



TAKE ACTION BRIEF

May-June 2023

Over 200 special district leaders converged in Sacramento in May to meet with State leaders on some of the biggest public policy issues facing special districts. During brunch meetings with 40 legislative offices participating, attendees discussed Brown Act remote meetings, design-build, and zero emission vehicle mandates among other advocacy priorities. The event took place the week after Governor Gavin Newsom unveiled his May Revise to the 2023-24 State Budget and attendees shared CSDA’s key budget requests.

Copies of the slide decks presented at Special Districts Legislative Days are available at legislatedays.csdanet.net/schedule. Be sure to save the date for next year’s event, back at the Sheraton Grand Sacramento May 21-22, 2024.

With the Governor’s May Revise in hand, the Budget Subcommittees are now in full swing as the Legislature faces a June 15 Constitutional deadline to pass a balanced budget. May 19 was the last day for the Appropriations Committees to pass bills to the floor and June 2 is the “House of Origin Deadline” when all bills must be passed out of the house in which they were introduced. Policy committees taking up bills in their second house will then have until July 14 to consider legislation prior to the Summer Recess.

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Contact a local CSDA representative near you!

Chris Norden	Northern Network	chrisn@csda.net
Dane Wadlé	Sierra Network	danew@csda.net
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➤ Legislative Priorities: Advocated at Special Districts Legislative Days

SPECIAL DISTRICTS WEEK – SPONSOR

[Senate Concurrent Resolution 52 \(Alvarado-Gil\)](#)

Status: Senate Floor (as of 5.4.23)

Important Facts: Proclaims May 14 – 20, to be Special Districts Week. The resolution encourages Californians across the state to engage with their local communities and be actively involved with their government, particularly with special districts and the areas they serve.

OPEN MEETINGS: LOCAL AGENCIES: TELECONFERENCES – SPONSOR

[Assembly Bill 557 \(Hart\)](#)

Status: Assembly Floor (as of 5.4.23)

Important Facts: Would preserve the emergency remote meeting procedures added to the Ralph M. Brown Act by Assembly Bill 361 (R. Rivas, 2021) by eliminating a January 1, 2024, sunset on those procedures. Would change, from 30 days to 45 days, the duration of required local agency resolutions passed as part of the process. The procedures will continue to require a Governor-declared emergency.

LOCAL AGENCY DESIGN-BUILD PROJECTS: AUTHORIZATION – SUPPORT

[Assembly Bill 400 \(Rubio\)](#)

Status: Assembly Committee on Appropriations (as of 5.4.23)

Important Facts: Would extend the sunset date for local governments to use the design-build (DB) project delivery method for public works projects from January 1, 2025, until January 1, 2031. Local governments, including certain authorized special districts (wastewater facilities, solid waste management facilities, water recycling facilities, or fire protection facilities), use DB to build infrastructure projects efficiently.

PUBLIC CONTRACTS: PROGRESSIVE DESIGN-BUILD: LOCAL AGENCIES – SUPPORT

[Senate Bill 706 \(Caballero\)](#)

Status: Assembly Desk (as of 5.4.23)

Important Facts: Would expand local agency progressive design-build (PDB) authority for public works construction contracts to any type of project, not just water projects as provided for under current law.

MEDIUM- AND HEAVY-DUTY ZERO-EMISSION VEHICLES: PUBLIC AGENCY UTILITIES – SUPPORT

[Assembly Bill 1594 \(Garcia\)](#)

Status: Assembly Committee on Appropriations (as of 5.4.23)

Important Facts: Would require any state regulation on the procurement of medium- and heavy-duty zero-emission vehicles (ZEVs) by a public agency utility, such as California Air Resources Board (CARB) ZEV Advance Clean Fleet (ACF) regulation, to ensure that fleet vehicles are able to support a public agency utility's ability to maintain reliable water, sewer, and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide.



➤ **FEEDBACK REQUESTED: Governor’s “BUILD” Proposals**

On Friday, May 19, Governor Gavin Newsom announced new permitting and project reforms, called “Build More, Preserving Jobs” or “BUILD”. Please send your feedback to CSDA Legislative Representative Heidi Hannaman via email to heidih@csda.net:

- **Administrative Records Review**
Clarifies and streamlines procedures related to the preparation of the public record for the judicial review of level challenges brought under CEQA in order to reduce the litigation time.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **CEQA Judicial Streamlining**
Provides for expedited judicial review of challenges to certain water, transportation, clean energy, and semiconductor or microelectronic projects under CEQA.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Green Financing Programs for Federal Inflation Reduction Act (IRA) Funding**
Allows I-Bank and DWR to access and utilize federal funding provided in the Inflation Reduction Act, to finance projects that reduce greenhouse gas emissions.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Accelerating Environmental Mitigation**
Streamlines the implementation of environmental mitigation measures for the efficient delivery of Caltrans projects.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **National Environmental Policy Act (NEPA) Delegation Authority**
Removes the current sunset provision and permanently authorizes the consent of California to the jurisdiction of federal courts and waiver of immunity by the California Transportation Agency (CalSTA) with regards to the performance of certain federal environmental responsibilities under the National Environmental Policy Act (NEPA).
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Direct Contracting (Public Private Partnership Authority I-15 Wildlife Crossings)**
Authorizes Caltrans to directly contract to construct three wildlife crossings over Interstate 15 as part of the Brightline West high-speed rail project between California and Nevada.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Job Order Contracting**
Authorizes Caltrans to use the job order contracting method to complete routine transportation projects and maintenance work quickly and easily.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Progressive Design-Build Authority for CalTrans and DWR**
Allows the DWR and Caltrans to establish a progressive design-build pilot program until 1/1/2031.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Fully Protected Species Reclassification**
To ensure better species conservation and improved permitting for essential infrastructure projects, repeals the four existing statutes designating species as “fully protected” under California law. The bill would reclassify the 37 fully protected species.
 - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Delta Reform Act Streamlining**
Makes refinements to the Delta Reform Act that will streamline certain review processes with the intent that Delta Plan projects can be planned, permitted, and built faster while protecting the environment.
 - [Fact Sheet](#) and [Trailer Bill Language](#)



➤ **May Revise to Governor's Proposed 2023-24 State Budget**

On Friday, May 12, Governor Gavin Newsom released the [May Revision](#) to his 2023-24 State Budget proposal. When the Governor released his proposal in January there was a projected \$22.5 billion deficit to the State Budget. The May Revision projects an additional \$9.3 billion revenue shortfall, bringing the total anticipated deficit to \$31.5 billion.

To address the funding shortfall, the Governor's administration has proposed a series of cuts, delays, and reductions to funding. While the May Revise does not contain new trigger cuts, it does maintain most of the \$3.9 billion in trigger reductions included in the Governor's January budget proposal. Among the top issues of interest to special districts:

Climate

In the May Revision, there is a continuation of a multi-year wildfire and forest resilience package worth \$2.7 billion. Additionally, the revision contains an allocation of \$290 million for a flood-related funding package that targets the reduction of flood risk and enhances flood system resilience. The Governor's Office will continue to work with the Legislature to pursue a climate bond in the upcoming months. Due to decreased revenue projections and increased budgetary pressures, the May Revision includes an extra \$1.1 billion General Fund realignment across climate resilience programs which are bond eligible. Specific funding sources transitioning to the climate bond include: \$270 million for water recycling, \$100 million for the Regional Resilience Program, \$100 million for urban greening, \$60 million towards the Sustainable Groundwater Management Act (SGMA) implementation, \$50 million for dam safety and flood management, and \$20 million for multi-benefit land repurposing.

Zero-Emission Vehicles (ZEV) Acceleration

The Governor's office has touted that recent data indicates the state has achieved putting 1.5 million Zero Emission Vehicles (ZEVs) on the road two years before the projected timeline. The Administration has committed to maintaining 89 percent or \$8.9 billion in investments to expand ZEV deployment. Some of the initiatives related to ZEV deployment have also had their funding sources replaced; \$635 million will be sourced from the Greenhouse Gas Reduction Fund (instead of the General Fund) to underwrite certain ZEV programs. The Administration's ZEV investments include a wide range of initiatives such as the improvement of short-haul trucks, school buses, and passenger vehicles. Investments will also include provisions for infrastructure development and incentives to support in-state manufacturing.

Homelessness

Despite the allocation of \$7.3 billion of funds in 2021 and \$10.2 billion designated in the 2022 Budget, the state continues to confront a surge in homelessness. To address this issue, the California Interagency Council on Homelessness (Cal ICH) has been tasked with advancing a cohesive response. The Governor has provided nearly \$3 billion to local governments through four rounds of the Homeless Housing, Assistance and Prevention (HHAP) Program, with an additional \$1 billion proposed for a fifth round of HHAP grants, and \$400 million for a third round of the Encampment Resolution Funding (ERF) Program to resolve encampments.

Property Taxes

Preliminary data suggest statewide property tax revenues increased around 7.4 percent in 2022-23, which is 1.4 percentage points higher than the 6 percent growth rate anticipated in the Governor's budget forecast. Property tax revenues are expected to grow 4.5 percent in 2023-24, which is 0.5 percentage point lower than the 5 percent growth expected in the Governor's budget. Strong growth in 2022-23 is likely due to home price increases that took place in 2021. More moderate growth is expected in 2023-24 due to higher interest rates that led to lower property transfers and price declines in 2022.



**California Special
Districts Association**
Districts Stronger Together

KEY BUDGET REQUESTS

Meeting the Needs of California's Communities



Paying Off State Mandate Debt Owed to Local Governments

Amount TBD (Approximately \$830 million as of the end of 2022)

The State of California owes local agencies millions of dollars for mandate reimbursements required under the Constitution. Reimbursement would fund compliance with the Brown Act and other important laws and ensure these statutes remain enforceable. This expenditure would relieve the State of its Constitutionally obligated debt.

CSDA Contact: Marcus Detwiler (marcusd@cda.net)



Increased Mosquito Abatement Measures to Combat Spread of Non-Native Species

\$5 million ongoing

The Mosquito and Vector Control Association of California has seen tremendous growth in the spread of non-native mosquitoes. This budget request supports increased mosquito control district activities associated with preventing the local transmission of mosquito-borne diseases such as: dengue, Zika, and chikungunya.

Primary Contact: Mosquito and Vector Control Association of California, Vanessa Cajina (VCajina@ka-pow.com)

CSDA Contact: Heidi Hannaman (heidih@cda.net)



Resource Conservation District Financial Assistance Program

\$10 million

This budget request will allow the California Department of Conservation to provide two years' worth of financial assistance to help grow the capacity of Resource Conservation Districts (RCDs). Funding will enable RCDs to expand work on fire prevention, sea-level rise, flood protection, water quality and supply, and more.

Primary Contact: California Association of Resource Conservation Districts, Nancy Wahl-Scheurich (nancy-wahlscheurich@carcd.org)

CSDA Contact: Heidi Hannaman (heidih@cda.net)



Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program (AR Program), California Department of Water Resources

\$10 million

\$10 million identified in the Governor's Proposed 2023-24 Budget will be used to continue advancing operational AR forecast tool integration with DWR water supply management, align AR Program results and products with forecast-informed reservoir operations (FIRO) to increase water management flexibility and continue innovations that improve AR, precipitation, and snow level prediction capabilities.

Primary Contact: Scripps Institution of Oceanography, Ian Clamptett (iclampett@ucsd.edu)

CSDA Contact: Aaron Avery (aaron@cda.net)



Protect Existing Funding for Organic Waste Recycling

Approximately \$345,000,000

CSDA and coalition partners recently submitted a letter in support of Governor Newsom's January budget proposal to protect the \$345 million from FY 21-22 and FY 22-23 for SB 1383 Implementation Grants and the Organic Waste Infrastructure Program. This funding is critical to support local governments to comply with SB 1383's organic waste recycling requirements and to spur much-needed organic waste recycling infrastructure development.

CSDA Contact: Heidi Hannaman (heidih@cda.net)



Deny California Air Resources Board Budget Change Proposal (BCP)

CSDA and coalition partners submitted a letter asking the legislature's budget committees to deny the California Air Resources Board (CARB) budget change proposal (BCP) (3900-010-BCP-2023-GB) to support its Advanced Clean Fleets (ACF) regulations. CARB's current draft of the ACF regulations will create significant administrative burdens for local government fleet operators. The current BCP is based on a burdensome system that requires local government agencies to submit exemption requests to CARB because the vehicle technology is not available in the quantities required, at feasible prices or even available at all for public fleets to meet the proposed implementation timelines. The letter asks the legislature to deny CARB's ACF BCP request and instead require the department to develop a less administratively onerous exemption request process than what is being contemplated in the CARB BCP.

CSDA Contact: Heidi Hannaman (heidih@cda.net)

FEDERAL BUDGET REQUESTS



Precipitation Forecasting for Water Management

\$15 million

For the U.S. Weather Research Program under the National Oceanic and Atmospheric Administration's (NOAA's) Office of Oceanic and Atmospheric Research appropriations account to support a pilot project in the Western U.S. to improve subseasonal to seasonal (S2S) precipitation forecasting to improve water management.

CSDA Contact: Aaron Avery (aaron@cda.net)



Advocacy Priorities

Protecting Local Revenue



- Preserving sources and uses of local revenue for special districts, including through protecting development impact fees, ratemaking authority, and local property tax
- Preserving the ability to fund and maintain appropriate reserves
- Enhancing, not limiting, local funding tools for growing communities

Prioritizing Infrastructure and Project Delivery



- Ensuring special districts have equitable access, as compared to other service providers, to state and federal funding to support investments in communities they serve
- Maintaining infrastructure—including mitigation of damage to that infrastructure such as that arising from the statewide homelessness crisis and cybersecurity threats
- Ensuring the most beneficial projects are built in the most efficient manner, such as through permit streamlining or public works bidding and design flexibilities

Funding Climate Adaptation and Resilience



- Confronting the threats and impacts of drought, wildfire, flooding, seawater intrusion and air pollution.



California Special Districts Association
Districts Stronger Together

WHAT ARE SPECIAL DISTRICTS?

There are just over 2,000 independent special districts in California

Special districts are local public agencies created by community residents to deliver specialized services essential to their health, safety, economy, and well-being.



Like cities and counties, special districts are public agencies; however, they **provide necessary services that many cities and counties do not.**

Districts are subject to sunshine laws and **governed by a board of directors directly accountable to their constituents.**

Special districts serve all kinds of communities from agricultural, rural, and disadvantaged—nearly 60 percent of California’s special districts serve disadvantaged communities—to incorporated cities and major metropolitan regions, **driving innovation and achieving efficiency through focused-service and economies of scale.**

Collectively, special districts serve as the backbone of California’s infrastructure and economy, **addressing California’s biggest statewide problems at the local level.**

HOW ARE SPECIAL DISTRICTS FUNDED?



SPECIAL DISTRICT SERVICES, INFRASTRUCTURE AND CAPITAL NEEDS ARE FUNDED THROUGH A VARIETY OF SOURCES.

- Revenue sources include fees for services, property taxes, special taxes, benefit assessments, impact fees, and grants.
- California law demands a strict process for voter approval of the taxes and fees that fund special districts.
- Due to strong local oversight and constitutional provisions, special districts often must find a way to do more with less than other government agencies.

WHY ARE SPECIAL DISTRICTS NECESSARY?



SPECIAL DISTRICTS ARE FORMED BY COMMUNITIES WHEN IT’S SOMETHING:

- The community needs
- The community wants done well
- The community wants done with local control

2K

Just over 2,000 independent special districts provide services and infrastructure that in some way benefits every one of California’s **40 million residents.**



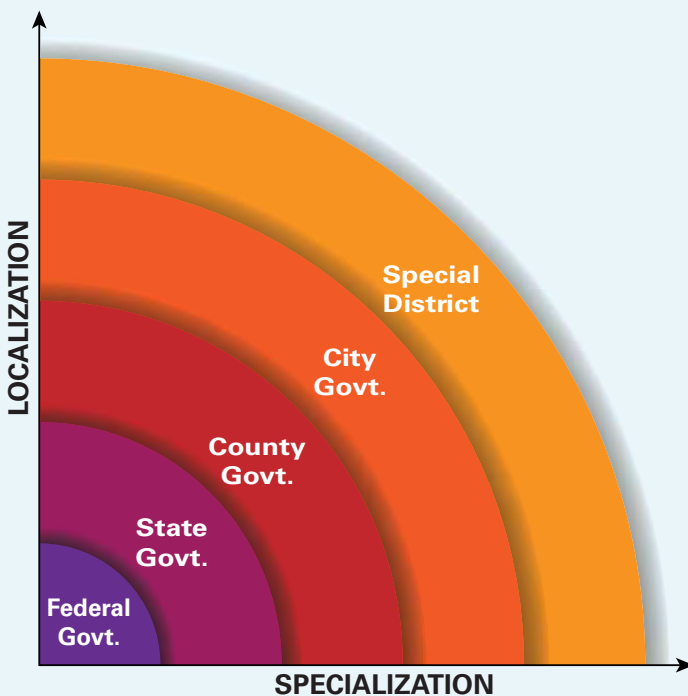
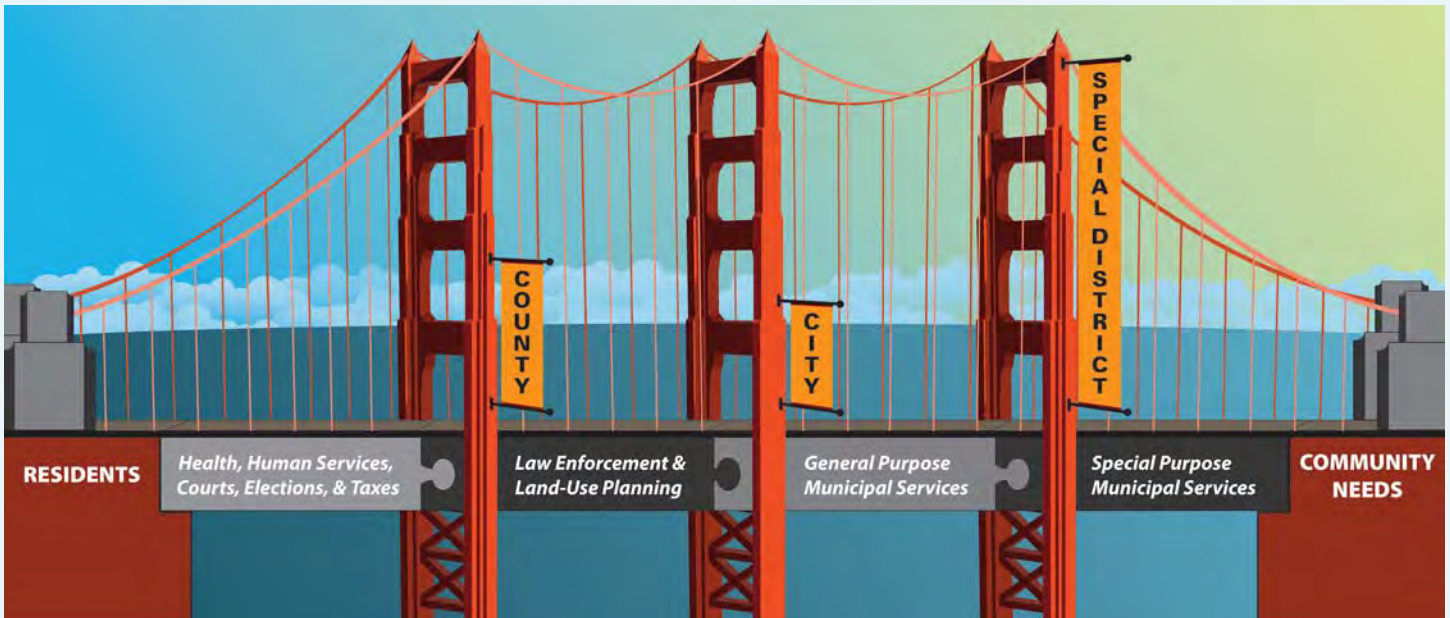
Many districts **provide infrastructure services the U.S. Department of Homeland Security deems “critical”,** such as water, irrigation, wastewater and agriculture services.

SPECIAL DISTRICTS SEEK PARTNERSHIP WITH THE STATE AND FEDERAL GOVERNMENTS TO:

- Ensure safe and reliable services for our communities.
- Build resiliency to prepare for and overcome adversity, such as wildfires or other natural disasters.
- Grow the economy and serve more Californians through investment in local and regional infrastructure.



Where Special Districts Fit in the Public Services Puzzle



California's communities are diverse in the nature and extent of public services they need. The result is a network of public service agencies, each with a purpose under state law. Within this framework, **special districts are formed, governed, and "owned" by the community.** They are created to meet the essential needs of local families and economies, and are directly accountable to the communities they serve.

Like cities and counties, special districts are subject to "sunshine laws," audits, and regulatory compliance requirements. Special districts are also the most responsive form of government because they are established, operated, and controlled by local voters, and employ highly-trained experts focused on a single mission to most efficiently and effectively meet the community's needs.

Special districts are focused on providing a "special-purpose" municipal service, like water, sanitation, fire protection, parks, mosquito abatement, cemeteries, resource conservation, ports and harbors, airports, or libraries where a city or county does not.



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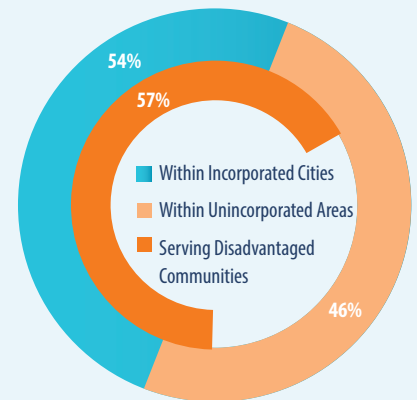
SPECIAL DISTRICTS: COMMUNITY DRIVEN AND FUTURE FOCUSED

Special Districts are Addressing California's Biggest Statewide Problems—At The Local Level

California is the world's fifth largest economy and plays an integral part in the continued prosperity of the country as a whole. The state is faced with many challenges, any one of which could be considered the biggest issues of our time. Climate change, wildfires, drought, homelessness, and mental health, all require thoughtful approaches built from the ground up, and they are all being tackled every day by the locally-focused experts of California's special districts.

Special districts, sometimes referred to as special services districts, are locally-formed and independently administered units of local government, created to oversee everything from how people get their water and power to how they enjoy their parks and open spaces. [Our state simply could not function without them.](#)

SPECIAL DISTRICTS SERVE VARIED COMMUNITIES



Special Districts Are Truly the Backbone of California's Economy

California's Special Districts provide essential services that many cities and counties do not, such as fire protection, health and wellness programs, and core infrastructure, including transit, airports, ports and harbors as well as access to reliable water, wastewater, and electricity. Across California, more than 2,000 special districts serve the needs of nearly every one of California's 40 million residents—many in disadvantaged communities—and employ more than 120,000 front-line workers.

Special Districts Operate at the Nexus of Cutting-Edge Technology and Community Engagement

Special Districts are addressing the biggest statewide problems by taking what the experts learn at the local level and turning that knowledge into future-focused, long-term solutions. Scientists, firefighters, engineers, healthcare professionals, water operators, lab technicians, environmental analysts, and many other specialists provide special district services. Their expertise allows special districts to respond to a rapidly changing world and develop and implement technologies quickly when evolving needs require new, state-of-the-art tools of the trade.

Whether responding to drought conditions with more effective water conservation and groundwater sustainability technologies, mitigating wildfire risk and recovery, addressing transportation needs with innovative strategies, or simply serving the physical, mental, and emotional health needs of diverse populations, special districts are developing world-class solutions to the everyday needs of the communities they serve.



➤ OTHER WAYS TO TAKE ACTION

Learn More

Share Your Knowledge with Special District Leaders!

Calling all speakers! CSDA is currently planning our 2024 Professional Development calendar and would love to consider your session as an in-person workshop, virtual workshop, or webinar. Webinars are offered at no charge to CSDA members and are typically 1 – 2 hours in length. CSDA in-person and virtual workshops are offered for a fee, take a deeper dive into comprehensive content, and are typically six hours in length over the course of two days (virtual) or one full day (in person).

Share your proposal: <https://csdaforms.wufoo.com/forms/q1bi22el1lz2sei/>

Hurry! Deadline for submissions is COB Friday, June 30, 2023. We anticipate making final selections in August. You will be notified only if your proposal is accepted. The call for 2023 CSDA Conference proposals will take place in November / December of this year, so keep an eye on your inbox!

**These session proposals must be educational in nature and not refer to a specific product or service. Preference is offered to CSDA Members. Not a member? Contact Eric Spencer at erics@csda.net to learn more.*

Join Today

Join an Expert Feedback Team to provide CSDA staff with invaluable insights on policy issues. Visit csda.net/get-involved or email updates@csda.net to inquire about joining one of the following teams:

- Environment & Disaster Preparedness
- District Operations
- Governance
- Human Resources and Personnel
- Public Works, Facilities, and State Infrastructure Investment & Partnership
- Local Revenue

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's *California Special Districts Magazine*

Email updates@csda.net for help accessing these additional member resources.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

December 5, 2022 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

AGENDA

Join Zoom Meeting
<https://zoom.us/j/3712702590>
or Dial (669) 900-6833
Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

President James Bissell called the meeting to order at 9:00 A.M. Present were Vice President Gunnar Thordarson, Director John Boyle, and Director Diane Lundquist. Absent with notice was Treasurer Ken Brown. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. No public present.

BOARD MEETING

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

- 1. Resolution No. 2022-513 - Conducting Meetings Using Teleconferencing** – GC 54953 Amend AB 361
Motion Bissell Second Boyle to approve Resolution No. 2022-513 – Conducting Meetings Using Teleconferencing.
GC 54953 Amend AB 361.
AYES: Bissell, Boyle, Lundquist, Thordarson
NOES:
ABSENT: Brown
MOTION CARRIED
- 2. Board Member Reports**
Next meeting scheduled to address teleconferencing on January 3rd, 2023 at 9:00 A.M.
Next regular meeting set for February 21, 2023 at 9:00 A.M.
President Bissell adjourned the meeting at 9:07 A.M.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

January 3, 2023 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

AGENDA

Join Zoom Meeting
<https://zoom.us/j/3712702590>
or Dial (669) 900-6833
Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

President James Bissell called the meeting to order at 9:05 A.M. Board members present were Treasurer Ken Brown, Director John Boyle and Director Diane Lundquist. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. No public present.

BOARD MEETING

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. Resolution No. 2023-514 - Conducting Meetings Using Teleconferencing – GC 54953 Amend AB 361

Motion Brown Second Boyle to approve Resolution No. 2023-514 – Conducting Meeting Using Teleconferencing GC 54953 Amend B 361.

AYES: Bissell, Boyle Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

2. Board Member Reports

Next meeting to address teleconferencing set for January 31st, 2023 at 9:00 A.M.

Next regular meeting scheduled for February 21st, 2023 at 9:00 A.M.

General Manager Gouveia informed the board of directors that the interconnect between P.G.&E. and our interface was not given the green light on the battery powerpacks for the treatment plant.

President Bissell adjourned the meeting at 9:12 A.M.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

January 31, 2023 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

MINUTES

Join Zoom Meeting

<https://zoom.us/j/3712702590>

or Dial (669) 900-6833

Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

General Manager Jeff Gouveia called the meeting to order at 9:00 A.M. Board of Directors present were Vice President Gunnar Thordarson, Treasurer Ken Brown, Director John Boyle, and Director Diane Lundquist. President James Bissell was absent with notice. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. No public present.

BOARD MEETING

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. Resolution No. 2023-515 - Conducting Meetings Using Teleconferencing – GC 54953 Amend AB 361

Motion Thordarson Second Lundquist to approve Resolution No. 2023-515 – Conducting Meetings Using Teleconferencing.

AYES: Boyle, Brown, Lundquist, Thordarson

NOES:

ABSENT: Bissell

MOTION CARRIED

2. Board Member Reports

The next board meeting was scheduled for Tuesday, February 21, 2023 at 9:00 A.M.

General Manager Jeff Gouveia adjourned the meeting at 9:14 A.M.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

February 21, 2023 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

MINUTES

Join Zoom Meeting

<https://zoom.us/j/3712702590>

or Dial (669) 900-6833

Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

President James Bissell called the meeting to order at 9:00 A.M. Present via Zoom were Treasurer Ken Brown, Director John Boyle and Director Diane Lundquist. Absent with notice was Vice President Gunnar Thordarson. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. General Counsel Andy Pinasco of Neumiller-Beardsley was also present. No public were present.

BOARD MEETING

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. **Bi-Annual AB1234 Ethics Training – Introducing Andy Pinasco, Neumiller Beardsley**

Andy Pinasco of Neumiller-Beardsley gave a two-hour ethics training via Zoom. His presentation was divided into two sections, the Brown Act and Ethics training. The Brown Act included meetings, closed session, committees, teleconferencing, and public comment. The ethics training included conflict of interest, personal financial interests, and personal advantage and perks.

2. **The Board will consider adoption of the November 7, 2022 Board Meeting Minutes**

Motion Boyle Second Brown to accept the November 7, 2022 Minutes as presented.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

3. **Election of Officers - Discussion and Possible Action Item**

Motion Boyle Second Brown to elect James Bissell as President of the Bear Valley Water District Board of Directors.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

Motion Bissell Second Lundquist to elect Gunnar Thordarson as Vice President of the Bear Valley Water District Board of Directors.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

President James Bissell appointed Director Ken Brown as Treasurer.

4. Annual Consumer Price Index (CPI-U) & Monthly Service Rate Review – Discussion and Possible Action Item

Board to consider Board Order 2023-01 establishing an increase in monthly sewer service charges in an amount equal to or less than 6% as provided by the Proposition 218 rate study and public hearing performed by the District in 2022.

Discussion ensued regarding the loss of commercial revenue due in part to the vault toilet project being completed in the Lake Alpine Basin. GM recommended a 6% CPI increase to keep up with the inflation and rising costs in nearly every area.

Motion Boyle Second Bissell to increase the monthly sewer service charges in the amount of 6% as provided By the Proposition 218 Rate Study and public hearing performed by the District in 2022.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

5. Manager's Report – General Manager

See attachment.

6. Financial Report – General Manager

6.1 P&L and Balance Sheet Reports - Discussion and Possible Action Item

Motion Bissell Second Brown to accept the P&L and Balance Sheet Reports as presented.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

6.2 Accounts Payable Report - Discussion and Possible Action Item

Motion Boyle Second Lundquist to accept the Accounts Payable Reports as presented.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

6.3 A/R & Aging Reports – Discussion

The accounts receivable total on February 17, 2023 was \$29,381.23 compared to the previous year February 17, 2022 that had a credit balance of -\$25,722.24. That in part was due to OM Silber giving refunds to several customers with large credits on their accounts, along with the fact that several large commercial customers have been paying their bills late.

7. Board Member Reports

Board meeting set for Tuesday, February 28th, 2023 at 9:00 A.M. to discuss \$5K seed money to begin an application for a solar project.

Meeting adjourned at 12:57 P.M. by President James Bissell.

AGENDA ITEM

DATE: FEBRUARY 21, 2023

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: MANAGER'S REPORT

1. Water Balance - Update

a. Influent Flows & Effluent Transfers

Total wastewater received as of February 1-16th was 1.023 (MG)

Transferred to PR February 1 -16th, was 1.364 (MG).

b. Effluent in Storage, Current Storage Capacity & Land / Surface Disposal Update

Current Storage Volume is 7075.5' = 32.66 MG =42.7% (2/16/2023)

2. Permit Compliance & Monitoring & Reporting Programs (MRPs) - Update

a. WDR MRP - Land Discharge Permit – Compliance & Reporting Update

i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time

ii. WDR Order 5-01-208 – Annual Report Submitted January 31, 2023

iii. WDR Order 5-01-208 – 3rd Tri-Annual Groundwater Monitoring Report Submitted January 23, 2023

b. NPDES MRP – Surface Water Discharge Permit – Compliance & Reporting Update

i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time

ii. NPDES Order R5-2022-0037 – Annual Report Submitted – January 23, 2023

3. Other

a. PGE-SGIP-2020-3656 – WWTF Powerpack Project –Update

The WWTF Powerpack Project is still non-operational. GM applied for a second six months extension with P.G. &E. The district was granted an approved variance. The electrician has to insert some fiberglass to separate the P.G. & E. side and install a UPS device to switch from utility power to battery power. They then have to align the powerpack with our energy use cycle and plan energy use for the remainder of the year.

b. Cal OES Community Power Resiliency Allocation –Update

There are two power walls at Bee Gulch to be installed. The entirety of the \$300K has been expensed.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

February 28, 2023 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

MINUTES

Join Zoom Meeting
<https://zoom.us/j/3712702590>
or Dial (669) 900-6833
Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

President James Bissell called the regular board meeting to order at 9:06 A.M. Present via Zoom, were Vice President Gunnar Thordarson, Treasurer Ken Brown, Director John Boyle, and Director Diane Lundquist. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. No public present.

BOARD MEETING

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. Wastewater Treatment Facility (WWTF) Solar Project – Discussion and Possible Action Item

Board will consider authorizing funds for the General Manager to submit an interconnection application and project related items with Pacific Gas & Electric (PG&E) to secure Net Energy Metering (NEM) under the NEM2 rate structure before the April 14, 2023 deadline.

GM Gouveia informed the Board of Directors that the application to secure Net Energy Metering (NEM) under the NEM2 rate structure is due no later than April 14, 2023. The fee to Sol Rebel to prepare an application on behalf of the District is estimated at \$3,100. President Bissell recommended that the Board might want to consider authorizing \$5,000, in case of any ancillary fees.

Motion Boyle Second Brown to approve \$3,100, with a cap of \$5,000, for the application and ancillary costs to Pacific Gas & Electric (PG&E) associated with the application to secure Net Energy Metering (NEM) under the NEM2 rate structure.

AYES: Bissell, Boyle, Brown, Lundquist

NOES:

ABSENT: Thordarson

MOTION CARRIED

2. Board Member Reports

The next board meeting was set for Tuesday, May 23rd, 2023 at 9:00 A.M.

President Bissell adjourned the meeting at 9:35 A.M.

AGENDA ITEM

DATE: JUNE 23, 2023

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: SPECIAL DISTRICT GOVERNMENT AUDIT SERVICES

BACKGROUND:

In a letter dated May 30, 2023, Robert W. Johnson Accounting notified the District that they “must rescind [their] 3-year audit bid” as a consequence of a “partner . . . moving out of the state this summer” and that they will be “temporarily . . . at reduced capacity” and have a “full summer season audit scheduled.”

Robert Johnson died due to complications surrounding Covid late in 2021 and his daughter Mary took over operation of the firm along with at least one partner. Prior to receipt of this rescindence letter, Robert Johnson’s 3-year bid proposal for June 2023, 2024 and 2025 audits were \$10,100, \$10,450 and \$10,800 respectively representing a 40% increase from June 2022’s final audit fee followed by 3% increases each year thereafter.

As a California Special District, a form of local government, the Bear Valley Water District must adhere to the following accounting standards and government regulations surrounding minimum audit and financial reporting requirements. These include:

- Government Accounting Standards Board (GASB), including GASB34
- Generally Accepted Accounting Principles (GAAP)
- Government Code Section 6505
- Government Code Section 26909
- California Code of Regulations Section 1131.2

In part, the Government Code requires:

Section 6505:

(a) The agreement shall provide for strict accountability of all funds and report of all receipts and disbursements.

(b) In addition, and provided a separate agency or entity is created, the public officer performing the functions of auditor or controller as determined pursuant to Section 6505.5 shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every agency or entity.

(2)(A) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

Section 26909:

(B) A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

(i) For a special district defined in paragraph (2) of subdivision (d) of Section 12463, with the Controller.

Additionally, the District must follow and adhere to the accounting and financial reporting standards established by the Government Accounting Standards Board (GASB). Formed 1984, GASB is the independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).

In June 1999, GASB issued *GASB Statement #34 Basic Financial Statements and Management Discussion and Analysis-for State and Local Governments*. This Statement resulted in sweeping changes in financial reporting for governmental entities. In Statement 34, the GASB established the present blueprint for state and local government financial reporting—the format and measurement focus of the basic financial statements, certain related notes to the financial statements, and required supplementary information including management’s discussion and analysis (MD&A). Among its many features, Statement 34 introduced government-wide financial statements containing accrual information—which notably included the reporting of infrastructure, other capital assets, and long-term liabilities. Statement 34 also requires a narrative MD&A to precede the financial statements, added the presentation of the original budget to the budgetary comparison schedule, introduced major fund reporting in the governmental and enterprise funds, and added note disclosures related to capital asset and long-term liability activity during the reporting period.

DISCUSSION:

Hence, the District seeks auditing services to fulfill its obligations pursuant to Government Code Sections 6505 and 26909, including California Code of Regulations Section 1131.2, the Office of the State Controller’s minimum auditing requirements. Therefore, on behalf of the District, the General Manager solicited proposals from three (3) reputable public accounting firms either referred by Robert Johnson Accounting, local public agencies or selected by staff which have completed public agency financial audits in the region.

The firms contacted and solicited for proposals included:

- Richardson & Company, LLP – Certified Public Accountants- Sacramento, CA – Tel: 916.564.8727
- Larry Bain, CPA – Public Accountants – El Dorado Hills, CA – Tel: 916.601.8894
- Bryant L. Jolly, CPA – Certified Public Accountants - Firebaugh, CA – Tel: 559.659.3045

The Scope of Work requested of the three (3) public accounting firms consisted of:

- Experience Auditing Special District’s which utilize Generally Accepted Accounting Principles (GAAP)
- Experience Auditing Special District’s which conform to GASB 34 Accounting Standards
- Experience and competence with Public Accounting for Special Districts, expertise serving water districts a plus
- Adherence to the highest standards in government auditing
- Compliance with generally accepted auditing standards including the State Controller’s Minimum Audit Requirements for Special Districts
- Capacity to provide high quality audit, accounting and business advisory services

Proposals received are as follows:

- Richardson & Company, LLP – FY 22-23 \$10,600, FY 23-24 \$10,200, FY 24-25 \$10,600
- Larry Bain, CPA – FY 22-23 \$ 8,700 (billed hourly, not to exceed), FY 23-24 \$8,200, FY 24-25 \$8,200
- Bryant L. Jolly, CPA – FY 22-23 \$12,500, FY 23-24 \$12,500, FY 24-25 \$12,500

RECOMMENDATION:

The proposals received from the three (3) public accounting firms which submitted proposals are generally responsive to the request and appear to provide the requested deliverables in order to assist the District in meeting its audit requirements on schedule. Each of the firms appears to have similar experience and qualifications with government accounting in California and offer certified and experienced professionals.

The fees proposed range from \$8,700 - \$12,500 for FY 22-23 (Year 1) to \$8,200 - \$12,500 for FY 24-25 (Year 3). Both Richardson & Company and Larry Bain propose higher first year fees as they familiarize themselves with the District, followed by slightly reduced fees in Year 2 and Year 3. Note too that Robert Johnson Accounting (\$10,100, \$10,450 and \$10,800) has invited the District to seek its services in future years if they can restore sufficient capacity to handle more accounts. Yet, it should not go without mention that a 40% single year increase for a 20+ year client where systems and records were well established suggests both the potential for future unexpected increases and also a level of unpredictability.

To be sure, Staff seeks to establish a positive and durable long term relationship with an established auditing firm that provides consistent and reliable year round support for *both* the required annual audit process as well as business advisory services as new fiscal and accounting questions arise for the District. The latter has been a weakness thus far under the current contract provider. Staff anticipates the transition to a new auditor to require substantial additional staff time to support a new auditor as they begin to evaluate the District's financial records and seeks to avoid any short term relationships that may require another future transition period and requisite staff time to settle in with another firm.

Additionally, Staff believes this opportunity to select a new auditor should take into serious consideration the complexities of new programs and instruments the District may take advantage of in the years to come and a firm's capacity to interpret these programs and support and advise the District appropriately. These include but are not limited to the Inflation Reduction Act (IRA), the Investment Tax Credit (ITC) for renewable energy, Davis-Bacon prevailing wage laws, the registered apprenticeship requirements, certain domestic content requirements, clean energy grants, bonds, loans and more.

Specifically, Section 6417 of the Internal Revenue Code now extends many of the IRA's tax incentives to entities that historically could not benefit from income tax credits, such as state, local, and Tribal governments and other tax-exempt entities including California Special Districts such as BVWD. Specifically, these entities can now elect to receive some of the Inflation Reduction Act's tax credits in the form of direct payments. Should the District choose to take advantage of programs with direct payment such as the IRA, Staff believes it to be critical that the District's auditor have ample staff available and with the knowledge and resources to guide the District through these programs successfully.

To date, business advisory services have been hard to ascertain with the current auditor and have seemingly not been a part of the scope of services. A higher level of advisory services could greatly benefit the District in the years to come and the larger staff and depth and diversity of the customer base at Richardson & Company suggests that they have the expertise and staff sufficient to provide more reliable business advisory services to the District than smaller offices such as Robert Johnson or Larry Bain.

Lastly, Richardson & Company have been the only firm among those surveyed to point out where our current audit has been remiss as relates to current law. For example, Richardson & Company have indicated that the California Constitution requires that certain public retirement plans, such as the District's 401(a) plan, be both audited and a report filed with the State Controller's office. Additionally, Richardson & Company have pointed out that where grants exceed \$750,000 and are received from federal sources or FEMA, a unique "single audit" must be performed specifically on such funds.

For the reasons outlined above, Staff believe Richardson & Company provide the best combination of broad professional and technical staff resources, specific experience with over 30 other water districts, a strong grasp of current public agency audit requirements, and explicit public agency finance, accounting and business advisory services “available throughout the year to answer questions” and “encourage clients to ask questions as issues surface.” Richardson & Company appear to be the firm that can best support the District as it continues its transition into the clean energy economic environment.

Recommendation:

Award the annual audit contract to Richardson & Company, LLP as proposed:

- FY 22-23 \$10,600
- FY 23-24 \$10,200
- FY 24-25 \$10,600

ACTION:

1. Motion to Accept the proposal from Richardson & Company, LLP as proposed.

Attachments:

- Richardson & Company, LLP Proposal
- Larry Bain, CPA Proposal
- Bryant L. Jolly, CPA Proposal
- Robert W. Johnson, An Accountancy Corporation Proposal Dated Feb 1, 2023(Rescinded)
- Robert W. Johnson Rescindence Letter Dated May 30, 2023



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

RECEIVED FEB - 8 2023

February 1, 2023

Board of Directors
Bear Valley Water District
P.O. Box 5027
Bear Valley, CA 95223

RECEIVED FEB - 8 2023

Attn: Jeff Gouveia, General Manager

Dear Board of Directors and Mr. Gouveia,

We appreciate the opportunity to submit a proposal for your upcoming audits.

Our 3 year-bid for your audits:

Year ended June 30, 2023	\$10,100
Year ended June 30, 2024	\$10,450
Year ended June 30, 2025	\$10,800

Handwritten signature and date: Kelly Shiramizu, 2/1/23

GASB has issued new accounting standards that may apply to your District (e.g. GASB 87- Leases). If so, we will discuss with you in advance and an additional fee (to implement the new standard) may apply.

You may have noticed the audit fees have increased from our last proposal. The increased audit regulations and accounting pronouncements have increased our time and effort into governmental audits. Also, the inflationary economic climate has increased costs. We believe if you compare our audit fee to other CPA firms, our audit fee is competitive with our peers. If you have any questions on this audit proposal, please feel free to reach out to our office.

Please let us know the District's wishes. We hope to work with you again, as we think highly of your organization and management.

Sincerely,

Kelly Shiramizu
Kelly Shiramizu, CPA



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

May 30, 2023

To the Board of Directors
Bear Valley Water District
P.O. Box 5027
Bear Valley, CA 95223

Attention: Jeff Gouveia, General Manager

Dear Board of Directors,

We regret to inform you that we must rescind our 3-year audit bid dated February 1, 2023 for fiscal year end audit(s) June 30, 2023, 2024 and 2025. One of our partners is moving out of state this summer so we will temporarily be at reduced capacity and we already have a full summer audit season scheduled.

We appreciate all the years we were able to serve your District. Please feel free to contact us in the future if you wish to reconsider our Firm as your auditors.

Best regards,

Mary Cummins

Mary Cummins, CPA

PROPOSAL TO PROVIDE PROFESSIONAL AUDIT SERVICES FOR



FOR THE FISCAL YEARS ENDED JUNE 30, 2023, 2024 AND 2025

CONTACT PERSONS:

Ingrid Sheipline, Managing Partner

isheipline@richardsoncpas.com

Brian Nash, Partner

bnash@richardsoncpas.com



550 Howe Avenue, Suite 210
Sacramento, California 95825
Phone: (916) 564-8727
Fax: (916) 564-8728

June 12, 2023



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

June 12, 2023

Bear Valley Water District

PO Box 5027

Bear Valley, CA 95223

Thank you for your interest in our firm and the opportunity to present our proposal to serve the **Bear Valley Water District** (the District). We are genuinely enthusiastic about the prospect of serving as your auditors. Auditing special districts, especially water districts, has developed into one of our firm's major areas of expertise. If given the opportunity, you can be sure that we would serve the District with great care and pride.

Our Profile and Commitment to Quality

Richardson & Company, LLP is a regional CPA firm established in 1991 and located in Sacramento. We have a staff of thirty, including twelve CPAs. We are among the top 15 largest CPA firms operating in the Sacramento area. Richardson & Company, LLP is a certified Micro-Small Business Enterprise by the California Department of General Services and a certified Disadvantage Business Enterprise and Woman-owned Business Enterprise by Caltrans. All of our professional staff have governmental auditing experience. We provide audit services to numerous governmental entities, including water districts, park and recreation districts, cities, fire districts, regional transportation planning agencies, Transportation Development Act funding recipients, joint powers authorities and other special districts. We also provide audit services to nonprofit organizations, financial institutions, real estate partnerships and several others. We provide tax services to our audit clients requiring those services. Our firm is dedicated to providing our clients with quality audit, tax, accounting and business advisory services at a reasonable cost consistent with the highest professional standards.

We are registered with the Public Company Accounting Oversight Board (PCAOB), and we are a member of the Center for Audit Quality and the Center for Public Company Audit Firms of the American Institute of Certified Public Accountants (AICPA). All firms that join the Center for Audit Quality agree to adhere to published AICPA and PCAOB quality control standards and submit to peer reviews and PCAOB inspections of their practice every three years. We have passed all nine peer reviews and all three PCAOB inspections of our practice.

Independent Accountants with Proven Expertise Serving Water District and Other Governmental Entities

In any service organization, it is the people who make the difference. Our team members know and understand the challenges and opportunities confronting governmental entities and our team consists of professionals who have proven their ability to provide auditing services to water districts. Serving this industry with its unique reporting requirements has developed into one of

our firm's areas of expertise. Our list of clients below includes over 30 water districts. For this reason, we believe we are best qualified to perform the audits of the District.

We have audited the California Department of Water Resources on behalf of a large Southern California water agency for the past forty years, including twelve years while key personnel in our firm were with Ernst & Young. The water agency is a consortium of twenty-six cities and water districts serving nearly nineteen million people in the Los Angeles and San Diego areas. It is the largest water district in the world. This large, complex audit of the multi-billion-dollar State Water Project managed by the California Department of Water Resources is on a scale and nature as to rarely be performed by other than "Big Four" firms. The audit of the State Water Project includes auditing its coal-fired and hydroelectric power operations and the bonds issued to finance the project.

We also have extensive experience with performing audits of other special districts, including the Sacramento Metropolitan Fire District, Sacramento Public Library Authority, Sacramento Transportation Authority, Cosumnes Community Services District, Yolo-Solano Air Quality Management District, Yolo County Transportation District, Sacramento Regional Transit District, El Dorado County Transportation Commission, El Dorado County Transit Authority, Yolo County Transportation District, Yuba-Sutter Transit Authority and Paratransit. We have also served numerous cities and other governmental entities. We have extensive experience with Single Audit Act procedures and reports, preparation of State Controller's Reports, letters to underwriters and preparation and review of Comprehensive Annual Financial Reports for compliance with the GFOA's preparers checklist in order to receive the Certificate of Achievement for Excellence in Financial Reporting.

We have been selected several times to conduct special, forensic audits on behalf of several water and fire districts, including situations where it was alleged that expense reimbursements had been paid in excess of amounts authorized by policy or law. Our investigations proved the allegations were true and discovered several other problems. Our audit results were made public by the districts involved and extensively reported in the local and statewide news media. The FBI, IRS and the Sacramento District Attorney subpoenaed our workpapers to assist them with their investigations. We have testified in federal court and given depositions related to this work. This special audit work proves that our firm has the resources and expertise to successfully complete difficult, unusual auditing projects in a timely manner.

We have built a practice oriented toward providing services equal in caliber to those provided by firms operating on a national level. The following is a list of governmental and governmental-affiliated entities we are currently serving or have served:

Water Districts

- Amador Water Agency
- Calaveras County Water District
- Tuolumne Utilities District
- Rancho Murieta Community Services District
- Calaveras Public Power Agency
- El Dorado Hills Community Services District
- Westlands Water District
- Nevada Irrigation District
- South Feather Water and Power Agency
- El Dorado Irrigation District
- Oakdale Irrigation District
- South San Joaquin Irrigation District

- Yuba County Water Agency
- Tri-Dam Project and Power Authority
- San Luis and Delta-Mendota Water Authority
- Merced Irrigation District
- San Joaquin Valley Drainage Authority
- Yolo County Flood Control and Water Conservation District
- Sacramento Suburban Water District
- Fair Oaks Water District
- Carmichael Water District
- American River Flood Control District
- San Juan Water District
- Glenn-Colusa Irrigation District
- Reclamation District 1000
- Reclamation District 2035
- Del Paso Manor Water District
- Citrus Heights Water District
- Elk Grove Water District
- Yolo Subbasin Groundwater Agency
- Rio Linda/Elverta Community Water District
- South Yuba Water District
- State Water Project Contractors Authority
- Solano County Water Agency
- South Sutter Water District
- Regional Water Authority
- Sacramento Groundwater Authority

Special Districts

- Amador County Transportation Commission
- Amador Transit
- Calaveras Council of Governments
- Calaveras Transit
- El Dorado County Transportation Commission
- El Dorado County Transit Authority
- El Dorado County Emergency Services Authority
- California Tahoe Emergency Services Authority
- Sacramento Metropolitan Fire District
- Sacramento Area Council of Governments
- Sacramento Transportation Authority
- Sacramento Public Library Authority
- Sacramento Regional Fire/EMS Communications Center
- Butte County Association of Governments
- Cortina Community Services District
- Yolo-Solano Air Quality Management District
- Mountain House Community Services District
- Cosumnes (formerly Elk Grove) Community Services District
- El Dorado Hills Community Services District
- Lassen County Transportation Commission
- Lassen Transit Services Agency
- Yuba-Sutter Transit Authority
- Yolo County Transportation District
- Yolo Emergency Communications Agency

- Paratransit
- Placer County Transportation Planning Agency
- Regional Waste Management Authority
- Yolo County Local Agency Formation Commission
- Wilton, Herald and Pacific Fruitridge Fire Protection Districts
- Marin County Transit District
- Transport System of the University of California at Davis (Unitrans)

We have also provided audit services to most of the cities in the Sacramento area including the Cities of West Sacramento, Lincoln, Chico, American Canyon, Colfax, Elk Grove, Citrus Heights, Sonoma, Sutter Creek, Dixon, Folsom, Marysville, Ione, Biggs, Colusa, Rancho Cordova and the Town of Loomis, which includes services provided that are similar to those the District provides. We have also audited the Transportation Development Act (TDA) funds of the various cities and counties in Sacramento, Yolo, Yuba, Sutter, Butte, El Dorado, Calaveras, Amador, Placer, Lassen and San Joaquin counties. We have extensive experience with Single Audit Act procedures and reports, preparation of State Controller's Reports, pension and OPEB entries, letters to underwriters and preparation and review of Comprehensive Annual Financial Reports for compliance with the Government Finance Officer's Association preparers checklist in order to receive the Certificate of Achievement for Excellence in Financial Reporting. Providing these services for these entities makes us exceptionally well qualified to provide the services you currently request and to provide you with these additional services should you request them in the future.

In addition to demonstrating that we have the technical expertise needed to serve the District, we have also demonstrated that we have the engagement management skills and local staffing resources sufficient to ensure that the District's reporting deadlines are met. We have planned, scheduled and conducted our audits of the governmental entities we serve in an efficient and effective manner in order to meet reporting deadlines. From time to time our clients may need to contact us to ask questions or discuss accounting issues and other matters. We are available throughout the year to answer questions and encourage our clients to ask questions as the issues surface. We are timely and responsive to our clients' questions and requests for information. We have established a reputation with our clients for quality service, timeliness and professionalism.

Our Key Personnel

We have the personnel with the necessary professional qualifications and technical ability to provide you with the quality service you are looking for. As you can see from the resumes of our key personnel, we have developed the proficiency in the accounting principles and standards and governmental auditing to ensure you will receive quality work. Our firm philosophy centers around our commitment to the highest level of quality service--delivered by quality people. We have a history of providing technical excellence through teamwork responsive to clients' needs and expectations. Our commitment to quality results in satisfying the needs of our clients by providing value-added services and attracting and retaining clients of the highest caliber.

Our key audit executives will participate heavily in the audit of the District. This assures the District will receive a quality audit managed and executed on-site by seasoned professionals, knowledgeable of the government and specifically the water industry. We believe the quality of our services exceeds that of national and other firms because our audit team uses more experienced professionals to actually perform the work. National and other firms typically rely heavily on senior and staff accountants to perform audit fieldwork with minimal on-site direction from partners or managers.

The following resumes outline the qualifications and experience of our key team members.

Brian Nash, CPA (Audit Partner and Engagement Partner)

Brian is a partner with our firm and would serve as the District's audit partner. He would have overall responsibility for planning, directing and coordinating our services for you. Since significant and timely partner involvement is a cornerstone of our quality control procedures, he will be involved in all phases of our audit work from initial planning through report preparation. He has thirty years of professional accounting and auditing experience and has provided services to a variety of clients, including most of the government entities, nonprofits, banks, water agencies and other entities described in the following section of this proposal. He currently serves or has served a number of the water agencies, including Calaveras County Water District, Tuolumne Irrigation District, El Dorado Irrigation District, Westlands Water District, Florin Resource Conservation District/Elk Grove Water District, Oakdale Irrigation District, San Juan Water District, South San Joaquin Irrigation District, Sacramento Suburban Water District, Tri-Dam Project, Tri-Dam Power Authority, Yuba County Water Agency, Yolo County Flood Control and Water Conservation District, Yolo Subbasin Groundwater Agency, San Luis and Delta-Mendota Water Authority, San Joaquin Valley Drainage Authority, South Feather Water and Power Agency, Citrus Heights Water District, Solano County Water Agency, Merced Irrigation District and South Yuba Water District and numerous other governmental agencies, including cities and other special districts. Brian received a Bachelor of Science degree in accounting with honors from California State University, Sacramento. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants and is licensed to practice in California.

Ingrid M. Shepline, CPA (Managing Partner and Concurring Reviewer)

Ingrid serves as our Managing Partner and would serve as a second, additional or concurring reviewer, if needed. Formerly an audit manager with Ernst & Young LLP, she is a Certified Public Accountant with over thirty-five years of experience. Ingrid has supervised and conducted the fieldwork for a variety of clients including governmental entities, nonprofit organizations, utilities, banks, insurance agencies, manufacturers and distributors. While with Ernst & Young LLP, she specialized in governmental entities and grant compliance auditing, and has attended or taught numerous governmental education seminars. She is currently serving or has served almost all of the governmental entities listed in this proposal, including most of the water agencies and water industry related associations, such as Amador Water Agency, Tuolumne Utilities District, Calaveras Public Power Agency, Citrus Heights Water District, Fair Oaks Water District, Sacramento Suburban Water District, Carmichael Water District, San Juan Water District, Del Paso Manor Water District, American River Flood Control District, Del Paso Manor Water District, Glenn-Colusa Irrigation District, El Dorado Irrigation District, South Feather Water and Power Agency, Reclamation District 1000, Reclamation District 2035, Merced Irrigation District, Nevada Irrigation District, Rio Linda/Elverta Community Water District, South Yuba Water District, Delta Conveyance Finance Authority, Solano County Water Agency, South Sutter Water District, Sacramento Groundwater Authority, Regional Water Authority, California Urban Water Agencies, Central Valley Project Water Contractors and Central Valley Clean Water Association. She has also audited a number of cities with water operations and proprietary funds. She has audited most of the government agencies listed on the previous pages, including cities and other special districts.

Ingrid has a Bachelor of Science degree in accounting with honors from California State University, Sacramento. She is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants, having served on the

Board of Directors of the Society's Sacramento Chapter and as a member of the Government and Nonprofit Committee.

Other Staff

We would assign a manager with significant water district experience as well as senior and staff accountants to the engagement with experience working on governmental audits since everyone in our firm is required to work on a portion of our previously mentioned audits. Twelve out of our twenty-six professional staff are CPAs.

Scope of Services

We understand that the District requires an audit of its basic financial statements, including the preparation of the financial statements, for the fiscal years ended June 30, 2023, 2024 and 2025, including all procedures necessary for the issuance of an opinion regarding the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles. The audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA) and the State Controller's Minimum Audit Requirements for California Special Districts. These services will include the following:

1. Perform an audit of the District's financial statements in conformity with generally accepted accounting standards, *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts.
2. Prepare the District's financial statements.
3. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
4. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*, and issue an independent auditors' report on their consideration.
5. Apply limited audit procedures to the Management's Discussion and Analysis (MD&A).
6. Prepare a Report to the Board of Directors and Management which identifies significant audit findings, difficulties encountered in performing the audit, identify any correct and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and our recommendations for improvements in accounting and administrative controls.

Our Commitment to Perform Timely Services

We have a reputation for meeting our client's deadlines. We will provide the District with a list of schedules and other work requested as soon as we are selected and will perform fieldwork in December or January, or at such time as the books have been closed and all documents and analyses have been completed. We anticipate draft copies of the audit reports will be available in January, with final reports being available in late January. We will provide the District with the priority and timely service it deserves.

The following estimated work plan was developed with your stated deadlines in mind. Upon selection as your independent accountants, we will meet with you, and together we will

determine a specific timetable which ensures minimal disruption to your employees and meets your expectations.

Task	Audit Timing
Audit Planning:	
Begin audit planning process	August
Internal control/systems documentation, evaluation and testing	
Develop audit programs	
Provide audit assistance package and confirmation letters	
Risk Assessment	
Substantive Testing:	
Cash and investments	December/January
Revenue, receivables and deferred revenue	
Expenses for goods and services and related liabilities	
Net Position - restricted and unrestricted	
Reporting and Wrap-up:	
Preparation of the financial statement and other reports	January
Draft reports available for review	Mid-January
Delivery of final reports	Late January

Our audit will be planned so that delivery of all required reports will be accomplished in a timely manner. We believe that the staffing of the audit is sufficient to ensure the timely completion of the audit and to ensure that the work is properly supervised. We would work closely with management to ensure that we provide timely services consistent with your requirements.

We will prepare, edit and print the financial statements consistent with professional standards and your needs and will review the drafts of all our reports with management prior to finalization.

New Independence Rules

New independence requirements in the 2018 *Government Auditing Standards* (known as the Yellow Book) apply for the first time during the fiscal year ending June 30, 2021. The new independence requirements add additional scrutiny over nonaudit services performed by auditors, which includes preparation of accrual adjustments and the financial statements with footnotes. The 2018 Yellow Book is intended to result in auditors reevaluating whether they should provide bookkeeping, schedule preparation and other services typically performed as part of an audit that require judgement to be exercised that should be performed by management, so they are not put in the position of auditing their own work. We believe the 2018 Yellow Book independence requirements will result in auditors asking clients to find other accounting and reporting expertise to complete nonaudit services and advise clients about financial disclosures. If we prepare the District's financial statements, including footnotes, the District will need to ensure that the District has someone on staff or hire a consultant that has the skills, knowledge and experience to be able to take responsibility for the completeness and accuracy of the financial statements. If the auditor prepares any accrual adjustments, these will also need to be reviewed by someone with skills, knowledge and experience to review them.

Professional Fees

Our goal is to provide quality service using the highest professional standards at a reasonable cost. We plan each assignment carefully and set a time budget for each phase of the engagement. All of our staff are well indoctrinated in the need to use their time to the fullest efficiency.

During the first year, we will spend a significant amount of time becoming familiar with your organization and operations, developing permanent files, and performing our risk assessment. We will absorb the cost of this nonrecurring time and view it as an excellent investment in establishing a long-term relationship and in becoming more knowledgeable about your operating environment, which will enhance our ability to provide you with responsive service.

Since Richardson & Company, LLP consists primarily of experienced auditors, you can be sure that you will receive the experience level and quality of service you expect. Our firm will bring to the audits strong technical backgrounds, government and utility accounting expertise, outstanding engagement management skills, which will provide a “fresh look” at your programs.

Based upon our current understanding of the situation and our understanding of the District’s control processes in place, our professional fees to perform the annual audit are listed below. These fees include out-of-pocket expenses for items including clerical support, computer charges, supplies, telephone charges and printing.

We provided a fee summary for three years to demonstrate that the first year is the most time consuming where first-year start-up costs need to be recovered, unlike future years. A summary of our fees by task are as follows:

	Fiscal Years		
	2022/2023	2023/2024	2024/2025
Audit and preparation of financial statement	\$ 9,800	\$ 10,200	\$ 10,600
First-year start up costs	800		
	<u>\$ 10,600</u>	<u>\$ 10,200</u>	<u>\$ 10,600</u>

The break-down of our fee by classification is as follows:

Classification	Hours Per Year	Hourly Rates	Fee
Partner	10	\$ 200	\$ 2,000
Senior Manager	30	180	5,400
Staff	80	90	7,200
	<u>120</u>		<u>14,600</u>
Discount			<u>(4,000)</u>
Audit Fees for Year Ended June 30, 2023			<u>\$ 10,600</u>

The discount of the rates above gives recognition to the fact the timing of your audit fits extremely well in our schedule and also reflects our commitment to serving water districts. The fees also assume that the audits will be completed during our off-peak season, which is January to July. We understand the District had damage due to the bad winter and could possibly receive State or Federal funding to help pay for damage. If grant compliance auditing is necessary that would increase audit hours, we would need to discuss possibly adding an additional fee to cover additional payroll to complete the audit.

These estimates do not take into consideration changes in the scope of the audit due to changes in accounting or auditing pronouncements and standards, laws or regulations, the loss of key accounting personnel, material weaknesses in the internal control environment, or significant changes in the scope of the District’s operations. We will discuss a new fee estimate with the District if such an event occurs.

Should you have any questions about the details of our fees, or should our fees not appear competitive with those of the other firms, we would appreciate an opportunity to discuss them with you before you make your final decision.

Standard Billing Rates for Additional Services:

Our rates for additional services approved by the District that are not part of the scope of audit services are as follows:

<u>Classification</u>	<u>Rate Per Hour</u>
Partner	\$ 200
Tax Director	240
Senior Manager	180
Managers	160
Supervisors	140
Seniors	120
Semi-seniors	100
Staff	90
Administrative or clerical	60

References

We have the technical expertise needed to serve the District and engagement management skills and the local staffing resources sufficient to ensure that the District’s reporting deadlines are met. We have planned, scheduled and conducted our audits of the governmental entities we serve in an efficient and effective manner in order to meet reporting deadlines. From time to time our clients may need to contact us to ask questions or discuss accounting issues and other matters. We are available through the year to answer questions and encourage our clients to ask questions as the issues surface. We are timely and responsive to our clients’ questions and requests for information. We have established a reputation with our clients for quality service, timeliness and professionalism. Accordingly, we have included three of these entities as references in this proposal and we encourage you to contact them.

Fair Oaks Water District
 Tom Gray, General Manger
tgray@fowd.com
 (916) 967-5723

Tuolumne Utilities District
 Steve Sheffield, Finance Director
s.sheffield@tudwater.org
 (209)532-5536 ext. 482

Calaveras County Water District
 Jeff Meyer, Director of Administrative Services
jeffreym@ccwd.org
 (209) 754-3102

El Dorado Hills Fire District
 Jessica Braddock, Director of Finance
jbraddock@edhfire.com
 (916) 933-6623 ext. 1020

Why We are Best Qualified

Richardson & Company, LLP is the best qualified to perform the auditing services required by the District for the following reasons:

- We have extensive history in providing high-quality audits to water and utility districts and other governmental agencies, as previously discussed, which will ensure a smooth transition.
- Our firm uses more experienced staff to actually perform the work than is typical of larger and other firms. If our firm is selected, we plan to have the senior manager and the

Partner present during fieldwork. While larger and other firms may be able to demonstrate significant amounts of experience in the areas of expertise needed to provide the services you require, the specific individuals they actually assign to your engagement may not have the specific experience you need like the team of accountants we will assign to your engagement. The use of more experienced staff will also ensure you will receive quality services. Also, smaller firms do not have our large government experience, which is essential to address unusual and complicated transactions.

- We have a thorough audit approach that focuses on substantive testing of the District's accounts. Some firms provide lower cost audits by performing mostly analytical review procedures and the evaluation of internal controls instead of performing substantive testing of account balances. Our thorough approach ensures material misstatements and noncompliance with policies are detected, which should provide a level of comfort to management and the Board of Directors.

* * * * *

Once again, we would like to thank you for the opportunity to discuss our services, present our qualifications, and submit our proposal to serve as independent auditors for the District. We are genuinely enthusiastic over the prospect of serving you and sincerely believe that we have the people, experience, resources and reputation to assure you of outstanding services. For the preceding reasons, we genuinely believe that your selection of our firm as the District's independent accountants is the best decision that the District could make.

If you have questions or need additional information, please contact Ingrid Sheipline or me at (916) 564-8727, fax (916) 564-8728, correspondence at 550 Howe Avenue, Suite 210, Sacramento, CA 95825 or email bnash@richardsoncpas.com or isheipline@richardsoncpas.com.

Very truly yours,

RICHARDSON & COMPANY, LLP



Brian Nash, CPA
Partner

LARRY BAIN, CPA
PUBLIC ACCOUNTANTS
AN ACCOUNTING CORPORATION
PROGRAM

MEMBER OF AMERICAN INSTITUTE OF CERTIFIED

MEMBER OF AICPA PEER REVIEW

2148 Frascati Drive, El Dorado Hills, CA 95762 / (916)601-8894

lpbain@sbcglobal.net

June 12, 2023

Board of Directors and Management
Bear Valley Water District
Bear Valley, California

We are pleased to confirm our understanding of the services we are to provide Bear Valley Water District for the fiscal year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of Bear Valley Water District as of and for the fiscal year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Bear Valley Water District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Bear Valley Water District's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1) Management's discussion and analysis

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Bear Valley Water District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of Bear Valley Water District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will also assist with the preparation of the CA. State Controller's Office Financial Transaction Report.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to

refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Larry Bain, CPA, An Accounting Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller's Office or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Larry Bain, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to State Controller's Office or its designee. The State Controller or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Larry Bain, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit September 27, 2023, and to issue our reports no later than December 15, 2023.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$8,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month

as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of Bear Valley Water District's financial statements. Our report will be addressed to management and those charged with governance of Bear Valley Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Bear Valley Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Larry Bain, CPA
An Accounting Corporation

RESPONSE:

This letter correctly sets forth the understanding of Bear Valley Water District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



**PROPOSAL TO PROVIDE
PROFESSIONAL AUDITING SERVICES**

Bear Valley Water District



Bryant L. Jolley, CPA

**901 "N" Street, Suite 104
Firebaugh, Ca 93622
Phone: (559) 659-3045
Fax: (559) 659-0615
FID #94-2706107**

June 13, 2023

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

June 13, 2023

Board of Directors
Bear Valley Water District
Bear Valley, CA

We are pleased to provide this response to the Bear Valley Water District (the “District”), request for proposal for an independent accounting firm to provide audit and related financial services for the fiscal years ending June 30, 2023, 2024 and 2025.

We understand the scope of work will include Audited Financial Statements, the Annual Financial Transaction Report, and a Management Report. We also understand the audit and reports are to be conducted in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA), generally accepted government auditing standards (GAGAS) as set forth by the General Accounting Office’s (GAO) Government Auditing Standards, U.S. Office of Management and Budget (OMB) Uniform Guidance, and State of California Controller’s Minimum Audit Requirements for California Special Districts. Finally, we understand the objective of the services to be performed and commit to performing those services within the time period specified by the Bear Valley Water District.

We have specialized in the auditing of cities, special districts and companies over the past 35 years and have performed over 500 such audits. Our firm consists of four CPA’s who have over seventy years combined auditing experience making us premier auditors. We audit 25 special districts annually including several water districts.

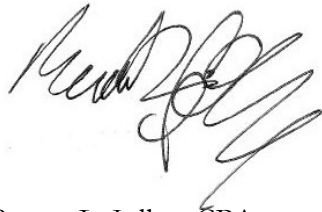
We seek to conduct the District audit because we feel our experience and expertise with auditing makes us a perfect fit for the engagement. We can provide value to the District through the quality of our work, the timeliness of our performance, our knowledge of governments, team consistency, and, most important, a strong relationship among the people on our team.

In the following proposal, you will see that our firm is capable of consistently delivering high levels of value to the District. You will work with an auditor that is stable and responsive. You will receive accurate, reliable, and timely service that is fairly priced. And you will have continual access to senior-level team members who are knowledgeable, qualified, and consistent. Unlike other firms, our Partners participate in all parts of the audit engagement.

Ryan P. Jolley, CPA will serve as the principle contact authorized to make representations on behalf of this bid. This proposal is firm and irrevocable offer for 60 days. He can be reached by phone at 559-659-3045, by e-mail at ryanpjolley@hotmail.com, or by mail at 901 "N" Street, Suite 104, Firebaugh, CA 93622.

We are eager to work with the District and look forward to demonstrating to your Board of Directors our commitment to providing a cost-effective, high-quality audit of the District. We look forward to your response. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryant L. Jolley". The signature is fluid and cursive, with the first name "Bryant" being more legible than the last name "Jolley".

Bryant L. Jolley, CPA

TECHNICAL PROPOSAL

Our firm is independent of the Bear Valley Water District as defined by the U.S. General Accounting Office's Government Auditing Standards. Our firm is licensed to operate as a certified public accounting firm by the State of California. All professional staff is properly licensed to practice in California.

Our firm consists of four CPA's and two other professionals who have over seventy years combined auditing experience making us premier auditors of local governments. Our firm performs approximately 45 governmental audits annually. Because of the size of our firm and the experience of the individuals, all members of our firm will be involved in this engagement. Our office is located Fresno, CA and this office will be responsible for the audit.

Our firm is in compliance with all GAO standards for continuing education and we recently completed a peer-review of our work, which included government engagements, by an independent CPA firm. The review resulted in a qualified opinion on our system of quality control.

The people who serve you today will be the people who serve you tomorrow. **Our firm's turnover rate is 0%, which ensures continuity on your engagement. Our firm only consists of senior level members who have significant years of auditing experience.** Your engagement team will not contain staff accountants nor will you have to train new audit team members in succeeding years. We highly emphasize senior level involvement because these are the team members who know the most about you and your operations. Their involvement assures quick resolution of issues, better job management, closer supervision, and expeditious review of work papers. These are the people who will remain consistently committed to your engagement.

The following information outlines the qualifications and experience of the individuals who would be assigned to the engagement.

QUALIFICATIONS OF YOUR AUDIT TEAM

BRYANT JOLLEY, CPA

AUDIT ROLE: CLIENT SERVICE PARTNER/ENGAGEMENT REVIEWER

Bryant Jolley will be the in-charge person for the District audit. He has been a licensed CPA since 1976 and has operated his own firm since 1980. He graduated from Brigham Young University in 1974 and did graduate accounting studies at the University of Southern California. His initial training as an auditor was with Deloitte Touche, an international CPA firm. The first governmental audit he performed was in 1979 and he has been extensively engaged in governmental accounting since that date. He is the in charge person on an average of thirty city or special district audits each year. This experience allows him to have a unique understanding of the accounting and fiscal problems facing governmental units and provide concrete recommendations to improve overall efficiencies. He has received over 80 hours of government-specific continuing professional education over the last two years and is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

RYAN JOLLEY, CPA

AUDIT ROLE: ENGAGEMENT PARTNER

Ryan Jolley is a licensed certified public accountant who joined our firm in 2004. He graduated with an undergraduate degree in accounting in 2002 and entered the Masters program in accounting at San Diego State University the same year. During this period he started work as a staff auditor with Moss Adams LLP, a large national CPA firm. He interned with our firm for several summers during college and worked on numerous governmental audits. He was the primary senior non-profit/governmental auditor for the Moss Adams San Diego office. Since then he has worked extensively with several cities helping them with the GASB 34 conversion process. He has over 15 years of experience with auditing municipalities, colleges, and commercial entities as well as conducting Single Audits under OMB Circular A-133 standards.

LUIS PEREZ, CPA

AUDIT ROLE: ENGAGEMENT MANAGER/IN-CHARGE AUDITOR

Luis Perez is a licensed certified public accountant and has 10 years of experience auditing non-profit organizations and cities. Additionally, he has helped many non-profits, cities and districts with temporary accounting projects or other operational emergencies. This has provided him with extensive working knowledge of non-profits and allows him to be available for normal accounting questions or assistance throughout the year. He is a member of the American Institute of Certified Public Accountants.

OUR EXPERIENCE AUDITING ENTITIES

Jamestown Sanitary District

Principal Contacts: Cody Billings, General Manager (209-984-5177)

Engagement Dates: June 30, 2022

Approximate Staff Hours Expended: 60 hours

Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

Mariposa Public Utility District

Principal Contacts: Susan Wages, District Manager (209-966-2515)

Engagement Dates: June 30, 2022

Approximate Staff Hours Expended: 80 hours

Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

Union Public Utility District

Principal Contacts: Elaine Urruty, Finance Officer (209-728-3651)

Engagement Dates: June 30, 2022

Approximate Staff Hours Expended: 40 hours

Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

Murphys Sanitary District

Principal Contacts: Cindy Secada, Administrator (209-728-3094)

Engagement Dates: December 31, 2022

Approximate Staff Hours Expended: 60 hours

Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

San Luis Water District

Principal Contacts: Lon Martin, Finance Officer (209-826-4043)

Engagement Dates: February 29, 2022

Approximate Staff Hours Expended: 100 hours

Scope of Work: Audited Financial Statements, Annual Financial Transaction Report

HOW WE APPROACH YOUR AUDIT

Our effective and efficient audit approach combines knowledge of governmental accounting and auditing with an understanding of the associated risks. We are value-driven and seek to maximize the return on your investment in the audit process through in-depth analysis of your financial statements and your internal controls. Throughout the engagement, our team will collaborate with your staff whenever possible to minimize costs and improve efficiencies. Of course, we will need assistance with preparing schedules, finding documents, explaining processes, and providing sample documentation, budget related materials, organizational charts, and manuals.

Audit Standards

The auditor's opinion will be directed toward the fairness of presentation of the financial statements in accordance with Generally Accepted Auditing Standards (GAAS), generally accepted government auditing standards (GAGAS), and U.S. Office of Management and Budget (OMB) Uniform Guidance. We will prepare the Annual Financial Report in conformity with Government Code Section 26909, Generally Accepted Accounting Principles (GAAP), and Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States General Accounting Office.

Pre-Audit

We are very familiar with the audit issues facing the District. We have adjusted our audit services to incorporate these specialized areas and approach the audit from the following aspects:

- ◆ Where are the District's greatest exposures?
- ◆ How does the District safeguard against risks?
- ◆ How does the District internally evaluate its organization?
- ◆ What are the controls used by the District to measure accountability?

Our approach to the District audit is truly a design that will be as unique as the entity itself and is based on the areas we find to be the most vulnerable. Our focus includes evaluating internal controls that ensure adherence to applicable federal and state laws and regulations. We place a substantial amount of our time reviewing and assessing such high-risk areas during our evaluation. This risk-based approach focuses our efforts on what is important to you and your stakeholders and enables us to present you with meaningful suggestions.

We monitor our performance using a variety of qualitative and quantitative measures. First and foremost, we honor our agreement with you, completing the engagement on-time and on-budget. When you talk to our references, you will find that this sets us apart from most regional and national CPA firms. Typically, in a first year audit engagement, we invest additional time in your audit, which is **not** billed to you as cost over-runs. Rather, we view it as an investment in our long-term professional relationship.

We measure our audit performance in the response we receive from the entity and its staff. In addition, we report directly to management and the Board in face-to-face meetings, providing meaningful information and answering questions directly.

Segmentation of the Audit

Our audit involves a logical sequence of five steps that ensures compliance with the applicable professional standards and the expeditious completion of the audit. We will tailor our audit to the needs and complexity of the District.

1. **Planning** – First, we learn everything we can about the District and its related organizations - from organizational structure to policies and procedures. We read meeting minutes, review budgets, assess manuals and programs, hold discussions with key management staff, and evaluate management information systems. Based on what we learn, we develop our expectations regarding current year results, and then compare our expectations to actual results. This helps us develop risk assessments for each audit segment to determine what level of control testing and/or substantive testing is necessary to address the assessed risk. We then design our audit program accordingly.
2. **Control Testing** – Depending on our risk assessments, we determine specific audit cycles to test for internal controls and we evaluate the results. Based on the results against our expectations, we then determine if any modification is necessary to our planned substantive audit procedures on ending account balances and transactions. Based on the information we have obtained to date, we plan to test controls to obtain moderate to substantial reliance over cash and investments, revenues and related receivables, expenses and related payables, capital outlay, and long-term debt. This is subject to change once we gather more information as part of our audit planning procedures.
3. **Substantive Testing** – Our overall objective is to achieve a low level of risk of error in ending account balances. After we have performed our preliminary analytical and internal control tests and evaluated the results, we determine the nature, timing, and extent of detailed audit procedures on ending account balances and transactions necessary to achieve a low level of risk that errors could be present without detection.
4. **Compliance Testing** – The State requires testing organizational compliance with certain laws and regulations. In addition, we will test your compliance with federal laws. We have specially-designed audit programs that ensure we adequately address both areas.

5. **Report Writing and Review** – After all the fieldwork is complete, we draft our opinions and other reports. As part of our firm’s quality control process, Bryant Jolley is required to review our audit files and audit report to improve the quality of our audits and to ensure optimum quality. We have a requirement that only personnel involved in our audit service team can be involved in the review of our work. This ensures that our clients are served with professionals trained in auditing and accounting standards.

6. **Statistical Sampling** - Sampling to be used during our audit will include random sampling methods for tests of controls and for substantive tests of details. Sampling will be used throughout the engagement to test most financial statement balances.

We will select the most appropriate sampling technique for a given compliance test, tailored to the type and nature of the test.

7. **Analytical Procedures** - Analytical procedures are generally performed throughout the audit engagement, and result in substantial discussion with management. Initially, at the planning phase of the audit, comparisons are made between current and prior year results, actual and budgetary information, and to industry benchmarks. We use common size financial statements and trend and ratio analyses to aid us in developing our audit plan and programs. Non-financial data and external information are incorporated in our procedures to enhance their validity, and information is disaggregated as much as possible to improve precision.

During our substantive testing of balances, we typically analyze the detail of changes to certain accounts. For example, this approach is often used with sampling in our testing of capital asset, long-term debt and investment accounts.

At the conclusion of the audit, we again employ analytical procedures similar to those used at the planning phase. The audit team takes a holistic view of the financial statements in light of the results of all other auditing procedures performed. We discuss our observations with management and provide information to the Board as part of our audit result presentation. Our clients find this to be the most important value of their annual audit process. It produces beneficial information far beyond the audit of the financial statements they initially expect.

AUDIT: Documenting internal control structure

- ◆ Obtain copies of all available system and policy/procedure documentation from the District finance, treasury, human resources, information technology, grant management, budget department, and personnel. This will include organization charts, narratives and flowcharts. Copies will be retained in our permanent working paper file. This documentation will be updated annually for any changes.
- ◆ Review the above-described documentation and meet with the District personnel to make inquiries about, and discuss questions that arise from, our review.
- ◆ Document and assess the adequacy of internal controls over the various systems, and develop preliminary risk assessments for each of them. As mentioned earlier in our discussion of audit approach, the framework of this system incorporates the requirements of auditing standards related to internal control and fraud detection.

At the planning phase of our audit and in accordance with Statement on Auditing Standards (SAS) 99, *Consideration of Fraud in a Financial Statement Audit*, we will hold a brainstorming meeting to discuss fraud risks related to the District and design the audit to take those risks into account. Provisions of this new and important auditing standard will be incorporated throughout our audit.

EXHIBIT A

TOTAL MAXIMUM PRICE – RESPONSE TO DISTRICT RFP

Service	June 30, 2023	June 30, 2024	June 30, 2025
District Audit and Related Reports	\$ 12,000	\$ 12,000	\$ 12,000
State Controller's Reports, if applicable	\$ 500	\$ 500	\$ 500
Total for Fiscal Year (not-to exceed)	\$12,500	\$12,500	\$12,500

Submitted By:

Firm Name: Bryant L. Jolley, CPA

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected authorized to sign a contract with the District, for the services identified in the Request For Proposal.

Signature: _____



Printed Name: Bryant L. Jolley

Date: June 13, 2023

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

September 18, 2020

To Bryant L Jolley and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Bryant L Jolley (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bryant L Jolley in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bryant L Jolley has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
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Certified Public Accountants



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AGENDA ITEM

DATE: JUNE 23, 2023

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: FY 2023-24 PRELIMINARY BUDGET

BACKGROUND & DISCUSSION:

Accompanying this memorandum is a preliminary budget proposal for FY 2023-24 (Projection Year 2), reflecting a comparison to the current adopted fiscal year budget (FY 22 - 23 – Projection Year 1) as well as a projected budget forecasting out five (5) future fiscal cycles (Years 3 - 7) coinciding with both the District's 5-Year Prop 218 approved rate study cycle and its 5-year NPDES permit cycle.

Below is a summary of the proposed revenue, expense and capital investment highlights of this preliminary budget proposal:

Revenue

Residential Revenue

At a regularly scheduled District meeting on February 21, 2023, the District's Board of Directors adopted Board Order 2023-01, approving a 6 % increase in wastewater service rates effective July 1, 2023. As a result, monthly residential sewer service fees will increase for FY 23-24 from \$102.13 per month to \$108.26 per month effective July 1, 2023. Aggregate annual residential revenue for FY 23 -24 is expected to grow 6 % or \$39,837 over the previous year for a **total of \$703,784 in residential service rate revenue**. Years 3 – 5 of the preliminary budget depict annual CPI-U revenue increases of 3 % each for planning purposes. Years 6 – 7 reflect no increase in service fees and will require a new Prop 218 rate analysis and public hearing before rates can increase further. Ultimately, the Board will have the opportunity each year to review the CPI-U through FY 26-27 following publishing in January for the year ending December and determine what if any service rate increase it believes is warranted.

Commercial Revenue

Commercial service rate revenue is volumetric. As billable flow is tied to water use and water use can vary dramatically depending on the seasonal economy of many of the District's commercial customers, commercial revenue to the District remains seasonally variable as the Bear Valley economy and the climate remain controlling factors.

Similar to residential revenue, pursuant to Board Order 2023-01, commercial wastewater service rates will also increase 6 % effective July 1, 2023. The cost per gallon for commercial customers will increase from \$0.072 per gallon to \$0.076 per gallon with the minimum monthly rate for commercial customers increasing from \$102.13 per month to \$108.26 per month. Of the District's twenty (20) commercial customers, approximately eleven (11) do not generate sufficient volume and therefore are subject to the minimum monthly charge or \$1299.12 annually.

As of this writing with June commercial flows only estimated, commercial volume to the District appears to have decreased nearly 9.6 % over the previous fiscal cycle likely as a function of the significant winter the area experienced which led to increased closures of both the downhill and cross country ski areas and reductions in visitors to the area with numerous and extended highway closures. Current estimates suggest a decrease in commercial wastewater flows in excess of 216,000 fewer billable gallons than in FY 22-23 or only 2.04 MG total gallons for the year ending June 30, 2023 compared to 2.26 MG for the previous year ending June 30, 2022.

If current estimates for June 2023 are accurate, **commercial revenue for FY23-24 is expected to decrease 9.2% or approximately \$15,000 to an estimated total of nearly \$165,000**. This decrease is largely a function of the much anticipated final disconnection of the USFS campgrounds from the District's collection system as well as reduced water use from nine (9) of the twenty (20) commercial customers over the last 12 months when compared to the previous fiscal cycle.

In summary, with the Board authorized 6 % increase in wastewater service fees for both residential and commercial customers effective July 1, 2023 contrasted with decreased commercial water flows over the last 12 months, **total service rate revenue for FY 23-24 is forecasted to be \$868,784**, an increase of roughly **2.93 % or \$24,721** from the projected budget revenue forecast in the current fiscal cycle.

Expenses

Operating expenses for fiscal year 2023-24 reflect a proposed budget increase of **approximately 6.12 % to \$746,516** over the current year's adopted budget. This anticipated increase is largely confined to the following expense areas: *accounting, insurance, regulatory fees and utilities*. Staff seeks to highlight that these expenses and related increases continue to far outpace both the rate of inflation as well as the District's ability to keep pace with them pursuant to the limitations of approved Prop 218 rate study with little recourse for Staff to avert them.

Below is a summary of the most notable causes impacting the expense forecast for this preliminary budget projection for FY 23-24:

- Accounting: See Agenda Item #3 in this packet for a detailed discussion on this expense area. With the departures of Robert Johnson Accounting as the District's long time auditor, proposals from potential new auditors increase the cost of annual audits from \$7,200 to between \$8,700 - \$12,500 or 14 - 74 % depending the contract proposal the Board elects to accept.
- Insurance: Following last year's property and liability renewal which saw rates soar 83% from the previous year due to reinsurance loads for wildfire, increased litigation costs arising from inverse condemnation, employment practices, wrongful act/D&O claims as well as higher costs of settling property claims due to inflation, this year's renewal seeks to increase property and liability rates another 17% in part as a consequence of the Nov 2022 update to the 2007 Cal Fire Hazard Severity Zones (HSZ) map which moved the District's headworks and treatment facility from the High Zone to Very High Zone.

Note, an exception was also made to the District's property deductible in the package policy proposal. It appears the industry is moving toward higher deductibles as a way to balance risk and exposure and a \$25,000 property deductible was proposed in the initial renewal proposal. However, Staff pushed back and senior management at Allied Public Risk reduced the property deductible back to \$1,000 for FY 23-24. However, the District should begin to prepare to have reserves earmarked for and sufficient to meet higher property deductibles in the coming years.

In response to year over year increases in insurance premiums far out pacing inflation, Staff has initiated dialog and in some cases applications with the few remaining providers in the industry the District has not yet approached including the *Association of California Water Agencies (ACWA) JPIA* and the *California Sanitation Risk Management Authority (CSRMA)*. However, the underwriting process for these JPA's is quite rigorous and can take several months or more before a determination is issued so any opportunities will have to be realized at the District's next renewal (May 2024). There are also membership dues to contend with for these agencies which may neutralize any potential premium savings. For instance, the full annual 2023 dues for ACWA JPIA are \$5,420.

- 2023 Statement of Value Analysis – Since at least 2012, the District's Statement of Value (SOV) (the property schedule of covered assets establishing building and equipment values) has remained the same, \$2,810,821. The SOV determines the maximum real property limit and blanket coverage limits for the District's property coverage as well as the commensurate real property premium amount (~\$3.13 per \$1000.) Under the current bound policy, the full blanket coverage limit of \$2.8M would be available to the District in the event of a loss, even if this loss is only to one of the District's (5) buildings. This has been in part the justification for not increasing the SOV for at least the past 11 years. However, as the potential for a mega-fire in the Bear Valley area looms, the potential for a total loss of all District facilities has increased significantly in recent years and is reflected in rising premiums. Since at least 2012, the District's SOV has not received any adjustment for inflation. Coupled with similarly large increases in the cost to replace these assets, including building costs as well as equipment costs, Staff are recommending the Board consider an increase of the SOV from \$2.81M to \$4.14M per the attached analysis. **This increase of the SOV by \$1.33M increases the District's property coverage premium 47% from \$8,810 to \$12,973 or \$4,163 for FY23-24 and takes the total property and liability premium from \$24,140 to \$28,303.**

When added to the worker's compensation proposal for FY 23-24, which is projected to decrease 16% for the fiscal year, the total proposed insurance expense for the District for FY 23-24 is projected to be \$35,936 compared to \$29,667 for the previous fiscal cycle.

- Taxes and Regulatory Fees: Following increases to various taxes and regulatory fees in FY22-23 which ranged from 4 – 18 %, this preliminary budget contemplates continuing increases in taxes and regulatory fees of **8 % or an increase from \$50,000 to \$54,000 for FY 23-24**. These fees include state dam and discharge permit fees as well as county hazardous materials fees and property taxes.
- Utilities: Energy, water, communications and other utility costs continue to put upward pressure on the District's overall utilities budget. In addition to the unprecedented water year which required more energy to pump water, PG&E's electricity rates have also continued to increase. Off peak rates (9PM – 9AM), when the District seeks to employ its highest demand energy components to take advantage of lower energy costs, increased nearly 12 % from 2021-22 and another 3.3 % from 2022-23. At the same time, peak rates (4PM – 9PM) increased more than 20 % from 2021-22 and another 16.5 % from 2022-23. Similarly, while propane consumption varies from year to year based on the duration of power outages and required generator usage, day and night time temperatures for building heating costs and more, the price of propane has risen nearly 54 % over the last year from \$2.59 to \$3.99 per gallon. At the same time, some of the District's remote monitoring costs have risen as well the cost of telephone, internet, cellular and water services year over year. As a result, this budget contemplates an increase to the **utilities expense area of 23% or from \$60,000 to \$74,000 for FY23-24**.

Capital Investments

This preliminary budget proposes the following capital investments for FY 23-24:

1. A new **Franklin Miller TM8508 (8" x 8") Taskmaster Grinder** to be installed at the District's Lake Alpine lift station (aka Lake Alpine Boat Ramp). The existing grinder, installed in March 1994, has far exceeded its useful life and has likely not provided sufficient if any grinding of solids for many years. Larger solids which have the potential to clog pumps, such as clothing, rags and towels, have instead been caught with creative and makeshift staff techniques including use of a pitchfork in the flow channel. The proposed new grinder provides for easier maintenance and replacement of the cutter cartridges, shafts and seals than the existing unit. In addition to properly grinding fecal solids, the Taskmaster will also provide a state of the art solution for grinding non-flushable wipes, clothing and other non-organic debris which inevitably enter this portion of the District's collection system. Due to extended production times for this unit in excess of 12 weeks including drawing submittals, Staff propose purchase of the grinder unit this year and installation in FY 24-25.

The cost of the TM8508 including tax and shipping (excluding installation) is estimated at \$45,000.

2. Installation of a new **Kohler KCSAFTA0200 Automatic Transfer Switch (ATS)** at the Lake Alpine Boat Ramp Lift Station to complement the new 40 kW Kohler generator installed last year. This generator and transfer switch were purchased through grant funds provided as part of the \$300,000 Cal OES grant. However, complications surrounding the 1PH to 3PH conversion at this facility by way of an onsite phase converter, relays, switches and more complicated the installation of the ATS last year.

The cost of the installation of the Kohler KCSAFTA0200 Automatic Transfer Switch (ATS) including taxes is estimated at \$22,000.

3. A new **1PH, 5 – 7.5 HP 3" ABS Scavenger 4th redundancy pump** for the Main Pump Station. Following the incident this past winter where the propane tank supply lines ruptured at the Main Pump Station leading to no fuel to operate the backup generator, operators were put in a situation where, had the power gone out, we may have had a Sewer System Overflow (SSO) as well as have had to call a public health emergency, shutting down the ski resort(s) and asking all residents to leave town or at the very least use little to no water. While this is a triplex, 3PH station, the 1PH redundancy pump would be available in the event both utility power and backup power were lost and this pump could be energized with the District's 12 kW portable trailer generator which would be stationed at the lift station during winter months on standby to power this new emergency pump.

The cost of a 1PH, 5 – 7.5 HP 3" ABS Scavenger 4th redundancy pump and 1PH start kit is estimated at \$6,000.

4. **Relocation of low lying electrical relays and switches for the Tesla Powerpack project to a new location in the treatment facility.** During severe high elevation rain events in late December 2022 into early January 2023, up to 14" of water entered the treatment facility damaging several components in various pieces of equipment in the facility. Among these were recently installed switches, relays and fuse centers as part of the Tesla Powerpack project in what was formerly the location of an old transfer switch at the facility that was removed to make room for this new equipment. Completion of this relocation should place this equipment 5' up on a wall well out of any risk of water damage in the future and allow for full final commissioning of the Tesla Powerpacks at the treatment facility in early to mid-July 2023.

The proposed cost for Elite Electric of Riverside, CA to relocate this equipment and commission the Powerpacks is estimated at \$7,000.

5. **Preliminary geotechnical soils analysis for the proposed photovoltaic (PV) solar system at the District's treatment facility.** PV Bid, Inc. which has provided costs estimates for this proposed project thus far, has indicated that soils analysis should be completed as soon as possible in advance of approving, funding and procuring equipment for the project to determine site suitability for the civil work including trenching and concrete support footings. PV Bid has indicated that in some instances, soils could be so unsuitable or add so significantly to the cost of the project that it may make the project cost prohibitive. Staff have solicited two (2) proposals to date for geotechnical services for this project. The scope of the proposed work includes research, field exploration (test pits / borings on site), lab soils testing, analysis and final recommendations. Staff believe targeting this geotechnical work in September or October 2023, should the Board choose to move forward with the PV project, would provide the information necessary to take next steps on the project through the remainder of FY23-24.

Proposals:

- Terracon Geotechnical Engineering Services, Lodi, CA - \$13,250
- Moore-Twining Associates, Inc. – Fresno, CA - \$9,000

The cost of pre-project geotechnical analysis to determine site suitability is estimated at \$9,000.

In summary, total proposed capital expenditures for FY 23-24 are \$89,000.

Net Income and Net Cash Flow Projections

- FY 22-23 net income is anticipated to be \$30,041.
 - FY 22-23 net cash flow is expected to be \$12,107
- Presumes a loan allowance payment of \$22,837 is made on or before March 6, 2024.

Therefore, it is recommended that the Board vote to approve the preliminary FY 23-24 budget and 5-Year forecasted projection as presented. Note, Staff recognizes that the geotechnical proposal may require further discussion of the larger solar project before the Board will approve this soils work. Inclusion of this proposal is simply for early discussion and to better represent more accurate net income and net cash flow figures should the Board choose to approve this work when considering the final budget proposal at its July or August meeting.

ACTION:

1. Motion to Accept the preliminary FY 23-24 budget proposal and 5-Year forecast projected budget as presented.
2. Authorize the General Manager to contract or take other specified action for the following:
 - a. Increase the District's Statement of Value (SOV) to \$4,144,657
 - b. Contract for the relocation of electrical relays and switches for the Tesla Powerpack project
 - c. Contract for the purchase of the Franklin Miller TM8508 (8" x 8") Taskmaster Grinder
 - d. Contract for installation of the Kohler KCSAFTA0200 Automatic Transfer Switch (ATS)
 - e. Contract for the purchase of the 1PH, 5 – 7.5 HP 3" ABS Scavenger 4th redundancy pump or similar purchase

Attachments:

- FY 2023-24 Budget & 5-Year Budget Forecast Projection
- Bear Valley Water District Statements of Value (SOVs) - \$2.81M and \$4.14M
- Terracon Geotechnical Engineering Services Proposal Dated May 17, 2023
- Moore-Twining Associates, Inc. Geotechnical Services Proposal Dated June 1, 2023

Bear Valley Water District
Financial Year 2023 -24 Budget
5 Year Budget Forecast

	Prop 218 Projection Year	2	3	4	5	6	7
	Fiscal Year	2023 - 24	2024 - 25	2025-26	2026-27	2027-28	2028-29
	Rate Increase	6.00%	3.00%	3.00%	3.00%	0.00%	0.00%
	Mo Residential Rate	\$108.26	\$111.51	\$114.85	\$118.30	\$118.30	\$118.30
OPERATING REVENUES							
Residential		703,784	724,897	746,644	769,044	769,044	769,044
Commercial		165,000	169,950	175,049	180,300	180,300	180,300
OPERATING REVENUE		868,784	894,847	921,693	949,344	949,344	949,344
OTHER REVENUE							
Interest Income - LAIF		11,500	11,500	11,500	11,500	11,500	11,500
Late Fees, Penalties & Interest		10,000	1,500	1,500	1,500	1,500	1,500
Expense Reimbursements - USFS		4,758	2,195	2,195	2,195	2,195	2,195
Expense Reimbursements - Concessionaire		2,767	0	0	0	0	0
TOTAL OTHER REVENUE		29,025	15,195	15,195	15,195	15,195	15,195
TOTAL ALL REVENUES		897,809	910,042	936,888	964,539	964,539	964,539
OPERATING EXPENDITURES							
Salaries and Benefits		432,016	444,976	458,326	472,076	486,238	500,825
Director Expenses - Meetings, Elections, Training		2,500	2,500	2,500	2,500	2,500	2,500
Operator Education, Training & Certifications		1,000	1,000	1,000	1,000	1,000	1,000
Gas, Diesel, Oil & Filters		5,500	5,665	5,835	6,010	6,190	6,376
Insurance		36,000	37,080	38,192	39,338	40,518	41,734
Memberships		5,500	5,665	5,835	6,010	6,190	6,376
Office Expenses & Supplies		8,000	8,240	8,487	8,742	9,004	9,274
Field Expenses & Supplies		20,000	20,000	20,600	21,218	21,855	22,510
Grooming, Snow Removal & Vehicle Storage		3,500	3,605	3,713	3,825	3,939	4,057
General Engineering & Consulting		5,000	5,150	5,305	5,464	5,628	5,796
General Legal & Accounting		13,000	13,390	13,792	14,205	14,632	15,071
Equipment Rental		1,000	1,030	1,061	1,093	1,126	1,159
Repairs & Maintenance		60,000	61,800	63,654	65,564	67,531	69,556
Laboratory Fees		19,000	19,570	20,157	20,762	21,385	22,026
Regulatory Reporting & Compliance Projects		6,500	6,695	6,896	7,103	7,316	7,535
Taxes, Fees, Licenses & Assessments		54,000	55,620	57,289	59,007	60,777	62,601
Utilities		74,000	76,220	78,507	80,862	83,288	85,786
TOTAL ALL OPERATING EXPENDITURES		746,516	768,206	791,148	814,777	839,115	864,184
NET OPERATIONAL INCOME		151,293	141,836	145,740	149,761	125,423	100,355
OTHER EXPENSES							
Loan Interest		8,749	6,822	4,841	2,781	685	0
Depreciation		112,503	109,057	108,316	101,390	86,873	72,356
TOTAL OTHER EXPENSES		121,252	115,879	113,157	104,171	87,558	72,356
NET INCOME		30,041	25,957	32,583	45,590	37,865	27,999
Cal OES Grant		0	0	0	0	0	0
SDLF Special District Technology Grant		0	0	0	0	0	0
Gain(Loss) On Sale of Asset		0	0	0	0	0	0
Subtotal of Grant Income		0	0	0	0	0	0
NET INCOME - INCLUDING GRANTS & CREDITS		30,041	25,957	32,583	45,590	37,865	27,999
NON-OPERATING INCOME / EXPENSES							
Depreciation		112,503	109,057	108,316	101,390	86,873	72,356
Capital Improvements / Replacements		(89,000)	(80,000)	(62,500)	(100,000)	(93,500)	(75,000)
Loan Payments - Principal		(47,589)	(49,515)	(51,496)	(53,556)	(41,568)	0
Loan Allowance Payments (Proposed - Est.)		(22,837)	(15,239)	(7,641)	0	0	0
SGIP Deposit Reimbursement		15,700	0	0	0	0	0
GSRE Reimbursement - Powerpack Proj.		9,997	0	0	0	0	0
GSRE / Swell Reimbursement - Jan 2023 Elec Usage		3,292	0	0	0	0	0
TOTAL ADDTL INCOME / EXPENDITURES		(17,934)	(35,697)	(13,321)	(52,166)	(48,195)	(2,644)
NET CASH FLOW		12,107	(9,740)	19,262	(6,576)	(10,330)	25,355

Bear Valley Water District
 Financial Year 2023 -24 Budget
 5 Year Capital Improvement Plan

<i>Projection Year</i>	2	3	4	5
<i>Fiscal Year</i>	2023-24	2024-25	2025-26	2026-27

Capital Improvement Plan

Collections

(2) Powerwall Battery Backup Solution Bee Gulch LS (Grant)				
Main Pump Station 60 kW Generator Replacement (Grant)				
Lake Alpine BR LS 40 kW Generator Replacement (Grant)				
Lake Alpine ATS Replacement	22,000			
Grinder Replacement	45,000	20,000		
Replace Prog Cavity Pumps & Motors				
Prelim Eng Cost Estimate - Replace AC pipe			6,000	
Update Capacity Assurance Plan 4-Segment Replacement			1,500	
1PH Gen Powered Redundancy Pump & Hose - MPS	6,000			

Treatment

Add TP Indoor Freeboard Pressure Transducer				
Stairs to Treatment Lagoon				
Treatment Plant Solar Project				
Geotechnical Engineering		9,000		
Electrical Relocation - Tesla Battery Project		7,000		

Disposal & Capacity

Irrigation Pump 2 Replacement				
Land Application Flow Meter Telemetry			15,000	
Install Additional Background Groundwater Monitoring Well(s)				
Interconnection Application PGE				

Admin

(6) Powerwall Battery Backup Solution (Grant)				
SCADA Radio Telemetry System (Grant)				
GIS Data Migration to ESRI Utility Network			10,000	
Paint Admin Office Exterior				
Re-Carpet Office				
Pave Parking Lot				75,000

Vehicles

2023 Chevrolet 2500/3500 Service Body		60,000		
2023 Ski Doo Expedition UWT LE 24				

Intangible Assets - Regulatory Compliance, Permits

Rate Study - Every 5 Years				20,000
NPDES Permit Renewal & Project Mgt			30,000	
Priority Pollutant Testing				
Chronic Toxicity Testing				
Salinity Evaluation and Minimization Plan, Progress Report				5,000
Design & Improvement Standards				
SSMP Update - New WDR				

TOTAL CIP PROJECTS	\$89,000	\$80,000	\$62,500	\$100,000
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Proposed CIP Funding

Bank Loans				
Grants				
Cash Funding	\$89,000	\$80,000	\$62,500	\$100,000
TOTAL CIP PROJECTS	\$89,000	\$80,000	\$62,500	\$100,000

Property Schedule

Loc#	Description	Street	City	State	Zip	Building	Contents
1-1	Main Pump Station & Contents	1/2 Mile S of Hwy 4	Bear Valley	CA	95223	\$ 238,465.00	\$ -
1-2	Pump Station Equipment	1/2 Mile S of Hwy 4	Bear Valley	CA	95223	\$ 523,162.00	\$ -
1-3	Treatment House & Contents	1/2 Mile S of Hwy 4	Bear Valley	CA	95223	\$ 210,481.00	\$ -
1-4	Water Treatment Plant	1/2 Mile S of Hwy 4	Bear Valley	CA	95223	\$ 486,662.00	\$ -
1-5	Chlorine Contact Tank	1/2 Mile S of Hwy 4	Bear Valley	CA	95223	\$ 117,894.00	\$ -
2-1	Pump Station & Contents	Hwy 4 & Lake Alpine Road	Bear Valley	CA	95223	\$ 114,365.00	\$ -
2-2	Pump House Equipment	Hwy 4 & Lake Alpine Road	Bear Valley	CA	95223	\$ 352,829.00	\$ -
3-1	Office & Contents	441 Creekside Drive	Bear Valley	CA	95223	\$ 437,995.00	\$ 206,831.00
3-2	EDP Equipment	441 Creekside Drive	Bear Valley	CA	95223	\$ 2,137.00	\$ -
4-1	Pump Station & Contents	B-Gulch Station	Lake Alpine	CA	95223	\$ 60,000.00	\$ -
4-2	Pump Station	B-Gulch Station	Lake Alpine	CA	95223	\$ 60,000.00	\$ -

\$ 2,603,990.00 \$ 206,831.00

Total Combined Insurance Value: \$ 2,810,821.00

PLEASE ADD CHANGES BELOW:



902 Industrial Way
Lodi, CA 95240
P (209) 367-3701
Terracon.com

May 17, 2023

Bear Valley Water District
441 Creekside Drive
Bear Valley, CA 95223

Attn: Jeff Gouveia
P: (209) 753-2112
E: Jeff.Gouveia@bvwd.ca.gov

RE: Proposal for Geotechnical Engineering Services
Bear Valley Water District Treatment Facility Solar Canopy
411 Creekside Dr
Bear Valley, California
Terracon Proposal No. PNA235055

Dear Mr. Gouveia:

We appreciate the opportunity to submit this proposal to Bear Valley Water District (BVWD) to provide Geotechnical Engineering services for the referenced project. The following are exhibits to the attached Agreement for Services.

Exhibit A	Project Understanding
Exhibit B	Scope of Services
Exhibit C	Compensation and Project Schedule
Exhibit D	Site Location and Nearby Geotechnical Data
Exhibit E	Anticipated Exploration Plan

Our base fee to perform the Scope of Services described in this proposal is detailed in Exhibit C. Exhibit C includes consideration of additional services as well as a general breakdown of our anticipated schedule.

Your authorization for Terracon to proceed in accordance with this proposal can be issued by signing and returning a copy of the attached Agreement for Services to our office.

Sincerely,
Terracon

Christopher B. Congrave, Associate
Geotechnical Group Manager

Garret S.H. Hubbart, Senior Principal
Regional Manager

AGREEMENT FOR SERVICES

This **AGREEMENT** is between Bear Valley Water District ("Client") and Terracon Consultants, Inc. ("Consultant") for Services to be provided by Consultant for Client on the Bear Valley Water District Treatment Facility Solar Canopy project ("Project"), as described in Consultant's Proposal dated 05/17/2023 ("Proposal"), including but not limited to the Project Information section, unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit is incorporated into this Agreement).

- 1. Scope of Services.** The scope of Consultant's services is described in the Proposal, including but not limited to the Scope of Services section ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit is incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
- 2. Acceptance/ Termination.** Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party. Either party may terminate this Agreement or the Services upon written notice to the other. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination plus reasonable costs of closing the Project.
- 3. Change Orders.** Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
- 4. Compensation and Terms of Payment.** Client shall pay compensation for the Services performed at the fees stated in the Proposal, including but not limited to the Compensation section, unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit is incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Fees do not include sales tax. Client will pay applicable sales tax as required by law. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for lack of timely payment. It is the responsibility of Client to determine whether federal, state, or local prevailing wage requirements apply and to notify Consultant if prevailing wages apply. If it is later determined that prevailing wages apply, and Consultant was not previously notified by Client, Client agrees to pay the prevailing wage from that point forward, as well as a retroactive payment adjustment to bring previously paid amounts in line with prevailing wages. Client also agrees to defend, indemnify, and hold harmless Consultant from any alleged violations made by any governmental agency regulating prevailing wage activity for failing to pay prevailing wages, including the payment of any fines or penalties.
- 5. Third Party Reliance.** This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties other than those who have executed Consultant's reliance agreement, subject to the prior approval of Consultant and Client.
- 6. LIMITATION OF LIABILITY. CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE ASSOCIATED RISKS. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$50,000 OR CONSULTANT'S FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT. PRIOR TO ACCEPTANCE OF THIS AGREEMENT AND UPON WRITTEN REQUEST FROM CLIENT, CONSULTANT MAY NEGOTIATE A HIGHER LIMITATION FOR ADDITIONAL CONSIDERATION IN THE FORM OF A SURCHARGE TO BE ADDED TO THE AMOUNT STATED IN THE COMPENSATION SECTION OF THE PROPOSAL. THIS LIMITATION SHALL APPLY REGARDLESS OF AVAILABLE PROFESSIONAL LIABILITY INSURANCE COVERAGE, CAUSE(S), OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.**
- 7. Indemnity/Statute of Limitations.** Consultant and Client shall indemnify and hold harmless the other and their respective employees from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are legally determined to be caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are legally determined to be caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles. Neither party shall have a duty to defend the other party, and no duty to defend is hereby created by this indemnity provision and such duty is explicitly waived under this Agreement. Causes of action arising out of Consultant's Services or this Agreement regardless of cause(s) or the theory of liability, including negligence, indemnity or other recovery shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than the date of Consultant's substantial completion of Services on the project.
- 8. Warranty.** Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. **EXCEPT FOR THE STANDARD OF CARE PREVIOUSLY STATED, CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
- 9. Insurance.** Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance (\$1,000,000); (ii) commercial general liability insurance (\$2,000,000 occ / \$4,000,000 agg); (iii) automobile liability insurance (\$2,000,000 B.I. and P.D. combined single limit); (iv) umbrella liability (\$5,000,000 occ / agg); and (v) professional liability insurance (\$1,000,000 claim / agg). Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.

- 10. CONSEQUENTIAL DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.**
- 11. Dispute Resolution.** Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to California law.
- 12. Subsurface Explorations.** Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.
- 13. Testing and Observations.** Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client shall cause all tests and inspections of the site, materials, and Services performed by Consultant to be timely and properly scheduled in order for the Services to be performed in accordance with the plans, specifications, contract documents, and Consultant's recommendations. No claims for loss or damage or injury shall be brought against Consultant by Client or any third party unless all tests and inspections have been so performed and Consultant's recommendations have been followed. Unless otherwise stated in the Proposal, Client assumes sole responsibility for determining whether the quantity and the nature of Services ordered by Client is adequate and sufficient for Client's intended purpose. Client is responsible (even if delegated to contractor) for requesting services, and notifying and scheduling Consultant so Consultant can perform these Services. Consultant is not responsible for damages caused by Services not performed due to a failure to request or schedule Consultant's Services. Consultant shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve Client's contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by Client's contractor or its subcontractors and is not responsible for their means and methods. The extension of unit prices with quantities to establish a total estimated cost does not guarantee a maximum cost to complete the Services. The quantities, when given, are estimates based on contract documents and schedules made available at the time of the Proposal. Since schedule, performance, production, and charges are directed and/or controlled by others, any quantity extensions must be considered as estimated and not a guarantee of maximum cost.
- 14. Sample Disposition, Affected Materials, and Indemnity.** Samples are consumed in testing or disposed of upon completion of the testing procedures (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Materials unless specifically provided in the Services, and that Client is responsible for directing such disposition. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site and Consultant shall not be responsible for any claims, losses, or damages allegedly arising out of Consultant's performance of Services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
- 15. Ownership of Documents.** Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.
- 16. Utilities.** Unless otherwise stated in the Proposal, Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
- 17. Site Access and Safety.** Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any third parties, including Client's contractors, subcontractors, or other parties present at the site. In addition, Consultant retains the right to stop work without penalty at any time Consultant believes it is in the best interests of Consultant's employees or subcontractors to do so in order to reduce the risk of exposure to unsafe site conditions. Client agrees it will respond quickly to all requests for information made by Consultant related to Consultant's pre-task planning and risk assessment processes.

Consultant: **Terracon Consultants, Inc.**

By:  Date: **5/17/2023**

Name/Title: **Garret Scott Henry Hubbard / Regional Manager**

Address: **902 Industrial Way
Lodi, CA 95240-3106**

Phone: **(209) 367-3701** Fax: **(209) 333-8303**

Email: **Garret.Hubbart@terracon.com**

Client: **Bear Valley Water District**

By: _____ Date: _____

Name/Title: **Jeff Gouveia / General Manager**

Address: **441 Creekside Dr
Bear Valley, CA 95223**

Phone: **(209) 753-2112** Fax: _____

Email: **Jeff.Gouveia@bvwd.ca.gov**

Exhibit A – Project Understanding

Our Scope of Services is based on our understanding of the project as described by BVWD and the expected subsurface conditions as described in the Site Location and Anticipated Conditions table. We have not visited the project site to confirm the information provided. Aspects of the project, undefined or assumed, are highlighted as shown in the following tables. We request BVWD and/or the design team verify all information prior to our initiation of field exploration activities.

Planned Construction

Item	Description
Information Provided	An email request for proposal was provided by Jeff Gouveia on May 11, 2023. The request included a conceptual plan of the layout of the planned solar array, preliminary structural design, and a helioscope.
Project Description	The project consists of the construction of an approximately 81.6kW solar power production site.
Proposed Structure	The solar structures will be approximately 20 feet tall and supported on drilled piles or shallow embedded concrete foundations.
Maximum Loads	The following loads were provided by BVWD from the SkyCiv AutoDesigner Report. <ul style="list-style-type: none"> ■ Downward: 14.31 kips ■ Lateral: 1.73 kips ■ Uplift: 0.02 kips ■ Moment: 37.65 kip-ft
Grading	We assume the solar array field grade will follow the existing site grades with minimum grading required to bring the site to finished grade.
Access Roads	Access road design parameters were not requested at this time.
Building Code	2022 California Building Code (CBC)

Site Location and Anticipated Conditions

Item	Description
Parcel Information	The project is located at 411 Creekside Dr in Bear Valley, California.

Proposal for Geotechnical Engineering Services

Bear Valley Water District Treatment Facility Solar Canopy | Bear Valley, California
May 17, 2023 | Terracon Proposal No. PNA235055



	APN: 005-010-011 Latitude/Longitude (approximate): 38.4555° N, 120.0362° W (See Exhibit D)
Existing Improvements	The site is adjacent to an existing water treatment pond, a large propane tank, and some auxiliary buildings.
Current Ground Cover	The current ground cover consists of bare ground with light to moderate native vegetation and some mature trees.
Existing Topography	The site is within a relatively flat area of a mountainous region.
Site Access	We expect the site, and all exploration locations, are accessible with our rubber-tired backhoe, and support vehicles.
Expected Subsurface Conditions	Our experience near the vicinity of the proposed development and review of local geologic maps indicates subsurface conditions consist primarily of silty sand over bedrock. True groundwater is not anticipated to be encountered at this site as part of our exploration and is expected to be deep. However, perched groundwater could be encountered due to seasonal runoff.
Anticipated Geologic Hazards	The project site is not located within an Alquist-Priolo Earthquake Fault Zone based on our review of the State Fault Hazard Maps. ¹ The project site has not yet been evaluated by the California Geological Survey (CGS) for liquefaction or landslide hazards. Due to the anticipated depth of groundwater, deeper than 50 feet, and shallow bedrock we have not included a liquefaction or landslide analysis as part of the scope of work covered under this proposal.

¹ California Department of Conservation Division of Mines and Geology (CDMG), "Digital Images of Official Maps of Alquist-Priolo Earthquake Fault Zones of California, northern and eastern region".

Exhibit B - Scope of Services

Our proposed Scope of Services consists of field exploration, laboratory testing, and engineering/project delivery. These services are described in the following sections.

Field Exploration

Based on input provided by BVWD, and our experience with similar projects in the vicinity of the project site, we propose the following field exploration program which is anticipated to be completed with 1 days of on-site activities.

Number of Test Pits	Planned Test Pit Depth (feet) ¹	Planned Location ²
3	10	Solar array

1. Based on the geology in the vicinity of the project site, test pits may be terminated at shallower depths if refusal is encountered.
2. The planned test pit locations are shown on the attached **Anticipated Exploration Plan**.

Test Pit Layout and Elevations: We will use handheld GPS equipment to locate test pits with an estimated horizontal accuracy of +/-20 feet. Field measurements from existing site features may be utilized. If available, approximate elevations will be obtained by interpolation from a site specific, surveyed topographic map, otherwise Google Earth will be used. We can alternatively coordinate with your Project Surveyor to include locations and surface elevations in project information if so requested.

Subsurface Exploration Procedures: Test pits will be excavated using a rubber-tire backhoe. Soil samples will be obtained from the test pit spoils and/or the side walls of the test pits. The samples will be placed in appropriate containers, taken to our soil laboratory for testing, and classified by a Professional Engineer. In addition, we may use a handheld Dynamic Cone Penetration (DCP) at various intervals to determine the relative stiffness of the soil/rock matrix.

Our engineer will prepare field test pit logs as part of standard exploration operations including sampling depths, DCP penetration counts, and other relevant sampling information. Field test pit logs include visual classifications of materials encountered during excavation, and our interpretation of subsurface conditions between samples. Final test pit logs, prepared from field test pit logs, represent the Geotechnical Engineer's interpretation, and include modifications based on observations and laboratory tests.

Property Disturbance: Terracon will take reasonable efforts to reduce damage to the property. However, it should be understood that in the normal course of our work some disturbance could occur including rutting of the ground surface and damage to landscaping.

The test pits will be backfilled with soil from the test pit excavation. Test pits will not be backfilled to the degree of compaction equivalent to engineered fill.

Optional Testing: If requested, our field work may also consist of the installation of the performance of soil electrical and thermal resistivity testing, sample collection for thermal analysis consistent with the following schedule.

Quantities	Type of Exploration	Depth or "a" Spacing (ft)	Planned Location
1	Electrical Resistivity	2.5, 5, 10, 20, 40 feet	Solar Field Area
1	Thermal Resistivity	1 ½ to 4 feet for the Bulk Sample	Solar Field Area

In-Situ Electrical Resistivity Testing: Soil electrical resistivity data will be obtained in accordance with ASTM G57 Standard Test Method for Field Measurement of Soil Resistivity Using the Wenner Four-Electrode Method. At each test location, two near perpendicular lines will be tested. Electrode "a" spacings are summarized in the following table. Electrode spacing may need to be adjusted to conform to site conditions. Electrical resistivity testing cannot be performed on saturated or frozen ground without risk acceptance of probable erroneous test results by the project's electrical engineer. If projects are awarded during adverse weather conditions (i.e., winter or spring thaw), we will require an additional mobilization to perform soil electrical resistivity testing during favorable weather conditions in spring or early summer.

Thermal Conductivity Testing: Terracon proposes to perform laboratory thermal conductivity testing per ASTM D5334 on remolded samples collected at depths of 1½ to 4 feet at one location. Bottom depth of sample may vary if refusal is encountered. One Modified Proctor test will be performed. The thermal conductivity sample will be tested at 90 percent of the maximum dry density using ASTM D1557 (Modified Proctor). A dry-out curve will be performed for each thermal conductivity test. Tests will include a minimum of three points, including optimum moisture content or as-received moisture (whichever is higher), totally dry condition, and at least 1 intermediate moisture content.

Safety

Terracon is not aware of environmental concerns at this project site that would create health or safety hazards associated with our exploration program; thus, our Scope considers standard OSHA Level D Personal Protection Equipment (PPE) appropriate. Our Scope of Services does not include environmental site assessment services, but identification of unusual or unnatural materials observed while drilling will be noted on our logs.

Exploration efforts require test pit excavations into the subsurface, therefore Terracon will comply with local regulations to request a utility location service through Underground Services Alert North 811 (USA). We will consult with the landowner/client regarding potential utilities or other unmarked underground hazards. Based upon the results of this consultation, we will consider the need for alternative subsurface exploration methods as the safety of our field crew is a priority.

Private utilities should be marked by the owner/client prior to commencement of field exploration. Terracon will not be responsible for damage to private utilities not disclosed to us.

Due to the site being developed, Terracon proposes to coordinate a private utility locating service. This service will be provided in order to help identify private utilities, ensure the safety of our field staff, and reduce the potential for damage to private utilities. Fees associated with this service are included in our Scope of Services.

Please note that all geophysical locating methods have limitations that may not allow for the detection of certain utilities and other subsurface features. These limitations may be related to targets being deeper or smaller than specific instrument detection capabilities; targets not having a sufficient contrast with the surrounding materials such as non-metallic lines; or nearby objects or structures that impede survey access and/or cause instrumental interference that masks the detection of a subsurface target of interest. Due to these limitations, it is possible that not all subsurface utilities and other features may be located or characterized. The use of a private utility locate service would not relieve the landowner/client of their responsibilities in identifying private underground utilities. Terracon will not be responsible for underground utilities (public or private) incorrectly marked or not marked by others.

Site Access: Terracon must be granted access to the site by the property owner. Without information to the contrary, we consider acceptance of this proposal as authorization to access the property for conducting field exploration in accordance with the Scope of Services. Our proposed fees do not include time to negotiate and coordinate access with landowners or tenants.

Terracon will conduct field services during normal business hours (Monday through Friday between 7:00am and 5:00pm). If our exploration must take place over a weekend or at night, please contact us so we can adjust our schedule and fee.

Laboratory Testing

The project engineer will review field data and assign laboratory tests to understand the engineering properties of various soil strata. Exact types and number of tests cannot be defined until completion of fieldwork, but we anticipate the following laboratory testing may be performed:

- Water content
- Unit dry weight
- Atterberg limits
- Grain size analysis
- Swell/consolidation
- Chemical analyses – pH, sulfates, chloride ion, electrical resistivity

Our laboratory testing program often includes examination of soil samples by an engineer. Based on the results of our field and laboratory programs, we will describe and classify soil samples in accordance with the Unified Soil Classification System (USCS).

Engineering and Project Delivery

The results of our field and laboratory programs will be evaluated, and a geotechnical engineering report will be prepared under the supervision of a licensed professional engineer. The geotechnical engineering report will provide the following:

- Test pit logs with field and laboratory data
- Stratification based on visual soil (and rock) classification
- Groundwater levels observed during and after the completion of excavating
- Site Location and Exploration Plans
- Subsurface exploration procedures
- Description of subsurface conditions
- Recommended foundation options and engineering design parameters
- Estimated settlement of foundations
- Seismic site classification and code based seismic design parameters per the 2022 CBC. (We have assumed the structure will not require a site-specific ground motion hazard analysis and that the Structural Engineer will utilize the exception specified in Section 11.4.8 of ASCE 7-16.).

Proposal for Geotechnical Engineering Services

Bear Valley Water District Treatment Facility Solar Canopy | Bear Valley, California
May 17, 2023 | Terracon Proposal No. PNA235055



- Earthwork recommendations including site/subgrade preparation
- Corrosivity test results

In addition to an emailed report, your project will also be delivered using our **Client Portal**. Upon initiation, we provide you and your design team the necessary link and password to access the website (if not previously registered). Each project includes a calendar to track the schedule, an interactive site map, a listing of team members, access to the project documents as they are uploaded to the site, and a collaboration portal. We welcome the opportunity to have project kickoff conversations with the team to discuss key elements of the project and demonstrate features of the portal. The typical delivery process includes the following:

- Project Planning – Proposal information, schedule, and anticipated exploration plan
- Site Characterization – Findings of the site exploration and laboratory results
- Geotechnical Engineering Report

When services are complete, we upload a printable version of our completed Geotechnical Engineering report, including the professional engineer's seal and signature, which documents our services. Previous submittals, collaboration, and the report are maintained in our system. This allows future reference and integration into subsequent aspects of our services as the project goes through final design and construction.

Additional Services

In addition to the noted scope of services, the following are often associated with geotechnical engineering services. Fees for our services previously noted do not include the following:

Stage1: If you need preliminary geotechnical data quickly, we can provide a Stage1 report in 3-5 business days. Terracon has amassed over 50+ years of historical projects to create better value for our clients. Using a GIS platform (pulling from over 750 databases), we have retrieved over 1,000,000 datapoints across the country, georeferenced each, and developed metadata that would allow for easy, and fast retrieval.

Because of this, we can provide a virtual boring log with preliminary geotechnical data and address the potential for subsurface contaminants, Natural and Cultural Resources, wetlands/waters, and threatened and endangered species that may affect your project's development.

Review of Plans and Specifications: Our geotechnical report and associated verbal and written communications will be used by others in the design team to develop plans and specifications for construction. Review of project plans and specifications is a vital part of our geotechnical engineering services. This consists of review of project plans and specifications related to site preparation, foundation, and pavement construction. Our review will include a written statement conveying our opinions relating to the plans and specifications' consistency with our geotechnical engineering recommendations.

Observation and Testing of Pertinent Construction Materials: Development of our geotechnical engineering recommendations and report relies on an interpretation of soil conditions. Our assessment is based on widely spaced exploration locations and the assumption that construction methods will be performed in a manner sufficient to meet our expectations and consistent with recommendations made at the time the geotechnical engineering report is issued. We should be retained to conduct construction observations, and perform/document associated materials testing, for site preparation, foundation, and pavement construction. These services allow a more comprehensive understanding of subsurface conditions and necessary documentation of construction to confirm and/or modify (when necessary) the assumptions and recommendations made by our engineers.

Perform Environmental Assessments: Our Scope for this project does not include, either specifically or by implication, an environmental assessment of the site intended to identify or quantify potential site contaminants. If the client/owner is concerned about the potential for such conditions, an environmental site assessment should be conducted. We can provide a proposal for an environmental assessment, if desired.

Stormwater Compliance: Our Scope for this project does not include stormwater pollution prevention planning (SWPPP) or inspections. These services may likely be required for construction. If the client/owner requires services for Clean Water Act compliance, we can provide stormwater compliance services. Terracon's Field Engineering Technicians are also certified for Construction SWPPP monitoring and can perform required National Pollutant Discharge Elimination System {NPDES} inspections. These services include weekly SWPPP observations, Rain Event Action Plans, Storm Event Inspections, and sampling for pH & Turbidity (Testing). If these services are needed, Terracon has specialists who can perform these services.

Exhibit C - Compensation and Project Schedule

Compensation

Based upon our understanding of the site, the project as summarized in Exhibit A, and our planned Scope of Services outlined in Exhibit B, our base fee is shown in the following table:

Task	Lump Sum Fee ²
Project Management, Public Utility Locate	\$2,800
Private Utility Locate	\$2,000
Subsurface Exploration ^{1,3}	\$4,500
Laboratory Testing	\$800
Geotechnical Consulting and Reporting	\$3,150
Base Total	\$13,250
Optional In-Situ Electrical Resistivity Testing ⁴	\$750
Optional Thermal Resistivity Testing ⁴	\$1,300
Base Total with Optional Testing	\$15,300

1. The lump sum fee considers one mobilization and no unexpected onsite delays. If additional mobilizations are required, an additional fee of \$3,000 would be invoiced. A field crew standby rate of \$400 per hour would be invoiced for unexpected delays.
2. Proposed fees are effective for 90 days from the date of the proposal.
3. We have assumed prevailing wages are not required for our subsurface exploration or other field work for this project.
4. The fees associated with the optional testing is provided the testing occurs concurrently with field investigation.

Our Scope of Services does not include services associated with site clearing, wet ground conditions, tree or shrub clearing, or repair of/damage to existing landscape. If such services are desired by the owner/client, we should be notified so we can adjust our Scope of Services.

Unless instructed otherwise, we will submit our invoice(s) to the address shown at the beginning of this proposal. If conditions are encountered that require Scope of Services revisions and/or result in higher fees, we will contact you for approval, prior to initiating

Proposal for Geotechnical Engineering Services

Bear Valley Water District Treatment Facility Solar Canopy | Bear Valley, California
May 17, 2023 | Terracon Proposal No. PNA235055



services. A supplemental proposal stating the modified Scope of Services as well as its effect on our fee will be prepared. We will not proceed without your authorization.

Project Schedule

We developed a schedule to complete the Scope of Services based upon our existing availability and understanding of your project schedule. However, our schedule does not account for delays in field exploration beyond our control, such as weather conditions, delays resulting from utility clearance, or lack of permission to access the boring/CPT locations. In the event the schedule provided is inconsistent with your needs, please contact us so we may consider alternatives (cost increases may be required).

Delivery on Client Portal	Schedule ^{1, 2}
Kickoff Call with Client	5 days after notice to proceed
Site Characterization	15 days after completion of field program
Geotechnical Engineering	20 days after completion of field program

1. Upon receipt of your notice to proceed we will activate the schedule component on **Client Portal** with specific, anticipated dates for the delivery points noted in the table as well as other pertinent events.
2. Standard business days. We will maintain an activities calendar within on **Client Portal**. The schedule will be updated to maintain a current awareness of our plans for delivery.

Exhibit D – Site Location



DIAGRAM IS FOR GENERAL LOCATION ONLY, AND IS NOT INTENDED FOR CONSTRUCTION PURPOSES

MAP PROVIDED BY MICROSOFT BING MAPS

Exhibit E – Anticipated Exploration Plan



DIAGRAM IS FOR GENERAL LOCATION ONLY, AND IS NOT INTENDED FOR CONSTRUCTION PURPOSES

MAP PROVIDED BY MICROSOFT BING MAPS



June 1, 2023

MTP 23-0326

Mr. Jeff Gouveia - General Manager
Bear Valley Water District
441 Creekside Drive
Bear Valley, CA 95223

Subject: Proposal for Geotechnical Engineering Investigation
Proposed Pole Mounted Solar Project
Bear Valley Water District - Waste Water Treatment Plan (WWTP)
½ Mile Southeast of State Highway 4 and Bear Valley Road
Bear Valley, California

Dear Mr. Gouveia:

We appreciate the opportunity to submit this proposal to provide geotechnical engineering services for the above referenced project. This proposal outlines our understanding of the proposed project, describes our scope of services, provides our estimate of fees for our services, and details the terms and limitations of our work. As indicated by the Bear Valley Water District, the project will be subject to California Prevailing Wage Laws.

PROJECT DESCRIPTION

This proposal was based on our review of the Preliminary Layout (Sheet PV-100), prepared by SOL Rebel dated April 1, 2023, and a Sheet prepared by Mt Solar, dated May 12, 2022 showing the pole mount structure details.

A. Proposed Construction

Based on the information provided, the solar project will include construction of three new (3) banks of pole mounted solar arrays (canopies) to be located at the existing WWTP located southeast of the community of Bear Valley, California. The proposed canopies are planned to be located in an undeveloped area west of the southwest corner of the treatment pond, and south of the tanks and buildings of the existing WWTP.

Based on our review of Sheet PV-100, the three (3) banks of solar canopies are anticipated to each be about 12 feet wide and 100 feet long, for a total of about 3,600 square feet in size. Mounting details show the poles will be supported on individual reinforced concrete foundations, 4 foot square and embedded 5 feet-4 inches deep.

Also, the plans show an equipment area for an electrical tie in on the north side of the solar system and interconnections within the existing WWTP building. Thus, a slab-on-grade equipment pad and utility trenching are expected as part of the project.

B. Anticipated Soil and Groundwater Conditions

Based on our review of the aerial images of the site, it is noted that the WWTP facility is located in a meadow area between gently rolling mountainous, wooded terrain. Numerous larger boulders and cobbles are noted at the surface near the base of the WWTP embankment slopes. As such, it is expected that the soils will be alluvial deposits consisting of silty and poorly graded sands with some finer sandy silts. It is expected that larger gravel and cobble material may be encountered. The United States Department of Agriculture Web Soil Survey information describes the upper soils to a depth of 60 inches as “loamy sand.” The surface soils are indicated to be alluvium derived from igneous rocks. The particle size information indicates 80 percent sand and 10 to 35 percent gravel.

Based on the proximity of the site in a mountain meadow and adjacent to the existing treatment ponds, it is expected that local groundwater may be present within 10 to 20 feet of the surface.

PURPOSE OF INVESTIGATION

The purpose of the investigation will be to conduct a field exploration and laboratory testing program, evaluate the data collected during the field and laboratory portions of the investigation, and provide geotechnical engineering parameters for use in project design. The intent of this investigation is to satisfy the requirements of the California Building Code (CBC) related to geotechnical engineering studies.

SCOPE OF SERVICES

Moore Twining Associates, Inc. will provide the following services in connection with this project.

A. Research

Our firm will research readily available existing published geotechnical engineering reports, USDA soil surveys, or previous geotechnical reports prepared for the site provided by the client.

B. Geotechnical Field Exploration

Based on the size of the proposed system, four (4) test borings are planned to target depths of about 10 to 15 feet below site grade (BSG) with a truck mounted drilling rig equipped with hollow stem augers. Three (3) of the borings will be placed within the proposed solar canopies; and one (1) will be placed at the north equipment pad location. It is expected that auger refusal on cobbles/boulders or bedrock) may be encountered above the target depths. So, additional borings to shallower depths may be added to better define areas with shallow larger materials.

During drilling of the test borings, standard penetration testing (SPT) will be performed, and both disturbed and undisturbed samples will be obtained for laboratory analysis. The field exploration will be conducted under the direction of a registered geotechnical engineer from our firm.

The proposed drilling sites will be cleared by Underground Service Alert (U.S.A.) for public utilities prior to the start of the field exploration. Because the site is a active treatment plant, we understand that Bear Valley Water District will mark existing underground utilities and subsurface structures in the areas proposed for the borings, or provide Moore Twining as-built plans showing the location/depth of underground facilities to avoid damage during drilling.

At the completion of drilling and sampling operations, the test borings will be backfilled with soil cuttings. During drilling of the test borings, samples will be obtained for laboratory analysis. The field exploration will be conducted under the direction of a registered geotechnical engineer from our firm. This proposal assumes excess soil cuttings can be spread in existing undeveloped areas at the site.

This estimate is preliminary, the exact location, number, and depth of borings may be revised based on site constraints, and the soil conditions encountered.

C. Laboratory Testing

Laboratory tests will be performed to determine pertinent engineering and index properties of selected samples of the soils encountered at the site. These tests will include moisture and density, sieve analyses, direct shear, and liquid and plastic limits. In addition, a suite of corrosivity tests (minimum resistivity, pH, sulfate, chloride) will be conducted on a near-surface soil sample to evaluate soil corrosivity.

The type and frequency of tests will be adjusted based on the subsurface soil conditions encountered.

D. Analysis and Recommendations

The client and your design professionals will be consulted concerning our findings and to discuss recommendations and alternatives. The Geotechnical Engineering Investigation Report will contain our findings, analysis, conclusions, and recommendations for project design.

The report will contain at least the following:

1. A description of general subsurface soil and groundwater conditions encountered;
2. A summary of the research and document review conducted;
3. Recommendations for spread foundations for the solar foundations, including allowable

**Proposal for Geotechnical Engineering Investigation
Proposed Pole Mounted Solar Project
BVWD - WWTP - Bear Valley, California**

**MTP 23-0326
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Page 4**

- bearing capacity, estimated settlement, and lateral resistance;
4. Recommendations for support of slabs on grade for equipment pads;
 5. Presentation of seismic coefficients in accordance with the current edition of the CBC;
 6. Preliminary evaluation of soil corrosivity and sulfate attack potential, and;
 7. Final test boring logs and laboratory test results.

Our professional services will be performed, our findings obtained, and our recommendations prepared in accordance with generally-accepted geotechnical engineering principles and practices at the time the work is performed.

DELIVERABLES

Upon project completion, an electronic PDF copy of the geotechnical report will be issued.

FEE ESTIMATE

Based upon the information provided, the geotechnical engineering investigation for the project discussed in this proposal will be performed for a total fee of **\$9,000**. A summary of the fees are included in the table below.

Fee Estimate for Geotechnical Engineering Investigation

Service Provided	Fee
Initial Site Visit and Mark for USA	\$650
Drilling Test Borings	\$3,750
Field Engineer	\$1,200
Geotechnical and Corrosivity Laboratory Testing	\$1,000
Research, Engineering Analysis, Project Management and Report Preparation	\$2,400
Total Fee	\$9,000

If site conditions differ significantly from those anticipated as stated in this proposal, additional studies may be necessary. All additional work will be done only after the situation has been discussed and client authorization had been obtained.

The cost in this proposal includes transmitting the final copies of the report to the client via first class U.S. Mail. If it is desired that report be express mailed or transmitted via a facsimile machine, the additional cost will be charged in addition to the above lump sum fee on the final invoice. Payment is due upon receipt of invoice. A finance charge may be added to all balances more than thirty days old. This is computed at a rate of 1.5 percent per month which is an annual percentage rate of 18 percent. A monthly progress invoice will be issued for work completed during each month. A final invoice will be issued upon project completion.

SCHEDULE

After notice to proceed, the field exploration will begin within about 7 to 10 working days, pending site access. The report will be completed within about 5 weeks of completion of the field investigation.

TERMS

This proposal and the enclosed Agreement set forth the terms and conditions under which Moore Twining Associates, Inc., will conduct the proposed geotechnical engineering investigation. Receipt of the signed agreement, or written notice to proceed will serve as our notice to proceed and constitute permission to enter the site. To enter a property not owned by our client, Moore Twining would require written permission from the property owner or his agent. If the client desires a different contract form for the project, please contact us for requested changes in this proposal or contract if needed. Moore Twining will not begin the investigation discussed in this proposal unless written authorization is received. A professional services agreement is attached to this proposal.

LIMITATION AND EXCLUSIONS

The client shall provide the right of entry to the project site. Items to be provided by the client, if available, include a site plan showing structure locations, locations of underground utilities, site elevations and proposed grading, and any special design requirements.

It is recommended that any underground utilities in the area proposed for the solar system be marked prior to our field investigation to reduce the potential for damage during drilling. It is assumed that Bear Valley Water District will locate underground utilities and structures. This proposal excludes the services of a private underground utility locator.

This proposal assumes that the site will be accessible to a two-wheel drive, rubber-tired, truck-mounted drill rig and the site conditions will be agreeable to drilling with a hollow stem or solid flight auger. Rock coring and removal of boulders is excluded. This proposal excludes the use of an all terrain drill rig. No liability is assumed for damage to underground facilities or other site features that are not accurately marked in the field or shown on available site plans.

**Proposal for Geotechnical Engineering Investigation
Proposed Pole Mounted Solar Project
BVWD - WWTP - Bear Valley, California**

**MTP 23-0326
June 1, 2022
Page 6**

The costs included in this proposal were also prepared assuming the work is conducted during “normal” business hours, Monday through Friday. If applicable, revised estimates can be provided for projects requiring off-hours work.

The discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. We will notify you as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be encountered.

We will take measures that in our professional opinion are justified to preserve and protect the health and safety of our personnel and the public, and/or the environment. The additional cost of such work would be charged on a time-and-expense basis over and above the estimated fee for the geotechnical study. These charges would not be incurred unless approved by the Owner.

CLOSING

We appreciate being considered for this work. We are confident that you will be satisfied with the timely, cost efficient services we consistently deliver. If you have any questions regarding this proposal, please contact our office at your convenience at (800) 268-7021.

Sincerely,

MOORE TWINING ASSOCIATES, INC.



Read Andersen, RGE 2810
Manager
Geotechnical Engineering Division

PROFESSIONAL SERVICES AGREEMENT

Between Bear Valley Water District and Moore Twining Associates, Inc.

Agreement entered into at Fresno, California

made this _____ day of _____, 2023, by and between

Client:

Consultant:

Name Bear Valley Water District

Name Moore Twining Associates, Inc.

Address 441 Creekside Drive
Bear Valley, CA 95223

Address 2527 Fresno Street
Fresno, California 93721

Phone (209) 753-2112

Phone (559) 268-7021

FAX (209) 753-6267

FAX (559) 268-7126

Bear Valley Water District and Moore Twining Associates, Inc. Agree as Follows:

Bear Valley Water District (hereafter called Client) intends to:

Retain consultant to provide geotechnical engineering services, as detailed in the attached proposal, identified as MTP 23-0326, dated June 1, 2023, hereinafter called "project".

A. Moore Twining Associates, Inc. (hereafter called Moore Twining) agrees to perform the following scope of services:

Provide Geotechnical Engineering services for the project outlined in the attached proposal, identified as MTP 23-0326, dated June 1, 2023.

B. Client agrees to compensate Moore Twining for such services as follows:

Pursuant to the attached proposal, MTP 23-0326, dated June 1, 2023. Payment is due upon receipt of invoice. A finance charge may be added to all balances over 30 days old. This is computed at a rate of 1.5% per month which is an annual percentage rate of 18%.

C. This Agreement is subject to provisions 1 through 19 attached herewith and made a part hereof.

IN WITNESS WHEREOF, the parties hereby execute this agreement upon the provisions stated. **Please sign below and initial the following page to initiate this contract.**

IN WITNESS WHEREOF, the parties hereby execute this agreement on the dates and upon the provisions stated.

Client _____

Consultant Moore Twining Associates, Inc.

By _____

By _____

Name/Title _____

Name/Title Read Andersen, Manager, Geotechnical Engineering Division

Date Signed _____

Date Signed _____

Client and Moore Twining agree that the following provisions shall be part of their agreement:

1. This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of client and Moore Twining. This agreement shall not be assigned by either client or Moore Twining without the prior written consent of the other.
2. All documents produced by Moore Twining under this agreement shall remain the property of Moore Twining and may not be used by client for any other endeavor without the written consent of Moore Twining.
3. Unless otherwise stated, Moore Twining will have access to the Site for activities necessary for the performance of their services. Moore Twining will take precautions to minimize damage due to these activities, but have not included in the fee the cost of restoration of any resulting damage.
4. Unless otherwise specified, this agreement shall be governed by the laws of the State of California.
5. Client agrees not to permit any other person to use plans, drawings, or other work product prepared by Moore Twining, which plans, drawings, or other work product are not final and which are not signed, and stamped or sealed by Moore Twining. If Moore Twining's work product exists in electronic or computerized format, or is transferred in electronic or computerized format, the stamp, seal and signature shall be original and may not be a computer-generated copy, photocopy, or facsimile transmission of the original.
6. Client agrees that if client requests services not specified pursuant to the scope of services description within this agreement, client agrees to pay for all such additional services as extra work according to Moore Twining's current fee schedule.
7. This agreement may be terminated by the client or Moore Twining should the other fail to perform its obligations hereunder. In the event of termination, client shall pay Moore Twining for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.
8. Client acknowledges that Moore Twining is not responsible for the performance of work or Site safety by third parties including, but not limited to, the construction contractor and its subcontractors.
9. Client shall pay the costs of checking and inspections fees, zoning and annexations applications fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title company charges, blueprints and reproductions, and all other charges not specifically covered by the terms of this agreement.
10. Moore Twining is not responsible for delay caused by activities or factors beyond Moore Twining's reasonable control, including but not limited to, delays by governmental agencies, acts of God, failure of client to furnish timely information or approve or disapprove of Moore Twining's services or work product promptly, faulty performance by client or other contractors or governmental agencies. When such delays beyond Moore Twining's reasonable control occur, client agrees Moore Twining is not responsible for damages nor shall Moore Twining be deemed to be in default of this agreement.
11. Moore Twining shall not be liable for damages resulting from the actions or inactions of governmental agencies including, but not limited to permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, project or plan approvals, and building permits.
12. Moore Twining makes no representation concerning the estimated quantities and probable costs made in connection with maps, plans, specifications, reports or drawings other than that all such costs are estimates only and actual costs will vary. It is the responsibility of client to verify costs. In addition, estimates of land areas provided under this agreement are not to be considered precise unless consultant specifically agrees to provide the precise determination of such areas.
13. Client agrees that in accordance with generally accepted construction practices, construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including all safety of all persons and property; that this requirement shall be made to apply continuously and not be limited to normal working hours, and client further agrees to defend, indemnify and hold Moore Twining harmless from any and all liability, real or alleged, in connection with the performance of service on this project, excepting liability arising from the sole negligence of Moore Twining.
14. Moore Twining makes no warranty, either expressed or implied, as to its findings, recommendations, plans, specifications, or professional advice except that the service or work product were performed pursuant to generally accepted standards of practice in California in effect at the time of performance.
15. In the event the client agrees to, permits, authorizes, constructs or permits construction of changes in the plans, specifications, and documents or does not follow recommendations or reports prepared by Moore Twining pursuant to this agreement, which changes are not consented to in writing by Moore Twining, client acknowledges that the changes and their effects are not the responsibility of Moore Twining and client agrees to release Moore Twining from all liability arising from the use of such changes and further agrees to defend, indemnify and hold harmless Moore Twining, its officers, directors, principals, agents and employees from and against all claims, demands, damages or costs arising from the changes and their effects.
16. In the event client discovers or becomes aware of changed field or other conditions which necessitate clarification, adjustments, modifications or other changes during any phase of the project, client agrees to notify Moore Twining and engage Moore Twining to prepare the necessary clarifications, adjustments, modifications or other changes to Moore Twining's services or work product before activities commence or further activity proceeds. Further, client agrees to have a provision in its construction contracts for the project which requires the contractor to notify client of any changes in field or other conditions so that client may in turn notify Moore Twining pursuant to this paragraph.
17. Client shall indemnify and hold harmless Moore Twining and all of its personnel from and against any and all claims, damages, losses, and expenses (including reasonable attorney fees) arising out of or resulting from the performance of the services, provided that any such claim, damage, loss, or expense is caused in whole or in part by the negligent act, omission, and/or strict liability of client, anyone directly or indirectly employed by the client (except Moore Twining), or anyone for whose acts any of them may be liable.
18. In recognition of the relative risks, rewards, and benefits of the project to both client and Moore Twining, the risks have been allocated such that client agrees that, to the fullest extent permitted by law, Moore Twining's total liability to client and to all contractors and subcontractors for any and all injuries, claims, losses, expenses, damages, or claim expenses arising out of this agreement from any cause or causes, shall not exceed ten (10) times Moore Twining's fee or \$25,000.00 whichever is less. Such causes include, but are not limited to, Moore Twining's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty.
19. (a) Notwithstanding any other provision of the Agreement and except for the provisions of (b) and ©, if a dispute arises regarding Moore Twining's fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between client and Moore Twining, both client and Moore Twining agree to attempt to settle the fee dispute by mediation through the American Arbitration Association [or other mediation service] before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. (b) does not preclude or limit Moore Twining's right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court. © does not preclude or limit Moore Twining's right to elect to perfect or enforce applicable mechanics lien remedies.

AGENDA ITEM

DATE: JUNE 23, 2023

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: PUBLIC FINANCE CONTRACTING FOR THE PROPOSED TREATMENT PLANT PHOTOVOLTAIC (PV) SYSTEM

BACKGROUND:

In advance of Board consideration of the value and feasibility of the installation of a photovoltaic (PV) system to complement the District's new battery energy storage system (BESS) as well as offset 96% of the electricity use at the District's treatment facility, Staff have been reviewing financing options, including state and federal grants, loans and bonds which may be available to the District to underwrite the estimated \$375,000 project in lieu of funding the project with District reserves.

While the 30% tax credit in the form of a direct payment may be now available to the District through the Investment Tax Credit (ITC) as part of the Inflation Reduction Act (IRA) and could significantly reduce the overall cost of the project to make utilizing cash reserves more feasible, Staff believes it's important to review and consider all financing options available to the District for this project. To this end, Staff would like the Board to consider the benefits of potentially contracting with outside public finance specialists for this project.

One possible public finance specialist the District may want to consider is *The Weist Law Firm of Santa Cruz, California*. A registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), Weist Law specializes in public financing of municipal projects including renewable power and clean technologies such as energy storage and efficiency. Weist Law believes it provides a one-stop shop for infrastructure financing and approached the District in March 2023 to meet and learn more about projects the District may be considering.

What culminated from this discussion is the attached proposal from Weist Law. Entitled "*Agreement for Bond Counsel Services*," Weist Law proposes to review and evaluate various financing structures that may be available to the District for securing the necessary and appropriate financing obligation for a PV project. Weist Law proposes to examine a range of capital borrowing methods including tax credit and/or tax-exempt obligations such as those offered by the USDA, SRF, WIFIA, EPA and capital markets. For each series of financing obligations issued by the District with respect to the Project, Weist Law has proposed payment of a flat fee of \$15,000 for financing obligations, with an additional fee of \$12,500 if tax-exempt financing obligations are combined with tax credit financing obligations. Fees to Weist Law would only be payable if the District in fact procures a financing obligation Weist Law has sourced and proposed for the District.

RECOMMENDATION:

Staff recommends the Board discuss the merits of contracting with a public finance specialist as one approach to seek funding for the proposed photovoltaic project. While Staff have been successful in recent years securing substantial grant and incentive monies to underwrite ambitious clean energy capital improvement projects at the District, Staff is not certain it has either the resources or the expertise to secure the financing necessary for this project. Staff have dedicated substantial resources already to the development of this project to date and also assumed the role of project manager to keep costs lower which have diverted significant time away from financing considerations.

ACTION:

1. Discuss contracting with The Weist Law Firm as proposed.
2. Motion to Accept the proposal from The Weist Law Firm as proposed or table this item for future discussion.

Attachments:

- Weist Law – Agreement for Bond Counsel Services
- Weist Law - 2023 Statement of Qualifications
- Fact Sheet – USDA Rural Energy Savings Program (RESP)
- Fact Sheet – USDA Water & Waste Disposal Loan & Grant Program
- Fact Sheet – EPA Water Infrastructure Finance and Innovation Act (WIFIA)

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2023, by and between the BEAR VALLEY WATER DISTRICT (the “District”), whose address is 441 Creekside Drive, Bear Valley, CA 95223, and THE WEIST LAW FIRM (the “Bond Counsel”), whose address is 20 South Santa Cruz Avenue, Suite 300, Los Gatos, CA 95030.

RECITALS:

WHEREAS, the District desires to obtain a combination of subsidized tax-credit, grant and/or loan financing for its proposed photovoltaic solar project (the “Project”) designed to reduce the District’s energy consumption of its wastewater system (the “System”); and

WHEREAS, the District desires to retain Bond Counsel to do the necessary consulting, legal and analytical work hereinafter outlined, upon the terms and conditions hereinafter set forth, to structure, issue and deliver tax credit and/or tax-exempt obligations (collectively, the “Financing Obligations”) as necessary to accomplish the Project; and

WHEREAS, Bond Counsel is specifically trained and experienced with the requirements of the tax credit and/or financing proceedings necessary for accomplishing the procurement and consummation of the Financing Obligations, and represents that it is ready, willing and able to perform said work; and

NOW, THEREFORE, in consideration of the recitals and promises contained in this Agreement and other good and valuable consideration, the parties agree as follows:

Section 1. Scope of Services.

Bond Counsel Services: Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the sale and delivery of the Financing Obligations. Such services shall include the following:

1. Consult with representatives of the District, including the Board of Directors (the “Board”) and District staff, financial advisors, engineers and others, with respect to the timing, terms and legal structure of the proposed Financing Obligations.
2. Prepare all resolutions, ordinances, notices, affidavits, agreements, indentures, lease agreements, escrow agreements, title instructions, fiscal agent agreements, and other legal documents customarily prepared by Bond Counsel, as required for the procurement and consummation of Financing Obligations.
3. Review pertinent documentation prepared by District staff, the purchaser of the Financing Obligations (the “Purchaser”) and its legal counsel, consultants or financial advisor, including the purchase contract(s) to be derived therefrom.
4. Review pertinent documentation with respect to any bond provisions, parity debt provisions and reserve fund provisions provided or required in connection with the Financing Obligations, if any.

5. Review and evaluate the various financing structures that may be available to the District for the securing of the Financing Obligations. Our analysis will examine the range of capital borrowing methods available to the District.

6. Attend such meetings or hearings of the Board, finance committee and working group meetings or conference calls as the District may request, and as Bond Counsel deems prudent and necessary.

7. Coordinate presentations and document review meetings with the Purchaser.

8. Prepare and provide the final closing papers to be executed by the District required to effect delivery of the Financing Obligations and coordination of the closing of the Financing Obligations.

9. Prepare and provide Bond Counsel's customary final legal opinion on the validity of the Financing Obligations and the exemption of interest thereon from state (California) and federal and personal income tax purposes.

10. Prepare and provide the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the Financing Obligations.

11. Prepare and provide a complete transcript of the proceedings, containing originally signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Copies shall be provided to the District and each member of the financing team.

Section 2. Excluded Services. Bond Counsel's services are limited to those specifically set forth above. Bond Counsel's services do not include representation of the District or any other party to the transaction in any litigation or other legal or administrative proceeding involving the Financing Obligations or any other matter.

Bond Counsel's services also do not include legal services not specified above relating to the Financing Obligations, including but not limited to compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or the exercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility for the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant.

Also, Bond Counsel's services for a particular series of Financing Obligations will not extend past the date of consummation of such series of Financing Obligations and will not, for example, include services related to on-going administration, annexation, tax rebate compliance or continuing disclosure or otherwise

related to such series of Financing Obligations, proceeds of such series of Financing Obligations or a refunding after consummation of such series of Financing Obligations.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the preceding three paragraphs, if required by the District, shall be under separate written agreement.

Section 3. Compensation.

(a) Legal Fees for Bond Counsel Services. For each series of Financing Obligations issued by the District with respect to the Project, Bond Counsel shall be paid a flat fee of \$15,000 for Financing Obligations, with an additional fee of \$12,500 if tax-exempt Financing Obligations are combined with tax credit Financing Obligations. Payment of said amount shall be contingent upon the procurement and consummation of the Financing Obligations.

(b) Out-of-Pocket Expenses. In addition to the legal fees, Bond Counsel shall be reimbursed its normal and customary out-of-pocket expenses, including travel for out-of-office time not to exceed ten hours for each out of office visit; parking charges and bridge tolls as incurred, photocopies at forty-five cents per page, transcript preparation and distribution; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred for each series of Financing Obligations issued.

Section 4. Termination of Agreement and Legal Services.

This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the District, shall, at the option of the District, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by the District without cause, Bond Counsel shall be entitled to receive compensation for all work performed to the date of termination in accordance with the percentage of work completed at the time of abandonment or termination, as the case may be.

In the event of termination by Bond Counsel, Bond Counsel shall complete any necessary and reasonable steps to avoid any negative impact on the District and to effectuate a transfer of the work the new counsel. This continuing right to receive full compensation shall survive the term of this Agreement.

If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon final consummation of the Financing Obligations. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the Financing Obligations or the District.

Section 5. Insurance.

Bond Counsel specifically represents that it maintains errors and omissions insurance of a minimum of \$1,000,000/\$2,000,000 aggregate applicable to the Bond Counsel services to be rendered under this Agreement.

Section 6. Nature of Engagement.

The District acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Financing Obligations or the Project or that may be involved with or adverse to the District in this or some other matter.

Bond Counsel agrees not to represent any such entity in connection with the Financing Obligations or Project, during the term of this Agreement, without the consent of the District.

Section 7. Standards of Professional Conduct.

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced, expert and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by District for its unique qualifications and skills.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, where it is contended by third parties, Bond Counsel's work product or attorney-client privileged communications are subject to disclosure, and District directs Bond Counsel to not disclose the records, District agrees to indemnify Bond Counsel from any cost or expense related to protecting said records from disclosure.

Section 8. Independent Contractor.

Bond Counsel and District understand and agree that Bond Counsel is an independent contractor and that the District shall not be liable for Workers' Compensation, retirement or unemployment benefits for Bond Counsel or Bond Counsel's agents, partners or employees.

Section 9. No Guarantee of Outcome.

District hereby acknowledges and agrees that this is a best effort undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.

Section 10. Indemnification.

District agrees that it will indemnify and hold harmless Bond Counsel and its respective directors, officers, employees and controlling persons (Bond Counsel and each such person being an “Indemnified Party”) from and against any and all losses, claims, damages and liabilities, joint or several, as incurred, to which such Indemnified Party may become subject under any applicable United States federal or state law, or any applicable foreign law, or otherwise, and related to or arising out of any untrue statement or alleged untrue statement of a material fact contained in any information, including without limitation the due diligence disclosure relating to the Financing Obligations (the “Disclosure”), furnished or made available by District to Bond Counsel or otherwise, to the purchaser of the Financing Obligations or any of its representatives or the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein not misleading, in the light of the circumstances under which they were made; provided, however, that District will not be liable to the extent that any loss, claim, damage or liability is found in a final judgment by a court to have resulted from Bond Counsel’s bad faith or negligence in performing the services described above.

Section 11. Arbitration.

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in San Jose, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute (“JAMS”), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS’ rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorneys fees and expenses.

The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.

Section 12. Entire Agreement.

This Agreement contains the entire understanding between Bond Counsel and District. All previous proposals, offers and communications relative to the Financing Obligations, the Project and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement.

No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and District. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

Section 13. Modification.

Both District and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or District to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with District and all changes and their cost shall be memorialized in a written amendment (which written amendment must be signed by both parties) to this original Agreement prior to the performance of the additional work.

Until a written change order is so executed, District shall not be responsible to pay any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

Section 14. Severability.

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remaining sections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties.

Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

Section 15. Waiver.

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

Section 16. Counterparts.

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

[Signature Page to Follow on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

BEAR VALLEY WATER DISTRICT

THE WEIST LAW FIRM

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



STATEMENT OF QUALIFICATIONS

PUBLIC FINANCE LAW CALIFORNIA



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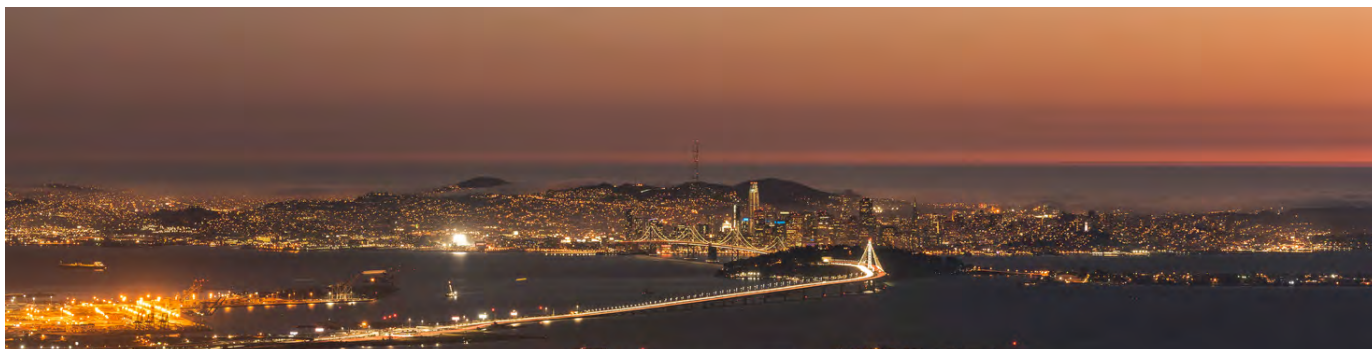
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INTRODUCTION



Weist Law was founded in 1990 in the Bay Area of California on the principle of providing sound independent legal and financial advice to cities, counties, schools, colleges, special districts and non-profit clients. Thirty-three years later, Weist Law is considered a leading public finance law firm. It's attorneys are also registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). The daily legal and financial cross-training allows us to bring unparalleled value to our clients. Weist Law has established a proven track record and has earned an outstanding reputation in public finance matters, having formed hundreds of special districts and advised clients on over \$9 billion in projects to date—please refer to Appendix A for a partial listing of our consummated transactions. Our public finance expertise includes the correlated practices of municipal bond law, real estate law, pension law, tax law and securities law. Our time-tested industry prominence has spanned numerous challenging economic cycles, and we continue to thrive in the present era of ever-increasing financial and governmental regulation.

The types of projects in which our firm is engaged typically includes the financing of public and public-private (P3) facilities, such as water and wastewater facilities, government buildings and facilities, educational facilities and equipment, police and fire equipment and facilities, electrical generation and transmission facilities, alternative energy facilities and waste-to-energy facilities, transportation facilities, irrigation and drainage facilities, airport facilities, parking structures, solid waste facilities, docks, wharves, marinas, harbors and port facilities, seawalls, aquaculture facilities, etc. There is no threatened or pending litigation against Weist Law. In fact, there has never been even a single claim against Weist Law or its principals since inception over 30 years ago.

In short, Weist Law constantly evolves to remain at the forefront of our profession. Due to the large volume of deals handled by our firm, along with our perpetually legal and financial “cross training” we are able to refine our skills, which, in-turn allows us to devise innovative strategies for our clients, leading to highly successful and cost-efficient value-added transactions.

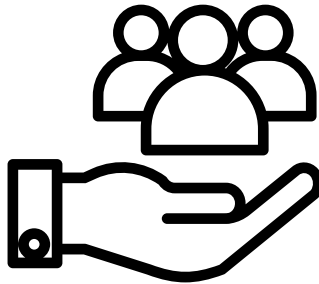
INTRODUCTION

Our Philosophy

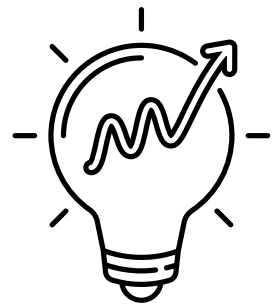
Weist Law's philosophy focuses on trust, service, and ingenuity. Our first focus is on integrity and trust. We strive to earn and maintain the trust of our clients with their matters by working closely with members of their staff and ensuring they feel confident in our work every step of the way. We work daily to ensure professionalism, minimize risks involved, foster the long-term financial success of our clients and ensure all projects are completed in a timely manner. Our dedicated broad-minded professionals bring vast experience from various disciplines to serve the increasingly sophisticated financial needs of our local government clients. We always strive to develop clear and concise reports and presentations which often become the basis upon which government and its stakeholders gain a fundamental, common understanding of the matters at hand. To speak to our ingenuity, Weist Law has pioneered many public finance legal techniques through the strategic creation of complex financing structures that blend funding sources and accomplish multiple agency goals at once.



TRUST



SERVICE



INGENUITY

Industry Relations

We maintain an excellent working relationship with the California Department of Finance (DOF), United States Department of Agriculture (USDA), the Department of Energy (DOE), as well as the California Clean Water State Revolving Fund (SRF) and are familiar with the Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) funding. We are a "Recognized Bond Counsel" for certain State and Federal programs such as the USDA Rural Development Grant and Loan Program and certain other state-sponsored low-interest grant and loan programs. By working in concert with the lead lawyers at USDA, EPA, WIFIA and SRF, we were able to create the internal legal templates that have led to what has turned out to be many successful project financings for our clients. This successful working relationship has, in turn, led to our engagement directly with the Federal Government to provide webinar training for all Area Specialists. We leverage our working relationships and knowledge of various funding programs to assist our clients in managing and obtaining grant and loan funding.

INTRODUCTION

Accolades

Weist Law has several public finance “firsts” to its credit. In July of 2014, we successfully structured California’s first privately placed Successor Agency refinancing. Weist Law worked on California’s first and largest “water bank” (aquifer recharge) financings, which was underwritten on a variable, and swapped to a fixed multi-modal structure involving tax-exempt and taxable components. We structured California’s first-ever successful purchase of securities through the Department of Commerce under the McCorquodale-Neilsen-Hauser Rural Renaissance Act of 1986. We worked on one of the largest Clean Renewable Energy Bonds financings structured to date, which was issued to finance a CalTrans solar project. We worked on the first aquaculture project financed with New Market Tax Credits. We prepared the documentation necessary to form California’s first geological abatement district. Our team was instrumental in helping several large national and international banks to penetrate the public finance arena to purchase municipal securities for their account on a privately placed basis (“Private Placements”), which in turn has created tremendous competition leading to interest rate decline. We recently structured two first-of-their-kind CalPERS refinancing for a large California Water District and Fire District which directly resulted in savings that far exceeded any other legal or financial structure available (including Pension Obligation Bonds or asset-transfer COPs).

For over three decades Weist Law has been a leader in public finance and municipal securities law, annually ranking as one of the most active in the State of California.

Our Approach

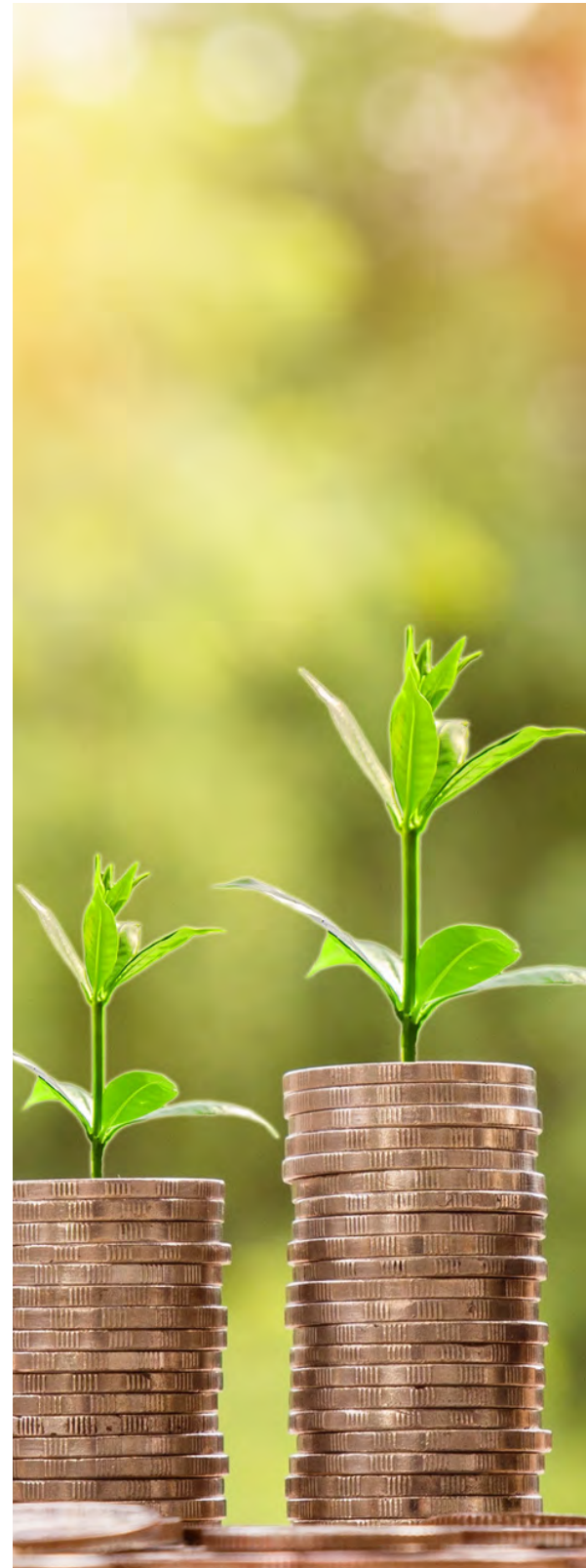
It is the goal of our firm to generate the utmost savings for our clients in every transaction to ensure their long-term financial success and intergenerational health. The team at Weist Law advises its clients to look at all viable financing options including loans and grants from the state and federal governments before embarking on a new capital improvement project. We have gained a reputation as a “go-to law firm” for complex financing structures, often involving highly structured underlying security compositions. We often counsel clients on the design of their own creative financing programs—adding value and amplifying success. We provide a full range of related legal services for our clients in connection with matters such as policy drafting, CIP funding, pension management, renewable energy projects, procurements of grant and low-interest rate loans, short-term bridge loans and lines of credit; “Prop 218” rate adjustment campaigns; tax initiative campaigns; sensitivity reports; formation of special districts, assessment districts, and community facility districts for both pay-as-you-go public components, as well as for backbone infrastructure.

PENSION MANAGEMENT

We have helped over 100 public agencies tackle their CalPERS liabilities.

Unfunded liability evolves over time. There is no one-time fix or solution. Our team emphasizes the importance of developing a robust Pension Management Policy ("Pension Policy") as the first step toward managing your pension costs. A Pension Policy is the key building block to achieving and maintaining a healthy funding status. Most actuaries define a healthy funded ratio/status as being at least 90%. A Pension Policy helps create a comprehensive management framework that serves as a roadmap for current and future staff, boards, and councils to make incremental changes that will lead to exponential savings and budget predictability when proactively managed annually.

In addition, our team has worked with hundreds of agencies resulting in the development of over twelve different cost mitigation strategies, including the integration of a 115 Trust, all designed to reduce long-term pension costs and achieve and maintain a healthy funded status. Each cost mitigation measure is incorporated in a Pension Policy so that each year decision makers can ensure all resources are being utilized to manage ongoing pension costs. Once a Pension Policy has been established it creates disciplined, ongoing proactive management practices for your entire team.





CAPITAL IMPROVEMENTS

Weist Law provides a one-stop shop for infrastructure financing. We are typically involved from planning or property acquisition through construction and project closeout. Our firm represents public agencies and non-profit organizations in the financing of all types of infrastructure across diverse asset classes. We assist with all procurement needs, draft and negotiate all transaction documents, prepare draft agenda packages, and advise on appropriate risk nuance and regulatory compliance management. With new legislation and funding sources available, we believe now is an excellent time to review your infrastructure goals with Weist Law. Many public agencies utilize cash reserves (aka pay-go strategy) to pay for equipment, facilities, and other capital improvement projects to avoid the interest expense associated with debt. However, the Weist Law team has learned over our 30+ years of practice, there is often a higher cost of waiting (especially in an uncertain market environment) in comparison to tax-exempt financing.

GREEN INFRASTRUCTURE

Weist Law is dedicating our resources to building a green future. Weist Law provides full-service legal representation on Environmental, Social, and Governance (ESG), including renewable power, and clean technologies such as energy storage and efficiency.

We help clients develop, sell, acquire, invest in, or finance energy projects and operations. We advise on green building and leveraging government incentives. We provide counsel on ESG considerations and utilizing cutting-edge green technologies to achieve the unique goals of each of our clients. We also counsel our clients in preparing for the risks associated with climate change and factoring those considerations into the transactional documents where necessary.

USDA RESP



The Rural Energy Savings Program (RESP) was created for the purpose of helping communities achieve cost savings by providing loans to qualified consumers through eligible entities to implement durable cost-effective, energy efficiency measures.

Eligible activities that qualify for a RESP loan include:

- on or off-grid renewable energy systems
- irrigation or water and waste disposal improvements
- energy audits
- energy efficient lighting technologies
- space conditioning, including HVAC systems
- building envelope improvements like improved insulation
- energy storage devices
- energy efficient appliance upgrades
- and necessary and incidental activities and investments directly related to the implementation of an energy efficiency measure.

Weist Law will manage the application process for you from start to finish. The prescreening process begins after the submission of a Letter of Intent (LOI). The USDA will then evaluate certain criteria required in the LOI and issue an invitation to apply or a rejection. After an application is submitted within 90 days of invitation, the review process begins. Upon careful review, the USDA will then issue a conditional commitment letter to the borrower. The RESP borrower must then submit an intent to meet those conditions within 60 days from the commitment letter. The entire process is expected to take around 9-12 months .

Weist Law's team of seasoned public finance attorneys have years of experience working with USDA on various financing transactions and are uniquely positioned to assist any agency or community looking to take utilize the RESP loan program.

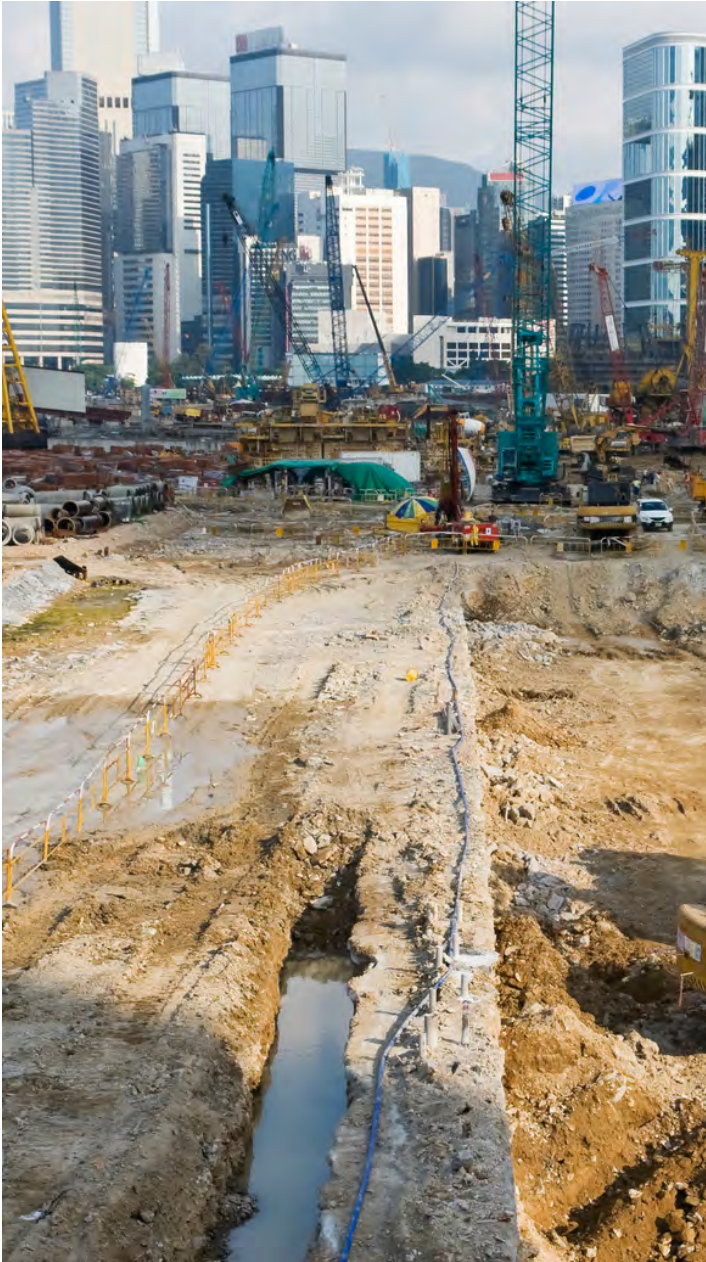
LAND SECURED FINANCING

Weist Law works with municipalities and developers to issue a variety of land secured bonds ("LSDBs"), including Mello-Roos Community Facility District Bonds, and Assessment District Bonds to finance public infrastructure improvement projects (as well as impact fees) secured by residential and commercial real estate.



LSDBs are used to finance public infrastructure components of new residential and commercial projects. A real estate developer usually seeks financing of public improvements such as streets, curbs, gutters, parks, sewer, drainage, schools or related impact fees. Weist Law can assist with creating a community facilities district or an assessment district in order to levy taxes or assessments on individual land parcels and issue the LSDBs. The LSDBs are secured by a pledge of the taxes or assessments, with the lien and payment obligation automatically passing to new property owners with the change of title. The advantage of issuing LSDBs include leveraging the tax-exempt interest rates offered by the municipal bond market, long term fixed-rate financing, and the non-recourse nature of the bonds.

In addition, our team works with California Municipal Public Financing Authority ("CalMuni PFA") for developer impact fee financing ("DIFF"). The DIFF Program provides non-recourse financing for either (a) eligible development impact fees payable to the local agency or (b) eligible public capital infrastructure improvements, or both if needed. Weist Law handles the administration of the program, manages the bond offering process, and ongoing responsibilities related to the financing without cost to the municipality or developer. For more information on the DIFF Program please visit <https://www.calmunipfa.com/land-development>.



TAKE OUT FINANCING

Weist Law has successfully navigated dozens of USDA, EPA and SRF financings for our clients. We often lead group discussions between USDA, EPA, WFIA and SRF to orchestrate a multi-track coordinated financing effort utilizing funds from all agencies to complete a single project.

Our team at Weist Law has 30+ years of experience working with USDA, SRF, WFIA, EPA and the capital markets to bring our clients a full-service compliance group that navigates the entire USDA, EPA, WFIA and/or SRF financing process.

We actively monitor the construction process and seamlessly execute the take-out financing at the conclusion of construction. USDA now requires that all projects must utilize interim bridge loan financing to construct the project. Once the project is complete USDA provides the long-term take-out financing-- typically 40-years at very low fixed rates.

If a bridge loan is required, our team undertakes a competitive process to solicit and procure a bridge loan lender at the lowest interest rate and best possible terms. Our firm then provides all resolutions, staff reports and documentation required to close the bridge loan with the carefully selected lender. Because of our deep experience in these matters, we know how to structure the bridge loan in a way that works for USDA, EPA and SRF, thereby avoiding costly delays and mistakes that can set projects back by years.

BRIDGE LOAN

The Business Model

EQUIPMENT FINANCING

As public agencies are working hard to protect and serve their communities, proper equipment is necessary, but funds are not always readily available. By delaying the purchase, agencies are faced with manufacturer price increases, inflation, and costs of maintaining aging fleets, all of which pose safety, operating, and financial risks in the long run. Most local government entities that have the power of eminent domain, police power, or the power to levy taxes can qualify for tax-exempt equipment lease financing that can also be legally designated as "Bank Qualified," resulting in the lowest interest rates possible.

In addition to qualifying for low-interest rates, municipalities can preserve their cash while acquiring the necessary equipment needed for their day-to-day operation.

Who can benefit from equipment financings?

- Cities, counties, townships
- Fire Districts
- School Districts
- Special Purpose Districts (parks, utility, water, etc.)
- Schools, Community colleges and public universities
- Municipal ports and airports
- Transportation agencies

What types of Equipment qualify for lease financing?

- Fire Apparatus
- Construction Vehicles and Equipment
- Buses, Ambulances, Police Cars, Helicopters, etc
- Public Works Vehicles and Equipment
- Snow Plows
- Medical Equipment
- SCABs
- Law Enforcement Equipment and Vehicles
- Computer and Technology Equipment
- Portable Buildings
- Water Meters
- Energy Efficient Improvements
- Shade and Storage Structures

FEDERAL AND STATE FUNDING

Our general strategy is to explore all viable financing options. First, we seek federal grants and loan financing, then utilize any state funding programs, and last, we look to private funding from lenders through a private placement or public offering. In most instances we utilize all combination of financing options to generate the most savings for our client. While most consultants do not have the experience of managing multiple funding sources for one project, we specialize in complex financing structures and enjoy the process of finding the optimal deal to generate the most savings for our clients.

Weist Law stays up to date with current legislature to provide our clients with detailed information on available funding sources at both the state and federal levels. For example we consult on funding available through the USDA, EPA, WIFIA, California State Revolving Fund, the Inflation Reduction Act and much more.





**THANK YOU FOR YOUR TIME AND CONSIDERATION. WE
LOOK FORWARD TO THE OPPORTUNITY TO WORK WITH
YOU ON YOUR NEXT PROJECT.**

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Principal**

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Project Manager**

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Los Gatos, CA 95030

APPENDIX A

GOVERNMENT CLIENT REPRESENTATIONS

CITIES

City of Anderson	City of Greenfield	City of Paso Robles
City of Arcata	City of Grover Beach	City of Pismo Beach
City of Atwater	City of Guadalupe	City of Ridgecrest
City of Avenal	City of Gustine	City of San Francisco
City of Bakersfield	City of Isleton	City of San Rafael
City of Brentwood	City of King	City of San Jan Bautista
City of Capitola	City of Lakeport	City of Santa Cruz
City of California City	City of Lemoore	City of Scotts Valley
City of Clearlake	City of Livingston	City of Selma
City of Colma	City of Los Banos	City of Shasta Lake
City of Cotati	City of Marina	City of Susanville
City of Crescent City	City of Merced	City of Stockton
City of Dos Palos	City of Morgan Hill	City of Tehachapi
City of Dublin	City of Morro Bay	City of Tracy
City of Escalon	City of Mount Shasta	City of Ukiah
City of Firebaugh	City of Oakdale	City of Wasco
City of Fortuna	City of Pacifica	City of Watsonville
City of Fresno	City of Pacific Grove	City of Woodland
City of Gonzales	City of Palm Desert	City of Yreka

COUNTIES

County of Amador	County of King	County of Santa Cruz
County of Butte	County of Madera	County of Siskiyou
County of Calaveras	County of Mariposa	County of Stanislaus
County of Del Norte	County of Monterey	County of Sutter
County of Humboldt	County of San Bernardino	County of Tulare
County of Kern	County of San Francisco	County of Tehama
County of Nevada		

WATER DISTRICTS

Aromas Water District	Padre Dam Municipal Water District
Borrego Water District	Olivenhain Municipal Water District
Byron Bethany Irrigation District	Rio Linda Elverta County Water District
Calaveras County Water District	San Lorenzo Valley Water District
Central San Joaquin Water District	Santa Nella County Water District
Clearlake Oaks County Water District	Scotts Valley Water District
Del Puerto Water District	Soquel Creek Water District
Glide Water District	South Feather Water and Power Agency
Kanawha Water District	Squaw Valley County Water District
Mammoth Community Water District	Stinson Beach County Water District

APPENDIX A

GOVERNMENT CLIENT REPRESENTATIONS

OTHER DISTRICTS

Arcata Fire Protection District	Middletown Unified School District
Auburn Valley Community Services District	Moss Landing Harbor District
Barstow Heights CSD	Muroc Joint Unified School District
Bear Valley Community Services District	Needles Unified School District
Byron Sanitary District	NCFPD of Monterey County
Calaveras County Water District	Palo Verde Community College District
Channel Islands CSD	Place de Mer Geological Abatement District
Christian Valley Park CSD	Placer County Transportation Agency
Discovery Bay Community Services District	Planada Community Services District
Ebbetts Pass Fire Protection District	Quincy Community Services District
Foresthill Public Utility District	Rancho Adobe Fire Protection District
Hartnell Community College District	River High Community Services District
Hayfork Fire Protection District	Rubidoux Community Services District
Humboldt Bay Harbor District	Santa Cruz Community Sanitation District
Jamestown Sanitary District	Santa Cruz Port District
Janesville Union School District	Shaffer Union School District
June Lake Public Utility District	Shasta Regional Transportation Agency
June Lake Fire District	Sierra Foothills Public Utility District
Kern Community College District	South Feather Water and Power Agency
Kirkwood Meadows Public Utility District	South Placer Transportation Authority
Lake Arrowhead CSD	Sweetwater Union High School District
Lake Valley Fire Protection District	Victor Valley Community College District
Little Lake Fire Protection District	Victor Valley Union High School District
Long Beach Community College District	West Hills Community College District
Luther Burbank School District	West Kern Community College District

PUBLIC FINANCING AND HOUSING AUTHORITIES

Arcata Joint Powers Authority	Municipal Financing Agency of Lakeport
Auburn Valley Public Financing Authority	Mammoth Public Financing Authority
Avenal Public Financing Authority	Merced Public Financing Authority
Brentwood Public Financing Authority	Monterey Housing Authority
Byron Bethany Public Financing Authority	Mount Shasta Public Financing Authority
Calaveras Water Public Financing Authority	North Selma Sewer Financing Authority
California Communities Development Auth.	Palm Desert Financing Authority
California Municipal Public Finance Auth.	Pismo Beach Public Financing Authority
Capitola Public Financing Authority	Riverbank Public Financing Authority
Coalinga Public Financing Authority	Sacramento Transportation Authority
Crescent City Public Financing Authority	San Juan Bautista Public Financing Authority
Discovery Bay Public Financing Authority	Scotts Valley Public Financing Authority
Grover Beach Financing Authority	Selma Public Financing Authority
Humboldt Waste Management Authority	Suisun City Housing Authority
Independent Cities Financing Authority	Susanville Public Financing Authority
June Lake Public Financing Authority	Yuba City Public Financing Authority
Kanawha-Glide Public Financing Authority	Wasco Public Financing Authority
King City Public Financing Authority	

APPENDIX A

HIGHLIGHTED BOND TRANSACTIONS

~Sacramento Transportation Authority, Measure A Sales Tax Revenue Bonds (Variable Rate), Series A: \$106,100,000; Measure A Sales Tax Revenue Bonds (Variable Rate), Series B : \$106,100,000; and Measure A Sales Tax Revenue Bonds (Variable Rate), Series C: \$106,100,000: Total: \$318,300,000.00

~City of Palm Desert Financing Authority, Revenue Bonds: \$30,915,000.00

~California Enterprise Development Authority, Recovery Zone Economic Development Bonds, (Biomass Waste-to-Energy Power Plant Project): \$29,930,000.00

~Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Subordinate Series B: \$25,160,000.00

~City of Ukiah, Series 2020 Wastewater Revenue Refunding Bonds (2020 Wastewater Refunding Project): \$25,010,000.00

~City of Mt. Shasta, Series 2021 Wastewater Revenue Bond Anticipation Notes \$9,209,000.00, USDA Loan \$2,950,000.00, CA SRF Grant \$8,000,000.00, CA SRF Loan \$4,926,942.00: Total: \$25,086,012

~Merced County Regional Waste Management Authority, Solid Waste Refunding Revenue Bonds, Series A and B (combined): \$23,572,000.00

~City and County of San Francisco, Certificates of Participation: \$22,549,489.00

~Los Banos Designated Local Authority (As Successor Agency to the Los Banos Redevelopment Agency), Los Banos Redevelopment Project, Tax-Exempt Tax Allocation Refunding Bonds: \$22,897,284.00

~California Alternative Energy and Advanced Transportation Authority, Clean Renewable Energy Bonds, (CalTrans Projects): \$19,999,999.00

~City of Pacifica, (Conversion of Auction Rate Certificates), Certificates of Participation: \$19,815,000.00

~City of Corcoran, Water Revenue Refunding Bonds: \$19,790,000.00

~Desert Water Agency, Series 2016 Water Revenue Refunding Bonds: \$19,720,000.00

~City of Austin, TX, Special Assessment Revenue Bonds, Subordinate Series, Whisper Valley Public Improvement District: \$18,485,168.00

~City of Tracy, Refunding Improvement Bonds, Wastewater Facilities Project: \$17,150,000.00

APPENDIX A

HIGHLIGHTED BOND TRANSACTIONS

~San Luis Obispo County Financing Authority, Lease Revenue Bonds, Series 2020A (2020 Capital Projects): \$16,145,000.00

~City of Austin, TX, Special Assessment Revenue Bonds, Senior Series, Whisper Valley Public Improvement District: \$15,500,000.00

~Santa Cruz Port District, Enterprise Revenue Bonds (Santa Cruz Harbor Financing Project): \$14,418,960.43

~Discovery Bay Public Financing Authority, Enterprise Revenue Bonds (Water and Wastewater Financing Projects): \$14,150,000.00

~San Juan Bautista Public Financing Authority, Enterprise Revenue Bonds, (Water and Wastewater Financing Projects): \$11,640,000.00

~Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Senior Series A: \$9,700,000.00

~City of Calistoga, Series 2018 Water & Wastewater Revenue Certificates of Participation, Bank Qualified: \$8,920,000.00

~City of Lemoore, Water Revenue Bonds (Solar Project): \$7,068,000.00

~City of Susanville, Series 2019 Water Revenue Refunding Bonds (Water Enterprise Refunding Project), Bank Qualified: \$6,946,300.00

~City of Lakeport, Water Revenue Notes (Line-of-Credit) (Water Enterprise improvement Project): \$6,675,000.00 (Not to Exceed)

~Calaveras County Water District, Series 2019 Taxable Revenue Refunding Loan Obligations: \$5,665,000.00

~Mammoth Community Water District (Mono County, California), Limited Obligation Refunding Improvement Bonds, Reassessment District: \$5,440,000.00

~Byron Bethany Irrigation District, Series 2018 Enterprise Revenue Bonds (Pump Station and Water Line Replacement Project), Bank Qualified: \$5,000,000

~Mammoth Community Water District (Mono County, California), Refunding Certificates of Participation: \$4,725,000.00

APPENDIX A

HIGHLIGHTED BOND TRANSACTIONS

~Municipal Financing Agency of Lakeport, Series 2018A Enterprise Revenue Bonds (Solar and Energy Efficiency Retrofit Project), Bank Qualified: \$3,600,000.00

~Christian Valley Park Community Service District, Series 2020 Water Revenue Bond Anticipation Notes (Water Tank Replacement Project): \$3,371,000.00

~Calaveras County Water District Public Financing Authority, Water Enterprise Revenue Bonds (Ebbetts Pass Reach 3A Improvement Project), Bank Qualified: \$2,622,000.00

~City of Lakeport, Series 2017 Wastewater Revenue Refunding Obligations (2017 Wastewater Refunding Project), Bank Qualified: \$2,723,000.00

~Scotts Valley Water District, Water Revenue Bonds: \$2,350,000.00

~City of Gustine, Certificates of Participation (Wastewater System Improvement Projects) (Bank Qualified): \$1,225,000.00

~Calaveras County Water District Public Financing Authority, Water Enterprise Revenue Bonds (Ebbetts Pass Reach 3A Improvement Project), Bank Qualified: \$2,622,000.00

~City of Lakeport, Series 2017 Wastewater Revenue Refunding Obligations (2017 Wastewater Refunding Project), Bank Qualified: \$2,723,000.00

~Scotts Valley Water District, Water Revenue Bonds: \$2,350,000.00

~City of Gustine, Certificates of Participation (Wastewater System Improvement Projects) (Bank Qualified): \$1,225,000.00

~Calaveras County Water District, Wastewater Revenue Obligations (Wastewater System Improvement Project), Bank Qualified: \$2,337,528.00

~City of Marina, Limited Obligation Improvement Bonds, Marina Landing Assessment District: \$2,275,753.00

~Stinson Beach County Water District, Water Revenue Refunding Bonds (Bank Qualified): \$1,997,613.97



The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for nationally and regionally significant projects. Borrowers benefit from receiving low, fixed interest rate loans with flexible financial terms.

WIFIA LOANS OFFER A LOW, FIXED INTEREST RATE

A SINGLE FIXED RATE IS ESTABLISHED AT CLOSING. A borrower may receive multiple disbursements over several years at the same fixed interest rate.

RATE IS EQUAL TO THE U.S. TREASURY RATE OF A SIMILAR MATURITY. The WIFIA program sets its interest rate based on the U.S. Treasury rate on the date of loan closing. The rate is calculated using the weighted average (WAL) life of the loan rather than the loan maturity date. The WAL is generally shorter than the loan's actual length, resulting in a lower interest rate.

RATE IS NOT IMPACTED BY BORROWER'S CREDIT OR LOAN STRUCTURE. All borrowers benefit from the AAA Treasury rate, regardless of whether they are rated AA or BBB. The WIFIA program does not charge a higher rate for flexible financial terms.

WIFIA LOANS PROVIDE FLEXIBLE FINANCIAL TERMS

CUSTOMIZED REPAYMENT SCHEDULES. Borrowers can customize their repayments to match their anticipated revenues and expenses for the life of the loan. This flexibility provides borrowers with the time they may need to phase-in rate increases to generate revenue to repay the loan.

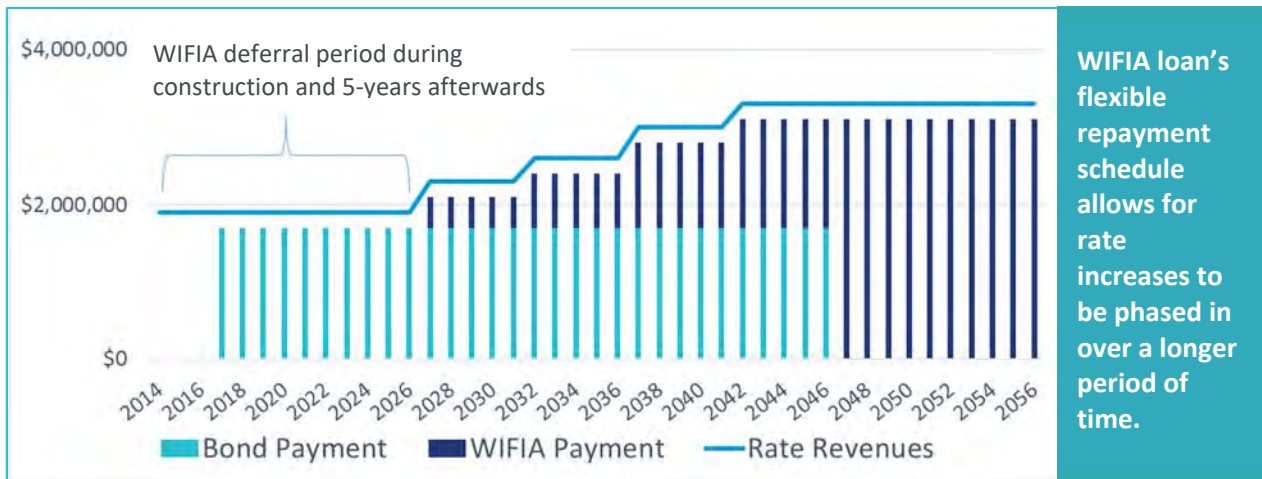
LONG REPAYMENT PERIOD. WIFIA loans may have a length of up to 35 years after substantial completion, allowing payment amounts to be smaller throughout the life of the loan.

DEFERRED PAYMENTS. Payments may be deferred up to 5 years after the project's substantial completion.

SUBORDINATION. Under certain circumstances, WIFIA may take a subordinate position in payment priority, increasing coverage ratios for senior bond holders.

WIFIA LOANS CAN BE COMBINED WITH VARIOUS FUNDING SOURCES. WIFIA loans can be combined with private equity, revenue bonds, corporate debt, grants, and State Revolving Fund (SRF) loans.

Example of a customized debt repayment structure for a \$100 million project



Water & Waste Disposal Loan & Grant Program

What does this program do?

This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

Who may apply?

This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- **Most state and local governmental entities**
- **Private nonprofits**
- **Federally recognized Tribes**

What is an eligible area?

Areas that may be served include:

- Rural areas and towns with populations of 10,000 or less – check eligible addresses
- Tribal lands in rural areas
- Colonias

What kinds of funding are available?

Long-term, low-interest loans. If funds are available, a grant may be combined with a loan if necessary to keep user costs reasonable

How may the funds be used?

Funds may be used to finance the acquisition, construction, or improvement of:

- Drinking water sourcing, treatment, storage, and distribution
- Sewer collection, transmission, treatment, and disposal
- Solid waste collection, disposal, and closure
- Storm water collection, transmission, and disposal

In some cases, funding may also be available for related activities such as:

- Legal and engineering fees
- Land acquisition, water and land rights, permits, and equipment
- Start-up operations and maintenance

- Interest incurred during construction
- Purchase of facilities to improve service or prevent loss of service
- Other costs determined to be necessary for completion of the project
- See 7 CFR Part 1780.7 and 1780.9 for a complete list

What is the loan term and rate?

The loan term is up to a 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served. Contact us for details and current interest rates applicable for your project.

Are there additional requirements?

- Borrowers must have the legal authority to construct, operate, and maintain the proposed services or facilities.
- All facilities receiving federal financing must be used for a public purpose.
- Partnerships with other federal, state, local, private, and nonprofit entities that offer financial assistance are encouraged.
- Projects must be financially sustainable.

How do we get started?

Applications are accepted year round and may be filed electronically using [RD Apply](#). The RD Apply Customer Help Guide is provided to help you get started and work through the application process. Applications are also accepted through your [local RD office](#). Program resources are available online (i.e., forms, guidance, certifications, etc.).

Who can answer questions?

Contact the local representative who serves your area. Participating nonprofits in your area may also offer assistance and training.

What governs this program?

- Basic Program – [7 CFR, Part 1780](#)
- Loan Servicing – [7 CFR, Part 1782](#)
- Section 306 of the Consolidated Farm and Rural Development Act

Why does USDA Rural Development do this?

This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses. Good practices can save tax dollars, improve the natural environment, and help manufacturers and businesses to locate or expand operations.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “*What Governs This Program?*” You may also contact [your local office](#) for assistance. You will find additional forms, resources, and program information at [rd.usda.gov](#). *USDA is an equal opportunity provider, employer, and lender.*

Rural Energy Savings Program (RESP)

What does this program do?

The Rural Energy Savings Program (RESP) provides loans to entities who provide energy efficiency services in rural areas that agree to make affordable loans to help consumers implement cost-effective, energy efficiency measures. This program, authorized by Congress in the 2014 Farm Bill, helps to build a cleaner and more sustainable domestic energy sector for future generations. RESP will help lower energy bills for rural families and businesses and will reduce barriers to investment in energy efficiency projects or activities.

Who may apply for this program?

Eligible applicants include current and former Rural Utilities Service (RUS) borrowers, subsidiaries of current or former RUS borrowers, entities that provide retail electric service in rural areas and any other entities that provide or propose to provide eligible purposes under RESP, including energy efficiency, renewable energy, energy storage or energy conservation measures and related services, improvements, financing, or relending.

How is RESP different from the Energy Efficiency and Conservation Loan Program (EECLP)?

- RESP offers a lower-cost financing option—a zero percent interest rate;
- RESP also has a broader pool of eligible borrowers (utilities, nonprofit organizations, municipalities, states and eligible energy efficiency service providers), while EECLP program borrowers are limited to utilities that serve rural areas;
- RESP offers longer loan terms: 20 years versus 15 years for EECLP loans.

How may funds be used?

Funds may be used to implement energy-saving measures, or to help reduce energy costs incurred by qualified consumers.

How do we get started?

Applications for the RESP program will be accepted on a first-come, first-served basis until funds are depleted. To be considered for funding, applicants should submit a letter of intent to RESP@usda.gov. More information is available in the annual funding announcement published in the Federal Register.

What are the Loan Terms?

The RUS borrower is eligible to apply for a loan of up to 20 years at a 0 percent interest rate. (Up to 4 percent of the loan total may be used for startup costs.) The RUS borrower can charge an interest rate of up to 5 percent for relending to qualified consumers.

What governs this program?

These loans are made available under the authority of section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U. S.C. 8107a) (Section 6407).

How do I learn more?

For more information about the program, please contact Robert Coates at Robert.Coates@usda.gov.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

Powering Affordable Clean Energy Program (PACE)

What does this program do?

The Powering Affordable Clean Energy (PACE) program is part of the Inflation Reduction Act, (IRA – information is available at this link: <https://tinyurl.com/548c8tb7>), which represents the largest investment in rural electrification since President Franklin Delano Roosevelt signed the Rural Electrification Act into law in 1936. With \$1 billion in funding, PACE helps make clean, affordable, and reliable energy accessible to the people of rural America.

Under PACE, USDA Rural Development's Rural Utilities Service (RUS) will forgive up to 60 percent of loans for renewable energy projects that use wind, solar, hydropower, geothermal, or biomass, as well as for renewable energy storage projects.

PACE funding makes it more affordable for rural Americans to use clean, reliable energy to heat and cool their homes, run their businesses, and power their cars, schools, and hospitals.

Who is eligible for this program?

The PACE program is available to eligible applicants that generate electricity for resale to residents in both rural and nonrural areas. However, at least 50 percent of the population served by your proposed renewable energy project must live in communities with populations of 20,000 or fewer.

Eligible entities include:

- Corporations, states, and territories, along with their subdivisions and agencies
- Municipalities
- Utility districts
- Cooperatives
- Nonprofits
- Indian Tribes
- Alaska Native, regional, or village corporations
- Limited Liability Companies or other for-profit entities organized under the laws of any U.S. state or territory

We will only accept one application from each eligible entity. However, eligible groups can collaborate to package their proposed projects into one joint letter of interest.

You must demonstrate that your proposed project is:

- Eligible
- Financially and technically feasible
- Securable
- Reliable and resilient (can recover quickly following an unexpected disruption)
- Affordable

- Able to be completed within the allotted timeframe

Note: Individuals are not eligible to apply for the PACE program.

The program supports designated energy communities (You can learn more about energy communities at this link: <https://tinyurl.com/2bjkak5w>), disadvantaged communities, distressed communities, and Tribal communities. You can determine whether your proposed project is located in a disadvantaged or distressed community by entering the project address into the "Find address or place" search field on the map at this link: <https://tinyurl.com/5n7a46zd>.

How much funding is available?

Congress has authorized \$1 billion in PACE program funding. The maximum available loan is \$100 million including the forgivable portion. The minimum loan is \$1 million.

The PACE program allocates funding across three applicant categories:

1. Category 1: Provides up to 20 percent total loan forgiveness for applicants if they meet the minimum set of standards set forth in the PACE program Notice of Funding Opportunity (NOFO), published in the Federal Register and available on the PACE program webpage at: <https://tinyurl.com/bdh3599h>.
2. Category 2: Provides up to 40 percent total loan forgiveness if the project is in or serves 50 percent or more of the population of a designated energy community,

Powering Affordable Clean Energy (PACE)

disadvantaged community, or distressed community.

3. Category 3: Provides up to 60 percent total loan forgiveness if the project:
 - a. Is located in U.S. territories or in Compact of Free Association areas (COFA – information is available at this link: <https://tinyurl.com/4cm4k4tf>)
 - a. Serves areas with Tribal populations of 60 percent or greater, are owned by a Tribal government, or are in a Substantially Underserved Trust Area (SUTA – information is available at this link: <https://tinyurl.com/4rvtpsc9>)

You can apply for a loan of up to \$100 million. The percentage of loan forgiveness depends on the type of community the proposed project will serve (as described above and in the NOFO). Progress payments during construction of the renewable energy project are available only for system-financed loans. We will release funds for project-financed loans and debt forgiveness only after eligible projects are completed and verified.

Your interest rate is determined by the RUS municipal rate in effect at the time of the advance. These rates are set quarterly and can be found at this link: <https://tinyurl.com/u5uu742h>.



USDA's PACE program website

How can we use PACE program funds?

You can use PACE funds to finance wind, solar, hydropower, geothermal, or biomass renewable energy projects. Energy storage projects related to a renewable energy project are also eligible. Projects must be based on bankable power purchase agreements (PPAs – information is available at this link: <https://tinyurl.com/3dzhw7at>) or through a financial guarantee that ensures the financial feasibility of the project. Energy must be sold for resale to eligible off-takers which can include both utility and non-utility customers. The technologies used must be commercially available. PACE funding cannot support merchant power projects.

What are the loan terms?

Provided the project is otherwise financially feasible, loan terms are the shorter of:

1. 35 years
2. the useful life of the equipment financed
3. the term of the PPA, or
4. the term of any leased real property

How do we get started?

To be considered for funding, you must first submit a letter of interest (LOI). The application window is open June 30 – September 29, 2023, with applications processed on a rolling basis.

- Your LOI must arrive before September 29, 2023
- We will evaluate LOIs as they are received
- If we invite you to submit an application and it meets all program requirements, your project will be considered for funding.

Additional information about PACE is available in the NOFO published in the *Federal Register* and can be found on the PACE program webpage at this link: <https://tinyurl.com/bdh3599h>, and on the USDA Rural Development Information Reduction Act webpage at <https://tinyurl.com/548c8tb7>. Click the plus sign to the right of “Funding Opportunities,” and see the first bullet point: “Section 22001.”

Who can answer questions?

A list of Frequently Asked Questions (FAQs) can be found on the PACE webpage at this link: <https://tinyurl.com/bdh3599h>.

You can email PACE program questions to SM.RD.RUS.IRA.Questions@usda.gov.

What law governs this program?

Section 22001 of the Inflation Reduction Act (7 USC 8103 (h)) – available at this link: <https://tinyurl.com/2p8m9k7v> - PDF) governs the PACE program.

NOTE: Because information changes, always consult official program instructions or contact your local Rural Development office for help. A list is available at this link: <https://go.usa.gov/xJHPE>. You will find additional resources, forms, and program information at <https://rd.usda.gov>. USDA is an equal opportunity provider, employer, and lender.

Introduction

Energy efficiency upgrades made affordable

As you consider energy-efficient equipment, finding the right financing option can help you save money and time. Take advantage of **PG&E's 0% interest financing** and put your funds back into your operations.

With this guide, you can:

1. **Learn** more about 0% interest financing
2. **Evaluate** project criteria
3. **Review** the loan process flow
4. **Consider** additional resources



“We had incredible results with PG&E’s Energy Efficiency Financing Program and knocked out a project that would’ve taken us 3 years, in just 2 months.”

Shaun O’Brien, VP of Operations, Chukchansi Park

Learn more

Benefits of PG&E's Energy Efficiency Financing Program

Equipment upgrades can decrease your energy costs. You can take advantage of our financing program to replace old, inefficient equipment with more energy-efficient models.

1. **Interest-free financing:** You can upgrade equipment without high interest costs and put that money back into your business.
2. **No out-of-pocket costs:** Your bill should not increase due to your equipment investment.
3. **No additional paperwork:** You can directly pay off your loan on your energy bill.
4. **Savings:** Once the loan is paid off you will see savings on your bill.



Sample Project

A grocery store took out a \$72,000 loan for a refrigeration upgrade at their stores. See how the total cost of the project was paid for using monthly savings.

Loan Amount	Monthly Savings	Monthly Payment
\$72,000	+\$3,000	-\$3,000
Annual Savings	Payback Period	
\$36,000	24 months	



The USDA Rural Energy Savings Program

Innovative Partnerships and Expanded Energy Efficiency Measures

RESP Overview

0% for up to 20 years.

RUS



Eligible Borrower



Consumer for EE Measures @ qualified consumer's facilities

Loan @ 5% or less for up to 10 years.

Manufactured home energy efficiency retrofit or full replacement (cost effectiveness required)

Who Can be a RESP Borrower?

- **any** public power district, public utility district, or similar **entity**, or any electric cooperative **that borrowed and repaid, prepaid, or is paying an electric loan** made or guaranteed by RUS;
- any entity **primarily owned or controlled by 1 or more entities described above**; or
- **any** other corporations, states, territories, and subdivisions and agencies thereof; municipalities; people's utility districts; and cooperative, nonprofit, limited-dividend, or mutual associations **that provide or propose to provide eligible purposes under RESP, including energy efficiency, renewable energy, energy storage or energy conservation measures and related services, improvements, financing, or relending.**

Program Profile

- As of FY2021, 31 approved loans.
- Approved loan sizes range from \$150k to \$50 Million.
- **Approved average loan size \$6.96 Million.**
- Approved loans with significant renewable energy elements increasing.
- One full manufactured home replacement loan for energy efficiency made to an electric cooperative.

AGENDA ITEM

DATE: JUNE 23, 2023

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: MANAGER'S REPORT

1. Water Balance - Update
2. Permit Compliance & Monitoring & Reporting Programs (MRPs) - Update
 - a. WDR MRP - Land Discharge Permit – Compliance & Reporting Update
 - i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time
 - b. NPDES MRP – Surface Water Discharge Permit – Compliance & Reporting Update
 - i. Reporting Status Matrix – No Certified Violations, Annual Recycled Water Confirmation Filed Past Due
 - ii. Surface Discharge Initiated on May 1 – 65 MG in Storage
 - i. Water Characterization Sampling May 8 – Fee Reduced from \$9488 to \$6866
 - a. Results Expected late June 2023
 - ii. Acute and Chronic Toxicity Sampling Performed May 9,11 and 15
 - a. Acute Toxicity – Annual Testing Required when Discharging - \$767
 - i. Failed @ 60 % Survival Rainbow Trout
 - ii. Permit requires 70% or better survival
 - iii. Reported to Regional Water Board – Waiting for Direction
 - b. Chronic Toxicity - Once in Permit Term – (i.e. Every 5 years) \$8882
 - i. Passed for all species
3. Other
 - a. PGE-SGIP-2020-3656 – WWTF Powerpack Project – Update
 - i. Permit to Operate (PTO) Issued April 4, 2023
 - ii. Water Damage to Low Lying Relays Delaying Start Up- ~ \$7000 Repair / Relocate – July 5-7
 - iii. Reimbursement of SGIP Deposit and GSRE Reimbursables on hold until final SGIP Inspection
 - b. Cal OES Community Power Resiliency Allocation – \$300,000 - Update
 - i. Close Out Submitted April 24, 2023 – No Further Action Required
 - ii. Bee Gulch Powerwalls – Targeting Installation in August or September
 - c. PG&E Equipment Loss Claim – Filed June 1, 2023 for \$16,954 – Approved with Deprec. – Net \$11,973
 - d. BVWD Roster – 2023 Expiring Terms of Office (Thordarson, Brown)
 - i. Notice of Calling Election Filed June 12, 2023
 - ii. Election Date – November 7, 2023
 - iii. Declarations of Candidacy must be filed between July 17 – August 11
 - e. New 2023 GMC Truck Involved in Accident
 - i. Chief Plant Operator slid on ice into a tree - No injuries – March 29, 2023
 - ii. \$19,212+ in Damages - \$500 Deductible
 - iii. Repaired and received back June 12, 2023

- f. PG&E Contractor Damage to Force Main @ Lake Alpine During An Electrical Repair June 9, 2023
 - i. 100 Gallon Category 3 Spill - Reported to Cal OES & Regional Water Board
 - ii. Vac Truck on Site collected water and enabled the electrical repair to be completed
 - iii. Force Main is temporarily repaired while we locate materials and a contractor
- g. Large Tree Washed Down Bee Gulch Creek Lodging Itself against 8" Ductile Iron elevated creek crossing gravity collection line sometime this winter
 - i. Jay's Tree Service - \$7,900 To Remove It - Very Hazardous work over open water
 - ii. Pipe Bent but still intact - will assess repair / replacement once better access is available
- h. Treatment Plant Solar Project
 - i. NEM2 Intx Application - Submitted April 6 before Sunset Deadline -Sol Rebel Fees \$3245
 - ii. NEM2 Intx Application Approved May 24 - Project Completion Required by April 15, 2026
 - iii. Geo-Engineering - Soils Analysis Proposed Tentatively for September / October 2023
- i.. July 1, 2023 - 6% Service Fee Rate Increase Postcard Mailer
- j. Jeanine Murphy - December 27, 1972 - June 5, 2023

Board Meeting 6-23-23

- **Influent Flows (MG) – Total of ALL Wastewater Received / % change previous year**

<u>March 2023</u>	<u>March 2022</u>	<u>March 2021</u>
3.332 / 106.4	3.131 / 286.5%	1.093 / 54.2%
<u>April, 2023</u>	<u>April, 2022</u>	<u>April, 2021</u>
4.214 / 135.6%	3.108 / 89.3%	3.481 / 90.1%
<u>May 2023</u>	<u>May 2022</u>	<u>May 2021</u>
5.679 / 281.3%	2.019 / 91.6%	2.204 / 63.1%
<u>June 1-17, 2023</u>	<u>June 2022</u>	<u>June 2021</u>
2.868	1.184 / 97.5%	1.214 / 73.3%

- **Transferred to PR (MG) - Volume of Water Moved from Treatment to Storage / % change previous year**

<u>March 2023</u>	<u>March 2022</u>	<u>March 2021</u>
5.400 / 151.5%	3.563 / 240.6%	1.481 / 63.8%
<u>April, 2023</u>	<u>April, 2022</u>	<u>April, 2021</u>
4.154 / 114.0	3.643 / 93.4%	3.902 / 97.9%
<u>May 2023</u>	<u>May 2022</u>	<u>May 2021</u>
7.269 / 299.1%	2.430 / 98.6%	2.465 / 51.1%
<u>June 1-17, 2023</u>	<u>June, 2022</u>	<u>June, 2021</u>
3.175	1.189 / 116.1%	1.024 / 42.8%

- **Land Application - Annual Totals – MG Applied / % change previous year**

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	41.395 / 174.0%	23.788 / 77.6%	30.639 / 158.8%	19.293 / 83.1%	23.215 / 144.6%

2023 to begin July 15? | 2022 Began May 27 | 2021 Began May 24 | 2020 Began June 2 | 2019 Began July 12 | 2018 Began June 1

- **Surface Discharge - Effluent Flow Discharge Totals – MG - NO EFFLUENT WAS DISCHARGED IN 2020, 2021, 2022**

<u>March 2023</u>	<u>April 2023</u>	<u>May 2023</u>	<u>June 1-17, 2023</u>	<u>Total 2023 Discharge</u>
0.0	0.0	30.913	17.031	
<u>March 2019</u>	<u>April 2019</u>	<u>May 2019</u>	<u>June 2019</u>	<u>Total 2019 Discharge</u>
0.0	0.0	29.5	26.9	56.5
<u>March 2018</u>	<u>April 2018</u>	<u>May 2018</u>	<u>June 2018</u>	<u>Total 2018 Discharge</u>
0.0	11.9	11.7	0.0	23.6
<u>March 2017</u>	<u>April 2017</u>	<u>May 2017</u>	<u>June 2017</u>	<u>Total 2017 Discharge</u>
15.8	29.9	29.7	16.9	92.3

- **Storage Reservoir Elevations and Volumes (based on 10/6/15 pressure chart):**

- Empty (minimum pool) = 7063.0' = 0 MG = 0
- Total Depth (w/2' Freeboard) = 7086.3' = 76.45 MG = 23.3'
- Total Depth (spillway) = 7088.3' = 85.86 MG = 25.3'
- Permitted Full Reservoir (2' Freeboard) = 7086.3' = 76.45 MG = 100%
 - Highest Level 2023 – 5/01/23 = 7083.3' = 63.08 MG = 82.5%
 - Highest Level 2022 – 5/26/22 = 7078.3' = 43.50 MG = 56.9%
 - Highest Level 2021 – 5/13/21 = 7073.3' = 25.17 MG = 32.9%
 - Highest Level 2020 – 5/28/20 = 7075.6' = 33.01 MG = 43.2%
 - Highest Level 2019 – 5/01/19 = 7079.8' = 48.68 MG = 63.7%
 - Highest Level 2018 – 4/20/18 = 7078.3' = 42.88 MG = 56.1%
 - Current Storage Volume = 7075.6' = 33.01 MG = 42.2% (6/17/2023)
 - Storage Volume 1 Year Ago = 7076.6' = 36.58 MG = 47.8% (6/16/2022)

- **Collection System**

- **2022** Jet 12,080', % change previous year: 103%. Video 7,674', % change previous year: 76%
- **2021** Jet 11,692', % change previous year: 68%. Video 9,980', % change previous year: 88%
- **2020:** Jet 17,194', % change previous year: 266%. Video 11,367', % change previous year: 196%
- **2019:** Jet 6,468', % change previous year: 93%. Video 5,800', % change previous year: 249%
- **2018:** Jet 6,990', % change previous year: 230%. Video 2,330', % change previous year: 173%
- **2017** Jet 3,030' Video 1350'



SMR / DMR Reporting

Facility Name: Bear Valley WWTF

Order Number: 5-01-208

Water Board Office: Region 5S - Sacramento

Case Worker: Kenny Croyle

Reporting Level: Level I

To review or submit a report, select it from the list below. To change the list of reports, check the status types and/or enter start and end dates.

Show reports that meet these criteria

Status:

- Submitted - report was already submitted to water board
- In-Progress - report has been edited but not submitted
- Past Due - report deadline has passed and report has not been submitted
- Future - report due date is in the future
- Withdrawn - report has been withdrawn

Show Report Due Between: and

[Export to Excel](#) Show:

Previous Next

Search results:

ID	Report Name	Type	Frequency	Reporting Period	Due Date	Status	Date Received	Date Reviewed	Certified Violations
2696275	May 2023	MONRPT	Monthly	05/01/2023 - 05/31/2023	07/01/2023	Future			No
2705021	June 2023	MONRPT	Monthly	06/01/2023 - 06/30/2023	08/01/2023	Future			No
2670546	Q1 2023 (3 times per year)	GR_WATER	Quarterly	04/01/2023 - 07/31/2023	09/01/2023	Future			No
2717431	July 2023	MONRPT	Monthly	07/01/2023 - 07/31/2023	09/01/2023	Future			No
2727287	August 2023	MONRPT	Monthly	08/01/2023 - 08/31/2023	10/01/2023	Future			No
2717432	Q2 2023 (3 times per year)	GR_WATER	Quarterly	08/01/2023 - 09/30/2023	11/01/2023	Future			No
2636565	November 2022	MONRPT	Monthly	11/01/2022 - 11/30/2022	01/01/2023	Submitted	12/12/2022		No
2644009	December 2022	MONRPT	Monthly	12/01/2022 - 12/31/2022	02/01/2023	Submitted	01/19/2023		No
2551408	2022	MONRPT	Annual	01/01/2022 - 12/31/2022	02/01/2023	Submitted	01/31/2023		No
2616354	Q3 2022 (3 times per year)	GR_WATER	Quarterly	10/01/2022 - 12/31/2022	02/01/2023	Submitted	01/23/2023		No
2670542	January 2023	MONRPT	Monthly	01/01/2023 - 01/31/2023	03/01/2023	Submitted	03/01/2023		No
2670543	February 2023	MONRPT	Monthly	02/01/2023 - 02/28/2023	04/01/2023	Submitted	03/21/2023		No
2670544	March 2023	MONRPT	Monthly	03/01/2023 - 03/31/2023	05/01/2023	Submitted	04/24/2023		No
2686689	April 2023	MONRPT	Monthly	04/01/2023 - 04/30/2023	06/01/2023	Submitted	05/15/2023		No



SMR / DMR Reporting

Facility Name: Bear Valley WWTF

Water Board Office: Region 5S - Sacramento

Reporting Level: Level II

Order Number: R5-2022-0037

Case Worker: Mohammad Farhad

All Electronic Date: 08/01/2018

To review or submit a report, select it from the list below. To change the list of reports, check the status types and/or enter start and end dates.

Show reports that meet these criteria

Status:

- Submitted - report was already submitted to water board
- In-Progress - report has been edited but not submitted
- Past Due - report deadline has passed and report has not been submitted
- Future - report due date is in the future
- Withdrawn - report has been withdrawn

Show Report Due Between: and

[Export to Excel](#) Show:

Previous Next

Search results:

ID	Report Name	Type	Frequency	Reporting Period	Due Date	Status	Date Received	Date Reviewed	Certified Violations	Report	Withdrawal
2688444	On Demand SMR (AnalyticalMethods Report Certification)	TECHRPT	On Demand	01/01/2023 - 02/28/2023	N/A	Future			No		
2618348	May 2023	MONNPDES	Monthly	05/01/2023 - 05/31/2023	07/01/2023	Future			No		
2618349	June 2023	MONNPDES	Monthly	06/01/2023 - 06/30/2023	08/01/2023	Future			No		
2618350	July 2023	MONNPDES	Monthly	07/01/2023 - 07/31/2023	09/01/2023	Future			No		
2618351	August 2023	MONNPDES	Monthly	08/01/2023 - 08/31/2023	10/01/2023	Future			No		
2618352	September 2023	MONNPDES	Monthly	09/01/2023 - 09/30/2023	11/01/2023	Future			No		
2618353	October 2023	MONNPDES	Monthly	10/01/2023 - 10/31/2023	12/01/2023	Future			No		
2618445	2022 (MRP X.D.3 Annual Recyc Water Policy)	TECHRPT	Annual	01/01/2022 - 12/31/2022	04/30/2023	Submitted Past Due	05/15/2023		Yes	Download Report	
2618342	November 2022	MONNPDES	Monthly	11/01/2022 - 11/30/2022	01/01/2023	Submitted	12/12/2022		No	Download Report	
2618343	December 2022	MONNPDES	Monthly	12/01/2022 - 12/31/2022	02/01/2023	Submitted	01/23/2023		No	Download Report	
2618432	2022 (MRP X.D.2 Annual Operations Rpt)	TECHRPT	Annual	01/01/2022 - 12/31/2022	02/01/2023	Submitted	01/30/2023		No	Download Report	
2618411	2022	MONNPDES	Annual	01/01/2022 - 12/31/2022	02/01/2023	Submitted	01/23/2023		No	Download Report	
2688575	On Demand SMR (AnalyticalMethods Report Certification)	TECHRPT	On Demand	01/01/2023 - 02/28/2023	02/08/2023	Submitted	02/08/2023		No	Download Report	
2618344	January 2023	MONNPDES	Monthly	01/01/2023 - 01/31/2023	03/01/2023	Submitted	03/01/2023		No	Download Report	
2618345	February 2023	MONNPDES	Monthly	02/01/2023 - 02/28/2023	04/01/2023	Submitted	03/21/2023		No	Download Report	
2618346	March 2023	MONNPDES	Monthly	03/01/2023 - 03/31/2023	05/01/2023	Submitted	04/24/2023		No	Download Report	
2618347	April 2023	MONNPDES	Monthly	04/01/2023 - 04/30/2023	06/01/2023	Submitted	05/15/2023		No	Download Report	



Jeff Gouveia
Bear Valley Water District
441 Creekside Drive
Bear Valley, CA 95223

June 6, 2023

Jeff:

I have enclosed our report entitled “Toxicity Testing of the Bear Valley Water District Effluent” for samples collected May 9, 11, 15, and 17, 2023. The results of this testing are summarized below.

Acute Toxicity of Effluent to Rainbow Trout

There was 60.0% survival in the effluent. The TST result for survival was a Fail, with a corresponding percent effect of 40.0%.

Chronic Toxicity of Effluent to *Selenastrum capricornutum*

There were no significant reductions in growth; the growth NOEC was 100% effluent, resulting in 1.0 TUc. The TST result for the growth endpoint was a Pass at the 25% effluent with a corresponding percent effect of -29.5%.

Chronic Toxicity of Effluent to *Ceriodaphnia dubia*

There were no significant reductions in survival or reproduction; the survival and reproduction NOEC were 100% effluent, resulting in 1.0 TUc for both endpoints. The TST result for the reproduction endpoint was a Fail at the 25% effluent with a corresponding percent effect of 35.7%, however the TST result for the reproduction endpoint was a Pass at the higher 100% effluent with a corresponding percent effect of -15.5%.

Note that there was an interrupted concentration response at the 25% effluent treatment. As there were no significant reductions in survival or reproduction at the higher 50% and 100% effluent treatments, the reduction at the 25% effluent treatment is considered anomalous and unreliable.

Chronic Toxicity of Effluent to Fathead Minnows

There were no significant reductions in survival or growth; the survival and growth NOEC were 100% effluent, resulting in 1.0 TUc for both endpoints. The TST result for the survival and growth endpoint were a Pass at the 25% effluent, and the corresponding percent effects were 2.5% and 6.6%, respectively.

PGE Claim Form

Item Description	Make / Brand	Model: Name / Number / Size	Age	Amount Claimed
Surge Protector & Fuses	Ditek	DTK-2403CMXPLUS / 1 / 240V	6	\$165.47
PLC Output Module	Micro Logix	1762-OF4 / 1 /	3	\$792.03
Surge Suppresor	New Innovative Technology	HS-120-30A / 1 / 30A	8	\$516.27
Signal Conditioner	Eurotherm Controls	G408-0001.V1	8	\$693.98
SMC Flex Protective Module	Allen Bradley	AB 150-F84L / 1 / 150	1	\$409.63
Powerflex EMC Filter	Allen Bradley	22-RFD070 / 1 / 500V	8	\$375.00
AC Current Switch	Dwyer	CCS-221100 / 1 /	8	\$56.39
AirSmart Controller	Gardner Denver	VP1017673AJ / 1 / 460V	8	\$2,476.00
Variable Speed Drive	Allen Bradley	PF-400-D-60A / 1 / 400A	8	\$5,480.48
Total				\$10,965.25
MOV Protection / VFD Diagnosis & Removal	Labor			\$2,345.00
VFD Install	Labor			\$3,438.63
Total				\$16,748.88

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Release") is entered into by and between Bear Valley Water District ("Claimant") and Pacific Gas and Electric Company ("PG&E"). For and in consideration of PG&E's payment of \$ 11,973.14 payable to Claimant Bear Valley Water District concerning ½ South of Highway 4 in Bear Valley, California, the undersigned agrees to the following:

RECITALS

On or about, 8/23/2023, customer sustained property damage at ¼ South of Highway 4 in Bear Valley, California ("the incident"). Claimant contends that PG&E is legally responsible for the incident. PG&E denies the contention. However, the parties wish to avoid the costs and expenses associated with the dispute, and wish to resolve this dispute informally, subject to the terms of this Release:

TERMS

1. Release: Claimant shall and does release, discharge and covenant not to sue or take administrative action against PG&E, its directors, agents, principals, receivers, trustees, employees, contractors, attorneys, representatives, insurers, predecessors or successors-in-interest and assignees as to any and all claims or causes of action of every kind and nature whatsoever, in law and in equity, whether known or unknown, which arise out of or are related to the incident. Claimant waives the provisions of California Civil Code section 1542, which provides as follows:

A general release does not extend to the claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected his or her settlement with the debtor.

2. No Admission of Liability: PG&E admits no liability for the incident in agreeing to the terms of this Release.
3. Scope of Release: This Release shall apply to and be binding upon PG&E and its directors, agents, principals, receivers, trustees, employees, contractors, attorneys, consultants, insurers, successors, and assignees, including but not limited to individuals, partners, and subsidiary and parent corporations.
4. Indemnity: Claimant agrees to defend, protect, indemnify and hold harmless PG&E from any and all loss, claim, expense, demand and cause of action, including but not limited to past, current, or future claims, causes of action, demands or liens brought by any person or entity arising out of or in any way connected with the incident.

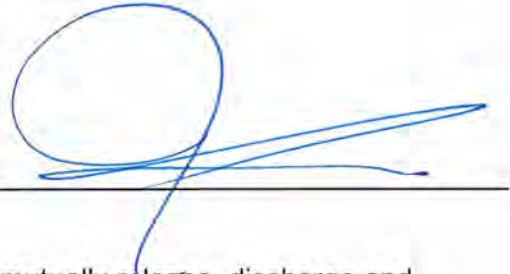
5. Release Drafted By All Parties: This Release shall be deemed to have been drafted equally by the parties, and shall not be interpreted for or against either party on the ground that any such party drafted it.
6. Governing Law: This Release shall be governed by and construed in accordance with the laws of the State of California.
7. Integration of Terms and Conditions: This Release contains all of the terms and conditions agreed upon by Claimant and PG&E relating to the matters covered by this Release, and supersedes any and all prior agreements, negotiations, correspondence, understandings, and communications of the parties, whether verbal or written, respecting the matters covered by this Release. This Release may be modified only by a writing signed by the parties or their authorized representatives.
8. Knowing and Voluntary Agreement: The parties to this Release acknowledge that they have reviewed all of the terms and conditions of this Release and have had the benefit of legal counsel's advice with respect to the Release.
9. Authorization to Execute Agreement: The parties to this Release represent and warrant that the persons who have signed this Release on their behalf are authorized to enter into this Release, and to bind the parties to its terms and conditions.
10. Parties to Bear Their Own Costs and Attorneys' Fees: The parties to this Release shall bear their own respective costs and attorneys' fees in connection with the incident, including actions brought to enforce the terms of this Release.
11. Effective Date: The effective date of this Release shall be the date it is signed by authorized representatives of Claimant and PG&E.
12. No Third Party Benefits: This Release is made for the sole benefit of the parties, and no other person or entity shall have any rights or remedies under or by reason of this Release, unless otherwise expressly provided for herein.

CLAIMANTS

Dated: _____

6/8/23

Signed: _____



Release. The parties to this agreement shall and do mutually release, discharge and covenant not to sue or take administrative action against each other, their respective directors, agents, principals, receivers, trustees, employees, contractors, attorneys, representatives, insurers, predecessors or successors-in-interest and assignees as to any and all claims or causes of action of every kind and nature whatsoever, in law and in equity, whether known or unknown, which arise out of or are related to the incident. The parties mutually waive the provisions of California Civil Code section 1542, which provides as follows:

A general release does not extend to the claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected his or her settlement with the debtor.



COUNTY OF ALPINE
Office of the County Clerk

Teola L. Tremayne, County Clerk
Ex Officio Clerk to the Board of Supervisors
Ex Officio Registrar of Voters

April 25, 2023

Bear Valley Water District
P.O. Box 5027
Bear Valley CA 95223

Attn: Jeff Gouveia, General Manager
Judi Silber, Office Manager

Dear Jeff and Judy:

Preparations are currently in progress for the November 7, 2023 election. Several items will need to be acted upon by your district board in conjunction with the required "Notice of Election". Please provide in writing the information outlined below.

1. **NOTICE CALLING THE ELECTION**

The general district election will be held on November 7, 2023. Pursuant to Elections Code §10509, on the 125th day (July 5, 2023) prior to the day fixed for the general district election, the secretary shall deliver a notice to the county elections official. The notice shall bear the secretary's signature and the district seal and shall also contain all of the following:

Please include in the notice, in case of a tie vote, how the method of selecting the winner will be determined, and who is responsible for determining the winner.

A. **Elective offices**

The elective office of this district to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term.

It is the Districts responsibility to ensure accurate information is provided to the Registrar's office when a vacancy occurs. According to law, you have 15 days to notify the Registrar's office of the vacancy. If you have a vacancy occur between the date of your resolution and the beginning of the nomination period, you must notify the Registrar within 48 hours of vacancy.

B. **Candidate's statement — number of words**

The district board must determine whether to limit candidate statements of qualifications to 200 words or authorize an extension to 400 words (We recommend 200 words). (Reference: Elections Code §13307(a))

BV Water District 2023 Election

C. **Candidate's statement costs**

The district board must determine whether the individual candidate(s) or the district will pay for the publication of the voluntary candidates' statements included in the Sample Official Ballot Pamphlet. If prepayment is required, a statement to this effect must be included in the notice. The Registrar of Voters office will then direct candidates to prepay the estimated costs at the district office or the County Clerk's office prior to the statement being filed with the nomination documents.

Enclosed is a sample notice, which may be of assistance to you in providing the required information. **The deadline for submission of the notice for the November 7, 2023 Utility District Election is no later than July 5, 2023.** This date is to ensure that the information, for your general board member election, is included in the Candidates Guide that is prepared and distributed by this office.

2. **NOTICE OF DISTRICT ELECTION AND PUBLICATION OF ELECTION NOTICE**

Elections Code §12112 requires that we publish a notice of election providing information on the date of the election, offices for which candidates may file, qualifications required by your principal act, etc. Since we have no newspaper of general circulation in Alpine County, the Attorney General has determined that we may post rather than publish. Your district board has a choice of how they would prefer this required publication:

A. **Combined election notice with other districts**

In an effort to reduce costs to the district(s) while still meeting requirements of code, we propose to post one election notice, combining information on all special districts scheduled for election on November 7, 2023.

OR

B. **Individual district notice**

If your district board prefers an individual election notice, I will prepare an individual notice and only post it within your district.

Please complete the attached two forms ("Notice of Election" and "Publication of Notice of Election"). They are to be submitted with the election resolution.

3. **REIMBURSEMENT OF COSTS**

The Board of Supervisors adopted a Resolution establishing a schedule of fees and charges for the administration of elections by Alpine County Elections.

A bill will be submitted to your district after the November 7, 2023 election.

4. **CERTIFICATION OF MAPS AND BOUNDARIES**

Elections Code §10522 requires that at least 125 days before the election a current map and boundary description be delivered to the Registrar of Voters. For the November 7, 2023 Election, **our administrative deadline is July 5, 2023**. If, however, there have been no boundary changes since your last election, you may certify the map and boundary description, which we have on file, as being current. You can do so, by enclosing a signed letter stating this information, or stating that there has been no boundary changes in your resolution submitted to our department.

5. **OTHER**

- A. **If your district is contemplating placing a measure in the November 7, 2023 Election, please coordinate this with our office at the earliest date possible. The administrative deadline for a district measure to be consolidated with the November election is August 11, 2023.** If this deadline cannot be met, contact this office immediately. It is important for your district and our office to coordinate the details of what and how items need to be submitted to us.
- B. If any resolutions necessitate special requirements that the Elections' Office needs to fulfill, such requirements need to be listed in the resolution.

6. **RETURN TO VOTER REGISTRATION AND ELECTIONS**

- ▶ Notice of Election
- ▶ Posting of Notice of Election form
- ▶ Certification of maps and boundaries

The nomination period for the November 7, 2023 election is July 17, 2023 through August 9, 2023. A "Candidate Guide" for the election is being prepared and will be provided to all candidates at the time they obtain their nomination papers.

If you have any questions regarding the election, or require additional information or clarification of the above, please call me at (530) 694-2281.

Very truly yours,


Teola L. Tremayne
County Clerk / Elections Official
Enclosures

NOTICE OF DISTRICT ELECTION

BEAR VALLEY WATER DISTRICT

Notice is hereby given that a General District Election will be held November 7, 2023 in this district. The offices for which candidates may declare their candidacy are (list title of office and number of positions):

Qualifications: Each candidate must meet the following qualifications for office as specified in the principal act or code under which this district is organized:

Candidate's Statement – Number of words: **(check one)**

- 200 word limit
 400 word limit

Candidate Statement - Costs

- Candidate pre-pays at the district office or the County Clerk's office
 District pays for the candidate statement

for the publication of the candidate's statement, pursuant to Elections Code §13307.

Reimbursement of Costs: Bear Valley Water District agrees to reimburse the Alpine County Clerk for actual costs accrued, such costs to be calculated by the method set forth in the County's current Election Cost Allocation Procedures.

In case of a tie vote, how the method of selecting the winner will be determined, and who is responsible for determining the winner.


Code Reference:

Official declarations of candidacy for eligible candidates desiring to file for any of the elective offices may be obtained from the office of the County Clerk at 99 Water Street, Markleeville CA or the Bear Valley Water District at 441 Creekside Drive, Bear Valley CA, on and after July 17, 2023, and must be filed not later than 5:00 p.m. on August 11, 2023. However, if a declaration of candidacy for an incumbent is not filed by the latter date and hour, any person other than the incumbent shall have until 5:00 p.m. on August 16, 2023, to file a declaration of candidacy for such office.

Appointment to each elective office will be made by the supervising authority as prescribed by Elections Code §10515 in the event there are no candidates or an insufficient number of candidates for such office and a petition for an election is not filed within the time prescribed by Elections Code §10515; that is, by 5:00 p.m. on August 16, 2021.

Dated this 12th day of June, 2023.

(District Seal)


Judieth L. Silber
District Secretary

PUBLICATION OF NOTICE OF ELECTION

Elections Code §12112 requires the publication of a "Notice of Election." The notice shall contain the date of the general district election, name the offices for which candidates may file, and state the qualifications required by the principal act for each office, as well as other pertinent information. Since Alpine County has no newspaper of local circulation, the Attorney General has determined that the notice may be posted.

Bear Valley Water District


Recommends that the Registrar of Voters publish (check one only):

A combined election notice with other districts

or

A separate/individual district notice.

Dated: 12th June 2023


Judieth L. Silber
District Secretary

NOTICE OF ELECTIVE OFFICES TO BE FILLED AND TRANSMITTAL OF MAP AND BOUNDARIES

(Residential and Landowner Voting Districts)

(Elections Code Sections 10509, 10522, 10524)

Bear Valley Water District

(Name of District)

To the County Clerk / Registrar of Voters:

County of Alpine
PO Box 158
Markleeville, CA 96120

(1) Notice is hereby given that at the next general district election, to be held in the above district on November 7, 2023, the elective offices listed below are to be filled, and the following measure(s) are to be voted upon:

<u>OFFICE</u>	<u>ELECTED</u>		<u>NUMBER TO BE ELECTED</u>
	<u>At Large</u>	<u>By Division</u>	
Director	x		2

(2) A map showing the boundaries of the district and the boundaries of the divisions of the district, if applicable, is attached hereto.

(3) That if any candidate elects to file a statement of qualifications, pursuant to Elections Code §13307, the expense of publication is to be paid by the candidate.
(candidate or district)

DATED: June 12, 2023 _____

Judith L. Silver
(Signature of Secretary)

(District Seal)

By the 125th day prior to the general district election the secretary shall deliver this notice bearing his/her signature and the district seal to the county elections official. (Elections Code §10509)

At least 125 days prior to the general district election the secretary shall deliver to the elections official of each affected county a map showing district boundaries and boundaries of divisions within the district, if applicable. (Elections Code §10522)

1	N 10°26' E	137.2
2	N 11°32'30" E	184.9
3	N 31°18' E	451.0
4	N 45°26'30" E	344.0
5	N 80°11' W	314.2
6	S 60°14' W	354.31
7	N 85°15' W	193.31
8	N 11°00' W	319.5
9	N 31°26'30" E	314.5
10	N 44°30' E	419.6
11	N 65°00' W	251.9
12	N 45°26'30" E	100

13	N 40°04' E	214.15
14	N 02°14'30" W	154.1
15	N 45°26'30" E	184.12
16	N 74°45' E	119.1
17	NORTH	50.00
18	N 80°50'30" E	25.35
19	N 12°05' E	199.18
20	N 18°55' E	264.44
21	N 75°41' W	308.04
22	N 45°26'30" E	313.18
23	N 17°03'30" W	415.35
24	N 14°14'30" E	315.48
25	N 17°18' W	138.33

33 | 34
4 | 3

32 | 33
5 | 4

32 | 32
6 | 5

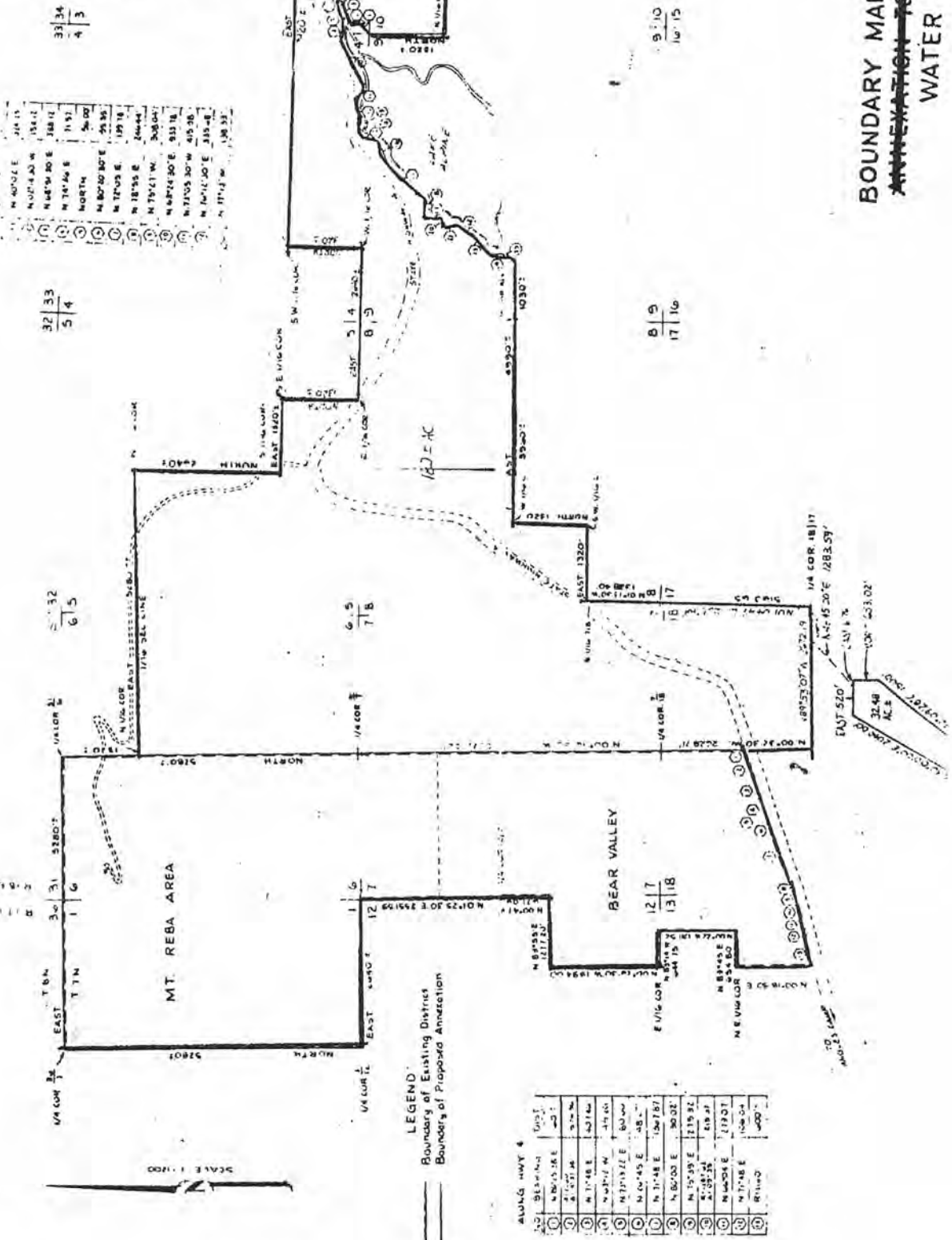
30 | 31
1 | 6

6 | 5
7 | 8

8 | 9
17 | 16

9 | 10
16 | 15

12 | 7
13 | 18



BOUNDARY MAP OF ~~AMENDMENT TO~~ BEAR VALLEY WATER DISTRICT

Approved
 7/6/78

ALONG HWY 4

1	N 10°26' E	137.2
2	N 11°32'30" E	184.9
3	N 31°18' E	451.0
4	N 45°26'30" E	344.0
5	N 80°11' W	314.2
6	S 60°14' W	354.31
7	N 85°15' W	193.31
8	N 11°00' W	319.5
9	N 31°26'30" E	314.5
10	N 44°30' E	419.6
11	N 65°00' W	251.9
12	N 45°26'30" E	100
13	N 40°04' E	214.15
14	N 02°14'30" W	154.1
15	N 45°26'30" E	184.12
16	N 74°45' E	119.1
17	NORTH	50.00
18	N 80°50'30" E	25.35
19	N 12°05' E	199.18
20	N 18°55' E	264.44
21	N 75°41' W	308.04
22	N 45°26'30" E	313.18
23	N 17°03'30" W	415.35
24	N 14°14'30" E	315.48
25	N 17°18' W	138.33

COUNTY OF ALPINE
BEAR VALLEY WATER DISTRICT

ROSTER
2023

Legal Name of Public Agency: Bear Valley Water District
PO Box 5027
Bear Valley, CA 95223
209-753-2112

General Manager: Jeff Gouveia
Office Manager: Judi Silber
Board President: James Bissell
Board VP: Gunnar Thordarson
Secretary: Judi Silber
Treasurer: Ken Brown
Director: John Boyle
Director: Diane Lundquist

BOARD OF DIRECTORS:

TERM OF OFFICE:

Ken Brown
4656 Winding River Circle
Stockton, CA 95219
209-969-3406
650-323-5438, 209-753-2148

12-03-2019 to 12-05-2023
Appointed 12/03/2019
Appointed 12/03/2015
Appointed 06/23/2014
AB 1234 Ethics Training 2-2025, **Renew**

John Boyle
541 Fanita Way
Menlo Park CA 94025
650-323-5438, 209-753-2148
650-323-5438, 209-753-2148

12/03/2021 to 12/05/2025
12-01-2017 to 12-01-2021
Appointed 12-3-2018
Appointed 12-03-2013
AB 1234 Ethics Training 2/2025, **Renew**

Diane Lundquist
PO Box 5297
Bear Valley, CA 95223
650-804-6155

12/03/2021 to 12/05/2025
Stefaniya Becking Appointed
12-06-2017 to 12-01-2021
Appointed 03-15-2020
AB 1234 Ethics Training 4/2025, **Renew**

Gunnar Thordarson
PO Box 7739, 331 Winding Way
Incline Village, CA 89451
408-209-3234

12-03-2019 to 12-05-2023
Appointed 12-03-2019
Appointed 12-03-2015
Elected 11-8-2011
AB 1234 Ethics Training 4/2025, **Renew**

James D. Bissell
17480 Madison Ave.
Castro Valley, CA 94546
510-886-1598

12/03/2021 to 12/05/2025
12-01-2017 to 12-01-2021
Appointed 12-1-2018
Appointed 11-5-2013
Elected 11-3-2009
AB 1234 Ethics Training 2/2025, **Renew**

NOTICE OF RATE CHANGE

Notice is hereby given that the Bear Valley Water District will be increasing monthly sewer service rates. Pursuant to California Government Code 53756, the rate increase adjusts the amount of the monthly charge in accordance with the schedule of adjustments, including the clearly defined formula for inflation adjustments, which was noticed and adopted by the District following the Proposition 218 public hearing on June 25, 2022.



At a regularly scheduled District meeting on February 21, 2023, the District's Board of Directors adopted Board Order 2023-01, approving a 6 % increase in wastewater service rates effective July 1, 2023.

The rate change includes changes to rates for each rate class, including residential and commercial, and will be effective as follows:

		Current Monthly Service Rate	New Monthly Service Rate
Residential Fixed Rate ^[1]	<i>\$/ month</i>	\$102.13	\$108.26
Commercial Volumetric Rate ^{[1][2]}	<i>\$/ gallon</i>	\$0.072	\$0.076

[1] Service Rate is based on a monthly cost of service. However, customer invoicing occurs quarterly.

[2] The new commercial minimum monthly charge will be equal to the residential fixed charge of \$108.26/month.

To receive more information or for additional questions about wastewater service rate increases, please contact the District office via phone at (209) 753-2112 or email the General Manager at Jeff.Gouveia@bvwd.ca.gov.

Bear Valley Water District • 441 Creekside Drive • P.O. Box 5027 • Bear Valley, CA 95223 • Phone: (209) 753 - 2112

	Prior Year July 1 - May 31	FY 21-22 Budget	FY 21-22 Budget	Current Year July 1 - May 31	FY 22-23 Budget	FY 22-23 Budget	Variance Explanation
OPERATING REVENUES							
Residential	628,852	630,000	100%	663,947	667,800	99%	
Commercial	124,073	120,000	103%	180,116	167,000	108%	
OPERATING REVENUE	752,925	750,000	100%	844,063	834,800	101%	Revenue Target 100%
OTHER REVENUE							
Interest Income - LAIF	694	1,500	46%	7,742	800	968%	
Late Fee, Penalties and Interest	1,489	2,500	60%	12,097	1,500	806%	
Expense Reimbursements - USFS Campground	4,805	4,805	100%	5,219	5,219	100%	
Expense Reimbursements - Concessionnaire	3,830	3,830	100%	2,306	2,306	100%	
Misc Other Income - Ret Bank Fees	305	5,200	6%	385	0	0%	
TOTAL OTHER REVENUE	11,123	17,835	62%	27,749	9,825	282%	
TOTAL ALL REVENUES	764,048	767,835	100%	871,812	844,625	103%	
OPERATING EXPENDITURES							
Salaries & Benefits	344,437	395,022	87%	354,969	419,433	85%	
Director Expenses	3100	2,000	155%	1300	2,000	65%	
Operator Training & Certs	150	1,000	15%	341	1,000	34%	
Gas, Diesel, Oil & Filters	3,219	3,000	107%	3851	4,000	96%	Over Budget
Insurance	16,137	18,000	90%	25,745	30,000	86%	
Memberships & Conferences	4,681	5,500	85%	5,398	5,500	98%	On Target
Office Expenses & Supplies	7,808	7,500	104%	11,131	7,500	148%	\$3000 Grant Funds Offset
Field Expenses & Supplies	23,919	20,000	120%	18,487	20,000	92%	
Grooming, Snow Removal & Vehicle Storage	1,617	3,500	46%	8,483	3,500	242%	Over Budget
Engineering & Consulting	226	5,000	5%	2353	5,000	47%	
Legal & Accounting	7,974	10,000	80%	8,958	10,000	90%	
Equipment Rental	665	800	83%	747	1000	75%	
Repairs & Maintenance	59,895	60,000	100%	55,507	60,000	93%	\$11,973 PG&E Claim Offset
Laboratory Fees	9,919	12,000	83%	17,063	18,000	95%	
Regulatory Reporting & Comp. Projects	6,321	6,500	97%	6,055	6,500	93%	On Target
Taxes, Fees, Licenses & Assessments	45,843	45,000	102%	50,368	50,000	101%	On Target
Utilities	57,687	55,000	105%	73,710	60,000	123%	UBD Prop Leak, Batt Issues, Incr Usage, Higher Costs Expense Target 92%
TOTAL ALL OPERATING EXPENDITURES	593,598	649,822	91%	644,465	703,433	92%	
NET OPERATIONAL INCOME	170,450	118,013	144%	227,347	141,192	161%	
OTHER EXPENSES							
Loan Interest	11,312	12,318	92%	9,121	10,557	86%	
Depreciation	101,327	100,596	101%	109,742	91,868	119%	
Misc Expense	7	0	UBD		0	UBD	
TOTAL OTHER EXPENSES	112,646	112,914	100%	118,862	102,425	116%	
NET INCOME	57,805	5,099	1134%	108,485	38,767	280%	
Cal OES Grant	45,456	0	UBD	254,544	249,751	102%	
SDLF Special District Technology Grant	0	0	UBD	2,878	3,000	96%	
Gain(Loss) On Sale of Asset	0	0	UBD	13,515	0	UBD	
Subtotal of Grant Income	45,456	0	UBD	270,937	252,751	107%	
NET INCOME - INCLUDING GRANTS & UBD	103,261	5,099	2025%	379,423	291,518	130%	
NON-OPERATING INCOME / EXPENSES							
Depreciation	101,327	100,596	101%	109,742	91,868	119%	
Capital Improvements / Replacements	(234,644)	(57,000)	94%	(322,718)	(357,953)	90%	On Target
Loan Payments - Principal	(40,331)	(44,019)	92%	(42,522)	(45,780)	93%	
Loan Allowance Payments	0	0	UBD	(30,345)	0	UBD	
CSDA Grant	0	0	UBD	0	0	UBD	
Cal OES Grant	254,544	0	UBD	0	0	UBD	
SGIP Deposit Reimbursement	0	0	UBD	0	15,700	0%	
GSRE Reimbursement - Powerpack Proj.	0	0	UBD	0	9,997	0%	
Gain(Loss) On Sale of Asset	0	0	UBD	13,515	0	UBD	
TOTAL NON-OPERATING INCOME / EXPENSES	80,895	(423)	-19124%	(272,329)	(286,168)	95%	
NET CASH FLOW	138,700	4,676	2966%	(163,843)	(247,401)	66%	

Bear Valley Water District Balance Sheet Prev Year Comparison As of May 31, 2023

	<u>May 31, 23</u>	<u>May 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
11015 - F&M Bank	219,241.28	709,262.02	-490,020.74	-69.09%
11018 - LAIF	607,570.23	320,272.93	287,297.30	89.7%
11020 - Petty Cash	50.00	50.00		
11025 - Capital Facilities Fund	29,026.00	29,026.00		
Total Checking/Savings	<u>855,887.51</u>	<u>1,058,610.95</u>	<u>-202,723.44</u>	<u>-19.15%</u>
Accounts Receivable				
11050 - Accounts Receivable	-729.60	-13,090.46	12,360.86	94.43%
Total Accounts Receivable	<u>-729.60</u>	<u>-13,090.46</u>	<u>12,360.86</u>	<u>94.43%</u>
Other Current Assets				
11055 - Accounts Receivable-Tax Roll	757.29	10,165.46	-9,408.17	-92.55%
11140 - Prepaid Insurance	23,255.37	19,401.79	3,853.58	19.86%
11170 - Prepaid Dam Fees	15,239.00	14,160.00	1,079.00	7.62%
Total Other Current Assets	<u>39,251.66</u>	<u>43,727.25</u>	<u>-4,475.59</u>	<u>-10.24%</u>
Total Current Assets	<u>894,409.57</u>	<u>1,089,247.74</u>	<u>-194,838.17</u>	<u>-17.89%</u>
Fixed Assets				
12010 - Land	25,805.16	25,805.16		
12020 - SbSrfLine	1,196,893.29	1,196,893.29		
12040 - Col Facilities	542,755.22	497,047.95	45,707.27	9.2%
12041 - LA Facilities	166,428.79	166,428.79		
12050 - TRT Facilities	1,462,926.57	1,358,836.36	104,090.21	7.66%
12060 - DSP Facilities	1,264,402.01	1,264,402.01		
12080 - P & A (Plant & Admin)Facilities	528,230.27	482,118.91	46,111.36	9.56%
12100 - Accumulated Depreciation	-3,118,505.50	-3,006,626.50	-111,879.00	-3.72%
14030 - Work in Progress				
14030.0 - W.I.P. - GIS Consulting Support	4,722.05	4,722.05		
16025 - Verisight Pro Plus 100M System		11,851.13	-11,851.13	-100.0%
16565 - FY20/21 - NPDES PERMIT (5 YR.)	9,489.31	47,317.25	-37,827.94	-79.95%
16580 - Tesla Backup Battery Cover @ Eq	50.28	104,090.21	-104,039.93	-99.95%
16585 - 2023 Ski-Doo Expedition LE 24	16,939.19	500.00	16,439.19	3,287.84%
16600 - SGIP-Tesla Backup Battery	15,700.00	15,700.00		
16610 - Radio Telemetry Project	68,299.35	35,720.38	32,578.97	91.21%
16620 - Main Pump Station Grinder Proje		33,856.14	-33,856.14	-100.0%
16630 - District Improvement Standards	13,417.90	10,956.28	2,461.62	22.47%
16640 - Bee Gulch Battery Energy Storag	29,349.00	4,867.90	24,481.10	502.91%
16650 - Main Office Battery Storage Sys	69,042.12	4,867.90	64,174.22	1,318.31%
16655 - Propositon 218 Rate Study		14,471.36	-14,471.36	-100.0%
16658 - Repaint Main Office	6,062.35		6,062.35	100.0%
16662 - 40KW Kohler Generator-L.A. Boat	47,533.14		47,533.14	100.0%
16663 - 2023 GMC Sierra Pickup 2500HD	63,313.82		63,313.82	100.0%
16664 - 60KW Kohler Generator-Main Pump	51,789.04		51,789.04	100.0%
16666 - Treatment Plant Solar Project	4,745.00	400.00	4,345.00	1,086.25%

Bear Valley Water District Balance Sheet Prev Year Comparison As of May 31, 2023

	May 31, 23	May 31, 22	\$ Change	% Change
Total 14030 - Work in Progress	400,452.55	289,320.60	111,131.95	38.41%
Total Fixed Assets	2,469,388.36	2,274,226.57	195,161.79	8.58%
TOTAL ASSETS	3,363,797.93	3,363,474.31	323.62	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
21021 - Accounts Payable	32,495.84	13,343.84	19,152.00	143.53%
Total Accounts Payable	32,495.84	13,343.84	19,152.00	143.53%
Other Current Liabilities				
21030 - Other Payable		-980.00	980.00	100.0%
21040 - Prepaid Revenue	232.97	232.97		
21090 - Payroll Liabilities	12,571.19	28,962.99	-16,391.80	-56.6%
2110 - Direct Deposit Liabilities	-8.18	-8.18		
22013 - '22 Special Dist. Tech Grant	96.25		96.25	100.0%
22015 - Cal OES Unearned Income		254,543.82	-254,543.82	-100.0%
22018 - CSDA Grant/COVID19-Unearned Inc	95,675.00	95,675.00		
22020 - CSWRCB Grant-Unearned Income	1,695.76		1,695.76	100.0%
22021 - Accrued Vacation	18,100.59	17,633.86	466.73	2.65%
Total Other Current Liabilities	128,363.58	396,060.46	-267,696.88	-67.59%
Total Current Liabilities	160,859.42	409,404.30	-248,544.88	-60.71%
Long Term Liabilities				
26025 - F&M Bank Loan	216,444.94	293,118.55	-76,673.61	-26.16%
Total Long Term Liabilities	216,444.94	293,118.55	-76,673.61	-26.16%
Total Liabilities	377,304.36	702,522.85	-325,218.49	-46.29%
Equity				
29000 - Retained Earnings	1,978,044.91	1,953,664.32	24,380.59	1.25%
29100 - O & M Emergency Reserve Fund	175,000.00	150,000.00	25,000.00	16.67%
29200 - CIP Reserve Fund	425,000.00	425,000.00		
29300 - Capacity Fee Reserve Fund	29,026.00	29,026.00		
Net Income	379,422.66	103,261.14	276,161.52	267.44%
Total Equity	2,986,493.57	2,660,951.46	325,542.11	12.23%
TOTAL LIABILITIES & EQUITY	3,363,797.93	3,363,474.31	323.62	

Bear Valley Water District A/P Aging Summary

As of February 28, 2023

Prepays February 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
A.T.&T.	146.29					146.29	Telephone & Internet Main Office
Card Services	1,987.86					1,987.86	Office, Telephone, Field Supplies, R&M
E.D.D.	69.96					69.96	State Payroll Taxes
E.D.D.	313.19					313.19	State Payroll Taxes
E.D.D.	327.34					327.34	State Payroll Taxes
E.D.D.	83.64					83.64	State Payroll Taxes
F & M Bank	4,694.80					4,694.80	Principal & Interest on Loan
F & M Bank	34.02					34.02	Service Fees
I.R.S.	1,949.70					1,949.70	Federal Payroll Taxes
I.R.S.	2,306.34					2,306.34	Federal Payroll Taxes
Lake Alpine Water Company	170.01					170.01	Water Main Office
P.G.&E.	3,608.23					3,608.23	Electricity for February 2023
S.D.R.M.A.	2,923.39					2,923.39	Health,Life,LTD,Dental, & Vision Emp.
Vantage Transfer	225.26					225.26	401 Retirement for Employees
Vantage Transfer	718.43					718.43	457 Retirement for Employees
Vantage Transfer	270.88					270.88	401 Retirement for Employees
Vantage Transfer	968.98					968.98	457 Retirement for Employees
TOTAL	20,798.32					20,798.32	

Accounts Payable February 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Alpha Analytical Laboratories Inc.		791.00				791.00	Laboratory Analysis
AT&T Business Service 2		-146.29			-12.72	-159.01	Credit
CALNET		47.48				47.48	Scada Telephone Line
EBBETTS PASS GAS CO. Inc.		550.85				550.85	Propane for Main Office
Ebbetts Pass Lumber Co. Inc.		241.14				241.14	Field Supplies
FYE 2021-2022 ADJ.					-48.87	-48.87	FYE Adjustment
Hach		254.42				254.42	Laboratory Supplies
Judi Silber		40.61				40.61	Mileage Reimbursement
Sol Rebel Power Systems		500.00				500.00	Solar Project
Stantec Consulting Services Inc.		2,618.50				2,618.50	Third Tri-Annual Report
TOTAL		4,897.71			-61.59	4,836.12	

**Bear Valley Water District
A/P Aging Summary
As of March 31, 2023**

Prepays March 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Card Services	2,090.29					2,090.29	Office, Field Supplies, Telephone, R & M
E.D.D.	327.33					327.33	State Payroll Taxes
E.D.D.	83.65					83.65	State Payroll Taxes
E.D.D.	87.16					87.16	State Payroll Taxes
E.D.D.	281.14					281.14	State Payroll Taxes
E.D.D.	85.05					85.05	State Payroll Taxes
E.D.D.	163.36					163.36	State Payroll Taxes
F & M Bank	4,694.80					4,694.80	Principal & Interest on Loan
F & M Bank	51.84					51.84	Service Fees
Glenn S. Caldwell Insurance	23,890.00					23,890.00	Prepaid Insurance
I.R.S.	2,306.30					2,306.30	Federal Payroll Taxes
I.R.S.	2,412.06					2,412.06	Federal Payroll Taxes
I.R.S.	2,348.16					2,348.16	Federal Payroll Taxes
Lake Alpine Water Company	171.72					171.72	Water for Main Office
P.G.&E.	3,608.29					3,608.29	Electricity for March 2023
S.D.R.M.A.	2,953.76					2,953.76	Health, Life, LTD, Dental, & Vision Ins.
Vantage Transfer	968.99					968.99	457 Retirement for Employees
Vantage Transfer	270.89					270.89	401 Retirement for Employees
Vantage Transfer	282.60					282.60	401 Retirement for Employees
Vantage Transfer	984.89					984.89	457 Retirement for Employees
Vantage Transfer	275.57					275.57	401 Retirement for Employees
Vantage Transfer	983.01					983.01	457 Retirement for Employees
TOTAL	49,320.86					49,320.86	

Accounts Payable March 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Alpha Analytical Laboratories Inc.	233.00	1,303.00				1,536.00	Laboratory Analysis
Aqua Sierra Controls, Inc.		3,322.12				3,322.12	Repair & Maintenance
Arnold Auto Supply Inc.		235.88				235.88	Auto Parts & Supplies
AT&T Business Service 2		146.29			-12.72	133.57	Telephone for Main Office
California Steam Specialties		450.83				450.83	Repair & Maintenance

Bear Valley Water District
A/P Aging Summary
As of March 31, 2023

Accounts Payable March 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
CALNET		68.58				68.58	Telephone Line for SCADA
Clay Eastman Snow Removal		1,855.56				1,855.56	Snow Grooming & Removal
Computer Firemen		100.00				100.00	Computer Repair & Maintenance
EBBETTS PASS GAS CO. Inc.		4,078.70				4,078.70	Propane for Main Pump Station & Main Office
Ebbetts Pass Lumber Co. Inc.		246.42				246.42	Field Supplies
Environmental Water Solution, Inc.		5,480.48				5,480.48	Repair & Maintenance
FYE 2021-2022 ADJ.					-48.87	-48.87	FYE Adjustment
Gateway Press Inc.		573.60				573.60	Rate Change Post Cards & Postage
Michael Page		256.50				256.50	Repair & Maintenance
Neumiller and Beardslee		725.00				725.00	Legal Fees
TOTAL	233.00	18,842.96			-61.59	19,014.37	

Bear Valley Water District
A/P Aging Summary
As of April 30, 2023

Prepays April 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
A.T.&T.	145.28					145.28	Telephone & Internet Main Office
A.T.&T.	146.29					146.29	Telephone & Internet Main Office
Card Services	1,935.64					1,935.64	Office, Field Supplies, Telephone, Repair & Maint
E.D.D.	106.70					106.70	State Payroll Taxes
E.D.D.	177.78					177.78	State Payroll Taxes
E.D.D.	106.15					106.15	State Payroll Taxes
E.D.D.	180.44					180.44	State Payroll Taxes
F & M Bank	4,694.80					4,694.80	Principal & Interest on Loan
F & M Bank	13.97					13.97	Service Fees
I.R.S.	2,837.20					2,837.20	Federal Payroll Taxes
I.R.S.	2,814.30					2,814.30	Federal Payroll Taxes
Jacob Archer	125.00					125.00	Snow Removal
Jay's Tree Service	1,500.00					1,500.00	Snow Removal
Lake Alpine Water Company	183.13					183.13	Water for Main Office
Liam Gouveia	125.00					125.00	Snow Removal
Michael Page	41.00					41.00	Supplemental Bill for Repair & Maintenance
Nathan Reeves	125.00					125.00	Snow Removal
P.G.&E.	4,283.98					4,283.98	Electricity for April 2023
S.D.R.M.A.	2,953.76					2,953.76	Health, Life, LTD, Dental, Vision Insurance for Emp.
State Water Resources Board	150.00					150.00	Employee Certification
Vantage Transfer	286.03					286.03	401 Retirement for Employees
Vantage Transfer	1,014.40					1,014.40	457 Retirement for Employees
Vantage Transfer	284.39					284.39	401 Retirement for Employees
TOTAL	24,230.24					24,230.24	

Accounts Payable April 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Alpha Analytical Laboratories Inc.		1,625.00				1,625.00	Laboratory Analysis
Alpine County Public Works		3,850.71				3,850.71	Unleaded & Diesel Fuel
Aqua Sierra Controls, Inc.		693.98				693.98	Repair & Maintenance
AT&T Business Service 2					-12.72	-12.72	Credit on Account

Bear Valley Water District
A/P Aging Summary
As of April 30, 2023

Accounts Payable April 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Calcon Systems, Inc.		180.00				180.00	Repair & Maintenance
CALNET		43.32				43.32	Telephone Line for SCADA
Columbia Communications Inc.		39.00				39.00	Pager for Field Staff
Dept. of Water Resources		15,239.00				15,239.00	Dam Fees FY2023-2024 Prepaid
EBBETTS PASS GAS CO. Inc.		994.28				994.28	Propane for Main Office
Ebbetts Pass Lumber Co. Inc.		240.62				240.62	Field Supplies
FYE 2021-2022 ADJ.					-48.87	-48.87	FYE Adjustment
Gateway Press Inc.		155.34				155.34	Envelopes for A/R Invoices
Hach		993.84				993.84	Laboratory Supplies
Industrial Electrical Co.		2,030.00				2,030.00	Repair & Maintenance
Jeff Gouveia		89.01				89.01	Field Supply Reimbursement
Ken Grady Company, Inc.		1,550.07				1,550.07	Repair & Maintenance
PVBid Inc.		600.00				600.00	Solar Project
Sol Rebel Power Systems		2,495.00				2,495.00	Solar Project
TOTAL		30,819.17			-61.59	30,757.58	

Bear Valley Water District
A/P Aging Summary
As of May 31, 2023

PREPAIDS MAY 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	DESCRIPTION
Alpine Recorder's Office	68.00					68.00	Recording Fees for Property Liens
A.T.&T.	161.33					161.33	Telephone & Internet for Main Office
Bank Service Charge	47.35					47.35	Monthly Bank Service Charges
Bounced Check Fee	10.00					10.00	Bounced Check Fee
Card Services	2,044.16					2,044.16	Office, Field Supplies, Telephone, Repair & Maint
Tommy Derrick	306.39					306.39	Refund for Overpayment
E.D.D.	102.64					102.64	State Payroll Taxes
E.D.D.	308.58					308.58	State Payroll Taxes
E.D.D.	112.49					112.49	State Payroll Taxes
E.D.D.	437.09					437.09	State Payroll Taxes
F & M Bank	4,694.80					4,694.80	Principal & Interest on Loan Payment
I.R.S.	2,741.98					2,741.98	Federal Payroll Taxes
I.R.S.	3,100.66					3,100.66	Federal Payroll Taxes
Isbelle Refund	34.65					34.65	Refund for Overpayment
Kelly Refund	289.05					289.05	Refund for Overpayment
Lake Alpine Water Company	181.31					181.31	Water for Main Office
P.G.&E.	4,182.86					4,182.86	Electricity for May 2023
S.D.R.M.A	2,953.76					2,953.76	Health, Life, LTD,
Terry Woodrow	60.00					60.00	Notay Fee for Liens
Vantage Transfer	1,007.09					1,007.09	457 Retirement for Employees
Vantage Transfer	323.35					323.35	401 Retirement for Employees
Vantage Transfer	1,109.73					1,109.73	457 Retirement for Employees
Vantage Transfer	357.91					357.91	401 Retirement for Employees
Vantage Transfer	1,163.95					1,163.95	457 Retirement for Employees
The Zenith	1,528.00					1,528.00	Workers Compensation Insurance
TOTAL	27,327.13					27,327.13	

ACCOUNTS PAYABLE MAY 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	DESCRIPTION
Alpha Analytical Laboratories Inc.		1,654.00				1,654.00	Laboratory Analysis
Aqua Sierra Controls, Inc.		3,250.26				3,250.26	Repair & Maintenance

Bear Valley Water District
A/P Aging Summary
As of May 31, 2023

ACCOUNTS PAYABLE MAY 2023	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	DESCRIPTION
Arnold Auto Supply Inc.		79.23				79.23	Auto Supplies
AT&T Business Service 2					-12.72	-12.72	Credit for Telephone
California Steam Specialties		622.44				622.44	Repair & Maintenance
CALNET		39.42				39.42	Telephone
Diane Lundquist		100.00				100.00	Director's Fees for Regular Meeting
EBBETTS PASS GAS CO. Inc.		456.10				456.10	Propane for Main Office
Environmental Water Solution, Inc.		2,681.06				2,681.06	Repair & Maintenance
FYE 2021-2022 ADJ.					-48.87	-48.87	Adjustment
Guy West	1,030.00					1,030.00	Fees for Winter Vehicle Storage
Hach		636.78				636.78	Laboratory Supplies
Jim Bissell		100.00				100.00	Director's Fees for Regular Meeting
John Boyle		100.00				100.00	Director's Fees for Regular Meeting
Ken Brown		100.00				100.00	Director's Fees for Regular Meeting
Pacific EcoRisk	9,687.71					9,687.71	NPDES Permit CapX
Sol Rebel Power Systems		750.00				750.00	Solar Project
Telstar Instruments Inc.		328.84				328.84	Field Supplies
Thatcher Company of California		2,655.41				2,655.41	Sodium Bisulfite
Woodard & Curran		2,352.50				2,352.50	Engineering & Consulting
YSI Incorporated	5,933.68					5,933.68	Repair & Maintenance
TOTAL	16,651.39	15,906.04			-61.59	32,495.84	

Bear Valley Water District A/R Aging Summary

As of June 19, 2023

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
CS002			30.64	306.39	63.38	400.41
CS036			30.64		411.04	441.68
BV179		83.72	30.64	306.39	674.06	1,094.81
BV082				306.39	1,272.27	1,578.66
CM010				2,033.61	-2.00	2,031.61
BV034		1,146.53	30.64	306.39	674.06	2,157.62
BV047			223.51	306.39	2,481.89	3,011.79
CM190					5,652.21	5,652.21
CS006		9,408.17	1,548.25	306.39	837.68	12,100.49
TOTAL	<u><u>533.79</u></u>	<u><u>9,097.21</u></u>	<u><u>1,400.55</u></u>	<u><u>20,628.41</u></u>	<u><u>-34,972.64</u></u>	<u><u>-3,312.68</u></u>
TOTAL CREDITS	0	-1,541.21	-1,838.40	-675.28	-48,440.74	-52,495.63
TOTAL DEBITS	533.79	10,638.42	3,238.95	21,303.69	13,468.10	49,182.95
TOTAL	<u><u>533.79</u></u>	<u><u>9,097.21</u></u>	<u><u>1,400.55</u></u>	<u><u>20,628.41</u></u>	<u><u>-34,972.64</u></u>	<u><u>-3,312.68</u></u>

Bear Valley Water District A/R Aging Summary

As of June 19, 2022

TOTAL	<u><u>0</u></u>	<u><u>54.23</u></u>	<u><u>-1344.98</u></u>	<u><u>25842.6</u></u>	<u><u>-49335.54</u></u>	<u><u>-24783.69</u></u>
TOTAL CREDITS	0	-408.33	-1344.98	0	-54209.75	-55963.06
TOTAL DEBITS	0	462.56	0	25842.60	4874.21	31179.37
TOTAL	<u><u>0</u></u>	<u><u>54.23</u></u>	<u><u>-1344.98</u></u>	<u><u>25842.60</u></u>	<u><u>-49335.54</u></u>	<u><u>-24783.69</u></u>