

TUESDAY, March 9, 2021

7:00pm

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office at (209) 754-9442. Notification in advance of the meeting will enable CPUD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CPUD for review by the public.

Calaveras Public Utility District hereby provides notice that it will convene its regularly scheduled public meetings of the Board of Directors exclusively by telephone conference until further notice. No attendance will be permitted by the public at the District office until further notice.

Based on guidance from the California Governor's Office and the Department of Public Health, to minimize the potential spread of the COVID-19 virus, please do the following:

- *Join the Conference Call meeting*
 - **Dial-in number (US):** 1(669)900-9128
 - **Join the online ZOOM meeting:**
 - <https://us02web.zoom.us/j/85952352835?pwd=THFvZTRaSnFSS1BQdWVpOGI4aC9mUT09>
 - **Meeting ID: 859 5235 2835**
 - **Meeting Passcode code:** 147568
- *Please mute your call before joining. This will limit technical difficulties with audio.*
- *Only unmute your call if the President has requested public comment on an item. Upon completing your comments, please mute your call again.*
- *Do not put the call on hold, as hold music can ruin the call for all other participants. If that occurs, or in the event of disruptive conduct, staff reserves the right to disconnect that caller.*
- *Do no talk over the top of any other callers. Conversations must be one at a time.*

1. Roll Call and Pledge of Allegiance

2. Public Comment (Limit: 3 min/person)

At this time, members of the public may address the Board on any matter within its jurisdiction which is not on the agenda. The public is encouraged to work with staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to 3 minutes per person.

Consent Items:

3. Approval of Consent Calendar

- a. Minutes of Regular Meeting of February 9, 2021
- b. Minutes of Special Meeting of February 16, 2021
- c. System Totals Report for February 2021
- d. Maintenance Report for February 2021
- e. Water Report for February 2021

Items for Board Discussion and/or Action

Board action may occur on any identified agenda item. Any member of the public may directly address the Board on any identified agenda item of interest, either before or during the Board's consideration of that item.

4. Financial Business

- a. Approval of Claim Summary #749
- b. Investment Update

CALAVERAS PUBLIC UTILITY DISTRICT
506 W. Saint Charles Street, San Andreas, CA 95249

- 5. Appointment of Board Secretary - Policy No. 1015**
- 6. Appointment of Representatives to Association Memberships – Policy No. 1005**
- 7. Presentation: Draft – Water Capacity and Connection Fees Study - Hansford Economic Consulting, LLC**
- 8. Status Report – Clearwell Tank Project – Weber, Ghio and Associates, Inc.**
- 9. Clearwell Tank Project – Financing Agreement**
 - a. Resolution 2021-3 - Resolution of The Calaveras Public Utility District Approving Conveyance Agreement and an Installment Purchase Contract, Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith
- 10. ACWA/JPIA – President’s Special Recognition Awards**
- 11. Consideration of Bob Murray & Associates Proposal for General Manager Recruitment**
- 12. Staff Reports**
 - a. General Manager’s Report
 - b. Legal Counsel’s Report
 - c. Engineer’s Report
- 13. Board Members Report**
 - a. LAFCO Public Hearing (3/15/2021)/
 - b. Director Blood – UMRWA Meeting Reminder (4/22/2021)
 - c. Other Board Member Comments
 - d. Reminder of Annual Statement of Economic Interest - Form 700 (Due: April 1, 2021)
- 14. Closed Session – Conference with Labor Negotiators (Gov. Code § 54957.6)**

Unrepresented Employee: General Manager
Agency Designated Representative: President J.W. Dell’Orto
- 15. Adjournment (Next Regular Meeting April 13, 2021 at 7:00pm)**

AGENDA ITEM 3

Approval of Consent Calendar

If an item is requested for removal from the Consent Calendar, it should be reflected prior to action being taken. The items will be discussed independently upon approval of remaining Consent Calendar items.

- a. Minutes for Regular Meeting of February 9, 2021
- b. Minutes of Special Meeting February 16,2021
- c. System Totals Report for February 2021
- d. Maintenance Report for February 2021
- e. Water Report for February 2021

Recommended Action: Approval of Consent Calendar
Motion 1st _____, 2nd _____, Carried _____

CALAVERAS PUBLIC UTILITY DISTRICT

February 9, 2021

Regular Meeting

7:00 pm

MEMBERS PRESENT: Richard Blood
J.W. Dell'Orto
John Lavaroni
Scott Speer

STAFF PRESENT: Donna Leatherman, General Manager
Adam Brown, Legal Counsel
Matt Ospital, District Engineer
Tyla Daries, EIT

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The regular meeting was called to order by President Dell'Orto at 7:04 P.M. Directors Dell'Orto, Lavaroni, Speer and Blood were present.

2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None

3. APPROVAL OF CONSENT CALENDAR:

a. Minutes of Regular Meeting of January 9, 2021: A motion was made by Director Lavaroni, seconded by Director Speer, to approve the minutes of the regular meeting as presented. A roll call vote was taken. Directors Lavaroni, Speer, Blood, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

b. Minutes of the Special Meeting of January 19, 2021: A motion was made by Director Lavaroni, seconded by Director Speer to approve the minutes of the Special Meeting of January 19, 2021 as presented. A roll call vote was taken. Directors Lavaroni, Speer, Blood, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. System Totals Report for January 2021: A motion was made by Director Lavaroni, seconded by Director Speer to accept the Directors' Report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto vote. yes, none opposed. Motion carried 4-0.

d. Maintenance Report for January 2021: A motion was made by Director Lavaroni, seconded by Director Speer, to accept the Maintenance Report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

e. Water Report for January 2021: The report was presented to the Board. A motion was made by Director Speer, seconded by Director Lavaroni, to accept the water report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

4. ELECTION OF OFFICERS AND APPOINTMENT OF THE TEMPORARY ADVISORY COMMITTEES:

Pursuant to Policy No. 4110, the Board of Directors is to elect a President and Vice President in December of each year. In light of the November election and uncertainty of the recently

vacated seat on the Board, the election of officer's was delayed. Discussion followed regarding Policy No. 4110, and Legal Counsel explained the requirements and process. President Dell'Orto dissolved all existing temporary advisory committees.

b. The Board of Directors considered nominations for President. A motion was made by Director Speer, seconded by Director Blood, to nominate J.W. Dell'Orto as President of the Board. The nomination was accepted, and a roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. The Board of Directors considered nominations for Vice-President. A motion was made by Director Lavaroni, seconded by Director Speer, to nominate Richard Blood as Vice President of the Board. The nomination was accepted, and a roll call vote was taken. Directors Speer, Blood, Lavaroni, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

The Board President appointed a temporary advisory committee consisting of Directors Blood and Lavaroni to further evaluate projects included in the State Revolving Funds Planning Grant Project List.

At this time President Dell'Orto moved to item #6 on the agenda.

5. FINANCIAL BUSINESS

a. Approval of Claim Summary #748: A motion was made by Director Lavaroni, seconded by Director Speer, to approve Claim Summary #748 in the amount of \$159,725.28. Director Lavaroni inquired on the Pace Supply payment. The General Manager clarified that the payment was for quarterly inventory restock. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

b. 2nd Quarter Budget Report: The 2nd Quarter Budget report was presented to the Board for review. The General Manager reported on the Income and Expenses, noting that District income was higher in the water revenue and connection fees. Expenses were higher than normal in the lab fees, contract services and engineering. Capital improvement projects with billing software updates were being postponed. The District noted improvement with the meter reading software and is continuing with the meter change out program. Small improvement projects will continue as scheduled. The clearwell project has taken priority in terms of capital improvements. President Dell'Orto inquired on the expense percentage from the different categories, which was clarified by the General Manager. A motion was made by Director Lavaroni, seconded by Director Speer, to accept the 2nd Quarter Budget Report as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. 2nd Quarter Investment Report: The report was delivered to the Board for review. The Manager reported on LAIF, which returned interest of \$4,386.11 at an interest rate of .63% for the quarter. Other investments with El Dorado Savings bank earned a total of \$1361.48 interest and the value of the UBS investments for the quarter was \$795,356.84, with one certificate of deposit (CD) maturing in March 2021. The total investment balance as of December 31, 2020 was \$4,146,731.00. A motion was made by Director Lavaroni, seconded by Director Speer, to accept the Quarterly Investment Report as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

d. Investment Authorization: The General Manager reported one CD investment with UBS Financial will mature in March 2021. Several reinvestment options were included for consideration to reinvest the \$200,000.00. It was further recommended to reinvest for a shorter

term and not lock into a lower interest rate for a longer term, such as the UBS Bank 5 year CD callable at .60%. President Dell'Orto stated he was familiar with these types of investments and concurred with the recommendation. Also presented were CD rates from El Dorado Savings Bank and Umpqua Bank for their current CD investments. A motion was made by Director Lavaroni, seconded by Director Speer, authorizing the General Manager to reinvest in the UBS 5-year CD, callable in 6 months. Director Blood requested clarification on the difference in the options for the longer investments compared to the callable CD. Discussion continued regarding the callable CD. The General Manager will clarify and report on the impacts of a callable CD. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

6. DISCUSSION/ACTION – CLEARWELL TANK PROJECT

a. A. Clearwell Tank Replacement – Ms. Tyla Daries, EIT from Weber, Ghio & Associates, provided a status update and progress report regarding the SRF application, and progress in the environmental and geotechnical review of the project. She explained that there is a schedule to complete some soils work at the tank site. Ms. Daries also reported the possible impacts of COVID-19 may have on delays in procuring materials or increased cost of items. Director Blood inquired on the nature of the field work and method of soils tests used by the geotechnical firm. He also inquired if test pits would be the only assessment or whether ultrasonic devices would be used. Additionally, Director Blood was curious if the site could require blasting. Further discussion ensued, and Ms. Daries reported that the schedule is likely to stay on track as shown in the report.

b. Discussion/Authorization for Financing Option Update: The General Manager reported the issuance documentation is pending from the CSDA Financing Corporation for the loan or the clearwell project, and will be forwarded to Legal Counsel for review. The Board of Directors will consider the financing package at the March regular Board meeting. The General Manager also reported that there is a possibility that the District could obtain a “clearance” from the Deputy Director for the DWSRF Project to include the clearwell. However, pursuing the SRF Construction application (given the uncertainty whether a clearance would be obtained and other SRF requirements) that would delay the project schedule. Ms. Tyla Daries also reported that this project is at the lowest funding category for SRF, which is not favorable to the District. It was noted that the application could not be submitted until the plans were 90% completed, which would further delay the project. Director Speer agreed that the timing to pursuing the SRF funding would be an issue and that private funding would not delay such a critical project. However, the General Manger reported that if the opportunity becomes available, SRF funding may be pursued at a later date, as most of the application packet has been completed. Whether that is desirable would also depend upon any prepayment penalty contained in the CSDA loan facility.

7. Discussion/Review: Proposed Amendments to Agreement for Sale of Water- Calaveras County Water District (CCWD): The General Manager reported to the Board on the existing agreement with CCWD which expire in July 2021. The General Manager reported that CCWD's requested modifications to the agreement included a longer agreement term, increased water deliveries to 300 acre feet per contract year, and to allow downstream contracting agencies (such as EBMUD) to receive water sold to CCWD. The current and proposed contracts were included in the Board packet. Legal Counsel also reported on the meeting regarding the

District's water rights and other modifications to the proposed draft to address some of these concerns from the District's standpoint. Director Blood inquired on the amount of water used under the current agreement.. Director Blood also requested that the District research the amount of water CCWD used from that source for the past ten years. President Dell'Orto asked about the payments for the amount used versus the amount that is available under the existing contract. Director Lavaroni commented on a possible wheeling agreement with contracting agencies and is not in favor of a further wheeling agreement. President Dell'Orto concurred. Director Blood also agreed and again requested that the District request a report on usage from CCWD of their treated water in the West Point system. He also proposed installing a gauging station to record flows or possible bacteriological studies, and sharing in those additional costs. The General Manager reported on existing costs at Schaads compared to revenues. Director Lavaroni suggested that the General Manager and Legal Counsel continue discussions with CCWD and report back to the Board prior to the agreement being amended. Director Speer inquired about possible drought issues that may impact the agreement, which Legal Counsel suggested would be covered in any amendments.

8. Consideration of Revised Salary Pay Range: Customer Service Representative – Range 10:

The General Manager reported that Ms. Carissa Bear had been promoted to the Administrative Account Assistant position, leaving the Customer Service Representative position vacant. The Customer Service Representative position pay range is under classified and recommended to increase from the current range 3 (\$2,795.87-\$3,399.04/mo.) to a range 10 (\$3,934.67-4785.73/mo.). Director Lavaroni, seconded by Director Speer, made a motion to revise the Customer Service Representative to Range 10. Discussion continued regarding an increase in the top step. President Dell'Orto inquired about salary being higher than that of the salary in the recent MHI study. Further discussion ensued regarding entry level at the District and compared salaries with local agencies. Director Lavaroni withdrew his motion. A motion was made by Director Lavaroni, seconded by Director Speer, to reclassify the Customer Service Representative salary range 9 (\$3,749.20-\$4,558.67/mo.). A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

9. Discussion/Information: Calaveras Public Power Agency (CPPA) Rate Increase: The General Manager reported that CPPA has notified their member agencies of a potential rate increase. The CPPA Board approved the use of rate stabilization funds with a rate increase of 2.5 cents to members effective in July 2021. The increase may impact the District by approximately \$47,000, as shown on the spreadsheet provided. The General Manager reported the increase will be reflected in the 2021/22 budget preparation. President Dell'Orto inquired about renewable energy. The General Manager reported that the District's purchase power agreements are up for renewal and can be revised at that time.

10. UPDATE: STATE REVOLVING FUND (SRF) PLANNING GRANT APPLICATION FOR WATER TREATMENT PLANT IMPROVEMENT PROJECTS: The General Manager reported that the State requested further information and a response was submitted. The District is waiting on a response and next steps from the State.

11. STAFF REPORTS

a. **General Manager's Report:** The General Manager provided an overview of pending work

projects. She also reported that the District office will reopen on March 1, 2021 provided there was no change in reported COVID-19 cases locally. Items not included were the annexation request from Mr. Chester Murphy and tree removal at the water treatment plant near the new clearwell site. Director Lavaroni suggested contacting the County to request a waiver. Legal Counsel Report: Adam Brown, District Legal Counsel, stated that his report has been covered under previous agenda items.

b. Engineer's Report: The manager reported on the earlier Clearwell discussion and some other engineering item pending.

12. BOARD MEMBERS' REPORT

a. Director Lavaroni – LAFCO Meeting Report (1/24/21). Director Lavaroni had nothing to report.

b. Director Blood – UMRWA Meeting Report (1/22/2021). Director Blood had no further comments on the meeting.

c. Other Board Member Comments: Director Speer inquired if there had been any interest in the vacant Board position. The General Manager reported that there had been one interested candidate, but he was appointed to the Fire District Board. The General Manager will continue to advertise for candidates.

d. Reminder of Annual FPPC Filing of Form 700 (Due: April 1, 2021): The General Manager reported that an email with the filing requirement and website link to the Board. The deadline for filing is April 1, 2021. Director Speer requested clarification on filing multiple forms for different agencies.

13. CLOSED SESSION

a. Public Employee Performance Evaluation General Manager (Government Code §54957(b)(1))

At the Board convened into closed session at 9:24. The General Manager left the meeting, and the remainder of the meeting was attended by District Legal Counsel, Adam Brown, who also conducted the Zoom hosting privileges and served as secretary.

The Board reconvened into open session at 11:15. During closed session, the Board discussed the General Manager's performance evaluation. No action was taken. (Director Lavaroni did not rejoin the meeting following technical difficulties with the Zoom call).

14. ADJOURNMENT (Next Regular Meeting March 9, 2021 at 7:00pm) As there was no further business to come before the Board, a motion was made by Director Speer, seconded by Director Blood, to adjourn the meeting. A roll call vote was taken. Directors Blood, Speer and Dell'Orto to adjourn the meeting at 11:20. Motion carried 4.0.

Respectfully Submitted,

Donna Leatherman, General Manager

CALAVERAS PUBLIC UTILITY DISTRICT

February 16, 2021

Special Meeting

7:00 pm

MEMBERS PRESENT: Richard Blood
J.W. Dell'Orto
John Lavaroni
Scott Speer

STAFF PRESENT: Donna Leatherman, General Manager
Adam Brown, Legal Counsel

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The special meeting of the Board of Directors (conducted via Zoom) was called to order by President Dell'Orto at 7:05 P.M. Directors Dell'Orto, Speer, Lavaroni and Blood were present.

2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None

3. CLOSED SESSION

a. Personnel Matters

Public Employee Performance Evaluation (Government Code §54957(b)(1))

Title: General Manager

At 7:08pm the Board convened into closed session. The General Manager left the meeting at 9:18pm, and the remainder of the meeting was attended by District Legal Counsel, Adam Brown, who also conducted the Zoom hosting privileges and served as secretary.

The Board reconvened into open session at 11:13pm. Director Lavaroni left the meeting at this time. During closed session, the Board discussed the General Manager's evaluation. No action was taken.

4. ADJOURNMENT (Next Regular Meeting March 9, 2021 at 7:00pm) As there was no further business to come before the Board, a motion was made by Director Speer, seconded by Director Blood, to adjourn the meeting.

Respectfully Submitted,

Adam Brown, Legal Counsel

3/1/2021

10:55:12AM

Reprinted for:

2/26/2021

System Totals Report

Calaveras P.U.D.

Water Sold This Month

15,811,924 Gallons

	Amount (\$)	# Of Accounts
Total Water	161,234.63	1,911
Total Late Charge	2,370.00	79
Total Adjustments	-2,393.96	85
Total New Acct Fee	350.00	10
Total Service Call Out	35.00	1
Total Current Charges	161,595.67	1,911
<hr/>		
Amount Past Due 1-30 Days	16,999.64	213
Amount Past Due 31-60 Days	4,322.62	54
Amount Past Due Over 60 Days	12,992.10	35
Amount Of Overpayments/Prepayments	-19,820.97	209
Total Receivables	176,089.06	1,909

Total Receipts On Account	153,027.90	1,643
Net Change in Deposits	0.00	0
Amount of All Deposits	0.00	

Turned Off Accounts (Amount Owed)	5,267.77	148
Collection Accounts (Amount Owed)	5,267.77	148
Number Of Unread (Turned On) Meters		1
Average Usage For Active Meters	8,244	1,918
Average Water Charge For Active Meters	84.37	1,911

Usage Groups	Gallons	# Of Accounts	Usage Gallons	% Of Usage	% Of Sales
Over 50,000		35	6,512,574	41.19	16.96
40,001-50,000		8	349,189	2.21	1.05
30,001-40,000		17	594,340	3.76	2.04
20,001-30,000		29	684,454	4.33	2.50
10,001-20,000		131	1,837,813	11.62	8.80
8,001-10,000		91	809,526	5.12	4.81
6,001-8,000		182	1,256,536	7.95	7.74
4,001-6,000		329	1,609,587	10.18	12.78
2,001-4,000		556	1,644,045	10.40	21.77
1-2,000		500	513,859	3.25	19.82
Zero Usage		40	0	0.00	1.73
=====					
Total Meters		1,918	15,811,923	100.00	100.00

Monthly Maintenance Report

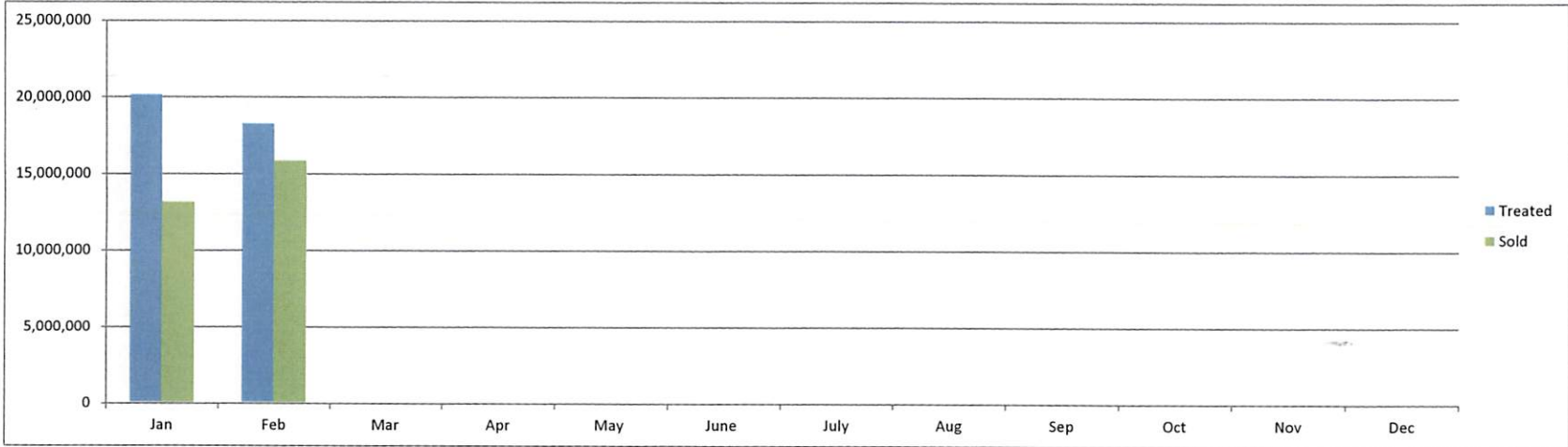
February 2021

LOCATION	DESCRIPTION OF WORK	STATUS
Jeff Davis WTP	Monthly operation and maintenance	Complete
	Routine water sampling and State reporting, WTP in compliance	Complete
	Treated Water - 18,224,337 Gallons	
	Intrusion alarm system installation	Complete
	Solarbee Maintenance	Complete
Warehouse Shop		
South Fork Pump Station	Weekly routine checks	Complete
	Raw Pumped Water 59,170,446 Gallons	
Schaads Reservoir	Weekly checks	Complete
	Intrusion alarm system installation	Complete
Glencoe Pump Station	Weekly checks - routine monitoring	Complete
Ponderosa PRV Hydro	Weekly checks - routine monitoring	Complete
MCV PRV Hydro	Weekly checks - routine monitoring	Complete
Garamendi's PRV Hydro	Weekly checks - routine monitoring	Complete
San Andreas Distribution	Routine operations, sampling	Complete
	12" main repair at Rapetti Rd.	Follow-up
	Miller Ct. 2" leak repair	Complete
	Lewis Avenue service line replacement	Complete
	San Andreas Tank Controls (TSI)	Pending
	Cemetery 10" leak (x2)	Complete
	Cemetery fence project	Complete
Moke Hill Distribution	Routine operations, sampling	Complete
	Rich Gulch 18" Transmission main leak	Complete
	CalFire at Golden Hills Tank	Ongoing
Glencoe Distribution	Routine operations	Complete
	2" service line replacement	Complete
Paloma Distribution	Routine operations, sampling	Complete
Rail Road Flat Distribution	Routine operations, sampling	Complete
Safety/Training	IIPP Training	Complete
Spray Program	Spring pre-emergent	Ongoing
Vehicle Maintenance	2016 White Ford engine replacement	Pending
Other	69 USA tags completed	Complete
	Water Tank Inspections (CPUD)	Complete
	43 Customer service/work orders	Ongoing
	Fire Extinguisher yearly inspections	Complete
	Monthly meter reading	Complete
	1 Complaints- Color	Complete
	KASL Mapping and Network Development - Hydrant flushing	Pending
	2 New service inquiries- Milano Dr. Mokelumne Hill/Hwy 49 San Andreas	Ongoing
	Revision of Operations Plan	Pending

Calaveras Public Utility District (2021)

Water Treated and Water Sold Comparison

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	TOTAL
Treated	20,104,042	18,224,337											38,328,379
Sold	13,113,421	15,811,924											28,925,345
% difference	-34.77%	-13.24%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-24.53%



		2020				2021									
		Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug		
1															
2															
3															
4						0.20									
5															
6						0.60									
7															
8															
9				0.25											
10															
11															
12							0.95								
13															
14					1.50										
15															
16							1.10								
17															
18				1.50	0.71										
19				0.75											
20															
21															
22							0.25								
23															
24															
25						1.10									
26															
27						0.75									
28					0.80										
29						5.00									
30						0.80									
31					0.25										
Per Month				2.50	3.26	8.45	2.30							YTD Total	16.51

INSTRUCTIONS: Enter the rain total on the day you check rain guage.

Financial Business

- a. Approval of Claim Summary #749

Discussion

The Claim Summary #749 submitted in the amount of \$168,669.03 reflects payments with descriptions showing on the Bill Payments for All Vendors report.

Recommended Action: Approval of Claim Summary #749 in the amount of **\$168,669.03.**

Motion 1st _____, 2nd _____, Carried _____



CALAVERAS PUBLIC UTILITY DISTRICT

CLAIM SUMMARY # 749

DATE: February 2021

The claims listed on the schedules attached to this summary have been examined and found to be correct and proper demands against the Calaveras Public Utility District.

Claims Submitted	\$116,501.80
Payroll Submitted	\$ 35,949.85
P/R Tax Deposits	\$ 16,217.38
Sub-total	\$168,669.03

Net Additions	
Net Deductions	
Claim Summary Approved for	\$168,669.03



General Manger, Calaveras Public Utility District

Calaveras Public Utility District
Summary Balance Sheet
As of February 28, 2021

	<u>Feb 28, 21</u>
ASSETS	
Current Assets	
Checking/Savings	267,849.37
Other Current Assets	4,244,947.65
Total Current Assets	<u>4,512,797.02</u>
Fixed Assets	8,715,487.73
Other Assets	623,361.68
TOTAL ASSETS	<u><u>13851646.43</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	3,949.77
Other Current Liabilti...	1,955,823.38
Total Current Liabilities	<u>1,959,773.15</u>
Long Term Liabilities	<u>114,544.07</u>
Total Liabilities	2,074,317.22
Equity	<u>11777329.21</u>
TOTAL LIABILITIES & EQU...	<u><u>13851646.43</u></u>

Calaveras Public Utility District Bill Payments for All Vendors

Name	Num	Date	February 2021 Amount	GL #	Description
Al's Tire Service	22861	02/16/2021	906.28		5424 Tires 2016 Ford
Alpha Analytical Labs, Inc.	22862	02/19/2021	1,229.00		5434 Lab Fees
American Fidelity Assurance	22863	02/19/2021	386.80		2316 125 Cafeteria Plan
American Fidelity Assurance Co.(Flex)	22864	02/19/2021	851.24		2316 125 Cafeteria Plan
AT & T	22843	02/09/2021	671.26		5432 Utilities
AT & T	22881	02/28/2021	669.21		5432 Utilities
AT & T	22882	02/28/2021	4.19		5432 Utilities
Blood, Richard	22844	02/09/2021	50.00		5680 Director Fees
Brawner Automotive Repair	22883	02/28/2021	142.33		5424 Vehicle Maint.
Cal PERS	EFT	02/05/2021	11,863.06		5643 Medical Insurance
Calaveras Auto Supply	22845	02/09/2021	103.48		5424 Auto Supplies
Calaveras Auto Supply	22884	02/28/2021	5.89		5424 Auto Supplies
Calaveras County Environmental Health	22885	02/28/2021	227.00		5422 Annual Permit Fee
Calaveras County Public Works Dept.	22886	02/28/2021	492.80		1117 Court St. Project
Calaveras Enterprise	22887	02/28/2021	98.02		5683 Utility Worker/Cust. Serv.
Calaveras Public Power Agency	22846	02/09/2021	7,157.12	5230/5432/5621	Utilities
Carbon Copy Inc.	22888	02/28/2021	130.78		5623 Printer/Copier Contract
Care Free Lawns	22889	02/28/2021	150.00		5623 Landscaping (Dec)
Cole Tiscornia Construction	22865	02/19/2021	7,370.00		5422 Leak Repair
Cole Tiscornia Construction	22890	02/28/2021	15,500.00		1117 Gold Strike Pressure Station
Comcast	22866	02/19/2021	321.37		5621 Utilities
Computer Firemen	22891	02/28/2021	100.00		5623 IT Services
De Lage Landen Financial Services Inc.	22867	02/19/2021	87.85		5623 Printer/Copier Contract
Dell'Orto, J.W.	22847	02/09/2021	50.00		5680 Director Fees
Fischer, Merle	22860	02/16/2021	496.18		5647 Post Retirement Health
Garrett's Cross Connection Control	22868	02/19/2021	427.00		5421 Backflow Testing
GEI Consultants, Inc.	22892	02/28/2021	445.50		5430 Engineering-Schaads
Henwood Associates, Inc.	22848	02/09/2021	1,416.32		5422 Glencoe Pump Staion
Hill Rivkins Brown & Associates	22849	02/09/2021	3,982.50		5682 Legal Services
Hobgood's Cleaning Service	22869	02/19/2021	160.00		5623 Janitorial Services
Holt of California	22893	02/28/2021	470.88		5424 Backhoe Maint.
Hunt & Sons Inc.	22850	02/09/2021	761.27		5424 Fuel
Hunt & Sons Inc.	22870	02/19/2021	742.84		5424 Fuel
Hunt & Sons Inc.	22894	02/28/2021	902.28		5424 Fuel
Jorgensen Company	22895	02/28/2021	612.00		5421 Annual Fire Ext.
KASL Counsulting Engineers	22871	02/19/2021	5,089.00		5430 Engineering-Modeling
Lavaroni, John	22851	02/09/2021	50.00		5680 Director Fees
Lehigh Hanson	22896	02/28/2021	318.84		5421 Materials & Supplies
Matrix Trust Company	22872	02/19/2021	400.00		2317 457 Plan
Motherlode Answering Service	22852	02/09/2021	295.84		5623 Answering Service
Northern Tool & Equipment	22897	02/28/2021	323.81		5421 Materials & Supplies
Pacific Gas & Electric	22853	02/09/2021	484.77	5623/5432	Utilities
Pacific Gas & Electric	22873	02/19/2021	146.51		5200 Utilities
Petty Cash	22854	02/09/2021	109.82	5322/5421/5622	Various

Calaveras Public Utility District Bill Payments for All Vendors

February 2021

PG&E	22898	02/28/2021	397.85	5432/5200/5201	Utilities
Pollard Water	22855	02/09/2021	22.64	5322	WTP Supplies
Public Employees Retirement System	EFT	02/05/2021	3,924.36	5645	Retirement
Public Employees Retirement System	EFT	02/05/2021	7,412.22	5645	Retirement
Public Employees Retirement System	EFT	02/23/2021	4,024.77	5645	Retirement
Public Employees Retirement System	EFT	02/25/2021	3,924.36	5645	Retirement
Roberts, Mathew A.	22879	02/23/2021	156.00	5429	Safety & Education
Rovera, Wyatt	22880	02/23/2021	200.00	5429	Boot Reimb.
RVS Software	22856	02/09/2021	2,043.00	5623	Annual Maintenance
RVS Software	22899	02/28/2021	72.72	5623	Equipment
Safety Center, Inc	22874	02/19/2021	1,400.00	5429	Safety & Education
SEIU Local 1021	22875	02/19/2021	296.86	2322	Union Dues
Sender's Market Inc.	22900	02/28/2021	106.15	5421	Materials & Supplies
SolarBee, Inc.	22876	02/19/2021	3,869.00	5322	Annual Service Contract
Speer, Scott	22857	02/09/2021	50.00	5680	Director Fees
Staples Credit Plan	22858	02/09/2021	775.63	5620	Materials & Supplies
Staples Credit Plan	22901	02/28/2021	15.08	5620	Materials & Supplies
Technical Systems Inc.	22902	02/28/2021	6,100.00	1190	Construction in Progress
Treat's General Store	22903	02/28/2021	97.78	5421/5322	Materials & Supplies (Feb)
USA Blue Book	22877	02/19/2021	269.67	5322	WTP Supplies
USA Blue Book	22904	02/28/2021	143.30	5322	WTP Supplies
Verizon Wireless	22859	02/09/2021	290.48	5432	Utilities
Verizon Wireless	22905	02/28/2021	685.83	5432	Utilities
Volcano Telephone	22906	02/28/2021	529.02	5322/5201/5230/5200	Utilities (Feb)
Weber, Ghio & Associates	22907	02/28/2021	13,128.00	5684/1116	Engineering-FEMA/Clearwell
Wells Fargo Bank	22878	02/19/2021	364.06	5421/5620	Office/Shop Materials & Supplies
			<u>116,501.80</u>		

Calaveras Public Utility District

MEMORANDUM

TO: Donna Leatherman, District Manager

RECEIVED FEB 16 2021

FROM: Matt Ospital, District Engineer

RE: Billing Summary for January 2021

DATE: February 10, 2021

#2789	2019 Storm Damage Continued providing closeout documentation, coordinated with Cal-OES, transmitted Notice of Completion, FEMA extension for debris removal and Contract Summary records.	\$3,377.00
#2873	CPUD Planning - Clearwell Repair Project Coordinated with environmental team and District staff, prepared memo and finalized cost estimates, drafted and revised board documents, prepared for board meeting, discussed funding options and project tracking, coordinated with State regarding application.	\$9,751.00
	TOTAL	<u>\$13,128.00</u>

PAYROLL JOURNAL

0085 A850-4915 Calaveras Public Utility District

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS		
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS	
**** 10 MAINTENANCE Cunningham, John L 1	Retro Pay	31:9700		164:77	Social Security	184:98	457 EE Pretax	100:00	Direct Deposit # 21032
	Salary			2,770:73	Medicare	43:26	Union dues	49:12	Check Amt 0.00
	Overtime	47:9550	1:00	47:96	Fed Income Tax	342:17			Chkg 0017 2,176.51
	Sick		M11:00		CA Income Tax	51:62			
					CA Disability	35:80			
	EMPLOYEE TOTAL		12:00	2,983:46		657:83	149:12		Net Pay 2,176.51
Dresser, Michael R 16	Salary			2,279:33	Social Security	141:32	AFLAC Post Tax	20:00	Direct Deposit # 21033
					Medicare	33:05	Retirement	149:35	Check Amt 0.00
					CA Income Tax	73:90	Union dues	39:66	Chkg 5930 1,794.70
	EMPLOYEE TOTAL			2,279:33	CA Disability	27:35		209:01	Net Pay 1,794.70
Moe, James G 8	Salary			2,804:53	Social Security	193:01	AFLAC EE Pretax	31:25	Direct Deposit # 21034
	Overtime	48:5400	7:00	339:78	Medicare	45:14	AFLAC Post Tax	30:80	Check Amt 0.00
					Fed Income Tax	315:98	Union dues	48:80	Chkg 5056 2,337.44
					CA Income Tax	104:53			
					CA Disability	37:36			
	EMPLOYEE TOTAL		7:00	3,144:31		696:02	110:85		Net Pay 2,337.44
**** 20 MANAGER Leatherman, Donna M 7	Salary			4,708:21	Social Security	315:08	457 EE Pretax	300:00	Direct Deposit # 21035
	CPUD Ins			373:72	Medicare	73:69			Check Amt 0.00
	Sick		M5:00		Fed Income Tax	773:04			Chkg 2134 1,000.00
	Vacation		M8:00		CA Income Tax	357:30			Chkg 8258 2,201.84
					CA Disability	60:98			
	EMPLOYEE TOTAL		13:00	5,081:93		1,580:09	300:00		Net Pay 3,201.84
**** 30 METERS Duke, Kelly 9	Hourly	26:4000	48:00	1,267:20	Social Security	78:57			Readychex # 1939800132
					Medicare	18:37			Check Amt 907.21
					Fed Income Tax	174:02			
					CA Income Tax	73:82			
	EMPLOYEE TOTAL		48:00	1,267:20	CA Disability	15:21			Net Pay 907.21
**** 40 CUSTOMER SERV. REP. Bear, Carissa C 12	Salary			2,392:87	Social Security	150:92	AFLAC Post Tax	24:75	Direct Deposit # 21036
	Overtime	41:4150	1:00	41:42	Medicare	35:29	Retirement	204:18	Check Amt 0.00
	Sick		M3:00		Fed Income Tax	190:03	Union dues	50:08	Chkg 4811 200.00
					CA Income Tax	82:71			Chkg 6990 1,467.12
					CA Disability	29:21			
	EMPLOYEE TOTAL		4:00	2,434:29		488:16	279:01		Net Pay 1,667.12

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PAYROLL JOURNAL

0085 A850-4915 Calaveras Public Utility District

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS		DEDUCTIONS		NET PAY ALLOCATIONS			
	DESCRIPTION	RATE	HOURS	EARNINGS	REIMB & OTHER PAYMENTS							
**** 50 WATER TREATMENT Rovera, Wyatt N 13	Salary			2,924.83		Social Security	209.59	Retirement	192.93	Direct Deposit # 21037		
	Overtime	50.6250	9.00	455.63		Medicare	49.02	Union dues	50.89	Check Amt	0.00	
	Sick		M1:00			Fed Income Tax	448.49			Chkg 9965	2,218.36	
						CA Income Tax	170.61					
						CA Disability	40.57					
	EMPLOYEE TOTAL		10.00	3,380.46			918.28		243.82	Net Pay	2,218.36	
**** 60 ADMIN. ACCT. ASSIST. Storm, Kathleen J 15	Hourly	25.0000	30.00	750.00		Social Security	46.50			Direct Deposit # 21038		
						Medicare	10.88			Check Amt	0.00	
						Fed Income Tax	72.71			Chkg 6876	602.72	
						CA Income Tax	6.19					
						CA Disability	9.00					
	EMPLOYEE TOTAL		30.00	750.00			147.28			Net Pay	602.72	
**** 70 SUPERINTENDENT Roberts, Mathew A 10	Salary			3,803.80		Social Security	235.84	Union dues	66.19	Direct Deposit # 21039		
	Sick		M3:00			Medicare	55.15			Check Amt	0.00	
						Fed Income Tax	335.87			Chkg 3506	2,838.56	
						CA Income Tax	226.54					
						CA Disability	45.65					
	EMPLOYEE TOTAL		3.00	3,803.80			899.05		66.19	Net Pay	2,838.56	
COMPANY TOTALS 9 Person(s) 9 Transaction(s)	Hourly		78.00	2,017.20		Social Security	1,555.81	457 EE Pretax	400.00	Check Amt	907.21	
	Retro Pay			164.77		Medicare	363.85	AFLAC EE Preta	31.25	Dir Dep	16,837.25	
	Salary			21,684.30		Fed Income Tax	2,652.31	AFLAC Post Tax	75.55			
	Overtime		18.00	884.79		CA Income Tax	1,149.22	Retirement	546.46			
	CPUD Ins			373.72		CA Disability	301.13	Union dues	304.74			
	Sick		23.00									
	Vacation		8.00									
		COMPANY TOTAL		127.00	25,124.78			6,022.32		1,358.00	Net Pay	17,744.46
							<i>Employer Liabilities</i>					
							Social Security	1,555.81				
						Medicare	363.87					
						CA Unemploy	49.59					
						CA Emp Train	3.10					
						TOTAL EMPLOYER LIABILITY	1,972.37					
						TOTAL TAX LIABILITY	7,994.69					

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0085 A850-4915 Calaveras Public Utility District

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS		
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS	
**** 10 MAINTENANCE Cunningham, John L 1	Salary			2,770.73	Social Security	229.76	457 EE Pretax	100.00	Direct Deposit # 21024
	Overtime	47.9550	19.50	935.12	Medicare	53.73	Union dues	48.21	Check Amt 0.00
	Sick		M8:00		Fed Income Tax	501.10			Chkg 0017 2,635.55
					CA Income Tax	93.03			
					CA Disability	44.47			
	EMPLOYEE TOTAL		27.50	3,705.85		922.09	148.21		Net Pay 2,635.55
Dresser, Michael R 16	Salary			2,279.33	Social Security	171.89	AFLAC Post Tax	20.00	Direct Deposit # 21025
	Overtime	39.4500	12.50	493.13	Medicare	40.21	Retirement	149.35	Check Amt 0.00
					CA Income Tax	117.30	Union dues	39.66	Chkg 5930 2,200.78
					CA Disability	33.27			
		EMPLOYEE TOTAL		12.50	2,772.46		362.67	209.01	
Moe, James G 8	Salary			2,804.53	Social Security	212.57	AFLAC EE Pretax	31.25	Direct Deposit # 21026
	Overtime	48.5400	13.50	655.29	Medicare	49.71	AFLAC Post Tax	30.80	Check Amt 0.00
	Sick		M8:00		Fed Income Tax	353.85	Union dues	48.80	Chkg 5056 2,566.35
	Vacation		M8:00		CA Income Tax	125.35			
					CA Disability	41.14			
	EMPLOYEE TOTAL		29.50	3,459.82		782.62	110.85		Net Pay 2,566.35
**** 20 MANAGER Leatherman, Donna M 7	Salary			4,708.21	Social Security	315.08	457 EE Pretax	300.00	Direct Deposit # 21027
	CPUD Ins			373.72	Medicare	73.68			Check Amt 0.00
	Vacation		M8:00		Fed Income Tax	773.04			Chkg 2134 1,000.00
					CA Income Tax	357.30			Chkg 8258 2,201.85
					CA Disability	60.98			
	EMPLOYEE TOTAL		8.00	5,081.93		1,580.08	300.00		Net Pay 3,201.85
**** 40 CUSTOMER SERV. REP. Bear, Carissa C 12	Retro Pay			84.98	Social Security	156.20	AFLAC Post Tax	24.75	Direct Deposit # 21028
	Salary			2,392.87	Medicare	36.53	Retirement	110.22	Check Amt 0.00
	Overtime	41.4150	1.00	41.42	Fed Income Tax	211.50	Union dues	43.11	Chkg 4811 200.00
	Sick		M16:00		CA Income Tax	98.46			Chkg 6990 1,808.27
					CA Disability	30.23			
	EMPLOYEE TOTAL		17.00	2,519.27		532.92	178.08		Net Pay 1,808.27
**** 50 WATER TREATMENT Rovera, Wyatt N 13	Salary			2,924.83	Social Security	192.32	Retirement	192.93	Direct Deposit # 21029
	Overtime	50.6250	3.50	177.19	Medicare	44.98	Union dues	50.89	Check Amt 0.00
	Sick		M24:00		Fed Income Tax	387.23			Chkg 9965 2,054.33
					CA Income Tax	142.12			
					CA Disability	37.22			
	EMPLOYEE TOTAL		27.50	3,102.02		803.87	243.82		Net Pay 2,054.33

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PAYROLL JOURNAL

0085 A850-4915 Calaveras Public Utility District

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS			
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS		
**** 60 ADMIN. ACCT. ASSIST. Storm, Kathleen J 15	Hourly	25.0000	37.00	925.00						
					Social Security	57.35	Direct Deposit # 21030			
					Medicare	13.41	Check Amt	0.00		
					Fed Income Tax	90.21	Chkg 6876	740.89		
				CA Income Tax	12.04					
				CA Disability	11.10					
	EMPLOYEE TOTAL		37.00	925.00		184.11	Net Pay	740.89		
**** 70 SUPERINTENDENT Roberts, Mathew A 10	Salary			3,803.80						
	Overtime	65.8350	3.50	230.42						
					Social Security	250.12	Union dues	66.19		
					Medicare	58.50	Check Amt	0.00		
				Fed Income Tax	363.52	Chkg 3506	2,997.37			
				CA Income Tax	250.11					
				CA Disability	48.41					
	EMPLOYEE TOTAL		3.50	4,034.22		970.66	66.19	Net Pay	2,997.37	
COMPANY TOTALS 8 Person(s) 8 Transaction(s)	Hourly		37.00	925.00	Social Security	1,585.29	457 EE Pretax	400.00	Check Amt	0.00
	Retro Pay			84.98	Medicare	370.75	AFLAC EE Preta	31.25	Dir Dep	18,205.39
	Salary			21,684.30	Fed Income Tax	2,680.45	AFLAC Post Tax	75.55		
	Overtime		53.50	2,532.57	CA Income Tax	1,195.71	Retirement	452.50		
	CPUD Ins			373.72	CA Disability	306.82	Union dues	296.86		
	Sick		56.00							
	Vacation		16.00							
	COMPANY TOTAL		162.50	25,600.57		6,139.02		1,256.16	Net Pay	18,205.39
					<i>Employer Liabilities</i>					
					Social Security	1,585.29				
				Medicare	370.75					
				CA Unemploy	120.53					
				CA Emp Train	7.10					
				TOTAL EMPLOYER LIABILITY	2,083.67					
				TOTAL TAX LIABILITY	8,222.69					
(IC) = Independent Contractor										

b. Investment Update

At the February Board meeting discussion to reinvest a maturing CD on March 1, 2021. The Manager was authorized to reinvest the \$200,000 in a callable CD. Closer to the maturity date opportunity was presented with similar terms and rate of .80%. Below is the compared options and selected investment for the reinvestment of the \$200,000 matured CD.

Original: UBS Bank; 5 years; callable in 6 months, then quarterly; 0.55%

Invested: BMO Harris Bank; FDI insured CD; 0.80%; 5 years; callable quarterly

Additionally a discussion regarding clarification of a callable CD was requested and response from UBS financial is provided below.

In buying a callable CD the issuing bank has the option of maturing (calling) the cd prior to maturity...the option to call is the bank's option, not the client's. In the case of the cd we discussed, UBS Bank is offering a rate of 0.60% for a maximum of 5 years, but they can mature it early; in 6 months, and then every three month thereafter. If the cd is called by UBS Bank you will receive the full amount of your principal back on the call date, plus all the interest earned up to that date. You have no risk of losing any principal or interest. Your 'risk' is perhaps having to reinvest the funds at a lower rate if rates have fallen further.

The option to call the CD is at the bank's discretion, not Districts. So investing with the realization that you would have this investment for a maximum of 5 year and a minimum of 6 months.

Recommendation/Action: None information only.



UBS Financial Services Inc.
315 Deaderick Street
C-198971
Nashville, TN 37238-8971

ubs.com/fs

Confirmation

Your Financial Advisor
EBERT, RICHARD
281-362-6360/866-215-5651



221-058-000421

CALAVERAS PUBLIC UTILITY DIST.
ATTN: DONNA LEATHERMAN
P O BOX 666
SAN ANDREAS CA 95249-0666



Send checks/correspondence to:
UBS FINANCIAL SERVICES INC.
1780 Hughes Landing Blvd
3 Hughes Landing, Suite 200
The Woodlands TX 77380-4021

RECEIVED MAR - 8 2021

February 26, 2021

We confirm the following trade

Bought

BMO HARRIS BK NA IL US	Account	EM 16958	Quantity	200,000
RATE 00.8000% MAT 03/18/2026	Trade date	02/26/21	Price	\$100.0000000
FIXED RATE CD	Settlement date	03/18/21	Gross amount	\$200,000.00
CALLABLE 06/18/2021 @ 100.0000	UBS capacity	PRINCIPAL	Commission/sales charge	-
YTM = .800	Reference no.	41508	Other fees/charges	-
PAYMENT FREQ. QUARTERLY			Amount debited	\$200,000.00
FDIC NO. 16571				
CUSIP NO. 05600XCL2				
CALLABLE BY ISSUER				
FIRST ELIGIBLE ISSUER CALL				
DATE: 06/18/2021				
ISSUER CALLABLE QUARTERLY				
FIRST COUPON DATE: 06/18/2021				
QUARTERLY PAYMENT				

For Certificates of Deposit that are FDIC insured, any premium paid over par value is not FDIC insured

Syndicate Primary

A Disclosure Statement for Certificates of Deposit is enclosed or was previously sent under separate cover. A copy of the current Disclosure Statement is also available from your Financial Advisor and at www.ubs.com/AccountDisclosures.

The CD Dated Date is 03/18/2021

Please note

It is important you retain this trade confirmation for your tax and financial records. When remittances/securities are due, they must be received by us at the address above on or before the payment/settlement date. Payments not received by the settlement date may be subject to a late settlement fee. Please indicate your account number on your check or correspondence. Make checks payable to UBS Financial Services Inc. Please see the back of this confirmation for additional terms and definitions applicable to these transactions.



UBS Financial Services Inc.
 315 Deaderick Street
 C-198971
 Nashville, TN 37238-8971

ubs.com/fs

Confirmation

Your Financial Advisor
 EBERT, RICHARD
 281-362-6360/866-215-5651



0007979 01 AB 0.425 01 TR 00029 BCDD13D2 000000 edg

CALAVERAS PUBLIC UTILITY DIST.
 ATTN: DONNA LEATHERMAN
 P O BOX 666
 SAN ANDREAS CA 95249-0666



Send checks/correspondence to:
 UBS FINANCIAL SERVICES INC.
 1780 Hughes Landing Blvd
 3 Hughes Landing, Suite 200
 The Woodlands TX 77380-4021



March 01, 2021

RECEIVED MAR - 8 2021 *RL*

We confirm the following transaction resulting from a corporate action

Redemption

ALLY BK MIDVALE UT US	Account	EM 16958	Quantity redeemed	200,000
RATE 02.6000% MAT 03/01/2021	Date	03/01/21	Amount credited	\$200,000.00
FIXED RATE CD	UBS capacity	AGENT		
CUSIP NO. 02007GBF9				

A redemption is the partial or full repayment of the principal of a debt security on or before the maturity date.

Questions

If you have any questions, please contact your Financial Advisor, EBERT, RICHARD, at 281-362-6360/866-215-5651.

Thank you for allowing us to serve your wealth management needs.

S 00007979 BCDD13D2 00009956 E

Appointments of Board Secretary – Policy No. 1015

Overview

Pursuant to CPUD Policy No. 1015, the Board Secretary position performs duties include recording of minutes and actions of the Board of Directors and certifying all actions and resolutions of the Board. A board member may not serve as Board Secretary. This position is customarily held by the Administrative Account Assistant.

Recommendation

Staff recommends that Carissa Bear, Administrative Account Assistant be appointed to as Board Secretary and perform duties according to Policy 1015.

Related District Policies 1015- Board Secretary

CALAVERAS PUBLIC UTILITY DISTRICT POLICIES

Policy Name:	1015 – BOARD SECRETARY		
Approval Authority:	CPUD BOARD OF DIRECTORS	Adopted:	3/10/2020
Resolution No.	Resolution 2020-3	Revised:	

1015.1 The Board Secretary performs duties including recording of minutes and actions of the Board of Directors and certifying all actions and resolutions of the Board, and such other duties as prescribed in the California Public Utilities Code and District ordinances. The General Manager or any other person designated by the Board may serve as Board Secretary. A Board member may not serve as Board Secretary.

1015.2 Duties of the Secretary

The Secretary of the Governing Board shall have the following duties;

- a) Certify or attest to actions taken by the Board when required;
- b) Sign the minutes of the Board meeting following their approval;
- c) Sign the documents as directed by the Board on behalf of the District, and sign all other items which require the signature of the Secretary;
- d) Perform any other duties assigned by the Board and the General Manager; and
- e) Perform any other duties required under law.

1015.3 Responsibilities of the Secretary

The duties of the Secretary, with the direction of the General Manager, are:

- a) Respond to routine correspondence;
- b) Prepare for Board meetings, including preparing the agenda with the advice of the General Manager and providing public notice of Board meetings in accordance with state law;
- c) Attend all Board meetings and take notes to prepare the minutes;
- d) Ensure accurate minutes of each Board meeting are prepared and maintained;
- e) Maintain Board records and other documents and reports as required by law; and
- f) Disseminate correspondence to Board members addressed to them.

AGENDA ITEM 6

Appointments of Representative to Association Memberships – Policy No. 1005

Overview

Pursuant to CPUD Policy No. 1005, the Board President shall appoint Board Members or the General Manager as representative and alternative to serve as contacts between the District, stakeholder groups, associations, and others.

A list of associations and stakeholder groups was provided to determine appointments for CPUD representative to serve and report on behalf of the District. Upon selected appointments the General Manager will provide the associations with updates to representation for the District.

Recommendation:

The Board President appoint Board members to the following stakeholder groups;
Calaveras Amador Mokelumne River Association (CAMRA)
Calaveras Public Power Agency (CPPA)
Upper Mokelumne River Watershed Authority (UMRWA)

Related District Policies 1005- Association Memberships

CALAVERAS PUBLIC UTILITY DISTRICT POLICIES

Policy Name:	1005 – ASSOCIATION MEMBERSHIPS		
Approval Authority:	CPUD BOARD OF DIRECTORS	Adopted:	3/10/2020
Resolution No.	Resolution 2020-3	Revised:	

Purpose: This policy sets forth the rules for membership in associations and establishes who may represent the District.

1005.1 Appropriate Memberships. To take advantage of in-service training opportunities, the District may hold membership in industry related associations. Board Members and staff may attend meetings of national, state, and local associations directly related to the purposes and operations of the District. Decisions to continue, discontinue, or add new memberships shall occur through the annual budget process and shall require the approval of the Board of Directors.

1005.2 Appointment of Representatives. The Board President shall appoint Board Members or the General Manager as representatives and alternates, as appropriate, to serve as contacts between the District, stakeholder groups, associations and others. The representatives and alternates shall report to the Board in a timely manner on their activities involving these associations. In some cases members may be allowed certain expenses for travel and membership in such associations. This shall be determined and approved by the full Board in accordance with existing District policies.

1005.3 General Manager Memberships. The President may designate the General Manager as the appropriate representative or alternate in connection with memberships in any association. The General Manager may designate those associations or industry specific organizations with which his/her association is necessary or desired.

Policy 1005 - Association Memberships						
Appointments to be made Annually at December meeting						
Association	Association Contact		Meeting Frequency	Meeting Dates 2021	Board Member	
					Main	Alternate
Calaveras Amador Mokelumne River Association (CAMRA)	Kate Jesus, Secretary	Katej@ccwd.org	Quarterly - third Wednesday	May/August/November/February	Donna Leatherman	
	Ed Gonzales, President	undrcvrcowboi@hotmail.com				
Calaveras Public Power Agency (CPPA)	Dennis Dickman	dda@volcano.net	Quarterly - third Wednesday	April/July/October/January	Donna Leatherman	
Upper Mokelumne River Watershed Authority (UMRWA)	Lisa Stuart, Secretary	lisa.stuart@ebmud.com	Quarterly - Last Friday	April/July/October/January	Richard Blood	Donna Leatherman
	John Coleman, President	john.coleman@ebmud.com				
Mokelumne River Authority						

AGENDA ITEM 7

Draft - Water Capacity and Connection Fees Study - Hansford Economic Consulting, LLC

Background

At the October 2020 regular meeting the Board authorized contract with Hansford Economic Consulting, LLC to conduct a study to update the District water connection and installation fees for new water services. Included in the Board packet is the Draft Water Capacity and Connection Fees Study for review and comments.

Recommendation:

Board review and comments should be submitted by the deadline of Friday, March 26, 2021. A presentation will be made at the April meeting for consideration of Public Hearing at the May meeting to update the District's Water Capacity and Connection Fees.

HANSFORD

ECONOMIC CONSULTING LLC

Calaveras Public Utility District

Water Capacity and Connection Fees Study

March 2, 2021

DRAFT

HEC No. 200334

The following report was prepared by Hansford Economic Consulting LLC.

The analyses and findings contained within this report are based on primary data provided by the Calaveras Public Utility District, as well as additional secondary sources of data available as of the date of this report. Updates to information used in this report could change or invalidate the findings contained herein. While it is believed that the primary and secondary sources of information are accurate, this is not guaranteed.

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by the client, its consultants and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved.

Changes in economic and social conditions due to events including, but not limited to, major recessions, droughts, major environmental problems or disasters that would negatively affect operations, expenses and revenues may affect the result of the findings in this study. In addition, other factors not considered in the study may influence actual results.

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Section 1: INTRODUCTION AND SUMMARY OF FINDINGS

1.1 INTRODUCTION

The Calaveras Public Utility District (CPUD or District) provides water service to residents and businesses in the San Andreas, Mokelumne Hill and outlying areas of Calaveras County. The District currently serves a population of about 5,000, and provides service to new development as it occurs. The purpose of this report is to update the District's schedule of new development water fees.

Currently, the District charges new development water fees comprising two components: (1) a connection fee, and (2) an installation charge. The fees are mostly based on actual costs incurred, as shown in Table 1 below. The current new development fees were set by the Board of Directors (Board) in September 1989.

Table 1
Current New Development Water Fees

METER SIZE	CONNECTION FEE	INSTALLATION CHARGE [1]
1" or smaller	current meter cost + \$2,575	\$1,225
1.5" & 2"	current meter cost + \$5,150	cost + 15%
>2"	current meter cost + fee determined by Board	cost +15%

Source: CPUD Resolution 89-23.

curr

[1] Where any service line requires installation greater than 10 feet from the distribution line or across/under any road, the installation fee is actual cost plus 15%.

Given that the fees were set more than 30 years ago, and that the District has updated its Water Master Plan since that time, it is appropriate to revisit the current schedule of new development fees.

1.2 AUTHORITY TO CHARGE CAPACITY AND CONNECTION FEES

Under the authority of the Mitigation Fee Act (1987), contained in California Government Code Section 66000 et. seq., the District is authorized to collect water capacity and connection fees. When a municipality adopts or updates a capacity or connection fee, it must demonstrate that the fees shall not exceed the estimated reasonable cost of providing the service for which the fee is imposed. Maximum justifiable fees are calculated in this report pursuant to demonstration of the nexus between new development and the increase in demand for the infrastructure that is provided to serve the new development.

Specifically, the District may impose a connection fee pursuant to Government Code Section 66013 (b)(5) for the physical facilities necessary to make a water connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line, that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

The District may impose a capacity fee pursuant to Government Code Section 66013(b)(3) for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interest, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

The new development fees should be evaluated at least every five years; over time, inflationary adjustments to fees alone may be insufficient as development plans change, anticipated pace of development changes, and infrastructure solutions to water service provision (typically in Water Master Plans) are revised.

1.3 CALCULATED CAPACITY AND CONNECTION FEES

This report updates the District’s current water connection fee, and it calculates a proposed new water capacity fee. Both the connection and capacity fees include two subcomponents as presented in the table below.

Connection Fee	Capacity Fee
Meter Fee	Buy-In Fee
Installation Fee	Expansion Fee

For the capacity fee, two fee level options are presented for the Board’s consideration. The first fee level option calculates the fees based on the replacement cost of the District’s water system assets less accumulated depreciation. This option is most commonly used for water asset infrastructure because it accounts for the current costs to replace existing infrastructure.

The second option calculates the capacity fees based on the original cost of the assets. Under the original cost approach, the buy-in fee reflects the original investment in existing capacity, paying an amount similar to what the existing customers paid for the capacity (or the remaining value of the original investments). Assets that have in theory exceeded their useful life may still have a value associated with them that new development would pay for a portion of; however, the methodology does not take into account that replacement costs of the assets would be greater than when originally installed. A concern with this approach is that it is impractical because insufficient capital is raised to ensure maintenance of the assets.

Table 2 on the next page presents the calculated updated connection fees and the proposed new capacity fees. The fees would be charged according the meter size of the new service, with the

exception of Accessory Dwelling Units (ADUs). Pursuant to State law, ADUs must be charged development fees on a per building square foot basis.

**Table 2
Proposed New Development Water Fees Schedule**

New Development Fee [1]	Schedule of Fees			
	Meter Size			
Connection Fee [2]	≤ 1"	1.5"	2"	> 2"
Meter	\$660	\$1,010	\$1,510	actual costs
Installation	\$2,180	\$2,265	\$2,300	actual costs
Total	\$2,840	\$3,275	\$3,810	actual costs
ADU Connection Fee [3], [4]	\$1.49	Per Livable Bldg. Sq. Ft. [5]		
Capacity Fee	Option 1	Option 2		
1" and Smaller	\$13,159	\$11,011		
1.5"	\$21,055	\$17,617		
2"	\$30,267	\$25,325		
3"	\$51,322	\$42,942		
4"	\$85,536	\$71,570		
6"	\$161,861	\$135,433		
8"	\$253,977	\$212,508		
ADU Capacity Fee [3]	\$6.93	\$5.80	Per Livable Bldg. Sq. Ft. [5]	

Source: HEC January 2021.

summ

[1] Both fees proposed under authority of California Government Code 66013.

[2] District may waive a portion (meter or installation fee) of the connection fee, circumstance depending.

Additional at-cost fee will be charged for extraordinary circumstances such as a road crossing, pressure reducer installation, and so forth.

[3] Per California law (passage of AB-494 and SB-13), an Accessory Dwelling Unit (ADU) may be charged the capacity fee provided that it is greater than 749 building square feet. The fee may only be charged when a new water service is required for a detached ADU building. Note that creation of ADUs is permitted by California law on single-family and multi-family zoned property.

[4] Contrary to footnote [2], no portion of the fee is to be waived for an ADU.

[5] Excludes garage and covered outdoor areas.

It is recommended that the District update the fees annually by a predetermined index. The Engineering News Record San Francisco Construction Cost Index March to March change is recommended for an annual July 1 update. Periodic review of the capacity and connection fees is also recommended whenever estimated costs are revised pursuant to an update of the Water Master Plan, or whenever there are changes in the County's General Plan that would affect projected growth in the District's service territory.

A comparison of current and proposed fees under capacity fee option one is provided in Table 3 for a new single-family home. Currently a new home installing a one-inch water meter would pay a connection fee of \$4,460. Under the proposed new fees, a new home would pay a connection fee of \$2,840 and a capacity fee of \$13,159. The total fees due would increase from \$4,460 to \$15,999.

Table 3
Residential Comparison of Current and Proposed Fees

Item	Connection Fee			Capacity Fee Option 1	TOTAL FEE
	Meter	Installation	Total		
<i>Assumption: New single family home with a 1" meter</i>					
Current [1]	\$3,235	\$1,225	\$4,460	\$0	\$4,460
Proposed [2]	\$660	\$2,180	\$2,840	\$13,159	\$15,999

Source: HEC January 2021.

1" sum

[1] Current cost of a 1" meter and appurtenances is \$660.

[2] Fees calculated using Option 1, RCNLD asset valuation methodology.

Table 4 compares the development fees due for a new commercial building with a two-inch water meter. Under the current fee schedule, the building applicant would pay a connection fee of \$8,960. Under the proposed fee schedule option one, the applicant would pay a connection fee of \$3,810 plus a capacity fee of \$30,267, for a total fee of \$34,077.

Table 4
Non-residential Comparison of Current and Proposed Fees

Item	Connection Fee			Capacity Fee Option 1	TOTAL FEE
	Meter	Installation	Total		
<i>Assumption: New commercial building with a 2" meter</i>					
Current [1]	\$6,660	\$2,300	\$8,960	\$0	\$8,960
Proposed [2]	\$1,510	\$2,300	\$3,810	\$30,267	\$34,077

Source: HEC January 2021.

non sum

[1] Current cost of a 2" meter and appurtenances is \$1,510.

[2] Fees calculated using Option 1, RCNLD asset valuation methodology.

Section 2: CONNECTION FEES

Under current California Government Code, connection fees are charges imposed by the District to pay for the reasonable cost of providing physical facilities necessary to make a water connection, including, but not limited to meters, meter boxes, and pipelines from the structure or project to a water distribution line that does not exceed the estimated cost of labor and materials for installation of those facilities¹.

The connection fee is made up of two fee components: (1) the meter fee, which covers the estimated costs of the meter and meter appurtenances, and (2) the installation fee, which covers the estimated costs of labor and equipment to install the facilities.

2.1 METER FEE CALCULATION

The meter fee reflects the most current costs of meters and appurtenances for meters one-inch (and smaller), 1.5-inch, and 2-inch in size. Meters larger than 2-inch should be charged the actual cost of the meter and appurtenances because the costs for these meters are more variable and less predictable. There are many options for type of larger meter size (jet, turbine, propeller and so forth) and different meter types may be necessary for different building types and building locations (including fire protection) needs.

2.2 INSTALLATION FEE CALCULATION

The installation fee is based on the estimated amount of staff time (labor cost) and equipment time (rental cost) needed to install the meter. The District has documented labor and equipment time needed for typical installations. **Table A-1** in Appendix A shows the assumptions used in the calculation to determine the installation cost for a one-inch meter. Labor costs are determined using fiscal year 2021 hourly labor rates plus benefits (see support **Tables A-2 and A-3** in Appendix A). The equipment costs are assumed to be the same for all meter sizes two-inch and smaller. The labor cost is assumed to increase for field personnel time for 1.5-inch and 2-inch meters.

As with the meter fee, the installation fee is only calculated for meter services that are two-inch or smaller. Costs are less predictable with larger meter sizes; therefore, it is recommended that the actual cost of installation be charged for new larger size meter services.

2.3 TOTAL CALCULATED CONNECTION FEE

The total calculated connection fees are shown in **Table 5** on the following page. As already described, the connection fees are calculated for new services with meters 2-inches and smaller. For new services requiring larger meters, the District will charge the actual cost of installation. Note, the District may charge greater fees than established in the fee schedule for meters 2-inches and

¹ Government Code Section 66013(b)(5).

smaller for extraordinary circumstances (such as a road crossing or a pressure reducer installation) under which greater than typical service installation costs occur.

When a separate service is required for an ADU, the District will charge \$1.49 per livable building square foot of the ADU. The calculation of the ADU fee is based on the connection fee of \$2,840 for a typical home divided by the typical livable building square feet of homes in the CPUD service territory. The typical size of a home in the CPUD service territory is 1,900 square feet; this size was determined by pulling local real estate data and holding discussions with District staff. Table A-4 in Appendix A lists recently sold homes in the area built since 2010. The median home size is just under 1,900 building square feet.

**Table 5
Calculated Connection Fees**

Fee Component	Service Size			
	<= 1"	1.5"	2"	> 2"
Meter Fee				
Meter	\$250	\$550	\$1,000	actual
Meter Appurtenances	\$410	\$460	\$510	actual
Total Meter Fee (rounded)	\$660	\$1,010	\$1,510	actual costs
Installation Fee				
Labor	\$607	\$690	\$725	actual
Equipment	\$1,575	\$1,575	\$1,575	actual
Total Installation Fee (rounded)	\$2,180	\$2,265	\$2,300	actual costs
Total Connection Fee [1]	\$2,840	\$3,275	\$3,810	actual costs
ADU Connection Fee				
Est. ERU Livable Bldg. Sq. Ft.	1,900			
ADU Fee per Bldg. Sq. Ft. [2], [3]	\$1.49			

Source: CPUD and HEC, January 2021.

conn fee

[1] Additional at-cost fee will be charged for extraordinary circumstances such as a road crossing, pressure reducer installation, and so forth.

[2] Excludes garage and covered outdoor areas.

[3] Per California law (passage of AB-494 and SB-13), an Accessory Dwelling Unit (ADU) may be charged the capacity fee provided that it is greater than 749 building square feet. The fee may only be charged when a new water service is required for a detached ADU building. Note that creation of ADUs is permitted by California law on single-family and multi-family zoned property.

Section 3: CAPACITY FEES

Capacity fees are charged to pay for current and future District facilities that new water customers will use. Capacity fees pay for major infrastructure such as water supply and development, treatment and distribution facilities. Currently, the District does not charge water capacity fees. The capacity fees are comprised of two components: (1) a buy-in fee to pay for the portion of capacity in existing facilities that the new customer will use, and (2) an expansion fee to pay for estimated costs of infrastructure upgrades that expand capacity to the benefit of new users.

3.1 FUTURE DEVELOPMENT AND GROWTH ASSUMPTIONS

The first step in determining capacity fees is establishing the current number of water customers, expressed in equivalent residential units (ERUs). Using the current number of customers by meter size and applying AWWA-standard meter ratios, the current number of ERUs is 2,185 (see Table 6 below).

Table 6
Current Number of ERUs

Meters	Number of Meters	Flow Rate (gpm)	Meter Ratios	Number of ERUs
1" and Smaller	1,966	50	1.0	1,966
1.5"	14	100	2.0	28
2"	31	160	3.2	99
3"	0	300	6.0	0
4"	6	500	10.0	60
6"	0	1,000	20.0	0
8"	1	1,600	32.0	32
TOTAL	2,018			2,185

Source: AWWA M1 meter flow rates and CPUD number of meters. erus

Based on historical growth patterns in the CPUD service territory, it is estimated that 2.5 ERUs will be added to the customer base each year. Over the next twenty years, which is the time span of the District's Water Master Plan, it is estimated that the District will serve an additional 50 ERUs, as shown in Table 7 on the next page. With this level of growth, the new ERUs represent 2% of all ERUS by 2040.

Table 7
Twenty-year Projection of ERUs

Fiscal Year Ending	# ERUs	Share of ERUs by 2040
2020	2,185	98%
2040	2,235	
Increase	50	2%

Source: CPUD and HEC 2021. proj

3.2 EXPANSION FEE COSTS

The cost that is the basis for the expansion fee is determined by multiplying the 20-year estimated Capital Improvement Projects (CIP) costs by new development's share of ERUs in 2040. The estimated CIP costs are based on the 2012 Water Master Plan and 2019 Water Rate Study estimated costs inflated to current dollars. The total 20-year CIP cost estimate is \$12.00 million in today's dollars, as summarized in Table 8 below. New development's share of the estimated cost is \$268,000.

Table 8
Determination of 20-Year CIP Costs

Capital Improvements	Est. Cost in 2021 \$	2019 Rate Study		2012 Master Plan	
		Est. in 2021 \$	Original Est.	Est. in 2021 \$	Original Est.
	rounded				
Water Supply		\$0	\$0	\$124,710	\$100,000
Treatment Plant Improvements		\$882,330	\$855,050	\$1,864,421	\$1,495,000
Raw Water Improvements		\$0	\$0	\$2,438,089	\$1,955,000
Pipeline/Schaads Hydros		\$371,486	\$360,000	\$685,907	\$550,000
Transmission and Distribution		\$629,462	\$610,000	\$779,440	\$625,000
Line Replacement / Other		\$1,068,022	\$1,035,000	\$4,676,641	\$3,750,000
General and Administration		\$198,126	\$192,000	\$0	\$0
Total		\$3,149,425	\$3,052,050	\$10,569,208	\$8,475,000
Study Timeframe (years)		5		20	
Estimated Cost per Year	\$600,000	\$629,885		\$528,460	
20-Year CIP Expenditure Estimate	\$12,000,000				
Existing Users Share	\$11,732,000	98%			
New Users Share	\$268,000	2%			

Source: 2008 and 2012 Master Plan documents, and the 2019 Rate Study.

mp costs

3.3 BUY-IN FEE COSTS

Because almost all of the CIP costs are for infrastructure that serves existing users, the majority of the capacity fee is to buy-in to existing water facilities. The cost included in the buy-in fee calculation depends on the methodology that is used to determine the value of the District's current water assets. This report provides two methodologies, a replacement cost less depreciation (RCNLD) methodology, and an original cost methodology. Both methodologies are described in the American Water Works Association M1 Manual, and both are considered to be valid for calculating capacity fees.

Table A-5 in Appendix A provides a list of the CPUD water assets, their original cost, and estimated replacement cost analysis. The first fee level option using the RCNLD methodology calculates the fees based on the estimated current replacement cost of the District's water system assets less accumulated depreciation. This option is most commonly used for water asset infrastructure because it accounts for the current costs to replace existing infrastructure.

The second option calculates the capacity fees based on the original cost of the assets. Under this option, assets that have in theory exceeded their useful life may still have a value associated with them that new development would pay for a portion of; however, it does not take into account that replacement costs of the assets would be greater than when originally installed. Under the original cost approach, the buy-in fee reflects the original investment in existing capacity, paying an amount similar to what the existing customers paid for the capacity (or the remaining value of the original investments). A concern with this approach is that it is impractical because insufficient capital is raised to ensure maintenance of the asset.

Under both options, the cost of any assets funded with grants is removed, and the cost of land (which is not depreciable) is added. In addition, the cost of replacing or rehabilitating and upgrading existing assets that is included in the CIP is excluded at the estimated current cost (option 1) or original cost (option 2). Total cost included in the buy-in fee is \$16.58 million under option 1, and \$11.91 million under option 2.

3.4 CAPACITY FEE CALCULATIONS

The total buy-in costs are divided by the number of estimated ERUs in 2040 to determine the maximum buy-in fee per ERU. The expansion fee costs are only borne by the estimated number of new ERUs by 2040. The two fee components are added to determine the total capacity fee per ERU. An administrative fee of three-percent is added for collection and handling of the fees, public hearing costs², and periodic updates of the fee program.

Under fee level option 1 with the RCNLD methodology, the total capacity fee per ERU is \$13,159. Under fee level option 2 with the original cost methodology, the total capacity fee per ERU is \$11,011. The fee calculations are shown in **Table 9** on the next page.

² Government Code 66016 (c).

**Table 9
Capacity Fee Calculation per ERU**

Item	Option 1 (RCNLD)	Option 2 (Original Cost)
Buy-In Fee		
Buy-In of Depreciated Assets	\$20,798,111	\$14,898,733
less grant-funded projects	(\$11,129)	(\$12,439)
Plus Land	\$150,436	\$150,436
less replacement of assets included in the CIP	(\$4,360,800)	(\$3,122,923)
Net Buy-In Facilities Cost	\$16,576,618	\$11,913,806
Total ERUs by 2040	2,235	2,235
Buy-In Fee per ERU	\$7,416	\$5,330
Expansion Fee		
New Users Share of Projected 20-Year CIP Costs	\$268,000	\$268,000
New ERUs by 2040	50	50
Expansion Fee per ERU	\$5,360	\$5,360
Total Fee per ERU	\$12,776	\$10,690
Administrative Fee @ 3%	\$383	\$321
Total Water Capacity Fee per ERU	\$13,159	\$11,011

Source: CPUD supporting data and HEC Jan 2021.

exp costs

The fee per ERU is the fee for a one-inch meter because almost all new residential homes will be required to install a one-inch meter. The fees for all other meter sizes are based on a) maximum flow rates by meter size, and b) estimated installation costs³.

Maximum flow rates are used because a significant portion of a water system's design (supply, treatment and transmission) is related to meeting capacity needs. The ratio at which the meter charge increases is a function of the meter's safe operating capacity as established by the American Water Works Association. For example, a one-inch meter has a maximum flow rate of 50 gallons per minute (gpm) and a two-inch meter has a maximum flow rate of 100 gpm. The flow rate of a two-inch meter is twice that of a one-inch meter therefore the ratio for a two-inch meter is 2.0. Meter ratios based on safe operating capacity were previously shown in Table 6.

Installation costs are also used because they more closely reflect the new customer's demand on the water system's distribution facilities, and because for larger meters, the meter capacity may not be a reasonable indicator for the actual demand of the customer. The installation cost meter ratios are shown in Appendix A Table A-6. Service installation costs, which are an input to the installation costs, are estimated in Table A-7.

³ Regionally, the Tuolumne Utilities District also uses this methodology for capacity fee calculations.

The meter ratios used to calculate the capacity fee by meter size are an average of the installation cost and meter capacity ratios, shown in **Table 10** below.

Table 10
Determination of Meter Ratios for Capacity Fee

Meter Size	Installation Cost	Meter Capacity	Average
1" and Smaller	1.0	1.0	1.0
1.5"	1.2	2.0	1.6
2"	1.3	3.2	2.3
3"	1.9	6.0	3.9
4"	2.9	10.0	6.5
6"	4.6	20.0	12.3
8"	6.8	32.0	19.4

Source: CPUD and HEC January February 2021. ratios

The calculated capacity fees under each fee level option are shown in **Table 11** on the next page.

Table 11
Calculated Capacity Fees

Item	Option 1 (RCNLD)	Option 2 (Original Cost)
Fee per ERU		
Buy-In Fee	\$7,416	\$5,330
Expansion Fee	\$5,360	\$5,360
Administrative Fee 3%	\$383	\$321
Total Capacity Fee per ERU	\$13,159	\$11,011
Est. ERU Livable Bldg. Sq. Ft.	1,900	1,900
ADU Fee per Bldg. Sq. Ft. [1], [2]	\$6.93	\$5.80
Meter Size		
1" and Smaller	\$13,159	\$11,011
1.5"	\$21,055	\$17,617
2"	\$30,267	\$25,325
3"	\$51,322	\$42,942
4"	\$85,536	\$71,570
6"	\$161,861	\$135,433
8"	\$253,977	\$212,508

Source: HEC January 2021.

cap calc

[1] Excludes garage and covered outdoor areas.

[2] Per California law (passage of AB-494 and SB-13), an Accessory Dwelling Unit (ADU) may be charged the capacity fee provided that it is greater than 749 building square feet. The fee may only be charged when a new water service is required for a detached ADU building. Note that creation of ADUs is permitted by California law on single-family and multi-family zoned property.

3.5 REGIONAL FEES COMPARISON

It is common for municipal water providers to charge capacity fees (sometimes also called "participation fees") to equalize the cost of infrastructure between current and future system users. Other regional municipal water providers charge capacity fees, as shown in **Table 12** on the next page. The proposed capacity fee for a new ERU is less than that charged by the Calaveras County Water District and the Amador Water Agency which serve the communities surrounding the CPUD service territory.

Table 12
Comparison of Regional Capacity Fees

Water Provider	Connection Fees [1]		Capacity Fees	
	5/8"	1"	5/8"	1"
Calaveras PUD (Proposed)	\$2,840	\$2,840	\$13,159	\$13,159
Linden CWD	actual cost	actual cost	\$8,445	\$8,445
Tuolumne Utilities District [1]	\$564	\$689	\$5,477	\$5,477
Amador Water Agency [2]	\$585	\$720	\$10,660	\$26,655
Groveland CSD	\$290	\$365	\$1,827	\$3,106
City of Jackson	not published	not published	\$2,101	\$2,101
Calaveras County Water District				
- West Point	\$705	not published	\$12,561	\$31,403
- Copper Cove	\$705	not published	\$12,302	\$30,755
- Ebbett's Pass	\$705	not published	\$8,050	\$20,125
- Jenny Lind	\$705	not published	\$12,164	\$30,410
- Wallace	\$705	not published	\$9,000	\$22,500

Source: Website information or telephone call.

comps

[1] Meter fee only shown. The installation fee is actual time and materials cost.

[2] Meter fee only shown. The installation fee is actual time and materials cost, with an initial deposit of \$5,000 required.

Section 4: CAPACITY AND CONNECTION FEES ADOPTION AND ADMINISTRATION

4.1 CAPACITY AND CONNECTION FEES ADOPTION

Pursuant to California Government Code 66016, prior to increasing an existing fee or adopting a new fee, an agency must hold at least one open and public meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that all supporting studies and information are available to the public, shall be noticed at least 10 days prior to the meeting. Increases to an existing fee or adoption of a new fee may be made by ordinance or resolution.

4.2 FUTURE FEE ADJUSTMENTS AND UPDATES

It is recommended that the District update the Capacity and Connection Fees annually by a predetermined index. The Engineering News Record San Francisco Construction Cost Index March to March change is recommended for an annual July 1 update. Periodic review of the Capacity and Connection Fees is also recommended whenever estimated costs are revised pursuant to an update of the District's Water Master Plan, or whenever there are changes in the County's General Plan that would affect projected growth in the District's service territory.

4.3 MITIGATION FEE ACT COMPLIANCE

For the capacity fees only, the District must deposit fee revenues in a separate capital facilities fund to avoid any comingling with other monies of the District. Any interest income earned must also be deposited into the Water Capacity Fee Fund. In addition, the District must comply with annual and five-year reporting requirements for the Water Capacity Fees Fund.

Within 180 days of the end of a fiscal year, the following is to be furnished for the prior fiscal year:

1. A description of the charges deposited in the fund,
2. The beginning and ending balance of the fund,
3. The amount of the fees collected and interest earned,
4. An identification of each public improvement for which fees were expended and the amount of expenditure for each improvement, including the percentage of the total cost of the improvement that was funded with capacity fees if more than one source of funding was used,
5. An identification of each public improvement on which charges were expended that were completed during the fiscal year, and each improvement anticipated to be undertaken in the following fiscal year, and
6. A description of any interfund transfer or loan made from the Water Capacity Fee Fund, identification of any public improvements on which any transferred monies are, or will be, expended, and a description of repayment terms.

All of the above information may be included in the District's annual financial report.

4.4 CAPACITY FEE CREDITS AND REIMBURSEMENTS

The District may provide fee credits and reimbursements to developers who dedicate land or construct facilities included in the expansion fee portion of the capacity fee with private financing. The credit / reimbursement may only be up to the cost of the improvement, as included in the expansion fee program, or the actual cost paid by the developer, whichever is lower. No credit or reimbursement will be allowed for costs incurred that are higher than estimated in the fee program, and the administrative portion of the fee is excluded from fee credits / reimbursements.

Credits. Once fee credits have been determined, they will be used at the time the respective fees would be due. The use of accumulated fee revenues shall first be used for District-determined priority capital improvement projects, and secondly for repayment of accrued reimbursement to private developers.

Reimbursements. Reimbursements would be due to developers who advance-fund water facilities in excess of their fair share of the facility costs. Developers must enter into a reimbursement agreement with the District to receive reimbursements. Fee credits would be provided up to the fair share cost for the developer, then reimbursements would be due to the developer once revenue collections have been made from other developers. Reimbursement priority is a "first in, first out" system. As money becomes available, the first in would receive reimbursement first. Developers may have to wait some time before their reimbursement is paid in full. Reimbursements are only an obligation of the Water Capacity Fee Fund, not any other District fund.

Fee credits/reimbursements will be adjusted annually by the inflation factor used to adjust the fee.

APPENDIX A

WATER CAPACITY AND CONNECTION FEE STUDY

SUPPORT TABLES

Table A-1
Calaveras Public Utility District Connection Fees Update
Installation Fee Calculations for a One-Inch Meter. DRAFT

Item	Cost per Hour	Time (Hours)	Total Cost
Labor			
Administrative	\$36.96	2.00	\$73.92
General Manager	\$102.38	1.00	\$102.38
Field Personnel	\$31.97	11.00	\$351.67
Total Labor			\$527.97
Overhead Cost Allocation			15%
Total Labor Fee			\$607.17
Equipment			
	per day		
District Truck	\$75.00	5.00	\$375.00
Dump Truck	\$150.00	4.00	\$600.00
Backhoe	\$150.00	4.00	\$600.00
Total Equipment			\$1,575.00
Total Installation Fee			\$2,182.17

Source: CPUD and HEC January 2021.

install fee

Table A-2
Calaveras Public Utility District Connection Fees Update
Fiscal Year 2021 Labor Hourly Rates

DRAFT

Name	Position	Hourly Rate	Benefits Ratio	Full Hourly Rate
Cunningham, John	Water Utility Worker	\$31.97	1.88	\$60.26
Dresser, Michael	Water Utility Worker	\$26.30	1.88	\$49.57
Moe, James	Water Utility Worker	\$32.36	1.88	\$60.99
Roberts, Mathew	Water System Superintendent	\$42.82	1.88	\$80.71
Bear, Carissa	Administrative Account Assistant	\$19.61	1.88	\$36.96
Rovera, Wyatt	Water Treatment Plant Operator	\$31.97	1.88	\$60.26
Leatherman, Donna	General Manager	\$54.32	1.88	\$102.38

Source: CPUD data.

staff

Table A-3
Calaveras Public Utility District Connection Fees Update
Fiscal Year 2021 Budget **DRAFT**

Expenses	FY 2021 Employee Budget
Salaries and Wages	\$312,500
Benefits	
SS FICA	\$45,000
Unemployment	\$2,500
Medical Insurance	\$241,500
PERS	\$200,000
OPEB	\$100,000
Total Benefits	\$589,000
TOTAL	\$901,500
Ratio Benefits to Salaries & Wages	1.88

Source: CPUD Resolution 2020-12, FY21 Budget. emp budg

Table A-4
Calaveras Public Utility District Connection Fees Update
Recently Sold Homes Built Since 2010 **DRAFT**

Area	Bldg. Sq. Ft.
Mokelumne Hill	1,200
Mokelumne Hill	4,704
Mokelumne Hill	1,205
Mokelumne Hill	1,674
Mokelumne Hill	1,200
Mokelumne Hill	1,330
Mokelumne Hill	2,059
Mokelumne Hill	2,264
Mountain Ranch	1,296
Mountain Ranch	1,396
Pine Grove	2,370
Jackson	1,897
Jackson	1,998
Jackson	2,248
Jackson	4,125
San Andreas	1,680
San Andreas	2,786
Median Home Size	1,897

Source: Zillow and Trulia searches, Jan. 7, 2021.

sf built

Table A-5
 Calaveras Public Utility District Connection Fees Update
 CPUD Water Assets and Current Values

DRAFT

Asset Description	Date Acquired	Base Year	Years of Life	2021			ORIGINAL COST		REPLACEMENT COST			
				Years Deprec.	Remaining Years		Original Cost	Replacement Factor	Replacement Cost Est.	Annual Depr.	Accum. Depr.	Remaining Value
				$c = 2021 - b$	$d = b - c$		e	f	$g = e * f$	$h = g / b$	$i = h * c$	$j = g - i$
BUILDING AND IMPROVEMENT												
506 w. Charles Office	06/30/05	2005	30	16	14		\$297,320	1.82	\$539,985	\$18,000	\$287,992	\$251,993
New a/c for office	06/30/06	2006	10	15	0		\$13,564	1.75	\$23,733	\$2,373	\$23,733	\$0
Office Roof Replacement	06/30/18	2018	30	3	27		\$10,250	1.12	\$11,463	\$382	\$1,146	\$10,317
TOTAL BUILDING AND IMPROVEMENT							\$321,134		\$575,181	\$20,755	\$312,871	\$262,310
PUMPING PLANT												
Dam	06/30/74	1974	99	47	52		\$1,286,710	5.77	\$7,426,022	\$75,010	\$3,525,485	\$3,900,537
Pump Station controls	04/30/04	2004	30	17	13		\$13,775	1.89	\$25,968	\$866	\$14,715	\$11,253
Rebuild So. Fork Pump Station Controls	02/29/12	2012	10	9	1		\$5,165	1.40	\$7,225	\$722	\$6,502	\$722
Rebuild So. Fork 400 HP GE Solid Shaft Motor	05/31/12	2012	10	9	1		\$7,271	1.40	\$10,171	\$1,017	\$9,154	\$1,017
South Fork Pump Station	06/30/20	2020	40	1	39		\$167,810	1.04	\$174,186	\$4,355	\$4,355	\$169,832
TOTAL PUMPING PLANT							\$1,480,730		\$7,643,573	\$81,970	\$3,560,212	\$4,083,361
HYDRO PLANT												
Hydro #1	12/31/94	1994	25	27	0		\$16,667	2.74	\$45,623	\$1,825	\$45,623	\$0
Hydro #2	12/31/94	1994	25	27	0		\$16,667	2.74	\$45,623	\$1,825	\$45,623	\$0
Hydro #3	12/31/94	1994	25	27	0		\$16,666	2.74	\$45,620	\$1,825	\$45,620	\$0
80 KW Cummins & GE Zenith Backup Generator (Glencoe)	11/30/11	2011	10	10	0		\$38,616	1.45	\$56,071	\$5,607	\$56,071	\$0
Pipeline Hydros - Cla Val	06/30/15	2015	10	6	4		\$12,155	1.25	\$15,204	\$1,520	\$9,122	\$6,081
Schaads Dam Access Road	06/30/19	2019	30	2	28		\$52,746	1.08	\$56,831	\$1,894	\$3,789	\$53,042
Schaads Underground Irrigation Line	06/30/19	2019	30	2	28		\$52,500	1.08	\$56,566	\$1,886	\$3,771	\$52,795
Schaads	06/30/20	2020	30	1	29		\$47,139	1.04	\$48,931	\$1,631	\$1,631	\$47,300
Ponderosa Hydro	06/30/20	2020	30	1	29		\$17,373	1.04	\$18,033	\$601	\$601	\$17,432
TOTAL HYDRO PLANT							\$270,529		\$388,502	\$18,614	\$211,852	\$176,650
TREATMENT PLANT & TANKS												
Diversion Dam	06/30/74	1974	99	47	52		\$38,505	5.77	\$222,225	\$2,245	\$105,501	\$116,724
Pumping Plant	06/30/74	1974	40	47	0		\$166,854	5.77	\$962,969	\$24,074	\$962,969	\$0
Treatment Plant	06/30/74	1974	40	47	0		\$500,564	5.77	\$2,888,919	\$72,223	\$2,888,919	\$0
Clearwell Tank	06/30/74	1974	60	47	13		\$102,680	5.77	\$592,600	\$9,877	\$464,203	\$128,397
Mokelumne Hill Reservoir	06/30/74	1974	99	47	52		\$166,855	5.77	\$962,975	\$9,727	\$457,170	\$505,805
San Andreas Reservoir	06/30/74	1974	99	47	52		\$302,833	5.77	\$1,747,748	\$17,654	\$829,739	\$918,009
Pump Station Road	06/30/74	1974	33	47	0		\$5,839	5.77	\$33,699	\$1,021	\$33,699	\$0
Mokelumne Hill Road	06/30/74	1974	33	47	0		\$5,399	5.77	\$31,159	\$944	\$31,159	\$0
Pump Station B Road	06/30/74	1974	33	47	0		\$5,402	5.77	\$31,177	\$945	\$31,177	\$0
Other	06/30/93	1993	33	28	5		\$98,115	2.84	\$278,780	\$8,448	\$236,540	\$42,239
Electric Panel with new switch	06/30/00	2000	10	21	0		\$10,115	2.19	\$22,136	\$2,214	\$22,136	\$0
Railroad flat water line extension	06/30/02	2002	99	19	80		\$1,559,469	2.03	\$3,167,572	\$31,996	\$607,918	\$2,559,654
Treatment plant filters	06/30/05	2005	40	16	24		\$286,507	1.82	\$520,346	\$13,009	\$208,138	\$312,208
Treatment plant pump	06/30/05	2005	40	16	24		\$46,254	1.82	\$84,004	\$2,100	\$33,602	\$50,403
Backwash Pond Renewal	06/30/14	2014	20	7	13		\$168,213	1.30	\$218,395	\$10,920	\$76,438	\$141,957
Treatment Plant Valve Project	06/30/14	2014	20	7	13		\$69,302	1.30	\$89,976	\$4,499	\$31,492	\$58,485
Treatment Plant Improvements	06/30/15	2015	20	6	14		\$157,435	1.25	\$196,919	\$9,846	\$59,076	\$137,843
Filter Media Replacement	06/30/16	2016	10	5	5		\$274,605	1.20	\$330,899	\$33,090	\$165,450	\$165,450
Energy Efficient Lighting Upgrade	06/30/16	2016	40	5	35		\$24,574	1.20	\$29,612	\$740	\$3,701	\$25,910
Water Treatment Plant Backwash Valve	06/30/17	2017	10	4	6		\$5,985	1.16	\$6,948	\$695	\$2,779	\$4,169
Filter Cla-Val Replacement	06/30/18	2018	5	3	2		\$13,813	1.12	\$15,448	\$3,090	\$9,269	\$6,179
Treatment Plant HVAC/Lighting Upgrade	06/30/18	2018	15	3	12		\$12,439	1.12	\$13,912	\$927	\$2,782	\$11,129
Reservoir Diversion Ditch Improvement	06/30/18	2018	3	3	0		\$31,040	1.12	\$34,715	\$11,572	\$34,715	\$0
Water Treatment Plant On-Site Chlorine Generator	06/30/18	2018	20	3	17		\$292,154	1.12	\$326,741	\$16,337	\$49,011	\$277,730
Treatment Plant Salt Storage	06/30/19	2019	30	2	28		\$75,806	1.08	\$81,677	\$2,723	\$5,445	\$76,232
Treatment Plant Compressor	06/30/20	2020	20	1	19		\$7,503	1.04	\$7,789	\$389	\$389	\$7,399
TOTAL TREATMENT PLANTS AND TANKS							\$4,428,261		\$12,899,337	\$291,303	\$7,353,417	\$5,545,920

Table A-5
 Calaveras Public Utility District Connection Fees Update
 CPUD Water Assets and Current Values

DRAFT

Asset Description	Date Acquired	Base Year	Years of Life	2021			ORIGINAL COST		REPLACEMENT COST				
				Years Deprec.	Remaining Years		Original Cost	Replacement Factor	Replacement Cost Est.	Annual Depr.	Accum. Deprec.	Remaining Value	
				$c = 2021 - b$	$d = b - c$		e	f	$g = e * f$	$h = g / b$	$i = h * c$	$j = g - i$	
GENERAL PLANT													
Warehouse Construction	06/30/70	1970	40	51	0		\$5,573	6.70	\$37,338	\$933	\$37,338	\$0	
Dump Truck	06/30/05	2005	15	16	0		\$72,627	1.82	\$131,903	\$8,794	\$131,903	\$0	
TOTAL GENERAL PLANT							\$78,200		\$169,241	\$9,727	\$169,241	\$0	
TRANSMISSION & DISTRIBUTION													
Mokelumne River System	06/30/39	1939	40	82	0		\$20,000	21.29	\$425,807	\$10,645	\$425,807	\$0	
Construction Cost	06/30/40	1940	40	81	0		\$257,215	20.51	\$5,275,722	\$131,893	\$5,275,722	\$0	
Extension Lines	06/30/47	1947	40	74	0		\$5,127	15.80	\$80,997	\$2,025	\$80,997	\$0	
Extension Lines	06/30/48	1948	40	73	0		\$8,683	15.22	\$132,153	\$3,304	\$132,153	\$0	
Extension Lines	06/30/49	1949	40	72	0		\$8,091	14.66	\$118,635	\$2,966	\$118,635	\$0	
San Andreas Line	06/30/52	1952	40	69	0		\$104,025	13.11	\$1,363,814	\$34,095	\$1,363,814	\$0	
Line to cement plant	06/30/53	1953	40	68	0		\$9,317	12.63	\$117,678	\$2,942	\$117,678	\$0	
McCarty Dam Spillway	06/30/54	1954	25	67	0		\$25,689	12.17	\$312,586	\$12,503	\$312,586	\$0	
Highway Realignment	06/30/55	1955	40	66	0		\$16,768	11.72	\$196,565	\$4,914	\$196,565	\$0	
Mainline Extension	06/30/64	1964	40	57	0		\$6,164	8.38	\$51,655	\$1,291	\$51,655	\$0	
Mainline Extension Reimbursement	06/30/68	1968	40	53	0		\$51,073	7.22	\$368,681	\$9,217	\$368,681	\$0	
Mainline Extension Garamendí	06/30/72	1972	40	49	0		\$7,439	6.22	\$46,258	\$1,156	\$46,258	\$0	
Water Lines	06/30/74	1974	75	47	28		\$2,725,934	5.77	\$15,732,254	\$209,763	\$9,858,879	\$5,873,375	
Water Line - Construction	06/30/76	1976	75	45	30		\$9,789	5.36	\$52,435	\$699	\$31,461	\$20,974	
Paloma Water Project	06/30/78	1978	75	43	32		\$537,378	4.97	\$2,671,378	\$35,621	\$1,531,698	\$1,139,689	
Replace Line Material	06/29/83	1983	40	38	2		\$5,290	4.13	\$21,825	\$546	\$20,734	\$1,091	
Water Meters	03/01/87	1987	30	34	0		\$5,500	3.55	\$19,547	\$652	\$19,547	\$0	
Additions	07/01/89	1989	40	32	8		\$5,465	3.30	\$18,026	\$451	\$14,421	\$3,605	
Additions	07/01/90	1990	40	31	9		\$105,339	3.18	\$334,740	\$8,369	\$259,424	\$75,317	
Additions	07/01/90	1990	40	31	9		\$24,403	3.18	\$77,546	\$1,939	\$60,098	\$17,448	
Additions	07/01/90	1990	40	31	9		\$851,588	3.18	\$2,706,123	\$67,653	\$2,097,245	\$608,878	
Additions	07/01/91	1991	40	30	10		\$40,829	3.06	\$124,994	\$3,125	\$93,746	\$31,249	
Additions	07/01/92	1992	40	29	11		\$138,537	2.95	\$408,591	\$10,215	\$296,229	\$112,363	
Additions	06/30/94	1994	40	27	13		\$49,630	2.74	\$135,854	\$3,396	\$91,702	\$44,153	
Handheld Units, 3	07/31/94	1994	10	27	0		\$5,980	2.74	\$16,369	\$1,637	\$16,369	\$0	
Backhoe	10/31/94	1994	30	27	3		\$57,862	2.74	\$158,388	\$5,280	\$142,549	\$15,839	
Extension Lines	12/31/94	1994	40	27	13		\$6,493	2.74	\$17,774	\$444	\$11,997	\$5,776	
Line Replace Various	01/31/95	1995	10	26	0		\$10,000	2.64	\$26,371	\$2,637	\$26,371	\$0	
Extension Lines	06/30/95	1995	10	26	0		\$15,978	2.64	\$42,136	\$4,214	\$42,136	\$0	
MTR 5/8-3/4 SR DR 10G - Sensus Tech	06/30/96	1996	40	25	15		\$7,398	2.54	\$18,795	\$470	\$11,747	\$7,048	
Misc-Camellia, US Pipe, Super Plumbing	06/30/96	1996	10	25	0		\$7,225	2.54	\$18,356	\$1,836	\$18,356	\$0	
12-C-900 CL 150 Pipe - Westburne Supply	06/30/96	1996	40	25	15		\$21,983	2.54	\$55,850	\$1,396	\$34,906	\$20,944	
Lines Replacement, Various	06/30/97	1997	10	24	0		\$74,300	2.45	\$181,855	\$18,186	\$181,855	\$0	
Hydroelectric Project	06/30/98	1998	40	23	17		\$57,629	2.36	\$135,889	\$3,397	\$78,136	\$57,753	
Line Replacement Supplies	06/30/98	1998	30	23	7		\$28,845	2.36	\$68,015	\$2,267	\$52,145	\$15,870	
Pipe	06/30/98	1998	30	23	7		\$6,492	2.36	\$15,308	\$510	\$11,736	\$3,572	
Pipelines	06/30/99	1999	10	22	0		\$13,065	2.27	\$29,679	\$2,968	\$29,679	\$0	
Pickup, Toyota Tacoma 2000	06/30/00	2000	10	21	0		\$22,618	2.19	\$49,499	\$4,950	\$49,499	\$0	
Lewis Avenue	06/30/00	2000	30	21	9		\$52,792	2.19	\$115,535	\$3,851	\$80,875	\$34,661	
Air Compressor	06/30/00	2000	10	21	0		\$11,895	2.19	\$26,031	\$2,603	\$26,031	\$0	
Misc. Pipeline MTGS	06/30/00	2000	10	21	0		\$1,877	2.19	\$4,107	\$411	\$4,107	\$0	
Welder, Rock Splitter	06/30/00	2000	10	21	0		\$8,365	2.19	\$18,307	\$1,831	\$18,307	\$0	
Gold Strike Road Replacement	06/30/01	2001	40	20	20		\$17,256	2.11	\$36,382	\$910	\$18,191	\$18,191	
County Bond reimbursement	09/30/01	2001	40	20	20		(\$10,000)	2.11	(\$21,084)	(\$527)	(\$10,542)	(\$10,542)	

Table A-5
Calaveras Public Utility District Connection Fees Update
CPUD Water Assets and Current Values

DRAFT

Asset Description	Date Acquired	Base Year	Years of Life	Years Deprec.	Remaining Years	ORIGINAL COST		REPLACEMENT COST				
						Original Cost	Replacement Factor	Replacement Cost Est.	Annual Depr.	Accum. Depr.	Remaining Value	
						2021						3.8% per year
	<i>a</i>	<i>b</i>	<i>c = 2021-b</i>	<i>d = b-c</i>	<i>e</i>	<i>f</i>	<i>g = e*f</i>	<i>h = g/b</i>	<i>i = h*c</i>	<i>j = g-i</i>		
Valves	06/30/01	2001	10	20	0	\$6,595	2.11	\$13,905	\$1,390	\$13,905	\$0	
Pipeline from CCWD	06/30/01	2001	40	20	20	\$23,310	2.11	\$49,146	\$1,229	\$24,573	\$24,573	
Pipelines	06/30/01	2001	40	20	20	\$25,337	2.11	\$53,420	\$1,335	\$26,710	\$26,710	
Pickup truck F3504x4	02/28/02	2002	5	19	0	\$30,763	2.03	\$62,486	\$12,497	\$62,486	\$0	
Meters	06/30/02	2002	10	19	0	\$6,618	2.03	\$13,442	\$1,344	\$13,442	\$0	
Whittle pump controls	06/30/03	2003	30	18	12	\$14,820	1.96	\$29,000	\$967	\$17,400	\$11,600	
Winebrenner line extention	06/30/04	2004	30	17	13	\$5,708	1.89	\$10,761	\$359	\$6,098	\$4,663	
Fence materials	06/30/04	2004	30	17	13	\$28,068	1.89	\$52,913	\$1,764	\$29,984	\$22,929	
GSH Water system (dev cont)	06/30/05	2005	30	16	14	\$91,085	1.82	\$165,426	\$5,514	\$88,227	\$77,199	
Simpson road extention	06/30/06	2006	30	15	15	\$32,360	1.75	\$56,620	\$1,887	\$28,310	\$28,310	
Toyota Tacoma	06/30/07	2007	5	14	0	\$28,058	1.69	\$47,295	\$9,459	\$47,295	\$0	
Chain link fence-Jack Davis reservoir	06/30/07	2007	30	14	16	\$33,894	1.69	\$57,133	\$1,904	\$26,662	\$30,471	
Major pipeline leak repair	06/30/07	2007	30	14	16	\$111,545	1.69	\$188,024	\$6,267	\$87,745	\$100,280	
Pope & California St. new water line Ph1	06/30/09	2009	30	12	18	\$38,740	1.56	\$60,608	\$2,200	\$24,243	\$36,365	
2009 Toyota Tacoma	06/30/09	2009	5	12	0	\$28,173	1.56	\$44,076	\$8,815	\$44,076	\$0	
Paloma pressure station	06/30/09	2009	30	12	18	\$5,717	1.56	\$8,944	\$298	\$3,577	\$5,366	
Ford Truck	11/23/10	2010	5	11	0	\$34,091	1.51	\$51,382	\$10,276	\$51,382	\$0	
2009 Trail Max Trailer	10/31/10	2010	5	11	0	\$20,533	1.51	\$30,947	\$6,189	\$30,947	\$0	
Pope & California St. new water line Ph1	06/30/10	2010	30	11	19	\$40,756	1.51	\$61,427	\$2,048	\$22,523	\$38,904	
Pope & California St. new water line Ph2	10/31/11	2011	30	10	20	\$37,504	1.45	\$54,457	\$1,815	\$18,152	\$36,305	
Blastronix Upgrade	11/30/11	2011	5	10	0	\$5,145	1.45	\$7,470	\$1,494	\$7,470	\$0	
Lafayette Line Replacement	07/31/11	2011	40	10	30	\$94,301	1.45	\$136,928	\$3,423	\$34,232	\$102,696	
Foothills Terrace Water System	06/30/12	2012	40	9	31	\$36,950	1.40	\$51,688	\$1,292	\$11,630	\$40,058	
Ridge Road	06/30/13	2013	40	8	32	\$93,442	1.35	\$125,928	\$3,148	\$25,186	\$100,742	
18" Main	06/30/13	2013	40	8	32	\$37,041	1.35	\$49,919	\$1,248	\$9,984	\$39,935	
Cemetery Lane	06/30/13	2013	40	8	32	\$19,617	1.35	\$26,437	\$661	\$5,287	\$21,150	
Mokelumne Hill Tank Fence	06/30/13	2013	8	8	0	\$7,316	1.35	\$9,859	\$1,232	\$9,859	\$0	
Dozer Retrofit	06/30/13	2013	5	8	0	\$21,224	1.35	\$28,603	\$5,721	\$28,603	\$0	
Warehouse Paving	06/30/13	2013	10	8	2	\$13,350	1.35	\$17,991	\$1,799	\$14,393	\$3,598	
506 St. Charles Line Replacement	06/30/13	2013	40	8	32	\$20,765	1.35	\$27,984	\$700	\$5,597	\$22,387	
Hildebrandt Line Replacement	06/30/14	2014	40	7	33	\$69,704	1.30	\$90,499	\$2,262	\$15,837	\$74,661	
SCADA System Upgrade (Eurotherm)	06/30/15	2015	10	6	4	\$11,485	1.25	\$14,365	\$1,436	\$8,619	\$5,746	
SF Pump Station Motor and Flow Meter	06/30/15	2015	10	6	4	\$18,204	1.25	\$22,769	\$2,277	\$13,662	\$9,108	
Zimmerman & Happy Valley Line Replacement Project	06/30/15	2015	40	6	34	\$32,789	1.25	\$41,013	\$1,025	\$6,152	\$34,861	
S. Main Line Replacement Project	06/30/16	2016	40	5	35	\$205,527	1.20	\$247,660	\$6,192	\$30,958	\$216,703	
S. Main (Leger) Moke Hill Line Replacement	06/30/17	2017	40	4	36	\$69,415	1.16	\$80,582	\$2,015	\$8,058	\$72,524	
Pope/Hildebrandt Fill Station	06/30/17	2017	20	4	16	\$45,148	1.16	\$52,412	\$2,621	\$10,482	\$41,929	
Railroad Flat Fill Station	06/30/17	2017	20	4	16	\$43,726	1.16	\$50,761	\$2,538	\$10,152	\$40,609	
Mokelumne Hill Fill Station	06/30/17	2017	20	4	16	\$52,941	1.16	\$61,458	\$3,073	\$12,292	\$49,167	
2016 Ford F-350 1FDBX3B6XGED28505	06/30/17	2017	10	4	6	\$48,212	1.16	\$55,968	\$5,597	\$22,387	\$33,581	
Oak Street Line Replacement	06/30/17	2017	40	4	36	\$50,656	1.16	\$58,806	\$1,470	\$5,881	\$52,925	
High School Street Line Replacement	06/30/17	2017	40	4	36	\$78,489	1.16	\$91,117	\$2,278	\$9,112	\$82,005	
Main Control Valve Road Improvements	06/30/17	2017	15	4	11	\$31,454	1.16	\$36,515	\$2,434	\$9,737	\$26,777	
Marler Line Replacement	06/30/17	2017	40	4	36	\$53,471	1.16	\$62,073	\$1,552	\$6,207	\$55,866	
Paloma Fill Station	06/30/18	2018	20	3	17	\$34,379	1.12	\$38,449	\$1,922	\$5,767	\$32,682	
George Reed Fill Station	06/30/18	2018	20	3	17	\$34,379	1.12	\$38,449	\$1,922	\$5,767	\$32,682	
2018 Ford F-350	06/30/18	2018	10	3	7	\$31,783	1.12	\$35,545	\$3,555	\$10,664	\$24,882	
Ponderosa Meter Upgrade	06/30/18	2018	20	3	17	\$24,009	1.12	\$26,851	\$1,343	\$4,028	\$22,824	
Sunset Line Replacement Project	06/30/18	2018	40	3	37	\$402,327	1.12	\$449,957	\$11,249	\$33,747	\$416,210	
Pixley Ave Line Replacement Project	06/30/19	2019	40	2	38	\$219,096	1.08	\$236,063	\$5,902	\$11,803	\$224,260	
Court Line Replacement Project	06/30/19	2019	40	2	38	\$16,974	1.08	\$18,289	\$457	\$914	\$17,375	
FLEXUS F601 Portable Ultrasonic Flowmeter	06/30/19	2019	10	2	8	\$11,906	1.08	\$12,828	\$1,283	\$2,566	\$10,262	
SCADA System Upgrade	06/30/20	2020	10	1	9	\$273,668	1.04	\$284,067	\$28,407	\$28,407	\$255,661	
2020 Ford F150 XL (VIN 1FTEX1EP5LKD19366)	06/30/20	2020	5	1	4	\$29,985	1.04	\$31,125	\$6,225	\$6,225	\$24,900	
TOTAL TRANSMISSION AND DISTRIBUTION						\$8,319,879		\$35,539,458	\$815,782	\$24,809,588	\$10,729,870	
GRAND TOTAL CPUD ASSETS						\$14,898,733		\$57,215,292	\$1,238,151	\$36,417,181	\$20,798,111	

Source: CPUD Depredation schedule.

[1] Adjusted by the average annual rate of inflation in California since 1955.

**Table A-6
Calaveras Public Utility District Connection Fees Update**

Installation Cost Meter Ratios

DRAFT

Meter Size	Estimated Costs by Meter Size			Installation Cost Meter Ratio
	Meter	Install	Total	
	[1]			
1" and Smaller	\$660	\$2,190	\$2,850	1.00
1.5"	\$1,010	\$2,270	\$3,280	1.15
2"	\$1,510	\$2,305	\$3,815	1.34
3"	\$2,000	\$3,361	\$5,361	1.88
4"	\$4,800	\$3,476	\$8,276	2.90
6"	\$8,400	\$4,450	\$12,850	4.51
8"	\$13,500	\$5,562	\$19,062	6.69

Source: HEC 2021 rate study.

install ratio

[1] Costs for meter smaller than 3" based on CPUD data and costs for meters larger than 3" based on data from comparison communities.

**Table A-7
Calaveras Public Utility District Connection Fees Update**

Service Installation Cost Estimates

DRAFT

Labor and Equipment	Meter Size						
	1 or Smaller	1.5	2	3	4	6	8
LABOR							
Hours by Position							
Administrative	2.00	2.00	2.00	5.00	5.00	6.00	6.00
General Manager	1.00	1.00	1.00	1.50	1.50	2.00	3.00
Field Personnel	11.00	13.25	14.25	16.50	19.75	22.00	27.50
Cost by Position							
Administrative	\$74	\$74	\$74	\$185	\$185	\$222	\$222
General Manager	\$102	\$102	\$102	\$154	\$154	\$205	\$307
Field Personnel	\$352	\$424	\$456	\$528	\$631	\$703	\$879
Total Labor	\$530	\$600	\$630	\$870	\$970	\$1,130	\$1,410
Overhead Cost Allocation	15%	15%	15%	15%	15%	15%	15%
Total Labor Fee	\$610	\$690	\$725	\$1,001	\$1,116	\$1,300	\$1,622
Equipment							
Days per Equipment Type							
District Truck	5.00	5.00	5.00	7.50	7.50	10.00	12.50
Dump Truck	4.00	4.00	4.00	6.00	6.00	8.00	10.00
Backhoe	4.00	4.00	4.00	6.00	6.00	8.00	10.00
Cost by Equipment							
District Truck	\$375	\$375	\$375	\$563	\$563	\$750	\$938
Dump Truck	\$600	\$600	\$600	\$900	\$900	\$1,200	\$1,500
Backhoe	\$600	\$600	\$600	\$900	\$900	\$1,200	\$1,500
Total Equipment	\$1,580	\$1,580	\$1,580	\$2,360	\$2,360	\$3,150	\$3,940
TOTAL	\$2,190	\$2,270	\$2,305	\$3,361	\$3,476	\$4,450	\$5,562

Source: CPUD and HEC February 2021.

all sizes

AGENDA ITEM 8

Update: Clearwell Tank Project

a. Clearwell Tank Replacement - Status update and information are provided in the Engineering Project Status Report.



Engineering Project Status Update

March 1, 2021

1. Clearwell Tank Project #2873

- **Environmental, Geotechnical, & Survey**
 - Geotechnical investigation has been completed; final report is expected mid-March.
 - Topographic survey has been completed and design will begin this week.
 - Environmental site preconstruction survey to be scheduled as soon as tree falling can be coordinated.
- **Board Updates**
 - A local water agency has recently received bids for a steel water tank of the same size of this project, and prices reflected higher costs than the initial estimate for this project. The project team plans to re-evaluate costs as design becomes more complete.
- **Project Schedule**

Phase	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Environmental												
Design												
Procurement												
Construction												

2. General Engineering #2528-004

- Assistance with easement research.

Clearwell Tank Project – Financing Agreement

a. Resolution 2021-3 - Resolution of The Calaveras Public Utility District Approving Conveyance Agreement and an Installment Purchase Contract, Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith

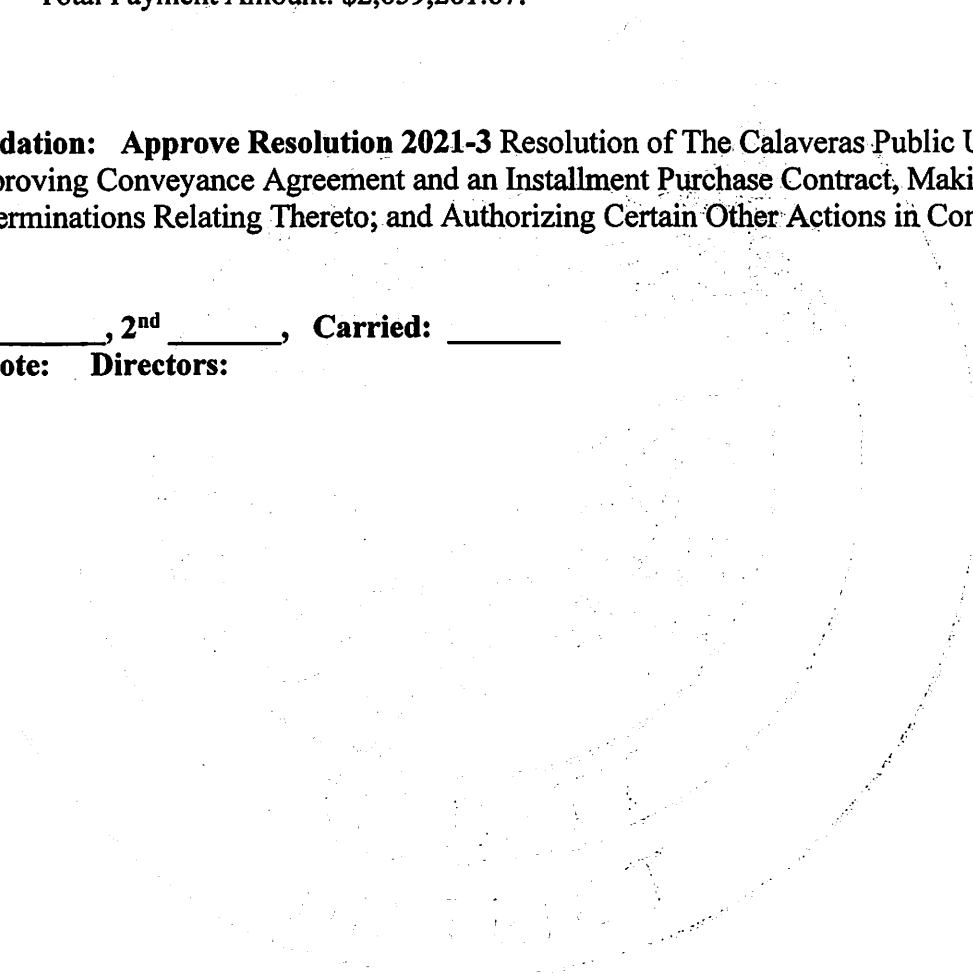
Related: Resolution 2021-3 Exhibit A

- (a) True Interest Cost of the Installment Purchase Contract: 2.75%.
- (b) Finance Charge of the Installment Purchase Contract: \$35,000.00.
- (c) Amount of Proceeds to be received by the District: \$2,000,000.
- (d) Total Payment Amount: \$2,659,281.67.

Recommendation: Approve Resolution 2021-3 Resolution of The Calaveras Public Utility District Approving Conveyance Agreement and an Installment Purchase Contract, Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith

Motion 1st _____, 2nd _____, Carried: _____

Roll Call Vote: Directors:



RESOLUTION NO. 2021-3

RESOLUTION OF THE CALAVERAS PUBLIC UTILITY DISTRICT APPROVING A CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE CONTRACT, MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Calaveras Public Utility District (the “District”) is a California public utility district duly organized and validly existing under the laws of the State of California, including Division 7 of the Public Utilities Code of the State of California; and

WHEREAS, the District is authorized to sell and purchase its property to finance and refinance public capital improvements, including those improvements constituting the Enterprise and the Project (each as defined in the Installment Purchase Contract); and

WHEREAS, in order to finance the Project, the District desires to enter into a Conveyance Agreement between the District and First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (the “Lender”), pursuant to which the District will sell the Enterprise to the Lender in return for certain funds, which the District will use to acquire the Project; and

WHEREAS, in order to finance the Project, the District has determined to enter into an Installment Purchase Contract, between the District and the Lender, pursuant to which the District will repurchase the Enterprise from the Lender; and

WHEREAS, under and pursuant to such Installment Purchase Contract, the District will be obligated to make certain installment payments to the Lender; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the District wishes to designate the Installment Purchase Contract as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board of Directors of the District (the “Board”) obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract; (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract; (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges

paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract; and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

WHEREAS, in compliance with SB 450, the Board obtained the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, there have been presented at this meeting forms of the Conveyance Agreement and the Installment Purchase Contract.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CALAVERAS PUBLIC UTILITY DISTRICT AS FOLLOWS:

SECTION 1. Approval of Conveyance Agreement. The form of Conveyance Agreement, currently dated as of March 1, 2021 (the "Conveyance Agreement"), between the District and the Lender, as presented to the District at this meeting, is hereby approved. The President of the Board of Directors, the General Manager, and the District Secretary or any other officers duly designated by the District (each, an "Officer" and collectively, the "Officers") are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Conveyance Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Kutak Rock LLP ("Special Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Approval of Installment Purchase Contract. The form of Installment Purchase Contract, currently dated as of March 1, 2021 (the "Installment Purchase Contract"), between the District and the Lender, as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Installment Purchase Contract, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity does not exceed November 1, 2041, the interest rate with respect to the Installment Payments does not exceed 2.75%, and the principal amount does not exceed \$2,100,000.

SECTION 3. Bank Qualified. The Installment Payments due under the Installment Purchase Contract are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax- exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2021 is not expected to exceed \$10,000,000.

SECTION 4. Other Acts. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a funds control agreement or other agreement related to the establishment and maintenance of the Acquisition Fund (as defined in the Installment Purchase Contract), which in consultation with District counsel and Special Counsel, they may deem necessary

or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 5. Effective Date. This Resolution shall take effect upon adoption.

PASSED, ADOPTED AND APPROVED at a regular Board meeting of the Board of Directors of the Calaveras Public Utility District held on March 9, 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

President

Board Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The following information is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Purchase Contract:

- (a) True Interest Cost of the Installment Purchase Contract: 2.75%.
- (b) Finance Charge of the Installment Purchase Contract: \$35,000.00.
- (c) Amount of Proceeds to be received by the District: \$2,000,000.
- (d) Total Payment Amount: \$2,659,281.67.

CONVEYANCE AGREEMENT

THIS CONVEYANCE AGREEMENT, dated as of March 1, 2021 (as amended and supplemented hereafter, the "Conveyance Agreement"), between the CALAVERAS PUBLIC UTILITY DISTRICT, a California public utility district (the "District") duly organized and validly existing under the laws of the State of California, including Division 7 of the Public Utilities Code of the State of California, and FIRST FOUNDATION PUBLIC FINANCE, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (including its successors and permitted assigns hereunder, the "Lender");

RECITALS:

WHEREAS, the District and the Lender desire to provide funds to finance the acquisition, construction and improvements of certain property for the District's water system, including but not limited to, replacement of a water tank (the "Project"), to be repaid by installment purchase payments to be made by the District, as purchaser of the Enterprise (as defined in the Installment Purchase Contract), to the Lender, as seller, pursuant to that certain installment purchase contract dated as of March 1, 2021 (the "Installment Purchase Contract").

NOW, THEREFORE, in consideration of receipt of the amount of \$_____ by the District as the purchase price of the Enterprise, and of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

Section 1. The District hereby sells, conveys and transfers to the Lender all of its right, title and interest in and to the District's Enterprise, as defined in the Installment Purchase Contract, but only to the extent the components of the Enterprise may be legally transferred by the District, and the Lender hereby purchases, acquires and accepts from the District all of the District's right, title and interest in and to the Enterprise, subject to the obligation of the Lender to resell the Enterprise to the District pursuant to the Installment Purchase Contract.

Section 2. The District hereby agrees to cooperate and provide further assurances to the Lender in order to accomplish the purposes of this Conveyance Agreement. The District hereby agrees to indemnify and hold the Lender harmless against any and all claims, losses, costs or damages as a result of the District's conveyance of the Enterprise to the Lender as provided herein, or the acquisition of the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Conveyance Agreement by their officers as of the date first above written.

CALAVERAS PUBLIC UTILITY DISTRICT

By: _____
General Manager

**FIRST FOUNDATION PUBLIC FINANCE, a
Delaware statutory trust and a wholly- owned
subsidiary of First Foundation Bank, as Lender**

By: _____
Authorized Officer

SOURCES AND USES OF FUNDS

**Calaveras Public Utility District
2021 Installment Sale Agreement (Water Tank Replacement)**

Sources:

Bond Proceeds:	
Par Amount	2,035,000.00
	<hr/>
	2,035,000.00

Uses:

Project Fund Deposits:	
Project Fund	2,000,000.00
Delivery Date Expenses:	
Cost of Issuance	35,000.00
	<hr/>
	2,035,000.00

BOND SUMMARY STATISTICS

Calaveras Public Utility District 2021 Installment Sale Agreement (Water Tank Replacement)

Dated Date	04/01/2021
Delivery Date	04/01/2021
Last Maturity	04/01/2041
Arbitrage Yield	2.750000%
True Interest Cost (TIC)	2.750000%
Net Interest Cost (NIC)	2.750000%
All-In TIC	2.938911%
Average Coupon	2.750000%
Average Life (years)	11.155
Duration of Issue (years)	9.345
Par Amount	2,035,000.00
Bond Proceeds	2,035,000.00
Total Interest	624,281.67
Net Interest	624,281.67
Total Debt Service	2,659,281.67
Maximum Annual Debt Service	132,964.10
Average Annual Debt Service	132,964.08
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	_____
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Term Bond	2,035,000.00	100.000	2.750%	11.155
	2,035,000.00			11.155

	<u>TIC</u>	<u>All-In TIC</u>	<u>Arbitrage Yield</u>
Par Value	2,035,000.00	2,035,000.00	2,035,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(35,000.00)	
- Other Amounts			
Target Value	2,035,000.00	2,000,000.00	2,035,000.00
Target Date	04/01/2021	04/01/2021	04/01/2021
Yield	2.750000%	2.938911%	2.750000%

BOND PRICING

**Calaveras Public Utility District
2021 Installment Sale Agreement (Water Tank Replacement)**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Term Bond:	04/01/2041	2,035,000	2.750%	2.750%	100.000
		2,035,000			

Dated Date	04/01/2021		
Delivery Date	04/01/2021		
First Coupon	10/01/2021		
Par Amount	2,035,000.00		
Original Issue Discount			
Production	2,035,000.00	100.000000%	
Underwriter's Discount			
Purchase Price	2,035,000.00	100.000000%	
Accrued Interest			
Net Proceeds	2,035,000.00		

BOND DEBT SERVICE**Calaveras Public Utility District
2021 Installment Sale Agreement (Water Tank Replacement)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/01/2021	38,500.79	2.750%	27,981.25	66,482.04	
04/01/2022	39,030.18	2.750%	27,451.86	66,482.04	132,964.08
10/01/2022	39,566.84	2.750%	26,915.20	66,482.04	
04/01/2023	40,110.89	2.750%	26,371.16	66,482.05	132,964.09
10/01/2023	40,662.41	2.750%	25,819.63	66,482.04	
04/01/2024	41,221.52	2.750%	25,260.52	66,482.04	132,964.08
10/01/2024	41,788.32	2.750%	24,693.73	66,482.05	
04/01/2025	42,362.91	2.750%	24,119.14	66,482.05	132,964.10
10/01/2025	42,945.39	2.750%	23,536.65	66,482.04	
04/01/2026	43,535.89	2.750%	22,946.15	66,482.04	132,964.08
10/01/2026	44,134.51	2.750%	22,347.53	66,482.04	
04/01/2027	44,741.36	2.750%	21,740.68	66,482.04	132,964.08
10/01/2027	45,356.56	2.750%	21,125.49	66,482.05	
04/01/2028	45,980.21	2.750%	20,501.83	66,482.04	132,964.09
10/01/2028	46,612.44	2.750%	19,869.61	66,482.05	
04/01/2029	47,253.36	2.750%	19,228.68	66,482.04	132,964.09
10/01/2029	47,903.09	2.750%	18,578.95	66,482.04	
04/01/2030	48,561.76	2.750%	17,920.28	66,482.04	132,964.08
10/01/2030	49,229.48	2.750%	17,252.56	66,482.04	
04/01/2031	49,906.39	2.750%	16,575.65	66,482.04	132,964.08
10/01/2031	50,592.60	2.750%	15,889.44	66,482.04	
04/01/2032	51,288.25	2.750%	15,193.79	66,482.04	132,964.08
10/01/2032	51,993.46	2.750%	14,488.58	66,482.04	
04/01/2033	52,708.37	2.750%	13,773.67	66,482.04	132,964.08
10/01/2033	53,433.11	2.750%	13,048.93	66,482.04	
04/01/2034	54,167.82	2.750%	12,314.22	66,482.04	132,964.08
10/01/2034	54,912.63	2.750%	11,569.42	66,482.05	
04/01/2035	55,667.67	2.750%	10,814.37	66,482.04	132,964.09
10/01/2035	56,433.10	2.750%	10,048.94	66,482.04	
04/01/2036	57,209.06	2.750%	9,272.98	66,482.04	132,964.08
10/01/2036	57,995.68	2.750%	8,486.36	66,482.04	
04/01/2037	58,793.13	2.750%	7,688.92	66,482.05	132,964.09
10/01/2037	59,601.53	2.750%	6,880.51	66,482.04	
04/01/2038	60,421.05	2.750%	6,060.99	66,482.04	132,964.08
10/01/2038	61,251.84	2.750%	5,230.20	66,482.04	
04/01/2039	62,094.05	2.750%	4,387.99	66,482.04	132,964.08
10/01/2039	62,947.85	2.750%	3,534.19	66,482.04	
04/01/2040	63,813.38	2.750%	2,668.66	66,482.04	132,964.08
10/01/2040	64,690.81	2.750%	1,791.23	66,482.04	
04/01/2041	65,580.31	2.750%	901.73	66,482.04	132,964.08
	2,035,000.00		624,281.67	2,659,281.67	2,659,281.67

FORM 8038 STATISTICS

Calaveras Public Utility District 2021 Installment Sale Agreement (Water Tank Replacement)

Dated Date 04/01/2021
Delivery Date 04/01/2021

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond:						
	10/01/2021	38,500.79	2.750%	100.000	38,500.79	38,500.79
	04/01/2022	39,030.18	2.750%	100.000	39,030.18	39,030.18
	10/01/2022	39,566.84	2.750%	100.000	39,566.84	39,566.84
	04/01/2023	40,110.89	2.750%	100.000	40,110.89	40,110.89
	10/01/2023	40,662.41	2.750%	100.000	40,662.41	40,662.41
	04/01/2024	41,221.52	2.750%	100.000	41,221.52	41,221.52
	10/01/2024	41,788.32	2.750%	100.000	41,788.32	41,788.32
	04/01/2025	42,362.91	2.750%	100.000	42,362.91	42,362.91
	10/01/2025	42,945.39	2.750%	100.000	42,945.39	42,945.39
	04/01/2026	43,535.89	2.750%	100.000	43,535.89	43,535.89
	10/01/2026	44,134.51	2.750%	100.000	44,134.51	44,134.51
	04/01/2027	44,741.36	2.750%	100.000	44,741.36	44,741.36
	10/01/2027	45,356.56	2.750%	100.000	45,356.56	45,356.56
	04/01/2028	45,980.21	2.750%	100.000	45,980.21	45,980.21
	10/01/2028	46,612.44	2.750%	100.000	46,612.44	46,612.44
	04/01/2029	47,253.36	2.750%	100.000	47,253.36	47,253.36
	10/01/2029	47,903.09	2.750%	100.000	47,903.09	47,903.09
	04/01/2030	48,561.76	2.750%	100.000	48,561.76	48,561.76
	10/01/2030	49,229.48	2.750%	100.000	49,229.48	49,229.48
	04/01/2031	49,906.39	2.750%	100.000	49,906.39	49,906.39
	10/01/2031	50,592.60	2.750%	100.000	50,592.60	50,592.60
	04/01/2032	51,288.25	2.750%	100.000	51,288.25	51,288.25
	10/01/2032	51,993.46	2.750%	100.000	51,993.46	51,993.46
	04/01/2033	52,708.37	2.750%	100.000	52,708.37	52,708.37
	10/01/2033	53,433.11	2.750%	100.000	53,433.11	53,433.11
	04/01/2034	54,167.82	2.750%	100.000	54,167.82	54,167.82
	10/01/2034	54,912.63	2.750%	100.000	54,912.63	54,912.63
	04/01/2035	55,667.67	2.750%	100.000	55,667.67	55,667.67
	10/01/2035	56,433.10	2.750%	100.000	56,433.10	56,433.10
	04/01/2036	57,209.06	2.750%	100.000	57,209.06	57,209.06
	10/01/2036	57,995.68	2.750%	100.000	57,995.68	57,995.68
	04/01/2037	58,793.13	2.750%	100.000	58,793.13	58,793.13
	10/01/2037	59,601.53	2.750%	100.000	59,601.53	59,601.53
	04/01/2038	60,421.05	2.750%	100.000	60,421.05	60,421.05
	10/01/2038	61,251.84	2.750%	100.000	61,251.84	61,251.84
	04/01/2039	62,094.05	2.750%	100.000	62,094.05	62,094.05
	10/01/2039	62,947.85	2.750%	100.000	62,947.85	62,947.85
	04/01/2040	63,813.38	2.750%	100.000	63,813.38	63,813.38
	10/01/2040	64,690.81	2.750%	100.000	64,690.81	64,690.81
	04/01/2041	65,580.31	2.750%	100.000	65,580.31	65,580.31
		2,035,000.00			2,035,000.00	2,035,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2041	2.750%	65,580.31	65,580.31		
Entire Issue			2,035,000.00	2,035,000.00	11.1554	2.7500%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	35,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

INSTALLMENT PURCHASE CONTRACT

between the

CALAVERAS PUBLIC UTILITY DISTRICT

and

**FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND
A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK**

Dated as of March 1, 2021

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INSTALLMENT PURCHASE CONTRACT

This **INSTALLMENT PURCHASE CONTRACT**, dated as of March 1, 2021 (as amended and supplemented hereafter, the “Installment Purchase Contract”), between the **CALAVERAS PUBLIC UTILITY DISTRICT**, a California public utility district (the “District”) duly organized and validly existing under the laws of the State of California, including Division 7 of the Public Utilities Code of the State of California, and **FIRST FOUNDATION PUBLIC FINANCE**, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (including its successors and permitted assigns hereunder, the “Lender”);

WITNESSETH:

WHEREAS, the District is authorized by the laws of the State of California, including, but not limited to Section 16431 of the Public Utilities Code, to purchase, or lease, or otherwise acquire, hold and enjoy, and lease or dispose of, real and personal property of every kind within or without the District through the execution of installment purchase contracts; and

WHEREAS, the District has entered into a Conveyance Agreement, dated as of March 1, 2021, pursuant to which the District has sold the Enterprise (as defined herein) to the Lender, but only to the extent the components of the Enterprise could be legally transferred by the District; and

WHEREAS, in order to provide moneys to pay the costs of acquiring, constructing and improving the Project (defined below), the District proposes to purchase the Enterprise pursuant to this Installment Purchase Contract; and

WHEREAS, the District has determined that it is in the best interests of the District, and it is necessary and proper for District purposes, that the District acquire the Enterprise from the Lender in the manner described herein for the purposes of financing the Project as described herein, and that the District pay the Lender for the costs of acquiring the Enterprise in the manner described herein; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Acquisition,” “Acquire” or “Acquired” means, with respect to the Project or the Enterprise, the acquisition or perfection of an ownership or capacity interest in the Project or the Enterprise, or the construction, refinancing or ownership of the Project or the Enterprise, including payment of Delivery Costs.

“Acquisition Costs” with respect to the Project means the contract price paid or to be paid for the Acquisition of the Project.

“Acquisition Fund” means the fund established and held by the District.

“Alternate Project” means an alternate project designated by the District pursuant to Section 2.01 hereof.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“Closing Date” means March __, 2021.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Conveyance Agreement” means that Conveyance Agreement, dated as of March 1, 2021, between the District and the Lender, as amended and supplemented.

“Debt Service” means, for any Fiscal Year, the sum of (1) the Installment Payments (except to the extent that interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged) required to be paid hereunder during such Fiscal Year, (2) the interest falling due during such Fiscal Year on all Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged), (3) the principal amount of all serial Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) falling due by their terms

during such Fiscal Year, and (4) the minimum amount of term Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Obligations is excludable from gross income under the applicable provisions of the Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (y) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points.

“Debt Service Fund” means the fund established in Section 3.04 hereof.

“Debt Service Payments” mean the payments of Debt Service.

“Default Rate” means 5.75% per annum or 6.83% per annum if the Gross Up Rate is in effect.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Installment Payments under this Installment Purchase Contract specifically afforded to it in such determination, decision or decree so long as such remedial action is promptly commenced by the District and in no event later than thirty (30) days after receipt of such determination, decision or decree. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District or the Lender relating to the financing of the Project, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Lender and its counsel, financing discounts, and outside legal fees of the insurer relating thereto, if any, legal fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, and charges and fees in connection with the foregoing, including fees of the California Debt and Investment Advisory Commission.

“Due Date” means the date three (3) Business Days prior to an Interest Payment Date.

“Enterprise” means the District’s water system, including all facilities, works, properties and structures of the District for the treatment, transmission and distribution of potable

and non-potable water, including all contractual rights to water supplies, transmission capacity supply, easements, rights-of-way and other works, property or structures necessary or convenient for such facilities, together with all additions, betterments, extension and improvements to such facilities or any part thereof hereafter acquired or constructed, and the District's facilities (or participation in facilities) for electric generation (but for purposes of this Agreement only to the extent the components of the Enterprise may be legally transferred by the District).

“Event of Default” means an event of default described in Section 7.01.

“Event of Taxability” means, with respect to the Installment Purchase Contract: (a) the application of the proceeds of the purchase price of the Enterprise pursuant to the Conveyance Agreement in such manner that the Installment Purchase Contract becomes an “arbitrage bond” within the meaning of Tax Code Sections 103(b)(2) and 148, and with the result that interest component of the Installment Payments is or becomes includable in a recipient's gross income (as defined in Tax Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the purchase price of the Enterprise pursuant to the Conveyance Agreement or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Installment Purchase Contract by the District the interest component of Installment Payments is or becomes includable in a recipient's gross income (as defined in Tax Code Section 61); and (c) with respect to (a) and (b), the District does not undertake any remedial action afforded to it by the Internal Revenue Service.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

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

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

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for public utility districts in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Loan” means a loan or similar arrangement from the State or the United States of America, acting through any of its agencies, to finance improvements to the Enterprise, and the obligation of the District to make payments to the State or the United States of America under the loan agreement memorializing said loan on a parity basis with the payment of Installment Payments.

“Gross Revenues” means all gross income and revenue received or receivable by the District from the ownership and operation of the Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including fees for connecting to the Enterprise and any water stand-by or water availability charges or assessments) received by the District for the Enterprise and all other income and revenue howsoever derived by the District from the Enterprise or arising from the Enterprise, including revenues received, if any, by the District from its participation in electric generation projects; provided, however, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific facilities, (ii) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District, or (iii) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District and pledged solely for the purpose of paying special assessment bonds or special tax obligations of the District, are not Gross Revenues and are not subject to the lien of the Installment Purchase Contract. Gross Revenues shall include amounts on deposit in the Revenue Fund which have been previously released from the pledge and lien of this Installment Purchase Contract. Gross Revenues shall also include interest with respect to any Parity Obligations reimbursed to or on behalf of the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program.

“Gross Up Rate” means 3.83% per annum.

“Installment Payments” means the installment payments of principal and interest scheduled to be paid by the District under this Installment Purchase Contract.

“Interest Payment Date” means each May 1 and November 1, commencing [November] 1, 2021.

“Law” means the California Public Utility District Act (Section 15501 *et seq.* of the Public Utilities Code of the State of California).

“Maintenance and Operation Costs” means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to administrative costs of the District attributable to the Enterprise and the financing thereof. “Maintenance and Operation Costs” does not include (a) interest expense relating to unsecured, subordinate obligations of the District, (b) depreciation, replacement and obsolescence charges or reserves therefor, (c) amortization of intangibles or other bookkeeping entries of a similar nature, and (d) capital expenditures.

“Maximum Annual Debt Service” means the largest annual Debt Service due hereunder and on any Parity Obligations during the period from the date of such determination through the final Interest Payment Date hereunder or maturity date of such Parity Obligations

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Outstanding” when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District, payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01.

“Project” means the acquisition, installation and construction of certain improvements to the Enterprise, including but not limited to, replacement of a water tank and any Alternate Project.

“Qualified Investments” means any investment that is a legal investment under the laws of the State for the moneys proposed to be invested therein.

“Revenue Fund” means the fund maintained by the District into which it deposits Gross Revenues.

ARTICLE II ACQUISITION OF THE PROJECT

Section 2.01. Acquisition of the Enterprise and the Project.

The Lender agrees to use or permit the use of the proceeds received by the District pursuant to the Conveyance Agreement for the payment, as herein provided, of the costs and expenses of the Acquisition of the Project and the expenses incidental thereto (including reimbursement to the District for any such costs or expenses paid by it for the account of the Lender, including costs and expenses paid by the District prior to the date hereof). To provide moneys for the Acquisition of the Project, the Lender agrees to sell and hereby sells its rights to the Enterprise obtained pursuant to the Conveyance Agreement to the District, and the District agrees to purchase and hereby purchases the Enterprise from the Lender.

The District hereby covenants to use the proceeds received from the Lender pursuant to the Conveyance Agreement for the costs and expenses of the acquisition of the Project. The District may change the specifications of the Project, so long as such change does not substantially alter the nature of the Project; provided, however, that the District and the Lender, in their sole discretion, may jointly designate an Alternate Project. In the event an Alternate Project is designated, the District shall certify in writing to the Lender that Acquisition Costs shall not materially increase as a result from such change. In the event Acquisition Costs

shall materially increase as a result of the designation of an Alternate Project, prior to designating such Alternate Project the District shall either deposit in the Acquisition Fund an amount sufficient to pay such increase, or shall certify in writing to the Lender that funds sufficient to pay such increase in Acquisition Costs are otherwise available to the District.

The Lender agrees, upon the effective date hereof, to cause to be deposited in the Acquisition Fund the amount of \$_____. In the event the money so deposited as first above provided is insufficient to pay all the costs of the Acquisition of the Project, the Lender shall have no obligation whatsoever to use or provide any funds for the foregoing purposes.

Upon the Closing Date, all of the Lender's remaining interest in the Enterprise, if any, shall be transferred to and vest in the District, without the necessity of any additional document or transfer. Nothing herein shall require the Lender to perform any obligations of any purchaser with respect to any contract or purchase order with respect to the Enterprise.

In the event the Lender fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Lender as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Lender, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Lender agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Lender in any action or proceeding if the District shall so request.

Section 2.02. Indemnification and Expenses of the Lender.

In addition to the provisions of Section 5.19 hereof, to the extent permitted by law, the District does hereby assume liability for, and agrees to defend, indemnify, protect, save and keep harmless the Lender and its directors, officers and employees and its successors and assigns from and against any and all liabilities, obligations, losses, damages (including consequential damages incurred by others), taxes and impositions, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses) of whatsoever kind and nature imposed on, asserted against or incurred or suffered by the Lender or its directors, officers or employees or its successors and assigns in any way relating to or arising out of the purchase or Acquisition of the Enterprise or the Project or the District's use thereof, the execution and delivery or performance hereof or the assignment hereof (except with respect to any representations and warranties made by the Lender therewith) or any other agreements related thereto, or the enforcement of any of the terms thereof.

Section 2.03. District to Acquire Project; Lender not Liable.

The District shall cause such Acquisition of the Project to be completed as soon as is reasonably practicable and in accordance with this Installment Purchase Contract and any applicable requirements of governmental authorities and law. The Lender and its directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the Project, and in no event shall the Lender be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

Section 2.04. Disclaimer of the Lender.

The District acknowledges and agrees that the Lender makes no representation or warranty, express or implied, as to the Enterprise or the Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Enterprise or the Project or the transactions contemplated hereby or by the Conveyance Agreement, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Lender are hereby waived by the District.

Section 2.05. Acquisition Fund.

The District hereby agrees to establish and maintain the Acquisition Fund until the completion of the Acquisition of the Project. The District covenants that the Acquisition Fund shall be maintained and invested in Qualified Investments. The District hereby grants to the Lender a first priority security interest in the Acquisition Fund.

ARTICLE III
INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS

Section 3.01. Payment of the Installment Payments.

The total principal amount of the Installment Payments owed and to be paid by the District to the Lender hereunder for the Acquisition of the Enterprise is \$_____, plus interest thereon, calculated at the rate of 2.75% per annum. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates described in Exhibit A attached hereto.

Each Installment Payment shall be payable to the Lender in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph.

Subject to Section 8.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, whether or not the Project shall be acquired,

and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments.

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months. In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Default Rate.

Upon the occurrence of a Determination of Taxability with respect to this Installment Purchase Contract, the District shall pay to the Lender, within thirty (30) days after the Lender notifies the District of such determination, the amount which, with respect to Installment Payments previously paid by the District to the Lender, results from the application of the Gross Up Rate thereto equal to the difference between the interest component of such Installment Payments calculated at the interest rate provided in this Installment Purchase Contract and the interest component of the Installment Payments calculated at the Gross Up Rate. The Installment Payments shall bear interest at the Gross Up Rate upon the occurrence of a Determination of Taxability.

Section 3.03. Establishment of Accounts.

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04. Pledge of Net Revenues and Other Funds; Debt Service Fund.

The District hereby irrevocably pledges all of the Net Revenues to the punctual payment of the Installment Payments and such Net Revenues, except as otherwise permitted herein, shall not be used for any other purpose while any of the Installment Payments are due hereunder. This pledge shall constitute a first lien on the Net Revenues for the payment of the

Installment Payments and payments of all Parity Obligations in accordance with the terms hereof and thereof.

All Installment Payments shall be transferred by the District from the Revenue Fund to the Debt Service Fund, which fund the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, on the applicable Due Date. Such payments shall be held in trust by the District under the terms hereof.

Within the Debt Service Fund the District shall establish a Debt Service Account and a Redemption Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01. The District shall transfer the money contained in the Debt Service Account and the Redemption Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date or mandatory redemption dates, as applicable. The District shall be entitled to receive as a credit against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Due Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(b) Redemption Account. The District, on any optional prepayment date, shall deposit in the Redemption Account moneys to accomplish any such optional prepayment. All money in the Redemption Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payment to be optionally prepaid on their respective prepayment dates.

Section 3.05. Receipt and Deposit of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust hereunder and will be deposited by the District with the Finance Officer in the Revenue Fund and will be accounted for through and held in trust in the Revenue Fund; provided, that the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the Enterprise, which such service was not thereafter made available or provided. All Net Revenues, whether held by the District as trustee or deposited with the Finance Officer, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust for the benefit of the Lender and payments with respect to Parity Obligations, and will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for and held in trust for the benefit of the Lender and for payments with respect to Parity Obligations. All Gross Revenues shall be disbursed, allocated and applied solely to the uses and purposes set forth in this Article III.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District with the purchasers, trustee or fiscal agent with respect to Parity Obligations, as the case may be, as follows and in the following order of priority:

(1) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(2) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 hereof and all other payments relating to principal and interest on or with respect to Parity Obligations, shall be paid in accordance with the terms hereof and of such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(3) Reserve Funds. Payments required with respect to Parity Obligations, payments to replenish debt service reserve funds, if any, established for such Parity Obligations shall be made in accordance with the terms hereof and such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(4) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (1) through (3) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations.

Although all Parity Obligations are secured equally and ratably by applicable Net Revenues, moneys with respect to obligations other than the Installment Payments may be held by trustees under documents and agreements other than this Installment Purchase Contract. The District shall make such transfers from the Revenue Fund necessary to effectuate such obligations' parity claim on such Net Revenues contemplated hereby.

Section 3.07. [Reserved.]

Section 3.08. Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Qualified Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. The Lender and any affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any such investment. Interest or profit received on such investments shall be deposited to the Debt Service Fund. In computing the amount in any fund or account, Qualified Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein a Qualified Investment ceases to meet the criteria set forth in the definition of Qualified Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Qualified Investment shall be sold or liquidated.

ARTICLE IV
PARITY OBLIGATIONS

Section 4.01. Parity Obligations.

(a) So long as any Installment Payments are due hereunder, the District shall not issue or incur any obligations payable from Net Revenues or the Revenue Fund senior or superior to the Installment Payments. The District may at any time issue Parity Obligations payable from Net Revenues on a parity with the Installment Payments to provide financing for the Enterprise in such principal amount as shall be determined by the District.

Except for obligations incurred to prepay or post a security deposit for the Installment Payments hereunder or with respect to Parity Obligations, the District may not issue or incur any Parity Obligations unless:

- (a) The District is not then in default under the terms of this Installment Purchase Contract; and
- (b) Either (i) the Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books of the District for the latest Fiscal Year for which audited financial information is available or as shown by the books of the District for any more recent 12-month period selected by the District in its sole discretion, in either case verified by a certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service; or

(ii) the average annual Net Revenues for the prior 36-month period, calculated in accordance with Generally Accepted Accounting Principles, as shown by the books

of the District for the three prior Fiscal Years for which audited financial information is available or as shown by the books of the District for any more recent 36-month period selected by the District in its sole discretion, verified by a certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion, plus, at the option of the District, any or all of the items described in the following subsection (c), at least equal 120% of the amount of Maximum Annual Debt Service;

- (c) At the option of the District, there may be added to the Net Revenues for purposes of meeting the requirements of the foregoing subsection (b) an allowance for Net Revenues arising from either of the following:

(i) An allowance for Net Revenues from any improvements to the Enterprise to be made with the proceeds of such Parity Obligations and also for Net Revenues from any such improvements which have been made from moneys from any source but in any case which, during all or any part of the period described in the foregoing subsection (b), were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such improvements for the first 36 month period in which each improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer acceptable to the Lender in its sole discretion.

(ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has been adopted prior to the incurring of such Parity Obligations but which, during all or any part of the period described in the foregoing subsection (b), was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such period, all as shown by the certificate or opinion of an independent certified public accountant acceptable to the Lender in its sole discretion.

Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of this Installment Purchase Contract pursuant to Article VI hereof or a defeasance of any outstanding Parity Obligations, or (ii) which is payable on a basis which is subordinate to the payment of the Installment Payments.

If interest on any Parity Obligation is reasonably anticipated to be reimbursed to or on behalf of the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America, and such reimbursements will not be included as Gross Revenues for purposes of the coverage calculations required in subsection (a)(2) above.

ARTICLE V
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 5.01. Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02. Observance of Laws and Regulations.

The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.03. Prosecution and Defense of Suits.

The District will promptly, upon request of the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Enterprise or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04. Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues and Net Revenues, and such accounting records shall be available for inspection by the Lender or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

Section 5.05. Further Assurances.

Whenever and so often as requested to do so by the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06. Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Net Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Net Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Net Revenues in connection with the issuance or execution of Parity Obligations in accordance with section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Net Revenues herein.

Section 5.07. Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Lender or the operation of the Enterprise.

Section 5.08. Against Competitive Facilities.

Except for any utility system existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city or political subdivision or any person whomsoever to acquire, maintain or operate within the District any utility system competitive with the Enterprise; provided, however, that the District may, with the prior written consent of the Lender, assign all or a portion of the Enterprise to another entity upon delivery to the Lender of an opinion of nationally recognized bond counsel that such assignment will not adversely affect the tax-exempt status of the Installment Payments, and provided such entity assumes the obligations of the District hereunder.

Section 5.09. Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

- (a) The District hereby covenants that it shall not make or permit any use of the proceeds of the Installment Payments that may cause the Installment Purchase

Contract to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District hereby designates this Installment Purchase Contract as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Tax Code.

(d) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.

Section 5.10. Maintenance and Operation of the Enterprise; Budgets.

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

Section 5.11. Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Net Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12. Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13. Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the

Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District's current coverage.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to the prepayment of Installment Payments as provided in Section 6.01.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Obligations and the Installment Payments and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise, and thereupon such proceeds shall be applied to the prepayment of Installment Payments as provided in Section 6.01 and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which such Parity Obligations were issued.

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

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

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

Section 5.14. Books and Accounts; Financial Statements.

The District shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the inspection by the Lender, or its representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred and seventy (270) days after the close of each Fiscal Year. The District shall send a copy of such report and all related financial statements and notes to the Lender. Such audit may be part of an audit of the Enterprise. Upon request by the Lender, the District shall send to the Lender a copy of the annual budget of the Enterprise and any amendment or supplement thereto and any other financial information reasonably requested by the Lender.

Section 5.15. Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Net Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof, but the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

Section 5.16. Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the District will fix and prescribe rates and charges for the Enterprise which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 120% of Debt Service Payments and Parity Obligations for such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section.

(b) So long as the District has complied with its obligations set forth in subsection (a) above, the failure of Net Revenues to meet the threshold set forth in Section 5.16(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 5.16(a) at the commencement of the succeeding Fiscal Year.

Section 5.17. Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18. Eminent Domain Proceeds.

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

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

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19. Release and Indemnification Covenants.

To the extent permitted by law, the District shall and hereby agrees to indemnify and save the Lender, its officers, directors, agents, employees, successors or assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Enterprise or the Project by the District, (ii) any breach or default on the part of the District in the performance of any of the District's obligations under the Installment Purchase Contract or the Conveyance Agreement, (iii) any act of negligence of the District or of any of its contractors, servants, employees or licensees with respect to the Enterprise or the Project, (iv) any act of negligence of any assignee or sublessee of the District, or of any agents, contractors, servants, employees or licensees of the assignee or sublessee of the District with respect to the Enterprise or the Project, (v) any environmental claims or issues, or (vi) the Acquisition of the Enterprise or the Project or authorization of payment of the costs of the Acquisition of the Enterprise or the

Project, to the extent permitted by law. Indemnification for any tort mentioned in this Section shall exclude those arising from the willful misconduct or negligence hereunder or under the Conveyance Agreement by the Lender, its officers and employees.

To the extent permitted by law, the District further covenants and agrees to indemnify and save the Lender harmless against any claim, loss, expense, advance, and liabilities which it may incur arising out of or in the exercise and performance of their powers and duties hereunder and under the Conveyance Agreement, including the costs and expenses (including attorneys fees and disbursements) of defending against any claim of liability or enforcing any remedies, and which are not due to their negligence or willful misconduct. The District further covenants and agrees to advance to the Lender the amounts requested as the costs and expenses of such defense. Any and all special obligations of the District under this Section shall be and remain valid and binding special obligations of the District notwithstanding the payment in full of the Installment Payments and the termination of this Installment Purchase Contract.

Section 5.20. Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants to the Lender as follows:

- (a) The District is a duly organized and validly existing public utility district of the State of California.
- (b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and the Conveyance Agreement and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.
- (c) Neither the execution and delivery of the Installment Purchase Contract or the Conveyance Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under either of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.
- (d) The District has duly authorized and executed this Installment Purchase Contract and the Conveyance Agreement in accordance with the laws of the State of California.
- (e) Subject to the applicable provisions of the California Constitution, the District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.
- (f) This Installment Purchase Contract and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

(g) The District acknowledges that (i) the Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor, (ii) the Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District or with respect to this Installment Purchase Contract and the financing related thereto, and (iii) the Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

(h) The financial information concerning the District heretofore delivered to the Lender is complete and correct and fairly presents the financial condition of the District for the period(s) referred to and has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the period(s) involved. There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the District as of the date of such financial information which are not reflected therein. There has been no material adverse change in the financial condition or operations of the District since the date of such information (and to the District's knowledge no such material adverse change is pending or threatened), and the District has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information. The District has good and marketable title to all of its properties and assets related to the Project, and all of such properties and assets are free and clear of encumbrances, except as reflected in such financial information. To the best of the District's knowledge, no document furnished nor any representation, warranty or other written statement made to the Lender in connection with the negotiation, preparation or execution of this Installment Purchase Contract contains any untrue or misleading statement of a material fact.

Section 5.21. Representations, Covenants and Warranties of the Lender.

The Lender represents, covenants and warrants to the District as follows:

(a) The Lender is a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank, duly organized, existing and in good standing under and by virtue of the laws of the United States of America; has power to enter into the Installment Purchase Contract and the Conveyance Agreement; and to sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Lender will not assign the Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under the Installment Purchase Contract to any other person, firm or corporation, except to affiliates of the Lender or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities; provided, no such assignment shall be made that would cause there to be more than 15 such assignees or any interest in the Installment Payments of less than \$100,000.

ARTICLE VI
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 6.01. Prepayment.

(a) The District may or shall, as the case may be, prepay on any date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of \$1,000, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installments Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

(b) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any date, by paying a prepayment price equal to the principal amount of the Installment Payments to be prepaid, plus accrued interest to the date of prepayment, plus a prepayment premium as follows:

<u>Prepayment Date</u>	<u>Prepayment Premium</u>
Any date from the Closing Date to November 1, 2024	3%
Any date from November 2, 2024 to November 1, 2027	2%
Any date from November 2, 2027 to November 1, 2030	1%
Any date from November 2, 2030 and thereafter	0%

Except in connection with a security deposit as set forth in Section 6.03 hereof, the District shall be required to give the Lender written notice of its intention to prepay any Installment Payment under subsections (b) and (c) above at least thirty (30) days prior to the proposed prepayment date.

In the event that the Installment Payments shall have been prepaid by the District pursuant to subsections (a), (b) or (c) above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit A shall be reduced by the aggregate amount of such Installment Payment so prepaid, as agreed to by the Lender. The District shall file a revised schedule of Installment Payments with the Lender.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02. Method of Prepayment.

Before making any prepayment pursuant to Section 6.01(a), the District shall, give written notice to the Lender describing such event and specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

Section 6.03. Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of all or a portion of Installment Payments by a deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A attached hereto, or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided, that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Lender to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall.

In the event of a deposit pursuant to this Section 6.03, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposit made by District pursuant to this Section 6.03 and the obligation to pay amounts due the Lender. Said deposit shall be deemed to be and shall constitute a special fund that may be used solely for the payment of Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Lender and any assignee or transferee of the Lender. The District hereby grants to the Lender a first priority security interest in any amounts so deposited.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default and Events of Mandatory Acceleration;
Acceleration of Maturities.

If one or more of the following Events of Default shall happen:

(a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable;

(b) default shall be made by the District in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Lender;

(c) any financial statement or certificate furnished to the Lender in connection with the execution of this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(e) an event of default shall have occurred with respect to any Parity Obligations;

then and in each and every such case during the continuance of such Event of Default the Lender may, by notice in writing to the District declare the principal amount of the unpaid Installment Payments, and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered, the District shall deposit with the Lender a sum sufficient to pay such unpaid principal amount of the Installment Payments due prior to such date and the accrued interest thereon, with any interest due on such overdue installments, and the reasonable expenses of the Lender, and any and all other defaults known to

the Lender (other than in the payment of such principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate shall have been made therefor, then and in every such case the Lender, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 7.02. Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder (other than the Rebate Fund, if any) upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 7.03. Other Remedies of the Lender.

The Lender may--

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District and compel the District to perform and carry out its duties

under applicable law and the agreements and covenants contained herein required to be performed by it;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

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

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

Section 7.04. Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Lender, the District and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues legally available therefor in the Revenue Fund, and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender shall be for the sole and exclusive benefit of the other party.

Section 8.03. Successor Is Deemed Included In All References to Predecessor.

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

Section 8.04. Waiver of Personal Liability.

No board member, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed

to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06. Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Lender shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Lender hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Assignment.

This Installment Purchase Contract and any rights hereunder, and any participation of the Installment Payments by the Lender, may be assigned by the Lender with notice to the District’s, subject to the provisions of Section 5.21(b) hereof. The District may not assign any of its rights hereunder, except as otherwise provided in Section 5.08 hereof.

Section 8.08. California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09. Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

If to the District:

Calaveras Public Utility District
506 W. St. Charles St.
San Andreas, CA 95249
Telephone: (209) 754-9442
Attention: General Manager

If to the Lender:

First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, CA 95661
Telephone: (916) 724-2423
Attn: Mr. Trevor Mael, Senior Vice President,
Public Finance

Section 8.10 Judicial Reference.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INSTALLMENT PURCHASE CONTRACT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE CONTRACT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 8.11. Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof); provided, that the obligation of the District to indemnify the Lender shall survive the termination of this Installment Purchase Contract.

Section 8.12. Execution in Counterparts.

This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.13. Amendments.

The District may at any time amend or modify the definition of Project as set forth in this Installment Purchase Contract to provide for the designation of an Alternate Project as provided for in Section 2.01 hereof with the consent of the Lender, which shall not be unreasonably withheld. This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Lender. Any amendment made in violation of this Section 8.12 shall be a nullity and void.

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

CALAVERAS PUBLIC UTILITY DISTRICT

By: _____
General Manager

ATTEST:

By _____
Secretary

**FIRST FOUNDATION PUBLIC FINANCE, a
Delaware statutory trust and a wholly- owned
subsidiary of First Foundation Bank, as Lender**

By: _____
Authorized Officer

EXHIBIT A

INSTALLMENT PAYMENT SCHEDULE

Due Date	Principal	Interest	Total
11/1/2021			
5/1/2022			
11/1/2022			
5/1/2023			
11/1/2023			
5/1/2024			
11/1/2024			
5/1/2025			
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11/1/2038			
5/1/2039			
11/1/2039			
5/1/2040			
11/1/2040			
5/1/2041			
11/1/2041			
Total	\$	\$	\$

CONVEYANCE AGREEMENT

between the

CALAVERAS PUBLIC UTILITY DISTRICT

and

**FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND
A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK**

Dated as of March 1, 2021

AGENDA ITEM 10

ACWA/JPIA – President’s Special Recognition Awards

ACWA/JPIA annually recognized their members that have Loss Ratio of 20% or less in their insurance programs. The District has received this distinct award since 2000 and continues strive to meet these goal in Liability, Property and Workers Compensation programs.





YOUR BEST PROTECTION

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

President

E.G. "Jerry" Gladbach

Vice President

Tom Cuquet

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Fred Bockmiller

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

Brent Hastey

Melody A. McDonald

Randall Reed

J. Bruce Rupp

Pamela Tobin

Core Values

- People
- Service
- Integrity
- Innovation

RECEIVED JAN 25 2021

January 13, 2021

Calaveras Public Utility District (C018)
P.O. Box 666
San Andreas, CA 95249-0666

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Calaveras Public Utility District (C018) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2021.

Sincerely,

E.G. "Jerry" Gladbach
President

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Calaveras Public Utility District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2016 - 09/30/2019
announced at the Board of Directors' Meeting in a Virtual Meeting.*



E. G. "Jerry" Gladbach, President



December 15, 2020

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Calaveras Public Utility District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2016 - 06/30/2019
announced at the Board of Directors' Meeting in a Virtual Meeting.*



E. G. "Jerry" Gladbach, President



December 15, 2020

Consideration of Bob Murray & Associates Proposal for General Manager Recruitment

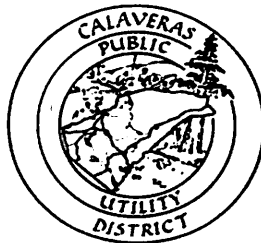
See proposal presented





**BOB MURRAY
& ASSOCIATES**
EXPERTS IN EXECUTIVE SEARCH

A Proposal to Conduct an Executive Recruitment
for the Position of
GENERAL MANAGER
on behalf of the



1544 Eureka Road, Suite 280
Roseville, CA 95661
(916) 784-9080
(916) 784-1985 fax

March 3, 2021

BOARD OF DIRECTORS
CALAVERAS PUBLIC UTILITY DISTRICT
506 W. ST. CHARLES STREET
SAN ANDREAS, CA 95249

Submitted Via Email To: adam@hillrivkinsbrown.com

Dear Members of The Board:

Bob Murray & Associates is pleased to submit a proposal to conduct the General Manager recruitment for the Calaveras Public Utility District. The following details our qualifications and describes our systematic—yet flexible—method of identifying, recruiting, and screening outstanding candidates on your behalf. It also includes a proposed budget, timeline, and guarantee.

At Bob Murray & Associates, we pride ourselves on providing quality service to local governments, non-profit agencies, and private firms. Our recruitment process helps you to determine the direction of the search and the types of candidates you seek while capitalizing on our decades of experience and vast network of contacts to reach those candidates. Our expertise ensures that the candidates we present to the Calaveras Public Utility District will match the criteria you have established, be a good fit for your organization, and be outstanding in their field.

We recognize that we work at the pleasure of the Board of Directors and our job is to facilitate the Board's General Manager search. From the outset of the search, we work to establish a strong partnership with the Board in order to ensure the placement of a General Manager who is ideally suited to its needs. In order to develop an effective search, we will seek the opportunity to meet with Board members individually to discuss their expectations for Calaveras Public Utility District's new General Manager. We hope they will speak candidly with us regarding the traits they are looking for in the new General Manager. The insight garnered as a result of these meetings will be invaluable as we recruit and screen candidates for the position.

With respect to the General Manager recruitment and the Calaveras Public Utility District, Bob Murray & Associates has an unmatched record of success in recruiting local government professionals, including those for public utility professionals. We have conducted numerous General Manager/District Manager searches on behalf of large and small cities and special districts throughout the Western United States. We are currently conducting the General Manager recruitments on behalf of the Montecito Sanitary District, CA and the Nevada Irrigation District, CA. We are also currently recruiting the Associate General Manager on behalf of the Sweetwater Authority, CA. As a result, we have an extensive number of contacts that will be valuable when recruiting candidates on behalf of the Calaveras Public Utility District.

Recent General Manager recruitments we have completed similar in size and scope to your upcoming search include the following:

2021

Santa Ana Watershed Project Authority, CA

City of Glendale, CA (Chief Assistant General Manager/Electric Services)

Livermore Area Recreation and Park District, CA

2020

Laguna Beach County Water District, CA

Palos Verdes Library District, CA (District Director)

2019

Jurupa Community Services District, CA

Rancho Simi Recreation and Park District, CA

Mendocino County Russian River Flood Control and Water Conservation

Santa Clarita Valley Water Agency, CA (Assistant General Manager)

Improvement District, CA

2017

Mountain House Community Services District, CA

Fallbrook Public Utility District, CA

CA

Hidden Valley Lake Association, CA

Reclamation District #1000, CA

Santa Ana Watershed Project Authority, CA

2018

Bear Valley Community Services District, CA

We work as a team on every search at Bob Murray & Associates. Your Project Lead would be Gary Phillips, who would not only direct and supervise the project team from beginning to end but also serve as the Recruiter for the project as well.

To learn first-hand of the quality of our services and why the majority of our engagements come from repeat and referred clients, we invite you to contact the references listed on page 15 of the attached proposal.

We look forward to your favorable consideration of our qualifications. Please do not hesitate to contact us at (916) 784-9080 with any questions.

Sincerely,

Valerie Gaeta Phillips

Valerie Gaeta Phillips

President, Bob Murray & Associates

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THE RECRUITMENT PROCESS

Bob Murray & Associates' recruiters are specialists in finding the perfect fit, providing security and fairness to candidates and clients while ensuring the integrity of the search process. We understand that superlative recruiting for the General Manager will lead to superlative results for the Calaveras Public Utility District. Outlined below are the steps in our proven recruitment process, refined through our 30+ years of experience in executive search.

STEP 1 DEVELOP THE CANDIDATE PROFILE

Our understanding of the Calaveras Public Utility District's needs will be key to a successful search. Gary Phillips will meet with the Board and key stakeholders to learn as much as possible about the ideal candidate for the General Manager position. We want to become familiar with the values and culture of the organization, as well as to understand the current and future issues, challenges, and opportunities in the Calaveras Public Utility District.

Mr. Phillips will review and help define the District's wish-list regarding the ideal candidate's personality, management style, knowledge, skills, and abilities and will work with the District to identify expectations regarding education and experience. The Board and Mr. Phillips will discuss compensation, benefits, and other key information necessary to ensure that outstanding candidates are attracted to this opportunity. The profile we develop together at this stage will drive subsequent recruitment efforts.

Optional Service: Community and Staff Involvement

We find that many of our clients value a recruitment process that opens the opportunity for community members, business leaders, organization representatives, and employees to provide input regarding the ideal candidate. Our recruiters are skilled in designing and facilitating forums, town hall meetings, and online surveys that allow equitable involvement from a variety of constituencies and in consolidating feedback into a cohesive narrative of common themes.

If the Calaveras Public Utility District so desires, we will work with the Board to create a customized community and/or staff input process.

STEP 2 DESIGN/DISTRIBUTE BROCHURE AND ADVERTISEMENTS

Mr. Phillips and your dedicated Recruitment Coordinator will use the candidate profile developed with the Calaveras Public Utility District to create a professional recruitment brochure, with the assistance of our professional graphic designer. The four-page, full-color brochure will describe the community, organization, position, ideal candidate, and compensation and will include pictures provided by the Calaveras Public Utility District that you feel best represent your organization and your community.

Upon your approval, Mr. Phillips will send the brochure by postal mail and email to a targeted audience, personally inviting potential candidates to apply for the General Manager position. We will also place the recruitment brochure on our website, which attracts over 11,000 unique hits

weekly and is a trusted resource for candidates seeking executive and professional positions. Two sample brochures are included in this proposal package for your reference.

Mr. Phillips will also design an effective advertising campaign appropriate for the General Manager recruitment. Our broadest outreach comes through our active social media involvement on Facebook, LinkedIn, and Twitter, where upcoming and current positions are posted. Sources such as *Western City Magazine*, the “PublicCEO, and the Careers in Government website will be used to reach an extensive local government audience, while position-specific postings will be chosen to attract candidates who have built their careers in and are committed to the General Manager field.

Suggested General Manager-specific advertising sources for the Calaveras Public Utility District’s search include:

- BCWaterjobs.com
- Water Environment Federation
- Association of California Water Agencies
- National Association of Clean Water Agencies

American Water Works Association Bob Murray & Associates does not typically place ads with job aggregators or general job posting sites such as CareerBuilder, Monster, or Indeed, as we have found that the broad reach of these sites does not necessarily lead to quality candidates for executive and professional positions.

Reaching Diverse Candidates

Bob Murray & Associates, a woman- and minority-owned business, is proud of its commitment to attracting and placing diverse candidates. Not only do we place advertisements with websites designed to attract minority and female candidates, but our President, Valerie Phillips, is a member herself of many diversity-focused organizations including the Local Government Hispanic Network, the League of Women in Government, the Professional Women’s Network, Mexican Professionals, and Women Leading Government. She networks frequently with fellow members to gain insight into which potential candidates are leaders in their field.

Mr. Phillips will seek to reach candidates in communities and organizations with demographic profiles and populations served like that of the Calaveras Public Utility District, to maximize the potential for individuals from a wide variety of backgrounds, cultures, and life experiences to be considered for the General Manager position.

STEP 3 RECRUIT CANDIDATES

The strongest candidates are often those who are successful and content in their current positions and need to be sold on a new opportunity. Our extensive network of contacts, developed through over 1,400 successful placements, is a primary source for identifying and obtaining referrals for these candidates. Our in-house database of 40,000 current and former executive and professional candidates is a valuable resource that can only be built over time—time that we have invested into perfecting our process for finding the right candidates for our clients. Our aggressive outreach efforts are focused on phone calls to personally invite potential applicants, answer questions, and

allay any reservations, and these efforts are essential to the success of the General Manager recruitment.

STEP 4 SCREEN CANDIDATES

Following the closing date for the recruitment, Mr. Phillips will screen all resumes we have received, using the criteria established in the candidate profile as a basis upon which to narrow the field of candidates. Internal candidates receive sensitive consideration, and Mr. Phillips will discuss with the Board how the Calaveras Public Utility District wishes to proceed with these candidates.

STEP 5 CONDUCT PRELIMINARY INTERVIEWS

Mr. Phillips will personally interview the top 10 to 15 candidates from the resume screening, with the goal of determining which candidates have the greatest potential to succeed in your organization. To reduce travel-related expenses to our clients and increase efficiency in the search process, these interviews are typically conducted via Skype, FaceTime, or other convenient videoconferencing applications.

During these in-depth interviews, Mr. Phillips will explore each candidate's background and experience as it relates to the General Manager position, such as significant accomplishments, size and scope of responsibility, and organizational culture. In addition, Mr. Phillips will discuss with the candidates their motivation for applying for the position and assess his/her knowledge, skills, and abilities. We will devote specific attention to establishing the likelihood of the candidate's acceptance of the position if an offer of employment is made.

STEP 6 SEARCH PUBLIC RECORDS

Under the direction of Mr. Phillips, your dedicated Recruitment Coordinator will conduct a review of published print and online articles for each recommended candidate. Sources include Lexis-Nexis™, Google, social media, and our contacts in the field. This will alert Mr. Phillips to any further detailed inquiries we may need to make before our recommendations are finalized.

STEP 7 MAKE RECOMMENDATIONS

Based on our findings during the preliminary interview process, Mr. Phillips will recommend a limited number of candidates for your further consideration. He will make specific recommendations and will help facilitate discussions regarding the candidate pool, but the final determination of those to be considered will be up to you.

We typically recommend 6-8 candidates that we feel will best match your expectations, and we prepare a detailed written report on each candidate. This bound report provided to each member of the decision-making body includes:

- ◆ Candidate list with Recommended Finalists identified in *Group 1* and *Group 2* (primary and secondary recommendations), as well as *Internal* candidates
- ◆ Summary of experience, education, and salary information for each Recommended Finalist candidate
- ◆ Complete cover letter and resume for each Recommended Finalist candidate

- ◆ List of *Other Applicants* (those who did not meet minimum qualifications or were otherwise unsuitable, based on our screening process)

Bob Murray & Associates maintains all search records for a period of seven (7) years following each recruitment, and we are happy to forward cover letters and resumes for each applicant by postal mail or email as soon as the recruitment closes to new applications.

STEP 8 FACILITATE FINAL INTERVIEWS

Our years of experience will be invaluable as we help you develop an interview process that objectively assesses the qualifications of each candidate. We will work with the Calaveras Public Utility District to craft and implement an interview approach that fits your needs. This may include individual and panel interviews by the Board and key stakeholders, community/employee interview panels, writing and presentation samples, meet-and-greets, or another specialized process element Mr. Phillips helps the Calaveras Public Utility District to design.

Mr. Phillips will be present on-site during the interviews to facilitate as necessary during the process and to guide discussion to consensus regarding final candidates. Bound interview books will be provided to each interview panel member containing:

- ◆ Recruitment brochure with candidate profile
- ◆ Interview schedule
- ◆ Suggested interview questions
- ◆ Experience summary, cover letter, resume, and rating form for each candidate
- ◆ Ranking forms for use during the panel interview process

We will work closely with your staff to coordinate and schedule interviews and candidate travel. Our goal is to ensure that each candidate has a very positive experience, as the way the entire process is conducted will influence the final candidates' perception of your organization.

STEP 9 CONDUCT BACKGROUND AND REFERENCE CHECKS

Mr. Phillips and your Recruitment Coordinator will conduct detailed reference checks for up to three (3) final candidates. To gain an accurate and honest appraisal of the candidates' strengths and weaknesses, we will talk candidly with people who have direct knowledge of their work and management style. In addition to gaining a 360-degree view of candidates from the perspective of their supervisors, subordinates and peers for the past several years, we will make a point of speaking confidentially to individuals who may have further insight into a candidate's abilities but who may not be on their preferred list of contacts.

Your Recruitment Coordinator will work with candidates and our professional backgrounding firm, HireRight, to conduct credit, civil litigation, and motor vehicle record checks and verify candidates' degrees.

STEP 10 ASSIST IN NEGOTIATIONS

We recognize the critical importance of successful negotiations and can serve as your representative during this process. Mr. Phillips knows what other organizations have done to put deals together with great candidates and what the current market is like for General Manager positions in organizations like the Calaveras Public Utility District's. He will be available to advise you regarding current approaches to difficult issues, such as housing and relocation. We will represent your interests and advise the chosen candidate and you regarding salary, benefits, and employment agreements, with the goal of putting together a deal that results in the appointment of your chosen candidate. With our proven experience and vested interest in a positive outcome, we can turn a very difficult aspect of the recruitment into one that is straightforward and agreeable for all parties involved.

COMPLETE ADMINISTRATIVE ASSISTANCE

We receive many unsolicited testimonials each year from clients and candidates alike noting our prompt, considerate, accurate, and professional service during the search process. Throughout the recruitment, in time intervals that suit the Calaveras Public Utility District, we will provide you with updates on the status of the search and attend to all administrative details on your behalf.

Candidates receive immediate acknowledgement of their applications, as well as personal phone calls and/or emails (as appropriate) advising them of their status at each critical point in the recruitment. Candidates who receive preliminary or final interviews and are not chosen to move forward in the interview process will receive personal calls from Mr. Phillips on behalf of the Calaveras Public Utility District.

It is our internal company standard that all inquiries from clients and candidates receive a response within the same business day whenever possible, and certainly within 24 hours if the inquiry is received during the work week. Mr. Phillips will be available to the Calaveras Public Utility District by office phone, cell phone, and email at any time to ensure a smooth and stress-free recruitment process.

COSTS AND GUARANTEE

PROFESSIONAL FEE AND EXPENSES

The fixed, flat professional services fee for conducting the General Manager recruitment on behalf of the Calaveras Public Utility District is \$18,500. Services provided for in this fee consist of all steps outlined in this proposal, including three (3) days of meetings on site. The professional fee does not limit the amount of time invested by Bob Murray & Associates in promoting a successful outcome for this project. In fact, our mission for this project is to ensure we assist in identifying the right candidate for the Calaveras Public Utility District. Therefore, Mr. Phillips will contact the District at the first anniversary of the placement to confirm an effective transition has occurred.

The Calaveras Public Utility District will also be responsible for reimbursing expenses Bob Murray & Associates incurs on your behalf. We estimate expenses for this project not to exceed \$6,000. Reimbursable expenses include (but are not limited to) such items as the cost of recruiter travel; clerical support; brochure development; placement of ads; credit and civil background checks; education verification; and public records searches. Postage, printing, photocopying, and telephone charges are allocated costs and included in the expense estimate. *In no instance will expenses exceed this estimate without prior approval from the Calaveras Public Utility District.*

Expense reimbursement for candidate travel related to on-site interviews will be the responsibility of the Calaveras Public Utility District.

Professional Fees and Reimbursable Expenses	
Professional Services (Fixed Flat Fee)	\$18,500
Reimbursable Expenses <i>Example costs and approximate amounts include:</i>	
Brochure Design and Printing (\$1,275)	
Advertising (\$3,000)	
Background Checks – 3 candidates (\$550)	
Consultant Travel (\$600)	
Other expenses – supplies, shipping, clerical (\$575)	
Not-to-Exceed Total	\$24,500

Optional Services

- Community/Staff Input Forum: \$1,500/day, plus travel expenses
- Online survey with analysis of results: \$250
- Additional on-site meeting days: \$1,500/day, plus travel expenses
- Additional background checks: \$250/candidate
- Additional reference checks: \$500/candidate
- Other services: \$250/hour or \$1,500/day

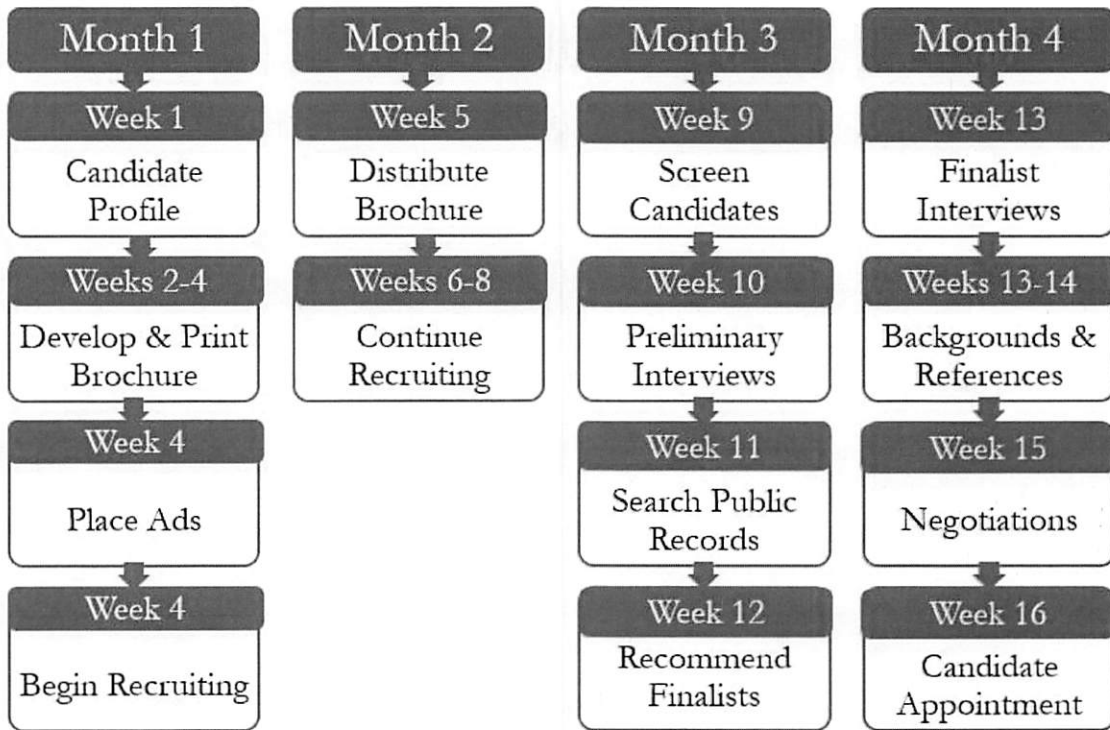
GUARANTEE

Should a candidate recommended by our firm position resign or be terminated within the first 12 months of employment, we will provide the Calaveras Public Utility District with professional services to secure a replacement. Services will be provided at no cost, aside from expenses incurred on the Calaveras Public Utility District's behalf during the new search. We are confident in our ability to recruit outstanding candidates and do not expect the District to find it necessary to exercise this provision of our proposal.

RECRUITMENT SCHEDULE

We are prepared to start work on this assignment upon receipt of a signed professional services agreement or other written, authorized notification. A full search can be completed in 13-16 weeks from the date of initial meetings with our client.

The final recruitment schedule will be determined in collaboration with Calaveras Public Utility District. A typical timeline of tasks and events is included here for reference.



FIRM PROFILE

OUR STAFF

Bob Murray & Associates is a small firm focusing exclusively on executive search services. We have a team of ten (10):

- Bob Murray, *Founder*
- Valerie Gaeta Phillips, *President*
- Gary Phillips, *Executive Vice President*
- Regan Williams, *Vice President*
- Joel Bryden, *Vice President*
- Carmen Valdez, *Senior Executive Recruiter*
- Manny Guaderrama, *Senior Executive Recruiter*
- Amber Smith, *Principal Recruitment Coordinator*
- Sky Baclig, *Senior Recruitment Coordinator*
- Gini Herndon, *Contracts Administrator/Bookkeeper*

BOB MURRAY, FOUNDER

Mr. Murray—known simply as “Bob” to his clients and candidates throughout the western U.S.—brings over 40 years’ experience as a recruiter and is recognized as one of the top local government recruiters in the nation. He conducted hundreds of searches for cities, counties, and special districts and was called on to conduct searches for some of the largest, most complex organizations in the country—and some of the smallest. Bob conducted searches for chief executives, department heads, professional and technical positions, taking the lead on many of the firm’s most difficult assignments with great success. His clients retained him again and again, given the quality of his work and success in finding candidates for difficult to fill positions.

As our Founder, Bob currently takes on few searches personally but continues to be an active presence at Bob Murray & Associates, providing valued insight and experience to our team members regarding all aspects of the recruitment process.

Mr. Murray received his Bachelor of Science Degree in Criminology from the University of California at Berkeley with graduate studies in Public Administration at California State University at Hayward.

VALERIE GAETA PHILLIPS, PRESIDENT AND RECRUITER

Ms. Gaeta Phillips has over 18 years of recruiting experience, including more than a decade of recent experience in executive search for public, private, and startup companies nationwide. Since joining Bob Murray & Associates, Valerie has completed over 165 searches in a diverse range of fields, including city and general management, planning, finance, human resources, transportation, communication and public relations, community and economic development, information technology, parks and recreation, and operations. She has recruited at all levels of municipal and non-profit organizations, from technicians and engineers to Executive Directors and Chief Executive Officers.

Valerie is valued for her passion for finding and retaining the most outstanding candidates for even the most difficult or untraditional assignments and for her commitment to her clients' success; she is also active in a variety of industry organizations and in diversity-focused associations. Valerie is called upon often to serve as an expert speaker on topics such as managing one's online reputation, diversity issues in municipal and non-profit leadership, and how to identify a good "fit" for organizational culture.

Ms. Gaeta Phillips, along with Executive Vice President Gary Phillips, has a passion for helping people, evidenced by fundraising, sponsorship, and involvement in raising awareness for organizations such as Autism Speaks, the UC Davis M.I.N.D. Institute, and the Northern California Special Olympics.

GARY PHILLIPS, EXECUTIVE VICE PRESIDENT AND RECRUITER

Since joining Bob Murray & Associates, Mr. Phillips has completed over 125 searches for executives and professionals in a wide variety of fields including animal services, city and general management, planning, legal counsel, cyber security, and human resources. Gary's clients have ranged from municipal government to non-profit and private sector organizations, and he has sourced outstanding candidates for positions from the level of division managers up to City Managers, Executive Directors, and General Managers.

Gary started his career with a New York-based Fortune 100 company and quickly became a Senior Manager, building and running a large customer service organization that eventually expanded to 13 countries in Europe. He proceeded to hold senior leadership positions in several Fortune 500 companies, with noted successes such as building an organization from two to 250 employees worldwide and growing a company from 800 to 1200 employees.

As part of an executive acquisition and recruiting team, Gary helped build a start-up enterprise software company in San Francisco, recruiting top-notch talent and building a world-class organization. He has maintained customer relationships in the public sector and the private sector, including medical and financial institutions. He prides himself on finding key talent and offering the best customer service to his clients.

Mr. Phillips, along with Ms. Gaeta-Phillips, is involved in his community as a soccer coach, as an organizer of fundraisers for Autism Speaks and the UC Davis M.I.N.D. Institute, and as a sponsor of the Northern California Special Olympics. Mr. Phillips received his Associate of Science degree and completed additional coursework at Rochester Institute of Technology, NY.

REGAN WILLIAMS, SENIOR VICE PRESIDENT AND RECRUITER

Mr. Williams brings 30 years of local government experience to Bob Murray & Associates and has over 17 years of experience in executive recruitments with our firm. In his time with Bob Murray & Associates, Regan has conducted over 275 executive searches ranging from managers and department heads to City Managers, Executive Directors, and General Managers. If Regan were to have a recruiting specialty, it would be public safety positions: he has personally conducted over 60 Police Chief and 20 Fire Chief recruitments.

Prior to joining Bob Murray & Associates, Regan served as Director of Public Safety with the City of Sunnyvale, CA. He was involved in the development of some of Sunnyvale's most innovative public safety programs and has a national reputation for excellence in law enforcement, as well as in law enforcement executive recruiting. Regan's clients find his prompt and personal attention, insight, and expertise in recruitment and selection an asset. He is often called upon to recruit for difficult-to-fill law enforcement positions, such as the position of Police Chief or City Manager in challenging political environments.

Mr. Williams received his Bachelor of Science Degree in Administration of Justice from San Jose State University. He is also a graduate of the FBI National Academy.

JOEL BRYDEN, VICE PRESIDENT AND RECRUITER

Mr. Bryden has over 30 years of local government experience that he brings to the firm, having retired as Chief of Police in Walnut Creek, CA prior to joining Bob Murray & Associates in 2013. Throughout his career, Joel has been involved in public sector consulting, with vast experience in hiring and promotional processes, as well as interviewing candidates for advancement in all aspects of local government.

Joel has a solid reputation as a leader in the public sector and his ability to find and evaluate outstanding applicants for our clients is invaluable in the search process. Since joining Bob Murray & Associates, Joel has conducted over 100 recruitments in a broad range of sectors including police, fire, building, planning, city management, and general management. He is often called upon to recruit specialized or difficult-to-fill positions, such as Independent Police Auditor.

Mr. Bryden is a graduate of the FBI National Academy and obtained his Bachelor of Arts Degree in Communication from San Diego State University. He is currently based in Walnut Creek, CA.

CARMEN VALDEZ, SENIOR EXECUTIVE RECRUITER

Carmen Valdez provides executive recruitment and human resource services to municipal government agencies and non-profits. She has more than 25 years' experience in executive search, general human resources, classification and compensation, testing, policy development, performance management, team building, organizational development, discipline, and other employee relations activities.

Carmen has most recently been consulting with Municipal Resource Group, prior to which she spent over 30 years with the City of Milpitas, a Silicon Valley city of 70,000 residents. In this capacity, she was responsible for collective bargaining, PEPRAs and Affordable Care Act implementation, modernizing Human Resource services to improve efficiencies and reduce costs, revamping the Workers Compensation service delivery and completing a City-wide strategic plan. Carmen also spent almost 2 years as the Director of Recreation Services.

In addition to her significant experience in the public sector, Carmen earned a Bachelor of Arts degree in Business from University of Phoenix. She is also a member of Local Government Hispanic Network and League of Women in Government. She is an avid runner and enjoys giving back to her community.

MANNY GUADERRAMA, SENIOR EXECUTIVE RECRUITER

Mr. Guaderrama brings over 35 years of local government experience to Bob Murray and Associates. Manny retired as the Chief of Police/Director of Transit Enforcement at the San Diego Metropolitan Transit system, following a 30-year career with the San Diego Police Department. He has an excellent reputation in the public sector as an innovative leader and change agent, with a history of employee development and improving organizational efficiencies.

Manny has a great deal of experience in recruiting, selecting, interviewing and hiring employees, and has been involved in promotional selection processes throughout the western states. When it comes to the hiring process, his goal is always to select individuals with the skills and talents to meet organizational needs.

Manny received a Bachelor of Arts Degree in Physical Education from San Diego State University. He is also a graduate of the FBI National Academy and is a member of the Local Government Hispanic Network.

AMBER SMITH, PRINCIPAL RECRUITMENT COORDINATOR

As Principal Recruitment Coordinator with Bob Murray & Associates, Ms. Smith acts as a liaison between clients and candidates from beginning to end of each recruitment process. Under the direction of each client's assigned Recruiter, Amber is responsible for the development and distribution of position recruitment and advertising materials, client research, reference and background checks, responding to requests for proposals, and providing a broad range of support services for the recruiting team. She also provides leadership for our in-house staff and is an invaluable resource.

Amber brings over a decade of client-oriented customer service, administrative, and management experience to Bob Murray & Associates. Since joining our team in 2013, she has shown a commitment to working as a partner with clients and candidates to provide a quality service and experience.

Ms. Smith received her Bachelor of Arts degree in Business Administration from La Sierra University, Riverside, California.

SKY BACLIG, SENIOR RECRUITMENT COORDINATOR

A Ms. Baclig is a Senior Recruitment Coordinator with Bob Murray & Associates and is an essential part of our hiring experience. She partners closely with the executive recruiters to support hiring initiatives and is responsible for facilitating the movement of candidates through the recruitment process.

Her responsibilities entail everything from creating marketing materials, posting available positions to job boards, candidate research, interview scheduling, conducting background checks, and ensuring the overall hiring process runs smoothly.

Sky graduated from California State University Sacramento with her bachelor's degree in Liberal Studies. She has over a decade of client service experience and 5 years in Human Resources. She

possesses thorough knowledge of Human Resources best practices and relies on her service-oriented attitude to support management/clients and team.

She has a passion for helping people and connecting both personally and professionally. Outside of the workplace, Sky likes to spend time with her family, her dog, Oliver, and travel the world.

GINI HERNDON, CONTRACTS ADMINISTRATOR/BOOKKEEPER

Ms. Gini Herndon is the Contracts Administrator/Bookkeeper at Bob Murray & Associates. Ms. Herndon is the first point of contact at Bob Murray & Associates and has an extensive administrative background in business law.

Ms. Herndon is known for her collaborative approach as she works closely with our internal team and clients to ensure a successful search. As a first point of contact, Ms. Herndon is highly professional and maintains a high level of confidentiality and sensitivity.

CORPORATION

Bob Murray & Associates was founded in May 2000 and operated under the corporation name MBN Services, Inc. until June 2014; our new corporation name is GVP Ventures, Inc., incorporated in California in 2014. Contact information for the corporation and the firm is as follows:

GVP Ventures, Inc. OR Bob Murray & Associates
1544 Eureka Road, Ste. 280
Roseville, CA 95661
(916) 784-9080
apply@bobmurrayassoc.com

Our corporation and firm are financially sound (and have been so since 2000), with documentation from our accountant available to your organization prior to final execution of a professional service agreement. We have never been involved in any litigation, aside from our personnel serving as expert witnesses when called to do so.

PROFESSIONAL ASSOCIATIONS

Our firm, represented by either our President or our Executive Vice President, are involved in the following organizations to remain engaged with current and future issues relevant to the work we conduct on behalf of clients like Calaveras Public Utility District:

- California Special Districts Association – *Member*
- California City Management Foundation (CCMF) – *Member*
- International City/County Management Association (ICMA) – *Member*
- League of California Cities – *League Partner*
- League of Women in Government – *Sponsor/Member*
- Municipal Management Association of Northern California (MMANC) – *Sponsor/Member*
- Municipal Management Association of Southern California (MMASC) – *Sponsor/Member*
- National Forum for Black Public Administrators (NFBPA) – *Committee member for Marketing and Branding*

Members of our leadership team not only attend events sponsored by these associations but are also frequently called upon to serve as panel members and to provide specialized lectures regarding industry-specific issues.

Recent and upcoming speaking engagements and trainings provided by our staff include:

- “Role of the Chief” class, presented by Joel Bryden on behalf of the California Police Chiefs Association
- Organization of Latino Affairs invited speaker, Valerie Phillips for Hispanic Heritage Month; and
- “The Next Step on Your Career Ladder: A Rung Up or a Missed Step? What City Managers are Seeking to Create a Dream Team,” Bob Murray & Associates is a leading participant on the MMANC 2019 Conference Panel

REFERENCES

Clients and candidates are the best testament to our ability to conduct quality searches. Clients for whom Bob Murray & Associates has recently conducted similar searches are listed below:

CLIENT: Rancho Simi Recreation and Park District, CA
POSITION: General Manager
REFERENCE: Ms. Theresa Pennington, Director of Administration
(805) 584-4417

CLIENT: Santa Clarita Valley Water Agency
POSITION: Assistant General Manager
REFERENCE: Mr. Matt Stone, General Manager
(661) 297-1600

CLIENT: Laguna Beach County Water District
POSITION: General Manger
REFERENCE: Andrea Miller, HR & Office Administrator
(949) 494-1041

We appreciate the Calaveras Public Utility District's consideration of our proposal and look forward to working with you.



Staff Report

a. General Manager's Report – March 2021

Items listed below are in progress and not Agenized however open for comments or discussion.

1. **LAFCO – Murphy Annexation** Repsonse was prepared and submitted to LAFCO with additional request to include the adjacent parcel which is being served by the District.
2. **CSDA Gold Country Chapter Workshop:** The next workshop is scheduled for Wednesday, April 21, 2021 and will also be a conducted via ZOOM.
3. **Employee Handbook:** Manager is reviewing the Employee Handbook to update in accordance the approved MOU and current employment laws. The last update was completed in 2014 and has only had minor modification. Legal counsel will assist with language and drafting to prepare the update to the Employee Handbook.
4. **CalFire Crew:** Has temporarily suspended work due to a COVID outbreak.
5. **COVID-19 Update –** The CPUD Office remains closed until further accommodation can be made for compliance to guidelines.
6. **CalOES –** Nothing to report. The fourth review of the EAP for Jeff Davis and Middle Fork was completed and CalOES has responded with recommendation.
7. **Plan and Specs Updates -** Nothing to report.
8. **GEI Consulting –** The 2020 Annual inspection report was submitted to FERC. A list of IC is being prepared for selection and request for approval from FERC to conduct the 8th Part 12 Inspection report. The Manager will request a cost estimate from GEI to be included in the 2021/22 fiscal year budget.
9. **Operations Plan update – Nothing to report.** Staff has completed the draft which in under final review.
10. **Modeling - KASL –** Staff assist KASL with filed work and hydrant flushing. Additional updates to line adjustment in Diamond maps was requested and will be submitted when completed.
11. **Billing and Account Software Updates –** Nothing to report.
12. **CalFire – Fuels Reduction Grant –** Work was scheduled to begin at end of February however was delayed until further notification from CalFire.

Staff Report

- b. Legal Counsel Report
- c. Engineer's Report (attached)



Engineering Project Status Update

March 1, 2021

1. Clearwell Tank Project #2873

- **Environmental, Geotechnical, & Survey**
 - Geotechnical investigation has been completed; final report is expected mid-March.
 - Topographic survey has been completed and design will begin this week.
 - Environmental site preconstruction survey to be scheduled as soon as tree falling can be coordinated.
- **Board Updates**
 - A local water agency has recently received bids for a steel water tank of the same size of this project, and prices reflected higher costs than the initial estimate for this project. The project team plans to re-evaluate costs as design becomes more complete.
- **Project Schedule**

Phase	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Environmental	■	■	■	■								
Design	■	■	■	■								
Procurement	■	■		■	■							
Construction						■	■	■	■	■	■	■

2. General Engineering #2528-004

- Assistance with easement research.

AGENDA ITEM 12

Board Members Report

Board Members Report are comments by Directors concerning District business, which may be of interest to the Board. This is placed on the agenda to enable individual Board members to convey information to the Board and to the public. There is to be no discussion or action taken by the Board of Directors unless the item is noticed as part of the meeting agenda

- a. LAFCO Public Hearing (3/15/2021)
- b. Director Blood – UMRWA Meeting Reminder (4/23/2021)
- c. Other Director Comments:
- d. Reminder of Annual Statement of Economic Interest – Form 700 (due: April 1, 2021)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN by the Calaveras Local Agency Formation Commission that a public hearing will be held on **Monday, March 15, 2021 at 6:00 pm via teleconference or other electronic means**, regarding the following items:

1. Proposed 2021-22 LAFCO Budget to make a preliminary determination thereon by the Commission. Any person may be heard regarding the increase, decrease, or omission of any item from the budget or for the inclusion of additional items.
2. A Service Review and Sphere of Influence Update for the Mokelumne Hill Sanitary District.

All interested parties have the right to appear and be heard at this time. The Executive Officer's Report will be available for review at the LAFCO webpage 5 days prior to the hearing at www.calaveraslafco.org. The contact person is John Benoit, Executive Officer who may be reached at (209) 754-6511 or by email at j.benoit4@icloud.com

Pursuant to Governor's Executive Order N-29-20, the public hearings may be conducted entirely by teleconference or other electronic means due to the COVID-19 shelter in place orders should no physical location be available. Members of the public who wish to attend and provide public comment may do so via teleconference and should consult the agenda for the Zoom meeting login information or call-in number for this meeting which is to be posted 72 hours before the scheduled start time and on LAFCO's webpage at www.calaveraslafco.org

If you challenge the action of the Commission on any of the above stated item in court, it may be limited to only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Calaveras Local Agency Formation Commission at, or prior to, the public hearing.

LOCAL AGENCY FORMATION COMMISSION
John Benoit, Executive Officer

Donna Leatherman

From: Carissa Bear
Sent: Thursday, March 4, 2021 8:05 AM
To: 'J. W. Dell'Orto'; Scott Speer; 'Richard Blood'; 'treats@goldrush.com' (treats@goldrush.com)
Cc: Adam Brown; Donna Leatherman
Subject: Reminder - Annual Statement of Economic Interests - Form 700

Good Morning,

This is a reminder that it is time to file your annual Statement of Economic Interest – Form 700.

Pursuant to the Fair Political Practices Act and the District's Conflict of Interest Code, it is necessary to file an annual Statement of Economic Interest. The period covered in this annual report is **January 1, 2020 through December 31, 2020**. Similar to when you file your taxes, you are disclosing for the **PREVIOUS** year, not the upcoming year.

You may not need to file, if any of the following apply:

- You have already filed your annual statement to meet your **2020** filing requirement.
- You filed an assuming office statement between **October 1 and December 31, 2020**, you do not need to file an annual statement until April 1, 2022.

The quickest and easiest way to file is electronically. This can be done by visiting <https://form700.fppc.ca.gov/Default.aspx>. If you need assistance logging in, please let me know.

If you choose not to file electronically, the Form and instructions are available at the Fair Political Practices Commission website (<http://www.fppc.ca.gov/Form700.html>). A **WET INK ORIGINAL** form must be sent directly to myself at the below address. Copies of the forms are not acceptable.

Complete the Form 700 no later than **4:00 p.m. on April 1, 2021**. It is required that you submit your Statement of Economic Interests on time to avoid late fees and penalties.

For additional information on reporting requirements, you may go to the Fair Political Practices Commission's website at www.fppc.ca.gov or call (866) 275-3772. They have an interactive version of the Form 700 on their website which you can use to complete and print your statement.

If you have any questions or concerns, please let me know.

Carissa Bear

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AGENDA ITEM 13

Closed Session – Conference with Labor Negotiators (Gov. Code § 54957.6)

Unrepresented Employee: General Manager

Agency Designated Representative: President J.W. Dell'Orto



AGENDA ITEM 14

Adjournment (Next Regular Meeting on April 13, 2021 at 7:00 pm)

Action: Adjourn meeting

Motion 1st _____, 2nd _____, Carried _____ Roll Call Vote

