 2 of this Resolution:
 - Letter of Representations;
 - Water Authority Continuing Disclosure Agreement.

4. The form of the Appendix C to be included in the Preliminary Limited Offering Memorandum is hereby approved. The Authorized Officers are each, acting individually, hereby authorized and directed, on behalf of the Water Authority, and with the concurrence of the General Counsel of the Water Authority, to certify that the Water Authority Information (as such term is defined in the Letter of Representations) contained such Preliminary Limited Offering Memorandum, including the Appendix C is, as of its date, “deemed final” by the Water Authority for purposes of Section (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The Authorized Officers are hereby authorized and directed, on behalf of the Water Authority, to update the Water Authority Information and Appendix C to be included in a Limited Offering Memorandum in substantially the form of the Preliminary Limited Offering Memorandum, with such changes as such officers may, with the concurrence of the General Counsel of the Water Authority, require or approve, such approval to be conclusively evidenced by the delivery thereof, and to certify that said Water Authority Information and Appendix C to be included in said Limited Offering Memorandum is, as of its date, “final and complete” for purposes of the Rule.

5. The Authorized Officers are hereby authorized and directed, jointly and severally, with the concurrence of the General Counsel, to do any and all things and to execute and deliver any and all contracts and documents which they may deem necessary or advisable in order to consummate transactions contemplated or authorized by this Resolution.

6. The authority of the Authorized Officers and the General Counsel under this Resolution may be delegated as provided in the Water Authority’s Administrative Code.

7. The effective date of this Resolution shall be the date of its adoption.

PASSED, APPROVED, and ADOPTED this 15th day of December, 2022 by the following vote:

AYES: Unless noted below all Directors voted aye.

NOES:

ABSTAIN:

ABSENT:

Mel Katz, Chair

ATTEST:

Frank Hilliker, Secretary

I, Melinda Nelson, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Resolution No. 2022-_____ was duly adopted at the meeting of the Board of Directors on the date stated above.

Melinda Nelson,
Clerk of the Board



DIRECTOR'S REPORT OF CONFERENCE/MEETING ATTENDANCE

Submitted by:	Bill Pommering
Conference/Meeting:	San Diego East County Economic Development Council Board Meeting
Attendance Date(s):	12/21/22

SUMMARY OF CONFERENCE OR MEETING

The meeting was called to order at 7:34 AM. This was a Zoom-only meeting. The minutes from November 16, 2022, meeting were approved.

PRESIDENT'S REPORT — Project Updates: City grants: Escondido, Chula Vista, San Francisco. Issued close to \$3.5M in grants to several hundred businesses in the cities. Grossmont Healthcare District, to bridge the gap between employers and employees in the healthcare sector. Community Economic Resilience Fund: \$5M Planning Grant that would to a \$50M long-term project. SDSU will be the Fiscal Agent and Lead Applicant for this project.

COMMITTEE UPDATES —

SKILLED WORKFORCE: In November they toured construction facilities in Lakeside. Toured VR facility. Going through over forty years of files and materials that have accumulated.

GILLESPIE FIELD: No meeting in December. November updates: there will be a ceremonial groundbreaking on the Bradley/67 Bridge. The project has been evolving for the last two decades. Bridge widening MUST be done before progress can take place at Gillispie Field.

ADVOCACY: Has not yet been convened for the first meeting.

LEGISLATIVE/MEMBER UPDATES —

CONGRESSMAN DARREL ISSA: No Report

SENATOR BRIAN JONES' OFFICE: No Report.

SUPERVISOR JOEL ANDERSON'S OFFICE: County Staff moved on the issue of providing homeless housing. County Staff will have the first report on broadband issues within the County. It will primarily focus on unincorporated areas of the county. Concerns over the influx of immigrants into the County.

CITY OF SANTEE: Laura Koval was elected Vice Mayor for 2023. Popeye's Restaurant was approved by Council. David's Bridal Shop is near to opening. There are forty-eight projects currently under consideration in the City. Chuck E. Cheese restaurant is also coming to Santee (located in the old Hometown Buffet location.) The state is advocating the Fanita Ranch project.

LEMON GROVE: No Report.

CITY OF EL CAJON: No report

CITY OF LA MESA: Businesses can now apply for ARPA funding. Small businesses can now apply for up to \$25K in grants.

GROSSMONT/CUYAMACA COLLEGE DISTRICT: No Report.

GROSSMONT HEALTHCARE DISTRICT: Looking to resolve the long-range prediction of a healthcare worker shortage by 2030.

HELIX WATER DISTRICT: No report.

OTAY WATER DISTRICT: No Report.

COUNTY WATER AUTHORITY: Looking to see what MWD will announce regarding the curtailment of water supplies.

LAKESIDE CHAMBER OF COMMERCE: No Report.

EAST COUNTY CHAMBER OF COMMERCE: First Friday Breakfast is January 06th.

The meeting was adjourned at 8:26 AM.

The next meeting is scheduled for January 18, 2023. It is scheduled to be an in-person meeting.



DIRECTOR'S REPORT OF CONFERENCE/MEETING ATTENDANCE

Submitted by:	Brian Fordyce
Conference/Meeting:	CSDA Workshop: SDLA Module 1 Governance Foundations
Attendance Date(s):	12-6-22 through 12-7-22

SUMMARY OF CONFERENCE OR MEETING

This workshop discussed the role of a director in a Special District. We also discussed some of rules board members should be aware of. I found the workshop to be helpful in clarifying the role of policy making, versus policy implementation. We are to set policy. We also hire the GM, who is tasked with implementing the policy.

There was an emphasis on the difference between discussion and debate. Debate is an effort to convince others, while discussion is a sharing of ideas and information in an effort to come to a decision that is in line with our mission. When we focus on discussion with a unified purpose (our mission) our decision making will be more effective.



**GENERAL MANAGER'S REPORT
DECEMBER 21, 2022**

Information:

1. News Article: "Colorado River Users Set to Meet, But Water Deal Seems a Ways Off"
2. News Article: "Storm Blankets Sierra Nevada in Heavy Snow, Brings Rain Across California"
3. News Article: "Senators Urge Agriculture Secretary to Help Western States in '22-Year Mega-Drought"
4. News Article: "Storm Makes it Likely More Potential Drinking Water Will Have to Be Released From Lake Hodges"
5. News Article: "La Jolla Hermosa Park Storm Drain is Repaired After Years of Flooding and Erosion"

Colorado River users set to meet, but water deal seems a ways off



Roughly 2,000 boats are docked at Lake Mead, including these seen Monday, Dec. 5, 2022, at Lake Mead Marina. (K.M. Cannon/Las Vegas Review-Journal)

As Western water managers get set to gather in Las Vegas this week, a long-sought deal to curtail water use along the cratering Colorado River still seems a ways off.

Nearly six months have passed since Bureau of Reclamation Commissioner Camille Touton first asked the Western states to come up with a plan to cut back on water use from the river next year by as much as 30 percent, but a cohesive proposal from the seven states that pull from the Colorado that supplies water to some 40 million people has yet to emerge.

Things have only gotten worse along the river since Touton's request, and that decline shows no signs of slowing down. Reclamation officials said during public meetings in recent weeks that without any adjustments to current operations on the river, Lake Powell could drop to a point where Glen Canyon Dam would not be able to generate hydropower as early as the middle of next year while Lake Mead could drop another 100 feet — putting Hoover Dam's power generation capabilities in jeopardy — by spring of 2025.

“The risks we saw then have only further materialized given the projected and plausible hydrology,” Touton said during a Dec. 2 meeting to discuss the options the federal government is looking at in lieu of a deal between the states.

Water managers from across the Colorado River basin will be in Las Vegas this week for the annual Colorado River Water Users Association conference, which runs from Wednesday to Friday, and officials from Colorado River basin states are expected to meet again in an attempt to hash out some kind of agreement to satisfy Touton’s call to cut between 2 and 4 million acre-feet of water use along the river starting next year.

During last year’s water users conference, Nevada, California, Arizona and the federal government announced a \$200 million plan to buoy Lake Mead’s elevation by about 16 feet over two years. Whether or not any sort of announcement will be made at this year’s gathering is still unknown.

Only piecemeal proposals have been made public thus far, including a proposal from California water agencies to conserve up to 400,000 acre-feet of water annually, or about 9 percent of the state’s annual allocation from the river, in exchange for the federal government making a commitment to contribute to Salton Sea stabilization efforts.

The Southern Nevada Water Authority and nearly 30 other municipalities have signed a memorandum of understanding committing to drastically reducing the amount of thirsty decorative turf that lines their respective cities, an idea that took root in the Las Vegas Valley last year.

With no agreement between the states in place, the Bureau of Reclamation has started the process of revising the current management guidelines for the Colorado River’s two main storage reservoirs, Lake Mead and Lake Powell.

Touton said that the agency still believes the best solution is one struck between the states to lower water use from the Colorado River. But the federal government is moving forward with developing plans to take unilateral action if needed because of the current worrisome low lake levels, but also the likelihood that the drought that has gripped the system for more than two decades will continue to worsen.

A deal would need to come together quickly, however. Katrina Grantz, assistant regional director for the Upper Colorado River Region, said that the states would need to submit a plan by the end of January in order for the bureau to include the proposal in their analysis.

Grim outlook

Reclamation officials have laid out what a low-flow scenario would look like if there were no adjustments to curtail water use or shift operations at the two reservoirs.

Under that scenario, Lake Powell's level would fall to the point where Glen Canyon Dam would no longer be able to generate hydropower by the middle of 2023 and would stay below that level through 2026. Meanwhile, Lake Mead's surface would drop nearly another 100 feet and fall below 950 feet elevation, the last point in which Hoover Dam can generate electricity, as early as April of 2025.

If Reclamation were to hold back water in Lake Powell in order to protect its hydropower generation capabilities rather than releasing it downstream, Lake Mead would fall even further and more quickly, with Hoover Dam losing its ability to generate power by 2024 and Lake Mead hitting its "dead pool" point of 895 feet in elevation or the point where water could no longer pass downstream through the dam in 2025.

"These conditions pose unacceptable risks to the operations of Glen Canyon and Hoover dams. And so a modified operating guideline needed to be developed," said Genevieve Johnson, who is overseeing the supplemental environmental impact study process that the agency started in late October.

Dan Bunk, chief of the Bureau of Reclamation's Boulder Canyon Operations Office, noted that the Colorado River's flows during the past 23 years are the lowest the system has seen in the past 120 years, and one of the lowest flow periods in more than 1,200 years.

In the past five years alone, just one year saw above-average flows in the river system. The other four years ranged from 37 to 63 percent of average flows, which he said made it one of the driest five-year periods on record.

There's not much hope for help from Mother Nature on the horizon, either. The coming winter is forecasted to be another La Niña winter, with the National Weather Service predicting continued drought and low-flow conditions for the Colorado River system, Bunk said.

Reclamation is looking at possible scenarios where it would set specific elevations at the two reservoirs that it would protect, such as 3,500 feet at Lake Powell and 1,000 feet at Lake Mead, in order to maintain power generation. Doing that would require the bureau to mandate reductions by as much as 2 million acre-feet of water or more and adjusting downstream releases from the reservoir.

The bureau said it expects to have a draft of the impact study available for the public to review by next spring, and the final version published by late summer 2023.

Storm blankets Sierra Nevada in heavy snow, brings rain across California



Snow blankets the area around the Central Sierra Snow Lab in Soda Springs, Calif. (Central Sierra Snow Lab)

BY [IAN JAMES](#) STAFF WRITER

DEC. 11, 2022 7:34 PM PT

A storm blanketed the Sierra Nevada in heavy snow and soaked much of California with rain, bringing a wet start of winter weather after three years of record drought.

The storm brought [3 to 4 feet of fresh snow](#) in parts of the Sierra Nevada over the weekend.

From the San Francisco Bay Area to Southern California, between 1 inch and 4 inches of rain fell in many areas. Some parts of the hills and mountains received up to 7 inches of rain over two days, sending water [rushing in creeks](#).

The amount of rainfall varied widely across Southern California. Less than an inch of rain fell in downtown Los Angeles, while Pasadena recorded about 3.5 inches and Burbank saw 1.2 inches, according to the National Weather Service. More than [5 inches of rain](#) fell in parts of Ventura and Santa Barbara counties.

The storm brought a welcome boost to the state's severely depleted water supplies. The last three years have been California's [driest on record](#), and the state's reservoirs remain far [below average levels](#).

Meteorologists and climate scientists said although the storm brought a bit of much-needed relief, it's much too early to know whether this winter will begin to ease the drought.

"This is a great start to the winter, but it's unlikely that it will impact the drought," said Andrew Schwartz, lead scientist and manager of UC Berkeley's Central Sierra Snow Laboratory. "If we get to March or April and we're above average, then we can start to talk about impacts to the drought."

Last December, a record-breaking 17 feet and 10 inches of snow fell at the snow lab, but then the snow stopped, and the next three months were extremely dry.

The latest storm arrived over the weekend with strong, gusty winds and brought the biggest snowfall so far this fall.

The snow lab, in Soda Springs northwest of Lake Tahoe, recorded more than [4 feet](#) of snow over two days.

The blizzard reached its peak Saturday, with as much as [5 inches of snow](#) falling per hour.

In Truckee, scientist Neil Lareau awoke Sunday to see that about 15 inches of snow had come down on his deck overnight, [burying a yardstick](#) that he uses as a gauge. The accumulated snow was about 4 feet deep, transforming the landscape.

“It’s really fluffy, really beautiful snow,” Lareau said. “It’s a real winter wonderland out there at the moment.”

Lareau, an assistant professor of atmospheric science at the University of Nevada, Reno, had hoped to go to one of the local ski areas but said many of them were temporarily closed because of avalanche concerns and difficulties dealing with the snow. Instead, Lareau planned to head outside to play in the snow with his children.

California typically gets most of its precipitation between October and April, when storms sweep in from the Pacific with rain and snow.

“It’s always remarkable when we get these big storm cycles,” Lareau said. “We have this kind of boom or bust climate in the Sierra, where a tremendous amount of our water resources come in, in just a handful of storm systems every year. And this is one of those.”

The [snowpack across the Sierra Nevada](#) now measures 223% of average for this time of year.

“It’s a great boost to our water resources in the near term and, and hope that trend continues through the winter,” Lareau said. “But the spigot can turn off just like it did last year, and we’ll be right back in the same spot.”

State water officials have said they are taking a cautious approach in case next year ends up being a fourth dry year. The Department of Water Resources announced this month that water agencies should prepare to get by with as little as [5% of their full allocations](#) from the State Water Project, which transports water through aqueducts from the Sacramento-San Joaquin River Delta to farmlands and cities to the south.

The Colorado River, another major water source for Southern California, is in a [severe shortage](#) after 23 years of extreme drought compounded by the effects of global heating. And managers of Southern

California water districts have been discussing plans for substantial cutbacks next year, which are expected to bring [new drought restrictions in cities](#) as well as [water reductions in farming areas](#). The rain and snow are expected to pass by Monday, giving way to drier weather.

Forecasters with the National Weather Service have said that with a La Niña pattern in the Pacific expected to persist through a [third consecutive winter](#), the next few months could bring below-average precipitation in much of California and the Southwest.

“It’s somewhat of a weak La Niña, so it may not directly correlate to drier than normal weather,” said Joe Sirard, a National Weather Service meteorologist in Oxnard.

“The severe dryness across California can’t last forever,” Sirard said. “Hopefully this will be a start of a wet pattern this winter. We’ll see.”

After the rains, people shared videos of swollen, muddy rivers in places across the state, from the [Salinas River](#) near Paso Robles to the [San Lorenzo River](#) in the Santa Cruz Mountains.

The extreme drought over the last three years has taken a major toll on ecosystems, shrinking the flows in streams and leaving warmer waters, which [threaten endangered salmon](#) and other fish.

Pablo Ortiz Partida said he felt happy seeing the rain while driving the wet streets in the San Joaquin Valley.

“These rains were most welcome, and on a personal level, they warm my heart,” said Ortiz, a senior climate and water scientist for the Union of Concerned Scientists.

“Basically, these rains put us on track for average precipitation for this time of the year. There is, of course, a long way to recover from the previous years of drought,” Ortiz said.

He said it’s important to remember that climate change, in addition to intensifying the current drought for years, has also brought extreme heat over the last year that left the soils and vegetation parched. This heat-driven drying, he said, has meant that when the snow and rain come, more is absorbed into the dry land, and “we often don’t see much of that water going into our streams, rivers, lakes and reservoirs.”

Although the latest rain and snow help, the state will need much more, Ortiz said.

In addition to the low levels of California’s reservoirs, the drought has led farmers to rely more heavily on pumping groundwater in the Central Valley, worsening long-term [declines in water levels](#).

This year, a record number of dry household wells have been reported to the state. Many of the [nearly 1,400 wells](#) dried up in farming areas in the Central Valley. Residents have been left relying on bottled water and deliveries from trucks to fill household tanks while they wait for solutions, such as a new well or a connection to pipes from a nearby community.

“For me, the drought in California will end when we stop seeing wells in communities and private wells going dry,” Ortiz said.

Senators urge Agriculture secretary to help Western states in '22-year mega-drought'

BY [ALEXANDER BOLTON](#) - 12/07/22 5:00 AM ET



President Joe Biden listens as Agriculture Secretary Tom Vilsack speaks during a visit to O'Connor Farms, Wednesday, May 11, 2022, in Kankakee, Ill. Biden visited the farm to discuss food supply and prices as a result of Putin's invasion of Ukraine. (AP Photo/Andrew Harnik)

Sen. [Michael Bennet](#) (D-Colo.) is leading a letter signed by 14 other senators urging Agriculture Secretary [Tom Vilsack](#) to help Western states survive what they are calling a "22-year mega-drought" that is threatening farms and ranches across the West.

"The American West is in crisis. Across the major basins of the American West ... farm and ranch families hang in the balance as they grapple with a 22-year mega-drought," they warned. "The acute shortage of water for Western growers threatens productive farmland across our states, which are both a pillar of our rural economies and drivers of America's food production."

The letter is the latest sign of growing economic pressure posed by the changing climate and the competition for federal money to help communities across the country cope with severe weather.

A study by UCLA published in the journal *Nature Climate Change* earlier this year reported the American West is suffering its most severe drought in 1,200 years.

Two major reservoirs, Lake Mead and Lake Powell, are at their lowest levels on record.

The senators want the Department of Agriculture to use its authority to help Western farmers and ranchers conserve water, improve their water infrastructure and protect lands plagued by drought.

They say improved water conservation, cover crops that slow erosion and improve soil health, will help farmland store more carbon from the atmosphere, which could help mitigate climate change.

The letter's signatories include Sens. Mitt Romney (R-Utah), Kyrsten Sinema (D-Ariz.), Martin Heinrich (D-N.M.), Mike Lee (R-Utah), John Hickenlooper (D-Colo.), Mark Kelly (D-Ariz.), Ben Ray Lujan (D-N.M.), Dianne Feinstein (D-Calif.), Ron Wyden (D-Ore.), Jeff Merkley (D-Ore.), Jacky Rosen (D-Nev.), Catherine Cortez Masto (D-Nev.), Alex Padilla (D-Calif.) and Patty Murray (D-Wash).

The senators argue that many existing Department of Agriculture programs "do not translate well to the needs of Western agriculture" and want the department to promote projects to help basins such as Colorado River Basin, the Rio Grande Basin, the Sacramento-San Joaquin River Basin and the Columbia River Basin.

"As you know, American farmers and ranchers manage over 895 million acres of ground in the United States, giving them a vital role in combating climate change risks while continuing to feed America," the senators wrote.

They said the \$20 billion Congress recently provided for agriculture conservation programs should be allocated "equally across the country to reflect the contribution of every region, including the West."

They urged Vilsack to address the understaffing of Agriculture Department field offices and to prioritize hiring more staff with expertise in West agricultural production.

Source: <https://thehill.com/homenews/senate/3764373-senators-urge-agriculture-secretary-to-help-western-states-in-22-year-mega-drought/>

Storm makes it likely more potential drinking water will have to be released from Lake Hodges



By: [Jeff Lasky](#)

Posted at 5:54 PM, Dec 12, 2022 and last updated 7:21 PM, Dec 12, 2022

SAN DIEGO (KGTV) — While rain is usually a very welcome sight for officials who oversee the City of San Diego's drinking water supply, Monday's storm will, at least in part, not provide its usual benefits.

That's because the Lake Hodges Dam is in such bad shape, it's not capable of holding its regular supply of water, meaning much of the runoff from this storm may have to be released.

“It’s not ideal to have to do this release when you’re talking about conservation and use of this water because it’s a precious commodity,” said Lisa Celaya of the city's Public Utilities Department.

Lake Hodges Dam, built in 1919, is currently undergoing millions of dollars in repairs after several issues were discovered earlier this year. For safety purposes, state regulators mandated that San Diego lower the water level in the reservoir to 275 feet, about 18 feet below normal. That meant shutting down the lake's summer recreation season early, with no 2023 opening date yet known.

The rainy season's first storms, which were smaller than Monday's, still lifted the level enough that water had to be released into the San Dieguito River in November. Celaya told ABC 10News there is a good chance this storm will also trigger a water release.

Professor Zhi-Yong Yin, an expert in water issues at the University of San Diego, says it is a disappointment that so much potential drinking water will have to go to waste. "It's free, right? So the main thing is if we don't keep the water, of course, we're going to lose it to the ocean," he said.

While Yin points out that reservoirs only provide around 10% of San Diego's drinking water, the rising cost and increasingly limited supply of water from Northern California and the Colorado River make using rain even more important.

"We're in the middle of a drought, so we really want to keep any available water to us as much as possible," Yin said.

Celaya says plans are being drawn up to replace the Lake Hodges dam, but that will likely take at least a decade to come to fruition. In the meantime, they have no choice but to keep repairing the current dam and follow state safety regulations.

"This will be an ongoing issue with any rainfall until the point in time where we replace this dam...we're trying to minimize any impact and ensure that we do keep whatever water we can in our system to be the most effective," she said.

San Diego has nine reservoirs. The dams at four of them are now rated by the state as "poor condition": Lake Hodges, Lake Murray, El Capitan, and Lake Morena. Estimates to complete the projects to rectify the issues suggest the cost could be \$1 billion.

Source: <https://www.10news.com/news/local-news/storm-makes-it-likely-more-potential-drinking-water-will-have-to-be-released-from-lake-hodges>

La Jolla Hermosa Park storm drain is repaired after years of flooding and erosion



La Jolla Hermosa Park is a coastal overlook in Bird Rock with seating areas.
(Ashley Mackin-Solomon)

BY **ASHLEY MACKIN-SOLOMON**

DEC. 11, 2022 9 AM PT

Like a dripping faucet — or in this case, a blocked storm drain — problems at La Jolla Hermosa Park have been steady and irritating to neighbors. In recent years, flooding and worsening erosion of the bluff edge have limited access and caused damage due to a blocked storm drain that caused water to run off into other areas of the park.

But more recently, crews from the city of San Diego have been making repairs to the storm drain so it flows properly and the park can be entirely reopened to users. Work included clearing and trimming encroaching vegetation and removing sediment and a “significant amount of debris in and along the channel” and near the southwest corner of the park, according to area resident Barbara Dunbar, who filed a report almost two years ago alerting the city to the problems. Work was completed Dec. 2.



San Diego city crews work on repairs to a storm drain at La Jolla Hermosa Park in Bird Rock. (San Diego Stormwater Department)

The quarter-acre park on Chelsea Avenue in Bird Rock overlooks the ocean with benches and a small table.

A report submitted by Dunbar and shared at the La Jolla Parks & Beaches meeting Dec. 5 said the problems started when water from two Chelsea Avenue storm drains was diverted from the blocked drain, which resulted in extensive damage to the southwest corner of the park and the bluff edge and near the drainage culvert.

“The big issues are that the storm drain is obstructed and the retaining wall that kept the dirt out of the storm drain is catawampus [awry] ... so any water that comes into the storm drain goes into the park and there is that big crevasse,” Dunbar said in summer 2021. “The viewing bench was removed because it was in jeopardy of falling in. The safety of the bottom section and the storm drain are important. We’re lucky it was a dry season.”

At the time, Steve Hadley, representing the office of City Councilman Joe LaCava, whose District 1 includes La Jolla, said the city was committed to fixing the storm drain.

In speaking with the *La Jolla Light* this month, LaCava called the repairs “one of those classic situations where the storm drain outlets near a coastal bluff ... had not been maintained” and needed to be addressed before the problem got bigger.

While it seemed like an easy fix at first, “cases like this have happened up and down the coast when maintenance work gets put off and put off and it becomes a major project,” LaCava said. “Every time it rains, you run the risk of it getting worse and worse.”

Once crews got onsite, they realized the extent of the damage to the park “along with the damage to the coastal bluff, which is extremely vulnerable,” LaCava said. “We were concerned at multiple levels. Storm drain facilities had lost its usefulness, and the challenges, besides the city backlog, is when you work around the coastal bluff, we want to be careful in terms of repair work. So the initial idea was to clean it out. But we found there was some damage and it wasn’t a cleanup job. It triggered a coastal development permit.”

The good news, he said, is that once the permit was in hand, the work could be carried out by the city's Stormwater Department, which expedited the process.



Crews work to reduce flooding and erosion at the edge of La Jolla Hermosa Park.
(San Diego Stormwater Department)

The resulting clearance and maintenance “should substantially reduce potential flooding and bluff erosion at that location and the adjacent park,” Dunbar said in her report this month. “The culvert appeared to function properly during recent rains. Additional cleanup, repair work and erosion control within the park has been performed by [city] parks and recreation staff.”

“Repair of the stairway access to the southwest corner viewing area remains to be completed, as does return of the viewing bench,” Dunbar stated.

She said the Bird Rock Community Council, of which she is a member, “is grateful for the work performed by the stormwater team. The neighbors near the project deserve thanks for their patience and understanding, as there were days when large equipment blocked access to Chelsea Avenue.”

Going forward, she said, “it is anticipated that the recently repaired terrace portion of the park will need landscaping or protective covering for erosion control.”



Workers complete storm drain repairs at the edge of La Jolla Hermosa Park.
(San Diego Stormwater Department)

An evaluation of San Diego city park amenities in October 2021 included La Jolla Hermosa Park. The report looked at playgrounds, parking lots, playing fields and courts, furnishings, landscaping, pedestrian paving and other features.

Each park was given a [Park Condition Index](#), or PCI, determined by a mathematical equation that factored in the costs of needed repairs and replacements. The lower the PCI, the better. The 14 parks rated in La Jolla had an average PCI of 9, considered “good.” La Jolla Hermosa Park had a score of 24.

This summer, the La Jolla Community Planning Association, La Jolla Shores Association, Bird Rock Community Council and La Jolla Parks & Beaches came together to produce a list of [capital improvement projects](#) they would like the city to implement in the coming year.

Revitalizing La Jolla Hermosa Park was No. 4 on the seven-item list, which was finalized at the LJCPA meeting Sept. 1 and submitted to the city for consideration based on priorities and funding availability. At the top of the list was widening and rebuilding the sidewalk in Scripps Park adjacent to Coast Boulevard. ♦

Source: <https://www.lajollalight.com/news/story/2022-12-11/la-jolla-hermosa-park-storm-drain-is-repaired-after-years-of-flooding-and-erosion>

**FACILITIES DEVELOPMENT & OPERATIONS COMMITTEE
MEETING AND SPECIAL BOARD OF DIRECTORS MEETING
OF PADRE DAM MUNICIPAL WATER DISTRICT**

MINUTES

MEETING DATE: November 28, 2022 **TIME:** 4:00 PM

LOCATION: Customer Service Center, Board Room and Videoconference

BOARD MEMBERS PRESENT: Directors Pommering (Chair) and Till, Committee Members; Directors Caires, Qualin (joined via zoom at 4:04 pm) and Wilson

STAFF MEMBERS PRESENT: Kyle Swanson, CEO/General Manager; Paul Clarke, Director of Operations and Water Quality; Jeff Moneda, Director of Engineering; Mark Niemiec, Director of AWP; Rob Northcote, Plant Manager; Michael Hindle, Engineering Manager; Jimmy Vargas, Operations Manager; Lewis Clapp, Engineering Manager

- **CALL TO ORDER**

Director Pommering called the meeting to order at 4:00 PM and explained as a result of the COVID-19 State of Emergency the meeting is being held at the appointed meeting place, the Board Room at the District's Customer Service Center and by videoconference pursuant to recent amendments to the Brown Act permitting virtual meetings and waiving certain teleconference requirements under certain circumstances. Notice for the public to participate electronically and instructions for live public comments and written comments were included on today's agenda and posted on the District's website.

Upon call to order, a quorum of the Board was present; however, the meeting was conducted as a Committee meeting, at which only Committee Members may participate in any votes taken.

- **OPPORTUNITY FOR PUBLIC COMMENT**

There were no public comments.

- **ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA**

None

- **ACTION AGENDA**

Items on the Action Agenda call for discussion and action by the Board Committee. All items are placed on the Agenda so that the Board Committee may discuss and take action to refer to the full Board for consideration at a future Board Meeting if the Board Committee is so inclined.

Note: Director Qualin joined via zoom at 4:04 pm

1. **CAPACITY STUDY AND CAPACITY FEE UPDATE (JN 221001)**

Lewis Clapp, Engineering Manager, introduced Jennifer Ivey from Carollo Engineers as the consultant hired to assist in the Capacity Fee Study and Update.

Ms. Ivey discussed the capacity fee study's three key challenges of calculating system capacity and value, defining an Equivalent Dwelling Unit (EDU), and communicating with and getting buy-in from stakeholders. Additionally, she defined the three primary methodologies of buy-in, incremental/expansion, and the recommended combined/hybrid strategy, noting the previous study calculated infrastructure costs by existing and projected future demand whereas the new recommendation would calculate costs using system capacity. She reviewed two different approaches used to develop the fees, the Land Use Approach and Meter Size Approach, and provided graphs with examples of water and sewer capacity fees for each meter size and EDU ratio along with associated gravity, pumping and the City of San Diego's Metropolitan Sewerage System (Metro) fees that are passed through to customers. Additionally, she stated after analysis and discussions with staff, a base meter size of 5/8" was established and both the 5/8" and 3/4" meter size were set at 1 EDU which will allow for grandfathered 5/8" connections to be replaced with 3/4" meters with no additional fee as well as existing connections retaining the number of EDUs purchased when they connected, regardless of meter size. In closing, she provided a comparison of existing and proposed water and sewer capacity fees between the District and neighboring agencies.

Lewis Clapp discussed the next steps of the Capacity Fee Study are to facilitate an informational meeting for the public on December 8, 2022 and hold a public hearing to adopt the new capacity fees at the Regular Board of Director's Meeting scheduled for December 21, 2022.

Responding to Director's questions, Ms. Ivey clarified that capacity is defined as the maximum amount of water or sewer that can be handled by the meter at its maximum one-time demand rather than overall usage over a period of time.

Following a discussion regarding the drastic drop in the proposed water and sewer capacity fees compared to the current fees, the Board requested staff bring the Capacity Fee Study to a future committee meeting with more detailed Capacity Fee rate calculations and the impact, if any, to the customer's water rates.

- **REPORTS**

The following items are reports and are placed on the Agenda to provide information to the Board Committee and the public. There is no action called for on these items. The Board Committee may engage in discussion upon which a specific subject matter is identified but may not take any action other than to place the matter on a future agenda.

2. PIPELINE CONDITION ASSESSMENT PROJECT (JN 218034)

Adelina Sanchez, Engineer, provided an introduction on the Pipeline Condition Assessment Project (Project), milestones achieved since the contract was awarded by the Board to HDR Engineering, Inc. (HDR) in July 2019, and introduced Eric Scherch from HDR to discuss the findings.

Mr. Scherch defined each assessment approach and outlined how HDR used the lower cost methods of desktop assessment and indirect assessment in order to identify areas that will require the higher cost assessments of direct assessment and replacement and repairs noting that the higher cost assessments can cost two to twenty times more than the lower cost assessments. He provided an

overview of the assessments completed which includes 26.5 miles of pipe including the District's "back-bone" transmission system and stated the outcome of the assessment has allowed the District to fix the right pipes at the right time using the condition based approach rather than age based, saving the District approximately \$16 million per year in pipeline replacement. He summarized key findings of the assessment to include: no severely corrosive soils were found, thin-wall steel cylinder transmission main break rates are four times greater than other transmission mains and two times greater than distribution mains, asbestos cement pipelines tested are in moderate or good condition with many years of remaining useful life, and satellite leak detection identified very few leaks on District services but 22 leaks on customer properties. In closing, he reviewed the study recommendations are for the District to focus on thin-wall pipelines for further assessment and repair, external corrosion direct assessments and 23,000 linear feet of additional indirect corrosion assessment, transmissions under SR-67 and I-8 highways and Arnold Way and Alpine Blvd are higher risk, use opportunistic assessments of pipe condition when trenches are open for main break repairs and valve replacements, and District priorities should be completing the ESA Looping project and relocate pipelines under I-8.

Ms. Sanchez closed with final staff recommendations for fiscal years (FY) 22/23 to FY 26/27 are to install two valves on Arnold Way to improve operational flexibility and reduce consequence of failure and replace pipelines under I-8 which the District has already begun designing. Additionally, she outlined staff recommendations for FY 27/28 to FY 31/32 which include replacing thin-wall steel cylinder transmission mains that have broken more than once on Arnold Way and West Victoria Drive as well as relocate pipeline under SR 67.

Responding to Director's questions, Ms. Sanchez stated staff is working with Customer Service to notify customers with leaks detected on their property in need of repair and clarified that District savings of \$16 million per year is due to pinpointing high risk areas of replacement rather than replacing pipes solely based on age that are still in good condition.

Michael Hindle, Engineering Manager, added that using the high-risk replacement method gives the District a better understanding of the health of the pipes and how it changes over time and allows for extending service life of pipes which saves the District money.

Responding to Director Till, Mr. Scherch clarified that results for data samples collected during main break repairs and valve replacements could take weeks so trenches need to be closed up as soon as repairs are complete in order to restore services to customers.

Informational report only; no action required.

3. DEVELOPMENT UPDATE

Lewis Clapp, Engineering Manager, highlighted projects in the preliminary, active, and complete/near complete phases for each division within the District.

A short discussion followed regarding how private utilities will work for the new Carlton Oaks Golf Course development with Mr. Clapp clarifying that due to street size and footprint of the development, a

master meter will be used and a secondary utility entity will be responsible for billing residents and forwarding payments to the District for services received.

Informational report only; no action required.

4. INFORMATIONAL REPORTS

The following reports were noted and filed:

- A. Quarterly Capital Improvement Program (CIP) Projects Budget Update
- B. East County AWP Executive Overview Report

● **DIRECTORS COMMENTS**

Directors' comments are to be related to District business which may be of interest to the Board. They are placed on the agenda to enable individual Board Members to convey information to the Board and the Public. There is to be no discussion or action taken on comments made by Board Members.

Director Till extended gratitude for Director Wilson's financial expertise and for all she has learned from him while she has served on the Board.

Director Wilson provided an additional comment regarding the Capacity Fee Study and shared an equation that staff could use to better understand the drastic price change in the capacity fees.

Director Pommering recommended staff bring back the Capacity Fee Study to the committee sooner rather than later to avoid any disruption in developers filing fees. He thanked Director Wilson for his service to the District.

● **FUTURE AGENDA ITEMS**

Additional information for the Capacity Fee Study as directed earlier on Agenda Item 1.

● **ADJOURNMENT**

The meeting adjourned at 5:28 pm.

Casey Price, Administrative Assistant
Name, Title