

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS:

Chair:

Mayor Ron Kott
City of Rio Vista

Vice Chair:

Director Dale Crossley
Reclamation District No. 2068

Mayor Steve Young
City of Benicia

Mayor Steve Bird
City of Dixon

Mayor Harry Price
City of Fairfield

Director Ryan Mahoney
Maine Prairie Water District

Supervisor Erin Hannigan
Solano County District 1

Supervisor Monica Brown
Solano County District 2

Supervisor Jim Spring
Solano County District 3

Supervisor John Vasquez
Solano County District 4

Supervisor Mitch Mashburn
Solano County District 5

Director J.D. Kluge
Solano Irrigation District

Mayor Lori Wilson
City of Suisun City

Mayor Ron Rowlett
City of Vacaville

Mayor Robert McConnell
City of Vallejo

GENERAL MANAGER:

Roland Sanford
Solano County Water Agency

BOARD OF DIRECTORS MEETING

DATE: Thursday, January 14, 2021

TIME: 6:30 P.M.

PLACE: Virtual Meeting – Zoom Meeting

Join Zoom Meeting:

<https://us02web.zoom.us/j/88013117550?pwd=S3RNa0FGdWhTMW5LSDBpbHJXMk53Zz09>

Meeting ID: 880 1311 7550 Passcode: 194424

One tap mobile+16699009128,,88013117550#,,,,*194424# US (San Jose)

Find your local number: <https://us02web.zoom.us/j/88013117550?pwd=S3RNa0FGdWhTMW5LSDBpbHJXMk53Zz09>

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

If you wish to make a Public Comment, please contact the Secretary at:

cleee@scwa2.com to expedite the process, thank you. Public Comments may still be made during the virtual meeting without prior notice.

5. ELECTION OF OFFICERS AND APPOINTMENT OF EXECUTIVE COMMITTEE FOR 2021 (estimated time: 10 minutes)

6. CONSENT ITEMS (estimated time: 5 minutes)

(A) Minutes: Approval of the Minutes of the Board of Directors meeting of December 10, 2020.

(B) Expenditure Approvals: Approval of the December 2020 checking account register.

(C) Quarterly Financial Reports: Approve the Income Statement and Balance Sheet of December 2020.



7. **BOARD MEMBER REPORTS** *(estimated time: 5 minutes)*

RECOMMENDATIONS: For information only.

8. **GENERAL MANAGER'S REPORT** *(estimated time: 5 minutes)*

RECOMMENDATIONS: For information only.

9. **SOLANO WATER ADVISORY COMMISSION REPORT** *(estimated time: 5 minutes)*

RECOMMENDATIONS: For information only.

10. **APPOINTMENT OF LEGISLATIVE AND WATER POLICY COMMITTEES FOR 2021** *(estimated time: 10 minutes)*

RECOMMENDATIONS: Appoint Legislative and Water Policy committees and adopt respective meeting calendars for 2021.

11. **APPOINTMENT OF WORKFORCE STUDY COMMITTEE MEMBER** *(estimated time: 10 minutes)*

RECOMMENDATIONS: Appoint Board member to Workforce Study Committee

12. **STATE WATER PROJECT CONTRACT AMENDMENT 22 (WATER MANAGEMENT TOOLS)** *(estimated time: 15 minutes)*

RECOMMENDATIONS:

1. Make findings and statements of overriding considerations as a responsible agency under the California Environmental Quality Act for the Final Environmental Impact Report for the State Water Project Supply Contract Amendments for Water Management, by adopting the CEQA Findings of Fact and Statement of Overriding Considerations for the State Water Project Water Supply Contract Amendments for Water Management prepared by DWR as the Agency's own; and
2. Authorize General Manager to execute Amendment 22 to the Water Agency's Long Term Water Supply Contract with the Department of Water Resources to supplement and clarify water management tools regarding transfers and exchanges of SWP water.

13. **SACKETT RANCH PARTNERSHIP WITH SOLANO COUNTY** *(estimated time: 20 minutes)*

RECOMMENDATIONS: Hear report and provide direction to staff.

14. **LEGISLATIVE UPDATES** *(estimated time: 10 minutes)*

RECOMMENDATIONS:

1. Hear report from Committee Chair on activities of the SCWA Legislative Committee.

2. Hear report from Bob Reeb of Reeb Government Relations, LLC.

15. WATER POLICY UPDATES (estimated time: 5 minutes)

RECOMMENDATIONS:

1. Hear report from staff on current and emerging Delta and Water Policy issues and provide direction.
2. Hear status report from Committee Chair on activities of the SCWA Water Policy Committee.
3. Hear report on activities of the Delta Counties Coalition, Delta Protection Commission, and Delta Conservancy.
4. Hear report from staff on activities of the North Bay Watershed Association (see <https://www.nbwatershed.org> for additional information).

16. TIME AND PLACE OF NEXT MEETING

Thursday, February 11, 2021 at 6:30 p.m. at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at www.scwa2.com.

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

SOLANO COUNTY WATER AGENCY

MEMORANDUM



Action Item No. 2021-##
Agenda Item No. 5

TO: Board of Directors

FROM: Roland Sanford, General Manager

DATE: January 6, 2021

SUBJECT: Elections of Officers and Appointment of Executive Committee for 2021

At the January Board of Directors meeting the Board will elect a Chair and Vice Chair for the 2021 calendar year. The Chair and Vice Chair for 2020 were Mayor Kott and Director Crossley, respectively. Past practice has been that the Chair and Vice Chair positions rotate among the three general Board member categories; County Board of Supervisors, Mayors, and Agricultural District Directors. If past practice follows, in 2021 an Agricultural District Director would be the Chair and a County Supervisor Vice Chair.

The Executive Committee is appointed by the newly elected Chair. The Executive Committee reviews the Board Agenda prior to Board meetings with the General Manager and handles other tasks as requested by the Board of Directors, such as reviewing the Agency's proposed budget. The Executive Committee is made up of the Chair, Vice-Chair, and three other Board members – a Mayor, a County Supervisor, and an Agricultural District Director. The 2020 Executive Committee members were as follows:

2020 Executive Committee

Chairman, Mayor Kott
Vice Chairman, Director Crossley
Mayor Elizabeth Patterson
Supervisor Skip Thomson
Ag District Director Lance Porter

810 Vaca Valley Parkway, Suite 203
Vacaville, CA 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



If past practice is followed the 2021 Executive Committee would be comprised of:

2021 Executive Committee
Chair – Ag District Director
Vice Chair – County Supervisor
County Supervisor
Ag District Director
Mayor

If you have any questions, please contact me at 455-1103.

Past SCWA Executive Committees

2020

Mayor Ron Kott, Chair
Director Crossley, Vice Chair
Mayor Elizabeth Patterson
Supervisor Skip Thomson
Director Lance Porter

2019

Supervisor Skip Thomson, Chair
Mayor Ron Kott, Vice Chair
Mayor Elizabeth Patterson
Supervisor Jim Spering
Director John Kluge

2018

Director John Kluge, Chair
Supervisor Skip Thomson, Vice Chair
Mayor Pete Sanchez
Supervisor Jim Spering
Director Ryan Mahoney

2017

Mayor Pete Sanchez, Chair
Director John Kluge, Vice Chair
Mayor Norman Richardson
Supervisor Skip Thomson
Director Ryan Mahoney

2016

Supervisor Erin Hannigan, Chair
Mayor Pete Sanchez, Vice Chair
Mayor Jack Batchelor
Supervisor Jim Spering
Director John Kluge

2015

Director Dale Crossley, Chair
Supervisor Erin Hannigan, Vice Chair
Mayor Jack Batchelor
Supervisor Jim Spering
Mayor Harry Price

2014

Mayor Harry Price, Chair
Director Dale Crossley, Vice Chair
Mayor Jack Batchelor
Supervisor Jim Spering
Supervisor Erin Hannigan

2013

Supervisor Jim Spering, Chair
Mayor Harry Price, Vice Chair
Mayor Jack Batchelor
Director Dale Crossley
Supervisor Erin Hannigan

CONSENT ITEMS

**SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: December 10, 2020**

The Solano County Water Agency Board of Directors met this evening via Zoom teleconferencing, in deference to the ongoing State and County COVID-19 “shelter in place” directives. Present were:

Vice-Mayor Mayor Campbell, City of Benicia
Vice-Mayor Scott Pederson, City of Dixon
Mayor Harry Price, City of Fairfield
Mayor Ronald Kott, City of Rio Vista
Mayor Lori Wilson, City of Suisun City
Mayor Ron Rowlett, City of Vacaville
Director Robert McConnell, City of Vallejo
Supervisor Erin Hannigan, Solano County District 1
Supervisor Monica Brown, Solano County District 2
Supervisor Jim Spering, Solano County District 3
Supervisor John Vasquez, Solano County District 4
Supervisor Skip Thomson, Solano County District 5
Director Dale Crossley, Reclamation District No. 2068
Director J.D. Kluge, Solano Irrigation District

CALL TO ORDER

The meeting was called to order by Chair Kott at 6:30 pm.

APPROVAL OF AGENDA

On a motion by Mayor Price and a second by Vice-Mayor Pederson the Board unanimously approved – by roll call vote - the agenda.

PUBLIC COMMENT

There were no public comments.

CONSENT ITEMS

On a motion by Vice Mayor Pederson and a second by Director Crossley the Board unanimously approved – by roll call vote - the following consent items:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Purchase of Automation Control Boxes

BOARD MEMBER REPORTS

Vice-Mayor Pederson announced that this would be his last Board meeting as the newly elected Mayor of Dixon, Steve Bird, will be representing the City at the Agency Board meetings.

Supervisor Vasquez made a request to the Board to place Sackett Ranch on the agenda for discussion at the January Board meeting to give direction to staff.

Mayor Sampayan announced that this would be his last Board meeting as the newly elected Mayor of Vallejo, Robert McConnell, will be representing the City at the Agency Board meetings.

Supervisor Thomson announced that this would be his last Board meeting as the newly elected Supervisor, Mitch Mashburn, will be representing Solano County District 5 at the Agency Board meetings.

The Board thanked all of the departing Directors for their service on the Agency’s Board of Directors.

Director Kluge announced that Solano Irrigation District has a new Director, Charles Herich.

GENERAL MANAGER’S REPORT

There were no additions to the General Manager’s written report.

Vice-Mayor Campbell joined the meeting at this time.

SOLANO WATER ADVISORY COMMISSION

Kyle Ochendusko, Deputy Public Work Director, City of Benicia, read resolution 2020-09, honoring former Solano Water Advisory Commission Chair Felix Risenberg upon his retirement from the City of Fairfield.

WHEREAS, Felix served as chair of the Solano Water Advisory Commission for nine years, from January 2011 to December 2020 and for four years as the Solano Water Advisory Commission’s representative on the Solano County Water Agency Board of Directors Legislative Committee, from January 2017 to December 2020; and

WHEREAS, Felix’s leadership and extensive knowledge of municipal water operations has been invaluable, particularly as Solano County navigated through recent droughts and floods; and

WHEREAS, Felix has always been more than willing to share his knowledge with others and mentor technical staff and policy makers; and

WHEREAS, Felix will be retiring from the City of Fairfield at the close of 2020, where he served with distinction as the Assistant Director of Public Works/Utilities for ten years; and

WHEREAS, Felix’s new regulatory restrictions particularly those implemented by the State Water Resources, will be missed.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Solano County Water Agency and members of the Solano Water Advisory Commission extend their deep appreciation to Felix Risenberg for his service to the Solano County Water Agency and the people of Solano County, and wish him well in retirement and his future endeavors.

On a motion by Mayor Price and a second by Supervisor Vasquez the Board unanimously approved – by roll call vote –Resolution 2020-09.

2021 LEGISLATIVE PLATFORM

Mayor Kott stated that the Legislative Committee met last week and compiled the proposed 2021 Legislative Platform included in the Board packet, and noted the proposed 2021 Legislative Platform was very similar to the 2020 Legislative Platform.

General Manager Sanford explained that in addition to articulating the Water Agency’s priority issues and policies to legislators and other interested parties, the proposed 2021 Legislative Platform provides a mechanism that allows for timely responses to requests for letters of support or opposition – as long as the issue at hand is addressed in the adopted 2021 Legislative Platform.

On a motion by Supervisor Hannigan and a second by Supervisor Thomson the Board unanimously approved – by roll call vote:

1. Adoption of the 2021 Legislative Platform.
2. Authorization for the Legislative Committee Chair to sign and submit letters of support or opposition to pending Federal, State and local legislation or proposed policy guidelines that pertain to the priority issues and policy positions identified in the 2021 Legislative Platform.
3. Authorization for the General Manager to sign and submit letters of support or opposition to pending Federal, State and local legislation or proposed policy guidelines that pertain to the priority issues and policy positions identified in the 2021 Legislative Platform, with the stipulation that the Legislative Committee Chair be given the opportunity to review all letters of support or opposition before release by the General Manager.
4. Direction to the General Manager to provide all Board members with copies of all letters of support or opposition within 24-hours of their submission/public release.

TEMPORARY MODIFICATION OF EMPLOYEE VACATION ACCRUAL POLICY

General Manager Roland Sanford began the discussion with a correction to the staff recommendation. He explained that once accrued, vacation time cannot be forfeited, and therefore the first recommendation should read, “Suspend 320-hour maximum vacation accrual limit through December 31, 2021” and the remainder of the sentence, “ ... with the caveat that on January 1, 2022 any remaining accrued vacation hours in excess of 320 hours would be forfeited by the employee” be deleted.

Mr. Sanford explained that the Water Agency currently allows employees to accrue a maximum of 320 hours of vacation leave time, and that due to the increased workload associated with the LNU Lightning Complex Fire, coupled with the COVID-19 pandemic, employees have taken less vacation time than typical. He noted that there are several employees who are approaching the 320-hour vacation accrual threshold and explained that staff is proposing a temporary modification of the existing vacation accrual policy to give employees an opportunity to reduce their accumulated vacation time without penalty and with minimal disruption of Water Agency activities.

After discussion, the Board concluded that additional information was needed regarding the financial impact of staff proposal, and recommended an enterprise fund be established specifically for the payout of employee accrued vacation time. The agenda item was subsequently tabled for discussion at the January Board meeting.

LEGISLATIVE UPDATES

The Water Agency’s Legislative Advocate, Rob Reeb, provided an update on the forthcoming 2021-2022 legislative session. He reported that Legislators will be on break from December 18 through January 4, and that as of last week 200 legislative bills have been introduced for the 2021-2022 legislative session.

Mr. Reeb reported that he is working in conjunction with Water Agency staff to advocate for the North Bay Aqueduct Alternate Intake Project and funding for the Solano Habitat Conservation Plan, as well as other items included in the Water Agency 2021-2022 Legislative Platform.

WATER POLICY UPDATES

- 1. Staff had nothing to report on emerging Delta and Water Policy issues.
- 2. The Water Policy Committee did not meet last month.
- 3. Supervisor Thomson had nothing to report on activities of the Delta Counties Coalition, Delta Protection Commission, and Delta Conservancy.
- 4. There were no additions to the notes of the North Bay Watershed Association meeting in the Board packet.

TIME AND PLACE OF NEXT MEETING

Thursday, January 14, 2020 at 6:30 p.m., at the SCWA offices in Vacaville.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 7:31 p.m.

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021
SUBJECT: Expenditures Approval

RECOMMENDATIONS:


Approve expenditures from the Water Agency checking accounts for December 2020.

FINANCIAL IMPACT:

All expenditures are within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors approve all expenditures (in arrears). Attached is a summary of expenditures from the Water Agency’s checking accounts for December 2020. Additional backup information is available upon request.

Recommended: 
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Dec 1, 2020 to Dec 31, 2020

Filter Criteria includes: Report order is by Check Number. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/1/20	35420	2020SC 1020SC	Invoice: 228890 A & L WESTERN AGRICULTURAL LABS	72.00	72.00
12/1/20	35421	2020SC 1020SC	Invoice: 112020 BELIA MARTINEZ	800.00	800.00
12/1/20	35422	2020SC 1020SC	Invoice: 2944 AG INNOVATIONS	22,421.25	22,421.25
12/1/20	35423	2020SC 1020SC	Invoice: 3467172 AMERICAN TOWER CORPORATION	650.47	650.47
12/1/20	35424	2020SC 1020SC	Invoice: 20-1028 BARTEL ASSOCIATES, LLC	2,484.00	2,484.00
12/1/20	35425	2020SC 1020SC	Invoice: BA7169 BLANKINSHIP & ASSOCIATES, INC.	703.75	703.75
12/1/20	35426	2020SC 1020SC	Invoice: SD05004 BSK ASSOCIATES	240.00	240.00
12/1/20	35427	2020SC 1020SC	Invoice: 493026 CAPITAL RUBBER CO. LTD.	158.91	158.91
12/1/20	35428	2020SC 2020SC 1020SC	Invoice: 01504341 Invoice: 1545824 COUNTY OF YOLO	18.00 12.00	30.00
12/2/20	35428V	2020SC 2020SC 1020SC	Invoice: 01504341 Invoice: 1545824 COUNTY OF YOLO	30.00	18.00 12.00
12/1/20	35429	2020SC 1020SC	Invoice: 5256060-0001 CRESCO EQUIPMENT RENTAL	7,675.41	7,675.41
12/1/20	35430	2020SC 2020SC 2020SC 1020SC	Invoice: 20-026-T-DEC 2020 Invoice: 21-102-V-OCT 2020 Invoice: 20-024-O-DEC 2020 DEPARTMENT OF WATER RESOURCES	520,766.00 87,321.00 895.00	608,982.00
12/1/20	35431	2020SC 1020SC	Invoice: 133779 GRANICUS	220.50	220.50
12/1/20	35432	2020SC 1020SC	Invoice: COVID REIMB 11.20 NICOLLE HERR	148.99	148.99
12/1/20	35433	2020SC 1020SC	Invoice: CL70560 INTERSTATE OIL COMPANY	560.77	560.77
12/1/20	35434	2020SC 2020SC 2020SC 1020SC	Invoice: 4323 Invoice: 4310 Invoice: 4284 J.T. MARTIN	240.00 16,968.00 4,812.00	22,020.00
12/1/20	35435	2020SC 1020SC	Invoice: 64500354397 LES SCHWAB TIRE CENTER	112.99	112.99
12/1/20	35436	2020SC 1020SC	Invoice: 104899 LOCAL GOVERNMENT	2,363.64	2,363.64

SOLANO COUNTY WATER AGENCY

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
			COMMISSION		
12/1/20	35437	2020SC 1020SC	Invoice: 559181 M&M SANITARY LLC	111.00	111.00
12/1/20	35438	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 309045 Invoice: 097024 Invoice: 097260 Invoice: 309506 Invoice: 309515 Invoice: 309621 Invoice: 096834 PACIFIC ACE HARDWARE	36.45 273.98 97.26 193.04 85.79 104.00 161.59	952.11
12/1/20	35439	2020SC 1020SC	Invoice: 46803102 RECOLOGY VACAVILLE SOLANO	261.36	261.36
12/1/20	35440	2020SC 1020SC	Invoice: 34-DEC-2020 REEB GOVERNMENT RELATIONS, LLC	9,534.50	9,534.50
12/1/20	35441	2020SC 2020SC 1020SC	Invoice: 11495 Invoice: 11529 REGIONAL GOVERNMENT SERVICES AUTHORITY	2,602.90 475.00	3,077.90
12/1/20	35442	2020SC 2020SC 1020SC	Invoice: 0018345 Invoice: 0018344 SOLANO IRRIGATION DISTRICT	128,238.53 58,497.03	186,735.56
12/1/20	35443	2020SC 1020SC	Invoice: 1578 SOLANO RESOURCE CONSERVATION DISTRICT	2,666.66	2,666.66
12/1/20	35444	2020SC 2020SC 1020SC	Invoice: SLT10665 Invoice: SLT10505 SOLANO LAND TRUST	23,500.00 7,750.00	31,250.00
12/7/20	35444V	2020SC 2020SC 1020SC	Invoice: SLT10665 Invoice: SLT10505 SOLANO LAND TRUST	31,250.00	23,500.00 7,750.00
12/1/20	35445	2020SC 1020SC	Invoice: 006492990046 DEC2020 STANDARD INSURANCE COMPANY	2,101.86	2,101.86
12/1/20	35446	2020SC 1020SC	Invoice: 2674066531 STAPLES	179.30	179.30
12/1/20	35446V	2020SC 1020SC	Invoice: 2674066531 STAPLES	179.30	179.30
12/1/20	35447	2020SC 1020SC	Invoice: 3692 VACAVILLE TRAILER SALES	504.70	504.70
12/1/20	35448	2020SC 1020SC	Invoice: 4-A VICTOR PAUL CLAASSEN	15,868.38	15,868.38
12/1/20	35449	2020SC 1020SC	Invoice: 26839 WINTERS BROADBAND	595.00	595.00

SOLANO COUNTY WATER AGENCY

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/8/20	35450	2020SC 1020SC	Invoice: 5256060-0002 CRESCO EQUIPMENT RENTAL	7,512.84	7,512.84
12/8/20	35451	2020SC 1020SC	Invoice: 7738005 TIAA BANK	1,378.46	1,378.46
12/8/20	35452	2020SC 1020SC	Invoice: 5089 EYASCO, INC.	31,537.55	31,537.55
12/8/20	35453	2020SC 2020SC 2020SC 1020SC	Invoice: ER7759587020 Invoice: ER7759587031 Invoice: ER7759587030 HOLT OF CALIFORNIA	7,784.14 817.00 7,784.14	16,385.28
12/8/20	35454	2020SC 1020SC	Invoice: 2020-66 IN COMMUNICATIONS	1,235.26	1,235.26
12/8/20	35455	2020SC 1020SC	Invoice: CL71839 INTERSTATE OIL COMPANY	763.09	763.09
12/8/20	35456	2020SC 1020SC	Invoice: 0115058 DARYL SISCO	96.00	96.00
12/8/20	35457	2020SC 1020SC	Invoice: 560552 M&M SANITARY LLC	74.00	74.00
12/8/20	35458	2020SC 1020SC	Invoice: 207297 MARTIN'S METAL FABRICATION &	28.11	28.11
12/8/20	35459	2020SC 1020SC	Invoice: SEPT & OCT 2020 SANDRA WILLINGMYRE	130.55	130.55
12/8/20	35460	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 864462-ADJ Invoice: 894044 Invoice: 894018 Invoice: 892819 Invoice: 893275 Invoice: 894154 Invoice: 894302 Invoice: 894256 Invoice: 895254 Invoice: 895257 Invoice: 895261 BOB PISANI & SON	3.84 36.99 5.78 28.51 299.92 42.88 57.27 167.41 126.27 2.35	9.97 761.25
12/8/20	35461	2020SC 1020SC	Invoice: NOV 2020 STEPHEN L KARR JR.	500.00	500.00
12/8/20	35462	2020SC 1020SC	Invoice: 46827895 RECOLOGY VACAVILLE SOLANO	265.28	265.28
12/8/20	35463	2020SC 1020SC	Invoice: 01131788 RECOLOGY HAY ROAD	155.40	155.40
12/8/20	35464	2020SC 1020SC	Invoice: 1449 DOUG NOLAN	3,000.00	3,000.00
12/8/20	35465	2020SC 1020SC	Invoice: SECURITY DEPOSIT MARY-HELEN SEEGER	500.00	500.00
12/8/20	35466	2020SC 1020SC	Invoice: 11302011 SHANDAM CONSULTING	16,068.50	16,068.50

SOLANO COUNTY WATER AGENCY

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/8/20	35467	2020U 1020SC	Invoice: NOV 2020 SOLANO COUNTY FLEET MANAGEMENT	15.67	15.67
12/8/20	35468	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: SLT10505 Invoice: SLT10442 Invoice: SLT10531 Invoice: SLT10602 SOLANO LAND TRUST	7,750.00 1,780.24 6,017.66 12,952.10	28,500.00
12/8/20	35469	2020SC 2020SC 1020SC	Invoice: 2674066531 Invoice: LATE FEE/FIN CHARGE STAPLES	179.30 48.57	227.87
12/8/20	35470	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 094-023750 Invoice: 094-020736 Invoice: 094-000273 Invoice: 094-020737 CA DEPT. OF TAX AND FEE ADMIN	397.64 5,600.01 2,643.89 85,649.43	94,290.97
12/8/20	35471	2020SC 2020SC 1020SC	Invoice: 169993 Invoice: 170099 STERLING MAY EQUIPMENT CO.	15.42 30.00	45.42
12/8/20	35472	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 153 Invoice: 154 Invoice: 149 Invoice: 150 Invoice: 152 Invoice: 151 Invoice: 148 TRPA FISH BIOLOGISTS	250.00 275.00 8,407.36 450.00 175.00 5,142.42 50.00	14,749.78
12/8/20	35473	2020SC 1020SC	Invoice: 9867913064 VERIZON WIRELESS	2,550.89	2,550.89
12/8/20	35474	2020SC 1020SC	Invoice: 1632573 WESTERN RANCH & PET SUPPLY	216.25	216.25
12/8/20	35475	2020SC 1020SC	Invoice: 1335 WILSON PUBLIC AFFAIRS	3,500.00	3,500.00
12/8/20	35476	2020SC 1020SC	Invoice: 8648 WINTERS AGGREGATE, LLC	767.73	767.73
12/8/20	35477	2020SC 1020SC	Invoice: 140980 WOOD RODGERS, INC.	4,797.20	4,797.20
12/8/20	35478	2020SC 2020SC 2020SC 1020SC	Invoice: 846692 Invoice: 847169 Invoice: 847264 YELLOW SPRINGS INSTRUMENT CO.	881.70 57,424.11 589.71	58,895.52
12/15/20	35479	2020SC 2020SC 1020SC	Invoice: 13128 Invoice: 13131 A-2-Z LANDSCAPING	16,100.32 12,132.83	28,233.15
12/15/20	35480	2020SC 1020SC	Invoice: 494604-5 ALPHA MEDIA FAR EAST BAY	1,840.00	1,840.00
12/15/20	35481	2020SC 1020SC	Invoice: 69039112 WEX BANK	700.92	700.92

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/15/20	35482	2020SC 1020SC	Invoice: 5043906755 CINTAS CORPORATION	65.95	65.95
12/15/20	35483	2020SC 2020SC 1020SC	Invoice: DEC 2020 EXEC MTG Invoice: DEC 2020 LEG MTG DALE CROSSLEY	100.00 100.00	200.00
12/15/20	35484	2020SC 1020SC	Invoice: SE614195 RENEWAL DMV RENEWAL	27.00	27.00
12/15/20	35485	2020N 1020SC	Invoice: US01U000559988 ERNST & YOUNG U.S. LLP	1,533.00	1,533.00
12/15/20	35486	2020N 2020N 2020N 1020SC	Invoice: 7-174-17389 Invoice: 7-152-74613 Invoice: 7-181-82166 FEDEX EXPRESS	103.08 162.80 40.61	306.49
12/15/20	35487	2020SC 1020SC	Invoice: 153441 GHD, INC.	10,944.96	10,944.96
12/15/20	35488	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 6024698 Invoice: 6024697 Invoice: 8012049 Invoice: 3622246 Invoice: 1511730 Invoice: 5024846 Invoice: 5027529 Invoice: 5027544 Invoice: 5027543 Invoice: 5027530 HOME DEPOT CREDIT SERVICE	227.37 84.21 57.70 354.65 10.78 53.98 55.62 358.36 40.30 15.64	1,258.61
12/15/20	35489	2020SC 1020SC	Invoice: 4347 J.T. MARTIN	18,540.00	18,540.00
12/15/20	35490	2020SC 2020SC 1020SC	Invoice: DEC 2020 LEG MTG Invoice: DEC 2020 BOD MTG JOHN D. KLUGE	100.00 100.00	200.00
12/15/20	35491	2020SC 1020SC	Invoice: MC-120119477 LA RANCHERA	2,500.00	2,500.00
12/15/20	35492	2020SC 1020SC	Invoice: NOV 2020 MILLENNIUM TERMITE & PEST	51.00	51.00
12/15/20	35493	2020SC 1020SC	Invoice: 11/13/20-11/18/20 PACIFIC GAS & ELECTRIC CO,	6.79	6.79
12/15/20	35494	2020SC 1020SC	Invoice: 46827978 RECOLOGY VACAVILLE SOLANO	99.04	99.04
12/15/20	35495	2020SC 1020SC	Invoice: DEC 2020 BOD MTG RON ROWLETT	100.00	100.00
12/15/20	35496	2020SC 1020SC	Invoice: DEC 2020 BOD MTG BOB SAMPAYAN	100.00	100.00

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Dec 1, 2020 to Dec 31, 2020

Filter Criteria includes: Report order is by Check Number. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/15/20	35497	2020SC 1020SC	Invoice: 03393 SHELDON	16.00	16.00
12/15/20	35498	2020SC 2020SC 1020SC	Invoice: 0019121 Invoice: 0019120 SOLANO IRRIGATION DISTRICT	182.10 9,923.89	10,105.99
12/15/20	35499	2020SC 1020SC	Invoice: DEC 2020 BOD MTG JAMES SPERING	100.00	100.00
12/15/20	35500	2020SC 1020SC	Invoice: 094-001233 CA DEPT. OF TAX AND FEE ADMIN	309.00	309.00
12/15/20	35501	2020SC 1020SC	Invoice: 2020-12-SCWA SUSTAINABLE SOLANO	11,082.29	11,082.29
12/15/20	35502	2020SC 1020SC	Invoice: 202012-13858 TERRA REALTY ADVISORS, INC.	245.00	245.00
12/15/20	35503	2020SC 1020SC	Invoice: 20961-45 THE REGENTS OF THE UNIVERSITY OF CA	44,644.68	44,644.68
12/15/20	35504	2020SC 2020SC 1020SC	Invoice: BAWMRP#36 Invoice: BAWMRP#37 THINKING GREEN CONSULTANTS	1,125.00 1,125.00	2,250.00
12/15/20	35505	2020SC 1020SC	Invoice: 1004417 GROW WEST	199.43	199.43
12/15/20	35506	2020SC 1020SC	Invoice: DANIELLE HUGHES DANIELLE HUGHES	50.00	50.00
12/15/20	35507	2020SC 1020SC	Invoice: DEC 2020 BOD MTG JOHN VASQUEZ	100.00	100.00
12/15/20	35508	2020SC 1020SC	Invoice: OSV000002299722 VERIZON CONNECT	285.00	285.00
12/15/20	35509	2020SC 1020SC	Invoice: 1345 WILSON PUBLIC AFFAIRS	3,500.00	3,500.00
12/25/20	ASHLEY NOV 2020	2020SC 1020SC	Invoice: ASHLEY NOV 2020 UMPQUA BANK	1,040.87	1,040.87
12/25/20	COLIAS NOV 2020	2020SC 1020SC	Invoice: COLIAS NOV 2020 UMPQUA BANK	95.16	95.16
12/25/20	CRUZ NOV 2020	2020SC 1020SC	Invoice: CRUZ NOV 2020 UMPQUA BANK	298.43	298.43
12/25/20	CUETARA NOV 2020	2020SC 1020SC	Invoice: CUETARA NOV 2020 UMPQUA BANK	1,098.37	1,098.37
12/2/20	EFT	2020SC 1020SC	Invoice: 852156 PAYCHEX	390.40	390.40

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Dec 1, 2020 to Dec 31, 2020

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/4/20	EFT	2020SC 1020SC	Invoice: 2020120101 PAYCHEX	140.28	140.28
12/2/20	EFT	2020SC 1020SC	Invoice: DEC 2020 HEALTH CALPERS	23,491.10	23,491.10
12/2/20	EFT	2020SC 2020SC 2020SC 1020SC	Invoice: SIP PPE 11.28.2020 Invoice: PPE 11.28.2020 Invoice: PEPRA PPE 11.28.2020 CALPERS	6,361.50 10,778.84 3,978.31	21,118.65
12/3/20	EFT	2020SC 1020SC	Invoice: 03 CHCP-FY2021 SANTA CLARA VALLEY HABITAT AGENCY	5,000.00	5,000.00
12/20/20	EFT	2020SC 1020SC	Invoice: 914663 PAYCHEX	339.48	339.48
12/18/20	EFT	2020SC 1020SC	Invoice: 2020121501 PAYCHEX	160.01	160.01
12/18/20	EFT	2020SC 2020SC 2020SC 1020SC	Invoice: PEPRA PPE 12.12.2020 Invoice: PPE 12.12.2020 Invoice: SIP PPE 12.12.2020 CALPERS	3,988.40 10,778.84 6,112.50	20,879.74
12/11/20	EFT	2020SC 1020SC	Invoice: 22680021 PAYCHEX	135.00	135.00
12/31/20	EFT	2020SC 1020SC	Invoice: 2020122901 PAYCHEX	142.48	142.48
12/29/20	EFT	2020SC 2020SC 2020SC 1020SC	Invoice: SIP PPE 12.26.2020 Invoice: PPE 12.26.2020 Invoice: PEPRA PPE 12.26.2020 CALPERS	4,362.50 10,778.84 3,978.32	19,119.66
12/30/20	EFT	2020SC 1020SC	Invoice: 11/10/20-12/9/20 PACIFIC GAS & ELECTRIC CO,	1,101.05	1,101.05
12/12/20	EFT 12.12.2020	2024AC 6012AC 2024AC 6012AC 1020SC	EMPLOYEE LIABILITIES PPE 12.12.2020 EMPLOYER LIABILITIES PPE 12.12.2020 EMPLOYEE LIABILITIES PPE 12.12.2020_CORRECTIO N EMPLOYER LIABILITIES PPE 12.12.2020 PAYROLL TAXES	17,571.68 1,559.61	8.23 10.93 19,112.13
12/26/20	EFT 12.26.2020	2024AC 6012AC 1020SC	EMPLOYEE LIABILITIES PPE 12.26.2020 EMPLOYER LIABILITIES PPE 12.26.2020 PAYROLL TAXES	18,257.94 1,419.07	19,677.01

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Dec 1, 2020 to Dec 31, 2020

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/31/20	EFT 12.31.2020 BOD	6012AC	BOD 2020 - PAYROLL PROCESSING TAXES ONLY	1,341.34	
		1020SC	PAYROLL TAXES		1,341.34
12/25/20	FEHRENKAMP NOV 2020	2020SC	Invoice: FEHRENKAMP NOV 2020	375.00	
		1020SC	UMPQUA BANK		375.00
12/25/20	FLORENDO NOV 2020	2020SC	Invoice: FLORENDO NOV 2020	6.99	
		1020SC	UMPQUA BANK		6.99
12/25/20	FOWLER NOV 2020	2020SC	Invoice: FOWLER NOV 2020	802.03	
		1020SC	UMPQUA BANK		802.03
12/25/20	HERR NOV 2020	2020SC	Invoice: HERR NOV 2020	9.99	
		1020SC	UMPQUA BANK		9.99
12/25/20	HYER NOV 2020	2020SC	Invoice: HYER NOV 2020	595.37	
		1020SC	UMPQUA BANK		595.37
12/25/20	JONES NOV 2020	2020SC	Invoice: JONES NOV 2020	109.86	
		1020SC	UMPQUA BANK		109.86
12/25/20	LEE NOV 2020	2020SC	Invoice: LEE NOV 2020	169.64	
		1020SC	UMPQUA BANK		169.64
12/25/20	MAROVICH NOV 2020	2020SC	Invoice: MAROVICH NOV 2020	1,035.86	
		1020SC	UMPQUA BANK		1,035.86
12/25/20	NGUYEN NOV 2020	2020SC	Invoice: NGUYEN NOV 2020	490.15	
		1020SC	UMPQUA BANK		490.15
12/25/20	RABIDOUX NOV 2020	2020SC	Invoice: RABIDOUX NOV 2020	216.92	
		1020SC	UMPQUA BANK		216.92
Total				1,522,007.58	1,522,007.58

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021
SUBJECT: Financial Report Approval

RECOMMENDATIONS:


Approve the quarterly Income Statement and Balance Sheet for the period ending December 2020.

FINANCIAL IMPACT:

All revenues and expenditures are reported within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors receive quarterly financial reports. Attached are the Income Statement and the Balance Sheet of the Water Agency for the period ending December 31, 2020. Additional backup information is available upon request.

Recommended: 
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

		Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual
Revenues						
4001G	SECURED	\$ 57,458.00	\$ 88,247.00	(30,789.00)	(34.89)	\$ 41,341.94
4001N	SECURED	7,156,505.29	15,095,730.00	(7,939,224.71)	(52.59)	7,146,434.72
4001SC	SECURED	4,248,431.78	8,489,580.00	(4,241,148.22)	(49.96)	3,987,498.69
4001U	SECURED	569,744.22	1,159,620.00	(589,875.78)	(50.87)	539,536.35
4002G	UNSECURED	3,638.72	5,228.00	(1,589.28)	(30.40)	5,035.73
4002N	UNSECURED	347,544.88	361,480.00	(13,935.12)	(3.86)	341,683.28
4002SC	UNSECURED	299,249.39	307,000.00	(7,750.61)	(2.52)	304,975.02
4002U	UNSECURED	40,138.00	44,000.00	(3,862.00)	(8.78)	47,068.10
4004G	CURRENT SUPPLEMENTAL	1,102.03	2,389.00	(1,286.97)	(53.87)	1,246.26
4004N	CURRENT SUPPLEMENTAL	72,474.72	303,010.00	(230,535.28)	(76.08)	76,444.83
4004SC	CURRENT SUPPLEMENTAL	51,984.97	228,240.00	(176,255.03)	(77.22)	61,198.43
4004U	CURRENT SUPPLEMENTAL	8,890.47	33,910.00	(25,019.53)	(73.78)	8,165.10
4100N	WATER SALES	430,500.00	1,560,100.00	(1,129,600.00)	(72.41)	430,500.00
4100SC	WATER SALES	32,232.00	93,644.00	(61,412.00)	(65.58)	28,512.00
4102N	COST OF POWER TO PUMP NBA	0.00	50,000.00	(50,000.00)	(100.00)	0.00
4103N	CONVEYANCE SETTLEMENT	0.00	100,000.00	(100,000.00)	(100.00)	0.00
4110N	NAPA MAKE WHOLE	156,000.00	312,000.00	(156,000.00)	(50.00)	156,000.00
4120N	SWP ADJUSTMENTS	255,933.00	586,000.00	(330,067.00)	(56.33)	263,428.83
4122N	PROP 84 INTAKE GRANT	0.00	0.00	0.00	0.00	399,346.09
4150SC	EQUIPMENT DISTRIBUTION REIMBURSEMENT	0.00	30,000.00	(30,000.00)	(100.00)	0.00
4402WC	INTEREST - MONEY MGMT	13.54	65.00	(51.46)	(79.17)	68.07
4403SC	INTEREST - CHECKING	97.70	100.00	(2.30)	(2.30)	107.86
4404G	INTEREST - LAIF - GREEN VALLEY	149.69	220.00	(70.31)	(31.96)	220.24
4404N	INTEREST - LAIF - SWP	12,932.39	21,700.00	(8,767.61)	(40.40)	21,785.38
4404SC	INTEREST - LAIF - SP	11,351.31	45,000.00	(33,648.69)	(74.77)	19,672.20
4404U	INTEREST - LAIF - ULATIS	4,126.09	7,300.00	(3,173.91)	(43.48)	7,324.61
4405G	INTEREST - CAMP - GREEN VALLEY	137.55	1,325.00	(1,187.45)	(89.62)	1,325.82
4405N	INTEREST - CAMP - SWP	11,883.81	131,100.00	(119,216.19)	(90.94)	131,144.95
4405SC	INTEREST - CAMP - SP	10,430.92	120,000.00	(109,569.08)	(91.31)	118,424.00
4405U	INTEREST - CAMP - ULATIS	3,791.54	44,000.00	(40,208.46)	(91.38)	44,093.17
4406SC	INTEREST - OTHER	5.12	0.00	5.12	0.00	0.00
4407G	INTEREST - INVESTMENT	187.14	222.00	(34.86)	(15.70)	222.75
4407N	INTEREST - INVESTMENTS	16,167.70	22,000.00	(5,832.30)	(26.51)	22,033.83

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

		Current Year	Current Year	Variance	Variance	Last Year
		Actual	Budget	Amount	Percent	Actual
4407SC	INTEREST - INVESTMENTS	14,191.06	21,000.00	(6,808.94)	(32.42)	19,896.55
4407U	INTEREST - INVESTMENTS	5,158.31	7,400.00	(2,241.69)	(30.29)	7,408.14
4507G	HOMEOWNER RELIEF	176.70	1,293.00	(1,116.30)	(86.33)	194.10
4507N	HOMEOWNER RELIEF	11,775.30	86,070.00	(74,294.70)	(86.32)	11,952.30
4507SC	HOMEOWNER RELIEF	10,608.75	69,810.00	(59,201.25)	(84.80)	10,768.65
4507U	HOMEOWNER RELIEF	0.00	10,330.00	(10,330.00)	(100.00)	0.00
4600SC	REDEVELOP - DIX/RV	0.00	74,100.00	(74,100.00)	(100.00)	0.00
4601SC	REDEVELOP - VACAVILLE	0.00	673,850.00	(673,850.00)	(100.00)	0.00
4601U	REDEVELOP - VACAVILLE	0.00	356,456.00	(356,456.00)	(100.00)	0.00
4602G	REDEVELOP - FAIRFIELD	0.00	84,248.00	(84,248.00)	(100.00)	0.00
4602SC	REDEVELOP - FAIRFIELD	0.00	975,360.00	(975,360.00)	(100.00)	0.00
4603SC	REDEVELOP - SUISUN CITY	0.00	276,360.00	(276,360.00)	(100.00)	0.00
4605SC	REDEVELOP - N. TEXAS	0.00	72,380.00	(72,380.00)	(100.00)	0.00
4702SC	BOATING AND WATERWAYS	0.00	180,000.00	(180,000.00)	(100.00)	0.00
4704SC	USFWS (FISH & WILDLIFE)	0.00	200,000.00	(200,000.00)	(100.00)	0.00
4705SC	USBR Grant	65,268.46	0.00	65,268.46	0.00	0.00
4900N	MISC INCOME	17,240.73	17,241.00	(0.27)	(0.00)	17,320.33
4900SC	MISCELLANEOUS INCOME	17,240.73	17,240.00	0.73	0.00	55,471.00
4906SC	SACKETT RANCH LEASE REVENUE	9,745.51	0.00	9,745.51	0.00	0.00
4922SC	GREENHOUSE REVENUES	1,015.50	3,000.00	(1,984.50)	(66.15)	3,059.00
4930U	O&M - OTHER AGENCIES	0.00	7,000.00	(7,000.00)	(100.00)	0.00
4940AC	OVERHEAD DISTRIBUTION REIMB	1,509,023.80	7,038,794.00	(5,529,770.20)	(78.56)	2,071,786.62
4960WC	WATERMASTER INCOME	262.91	4,600.00	(4,337.09)	(94.28)	2,720.28
4970AC	WATER CONSERVATION REIMBURSE	0.00	170,000.00	(170,000.00)	(100.00)	0.00
4972AC	BAY AREA IRWMP GRANT	0.00	48,200.00	(48,200.00)	(100.00)	2,607.95
4973AC	OTHER GRANTS	0.00	0.00	0.00	0.00	22,394.41
4978SC	LPCCC SERVICES	0.00	150,000.00	(150,000.00)	(100.00)	0.00
4994SC	LPCCC-COASTAL CONSERVANCY	0.00	9,000.00	(9,000.00)	(100.00)	0.00
Total Revenues		15,464,809.73	39,796,942.00	(24,332,132.27)	(61.14)	16,430,417.58
Cost of Sales						

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00
Gross Profit	15,464,809.73	39,796,942.00	(24,332,132.27)	(61.14)	16,430,417.58
Expenses					
5500AC CAPITAL EXPENDITURES	6,383.75	0.00	6,383.75	0.00	235,963.13
5500N CAPITAL EXPENDITURES	0.00	25,000.00	(25,000.00)	(100.00)	0.00
5500SC CAPITAL EXPENDITURES	2,829,685.00	305,000.00	2,524,685.00	827.77	71,157.74
5500U CAPITAL EXPENDITURES	0.00	40,000.00	(40,000.00)	(100.00)	294,368.07
6010AC GROSS SALARIES	1,291,953.55	3,310,900.00	(2,018,946.45)	(60.98)	1,247,525.75
6011AC PERS RETIREMENT	173,198.20	394,400.00	(221,201.80)	(56.09)	221,511.41
6012AC PAYROLL TAXES	50,501.70	143,900.00	(93,398.30)	(64.91)	55,356.53
6013AC EMPLOYEE BENEFITS	158,852.93	457,700.00	(298,847.07)	(65.29)	169,355.23
6016AC OPEB/PENSION UNFUNDED EXPENSE	0.00	224,400.00	(224,400.00)	(100.00)	0.00
6030AC TELEPHONE	19,605.52	45,200.00	(25,594.48)	(56.62)	17,762.70
6040AC OFFICE EXPENSE	12,168.24	36,425.00	(24,256.76)	(66.59)	13,175.99
6041AC OFFICE EQUIPMENT	10,691.83	34,000.00	(23,308.17)	(68.55)	11,062.86
6042AC SAFETY TRAINING & EQUIPMENT	3,078.49	10,500.00	(7,421.51)	(70.68)	2,531.26
6043AC OFFICE HELP - TEMPORARY	0.00	10,000.00	(10,000.00)	(100.00)	0.00
6044AC HR -EMPLOYEE SUPPORT	8,199.73	107,000.00	(98,800.27)	(92.34)	9,753.31
6045AC LAUNDRY	5,573.01	0.00	5,573.01	0.00	0.00
6050AC POSTAGE	4,192.11	7,500.00	(3,307.89)	(44.11)	4,178.48
6060AC SID OFFICE EXPENSE	20,631.90	67,325.00	(46,693.10)	(69.35)	27,618.24
6090AC MEMBERSHIPS	33,112.47	77,110.00	(43,997.53)	(57.06)	24,911.81
6090N SWC DUES	83,303.00	116,300.00	(32,997.00)	(28.37)	93,375.00
6100G PPTY TAX ADMIN FEE	0.00	1,200.00	(1,200.00)	(100.00)	0.00
6100SC PPTY TAX ADMIN FEE	0.00	102,500.00	(102,500.00)	(100.00)	0.00
6100U PPTY TAX ADMIN FEE	0.00	15,000.00	(15,000.00)	(100.00)	0.00
6105N PETERSEN RANCH EXPENSES	47.03	16,250.00	(16,202.97)	(99.71)	0.00
6105SC PETERSEN RANCH EXPENSES	34,548.00	16,250.00	18,298.00	112.60	53,102.19
6106SC Sackett Ranch	27,544.25	0.00	27,544.25	0.00	0.00
6111AC PS - PAYROLL SERVICES	7,650.23	24,800.00	(17,149.77)	(69.15)	6,083.49
6112AC PS - COMPUTER SERVICES	259,619.79	697,350.00	(437,730.21)	(62.77)	293,605.19
6115AC TALENT DECISION MONITORING	17,833.94	15,600.00	2,233.94	14.32	24,015.78

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

		Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual
6128AC	GOVERNMENTAL ADVOCACY	74,534.50	205,000.00	(130,465.50)	(63.64)	21,500.00
6128N	GOVERNMENTAL ADVOCACY	0.00	70,000.00	(70,000.00)	(100.00)	0.00
6130SC	LPCCC - VEGETATION	7,531.09	14,629.00	(7,097.91)	(48.52)	54,131.20
6140AC	CONSULTANTS	185,034.94	318,900.00	(133,865.06)	(41.98)	213,679.58
6140N	CONSULTANTS	15,691.00	216,000.00	(200,309.00)	(92.74)	30,210.10
6140SC	CONSULTANTS	31,349.79	671,800.00	(640,450.21)	(95.33)	100,440.89
6140U	CONSULTANTS	77,340.71	220,000.00	(142,659.29)	(64.85)	38,020.99
6144AC	HYDROLOGY STATIONS	7,835.91	39,000.00	(31,164.09)	(79.91)	27,926.43
6144N	HYDROLOGY STATIONS	1,316.63	27,000.00	(25,683.37)	(95.12)	4,444.24
6144SC	HYDROLOGY STATIONS	12,726.75	85,000.00	(72,273.25)	(85.03)	53,646.10
6144U	HYDROLOGY STATIONS	79.91	15,000.00	(14,920.09)	(99.47)	3,896.57
6148SC	LPCCC - WILDLIFE	0.00	80,460.00	(80,460.00)	(100.00)	324.36
6149SC	LPCCC - FISHERIES	19,943.82	80,460.00	(60,516.18)	(75.21)	42,292.23
6161N	WATERSHED PROGRAM	13,535.82	198,100.00	(184,564.18)	(93.17)	18,419.73
6161SC	SOLANO PROJECT WQ MONITORING	8,404.56	30,000.00	(21,595.44)	(71.98)	5,135.78
6164SC	SOLANO PROJECT INVASIVES	35,928.02	219,152.00	(183,223.98)	(83.61)	36,005.28
6165N	Yolo Bypass/Cache Slough Progr	73,641.66	995,000.00	(921,358.34)	(92.60)	272,472.79
6166SC	UPPER PUTAH CREEK MGMT	75,652.48	239,000.00	(163,347.52)	(68.35)	43,137.37
6170N	NBA RELIABILITY PROGRAM	0.00	0.00	0.00	0.00	218,700.96
6170SC	INTER-DAM REACH MANAGEMENT	331,749.19	120,000.00	211,749.19	176.46	0.00
6170WC	MBK	11,137.75	55,000.00	(43,862.25)	(79.75)	14,185.00
6179SC	LPCCC SERVICES	267.80	25,000.00	(24,732.20)	(98.93)	48,723.03
6181SC	LPCCC EQUIPMENT	13,843.63	20,000.00	(6,156.37)	(30.78)	25,992.31
6183SC	LPCCC NURSERY	54,713.23	50,000.00	4,713.23	9.43	16,191.32
6193SC	LPCCC-PROP 1	0.00	0.00	0.00	0.00	108,341.83
6196SC	LPCCC-COASTAL CONSERVANCY	0.00	9,000.00	(9,000.00)	(100.00)	4,744.30
6197SC	LPCCC-IRWM	0.00	0.00	0.00	0.00	114,214.18
6199SC	LPCCC MISC. SUPPLIES	16,358.10	25,000.00	(8,641.90)	(34.57)	12,006.32
6210AC	BOARD EXPENSES	8,471.15	35,000.00	(26,528.85)	(75.80)	11,320.01
6230SC	FIELD SUPPLIES	28,635.44	50,000.00	(21,364.56)	(42.73)	18,174.89
6230WC	MISC WATERMASTER EXP	80.00	300.00	(220.00)	(73.33)	190.00
6250SC	HCP PLANNING	219,728.43	421,000.00	(201,271.57)	(47.81)	163,045.57
6300AC	CAR MAINTENANCE	7,066.31	28,800.00	(21,733.69)	(75.46)	11,517.20
6310AC	FUEL	9,079.34	62,000.00	(52,920.66)	(85.36)	17,927.77

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

		Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual
6320U	GARAGE SERVICES	3,731.52	15,000.00	(11,268.48)	(75.12)	4,243.59
6330AC	TRAVEL	2,213.11	10,000.00	(7,786.89)	(77.87)	8,124.63
6340AC	EMPLOYEE REIMBURSEMENTS	0.00	1,000.00	(1,000.00)	(100.00)	134.06
6350AC	INSURANCE	34,780.45	66,000.00	(31,219.55)	(47.30)	31,873.99
6360AC	EDUCATION & TRAINING	2,556.18	65,000.00	(62,443.82)	(96.07)	13,501.00
6410AC	COMP SOFTWARE/EQUIP	15,334.92	113,600.00	(98,265.08)	(86.50)	36,599.59
6550AC	SCWA Water Mgt Planning	0.00	300,000.00	(300,000.00)	(100.00)	0.00
6551AC	WATER CONSERVATION	370,459.35	646,000.00	(275,540.65)	(42.65)	397,857.49
6551N	WATER CONSERVATION	0.00	456,000.00	(456,000.00)	(100.00)	0.00
6554AC	MISC. WATER CONSERVATION GRAN	8,917.00	0.00	8,917.00	0.00	52,020.00
6600AC	MELLON LEVEE	0.00	20,000.00	(20,000.00)	(100.00)	0.00
6600SC	PSC MAINTENANCE	318,345.69	970,000.00	(651,654.31)	(67.18)	494,400.67
6610AC	FLOOD CONTROL	40,034.78	981,500.00	(941,465.22)	(95.92)	44,421.93
6611AC	GROUND WATER MANAGEMENT	289,888.61	603,949.00	(314,060.39)	(52.00)	171,967.03
6612AC	PUBLIC EDUCATION	37,305.94	297,355.00	(260,049.06)	(87.45)	82,171.93
6614AC	SOLANO SUB-BASIN GSA	0.00	20,000.00	(20,000.00)	(100.00)	142.80
6620G	LABOR	0.00	50,000.00	(50,000.00)	(100.00)	15,047.15
6620SC	LOWER PUTAH CREEK(NON-ACCORD	172,049.94	497,163.00	(325,113.06)	(65.39)	409,893.26
6620U	LABOR	0.00	300,000.00	(300,000.00)	(100.00)	74,147.02
6630SC	SP ADMINISTRATION	545,355.29	1,225,000.00	(679,644.71)	(55.48)	579,862.35
6640SC	PSC OPERATIONS	118,526.29	360,000.00	(241,473.71)	(67.08)	126,600.38
6645SC	DAM MAINTENANCE	5,634.82	64,000.00	(58,365.18)	(91.20)	1,740.79
6646SC	DAM OPERATIONS	124,911.14	285,000.00	(160,088.86)	(56.17)	127,152.53
6650G	WEED CONTROL	0.00	6,000.00	(6,000.00)	(100.00)	0.00
6650U	SP PEST MANAGEMENT	0.00	60,000.00	(60,000.00)	(100.00)	33,908.80
6660G	EQUIP - TRANS DEPT	0.00	8,000.00	(8,000.00)	(100.00)	4,704.74
6660U	EQUIP - TRANS DEPT	0.00	80,000.00	(80,000.00)	(100.00)	30,766.06
6670G	SUPPLIES	298.43	2,000.00	(1,701.57)	(85.08)	0.00
6670U	SUPPLIES	8,440.39	83,500.00	(75,059.61)	(89.89)	8,706.66
6675G	CONTRACT WORK	0.00	15,000.00	(15,000.00)	(100.00)	0.00
6675U	CONTRACT WORK	0.00	40,000.00	(40,000.00)	(100.00)	0.00
6680G	TRANS DEPT OVERHEAD	0.00	15,000.00	(15,000.00)	(100.00)	7,810.98
6680U	TRANS DEPT OVERHEAD	0.00	145,000.00	(145,000.00)	(100.00)	38,426.56
6690SC	REHAB & BETTERMENT	88,960.75	915,000.00	(826,039.25)	(90.28)	141,579.31

SOLANO COUNTY WATER AGENCY
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Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

		Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual
6690U	REHAB & BETTERMENT	0.00	270,000.00	(270,000.00)	(100.00)	0.00
6700N	WATER PURCHASES	8,888,291.00	11,963,742.00	(3,075,451.00)	(25.71)	6,128,270.00
6700SC	USBR ADMINISTRATION	0.00	79,000.00	(79,000.00)	(100.00)	0.00
6701SC	WATER RIGHTS FEE	94,599.97	95,000.00	(400.03)	(0.42)	89,133.33
6710N	NAPA MAKE WHOLE	0.00	312,000.00	(312,000.00)	(100.00)	0.00
6950AC	LABOR COSTS	118,389.52	462,454.00	(344,064.48)	(74.40)	157,034.94
6950G	LABOR COSTS	0.00	29,538.00	(29,538.00)	(100.00)	12,983.97
6950N	LABOR COSTS	101,964.22	656,846.00	(554,881.78)	(84.48)	163,187.26
6950SC	LABOR COSTS	539,244.57	1,712,542.00	(1,173,297.43)	(68.51)	514,700.78
6950U	LABOR COSTS	8,356.74	136,297.00	(127,940.26)	(93.87)	23,206.09
6951AC	INTRA-FUND TRANSFER	(270,746.19)	(1,156,134.00)	885,387.81	(76.58)	(372,970.24)
6952AC	OVERHEAD EXPENSES	152,356.70	693,681.00	(541,324.30)	(78.04)	215,935.29
6952G	OVERHEAD EXPENSES	0.00	44,306.00	(44,306.00)	(100.00)	17,179.01
6952N	OVERHEAD EXPENSES	132,277.65	985,268.00	(852,990.35)	(86.57)	228,375.78
6952SC	OVERHEAD EXPENSES	709,470.50	2,632,286.00	(1,922,815.50)	(73.05)	910,567.51
6952U	OVERHEAD EXPENSES	10,281.20	204,446.00	(194,164.80)	(94.97)	29,508.34
6990AC	CONTINGENCY	0.00	80,000.00	(80,000.00)	(100.00)	0.00
6990G	CONTINGENCY	0.00	5,000.00	(5,000.00)	(100.00)	0.00
6990N	CONTINGENCY	0.00	40,000.00	(40,000.00)	(100.00)	0.00
6990SC	CONTINGENCY	0.00	90,000.00	(90,000.00)	(100.00)	36,215.23
6990U	CONTINGENCY	0.00	50,000.00	(50,000.00)	(100.00)	0.00
Total Expenses		19,072,283.11	39,029,550.00	(19,957,266.89)	(51.13)	15,718,505.08
Net Income		(\$ 3,607,473.38)	\$ 767,392.00	(4,374,865.38)	(570.10)	\$ 711,912.50

SOLANO COUNTY WATER AGENCY
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For the Six Months Ending December 31, 2020

Change from Last Year	Percent Change
16,116.06	38.98
10,070.57	0.14
260,933.09	6.54
30,207.87	5.60
(1,397.01)	(27.74)
5,861.60	1.72
(5,725.63)	(1.88)
(6,930.10)	(14.72)
(144.23)	(11.57)
(3,970.11)	(5.19)
(9,213.46)	(15.06)
725.37	8.88
0.00	0.00
3,720.00	13.05
0.00	0.00
0.00	0.00
0.00	0.00
(7,495.83)	(2.85)
(399,346.09)	(100.00)
0.00	0.00
(54.53)	(80.11)
(10.16)	(9.42)
(70.55)	(32.03)
(8,852.99)	(40.64)
(8,320.89)	(42.30)
(3,198.52)	(43.67)
(1,188.27)	(89.63)
(119,261.14)	(90.94)
(107,993.08)	(91.19)
(40,301.63)	(91.40)
5.12	0.00
(35.61)	(15.99)
(5,866.13)	(26.62)

SOLANO COUNTY WATER AGENCY
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Change from Last Year	Percent Change
(5,705.49)	(28.68)
(2,249.83)	(30.37)
(17.40)	(8.96)
(177.00)	(1.48)
(159.90)	(1.48)
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
65,268.46	0.00
(79.60)	(0.46)
(38,230.27)	(68.92)
9,745.51	0.00
(2,043.50)	(66.80)
0.00	0.00
(562,762.82)	(27.16)
(2,457.37)	(90.34)
0.00	0.00
(2,607.95)	(100.00)
(22,394.41)	(100.00)
0.00	0.00
0.00	0.00
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(965,607.85)	(5.88)
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SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

Change from Last Year 0.00	Percent Change 0.00
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(965,607.85)	(5.88)
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(229,579.38)	(97.29)
0.00	0.00
2,758,527.26	3,876.64
(294,368.07)	(100.00)
44,427.80	3.56
(48,313.21)	(21.81)
(4,854.83)	(8.77)
(10,502.30)	(6.20)
0.00	0.00
1,842.82	10.37
(1,007.75)	(7.65)
(371.03)	(3.35)
547.23	21.62
0.00	0.00
(1,553.58)	(15.93)
5,573.01	0.00
13.63	0.33
(6,986.34)	(25.30)
8,200.66	32.92
(10,072.00)	(10.79)
0.00	0.00
0.00	0.00
0.00	0.00
47.03	0.00
(18,554.19)	(34.94)
27,544.25	0.00
1,566.74	25.75
(33,985.40)	(11.58)
(6,181.84)	(25.74)

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Six Months Ending December 31, 2020

Change from Last Year	Percent Change
53,034.50	246.67
0.00	0.00
(46,600.11)	(86.09)
(28,644.64)	(13.41)
(14,519.10)	(48.06)
(69,091.10)	(68.79)
39,319.72	103.42
(20,090.52)	(71.94)
(3,127.61)	(70.37)
(40,919.35)	(76.28)
(3,816.66)	(97.95)
(324.36)	(100.00)
(22,348.41)	(52.84)
(4,883.91)	(26.51)
3,268.78	63.65
(77.26)	(0.21)
(198,831.13)	(72.97)
32,515.11	75.38
(218,700.96)	(100.00)
331,749.19	0.00
(3,047.25)	(21.48)
(48,455.23)	(99.45)
(12,148.68)	(46.74)
38,521.91	237.92
(108,341.83)	(100.00)
(4,744.30)	(100.00)
(114,214.18)	(100.00)
4,351.78	36.25
(2,848.86)	(25.17)
10,460.55	57.55
(110.00)	(57.89)
56,682.86	34.77
(4,450.89)	(38.65)
(8,848.43)	(49.36)

SOLANO COUNTY WATER AGENCY
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Compared with Budget and Last Year
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Change from Last Year	Percent Change
(512.07)	(12.07)
(5,911.52)	(72.76)
(134.06)	(100.00)
2,906.46	9.12
(10,944.82)	(81.07)
(21,264.67)	(58.10)
0.00	0.00
(27,398.14)	(6.89)
0.00	0.00
(43,103.00)	(82.86)
0.00	0.00
(176,054.98)	(35.61)
(4,387.15)	(9.88)
117,921.58	68.57
(44,865.99)	(54.60)
(142.80)	(100.00)
(15,047.15)	(100.00)
(237,843.32)	(58.03)
(74,147.02)	(100.00)
(34,507.06)	(5.95)
(8,074.09)	(6.38)
3,894.03	223.69
(2,241.39)	(1.76)
0.00	0.00
(33,908.80)	(100.00)
(4,704.74)	(100.00)
(30,766.06)	(100.00)
298.43	0.00
(266.27)	(3.06)
0.00	0.00
0.00	0.00
(7,810.98)	(100.00)
(38,426.56)	(100.00)
(52,618.56)	(37.17)

SOLANO COUNTY WATER AGENCY
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Change from Last Year	Percent Change
0.00	0.00
2,760,021.00	45.04
0.00	0.00
5,466.64	6.13
0.00	0.00
(38,645.42)	(24.61)
(12,983.97)	(100.00)
(61,223.04)	(37.52)
24,543.79	4.77
(14,849.35)	(63.99)
102,224.05	(27.41)
(63,578.59)	(29.44)
(17,179.01)	(100.00)
(96,098.13)	(42.08)
(201,097.01)	(22.08)
(19,227.14)	(65.16)
0.00	0.00
0.00	0.00
0.00	0.00
(36,215.23)	(100.00)
0.00	0.00
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3,353,778.03	21.34
<hr/>	
(4,319,385.88)	(606.73)
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ASSETS

Current Assets

			ADMIN/SP/WC	SWP(N)	U	GV
1000SC	PERSHING	27,075.52	\$ 27,075.52			
1010WC	MONEY MGMT - WATERMASTER	25,752.66	25,752.66			
1020G	CHECKING -BANK OF THE WEST	2,584,996.81	1,047,002.42	1,336,568.56	186,882.53	14,543.30
1030G	LAIF -	18,148,903.20	13,273,876.64	3,663,711.00	1,168,909.64	42,405.92
1040G	CAMP -	27,408,272.39	3,722,422.29	17,800,540.78	5,679,275.42	206,033.90
1050SC	CERTIFICATES OF DEPOSIT	4,838,482.38	1,475,427.88	2,527,424.12	806,376.49	29,253.89
1060SC	PETTY CASH	142.70	142.70			
1210SC	ACCOUNTS RECEIVABLE - SP/ADMIN	348,143.10	137,198.26	210,944.84		
1211SC	INTEREST RECEIVABLE-SP	0.00				
1225AC	RETENTION RECEIVABLE	107.00	107.00			
1400AC	PREPAID	101,329.26	101,329.26			
1415AC	INVENTORY-WATER CONSERVATION S	23,084.21	23,084.21			
	Total Current Assets	53,506,289.23	19,833,418.84	25,539,189.30	7,841,444.08	292,237.01
	Total Assets	\$ 53,506,289.23	\$ 19,833,418.84	\$ 25,539,189.30	\$ 7,841,444.08	\$ 292,237.01

LIABILITIES AND CAPITAL

Current Liabilities

2010N	UNEARNED INCOME-	449,861.00	19,361.00		430,500.00	
2020N	ACCOUNTS PAYABLE-	3,593,245.46	3,460,495.16	95,857.86	36,892.44	
2023AC	EMPLOYEE BENEFITS PAYABLE	15,551.73	15,551.73			
2025SC	SALES TAX PAYABLE	3,012.99	3,012.99			
2106SC	SECURITY DEPOSIT-SACKETT RANCH	500.00	500.00			
2110SC	WESTSIDE IRWMP PREFUNDED ADMIN	144,453.59	144,453.59			
	Total Current Liabilities	4,206,624.77	3,643,374.47	95,857.86	467,392.44	0.00

Long-Term Liabilities

Total Long-Term Liabilities	0.00					
Total Liabilities	4,206,624.77	3,643,374.47	95,857.86	467,392.44	0.00	

Capital

3150SC	OTHER FLD CTRL CAPITAL PROJ.	1,260,893.10	1,260,893.10			
3155SC	OTHER CAPITAL PROJ/EMERG RESER	2,000,000.00	2,000,000.00			
3200G	GREEN VALLEY OPERTING RESERVE	88,022.00			88,022.00	
3200N	SWP OPERATING RESERVE	8,038,753.00		8,038,753.00		
3200SC	DESIGNATED REHAB & BETTERMENT	2,000,000.00	2,000,000.00			
3200U	ULATIS OPERATING RESERVE	837,122.00			837,122.00	
3250G	GV CAPITAL RESERVE	152,597.98				152,597.98
3250N	DESIGNATED SWP FACILITIES RESE	12,753,491.21		12,753,491.21		
3250SC	SP FUTURE REPLACEMENT CAPITAL	5,054,493.31	5,054,493.31			
3250U	ULATIS FCP CAPITAL RESERVE	6,354,047.52			6,354,047.52	
3350SC	DESIGNATED OPERATING RESERVES	10,550,879.00	10,550,879.00			
39005	Retained Earnings-2019/20	3,816,838.72	162,317.96	3,165,330.39	429,089.38	60,100.99
	Net Income-Current Year	(3,607,473.38)	(3,372,532.75)	(821,110.19)	523,618.16	62,551.40
	Total Capital	49,299,664.46	17,656,050.62	23,136,464.41	8,231,899.06	275,250.37
	Total Liabilities & Capital	\$ 53,506,289.23	\$ 21,299,425.09	\$ 23,232,322.27	\$ 8,699,291.50	\$ 275,250.37

SOLANO COUNTY WATER AGENCY



MEMORANDUM

TO: Board of Directors

FROM: Roland Sanford, General Manager

DATE: January 5, 2021

SUBJECT: January General Manager's Report

Water Supply Outlook

Essentially nothing has changed since last month with regard to the water supply outlook for 2021. There has been remarkably little runoff into Lake Berryessa. However, the lake is currently at 75 percent of capacity and as noted in previous reports, on track to deliver full allocations in 2021. The current State Water Project allocation for Solano remains at 15 percent and is expected to remain at or near 15 percent in the absence of any significant storms in the Sierras.

LNU Fire Remediation

The lack of rain has been helpful with respect to ongoing LNU fire remediation efforts. Staff and Water Agency contractors installed over 60 rock vane erosion control structures - essentially all that were contemplated under the best of circumstances – in Pleasants Creek, and in-channel debris removal is nearing completion at a particularly troublesome area draining to Pleasants Creek. As reported last month, staff conducted walking surveys of the stream channels at and near Vacaville that feed into the Water Agency's Ulati Flood Control Project. The good news is that no significant channel blockages were observed. However, a number of significant in-channel debris accumulations, nearly all of which are located on private property, have recently been documented by Solano Resource Conservation District staff, further upstream of Vacaville and toward Allendale.

The rain we have received to date, while not significant from a water supply perspective, has been enough to effectively end most of the LNU Fire Remediation field work for now. Accordingly, efforts will now be directed toward water quality monitoring, and monitoring of stream channels for floating debris at critical locations. Substantial fire-related debris is anticipated from the burn areas. Additional information is available at the Water Agency's recently enhanced "Flood Preparedness" webpage (see: www.scwa2.com and click on "Flood Preparedness" button on home page).

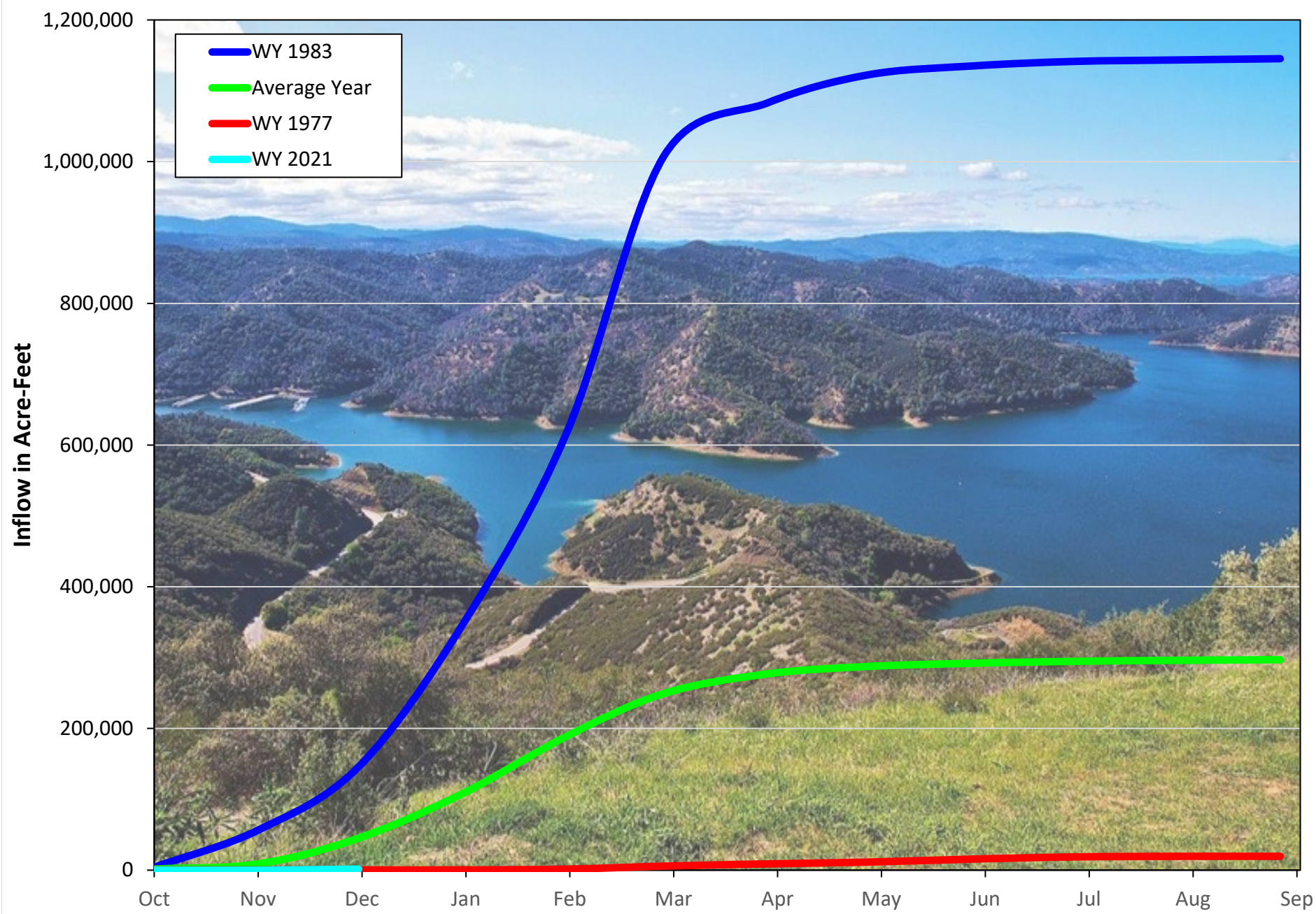
810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
(707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



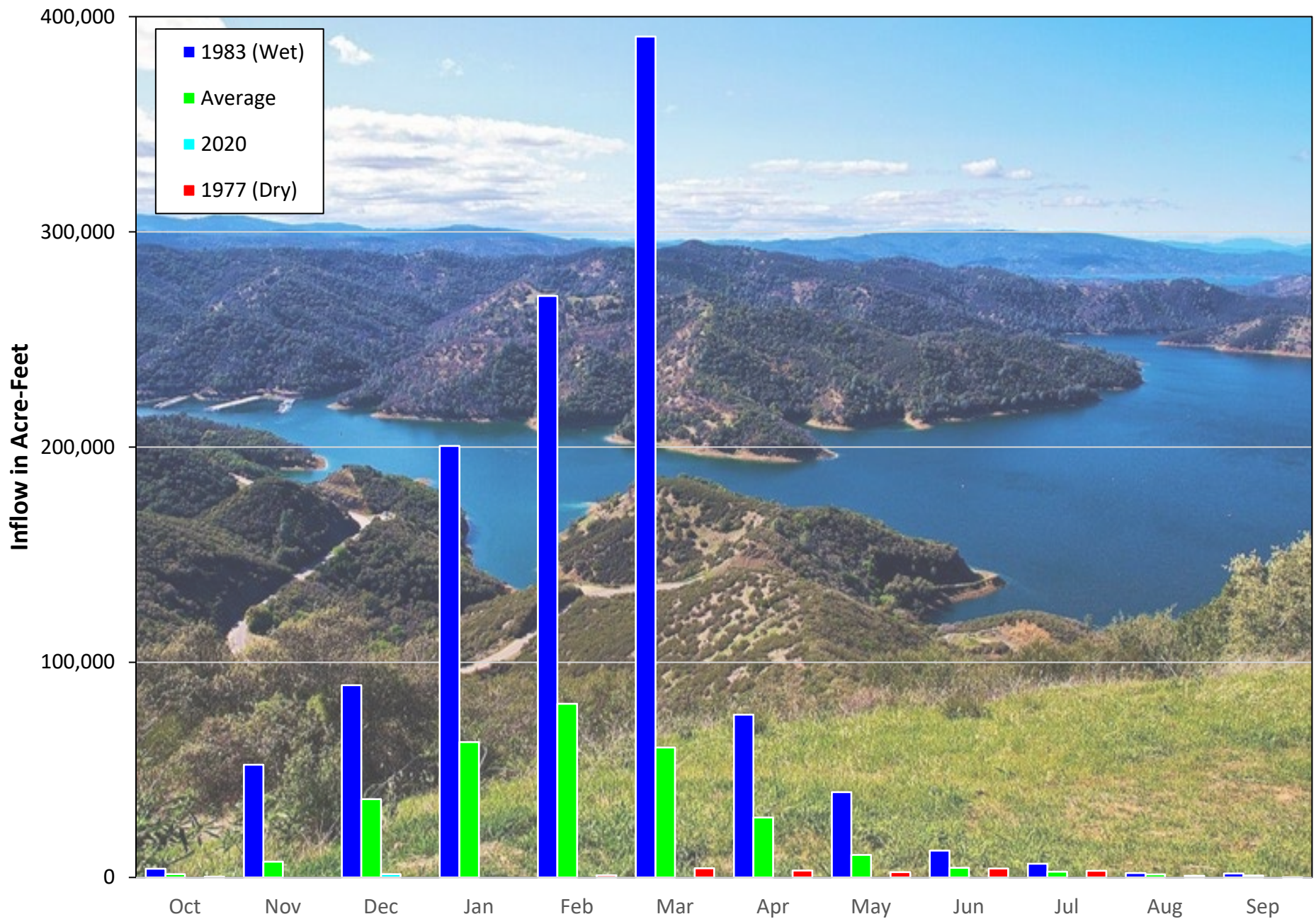
Looking toward 2021

2021 has the potential to be a significant year for the North Bay Aqueduct Alternate Intake Project and the Cache Slough Complex in general. The need to address the ongoing and potentially worsening water quality and endangered species conflicts associated with the North Bay Aqueduct's Barker Slough intake appears to be gaining traction. I anticipate considerable staff time devoted to the North Bay Aqueduct and issues pertaining to the State Water Project in general. It is also my expectation that implementation of the Solano Habitat Conservation Plan will finally begin in 2021 – a major milestone for the Water Agency and the Solano Project in particular. Then there is the wildcard – COVID. Our offices remain closed to the public and staff is for the most part working remotely, and will continue to do so I suspect, until at least the summer or fall, if not for the entire year. Happy New Year!

Annual Lake Berryessa Inflow



Annual Lake Berryessa Inflow



Executive Summary

The Proposed Lookout Slough Restoration Project and the Future Viability of the North Bay Aqueduct Water Supply

Background

The Cache Slough Complex, which encompasses much of southeastern Solano County, has been identified by State and Federal resource agencies as a highly desirable region for large scale habitat restoration projects, particularly tidal wetland restoration projects. The region is comparatively undeveloped and retains remnants of the Delta's historic physiographic features, and for the most part is comprised of a gently sloping topography, which facilitates tidal wetland development.

The proposed Lookout Slough habitat restoration project is one in a series of large-scale habitat restoration projects that are planned or have already been constructed in the region to enhance habitats for endangered species such as the Delta Smelt and Longfin Smelt. The project would be constructed by Ecosystem Investment Partners, a private firm, and ultimately become a Department of Water Resources (DWR) owned and maintained facility that will satisfy in part, habitat mitigation requirements associated with the operation and maintenance of the State Water Project.

Habitat Restoration Conflicts

The Cache Slough Complex is a largely agricultural region that relies heavily on water diversions from the region's watercourses for crop production. In addition to crop production, the region provides municipal drinking water for much of Solano and Napa counties, via DWR's North Bay Aqueduct, and also, for the City of Vallejo, pursuant to the City's Cache Slough water right.

As mentioned earlier, the primary purpose of Lookout Slough and other habitat restoration projects is to enhance habitats for and increase the abundance of endangered fish species. Some of these species, notably Delta Smelt, exhibit a larval/juvenile life stage during which they are highly susceptible to entrainment by water diversions, even water diversions with state of the art fish screens, such as the North Bay Aqueduct intake at Barker Slough. Accordingly, State and Federal regulatory agencies typically prescribe water diversion curtailments when such species are at or near water diversion intakes. The increased abundance of endangered species, particularly those that are at times highly susceptible to entrainment by water diversions, is expected to increase the frequency and duration of State and Federal mandated water diversion curtailments in the Cache Slough Complex.

In addition to an increase in the abundance of endangered fish species, Lookout Slough and other habitat restoration projects in the Cache Slough Complex are projected to increase

primary productivity - food for species that in turn become a food source for other species. Typically coincident with primary productivity is an increase in dissolved organic carbon, a water quality constituent that is particularly problematic when treating water for municipal purposes. Ideally, the source water for a drinking water supply should have little or no dissolved organic carbon.

During the water treatment process dissolved organic carbon, in addition to imparting undesirable taste and odor traits, can facilitate the creation of trihalomethanes and other disinfection byproducts that are documented cancer causing agents. Although the U.S. Environmental Protection Agency has established drinking water standards for trihalomethanes, no such drinking water standards exist for dissolved organic carbon. In sharp contrast to the drinking water perspective, dissolved organic carbon is generally considered a desirable constituent when the intent is to increase primary productivity. In summary, what constitutes “good water quality” for primary productivity is the exact opposite with respect to municipal drinking water supplies.

North Bay Aqueduct on the edge

The North Bay Aqueduct is an impaired facility. In addition to the water supply reliability challenges the entire State Water Project (SWP) faces, the North Bay Aqueduct generally exhibits the poorest raw water quality of all SWP facilities, due largely to local runoff from the surrounding Barker Slough watershed. Water quality is typically poorest during the rainy season – often so poor that it becomes marginally treatable. Accordingly, municipal water purveyors who have access to an alternative source typically discontinue – as best they can - their winter NBA water use to avoid treatability issues and the possibility of violating State or Federal drinking water standards. Because existing water quality conditions at the North Bay Aqueduct intake at Barker Slough are already marginal from a municipal water supply perspective, even a modest incremental degradation of quality via incremental increases in dissolved organic carbon concentrations or other problematic water quality constituents is concerning.

The endangered species regulatory restrictions placed on NBA operations have become increasingly stringent and have expanded the timeframe (e.g. window) when pumping curtailments can be invoked. Pursuant to the “Incidental Take Permit” issued by the California Department of Fish and Wildlife in 2020, pumping curtailments to protect endangered fish species can now occur between January 15 and June 30. Fortunately, to date there have been comparatively few instances when NBA pumping curtailments have been prescribed to protect endangered species. However, if the habitat restoration projects proposed for the Cache Slough Complex perform as intended and the abundance of endangered species increases, so will the risk of future, more frequent pumping curtailments.

In summary, due to prevailing poor winter water quality conditions and endangered species regulatory restrictions, the “usability” of the NBA water supply is already significantly impaired – spotty - between the onset of the rainy season and June of each year. It does not appear that

this situation will improve if the habitat restoration projects proposed for the Cache Slough Complex perform as intended.

High stakes gambling without a backup plan

Unfortunately, the ability to predict dissolved organic carbon concentrations or the number of endangered species that may result from a given habitat restoration project is at best limited. It is possible that little or no further degradation of water quality – from a municipal water supply perspective – will occur if the proposed Lookout Slough project or any future combination of habitat restoration within the Cache Slough Complex is constructed. Similarly, it is possible that the abundance of endangered species will not increase or otherwise trigger more frequent pumping curtailments. On the other side of the coin, the NBA provides an essential drinking water supply for nearly 500,000 residents in Solano and Napa counties.

To date DWR, the primary proponent of ongoing habitat restoration projects in the Cache Slough Complex and the owner/operator of the NBA has offered no backup plan for the NBA water users, in the event the NBA water supply is further diminished by habitat restoration related water quality or endangered species conflicts. While arguably, habitat restoration is intrinsically good, to not have a backup plan in the event habitat restoration further diminishes the NBA water supply, is a risky proposition.

Water Agency actions to date

The Water Agency has repeatedly expressed concern over the proliferation of habitat restoration projects in the Cache Slough Complex and their potential impact vis-à-vis degradation of municipal source water quality and increasing presence of endangered species such as Delta Smelt. The Water Agency commented on the environmental impact studies for the Liberty Island, Calhoun Cut, Prospect Island, Yolo Ranch and now Lookout Slough habitat restoration projects, and earlier this year took the unprecedented step of protesting the proposed Delta Stewardship Council “consistency determination” for the Yolo Ranch habitat restoration project. In all instances, the Water Agency expressed concern over the inadequacy of the cumulative impact analyses for these habitat restoration projects.

The Water Agency continues to lobby DWR and others for a regional hydrodynamic study to evaluate the cumulative water-related impacts of existing and anticipated habitat restoration projects within the region, as well as other technical studies needed to evaluate the feasibility of the NBA Alternate Intake Multi-Benefit Project (NBA AIMP). While the Lookout Slough Environmental Impact Report arguably includes one of the more comprehensive hydrodynamic analyses to date, even that study falls short of a truly robust, regional evaluation of hydrodynamics. The NBA AIMP would alleviate the Water Agency’s concerns regarding the future viability of the NBA in the face of ongoing habitat restoration efforts and has the potential to provide additional habitat restoration benefits for the Cache Slough Complex, but is admittedly an extremely expensive project.

In the absence of the NBA AIMP, the Water Agency seeks the following;

- (1) A “safe harbor” agreement that acknowledges the potential “taking” of endangered species by agricultural and municipal water diversions,
- (2) Funding for NBA municipal water purveyors to upgrade their water treatment processes to accommodate higher concentrations of dissolved organic carbon and other undesirable water quality constituents, and
- (3) Funding to develop infrastructure for the delivery and use of NBA water for agricultural purposes, in lieu of groundwater or other surface water supply sources such as the Solano Project (Lake Berryessa).

**REPORT OF CONSTRUCTION CHANGE ORDERS AND
CONTRACTS APPROVED BY GENERAL MANAGER UNDER
DELEGATED AUTHORITY**

Construction Contract Change Orders (15% of original project costs or \$50,000, whichever is less) - None

Construction Contracts (\$45,000 and less) – None

Professional Service Agreements (\$45,000 and less) - None

Non-Professional Service Agreements (\$45,000 and less) – None

Construction contracts resulting from informal bids authorized by SCWA Ordinance- None

Note: Cumulative change orders or amendments resulting in exceeding the dollar limit need Board approval.

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021

SUBJECT: Appointment of Legislative and Water Policy Committees for 2021

RECOMMENDATIONS:

Appoint Legislative and Water Policy Committees and establish respective meeting calendars.

FINANCIAL IMPACT:

None.


BACKGROUND:

Legislative Committee

The Legislative Committee consists of seven members; five Board members appointed by the Board Chair, one member appointed by the Solano Water Advisory Commission, and the Water Agency’s Legislative Advocate. The committee typically meets monthly – the first Thursday of the month – and reviews pending legislation for possible “support/non-support” recommendations and Board discussion. In 2020 the Legislative Committee consisted of the following members:

2020 Legislative Committee

- Mayor Ron Kott (Chair)
- Supervisor Skip Thomson (Vice-Chair)
- Mayor Elizabeth Patterson
- Director Dale Crossley
- Director Lance Porter
- Felix Riesenber, Solano Water Advisory Commission
- Robert Reeb, Water Agency Legislative Advocate

Recommended: 
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input checked="" type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

Water Policy Committee

The Water Policy Committee consists of six members; five Board members appointed by the Board Chair, and one member appointed by the Solano Water Advisory Commission. The committee typically meets monthly – the fourth Monday of the month – and reviews State and Federal policies as they pertain to the Water Agency, drafts, and recommends policies for consideration by the full Board. In 2020 the Water Policy Committee consisted of the following members:

2020 Water Policy Committee

- Supervisor John Vasquez (Chair)
- Mayor Lori Wilson
- Mayor Elizabeth Patterson
- Director Dale Crossley
- Director Lance Porter
- Curtis Paxton, Solano Water Advisory Commission

Tentative 2021 Committee Meeting Calendars

Pursuant to existing protocol, staff recommends the following tentative committee meeting schedules for 2021:

Legislative Committee

- February 4
- March 4
- April 1
- May 6
- June 3
- July 1
- August 5
- September 2
- October 7
- November 4
- December 2

Water Policy Committee

- January 25
- February 22
- March 22
- April 26
- May 24
- June 28
- July 26
- August 23
- September 27
- October 25
- November 22
- December 27

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021

SUBJECT: Appointment of Workforce Study Committee member

RECOMMENDATIONS:

Appoint Board member to Workforce Study Committee

FINANCIAL IMPACT:

None

BACKGROUND:

In 2020 Boucher Law was retained to conduct a Water Agency Workforce Study. The study scope of work includes an analysis and evaluation of the Water Agency’s organization structure, a “job classification” review and analysis, and employee total compensation analysis and market comparison. A Workforce Study Committee consisting of Water Agency staff and two Board members; Director Crossley of Reclamation District 2068, and Mayor Patterson of Benicia was created to assist Boucher Law with the Workforce Study. Mayor Patterson is no longer on the Water Agency Board of Directors and therefore her involvement with the Workforce Study Committed has ended. Staff recommends the Board appoint a Board member to replace Mayor Patterson on the Workforce Study Committee. The Workforce Study is scheduled for completion by mid 2021.



Recommended: _____
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021

SUBJECT: State Water Project Contract Amendment 22 (Water Management Tools)

RECOMMENDATIONS:

- 1. Make findings and statements of overriding considerations as a responsible agency under the California Environmental Quality Act for the Final Environmental Impact Report for the State Water Project Supply Contract Amendments for Water Management, by adopting the CEQA Findings of Fact and Statement of Overriding Considerations for the State Water Project Water Supply Contract Amendments for Water Management prepared by DWR as the Water Agency’s own; and
- 2. Authorize General Manager to execute Amendment 22 to the Water Agency’s Long Term Water Supply Contract with the Department of Water Resources to supplement and clarify water management tools regarding transfers and exchanges of SWP.


FINANCIAL IMPACT:

None.

BACKGROUND:

What is Amendment 22?

The Water Agency holds a long-term water supply contract (SWP Contract) with the State of California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water via the North Bay Aqueduct (NBA). The Water Agency in turn contracts with the cities of Benicia, Fairfield, Suisun City, Vacaville and Vallejo, who collectively are the users of the NBA water supply. Pursuant to the existing SWP Contract, water transfers are allowed in a limited and specific manner. Similarly, water exchanges are allowed, however, the specific protocols and parameters for water exchanges are not well defined, which has often lead to inconsistent interpretations of the contract language and tended to stymie water exchanges among the public water agencies (PWA’s) holding contracts with DWR for SWP supplies.

Recommended: 
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input checked="" type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

In a December 2017 Notice to Contractors, DWR indicated its desire to supplement and clarify the procedures and protocols for water transfers and exchanges among PWAs. The PWAs and DWR conducted public negotiations in 2017 that resulted in an “Agreement in Principal” (AIP) between DWR and the PWAs. The AIP identified contract language for clarifying the process for transfers and exchanges, contract provisions to provide additional flexibility for single and multi-year non-permanent water transfers, and for the first time, provisions for the exchange or transfer of carryover water stored in San Luis Reservoir. In addition to the aforementioned language pertaining to exchanges and transfers, the AIP also identified the allocation of costs among those PWAs participating in the California WaterFix Project (WaterFix Project).

In October 2018 DWR circulated a Draft Environmental Impact Report (DEIR) for the proposed contract amendments and allocation of costs for the WaterFix Project identified in the AIP. In early 2019 Governor Newsom decided not to proceed with the California WaterFix Project. Accordingly the PWAs and DWR subsequently agreed to eliminate references to cost allocation and the WaterFix Project from the AIP. A revised AIP was finalized in May 2019 and in February 2020 DWR amended and recirculated the DEIR, now identified as the Partially Recirculated DEIR for the State Water Project Supply Contract Amendments for Water Management. (see <https://water.ca.gov/News/Public-Notices/2020/August/SWP-Water-Supply-Contract-EIR>). DWR certified the Final EIR in August 2020 and in doing so adopted a CEQA Statement of Overriding Considerations (discussed elsewhere).

The contract revisions specified in the AIP are articulated in Amendment 22 (copy attached). Amendment 22 becomes effective when 24 of the 29 PWA’s approve the amendment. The adequacy of DWR’s EIR is currently being challenged in court. However, the Water Management Tools will remain in place and available for use – once approved by at least 24 of the PWA’s - during the ongoing litigation, and unless there is a final court order prohibiting their implementation.

What does Amendment 22 do for the Water Agency and the users of the NBA water supply?

Due to changing hydrology and regulatory constraints the SWP is not nearly as reliable as originally envisioned when the Solano County Flood Control and Water Conservation District, the predecessor to the Solano County Water Agency, entered into a water supply contract with DWR for SWP water deliveries via the North Bay Aqueduct (NBA). Note: the NBA was constructed in the 1980’s, SWP deliveries to Solano began in 1987. While the Water Agency holds a contract for a specified amount of SWP water, commonly referred to as “Table A” water. DWR is rarely able to provide the full Table A contractual amount in any given year. Within the last 10 years annual Table A allocations have ranged from as little as 5 percent to 100 percent, and averaged 47 percent of the full Table A contractual amount.

In view of the highly variable annual Table A allocations, for water supply planning purposes, the NBA water users must assume they will receive a fraction of their full contractual Table A allocation in any given year. When “windfall” years occur and they receive all or nearly all of their full contractual Table A allocation, they are not always in a position to fully use or store the water they are allocated and contractually obligated to purchase (Each year the NBA water users pay for their full contractual Table A allocation, whether they receive it or not). Over the last five years the NBA water users have collectively paid for nearly 50,000 acre-feet of SWP water that was allocated but never used. Amendment 22 and more specifically, the provisions for water exchanges and temporary transfers set forth in Amendment 22 provide a mechanism for monetizing what would otherwise be a stranded asset – unused SWP water.

From the Water Agency and NBA user’s perspective, the key provisions of Amendment 22 are as follows:

Transfers

Allows PWAs to transfer up to 50 percent of their carryover water.

Creates new flexibility for non-permanent transfers, including allowing PWAs to transfer water to other PWAs outside their service area, to determine the duration (either single or multi-year) and terms of compensation for transfers, to execute “Transfer Packages” (two or more transfer agreements between the same PWAs) and to transfer water stored outside their service territory directly to other PWAs.

Exchanges

Allows PWAs to exchange up to 50 percent of their carryover water.

Allows exchanges to be carried out over a 10 year period (meaning water could be returned over 10 years)

Sets exchange ratios based on Annual Table A water allocation percentages.

Sets the maximum cost compensation for an exchange.

In addition to the above, Amendment 22 allows PWAs to participate in multiple transfers or exchanges each year as well as be both buyers and sellers in the same year. Amendment 22 requires certain conditions be met to avoid harm to the State Water Project and other PWAs, and provides a dispute resolution process for non-participating PWA's who believe they may be adversely impacted by a transfer.

Amendment 22 and the Water Agency's draft policy for out-of-county water exchanges and transfers

In 2019 the Board's Water Policy Committee was assigned the task of formulating and recommending for possible Board adoption one or more policies regarding out-of-county water exchanges and transfers subject to Water Agency approval. After extensive discussions lead by a meeting facilitator, the committee developed a preliminary draft policy with the overarching principle that any water identified for possible out-of-county exchange or transfer first be made available to in-county water users. Due to COVID the committee meetings were suspended before the policy language was finalized in advance of possible Board approval. Accordingly, there is currently no formal Water Agency policy regarding out-of-county water exchanges or transfers. However, informally, the Water Agency and its member agencies have historically adhered to the overarching principal of "Solano first", whereby any water considered for possible out-of-county exchange or transfer first be made available to in-county users.

In order to take advantage of the contract provisions provided by Amendment 22, the Board must authorize execution of the amendment, and either adopt a formal policy regarding out-of-county water exchanges and transfers, or continue to approve or disapprove of out-of-county exchanges addressed in Amendment 22 on a case-by-case basis. For the short term it is recommended the Board continue to approve or disapprove out-of-county SWP transfers and exchanges on a case by case basis.

CEQA Findings

The EIR certified by DWR for the Water Management Tools provides a program-level analysis of the proposed action – adoption of the Water Management Tools. The EIR does not evaluate the potential impacts of any specific water transfer or exchange contemplated by the PWAs. CEQA review of specific water transfers and exchanges are the responsibility of the participating PWA's. Because no specific water transfers or exchanges are evaluated in the EIR, DWR is unable to confirm whether any of the water transfers or exchanges contemplated by the PWA's would result in significant adverse impacts. Given the absence of any specific water transfer or water exchange project pursuant to the proposed Water Management Tools, the EIR certified by DWR concludes that potentially significant adverse impacts – most notably impacts to groundwater and land subsidence – are within the realm of possibility.

In view of the potential for significant adverse impacts, DWR certified the EIR and in doing so adopted a CEQA Statement of Overriding Conditions (copy attached). In adopting the CEQA Statement of Overriding Conditions, DWR has concluded that the benefits of the proposed Water Management Tools outweigh the potentially significant adverse impacts. The Water Agency must formally adopt DWR's CEQA findings and Statement of Overriding Conditions for the Water Management Tools, prior to executing Amendment 22.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

Execution of Amendment 22 is consistent with Goal #1 of the 2016-2025 SCWA Strategic Plan (Optimize the management of current and future water resources in a sustainable manner).

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 22 (THE WATER MANAGEMENT AMENDMENT)
TO WATER SUPPLY CONTRACT
BETWEEN
THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND
SOLANO COUNTY WATER AGENCY

THIS AMENDMENT to the Water Supply Contract is made this _____ day of _____, 20____ pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Solano County Water Agency, herein referred to as the "Agency."

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RECITALS

- A. The State and the Agency entered into and subsequently amended a water supply contract (the “contract”), dated December 26, 1963, providing that the State shall supply certain quantities of water to the Agency and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and
- B. The State and the Agency, in an effort to manage water supplies in a changing environment, explored non-structural solutions to provide greater flexibility in managing State Water Project (SWP) water supplies; and
- C. The State and the Agency, in an effort to support the achievement of the coequal goals for the Delta set forth in the Delta Reform Act, sought solutions to develop water supply management practices to enhance flexibility and reliability of SWP water supplies while the Agency is also demonstrating its commitment to expand its water supply portfolio by investing in local water supplies; and
- D. The State and the Agency, in response to the Governor’s Water Resiliency Portfolio, wish to maintain and diversify water supplies while protecting and enhancing natural systems without changing the way in which the SWP operates; and
- E. The State and the Agency sought to create a programmatic solution through transfers or exchanges of SWP water supplies that encourages regional approaches among water users sharing watersheds and strengthening partnerships with local water agencies, irrigation districts, and other stakeholders; and
- F. The State and the Agency, in an effort to comply with the Open and Transparent Water Data Platform Act (Assembly Bill 1755), sought means to create greater transparency in water transfers and exchanges; and
- G. The State, the Agency and representatives of certain other SWP Contractors have negotiated and agreed upon a document (dated May 20, 2019), the subject of which is “ Draft Agreement in Principle for the SWP Water Supply Contract Amendment for Water Management” (the “Agreement in Principle”); and
- H. The Agreement in Principle describes that the SWP Water Supply Contract Amendment for Water Management “supplements and clarifies terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area”; the principles agreed to achieve this without relying upon increased SWP diversions or changing the way in which the SWP operates, and are consistent with all applicable contract and regulatory requirements; and

- I. The State, the Agency and those Contractors intending to be subject to the contract amendments contemplated by the Agreement in Principle subsequently prepared an amendment to their respective Contracts to implement the provisions of the Agreement in Principle, and such amendment was named the “SWP Water Supply Contract Amendment for Water Management”; and
- J. The State and the Agency desire to implement continued service through the contract and under the terms and conditions of this “SWP Water Supply Contract Amendment for Water Management”;

NOW, THEREFORE, IT IS MUTUALLY AGREED that the following changes and additions are hereby made to the Agency's water supply contract with that State:

AMENDED CONTRACT TEXT

ARTICLE 1 IS AMENDED TO ADD THE FOLLOWING DEFINITIONS, PROVIDED THAT IF THIS WATER MANAGEMENT AMENDMENT TAKES EFFECT BEFORE THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT, THE ADDITIONS HEREIN SHALL CONTINUE IN EFFECT AFTER THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT NOTWITHSTANDING THE CONTRACT EXTENSION AMENDMENT'S DELETION AND REPLACEMENT OF ARTICLE 1 IN ITS ENTIRETY:

1. Definitions

- (au) **"Article 56 Carryover Water"** shall mean water that the Agency elects to store under Article 56 in project surface conservation facilities for delivery in a subsequent year or years.

ARTICLES 21 and 56 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING TEXT:

21. Interruptible Water Service

(a) Allocation of Interruptible Water

Each year from water sources available to the project, the State shall make available and allocate interruptible water to contractors in accordance with the procedure in Article 18(a). Allocations of interruptible water in any one year may not be carried over for delivery in a subsequent year, nor shall the delivery of interruptible water in any year impact the Agency's approved deliveries of Annual Table A Amount or the Agency's allocation of water for the next year. Deliveries of interruptible water in excess of the Agency's Annual Table A Amount may be made if the deliveries do not adversely affect the State's delivery of Annual Table A Amount to other contractors or adversely affect project operations. Any amounts of water owed to the Agency as of the date of this amendment pursuant to former Article 12(d), any contract provisions or letter agreements relating to wet weather water, and any Article 14(b) balances accumulated prior to 1995, are canceled. The State shall hereafter use its best efforts, in a manner that causes no adverse impacts upon other contractors or the project, to avoid adverse economic impacts due to the Agency's inability to take water during wet weather.

(b) Notice and Process for Obtaining Interruptible Water

The State shall periodically prepare and publish a notice to contractors describing the availability of interruptible water under this Article. To obtain a supply of interruptible water, including a supply from a transfer of interruptible water, the Agency shall execute a further agreement with the State. The State will timely process such requests for scheduling the delivery of the interruptible water.

(c) Rates

For any interruptible water delivered pursuant to this Article, the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as if such interruptible water were Table A Amount water, as well as all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State. The State shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if interruptible water were not scheduled for or delivered to the Agency. Only those contractors not participating in the repayment of the capital costs of a reach shall be required to pay any use of facilities charge for the delivery of interruptible water through that reach.

(d) Transfers of Interruptible Water

- (1) Tulare Lake Basin Water Storage District, Empire West-Side Irrigation District, Oak Flat Water District, and County of Kings may transfer to other contractors a portion of interruptible water allocated to them under subdivision (a) when the State determines that interruptible water is available.
- (2) The State may approve the transfer of a portion of interruptible water allocated under subdivision (a) to contractors other than those listed in (d)(1) if the contractor acquiring the water can demonstrate a special need for the transfer of interruptible water.
- (3) The contractors participating in the transfer shall determine the cost compensation for the transfers of interruptible water.

The transfers of interruptible water shall be consistent with Articles 56(d) and 57.

56. Use and Storage of Project Water Outside of Service Area and Article 56 Carryover Water

(a) State Consent to Use of Project Water Outside of Service Area

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency storing Project Water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside its service area for later use by the Agency within its service area and to the Agency transferring or exchanging Project Water outside its service area consistent with agreements executed under this contract.

(b) Groundwater Storage Programs

The Agency shall cooperate with other contractors in the development and establishment of groundwater storage programs. The Agency may elect to store Project Water in a groundwater storage program outside its service area for later use within its service area. There shall be no limit on the amount of Project Water the Agency can store outside its service area during any year in a then existing and operational groundwater storage program.

(1) Transfers of Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the Agency may transfer any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area to another contractor for use in that contractor's service area. These transfers must comply with the requirements of Articles 56(c)(4)(i)-(v), (6) and (7), and Article 57. The Agency will include these transfers in its preliminary water delivery schedule required in Article 12(a).

(2) Exchanges of any Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the Agency may exchange any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area with another contractor for use in that contractor's service area. These exchanges must comply with the requirements in Article 56(c)(4)(i)-(v). The Agency shall include these exchanges in its preliminary water delivery schedule pursuant to Article 12(a).

(c) Article 56 Carryover Water and Transfers or Exchanges of Article 56 Carryover Water

- (1) In accordance with any applicable water rights laws, the Agency may elect to use Article 56 Carryover Water within its service area, or transfer or exchange Article 56 Carryover Water to another contractor for use in that contractor's service area in accordance with the provisions of subdivision (c)(4) of this Article. The Agency shall submit to the State a preliminary water delivery schedule on or before October 1 of each year pursuant to Article 12(a), the quantity of water it wishes to store as Article 56 Carryover Water in the next succeeding year, and the quantity of Article 56 Carryover Water it wishes to transfer or exchange with another contractor in the next succeeding year. The amount of Project Water the Agency can add to storage in project surface conservation facilities and in nonproject surface storage facilities located outside the Agency's service area each year shall be limited to the lesser of the percent of the Agency's Annual Table A Amount shown in column 2 or the acre-feet shown in column 3 of the following table, depending on the State's final Table A water supply allocation percentage as shown in column 1. For the purpose of determining the amount of Project Water the Agency can store, the final water supply allocation percentage shown in column 1 of the table below shall apply to the Agency. However, there shall be no limit to storage in nonproject facilities in a year in which the State's final water supply allocation percentage is one hundred percent. These limits shall not apply to water stored pursuant to Articles 12(e) and 14(b).

1. Final Water Supply Allocation Percentage	2. Maximum Percentage of Agency's Annual Table A Amount That Can Be Stored	3. Maximum Acre-Feet That Can Be Stored
50% or less	25%	100,000
51%	26%	104,000
52%	27%	108,000
53%	28%	112,000
54%	29%	116,000
55%	30%	120,000
56%	31%	124,000
57%	32%	128,000
58%	33%	132,000
59%	34%	136,000
60%	35%	140,000
61%	36%	144,000
62%	37%	148,000
63%	38%	152,000
64%	39%	156,000
65%	40%	160,000
66%	41%	164,000
67%	42%	168,000
68%	43%	172,000
69%	44%	176,000
70%	45%	180,000
71%	46%	184,000
72%	47%	188,000
73%	48%	192,000
74%	49%	196,000
75% or more	50%	200,000

- (2) Storage capacity in project surface conservation facilities at any time in excess of that needed for project operations shall be made available to requesting contractors for storage of project and Nonproject Water. If such storage requests exceed the available storage capacity, the available capacity shall be allocated among contractors requesting storage in proportion to their Annual Table A Amounts for that year. The Agency may store water in excess of its allocated share of capacity as long as capacity is available for such storage.
- (3) If the State determines that a reallocation of excess storage capacity is needed as a result of project operations or because of the exercise of a contractor's storage right, the available capacity shall be reallocated among contractors requesting storage in proportion to their respective Annual

Table A Amounts for that year. If such reallocation results in the need to displace water from the storage balance for any contractor or noncontractor, the water to be displaced shall be displaced in the following order of priority:

First, water, if any, stored for noncontractors;

Second, water stored for a contractor that previously was in excess of that contractor's allocation of storage capacity; and

Third, water stored for a contractor that previously was within that contractor's allocated storage capacity.

The State shall determine whether water stored in a project surface water conservation facility is subject to displacement and give as much notice as feasible of a potential displacement. If the Agency transfers or exchanges Article 56 Carryover Water pursuant to this subdivision to another contractor for storage in such facility, the State shall recalculate the amount of water that is subject to potential displacement for both contractors participating in the transfer or exchange. The State's recalculation shall be made pursuant to subdivision (4) of this Article.

(4) Transfers or Exchanges of Article 56 Carryover Water

The Agency may transfer or exchange its Article 56 Carryover Water as provided in this subdivision under a transfer or an exchange agreement with another contractor. Water stored pursuant to Articles 12(e) and 14(b) and Nonproject Water shall not be transferred or exchanged. Transfers or exchanges of Article 56 Carryover Water under this subdivision shall comply with subdivision (f) of this Article and Article 57 as applicable, which shall constitute the exclusive means to transfer or exchange Article 56 Carryover Water.

On or around January 15 of each year, the State shall determine the maximum amount of Article 56 Carryover Water as of January 1 that will be available for transfers or exchanges during that year. The State's determination shall be consistent with subdivisions (c)(1) and (c)(2) of this Article.

The State shall timely process requests for transfers or exchanges of Article 56 Carryover Water by participating contractors. After execution of the transfer or exchange agreement between the State and the contractors participating in the transfer or exchange, the State shall recalculate each contractor's storage amounts for the contractors participating in the transfer or exchange. The State's recalculation shall result in an increase by an amount of water within the storage amounts for the contractor receiving the water and a decrease by the same amount of water for the contractor transferring or exchanging water. The State's recalculation shall be based on the criteria set forth in the State's transfer or exchange agreement with the participating contractors. The State's calculations shall also apply when a contractor uses Article 56 Carryover Water to complete an exchange.

Transfers and exchanges of Article 56 Carryover Water shall meet all of the following criteria:

- (i) Transfers or exchanges of Article 56 Carryover Water are limited to a single-year. Project Water returned as part of an exchange under subdivision (c)(4) may be returned over multiple years.
- (ii) The Agency may transfer or exchange an amount up to fifty percent (50%) of its Article 56 Carryover Water to another contractor for use in that contractor's service area.
- (iii) Subject to approval of the State, the Agency may transfer or exchange an amount greater than 50% of its Article 56 Carryover Water to another contractor for use in that contractor's service area. The Agency seeking to transfer or exchange greater than 50% of its Article 56 Carryover Water shall submit a written request to the State for approval. The Agency making such a request shall demonstrate to the State how it will continue to meet its critical water needs in the current year of the transfer or exchange and in the following year.

- (iv) The contractor receiving the water transferred or exchanged under subdivisions (4)(i) or (ii) above shall confirm in writing to the State its need for the water that year and shall take delivery of the water transferred or exchanged in the same year.
 - (v) Subject to the approval of the State, the Agency may seek an exception to the requirements of subdivisions (4)(i), (ii), and (iii) above. The Agency seeking an exception shall submit a written request to the State demonstrating to the State the need for 1) using project surface conservation facilities as the transfer or exchange point for Article 56 Carryover Water if the receiving contractor cannot take delivery of the transfer or exchange water in that same year, 2) using project surface conservation facilities for the transfer or exchange of one contractor's Article 56 Carryover Water to another contractor to reduce the risk of the water being displaced, or 3) for some other need.
- (5) The restrictions on storage of Project Water outside the Agency's service area provided for in this subdivision (c), shall not apply to storage in any project off-stream storage facilities constructed south of the Delta after the date of the Monterey Amendment.
- (6) For any Project Water stored outside its service area pursuant to subdivisions (b) and (c), the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as the Agency pays for the transportation of Annual Table A Amount to the reach of the project transportation facility from which the water is delivered to storage. If Table A Amount is stored, the Delta Water Charge shall be charged only in the year of delivery to interim storage. For any stored water returned to a project transportation facility for final delivery to its service area, the Agency shall pay the State the same for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water calculated from the point of

return to the aqueduct to the turn-out in the Agency's service area. In addition, the Agency shall pay all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State, which shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if such water were scheduled for or delivered to the Agency's service area instead of to interim storage outside the service area. Only those contractors not participating in the repayment of a reach shall be required to pay a use of facilities charge for use of a reach for the delivery of water to, or return of water from, interim storage.

- (7) If the Agency elects to store Project Water in a nonproject facility within the service area of another contractor it shall execute a contract with that other contractor prior to storing such water which shall be in conformity with this Article and will include at least provisions concerning the point of delivery and the time and method for transporting such water.

(d) Non-Permanent Water Transfers of Project Water

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency transferring Project Water outside its service area in accordance with the following:

- (1) The participating contractors shall determine the duration and compensation for all water transfers, including single-year transfers, Transfer Packages and multi-year transfers.
- (2) The duration of a multi-year transfer shall be determined by the participating contractors to the transfer, but the term of the transfer agreement shall not extend beyond the term of the Contract with the earliest term.
- (3) A Transfer Package shall be comprised of two or more water transfer agreements between the same contractors. The State shall consider each proposed water transfer within the package at the same time and shall apply the transfer criteria pursuant to Article 57 in the review and approval of each transfer. The State shall not consider a Transfer Package as an exchange.

(e) Continuance of Article 12(e) Carry-over Provisions

The provisions of this Article are in addition to the provisions of Article 12(e), and nothing in this Article shall be construed to modify or amend the provisions of Article 12(e). Any contractor electing to transfer or exchange Project Water during any year in accordance with the provisions of subdivision (c) of this Article, shall not be precluded from using the provisions of Article 12(e) for carrying over water from the last three months of that year into the first three months of the succeeding year.

(f) Bona Fide Exchanges Permitted

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency exchanging Project Water outside its service area consistent with this Article. Nothing in this Article shall prevent the Agency from entering into bona fide exchanges of Project Water for use outside the Agency's service area with other parties for Project Water or Nonproject Water if the State consents to the use of the Project Water outside the Agency's service area. Also, nothing in this Article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to September 1, 1995. Nothing in this Article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to the effective date of this Amendment which had previously received any required State approvals. The State recognizes that the hydrology in any given year is an important factor in exchanges. A "bona fide exchange" shall mean an exchange of water involving the Agency and another party where the primary consideration for one party furnishing water to another party is the return of a substantially similar amount of water, after giving due consideration to the hydrology, the length of time during which the water will be returned, and reasonable payment for costs incurred. In addition, the State shall consider reasonable deductions based on expected storage or transportation losses that may be made from water delivered. The State may also consider any other nonfinancial conditions of the return. A "bona fide exchange" shall not involve a significant payment unrelated to costs incurred in effectuating the exchange. The State, in consultation with the contractors, shall have authority to determine whether a proposed exchange of water constitutes a "bona fide exchange" within the meaning of this paragraph and not a disguised sale.

Exchanges of Project Water

Exchanges of Project Water shall be consistent with Article 57. In addition, the State shall apply the following criteria to its review of each exchange of Project Water as set forth below:

(1) **Exchange Ratio**

Exchange ratio shall mean the amount of water delivered from a contractor's project supply in a year to another contractor compared to the amount of water returned to the first contractor in a subsequent year by the other contractor. All exchanges shall be subject to the applicable exchange ratio in this Article as determined by the allocation of available supply for the Annual Table A Amount at the time the exchange transaction between the contractors is executed.

- (a) For allocations greater than or equal to 50%, the exchange ratio shall be no greater than 2 to 1.
- (b) For allocations greater than 25% and less than 50%, the exchange ratio shall be no greater than 3 to 1.
- (c) For allocations greater than 15% and less than or equal to 25%, the exchange ratio shall be no greater than 4 to 1.
- (d) For allocations less than or equal to 15%, the exchange ratio shall be no greater than 5 to 1.

(2) **Cost Compensation**

The State shall determine the maximum cost compensation calculation using the following formula:

The numerator shall be the exchanging contractor's conservation minimum and capital and transportation minimum and capital charges, including capital surcharges. DWR will set the denominator using the State Water Project allocation which incorporates the May 1 monthly Bulletin 120 runoff forecast.

If the Agency submits a request for approval of an exchange prior to May 1, the State shall provide timely approval with the obligation of the contractors to meet the requirement of the maximum compensation. If the maximum compensation is exceeded because the agreement between the

contractors is executed prior to the State Water Project allocation as defined in (c)(2) above, the contractors will revisit the agreement between the two contractors and make any necessary adjustments to the compensation. If the contractors make any adjustments to the compensation, they shall notify the State.

(3) Period During Which the Water May Be Returned:

The period for the water to be returned shall not be greater than 10 years and shall not go beyond the expiration date of this Contract. If the return of the exchange water cannot be completed within 10 years, the State may approve a request for an extension of time.

(g) Other Transfers

Nothing in this Article shall modify or amend the provisions of Articles 15(a), 18(a) or Article 41, except as expressly provided for in subdivisions (c) and (d) of this Article and in subdivision (d) of Article 21.

NEW CONTRACT ARTICLES

ARTICLE 57 IS ADDED TO THE CONTRACT AS A NEW ARTICLE AS FOLLOWS:

57. Provisions Applicable to Both Transfers and Exchanges of Project Water

- (a)** Nothing in this Article modifies or limits Article 18 (a).
- (b)** Transfers and exchanges shall not have the protection of Article 14(b).
- (c)** The Agency may be both a buyer and seller in the same year and enter into multiple transfers and exchanges within the same year.
- (d)** Subject to the State's review and approval, all transfers and exchanges shall satisfy the following criteria:
 - (1)** Transfers and exchanges shall comply with all applicable laws and regulations.
 - (2)** Transfers and exchanges shall not impact the financial integrity of the State Water Project, Transfers and exchange agreements shall include provisions to cover all costs to the State for the movement of water such as power costs and use of facility charge.
 - (3)** Transfers and exchanges shall be transparent, including compliance with subdivisions (g) and (h) of this Article.
 - (4)** Transfers and exchanges shall not harm other contractors not participating in the transfer or exchange.
 - (5)** Transfers and exchanges shall not create significant adverse impacts to the service area of each contractor participating in the transfer or exchange.
 - (6)** Transfers and exchanges shall not adversely impact State Water Project operations.
- (e)** The Agency may petition the State and the State shall have discretion to approve an exception to the criteria set forth in subdivision (d) in the following cases:
 - (1)** When a transfer or an exchange does not meet the criteria, but the Agency has determined that there is a compelling need to proceed with the transfer or exchange.

- (2) When the Agency has received water in a transfer or an exchange and cannot take all of the water identified in the transaction in the same year, the Agency may request to store its water consistent with Article 56(c), including in San Luis Reservoir.
- (f) The State will timely process such requests for scheduling the delivery of the transferred or exchanged water. Contractors participating in a transfer or an exchange shall submit the request in a timely manner.
- (g) The Agency shall, for each transfer or exchange it participates in, confirm to the State in a resolution or other appropriate document approving the transfer or exchange, including use of Article 56(c) stored water, that:
 - (1) The Agency has complied with all applicable laws.
 - (2) The Agency has provided any required notices to public agencies and the public.
 - (3) The Agency has provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
 - (4) The Agency is informed and believes that the transfer or exchange will not harm other contractors.
 - (5) The Agency is informed and believes that the transfer or exchange will not adversely impact State Water Project operations.
 - (6) The Agency is informed and believes that the transfer or exchange will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
 - (7) The Agency has considered the potential impacts of the transfer or exchange within its service area.
- (h) **Dispute Resolution Process Prior to Executing an Agreement**

The State and the contractors shall comply with the following process to resolve disputes if a contractor that is not participating in the transfer or exchange claims that the proposed transfer and/or exchange has a significant adverse impact.

- (1) Any claim to a significant adverse impact may only be made after the Agency has submitted the relevant terms pursuant to Article

57(g)(3) and before the State approves a transfer or an exchange agreement.

- (2) In the event that any dispute cannot be resolved among the contractors, the State will convene a group including the Department's Chief of the State Water Project Analysis Office, the Department's Chief Counsel and the Department's Chief of the Division of Operations or their designees and the contractors involved. The contractor's representatives shall be chosen by each contractor. Any contractor claiming a significant adverse impact must submit written documentation to support this claim and identify a proposed solution. This documentation must be provided 2 weeks in advance of a meeting of the group that includes the representatives identified in this paragraph.
- (3) If this group cannot resolve the dispute, the issue will be taken to the Director of the Department of Water Resources and that decision will be final.

WATER MANAGEMENT AMENDMENT IMPLEMENTING AND ADMINISTRATIVE PROVISIONS

IT IS FURTHER MUTUALLY AGREED that the following provisions, which shall not be part of the Water Supply Contract text, shall be a part of this Amendment and be binding on the Parties.

1. EFFECTIVE DATE OF WATER MANAGEMENT AMENDMENT

- (a) The Water Management Amendment shall take effect (“Water Management Amendment effective date”) on the last day of the calendar month in which the State and 24 or more contractors have executed the Water Management Amendment, unless a final judgment by a court of competent jurisdiction has been entered that the Water Management Amendment is invalid or unenforceable or a final order has been entered that enjoins the implementation of the Water Management Amendment.
- (b) If any part of the Water Management Amendment of any contractor is determined by a court of competent jurisdiction in a final judgment or order to be invalid or unenforceable, the Water Management Amendments of all contractors shall be of no force and effect unless the State and 24 or more contractors agree any the remaining provisions of the contract may remain in full force and effect.
- (c) If 24 or more contractors have not executed the Water Management Amendment by February 28, 2021 then within 30 days the State, after consultation with the contractors that have executed the amendment, shall make a determination whether to waive the requirement of subdivision (a) of this effective date provision. The State shall promptly notify all contractors of the State’s determination. If the State determines, pursuant to this Article to allow the Water Management Amendment to take effect, it shall take effect only as to those consenting contractors.
- (d) If any contractor has not executed the Water Management Amendment within sixty (60) days after its effective date pursuant to subdivisions (a) through (c) of this effective date provision, this Amendment shall not take effect as to such contractor unless the contractor and the State, in its discretion, thereafter execute such contractor’s Water Management Amendment, in which case the Water Management Amendment effective date for purposes of that contractor’s Amendment shall be as agreed upon by the State and contractor, and shall replace the effective date identified in subdivision (a) for that contractor.

2. ADMINISTRATION OF CONTRACTS WITHOUT WATER MANAGEMENT AMENDMENT

The State shall administer the water supply contracts of any contractors that do not execute the Water Management Amendment in a manner that is consistent with the contractual rights of such contractors. These contractors' rights are not anticipated to be affected adversely or benefited by the Water Management Amendments.

3. OTHER CONTRACT PROVISIONS

Except as amended by this Amendment, all provisions of the contract shall be and remain the same and in full force and effect, provided, however, that any reference to the definition of a term in Article 1, shall be deemed to be a reference to the definition of that term, notwithstanding that the definition has been re-lettered within Article 1. In preparing a consolidated contract, the parties agree to update all such references to reflect the definitions' lettering within Article 1.

4. DocuSign

The Parties agree to accept electronic signatures generated using DocuSign as original signatures.

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

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief Counsel
Department of Water Resources

Director

Date

Approved as to Form:

SOLANO COUNTY WATER AGENCY

General Counsel
Solano County Water Agency

General Manager

Date

CEQA Findings of Fact and Statement of Overriding Considerations for the State Water Project Water Supply Contract Amendments for Water Management

Section 1. Description of the Project

The proposed project includes amending certain provisions of the State Water Resources Development System (SWRDS) Water Supply Contracts (Contracts). SWRDS (defined in Wat. Code, Section 12931), or more commonly referred to as the SWP, was enacted into law by the Burns-Porter Act, passed by the Legislature in 1959 and approved by the voters in 1960. The Department of Water Resources constructed and currently operates and maintains the SWP, a system of storage and conveyance facilities that provide water to 29 State Water Contractors known as the Public Water Agencies (PWAs)¹. The Contracts include water management provisions as the methods of delivery, storage and use of water and financial provisions for recovery of costs associated with the planning, construction, and operation and maintenance of the SWP.

DWR and the PWAs have a common interest to ensure the efficient delivery of SWP water supplies and to ensure the SWP's financial integrity. In order to address water management flexibility DWR and the PWAs agreed to the following objectives:

- Supplement and clarify terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area.

The proposed project would add, delete, and modify provisions of the Contracts and clarify certain terms of the Contracts that will provide greater water management regarding transfers and

¹ The State Water Project Public Water Agencies include Alameda County Flood Control and Water Conservation District (Zone 7), Alameda County Water District, Antelope Valley-East Kern Water Agency, City of Yuba City, Coachella Valley Water District, County of Butte, County of Kings, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, Littlerock Creek Irrigation District, The Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Oak Flat Water District, Palmdale Water District, Plumas County Flood Control and Water Conservation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Geronio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Barbara County Flood Control and Water Conservation District, Santa Clara Valley Water District, Santa Clarita WA (formerly Castaic Lake WA), Solano County Water Agency, Tulare Lake Basin Water Storage District, and Ventura County Flood Control District.

exchanges of SWP water within the SWP service area. In addition, the proposed project would not build new or modify existing SWP facilities nor change any of the PWA's annual Table A amounts.² The proposed project would not change the water supply delivered by the SWP, as SWP water would continue to be delivered to the PWAs consistent with current Contract terms and all regulatory requirements. The May 20, 2019 AIP is included as Appendix A of the 2020 Partially Recirculated Draft Environmental Impact Report (RDEIR).

Section 2. Findings Required Under CEQA

CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to substantially lessen or avoid significant environment impacts that would otherwise occur. Mitigation measures or alternatives are not required, however, where such changes are infeasible or where the responsibility for the project lies with some other agency. (CEQA Guidelines, Section 15091, sub. (a), (b).)

With respect to a project for which significant impacts are not avoided or substantially lessened, a public agency, after adopting proper findings, may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the project's "benefits" rendered "acceptable" its "unavoidable adverse environmental effects." (CEQA Guidelines, Sections 15093, 15043, sub. (b); see also Pub. Resources Code, Section 21081, sub. (b).)

In seeking to effectuate the substantive policy of CEQA to substantially lessen or avoid significant environmental effects to the extent feasible, an agency, in adopting findings, need not necessarily address the feasibility of both mitigation measures and environmentally superior alternatives when contemplating approval of a proposed project with significant impacts. Where a significant impact can be mitigated to an "acceptable" level solely by the adoption of feasible mitigation measures, the agency, in drafting its findings, has no obligation to consider the feasibility of any environmentally superior alternative that could also substantially lessen or avoid that same impact — even if the alternative would render the impact less severe than would the proposed project as mitigated. (*Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 730-731; and *Laurel Heights Improvement Association v. Regents of the University of California* ("Laurel Heights I") (1988) 47 Cal.3d 376, 400-403.)

In cases in which a project's significant effects cannot be mitigated or avoided, an agency, after adopting proper findings, may nevertheless approve the project if it first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the "benefits of the project outweigh the significant effects on the environment." (Pub. Resources Code, Section 21081, sub. (b); see also, CEQA Guidelines, Sections 15043, subd. (b), 15093 .)

² The maximum amount of SWP water that the PWAs can request pursuant to their individual water supply contract. annual Table A amounts also serve as a basis for allocation of some SWP costs among the contractors.

In the Statement of Overriding Considerations found at the conclusion of this exhibit, DWR identifies the benefit that, in its judgment, outweigh the significant environmental effects that the projects would cause.

The California Supreme Court has stated that “[t]he wisdom of approving ... any development project, a delicate task which requires a balancing of interests, is necessarily left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply it simply requires that those decisions be informed, and therefore balanced.” (*Citizens of Goleta* (1990) 52 Cal.3d 553, 564.)

In support of its approval of the proposed project, DWR’s findings are set forth below for the potentially significant environmental effects and alternatives of the proposed project identified in the EIR pursuant to Public Resources Code, Section 21080 and Section 15091 of the CEQA Guidelines.

These findings do not attempt to describe the full analysis of each environmental impact contained in the 2018 DEIR and 2020 RDEIR (collectively referred to in this document as the DEIR). Instead, a full explanation of these environmental findings and conclusions can be found in the DEIR and these findings hereby incorporate by reference the discussion and analysis in the DEIR supporting the determination regarding the impacts of the proposed project. In making these findings, DWR ratifies, adopts and incorporates in these findings the determinations and conclusions of the DEIR and Final EIR (FEIR) relating to environmental impacts except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As described below and in the DEIR, there were two significant impacts identified for the proposed project and they were associated with groundwater hydrology and water quality. There were no mitigation measures identified in the DEIR to substantially lessen or avoid the potentially significant and significant groundwater resource impacts of the proposed project. Therefore, a Mitigation Monitoring and Reporting Program was not developed for the proposed project and is not included herein.

Unless otherwise specified, all page references presented herein are to the 2020 RDEIR.

2.1. Significant and Unavoidable Impacts

The following significant and potentially significant environmental impacts of the project are unavoidable and cannot be mitigated in a manner that would lessen the significant impact to below the level of significance. Notwithstanding disclosure of these impacts, DWR elects to approve the project due to overriding considerations as set forth below in Section 7, the statement of overriding considerations.

Impact Category: Groundwater Hydrology and Water Quality

Impact 5.10-1: The increase in groundwater pumping associated with changes in transfers and exchanges implemented by PWAs could substantially deplete groundwater supplies in some areas of the study area. [p. 5.10-17 – 5.10-21]

Finding. It is possible that transfers and exchanges of SWP water among the PWAs could result in benefits to groundwater levels, as transferred or exchanged water could be used instead of groundwater supplies or this water could be used for groundwater recharge. However, it is also possible that transfers and exchanges from agricultural to M&I PWAs could result in an increase in groundwater pumping resulting in a net deficit in aquifer volume or lowering the local groundwater table in some areas of the study area. DWR's conclusion is based on a program-level analysis, as there is uncertainty in the amount of groundwater use that may occur.

Because the Sustainable Groundwater Management Act (SGMA) is in the process of being implemented and because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, assumptions related to the ability of SGMA to mitigate any changes in groundwater levels are speculative.

PWAs could propose feasible mitigation measures to reduce significant impacts to less than significant in some cases, although it is not possible for DWR to conclude that feasible mitigation measures would be available to avoid or mitigate significant groundwater effects in all cases. Per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

The extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known. Therefore, it is concluded that the potential increase in groundwater pumping could result in a net deficit in aquifer volume or lowering the local groundwater table. **For these reasons, this impact is significant and unavoidable.**

Impact 5.10-2: The increase in groundwater pumping associated with changes in transfers and exchanges implemented by PWAs could result in subsidence in some of the study area. [p. 5.10-22 – 5.10-25]

Finding. It is possible that transfers and exchanges among the PWAs could result in benefits to groundwater levels, as transferred or exchanged water could be used instead of groundwater supplies or this water could be used for groundwater recharge. However, it is also possible that transfers and exchanges from agricultural to M&I PWAs could result in an increase in groundwater pumping in some areas of the study area causing subsidence due to a net deficit in aquifer volume or lowering the local groundwater table. Because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, it is concluded that groundwater pumping in

some areas of the study area would cause subsidence due to a net deficit in aquifer volume or lowering the local groundwater table and the impact would be potentially significant.

Because SGMA is in the process of being implemented and because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, assumptions related to the ability of SGMA to mitigate any changes in groundwater levels or related subsidence are speculative.

PWAs could propose feasible mitigation measures to reduce significant impacts to less than significant in some cases, although it is not possible for DWR to conclude that feasible mitigation measures would be available to avoid or mitigate significant groundwater effects in all cases. Per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

DWR has no information on specific implementation of the transfers and exchanges from the proposed project and it has no authority to implement mitigation measures in the PWA service area. **For these reasons, this impact is significant and unavoidable.**

Section 3. Cumulative Impacts

Cumulative impacts, as defined in Section 15355 of the CEQA Guidelines, refer to two or more individual effects that, when taken together, are “considerable” or that compound or increase other environmental impacts. Cumulative impacts can result from individually minor, but collectively significant, actions when added to the impacts of other closely related past, present, or reasonably foreseeable future projects. Pertinent guidance for cumulative impact analysis is provided in Section 15130 of the CEQA Guidelines.

The DEIR presents the cumulative impact analysis for the proposed project. Each impact discussion in the DEIR assesses whether the incremental effects of the proposed project could combine with similar effects of one or more of the projects identified in the 2020 RDEIR (p.6-2 – 6.14) to cause or contribute to a significant cumulative effect. If so, the analysis considers whether the incremental contribution of the proposed project would be cumulatively significant (p. 6-8 –6-14).

DWR hereby finds that implementation of the proposed project would not result in physical environmental impacts on the following resource areas: hazards and hazardous materials; noise; population, employment and housing; public services and recreation; surface water hydrology and water quality; transportation; and utilities and service systems. Therefore, these resource areas would not contribute to a cumulative effect and would not compound or increase an environmental impact of these other projects.

The cumulative impact analysis associated with the remaining resource areas (aesthetics, agriculture and forest resources, air quality, biological resources, cultural resources, energy, geology and soils, GHG, groundwater hydrology and water quality, land use and planning, and water supply) focused on six types of impacts that were identified as less than significant or

potential impacts of the proposed project that could contribute to cumulative impacts with the cumulative projects (Contract Extension Project, Monterey Amendment and Settlement Agreement, and Sustainable Groundwater Management Act Implementation) identified in the DEIR. The six types of impacts are impacts to groundwater supplies, subsidence, fallowing and changes in crop patterns, energy and Greenhouse Gas (GHG), reservoir storage, and surface water flow above or below diversions. Impacts associated with fallowing and changes in crop patterns, energy and GHG, reservoir storage, and surface water flow above or below diversions were determined to be less than significant with no mitigation required.

Related to groundwater supplies and subsidence, DWR hereby finds as follows:

Groundwater Supplies and Subsidence

Findings. The incremental contribution of the proposed project's effect on groundwater supplies and subsidence would be cumulatively considerable when viewed in connection with the effects of past projects, and current and probable future projects (as full implementation of SGMA is not anticipated until 2040 or 2042). This cumulative impact would be **significant**. PWAs may provide mitigation in their project-level analysis for exchanges and transfers. However, per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

Because DWR has no information on specific implementation of the transfers and exchanges from the proposed project and it has no authority to implement mitigation measures in the PWA service area, the cumulative impact would remain **significant and unavoidable**.

Section 4. Significant Irreversible Environmental Changes

According to Sections 15126, subd. (c) and 15126.2, subd. (c) of the CEQA Guidelines, an EIR is required to address any significant irreversible environmental changes that would occur should the proposed project be implemented.

The proposed project would add, delete and modify provisions of the Contracts to clarify terms of the Contracts that will provide greater water management regarding transfers and exchanges of SWP water supply within the service area. The proposed project would not build or modify existing SWP facilities nor change each PWA's contractual maximum Table A amounts. The proposed project would amend and add financial provisions to the Contracts based on the negotiated Agreements in Principle between DWR and the PWAs. Therefore, the proposed project would not result in the commitment of nonrenewable natural resources such as gravel, petroleum products, steel, and slowly renewable resources such as wood products any differently than under existing conditions, and there would be no significant irreversible environmental changes.

Section 5. Growth-Inducing Effects

The CEQA Guidelines Section 15126.2, subd. (d) requires that an EIR evaluate the growth-inducing impacts of a project. As identified in CEQA Section 15126.2(d), growth inducement is not in and of itself an “environmental impact;” however, growth can result in adverse environmental consequences. Growth inducement may constitute an adverse impact if the growth is not consistent with or accommodated by the land use plans and policies for the affected area. Local land use plans, typically General Plans, provide for land use development patterns and growth policies that allow for the “orderly” expansion of urban development supported by adequate urban public services, such as water supply, sewer service, and new roadway infrastructure. A project that would induce “disorderly” growth (i.e., a project in conflict with local land use plans) could indirectly cause adverse environmental impacts. To assess whether a project with the potential to induce growth is expected to result in significant impacts, it is important to assess the degree to which the growth associated with a project would or would not be consistent with applicable land use plans.

In California, cities and counties have primary authority³ over land use decisions, while water suppliers, through laws and agreements, are expected and usually required to provide water service if water supply is available. Approval or denial of development proposals is the responsibility of the cities and counties in the study area. Numerous laws are intended to ensure that water supply planning, including planning for water supply infrastructure, and land use planning (such as the approval of, or establishment of constraints to, development) proceed in an orderly fashion.

The proposed project would not build new or modify existing SWP facilities nor change each PWA’s contractual maximum Table A amounts. As discussed in DEIR Section 5.14, Population, Employment, and Housing, (p. 5.14-2 to 5.14-5) because there would be no new facilities built or existing facilities modified, no housing is proposed as part of the project or required as a result of it, nor would the project provide substantial new permanent employment opportunities. Therefore, the proposed project would not result in direct growth inducement.

Because the proposed project would not result in the construction of new or modification of existing water supply storage, treatment or conveyance facilities it would not remove an obstacle to growth associated with water supply.

As discussed in DEIR Section 5.3 Agricultural and Forestry Resources of the DEIR (p. 5.3-7 to 5.3-9), it is possible that transfers from agricultural to M&I PWAs could result in fallowing of agricultural lands and/or changes in crop patterns (e.g., switching from high water-using crops to low water-using crops) in the study area. It is also possible that exchange of SWP water from agricultural to M&I PWAs could occur. However, these transfers and exchanges and any associated fallowing of agricultural land and/or changes in cropping patterns in the study area would not be anticipated to change the existing agricultural land use designations because the land use would remain in agricultural use. Furthermore, additional water transfers or exchanges

³ Although cities and counties have primary authority over land use planning, there are exceptions to this such as the CEC (with permit authority and CEQA lead agency status for some thermal power plant projects) and the CPUC (with regulatory authority and CEQA lead agency status for certain utility projects).

are not expected to substantially affect the acreage of land fallowed or put into dry farming compared to existing practices for other reasons (e.g., market conditions, economic conditions, etc.). As a result, it would not be anticipated that there would be a change in land uses associated with delivery of SWP water supplies including, conversion of agricultural land uses to urban uses or increased developed uses in urban areas.

While with the proposed amendments transfers and exchanges could be more frequent and longer in duration, they would not be a permanent transfer of a PWAs annual Table A amounts; therefore, it would not represent a viable long-term source of urban water supply to support additional unplanned growth. Therefore, the proposed amendments would not result in additional water supply that could support growth over what is currently planned for in those jurisdictions and the proposed project would not result in indirect growth inducement.

Furthermore, cities and counties are responsible for considering the environmental effects of their growth and land use planning decisions (including, but not limited to, conversion of agricultural land to urban uses, loss of sensitive habitats, and increases in criteria air emissions). As new developments are proposed, or general plans adopted, local jurisdictions prepare environmental compliance documents to analyze the impacts associated with development in their jurisdiction pursuant to CEQA. The impacts of growth would be analyzed in detail in general plan EIRs and in project-level CEQA compliance documents. Mitigation measures for identified significant impacts would be the responsibility of the local jurisdictions in which the growth would occur. If identified impacts could not be mitigated to a level below the established thresholds, then the local jurisdiction would need to adopt overriding considerations.

Section 6. Alternatives

DWR has considered the project alternatives presented and analyzed in the DEIR and presented during the comment period and public hearing process. DWR finds that these alternatives are infeasible. Based on the impacts identified in the DEIR and other reasons summarized below, and as supported by substantial evidence in the record, DWR finds that approval and implementation of the proposed project as proposed is the most desirable, feasible, and appropriate action and hereby rejects the other alternatives and other combinations and/or variations of alternatives as infeasible based on consideration of the relevant factors set forth in CEQA Guidelines Section 15126.6, subdivision (f). (See also CEQA Guidelines, Section 15091, subd. (a)(3).) Each alternative and the facts supporting the finding of infeasibility of each alternative are set forth below.

Alternatives Considered and Dismissed from Further Consideration

The alternative described below was rejected for further consideration (p 7-3 – 7-4).

Implement New Water Conservation Provisions in the Contracts: Agriculture and urban water efficiency, conservation, and management measures are governed by the existing regulatory and legal requirements independent from the proposed project, including Assembly

Bill 1668 and Senate Bill 606. Additional water conservation measures in the Contracts would not provide greater water management regarding transfers and exchanges of SWP water as compared to the proposed project because water conservation is already required. Consequently, these actions are independent from the proposed project and do not meet the basic project objectives. Therefore, amending the Contracts to require implementation of agriculture and M&I water conservation measures was rejected, as these actions are required by state statute and are met by local water agencies under existing law.

Summary of Alternatives Considered

CEQA requires that an EIR describe and evaluate a range of reasonable alternatives to a project or to the location of a project that would feasibly attain most of the basic project objectives and avoid or substantially lessen significant project impacts. The purpose of the alternatives analysis is to determine whether or not a variation of the proposed project would reduce or eliminate significant project impacts within the framework of the project's basic objectives.

The alternatives considered in the DEIR include:

- Alternative 1: No Project
- Alternative 2: Reduce Table A Deliveries
- Alternative 3: Reduced Flexibility in Water Transfers/Exchanges
- Alternative 4: More Flexibility in Water Transfers/Exchanges
- Alternative 5: Only Agriculture to M&I Transfers Allowed

Alternative 1: No Project

Description

CEQA Guidelines section 15126.6, subd. (e) requires consideration of a No Project Alternative. The purpose of this alternative is to allow the decision makers to compare impacts of approving a project with impacts of not approving a project. Under the No Project Alternative, DWR takes no action, and DWR and the PWAs would continue to operate and finance the SWP under the current Contracts.

Facts in Support of Finding of Infeasibility

Alternative 1 would not meet the objective of the project because Alternative 1 does not provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area and as compared to the proposed project. In addition, impacts under Alternative 1 would be similar but greater when compared to the proposed project. Alternative 1 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 2: Amending Contract to Reduce Table A Deliveries

Description

Under Alternative 2, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP. However, unlike the proposed project, the Contracts would be amended to reduce annual Table A amounts proportionately for all the PWAs.

Facts in Support of Finding of Infeasibility

Alternative 2 would not meet the objectives of the project because it would cause a reduction in delivery of annual Table A amounts proportional for all PWAs and would not provide greater water management regarding transfers and exchanges. In addition, impacts under Alternative 2 would be similar but greater when compared to the proposed project. Alternative 2 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 3: Less Flexibility in Water Transfers/Exchanges

Description

Under Alternative 3, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP. However, unlike the proposed project, the Contracts would not be amended to modify provisions of the Contracts and clarify certain terms of the Contracts to provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area. Some increase in flexibility of exchanges and transfers would be agreed to, but not all. For example, Alternative 3 would amend the Contracts to allow PWAs to transfer carryover water in San Luis Reservoir, but only 20 percent of the carryover water (the proposed project allows for 50 percent), allow limited multi-year transfers of five years or less (the proposed project allows for up to the Contract term), and not allow use of Transfer Packages. In addition, unlike the proposed project, PWAs would transfer water based on cost compensation established by DWR. Also, under Alternative 3, the Contracts would not amend the text in Article 56(f) regarding water exchanges to add provisions, such as conducting water exchanges as buyers and sellers in the same year and increasing the compensation allowed to facilitate the exchanges. Therefore, Alternative 3 would result in a similar or slightly less amount of water transfers among the PWAs than the proposed project, due to the less flexibility in water transfers and exchanges.

Facts in Support of Finding of Infeasibility

Alternative 3 would meet the objectives of the project, but to a lesser degree because the water transfers and exchanges would not provide as much water management flexibility regarding transfers and exchanges. In addition, impacts under Alternative 3 would be similar but greater

when compared to the proposed project. Alternative 3 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 4: More Flexibility in Water Transfer/Exchanges

Description

Under Alternative 4, as with the proposed project, DWR and the PWAs would agree to amend the Contracts. However, unlike the proposed project, the Contracts would be amended to allow PWAs more flexibility in water transfers and exchanges. Similar to the proposed project, PWAs would be able to transfer carryover water in San Luis Reservoir, transfer water for multiple years without permanently relinquishing that portion of their Table A amounts, and transfer water in Transfer Packages. Similar to the proposed project, PWA would be able to transfer water based on terms they establish for cost compensation and duration, and store and transfer water in the same year. Unlike the proposed project that only allows for a single-year transfers associated with carryover water, Alternative 4 would allow transfers and exchanges to include up to 100 percent of a PWA's carryover in San Luis Reservoir and allow multi-year use of its carryover water in both transfers and exchanges. Similar to the proposed project, the proposed exchange provisions of the AIP would establish a larger range of return ratios in consideration of varying hydrology and also maximum compensation with respect to SWP charges and allow PWAs to conduct additional water exchanges as buyers and sellers in the same year.

Facts in Support of Finding of Infeasibility

Alternative 4 would meet the objectives of the project. In addition, Under Alternative 4 the less than significant impacts associated with changes in flow including, adverse effects to special-status fish or terrestrial species, and water supply would be similar to the proposed project. However, similar to the proposed project, there is potential for Alternative 4 to result in a net deficit in aquifer volume, lowering of the local groundwater table, or subsidence in some areas of the study area with impacts that may be significant and unavoidable.

Alternative 5: Greater Water Management – Only Agriculture to M&I Transfers Allowed

Description

Under Alternative 5, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP.

Unlike the proposed project, DWR and PWAs would amend Contract provisions to allow the transfer of Table A water only from agricultural PWAs to M&I PWAs and not change any current Contract provisions for exchanges. Transfers from M&I PWAs to M&I PWAs, M&I PWAs to agricultural PWAs, and agricultural PWAs to agricultural PWAs would not be allowed. Similar to

the proposed project, PWAs could transfer carryover water in San Luis Reservoir to PWAs, transfer water for multiple years without permanently relinquishing that portion of their Table A amounts and request DWR's approval of Transfer Package; however, unlike the proposed project, these transfers would only be from agricultural PWAs to M&I PWAs. Similar to the proposed project, Alternative 5 would revise the Contract to allow the PWAs to transfer water based on terms they establish for cost compensation and duration. An agricultural PWA would be able to store and transfer water in the same year to M&I PWAs, and transfer up to 50 percent of its carryover water, but only for a single-year transfer to an M&I PWA (i.e., a future or multi-year commitment of transferring carryover water is not allowed). Under Alternative 5, the Contracts would not be amended to modify the text in Article 56(f) regarding water exchanges to include additional provisions, such as conducting water exchanges as buyers and sellers in the same year.

Similar to the proposed project, Alternative 5 would not build new or modify existing SWP facilities nor change any of the PWA's contractual maximum Table A amounts. Also similar to the proposed project, Alternative 5 would not change the water supply delivered by the SWP as SWP water supply would continue to be delivered to the PWAs consistent with current Contracts terms, including Table A and Article 21 deliveries. Operation of the SWP under this alternative would be subject to ongoing environmental regulations including for water rights, water quality and endangered species protection, among other State and federal laws. Also similar to the proposed project, Alternative 5 would not require additional permits or approvals.

Facts in Support of Finding of Infeasibility

Alternative 5 would meet some of the objectives of the project, but to a lesser degree because the water transfers and exchanges would not provide as much water management flexibility regarding transfers and exchanges. In addition, impacts under Alternative 5 would be similar but greater when compared to the proposed project. Alternative 5 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Environmentally Superior Alternative

CEQA Guidelines Section 15126.6 subd. (e) requires the identification of an environmentally superior alternative to the proposed project.

As presented in the DEIR, implementation of the proposed project would result in less than significant or no physical environmental impacts to all resource areas except for impacts related to groundwater supplies and subsidence, which are significant and unavoidable.

Alternative 4 would result in similar impacts as the proposed project (e.g., net deficit in aquifer volume, lowering of the local groundwater table, or subsidence in some areas of the study area). Alternatives 1, 2, 3, and 5 could result in impacts similar or greater (new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project) than the proposed project. Therefore, because the

proposed project and Alternative 4 would result in similar impacts and the other alternatives may result in similar or greater impacts, Alternative 4 was determined to be the environmentally superior alternative.

Section 7. Statement of Overriding Considerations

DWR hereby declares that, pursuant to CEQA Guidelines Section 15093, it has balanced the benefits of the proposed project against any unavoidable environmental impacts in determining whether to approve the proposed project. Pursuant to the CEQA Guidelines, if the benefits of the proposed project outweigh the unavoidable adverse environmental impacts, those impacts may be considered “acceptable.”

Having evaluated the reduction of adverse significant environmental effect of the proposed project to the extent feasible, considered the entire administrative record on the Project, and weighed the benefits of the proposed project against its unavoidable adverse impact, DWR has determined that each of the following benefits of the proposed project separately and individually outweigh the potential unavoidable adverse impacts and render those potential adverse impacts acceptable based upon the following overriding considerations. The following represents the specific reasons to support this determination based on the final EIR and information contained therein.

Water Transfers

The proposed project would add, delete, and modify provisions of the Contracts and clarify certain terms of the Contracts that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area.

The transfer provisions of the proposed project would facilitate the PWAs ability to:

- Transfer SWP water for multiple years and multiple parties without permanently relinquishing that portion of their annual Table A amounts;
- negotiate cost compensation and duration among the PWAs on a willing seller-willing buyer basis for water transfers; and
- Transfer SWP water stored outside of the transferring PWA’s service area to the receiving PWA’s service area

All these proposed transfer provisions would provide the PWAs with increased flexibility for short-term and long-term planning and management of their SWP water supplies. The proposed project, however, would not include any change to the PWA’s permanent annual Table A amounts.

Since the Monterey Amendment, DWR has approved short-term water transfers pursuant to Articles 15(a) and 41, and has administered the short-term Turn-Back Water Pool Program pursuant to Article 56 of the Contracts. The Turn-Back Water Pool Program allows a PWA to sell Table A water that it will not use, subject to certain conditions, for a set price that is either 50

percent or 25 percent of the Delta Water Rate for that year. DWR has also administered, on a demonstration basis, a multi-year water pool program for 2013-2014 and 2015-2016 that allowed PWAs to participate in the two-year program as either a buyer or seller for each of the two years (a decision made at the beginning of each of the two-year programs) with greater compensation for the water than allowed under the Turn-Back Water Pool Program. DWR has allowed transfers of Table A water among two PWAs with the same landowner in their respective service areas that do not include an exchange of money.

The proposed project would remove all language related to the Turn-back Pool from the Contracts and, compared to the Turn-Back Water Pool Program where DWR established the price based on the Delta water rate, the proposed project would revise the Contracts to allow the PWAs to transfer water based on terms they establish for cost compensation and duration. Also, in contrast to the Turn-Back Water Pool Program, a water transfer could be as long as the remainder of the term of the PWA's Contract. In addition, a PWA would be able to store and transfer water in the same year, and transfer up to 50 percent of its carryover water in San Luis Reservoir, but only for a single-year transfer (i.e., a future or multi-year commitment of transferring carryover water is not allowed).

The proposed amendments would result in a greater amount of water transfers among the PWAs than under the current Contract provisions. Based on past experience and discussions with PWAs, most water transfers that occur due to the proposed amendments would occur among the PWAs located south of the Delta and would not involve additional export of SWP water from the Delta. Water transfers would be implemented using the existing physical facilities and existing operational and regulatory processes, including CEQA compliance.

Water Exchanges

The proposed project would amend the text in Article 56(f) regarding water exchanges to include additional provisions. The proposed exchange provisions of the AIP would establish return ratios (up to a 5:1 ratio) based on a consideration of varying hydrology and would set compensation based on a PWA's SWP charges.

The proposed amendments would allow PWAs to exchange carryover water in San Luis Reservoir, and exchange up to 50 percent of their carryover water in a single-year transaction (i.e., a future or multi-year commitment of exchanging carryover water is not allowed). The proposed provisions would also allow PWAs to conduct water exchanges of carryover water as buyers and sellers in the same year.

While DWR has approved water exchanges pursuant to Articles 15(a), 41, and 56(f), the proposed project would provide the PWAs with increased flexibility for short-term and long-term planning of water supplies. Under the proposed project, exchanges may be used more frequently to respond to variations in hydrology, such as wet years, and in single dry-year and multiple dry-year conditions.

Acronyms and Glossary

AIP	Agreement in Principle
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
Contracts	Water Supply Contracts
DEIR	Draft Environmental Impact Report
DWR	California Department of Water Resources
EIR	Environmental Impact Report
FEIR	Final EIR
PRC	California Public Resources Code
PWAs	Public Water Agencies
RDEIR	Recirculated Draft Environmental Impact Report
SGMA	Sustainable Groundwater Management Act
SWC	State Water Contractors
SWP	State Water Project

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: January 14, 2021
SUBJECT: Sackett Ranch Partnership with Solano County

RECOMMENDATIONS:

Hear report and provide direction to staff.

FINANCIAL IMPACT:

None.

BACKGROUND:

On September 17, 2020 the Water Agency closed escrow on the 74-acre Sackett Ranch, located adjacent to Putah Creek, just upstream of Lake Solano, in Solano County. Initially it was anticipated that the Water Agency and County would jointly purchase the property. However, the seller’s requirement of a speedy escrow and desire to sell to the Water Agency as opposed to a joint purchase by the Water Agency and County ultimately resulted in the Water Agency being the sole purchaser of the property, with the expectation that a partnership agreement between the Water Agency and County would be developed following the close of escrow.

Both the Water Agency and County have expressed a desire to preserve the property and to the extent appropriate, restore riparian and upland habitats. However, the specifics regarding any such habitat restoration efforts, other potential shared or non-shared uses of the property, and the manner in which joint ownership and property management would occur, have yet to be defined. Staff is seeking Board direction as to the form and substance of the partnership agreement.



Recommended: _____
Roland Sanford, General Manager

<input type="checkbox"/>	Approved as Recommended	<input type="checkbox"/>	Other (see below)	<input checked="" type="checkbox"/>	Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on January 14, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency
JAN.2021.BOD.ITM.13

Partnership Options

Three partnership options have been identified to date: (1) an initial Management Agreement drafted by the County (copy attached), (2) modified version of County's initial Management Agreement, and (3) Parcel Split. The key difference between the three options is with respect to the development and timing of the property management plan – the specifics regarding what habitat restoration efforts will occur and by whom, other potential shared or non-shared uses of the property, and the manner in which joint ownership and property management would occur.

The Management Agreement as proposed by the County would initiate the partnership and joint ownership of the property prior to defining and mutually agreeing on the specifics of the property management plan. The modified version of the County's initial Management Agreement would initiate the partnership, but joint ownership of the property would not occur until a mutually acceptable property management plan has been developed.

Under the Parcel Split option the property, which currently consists of a single tax assessor parcel, would be split into two parcels, one owned by the Water Agency and the other by the County. Each party would develop their own property management plan for their respective parcel, with the understanding that some degree of coordination between the parties would be desirable to avoid conflicting land use activities, and with respect to site access.

Water Agency staff view preparation of the property management plan as the most critical component of any partnership arrangement between the Water Agency and the County. The property management plan not only addresses day to day operations and maintenance activities, but also long term land use. While there is clearly common interest in pursuing habitat restoration activities, how that work progresses and the habitat mitigation credits are earned, and other aspects of property management such as water diversions and associated water rights, operation and maintenance of plant nursery facilities and other structures, and degree of public access, will take time to sort out.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

Formulation of a Sackett Ranch partnership with Solano County is consistent with Objective C (Protect SCWA water supply sources) and Objective D (Identify other habitat and watershed stewardship opportunities and implement activities where feasible) of Goal #7 (Natural Resources Stewardship: Develop comprehensive approaches to the stewardship of natural resources).

**ACQUISITION AND MANAGEMENT AGREEMENT
BETWEEN THE SOLANO COUNTY WATER AGENCY
AND COUNTY OF SOLANO FOR 3373 SACKETT LANE, WINTERS
("SACKETT RANCH")**

This Acquisition and Management Agreement ("the **Management Agreement**") is made and entered into ____ day of _____, 2020, by and between the Solano County Water Agency ("SCWA"), a governmental agency, and Solano County ("the **County**"), a political subdivision, of the State of California individually referred to as a "Party" and collectively referred to as "the Parties."

RECITALS

- A. SCWA is a governmental agency created and existing under Chapter 573 of the 1989 Statutes of the State of California, as amended.
- B. Solano County is a political subdivision of the State of California.
- C. The Parties have identified 3373 Sackett Lane, Winters, 95694 (the **Property** or **Sackett Ranch**) is a seventy-four (74) acre parcel located on Putah Creek, nestled between Monticello Dam and Lake Solano, in Solano County and directly fronts Putah Creek and holds areas suitable for habitat restoration and preservation of important wildlife corridors from the surrounding ridges of Putah Creek, potential educational research opportunities, and native plants.
- D. The owners of the Property having been good stewards of Property's natural resources are desirous of continued good stewardship under subsequent ownership.
- E. Working collaboratively, the Parties share a common vision and commitment to acquire Property for preservation, restoration, mitigation, and educational purposes and recognize the need to reach agreement regarding coordinated maintenance, management, and use of Property.
- F. The County and SCWA shall share equally in all acquisition costs directly related to the purchase of the Property.
- G. The Parties desire to set for the procedures for the acquisition and management of the Property.

NOW, THEREFORE, it is the intent of the Parties to set forth the procedures for the acquisition and management of the Property as follows:

AGREEMENT

1. SCWA and the County shall share equally in all acquisition costs directly related to the purchase of the Property. SCWA and the County shall pay one-half of the title, closing and

acquisition costs directly related to escrow. SCWA will initially pay the total purchase price of the Property, \$2,700,000, and any associated escrow fees. County shall reimburse SCWA \$1,350,000, or half the total purchase price paid of \$2.7 million, plus closing costs, on the Property, in two (2) installments. Immediately upon the close of escrow, County shall pay the first installment of \$675,000, plus half the closing costs, to SCWA. Upon the one-year anniversary of close of escrow, County shall pay second installment of \$675,000, plus half the closing costs, to SCWA. SCWA shall submit an invoice electronically, via email, or in writing and delivered or mailed to Solano County. All requests to pay shall be reviewed and approved by a management committee (the “**Management Committee**”), which is described below, prior to payment being made by the County. All costs shall be promptly paid upon receipt of an approved request to pay. SCWA agrees to hold the Property and title upon County’s completion of posting and noticing requirements, at which point in time, SCWA will assign County a fifty percent (50%) interest, as tenants in common, in the Property. SCWA will work the County to assign interest to County. SCWA shall not sell the Property or use it for any purpose other than those provided for in this Agreement.

A. Upon the execution of this Agreement, SCWA and County shall establish a Management Committee (“**Management Committee**”) to oversee the management and operation of the Property. The Management Committee shall consist of two (2) representatives from the Solano County Board of Supervisors and two (2) different representatives from SCWA’s Board of Directors. The two (2) representatives from the Solano County Board of Supervisors shall not be the same as the two (2) representatives from SCWA’s Board of Directors.

- i. The Management Committee shall be responsible for development of a management plan for the Property, the operation of the Property, and the management of all leases on and contracts related to the Property. The Management Committee shall meet no less than twice a year. The Management Committee shall develop a budget for the preparation of the management plan and annual holding costs for the Property. The governing boards of SCWA and the County shall approve the preparation of the management plan, the annual budget, and all new leases and contracts. The preparation of the management plan shall be completed and approved within one-hundred eighty (180) days of the close of escrow. All costs related to the management and operation of the Property, SCWA, and the County shall share including the cost of development of the management plan, equally. All income derived from the Property shall also be shared equally by SCWA and the County.

2. SCWA and the County will each provide evidence of general and automobile liability insurance in the amount of One Million Dollars (\$1,000,000) per occurrence with an aggregate combined single limit of Two Million Dollars (\$2,000,000), and provide an additional insured endorsement in favor of the other party. Each party shall obtain and provide workers’ compensation insurance for the protection of their own employees and each party waives the right of subrogation to the other party.

SCWA and the County agree to share in the cost of one property insurance policy. Such

insurance shall name both parties as owners for eighty percent (80%) the real property value, at the time of purchase.

SCWA and the County agree to purchase joint Pollution Legal Liability and Remediation insurance with a limit no less than One Million Dollars (\$1,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) aggregate.

5. Each party shall indemnify, defend, protect, hold harmless and release the other, its officers, agents, commissioners, directors, representatives, agents, and employees, and volunteers from and against any and all claims, injuries, suits, demands, losses, proceedings, damages, causes of action, or liability, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure of act of each such indemnifying party, its officers, employees or agents, or subcontractors or any of them in connection with the performance of this Agreement.

6. This Agreement shall bind and benefit the Parties and their heirs, successors, and permitted assigns.

7. The Parties agree to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent, and purpose of the Agreement.

8. This Agreement may not be changed, modified, or rescinded except in writing, signed by all Parties, and any attempt at oral modification of this Agreement shall be void and of no effect.

9. All required, reports, demands and notices may be sent by regular mail or electronic mail. Notices that are mailed by regular mail shall be deemed delivered two (2) business days after deposited in the mail. Notices may be personally delivered and shall be deemed delivered at the time delivered to the appropriate address set forth below. Notices delivered by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return electronic mail or other written acknowledgment of receipt); provided that, if such notice is not sent during normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next business day of the recipient. Unless and until notified otherwise in writing, a party shall send or deliver all such communications relating to this Agreement to the following address:

SCWA
Solano County Water Agency
810 Vaca Valley Parkway, Suite 203
Vacaville, CA 95688
rsanford@scwa2.com

Dale Eyeler
Solano County
675 Texas St., Ste. 2500
Fairfield, CA 94533
DLEyeler@solanocounty.com

10. This Agreement is the entire agreement between SCWA and the County relating to the subject matter of this Agreement. The Parties acknowledge they have not relied upon any promise, representation, or warranty not expressly set forth in this Agreement in executing this Agreement.

11. Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of SCWA or the County to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the Parties.

12. No waiver by either party of any default or breach of any covenant by the other party shall be implied from any omission to take action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in such waiver and then such waiver shall be operative only for the time and to the extent stated in such waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No waiver of any provision under this Agreement shall be effective unless in writing and signed by the waiving party.

13. The Parties represent and warrant that they are authorized to execute this Agreement.

14. This Agreement may be executed in counterparts, each of which is deemed to be an original, but when taken together shall constitute one instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the day and year first written above.

SOLANO COUNTY WATER AGENCY

SOLANO COUNTY

Roland Sanford, Executive Director

Birgitta E. Corsello, County Administrator

Approved as to form:

Approved as to form:

SCWA Legal Counsel

County Counsel