

Board Members

Joe Neves, District 1, Chairman
Doug Verboon, District 3, Vice Chairman
Richard Valle, District 2
Craig Pedersen, District 4
Richard Fagundes, District 5



Staff

Rebecca Campbell, County Administrative Officer
Lee Burdick, County Counsel
Catherine Venturella, Clerk of the Board

Board of Supervisors Regular Meeting Agenda

Date: Tuesday, November 5, 2019
Time: 9:00 a.m.
Place: Board of Supervisors Chambers, Kings County Government Center
1400 W. Lacey Boulevard, Hanford, California 93230

☎ (559) 852-2362 ❖ FAX (559) 585-8047 ❖ website: <https://www.countyofkings.com>

In compliance with the Americans with Disabilities Act, if you require a modification or accommodation to participate in this meeting, including agenda or other materials in an alternative format, please contact the Board of Supervisors Office at (559) 852-2362 (California Relay 711) by 3:00 p.m. on the Friday prior to this meeting. The Clerk of the Board will provide assistive listening devices upon request.

As a courtesy to those in attendance, please silence cell phones, pagers and electronic devices.

- I. 9:00 AM CALL TO ORDER**
ROLL CALL – Clerk of the Board
INVOCATION – JoAnn Hawkins
PLEDGE OF ALLEGIANCE
- II. UNSCHEDULED APPEARANCES**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
- III. APPROVAL OF MINUTES**
Approval of the minutes from the October 29, 2019 regular meeting.
- IV. CONSENT CALENDAR**
- A. Agriculture Department:**
Consider approving a Cooperative Agreement with the California Department of Food and Agriculture for the County's Bee Safe program.
- B. Sheriff's Office:**
Consider authorizing out of state travel for Sergeant Jeff Torres, Sergeant Armando Puga and Deputy Sheriff Bailiff Lot Aaron Bairstow to attend the California Narcotic Officers Association 55th Annual Training Institute and Law Enforcement Exposition in Reno, Nevada from November 21-26, 2019.
- C. Administration:**
1. Consider denying the claim for damages filed by Karla Baday.
 2. Consider denying the claim for damages filed by Michael Valdez.
 3. Consider denying the claim for damages filed by Marcus Valdez.



V.

REGULAR AGENDA ITEMS

A. Administration – Rebecca Campbell

Kings County Office of Education – Andrea Perez

Discuss the Fiscal Year 2019-2020 Final Williams Report, the “State of the Schools” annual report, for Kings County.

B. Community Development Agency – Greg Gatzka

1. Monthly report of the Planning Commission’s actions from their November 4, 2019 meeting.
2. Consider approving the first Amendment to an Agreement with Proteus Incorporated for the Kings County 2020 Census outreach related activities.

C. Elections Department – Lupe Villa

1. Consider approving the appointment of Directors in lieu of election to the Empire Westside Irrigation District.
2. Consider approving the appointments of a Director in lieu of election to Kings County Water District Areas 1 and 5.

D. Public Works Department – Kevin McAlister/Dominic Tyburski

1. Consider approving the first Amendment to the consultant services Agreement with Chas Rhoads Architecture to perform Architectural Design Services for the Kings View Building Remodel project, and authorizing the Public Works Director to sign the Agreement.
2. Consider:
 - a. Adopting a Resolution of Intent to Sell the real property located at 17150 10th Avenue, Hanford, California; and
 - b. Directing the Clerk of the Board to post the Notice of Intent to Sell Surplus Real Property.

E. Administration – Rebecca Campbell/Roger Bradley/Julianne Phillips

1. Consider adopting a Resolution recognizing November 11-15, 2019 as Selective Services Week in Kings County.
2. Consider appointing one member to the Kings County Planning Commission.
3. Consider appointing one Board of Supervisors member to the San Joaquin Valley Multiagency Working Group.
4. Consider approving Amendment No. 18 to the Water Supply Contract between the State Department of Water Resources and the County of Kings.

VI.

BOARD MEMBERS ANNOUNCEMENTS OR REPORTS

On their own initiative Board Members may make a brief announcement or a brief report on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Section 54954.2a).

- ◆ Board Correspondence
- ◆ Upcoming Events
- ◆ Information on Future Agenda Items



VII. CLOSED SESSION

- ◆ **Personnel Matters: [Govt. Code Section 54957]**
Public Employment
Title: Director of Child Support Services
- ◆ **Significant exposure to litigation.** 1 case [Govt. Code Section 54956.9(d)(2)]
- ◆ **Deciding to initiate litigation/Significant exposure to litigation.** 1 case [Govt. Code Section 54956.9(d)(2),(d)(4), (e)(1)]
- ◆ **Conference with Labor Negotiator/Meet and Confer: [Govt. Code Section 54957.6]**
 Negotiators: Rebecca Campbell, Roger Bradley, Leslie McCormick Wilson, Henie Ring, Che Johnson of Liebert Cassidy Whitmore
 - Prosecutors’ Association
 - Management
 - General - CLOCEA
 - Supervisors - CLOCEA
 - Probation Officer’s Association

VIII. ADJOURNMENT

The next regularly scheduled meeting will be held on Tuesday, November 19, 2019, at 9:00 a.m. **The meeting for November 12, 2019 has been cancelled due to the County offices observance of Veteran’s Day on November 11, 2019.**

IX. 11:00 AM CALIFORNIA PUBLIC FINANCE AUTHORITY REGULAR MEETING

FUTURE MEETINGS AND EVENTS

November 11	--	Offices closed in observance of Veterans Day
November 12	--	Regular meeting cancelled in observance of Veterans Day – November 11, 2019
November 19	9:00 AM	Regular Meeting
November 19	11:00 AM	California Public Finance Authority Regular Meeting
November 26	9:00 AM	Regular Meeting
December 3		Regular Meeting Cancelled/ Board members participating in CSAC Annual Meeting
December 10	9:00 AM	Regular Meeting
December 10	11:00 AM	California Public Finance Authority Regular Meeting

Agenda backup information and any public records provided to the Board after the posting of the agenda will be available for the public to review at the Board of Supervisors office, 1400 W. Lacey Blvd, Hanford, for the meeting date listed on this agenda.

Board Members

Joe Neves, District 1, Chairman
Doug Verboon, District 3, Vice Chairman
Richard Valle, District 2
Craig Pedersen, District 4
Richard Fagundes, District 5



Staff

Rebecca Campbell, County Administrative Officer
Lee Burdick, County Counsel
Catherine Venturella, Clerk of the Board

Board of Supervisors Regular Meeting Action Summary

Date: Tuesday, October 29, 2019
Time: 9:00 a.m.
Place: Board of Supervisors Chambers, Kings County Government Center
1400 W. Lacey Boulevard, Hanford, California 93230

☎ (559) 852-2362 ❖ FAX (559) 585-8047 ❖ website: <https://www.countyofkings.com>

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As a courtesy to those in attendance, please silence cell phones, pagers and electronic devices.

- I. B 1 **CALL TO ORDER**
ROLL CALL – Clerk of the Board
INVOCATION – Arthur Fox – New Hope Orthodox Presbyterian Church
PLEDGE OF ALLEGIANCE
ALL MEMBERS PRESENT

- II. B 2 **UNSCHEDULED APPEARANCES**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. None

- III. B 3 **SERVICE AWARDS- HUMAN RESOURCES – LESLIE McCORMICK WILSON**
Presentation of 2019 Service Awards to employees from the District Attorney’s Office, Information Technology Department, Job Training Office, Law Library, Library, Fire Department, Public Health Department, and Human Resources Department.
INFORMATION ONLY - NOA

- IV. B 4 **APPROVAL OF MINUTES**
Approval of the minutes from the October 22, 2019 regular meeting.
ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)

- V. B 5 **CONSENT CALENDAR**
A. **Agriculture Department:**
Consider approving a Cooperative Agreement with the California Department of Food and Agriculture for the County’s pink bollworm cotton plowdown and host free monitoring program.
[Agmt 19-101]



CONSENT CALENDAR CONTINUED

B. Child Support Services:

Consider approving to sign the Plan of Cooperation with the Kings County Superior Court for securing financial support for minor children and authorizing the Assistant Director of Child Support Services to sign the Plan.

C. Fire Department:

1. Consider authorizing the out-of-state travel request for Fire Captains Daniel Aaron Parreira and Matthew San Filippo, to attend the New Fire and Arson Investigator Academy in Las Vegas, Nevada on December 9-13-2019.
2. Consider approving a retroactive Agreement with the State of California Governor's Office of Emergency Services for a ten-year temporary assignment of a fire apparatus and vehicular equipment. **[Agmt 19-103]**

D. Administration:

Consider denying the claim for damages filed by Michael Valdez. **ITEM PULLED**

ACTION: CONSENT CALENDAR APPROVED AS AMENDED (DV/RF/RV/CP/JN-Aye)

VI.

REGULAR AGENDA ITEMS

A. Administration – Rebecca Campbell

Kings County Office of Education – Andrea Perez

Discuss the 2019-2020 Final Williams Report, the "State of the Schools" annual report, for Kings County.

ITEM PULLED AND WILL BE PLACED ON A FUTURE AGENDA

B 6

B. Human Resources Department – Leslie McCormick Wilson/Carolyn Leist

Consider approving appointments for the County Member, Employee Members, Consensus Member, and Alternates to the Personnel Appeals Board for two-year terms ending October 25, 2021.

ACTION: APPROVED AS PRESENTED (CP/RF/RV/DV/JN-Aye)

B 7

C. Public Works – Kevin McAlister/Dominic Tyburski

Consider approving the amended consultant services Agreement with Quincy Engineering, Inc. to prepare plans, specifications and estimate package for the 16th Avenue at Tulare Lake Canal Bridge Replacement Project and authorizing the Public Works Director to sign the Agreement.

ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)

B 8

D. Administration – Rebecca Campbell

1. Consider:

- a. Appointing a Primary Director to the California State Association of Counties Board of Directors; and
- b. Appointing an Alternate Director to the California Association of Counties Board of Directors.

ACTION: APPROVED APPOINTMENT OF SUPERVISOR PEDERSEN AS PRIMARY DIRECTOR AND SUPERVISOR VERBOON AS ALTERNATE DIRECTOR (RV/RF/DV/CP/JN-Aye)

2. Consider authorizing out-of-state travel to Washington D.C. for Supervisors Doug Verboon and Craig Pedersen and County Administrative Officer Rebecca Campbell, to attend the National Association of Counties Legislative Conference on February 29-March 4, 2020, including travel time.

ACTION: APPROVED AS PRESENTED (RV/RF/DV/CP/JN-Aye)



VII. B 9

BOARD MEMBERS ANNOUNCEMENTS OR REPORTS

On their own initiative Board Members may make a brief announcement or a brief report on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Section 54954.2a).

Supervisor Verboon stated that he attended the Kings Economic Development Corporation annual dinner on October 24, 2019 and attended the Future Farmers of America/Vocational Agriculture annual fundraiser dinner on October 26, 2019.

Supervisor Valle stated that he attended the ribbon cutting for the new Corcoran Police Department building and attended a trunk or treat event in Corcoran on October 26, 2019.

Supervisor Neves stated that he attended the Pink Passion Picnic, the Kings Area Transit Agency meeting and the Kings County Association of Governments meeting on October 23, 2019, attended the Kings Economic Development Corporation annual dinner on October 24, 2019, attended the Tachi Palace Community breakfast on October 25, 2019, attended the Liberty School fundraiser and the Bacci & Ginn Physical Therapy back and sciatica workshop on October 26, 2019, attended the Knights of Columbus pancake breakfast on October 27, 2019 and attended the Behavioral Health Advisory meeting on October 28, 2019.

- ◆ **Board Correspondence: Rebecca Campbell stated that the Board received a request from the Mid Kings River Groundwater Sustainability Agency for a letter of support for them to apply for Proposition 63 grant funds and she asked for consensus of the Board to allow staff to draft a letter and send it today. The Board gave consensus for staff to send the letter. She stated that the Board received a request from the Kettleman City Community Services District as part of their annual request for funding for their budget and an item will be brought back next week. She stated that the Board received a request from the State Water Resources Control Board for an opposition to request a stay of the Kings River fully appropriated stream proceedings.**
- ◆ **Upcoming Events: Rebecca Campbell stated that the Kings County Grand Jury will host their open house Festa on October 30, 2019 at 11:00 a.m.**
- ◆ **Information on Future Agenda Items: Rebecca Campbell stated that the following items would be on a future agenda: Administration Appointment to the Kings County Planning Commission, Administration Jail Medical Provider contract extension, Administration Selective Service week resolution, Administration State Water Project contract extension, Administration study session on the policies and powers of the Board of Supervisors regarding water, Administration Public Safety Realignment plan, Finance Department and Administration study session on the property tax system, Administration contract renewal with Paragon & Associates and the Kings County Office of Education Williams report. Supervisor Valle requested that the Kettleman City Community Services District have staff here when the item for their request for funds comes to the Board and he would like to have a meeting with staff on the topic after the meeting today. He stated that he has received calls and comments on the changes to the Kings Area Rural Transit (KART) Avenal routes and asked for contact information for that entity.**

VIII. B 10

CLOSED SESSION

- ◆ **Personnel Matters: [Govt. Code Section 54957]**
Public Employment
Title: Director of Child Support Services
- ◆ **Significant exposure to litigation. 1 case [Govt. Code Section 54956.9(d)(2)]ITEM PULLED**
- ◆ **Deciding to initiate litigation/Significant exposure to litigation. 1 case [Govt. Code Section 54956.9(d)(2),(d)(4), (e)(1)]**



- ◆ **Conference with Labor Negotiator/Meet and Confer: [Govt. Code Section 54957.6]**
 Negotiators: Rebecca Campbell, Roger Bradley, Leslie McCormick Wilson, Henie Ring, Che Johnson of Liebert Cassidy Whitmore
 - Prosecutors’ Association
 - Management
 - General - CLOCEA
 - Supervisors - CLOCEA
 - Probation Officer’s Association**REPORT OUT: Lee Burdick, County Counsel stated that she did not anticipate any reportable action being taken in closed session today.**

IX. B 11 ADJOURNMENT

The next regularly scheduled meeting will be held on Tuesday, November 5, 2019, at 9:00 a.m.

X. JUDGING FOR COUNTY OFFICE HALLOWEEN DECORATION CONTEST

FUTURE MEETINGS AND EVENTS

October 31	3:00 PM	County Employee Halloween Costume judging contest
November 5	9:00 AM	Regular Meeting
November 5	11:00 AM	California Public Finance Authority Regular Meeting
November 11	--	Offices closed in observance of Veterans Day
November 12	--	Regular meeting cancelled in observance of Veterans Day – November 11, 2019
November 19	9:00 AM	Regular Meeting
November 19	11:00 AM	California Public Finance Authority Regular Meeting

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COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Agriculture Department – Jimmy Hook/Lynda Schrumppf

SUBJECT: COOPERATIVE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE FOR THE COUNTY’S BEE SAFE PROGRAM

SUMMARY:

Overview:

The Agricultural Commissioner–Sealer provides services in cooperation with the California Department of Food and Agriculture for enforcement of various apiary or beehive and pest prevention laws intended to ensure the vitality of the beekeeping industry and to prevent the introduction into, or the spread within, Kings County of pests.

Recommendation:

Approve a Cooperative Agreement with the California Department of Food and Agriculture for the County’s Bee Safe Program.

Fiscal Impact:

Revenues of \$56,506 for this program will be included in the Fiscal Year 2019-2020 Adopted Budget, in Budget Unit 260000, Account 85043(State Aid-Agriculture) via invoice claim to the State for time and expenses incurred by the County.

BACKGROUND:

The Agricultural Commissioner is granted authority identified in the Food and Agricultural Code to enforce various apiary and pest prevention laws through registration, identification and placement of hives; inspection and abatement of pests. Per the California Food and Agriculture, “a healthy and vibrant apiary industry is important to the economy and welfare of the people of the State of California. Protection and promotion of this important industry is in the interest of the people of the State of California.”

(Cont’d)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.

Agenda Item

COOPERATIVE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE FOR THE COUNTY'S BEE SAFE PROGRAM

November 5, 2019

Page 2 of 2

The main objectives of the Bee Safe Program are to reduce honeybee stress through improved apiary theft prevention efforts; decreased apiary pest pressure; decreased apiary stress due to pesticide exposure; and increased apiary foraging opportunities. The term of this agreement is from July 1, 2019 through June 30, 2020.

The Cooperative Agreement has been reviewed and approved as to form by County Counsel.

**COOPERATIVE AGREEMENT
SIGNATURE PAGE**

AGREEMENT NUMBER

19-0773-000-SG

1. This Agreement is entered into between the State Agency and the Recipient named below:

STATE AGENCY'S NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

RECIPIENT'S NAME

COUNTY OF KINGS

2. The Agreement Term is: July 1, 2019 through June 30, 2020

3. The maximum amount of this Agreement is: \$56,506.47

4. The parties agree to comply with the terms and conditions of the following exhibits and attachments which are by this reference made a part of the Agreement:

Exhibit A: Recipient and Project Information 1 Page

Exhibit B: General Terms and Conditions 3 Page(s)

Exhibit C: Payment and Budget Provisions 1 Page

Attachments: Scope of Work and Budget

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

RECIPIENT

RECIPIENT'S NAME (Organization's Name)

COUNTY OF KINGS

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

680 N Campus Drive, Suite B, Hanford, CA 93230-5923

STATE OF CALIFORNIA

AGENCY NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

CRYSTAL MYERS, BRANCH CHIEF, OFFICE OF GRANTS ADMINISTRATION

ADDRESS

1220 N STREET, ROOM 120
SACRAMENTO, CA 95814

CJ

EXHIBIT A

RECIPIENT AND PROJECT INFORMATION

1. CDFA hereby awards an Agreement to the Recipient for the project described herein:
 County Agricultural Commissioners will develop, implement, and report on activities associated with the Bee Safe Program. Food and Agricultural Code 29000 - 29812.

Project Title: Bee Safe Program

2. The Managers for this Agreement are:

FOR CDFA:	FOR RECIPIENT:
Name: Michelle Dennis	Name: Jimmy Hook
Division/Branch: PHPPS / INTEGRATED PEST CONTROL	Organization: COUNTY OF KINGS
Address: 3294 Meadowview Road	Address: 680 N Campus Drive, Suite B
City/State/Zip: Sacramento, CA 95832	City/State/Zip: Hanford, CA 93230-5923
Phone: 916-262-1102	Phone: 559-852-2830
Email Address: michelle.dennis@cdfa.ca.gov	Email Address: jimmy.hook@co.kings.ca.us

3. The Grant Administrative Contacts for this Agreement are:

FOR CDFA:	FOR RECIPIENT:
Name: Davis Tran	Name:
Division/Branch: PHPPS / INTEGRATED PEST CONTROL	Organization:
Address: 3294 Meadowview Road	Address:
City/State/Zip: Sacramento, CA 95832	City/State/Zip:
Phone: 916-262-1102	Phone:
Email Address: davis.tran@cdfa.ca.gov	Email Address:

FISCAL CONTACT FOR RECIPIENT (if different from above):
Name:
Organization:
Address:
City/State/Zip:
Phone:
Email Address:

4. **RECIPIENT: Please check appropriate box below:**

Research and Development (R&D) means all research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other R&D activities and where such activities are not included in the instruction function.

This award does does not support R&D.

5. For a detailed description of activities to be performed and duties, see Scope of Work and Budget.

EXHIBIT B

GENERAL TERMS AND CONDITIONS

1. **Approval**

This Agreement is of no force or effect until signed by both parties. The Recipient may not invoice for activities performed prior to the commencement date or completed after the termination date of this Agreement.

2. **Assignment**

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of CDFA Agreement Manager or designee in the form of a formal written amendment.

3. **Governing Law**

This Agreement is governed by and will be interpreted in accordance with all applicable State and Federal laws.

4. **State and Federal Law**

It is the responsibility of the Recipient to know and understand which state, federal, and local laws regulations, and ordinances are applicable to this Agreement and Project. Recipient shall be responsible for observing and complying with all applicable state and federal laws and regulations, and failure to comply may constitute a material breach.

5. **Recipient Commitments**

The Recipient accepts and agrees to comply with all terms, provisions, conditions and commitments of the Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Recipient in the application, documents, amendments, and communications in support of its request for funding.

6. **Performance and Assurances**

The Recipient agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the Scope of Work, and to apply grant funds received only to allowable Project costs in accordance with applicable provisions of the law and Grant Procedures Manual, if applicable.

7. **Mutual Liability**

Each party hereto agrees to be responsible and assume mutual and proportional liability for its own wrongful or negligent acts of omissions, or those of its officers, agents or employees to the full extent required by law.

8. **Unenforceable Provision**

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and will not be affected thereby.

9. **Contractors/Consultants**

The Recipient, and the agents and employees of Recipient, in the performance of this Agreement, are not officers, employees, or agents of the CDFA. The Recipient's obligation to pay its Contractors/Consultants is an independent obligation from the CDFA's obligation to make payments to the Recipient. Recipient agrees to comply with all applicable State and local laws and regulations during the term of this Agreement. All Contractors/Consultants shall have the proper licenses/certificates required in their respective disciplines. The Contractors/Consultants shall not affect the Recipient's overall responsibility for the management of the project, and the Recipient shall reserve sufficient rights and control to enable it to fulfill its responsibilities under this Agreement.

10. **Non-Discrimination Clause**

During the performance of this Agreement, Recipient and its Contractors will not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical or mental disability, medical condition, age, marital status, and denial family care leave.

The Recipient and Contractors will ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Recipient and Contractors will comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Recipient and its Contractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining unit or other Agreement. The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11. Excise Tax

The State of California is exempt from Federal excise taxes and no payment will be made for any taxes levied on employees' wages. The CDFA will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another State.

12. Disputes

The Recipient must continue with the responsibilities under this Agreement during any dispute. In the event of a dispute, the Recipient must file a "Notice of Dispute" with the CDFA Agreement Manager or designee within ten (10) calendar days of discovery of the problem. The Notice of Dispute must contain the Agreement number. Within ten (10) calendar days of receipt of the Notice of Dispute, the CDFA Agreement Manager or designee must meet with the Recipient for the purpose of resolving the dispute. In the event of a dispute, the language contained within this Agreement prevails.

13. Right to Terminate

This Agreement may be terminated by either party hereto upon written notice delivered to the other party at least thirty (30) calendar days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred prior to the date of termination. In the event of Termination for Convenience of this Agreement by CDFA, CDFA must pay all responsible costs and non-cancellable obligations incurred by the Recipient as of the date of termination.

14. Termination for Cause

Either party reserve the right to immediately terminate this Agreement for cause subject to written notice. However, each party will have ten (10) calendar days after receipt of the termination notice to cure the breach. If the breach is not cured within ten (10) calendar days of receipt of notice, the CDFA shall reimburse the Recipient for all documented costs incurred up to the date of termination, including all non-cancellable obligations.

15. Force Majeure

The Recipient shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, failures of any required governmental approval, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, materials shortages, disease, or similar occurrences.

16. Suspension of Payments

Reimbursement under this Agreement may be suspended or terminated, or both, and Recipient may be subject to debarment if CDFA determines that Recipient has breached the terms of this Agreement. A determination of breach may be appealed in writing and post marked within ten (10) calendar days of the date of notification, and addressed to CDFA, Legal Hearing and Appeals Office or emailed to CDFA.LegalOffice@cdfa.ca.gov.

California Department of Food and Agriculture
Legal Hearing and Appeals Office
1220 N Street
Sacramento, CA 95814

17. Breach Provisions

The Recipient may be in material breach under this Agreement if it fails to comply with any term of this Agreement. In the event of a material breach, CDFA shall provide in writing a Notice of Breach to the Recipient within ten (10) calendar days upon discovery of breach. Recipient shall have ten (10) calendar days from receipt of the notice to cure the breach. If the Recipient fails to cure the breach within the time prescribed by this Agreement, CDFA may do any of the following:

- A. Suspend payments;
- B. Demand repayment of all funding;
- C. Terminate the Agreement; or
- D. Take any other action deemed necessary to recover costs.

If CDFA determines that Recipient is not in material breach but that a Project is not being implemented in accordance with the provisions of this Agreement, or that Recipient has failed in any other respect to comply with the provisions of this Agreement, and if Recipient does not remedy any such failure in a reasonable manner, CDFA may withhold all or any portion of the grant funding and take any other action that CDFA deems necessary to protect its interests.

Where a portion of the grant funding has been disbursed to the Recipient and CDFA notifies Recipient of its decision not to release funds that have been withheld pursuant to Exhibit B, Suspension of Payments Provision, the portion that has been disbursed shall thereafter be repaid immediately. CDFA may consider Recipient's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Suspension of Payments Provision.

If CDFA notifies Recipient of its decision to withhold the entire funding amount from Recipient pursuant to this paragraph, this Agreement shall terminate upon receipt of such notice by Recipient and CDFA shall no longer be required to provide funds under this Agreement and the Agreement shall no longer be binding on either party.

In the event CDFA finds it necessary to enforce this provision of this Agreement in the manner provided by law, Recipient agrees to pay all costs incurred by CDFA including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

18. Publicity and Acknowledgement

The Recipient agrees that it will acknowledge CDFA's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, publications, audiovisuals, presentations or other types of promotional material in accordance with the Grant Procedures Manual, if applicable. Recipients may not use the CDFA logo.

19. News Releases/Public Conferences

The Recipient agrees to notify the CDFA in writing at least two (2) business days before any news releases or public conferences are initiated by the Recipient or its Contractors/Consultants regarding the project described in the Attachments, Scope of Work and Budget and any project results.

20. Scope of Work and Budget Changes

Changes to the Scope of Work, Budget or the Project term, must be requested in writing to CDFA Grant Administrative Contact no later than thirty (30) days prior to the requested implementation date. Any changes to the Scope of Work and Budget are subject to CDFA approval and, at its discretion, CDFA may choose to accept or deny any changes. If accepted and after negotiations are concluded, the agreed upon changes will be made and become part of this Agreement. CDFA will respond in writing as to whether the proposed changes are accepted.

21. Reporting Requirements

The Recipient agrees to comply with all reporting requirements specified in Scope of Work and/or Grant Procedures Manual, if applicable.

22. Equipment

Purchase of equipment not included in the approved Budget requires prior approval. The Recipient must comply with applicable state requirements regarding the use, maintenance, disposition, and reporting of equipment as contained in CCR, Title 3, Division 1, Chapter 5, Sections 303, 311, 324.1 and 324.2.

23. Closeout

The Agreement will be closed out after the completion of the project or project term, receipt and approval of the final invoice and final report, and resolution of any performance or compliance issues.

24. Confidential and Public Records

The Recipient and CDFA understand that each party may come into possession of information and/or data which may be deemed confidential or proprietary by the person or organization furnishing the information or data. Such information or data may be subject to disclosure under the California Public Records Act or the Public Contract Code. CDFA has the sole authority to determine whether the information is exempt from public release. If CDFA deems the data exempt, it shall maintain such information as confidential and notify the Recipient of any requests for release of the information.

25. Property Damage Claims Process

Should a property owner claim damages arising under, related to or involving this Agreement, the Recipient shall forward the property owner's written request for compensation to the CDFA Agreement Manager. The written request shall be fully supported by factual information. The Agency Secretary or designee will have thirty (30) calendar days after receipt of the written request to render a written decision. If a written decision is not rendered within thirty (30) calendar days after receipt of the request or the property owner disputes the CDFA's decision, the property owner may file a claim with the California Department of General Services.

26. Amendments

Changes to funding amount or Agreement term require an amendment and must be requested in writing to the CDFA Agreement Manager or designee no later than sixty (60) calendar days prior to the requested implementation date. Amendments are subject to CDFA approval, and, at its discretion, may choose to accept or deny these changes. No amendments are possible if the Agreement is expired.

EXHIBIT C

PAYMENT AND BUDGET PROVISIONS

1. Invoicing and Payment

- A. For activities satisfactorily rendered and performed according to the attached Scope of Work and Budget, and upon receipt and approval of the invoices, CDFA agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.
- B. Invoices must include the Agreement Number, performance period, type of activities performed in accordance with this Agreement, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment.
- C. Unless stated in the Scope of Work and/or Grant Procedures Manual, if applicable, quarterly invoices must be submitted to the CDFA Administrative Contact, within thirty (30) calendar days after the end of each quarter in which activities under this Agreement were performed.
- D. Unless stated in the Scope of Work and/or Grant Procedures Manual, if applicable, a final invoice will be submitted for payment no more than thirty (30) calendar days following the expiration date of this Agreement, or after project is complete, whichever comes first. The final invoice must be clearly marked "Final Invoice" thus indicating that all payment obligations of the CDFA under this Agreement have ceased and that no further payments are due or outstanding.

2. Allowable Expenses and Fiscal Documentation

- A. The Recipient must maintain adequate documentation for expenditures of this Agreement to permit the determination of the allowability of expenditures reimbursed by CDFA under this Agreement. If CDFA cannot determine if expenditures are allowable under the terms of this Agreement because records are nonexistent or inadequate according to Generally Accepted Accounting Principles, CDFA may disallow the expenditures.
- B. Mileage reimbursement for using a privately-owned vehicle will be at the standard mileage rate established by the United States (U.S.) Internal Revenue Service (IRS) and in effect at the time of travel. The standard mileage rate in effect at the time of travel can be found on [IRS's website](#) regardless of funding source/type.
- C. If domestic travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable for travel within California are those established by the California Department of Human Resources ([CalHR](#)). The maximum rates allowable for domestic travel outside of California are those established by the United States General Services Administration ([GSA](#)).
- D. If foreign travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable are those established in a per diem supplement to Section 925, Department of State Standardized Regulations.
- E. The Recipient will maintain and have available, upon request by CDFA, all financial records and documentation pertaining to this Agreement. These records and documentation will be kept for three (3) years after completion of the Agreement period or until final resolution of any performance/compliance review concerns or litigation claims.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, California Government Code Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927 - The California Prompt Payment Act.

4. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted for purposes of this program, the CDFA has the option to either cancel this Agreement with no liability occurring to the CDFA, or offer to amend the Agreement to reflect the reduced amount.

SCOPE OF WORK
Bee Safe Program
July 1, 2019 – June 30, 2020

The county agrees to perform and provide the following apiary related activities for the California Department of Food and Agriculture (CDFA) in compliance with the requirements imposed by (FAC §§ 29000-29322).

This agreement is inclusive of the County's agreement to perform activities approved by the CDFA as described in the attached Work Plan (budget) and by this reference made a part hereof.

This Scope of Work will provide direction for the Counties that engage in apiary registration, training, and outreach, as well as the following activities that are designed to protect bees and beekeepers:

- 1) Theft of apiary and apiary equipment.
- 2) Colony weakness or loss due to inadequate foraging opportunities.
- 3) Colony weakness or loss due to pest and disease pressure.
- 4) Colony weakness, distress, or loss due to pesticide exposure.

Authorized expenses under this Bee Safe Program agreement include:

- I. Personnel Activities**
 - A. Apiary Field Activities**
 - 1. Apiary Theft Prevention**
 - i. Assisting Law Enforcement**
 - ii. Inspection**
 - 2. Mitigating Colony Loss from Pesticide Exposure**
 - i. Pesticide Notifications**
 - ii. Colony Strength Assessments**
 - 3. Mitigating Colony Loss from Inadequate Forage**
 - i. Survey for Safe Forage**
 - 4. Mitigating Colony Loss from Pests and Diseases**
 - i. Inspection**
 - ii. Abatement and Treatment**
 - B. Apiary Administrative/Other Activities**
 - 1. Program Development and Management**
 - 2. Data Entry**
 - 3. Training**
 - 4. Outreach**
 - C. Apiary Registration**
 - 1. Registration**
 - 2. Survey for Unregistered Colonies**
- II. Operating Expenses**
 - A. Supplies**
 - B. Travel and Vehicle Mileage**
 - C. Printing, Postage, and Other Expenses**
- III. Reporting/Invoicing/Reimbursement**
 - A. Monthly Activity Report**
 - B. Invoicing/Reimbursement**

- I. **Personnel Activities:** The County agrees to perform the listed Bee Safe Program activities required by this agreement. This agreement is inclusive of the following:

A. Apiary Field Activities

1. Apiary Theft Prevention

i. Assisting Law Enforcement

Personnel hours associated with working with law enforcement on apiary theft incidents. This includes meetings with law enforcement, investigation assistance, including information sharing, apiary theft incidence reporting, and documentation as requested by County Sheriff's Offices, Rural Crimes Task Forces, and District Attorney Offices.

ii. Inspection

Counties will perform a minimum of one compliance visit per apiary per year. This is to determine if apiaries are being appropriately marked and if apiaries have opted to use branded equipment to ensure branded apiaries and apiary equipment are being handled by the lawful owners.

2. Mitigating Colony Loss from Pesticide Exposure

i. Pesticide Notifications

Personnel hours associated with pesticide notification.

ii. Colony Strength Assessments

If a bee colony is suspected to have been affected by pesticide exposure, a colony strength assessment may be completed by the county. After the colony strength assessment, email Patricia Bohls at patricia.bohls@cdfa.ca.gov for further instructions of how to proceed.

3. Mitigating Colony Loss from Inadequate Forage

i. Survey for Safe Forage

Counties can survey for potential safe forage space for honey bee colonies, maintain a list of these areas, and provide this information to beekeepers.

4. Mitigating Colony Loss from Pests and Diseases

i. Inspection

Inspections will be conducted when receiving and processing a shipment, when surveying the county and finding an unregistered hive, as requested by a beekeeper, as required by need for apiaries requiring certification, and when apiaries show more than two percent disease, they will be sampled every 60 days until no disease is found. American Foulbrood suspected samples should be sent to the Beltsville Bee Lab and prepared according to <https://www.ars.usda.gov/northeast-area/beltsville-md-barc/beltsville-agricultural-research-center/bee-research-laboratory/docs/how-to-submit-samples/>. They should be sent within 24 hours of obtaining the sample. Notify Patricia Bohls via email (patricia.bohls@cdfa.ca.gov) of sample submission.

ii. Abatement and Treatment

Personnel hours associated with abatement and treatment of apiaries may be billed as necessary. This includes serving notices to beekeepers, corresponding with beekeepers, communicating with local fire department and air quality management districts, sample submissions, destroying necessary apiary equipment, disinfecting equipment, treatment, and abatement of the equipment.

B. Apiary Administrative/Other Activities

1. Program Development and Management

Personnel hours associated with further developing the program. This includes county and state level meetings discussing the Bee Safe Program or apiary related issues.

2. Data Entry

Personnel hours associated with completion of Monthly Report 10, Bee Safe Invoice, and other data entry directly related to the Bee Safe Program. Monthly Report 10 and Bee Safe Invoice can be found at: <https://secure.cdfa.ca.gov/egov/crs/login.aspx?>

3. Training

Personnel hours associated with learning about apiary issues. Inspectors can be reimbursed for trainings. Semi-annual trainings will be offered regionally through the Bee Safe Program.

4. Outreach

Personnel hours associated with developing or distributing apiary related outreach material. This includes preparation and conducting outreach meetings, developing outreach materials related to the Bee Safe Program or apiary issues, distributing Bee Safe or apiary outreach materials, and attending beekeeper or apiary industry meetings to provide outreach materials or education.

C. Apiary Registration

1. Registration

Personnel hours associated with registering honey bee colonies, collecting the annual assessment fee, and notification of movement. Counties not utilizing BeeWhere must identify another resource for tracking registered colonies, such as a county spreadsheet or database, and use that resource. Counties may assist beekeepers in utilizing BeeWhere. Counties may send postcards or emails to beekeepers to remind them to register. Apiary registration may mitigate theft and colony loss due to pesticide exposure, inadequate forage, pests, and diseases.

2. Survey for Unregistered Colonies

Counties can survey for unregistered apiaries. All unregistered apiaries MUST be inspected, and a notice must be served to the apiary operator or posted at the apiary regarding the importance and legal need of registering the apiary. Inspections must be performed by a certified CAC inspector.

II. Operating Expenses

- A. Supplies:** Supplies are tangible personal property having a useful life of less than one year or a per-unit value of less than \$5,000. Only supplies directly related to administering and conducting Bee Safe related activities will be reimbursed. All records substantiating that the supplies are used for the Bee Safe Program must be maintained by the county.
- B. Travel and Vehicle Mileage:** Travel costs pertaining to the Bee Safe Program (lodging, meals, per diem, etc.) are allowable. All records substantiating travel used for the Bee Safe Program must be maintained by the county. Mileage reimbursement is allowable at the standard mileage rate established by the U.S. Internal Revenue Service (<https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>) and in effect at the time of travel. Travel logs shall be utilized to substantiate mileage costs. If the County plans to seek reimbursement for vehicle mileage, the documentation for mileage reimbursement must be tracked separately from all other programs and documentation must be available to support the reimbursement. In addition, all invoiced vehicle costs must match the scope of work (work plan).
- C. Printing, Postage, and Other:** All other expenses (printing, postage, communications, etc.) for which the County will seek reimbursement under this agreement must be directly related to the cost of administering and conducting the program.

III. Reporting/Invoicing/Reimbursement: Personnel hours associated with the compilation, submittal and maintenance of the following:

- A. Monthly Activity Report:** The County must submit Monthly Report 10 utilizing the on-line County Monthly Report system (<https://secure.cdfa.ca.gov/egov/crs/login.aspx?>) to report authorized Bee Safe Program activities, no later than the fifteenth (15) day of the month following when the activities took place. The County Monthly Report 10 includes the following fields and these items must be filled out each month:
1. Number of registered colonies and apiaries.
 2. Number of stolen colonies and apiary equipment.
 3. Number of registered assessment fees.
- Questions about reporting can be directed to Patricia Bohls (patricia.bohls@cdfa.ca.gov) or by calling (916) 330-5337.
- B. Invoicing/Reimbursement:** The county must submit a monthly itemized invoice, on county letterhead, using the provided invoice template. Invoices must be submitted to CDFA **no later than 15 days** after the end of the coinciding reporting period.
- 1. Allowable Costs:** All invoiced expenses must fall within the parameters of this "Scope of Work" and must be directly related to administering and conducting Bee Safe Program activities.
 - 2. Monthly Activity Report Required for Reimbursement:** Invoices will not be paid until submission of Monthly Report 10 on the county reporting website (<https://secure.cdfa.ca.gov/egov/crs/login.aspx?>) for the invoicing period, which has been submitted by the County.
 - 3. Hourly Rate(s) on Invoices:** Invoices must reflect the actual hourly rates (salary and benefits) for each personnel classification listed on the Work Plan (budget) that conducted Bee Safe Program activities.

4. Personnel on Invoice Must Match Work Plan (Budget): Invoices must reflect work performed by personnel classifications listed on the Work Plan (budget).

5. Documentation: Documentation (including purchase receipts) for expense reimbursement does not need to be submitted to CDFA but must be retained by the County and shall be made available upon request for audit purposes.

6. Substantiation of Costs: Please be sure that personnel costs can be traced back to original documents detailing the account to which personnel hours are billed.

7. Submission of Monthly Bee Safe Invoice: Monthly Bee Safe Invoice must be emailed to BeeSafeInvoices@cdfa.ca.gov.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Sheriff's Office – David Robinson

SUBJECT: OUT OF STATE TRAVEL

SUMMARY:

Overview:

Approval for out of state travel is requested for Sergeant Jeff Torres, Sergeant Armando Puga and Deputy Sheriff Bailiff Lot Aaron Bairstow to attend the California Narcotic Officers' Association 55th Annual Training Institute and Law Enforcement Exposition in Reno, Nevada from November 21 - 26, 2019.

Recommendation:

Authorize the out of state travel of Sergeant Jeff Torres, Sergeant Armando Puga and Deputy Sheriff Bailiff Lot Aaron Bairstow to attend the California Narcotic Officers Association 55th Annual Training Institute and Law Enforcement Exposition in Reno, Nevada from November 21 - 26, 2019.

Fiscal Impact:

The California Narcotic Officers' Association will cover all costs of lodging and training. The only cost to the Sheriff's Office will be the meal per diem amount for all 3 employees. The cost, not to exceed \$1,000, will be paid from the Sheriff Office 19/20 training budget.

BACKGROUND:

The California Narcotic Officers' Association is the largest, oldest and most respected association in the United States devoted solely to the education and training of law enforcement professionals who respond to and conduct narcotic trafficking and manufacturing investigations. The training event is only being offered in Reno, Nevada.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell/Sande Huddleston

SUBJECT: CLAIM FOR DAMAGES FOR KARLA BADAY

SUMMARY:

Overview:

Claims for damages are received by the Board of Supervisors and reviewed by the Risk Manager, as well as County Counsel. Their recommendation is brought before your Board for your consideration.

Recommendation:

Deny the claim for damages filed by David McLane and Lindsay Battles of Kaye, McLane, Bednarski & Litt, LLP, on behalf of their client, Karla Baday.

Fiscal Impact:

None with this action.

BACKGROUND:

On September 26, 2019, a claim for damages was filed by David McLane and Lindsay Battles of Kaye, McLane, Bednarski & Litt, LLP, on behalf of their client, Karla Baday, claiming that the Sheriff's Office, Sheriff's Office staff, and the District Attorney's Office are responsible for Ms. Baday's wrongful incarceration. After investigation of the claim, County Counsel's office finds that the County is not liable for any damages. Pursuant to Government Code section 912.6, staff recommends your Board find that the claim is without merit and deny the claim.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell/Sande Huddleston

SUBJECT: CLAIM FOR DAMAGES FOR MICHAEL VALDEZ

SUMMARY:

Overview:

Claims for damages are received by the Board of Supervisors and reviewed by the Risk Manager, as well as County Counsel. Their recommendation is brought before your Board for your consideration.

Recommendation:

Deny the claim for damages filed by Michael Valdez.

Fiscal Impact:

None with this action.

BACKGROUND:

On October 11, 2019, a claim for damages was filed by Michael Valdez, claiming that the mattresses at the Kings County Jail have caused him injury and that he is not receiving proper medical treatment. After investigation of the claim, County Counsel's office finds that the County is not liable for any damages. Pursuant to Government Code section 912.6, staff recommends your Board find that the claim is without merit and deny the claim.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell/Sande Huddleston

SUBJECT: CLAIM FOR DAMAGES FOR MARCUS VALDEZ

SUMMARY:

Overview:

Claims for damages are received by the Board of Supervisors and reviewed by the Risk Manager as well as County Counsel. Their recommendation is brought before your Board for your consideration.

Recommendation:

Deny the claim for damages filed by Marcus Valdez and direct County Counsel to advise the claimant of your action.

Fiscal Impact:

None with this action.

BACKGROUND:

On September 11, 2019, a claim for damages was filed by Marcus Valdez claiming that his dog died as a result of being neutered by the Contractor hired by Kings County Animal Control Services. After investigation of the claim, County Counsel finds that the County is not liable for any damages. Pursuant to Government Code section 912.6, staff recommends your Board find that the claim is without merit and deny the claim.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell
Kings County Office of Education – Andrea Perez

SUBJECT: ANNUAL WILLIAMS REPORT ON KINGS COUNTY SCHOOLS

SUMMARY:

Overview:

In May 2000, the American Civil Liberties Union filed a lawsuit against the State of California claiming that the State had failed in its duty to provide students in the lowest-performing schools with equal educational opportunity. That lawsuit, known as Williams v. State of California, was settled in August 2004. One of the outcomes of the action was to require that an annual report be prepared and discussed with county Boards of Supervisors. The report for Fiscal Year 2019-2020 has been prepared and is ready for discussion before your Board. There are 15 schools that will be discussed in this report to your Board as presented by Andrea Perez, Director of Foundational Services, Kings County Office of Education.

Recommendation:

Discuss the Fiscal Year 2019-2020 Final Williams Report, the “State of the Schools” annual report, for Kings County.

Fiscal Impact:

None.

BACKGROUND:

The Williams Report produced by the Kings County Office of Education is required to include the status of schools that ranked within Deciles 1 to 3 on the 2011-2012 Academic Performance Index (API) List. There were 15 schools in Kings County that met that criteria and are included within the attached report for your Board’s review (individual school district reports can be found at: <https://www.kingscoe.org/Page/513>).

The County Office of Education has prepared the report for Fiscal Year 2019-2020. Mrs. Andrea Perez, Director of Foundational Services, will be present to review the report with your Board. The requirement is to discuss the report with your Board, and no further action is requested to be taken by your Board.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.



Kings County Office of Education

Todd Barlow - County Superintendent of Schools

October 22, 2019

To: Kings County Board of Supervisors
From: Andrea Perez, Kings County Office of Education

Re: **2019-2020 Final Williams Compliance Monitoring Report**

Dear Board Members:

Background:

California Education Code section 1240 requires that the County Office visit schools identified within the county and report the results of the visits to the County Board of Supervisors and the County Board of Education. This report provides a summary of our review process and summary of findings. Individual district reports can be found at: <https://www.kingscoe.org/Page/513>.

Williams Requirements:

The purpose of the visits as specified in California Education Code Section 1240 was to ensure:

1. That students have access to “**sufficient instructional materials** in the four core subject areas (English Language Development/English Language Arts, Mathematics, History/Social Science and Science) and, as appropriate, Science Laboratory equipment in grades 9-12, Foreign Languages, and Health”;
2. To determine if there is any facility condition that “**poses an emergency or urgent threat** to the health or safety of pupils and/or staff”; and
3. To determine if the school has provided accurate data on the annual **School Accountability Report Card (SARC)** related to instructional materials and facilities maintenance.

The law further requires that the County Superintendent:

1. Annually monitor and review teacher misassignment and vacancies in schools ranked in deciles 1-3 schools;
2. Receive quarterly reports on complaints filed with the school district concerning insufficient instructional materials, teacher vacancies and misassignment; and emergency or urgent facilities issues under the Uniform Complaint Procedure; and
3. Expand review authority in the areas of use of instructional materials, teacher misassignments teacher vacancies, and information reported on the School Accountability Report Card.

List of Schools Visited

Schools that were ranked in Deciles 1-3 of the 2012 base Academic Performance Index (API) are required to be reviewed by the County Superintendent. **The following 15 schools listed have been reviewed and the 6 District reports prepared:**

Armona Union School District (#10)

Armona Elementary School

Central Union Elementary School District (#11)

Central Elementary/Middle School
Stratford Elementary/Middle School

Corcoran Joint Unified School District (#38)

John C. Fremont Elementary School
John Muir Middle School
Mark Twain Elementary School

Hanford Elementary School District (#13)

Alexander Hamilton Elementary School
Abraham Lincoln Elementary School
Martin Luther King, Jr. School

Lakeside Union Elementary School District (#19)

Lakeside Elementary School

Reef-Sunset Unified School District (#45)

Avenal Elementary School
Avenal High School
Kettleman City Elementary School
Reef-Sunset Middle School
Tamarack Elementary School

Further Explanation of Review Process:

A review of the schools includes many areas as prescribed by the law. County Office staff performed site visits to review Instructional Materials, Facilities, and the School Accountability Report Cards. Additional areas of review include Teacher Misassignments, Teacher Vacancies, Review and Findings; and Uniform Complaint Procedures.

Instructional Materials:

We randomly sampled classrooms to review instructional materials sufficiency. The amount of materials must meet the sufficiency requirement so that each pupil has instructional materials to use in class and to take home for required homework, if needed.

School Facilities:

Under school facilities, the County Office is to ensure that there are no emergency conditions that threaten the students or staff, the SARC includes information on the maintenance of the facility, and the facility is in “good repair.” Good repair is defined as “having facilities clean, safe, and functional.”

School Accountability Report Card:

The School Accountability Report Card must include sections on School Safety and Climate for Learning and Instructional Materials. They must comply with the state template requirements. However, EC Section 33126 states: “A school or school district that chooses not to utilize the standardized template adopted pursuant to this section shall report the data for its school accountability report card in a manner that is consistent with the definition.”

Teacher Misassignments and Teacher Vacancies:

In reference to the annual review of Teacher Misassignments and Teacher Vacancies, we review the classes that require teachers to have English Learners (EL) authorization based on the percentage of EL students being equal to or greater than 20% during the 2018-2019 school year.

Review and Findings:

The County Superintendent of Schools is required to complete an annual review and report for each identified school. We are also required to follow-up on any exceptions related to instructional materials, teacher misassignments, teacher vacancies, and information reported on the School Accountability Report Card.

Williams Uniform Complaint Procedure:

Districts are required to have a Uniform Complaint Process, which includes posting a notice in each classroom, having forms available for parent complaints, and quarterly reporting the number and status of complaints. We review each district to ensure the district meets the requirement. To date, one complaint has been filed this year relating to instructional materials; the matter was resolved. We found no complaints with any of the other schools.

Summary of Findings:

Our review of all 1-3 Decile Schools in Kings County found no teacher vacancies. All schools are now found to be in compliance with all rules and regulations defined in SB 6 (Alpert, Chapter 899, Statutes of 2004), SB 550 (Vasconcellos, Chapter 900, Statutes of 2004), AB 1550 (Goldberg, Chapter 901, Statutes of 2004), AB 3001 (Daucher, Chapter 902, Statutes of 2004), and AB 2727 (Daucher, Chapter 903, Statutes of 2004).

Sincerely,

Andrea Perez
Director of Foundational Services
Kings County Office of Education



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Community Development Agency – Greg Gatzka

SUBJECT: MONTHLY REPORT OF THE PLANNING COMMISSION'S ACTIONS

SUMMARY:

Overview:

Monthly report of the Planning Commission's actions.

Recommendation:

Information only. No formal action required.

Fiscal Impact:

None.

BACKGROUND:

At their regular meeting held Monday, November 4, 2019, the Kings County Planning Commission reviewed the following:

ACTIONS AS THE PLANNING COMMISSION

CONDITIONAL USE PERMIT NO. 19-03 (HANFORD COLUMBIANS, INC.) - The Commission considered a proposal to establish a community facility for a religious, philanthropic and charitable institution to be located at 5152 N. 11th Avenue+. Hanford, Assessor's Parcel Number 006-031-006.

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Community Development Agency – Greg Gatzka

SUBJECT: AMEND CENSUS 2020 OUTREACH AGREEMENT

SUMMARY:

Overview:

On January 22, 2019, the County opted-in with the State of California to provide 2020 Census outreach in Kings County and be eligible to receive State funding. On April 23, 2019, this Board entered into a professional service agreement with Proteus Inc. to provide the County's 2020 Census outreach activities. On August 29, 2019, the County's 2020 Census Outreach Strategic Plan was approved by the California Complete Count-Census 2020 which refined the County's census outreach approach. An amendment to the Proteus Inc. professional service agreement is necessary to ensure expenditures outlined in the Proteus Inc. agreement are aligned with the County's 2020 Census Outreach Strategic Plan approved by the State.

Recommendation:

Approve the first amendment to Agreement No. 19-032 with Proteus Incorporated for the Kings County 2020 Census outreach related activities.

Fiscal Impact:

There is no impact to the General Fund. The contract amount of \$108,950 will remain the same and be paid by revenue from the State of California Complete Count-Census 2020. The budget for this project is in Budget Unit 270000, Account Number 81720005 (Other Revenue). The County transitioned to a new finance system on October 1, 2019, and the new account number is 88025 with the Budget Unit remaining the same.

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.

Agenda Item

AMEND CENSUS 2020 OUTREACH AGREEMENT

November 5, 2019

Page 2 of 2

BACKGROUND:

The California Complete Count Census 2020 effort is a statewide outreach and awareness campaign designed to ensure an accurate and complete count of all Californians in the upcoming 2020 United States Census. The 2020 Census count is a priority for the State of California as it is estimated that an undercount could cost the State billions of dollars. For every Californian missed during the Census 2020 count, the State is expected to lose approximately \$1,950 per person, per year, for 10 years, in federal program funding.

On January 22, 2019, your Board “Opted-in” to receive \$121,055 from the State of California to assist the State in 2020 Census outreach efforts focused specifically in Kings County and to be utilized on activities designed to reach geographic areas and demographic populations who are “least likely to respond.” These type of areas and populations are commonly referred to as “hard-to-count (HTC).” As presented by staff, the optimal approach to best utilize these funds for its intended purpose is to contract with a community based organization that is already engaged with hard to count community areas and groups.

On April 23, 2019, the Kings County Board of Supervisors authorized the chairman to sign Agreement No. 19-032, a professional services agreement with Proteus Incorporated to provide the County’s 2020 Census outreach activities. Activities provided by Proteus Inc. include utilizing their mobile bus outfitted with 11 internet connected computer workstations, and staff deployed to various events throughout the County. In addition, the services provided include 2020 Census outreach materials, social media promotion, and traditional media outreach. As this agreement was entered in to prior to the formation of the Kings County Complete Count Committee fully being operational, and the development of the Kings County 2020 Census Outreach Strategic Plan, a number of outreach activities and coordination efforts were not fully anticipated.

On August 29, 2019 the State approved the County’s 2020 Census Outreach Strategic Plan. This plan required that the County address various additional outreach aspects. The County’s planned 2020 Census outreach activities and efforts have evolved since the agreement was established, and the County and Proteus Inc. are in agreement to request amendment to align the costs outlined between the agreement and the County’s 2020 Census Strategic Plan approved by the State.

The first amendment to the Census 2020 Outreach Agreement with Proteus Incorporated is proposed to change only Exhibit B Projects Costs to “Revised Exhibit B”. The State has asked for greater clarification on the County’s outreach expenditures, and this amendment aligns the County’s outreach agreement costs with the County’s 2020 Census Outreach Strategic Plan Budget and detailed according to activity type. A copy of Revised Exhibit B is attached, and this amendment will not result in any changes to the total contract amount. This change will allow the County to maintain eligibility for state funding reimbursement of Census outreach related costs.

AGREEMENT NO. 19-032.1

FIRST AMENDMENT TO THE AGREEMENT FOR SERVICES WITH PROTEUS, INC.

This First Amendment (“Amendment I”) to Agreement No. 19-032 (“Agreement”) is entered into on _____, 2019, between the parties, the County of Kings, a political subdivision of the State of California (“County”), and Proteus, Inc. (“Contractor”).

RECITALS

WHEREAS, the County and Contractor (collectively, “the Parties”) entered into Agreement No. 19-032 on April 23, 2019, for services to carry out California Complete Count 2020 Census community outreach activities; and

WHEREAS, the County’s Complete Count 2020 outreach activities are funded by, and must be in accordance with, the Outreach Agreement entered into by the County and the California Complete County Census 2020 Office (“State”); and

WHEREAS, the Parties determined that compliance with the County’s Outreach Agreement with the State requires clarification under this Agreement concerning allocation of costs to the services being performed; and

WHEREAS, as set forth in Section 6, the Parties may modify the terms of the Agreement through a writing signed by both Parties.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, which are fully incorporated into this Amendment I as if set forth in full, the Parties hereto agree as follows:

1. Exhibit B to Agreement No. 19-032 shall be replaced with Revised Exhibit B attached hereto and incorporated herein as though fully set forth. Any reference throughout the Agreement or its Exhibits to “Exhibit B” shall be replaced with “Revised Exhibit B”.

2. All other terms and conditions of Agreement No. 19-032 shall remain in full force and effect as previously agreed and are not otherwise affected by this Amendment I.

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the dates indicated below.

Proteus, Inc.

Date: _____

By _____

Name: _____

Title: _____

COUNTY OF KINGS, a political subdivision of the State of California

Date: _____

By _____

Joe Neves, Chairman
King County Board of Supervisors

Attest:

Catherine Venturella, Clerk to the Board

APPROVED AS TO FORM:
Lee Burdick, County Counsel

By, _____
Diane Freeman, Deputy County Counsel

Revised Exhibit B

Activity Title	Task	Staff Hours	Staff Cost	Resource Cost
Pre Outreach Planning and Coordination	Hard To Count Identification Mapping	13	\$387	
	Resource and Opportunity Planning	45	\$1,419	
	KCCCC Coordination	36	\$1,219	
	Mobile Bus Preparation	24	\$785	\$4,299
	Design and Production of materials	24	\$813	\$2,100
			\$4,623	\$6,399
Initial Outreach	Mobile Bus Deployment	400	\$8,908	\$1,500
	Community Census Information Support	414	\$9,637	\$1,250
	KCCCC Coordination	42	\$1,380	
	Social Media	20	\$401	\$1,200
	Traditional Media	19	\$456	\$2,200
	Production of materials	32	\$1,369	\$3,500
			\$22,151	\$9,650
Main Outreach	Mobile Bus Deployment	448	\$10,255	\$1,800
	Census Questionnaire Support	456	\$10,545	\$1,523
	KCCCC Coordination	30	\$877	
	Social Media	20	\$585	\$800
	Traditional Media	19	\$590	\$1,200
	Production of materials	32	\$991	\$4,000
			\$23,843	\$9,323
Non Response Follow Up	Mobile Bus Deployment	116	\$2,806	\$1,200
	KCCCC Coordination	22	\$657	
	Social Media	16	\$495	\$500
	Traditional Media	10	\$362	\$700
			\$4,320	\$2,400
Reporting	Outreach Documentation	817	\$23,898	
	Outreach Reporting to County	74	\$2,343	
			\$26,241	
			\$81,178	\$27,772
Total Project Expenses				\$108,950



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 05, 2019

SUBMITTED BY: Elections Department – Lupe Villa

SUBJECT: APPOINTMENT OF DIRECTORS IN LIEU OF ELECTION TO THE EMPIRE WESTSIDE IRRIGATION DISTRICT

SUMMARY:

Overview:

Pursuant to California Elections Code section 10515, conditions for appointment of candidates to the Empire Westside Irrigation District Board of Directors by the Kings County Board of Supervisors have been met. The Kings County Board of Supervisors is vested with the authority to appoint candidates who have filed declarations to their respective offices in lieu of election.

Recommendation:

Appoint Ceil Howe, Daniel Newton, and Phillip Brooks to four-year terms as Directors of the Empire Westside Irrigation District.

Fiscal Impact:

None.

BACKGROUND:

The Kings County Elections Department has certified that conditions identified in the California Elections Code section 10515 for appointment of candidates in lieu of election have been met. On that basis, staff recommends that the Board of Supervisors make requested appointments to the governing board of the Empire Westside Irrigation District. Pursuant to Elections Code section 10515, if the number of persons who have filed a Declaration of Candidacy for a special district office does not exceed the number of offices to be filled, the Board of Supervisors shall make the appointment of the candidate in lieu of holding the election. Furthermore, the only declarations of candidacy filed were received from the incumbents: Ceil Howe (Exhibit A), Daniel Newton (Exhibit B), and Phillip Brooks (Exhibit C). Additionally, the Notice of General Election was signed

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.

Agenda Item

APPOINTMENT OF DIRECTORS IN LIEU OF ELECTION TO THE EMPIRE WESTSIDE IRRIGATION DISTRICT

November 5, 2019

Page 2 of 2

by the Registrar of Voters on July 19, 2019 and published in The Hanford Sentinel on July 24, 2019 (See Exhibit D), and it is posted on the Elections website. The four-year term ends the 1st Friday of December 2019 with the new term commencing thereafter.

The Empire West Side Irrigation District is embedded within boundaries of the 1st Supervisorial District represented by Chairman Joe Neves.

Attachments:

Exhibit A- Declaration of Candidacy for Ceil W. Howe Jr, filed August 06, 2019.

Exhibit B- Declaration of Candidacy for Phillip Brooks filed July 17, 2019.

Exhibit C- Declaration of Candidacy for Daniel Newton filed July 17, 2019.

Exhibit D-Notice of General District Election published by the Hanford Sentinel.

Official Filing Form

**LUPE
VILLA**
County Elections Official

By: Victor Chavarin

Date Issued: 8/6/2019

Filed in County of Kings

**LUPE
VILLA**
County Elections Official

By: Victor Chavarin

Date Issued: 8/6/2019

Declaration of Candidacy

For use in GENERAL DISTRICT ELECTIONS Nonpartisan Offices
(Elections Code §§ 20, 200, 8002.5, 8020, 8040, 8121, 8140, 13105)

I hereby declare myself a candidate for nomination to the office of Director, Empire West Side Irrigation District
to be voted for at the General District Election to be held on November 5, 2019 and declare
the following to be true:

My name is Ceill W Howe Jr
First Middle/initial (optional) Last

I request my name and ballot designation to appear on the ballot as follows:

<u>Ceill</u>	<u>W</u>	<u>Howe Jr</u>	Candidate initials if preferring no designation:
Print Your Name for Use on the Ballot			
<u>Incumbent</u>			
Print Ballot Designation Requested			

A ballot designation is optional. If one is requested, a completed BALLOT DESIGNATION WORKSHEET must be submitted. If no ballot designation is requested, write in the word "NONE" and initial in the box. (Elections Code §§ 13107, 13107.3.)

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set for in Section 18203 the Elections Code. NOTE: The Elections Department will publish one of the addresses below in the certified list of candidates. Please check the appropriate box to indicate which address you wish to be used for these purposes. If no box is checked, the first address listed below will be published.

<input type="checkbox"/>	Mailing Address:	
<input checked="" type="checkbox"/>	Residence Address: (required)	<u>23311 Newton Ave Stratford 93266</u>
<input type="checkbox"/>	Business Address:	

Telephone: <u>(559) 947-3328</u>	<u>(559) 707-8717</u>	
<small>Business</small>	<small>Residence</small>	<small>Fax</small>


E-mail and Website: <u>Chowjr@westlakefarmsllc.c</u>
<small>E-mail</small> <small>Website</small>

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship and residency). I am at present an incumbent of the following public office (if any):

Empire West Side Irrigation District

I have not been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

If nominated/elected, I will accept the nomination/election and not withdraw.



Signature of Candidate

EMPIRE
EXHIBIT A

Official Filing Form

**LUPE
VILLA**

County Elections Official

By: MEGAN SILVA

Date Issued: 7/17/2019

Filed in County of Kings

**LUPE
VILLA**

County Elections Official

By: MEGAN SILVA

Date Issued: 7/17/2019

Declaration of Candidacy

For use in GENERAL DISTRICT ELECTIONS Nonpartisan Offices.
(Elections Code §§ 20, 200, 8002.5, 8020, 8040, 8121, 8140, 13105)

I hereby declare myself a candidate for nomination to the office of Director Empire Westside Irrigation District

to be voted for at the General District Election to be held on November 5, 2019, and declare the following to be true:

My name is Philip Brooks

First Middle/Initial (optional) Last

I request my name and ballot designation to appear on the ballot as follows:

<u>Philip</u>	<u>Brooks</u>
Print Your Name for Use on the Ballot	
<u>Incumbent</u>	
Print Ballot Designation Requested	

Candidate initials
if preferring no designation:

A ballot designation is optional. If one is requested, a completed BALLOT DESIGNATION WORKSHEET must be submitted. If no ballot designation is requested, write in the word "NONE" and initial in the box. (Elections Code §§ 13107, 13107.3.)

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set for in Section 18203 the Elections Code. NOTE: The Elections Department will publish one of the addresses below in the certified list of candidates. Please check the appropriate box to indicate which address you wish to be used for these purposes. If no box is checked, the first address listed below will be published.

<input checked="" type="checkbox"/>	Mailing Address:	13716 Francisco Drive Hanford Ca 93230
<input type="checkbox"/>	Residence Address: (required)	13716 Francisco Drive Hanford Ca 93230
<input type="checkbox"/>	Business Address:	13716 Francisco Drive Hanford Ca 93230

Telephone:	559-696-9852		
	Business	Residence	Fax

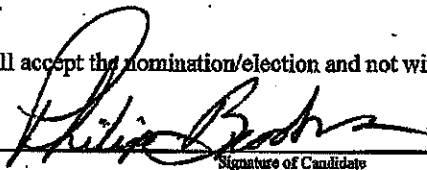
E-mail and Website:	prsbrooks@sbcglobal.net	
	E-mail	Website

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship and residency). I am at present an incumbent of the following public office (if any):

Director Empire Westside Irrigation District

I have not been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

If nominated/elected, I will accept the nomination/election and not withdraw.



Signature of Candidate

EMPIRE
EXHIBIT B

Official Filing Form

**LUPE
VILLA**

County Elections Official

By: Megan Silva

Date Issued: 7/17/2019

Filed in County of Kings

**LUPE
VILLA**

County Elections Official

By: Megan Silva

Date Issued: 7/17/2019

Declaration of Candidacy

For use in GENERAL DISTRICT ELECTIONS Nonpartisan Offices
(Elections Code §§ 20, 200, 8002.5, 8020, 8040, 8121, 8140, 13105)

I hereby declare myself a candidate for nomination to the office of Director Empire Westside Irrigation District

to be voted for at the General District Election to be held on November 5, 2019, and declare the following to be true:

My name is Daniel Newton

First Middle/Initial (optional) Last

I request my name and ballot designation to appear on the ballot as follows:

<u>Daniel</u>	<u>Newton</u>
Print Your Name for Use on the Ballot	
Incumbent	
Print Ballot Designation Requested	

Candidate initials
if preferring no designation:

A ballot designation is optional. If one is requested, a completed BALLOT DESIGNATION WORKSHEET must be submitted. If no ballot designation is requested, write in the word "NONE" and initial in the box. (Elections Code §§ 13107, 13107.3.)

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set for in Section 18203 the Elections Code. NOTE: The Elections Department will publish one of the addresses below in the certified list of candidates. Please check the appropriate box to indicate which address you wish to be used for these purposes. If no box is checked, the first address listed below will be published.

<input checked="" type="checkbox"/>	Mailing Address:	PO BOX 117 Stratford CA 93266
<input type="checkbox"/>	Residence Address: (required)	510 B Street Stratford CA 93266
<input type="checkbox"/>	Business Address:	21766 22nd Avenue Stratford CA 93266

Telephone:	<u>559 947 3358</u>		
	<small>Business</small>	<small>Residence</small>	<small>Fax</small>

E-mail and Website:	
<small>E-mail</small>	<small>Website</small>

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship and residency). I am at present an incumbent of the following public office (if any):

Director Empire Westside Irrigation District

I have not been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

If nominated/elected, I will accept the nomination/election and not withdraw.


Signature of Candidate

EMARE
EXHIBIT C

**NOTICE OF GENERAL DISTRICT ELECTION
AVISO DE ELECCIÓN GENERAL POR DISTRITO**

NOTICE IS HEREBY GIVEN that a General District Election will be held on November 5, 2019. The special district and the names of the offices for which candidates may be nominated are as follows:

SE HACE SABER POR EL PRESENTE que se llevará a cabo una Elección General por Distrito el 5 de noviembre de 2019. El distrito especial y las designaciones de los cargos para los cuales los candidatos pueden ser nominados son los siguientes:

DISTRICT DISTRITO	VACANCIES AND TERMS VACANTES Y MANDATOS
KINGS COUNTY WATER DISTRICT AREA 1 ÁREA 1 DEL DISTRITO HÍDRICO DEL CONDADO DE KINGS	ONE (1) FULL TERM UN (1) MANDATO COMPLETO
KINGS COUNTY WATER DISTRICT AREA 5 ÁREA 5 DEL DISTRITO HÍDRICO DEL CONDADO DE KINGS	ONE (1) FULL TERM UN (1) MANDATO COMPLETO

The qualifications of a nominee and of an elective office of the district are as follows:
Las cualificaciones de un nominado y de un cargo electivo del distrito son las siguientes:

- 1) Must be at least 18 years of age. 2) Be a registered voter of Kings County 3) Live within the division to which he/she will represent 4) Have the ability to attend monthly and special meetings
- 1) Ha de tener 18 años cumplidos como mínimo; 2) ser un votante inscrito del Condado de Kings; 3) residir en la división a la cual representará; y 4) ser capaz de asistir a reuniones mensuales y especiales.

DISTRICT DISTRITO	VACANCIES AND TERMS VACANTES Y MANDATOS
EMPIRE WESTSIDE IRRIGATION DISTRICT DISTRITO DE IRRIGACIÓN EMPIRE WESTSIDE	THREE (3) FULL TERM TRES (3) DE MANDATO COMPLETO

The qualifications of a nominee and of an elective office of the district are as follows:
Las cualificaciones de un nominado y de un cargo electivo del distrito son las siguientes:

- 1) Landowner or designated representative
- 1) Terrateniente o representante designado

Declarations of Candidacy for eligible candidates desiring to file for any of the elective offices may be obtained from the Kings County Elections Department, at 1400 W Lacey Blvd, Hanford, CA 93230. Declarations of Candidacy shall be available commencing on July 15, 2019, and shall be filed at the Elections Department in person no later than 5:00 pm., August 9, 2019. Appointment to each elective office will be made as prescribed by Section 10515 in the event there are no nominees or an insufficient number of nominees for the office and a petition for an election is not filed with the elections official within the time period prescribed by Section 10515.

EXHIBIT D

Las Declaraciones de Candidatura para candidatos elegibles que deseen postularse para alguno de los cargos electivos pueden ser obtenidas en el Departamento Electoral del Condado de Kings, en 1400 W. Lacey Blvd., Hanford, CA 93230. Las Declaraciones de Candidatura estarán disponibles a partir del 15 de julio de 2019, y han de ser presentadas en el Departamento Electoral, en persona, a más tardar a las 5:00 pm, del 9 de agosto de 2019. El nombramiento para cada cargo electivo se realizará según lo prescrito por la Sección 10515 en el caso de haber un número insuficiente o nulo de nominados para el cargo y no se presente una petición para una elección al funcionario electoral dentro del plazo prescrito por la Sección 10515.

Dated: July 19, 2019

Fechado:

Published: Hanford Sentinel / Publicado: Hanford Sentinel

EXHIBIT D



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 05, 2019

SUBMITTED BY: Elections Department – Lupe Villa

SUBJECT: APPOINTMENT OF DIRECTOR IN LIEU OF ELECTION TO THE KINGS COUNTY WATER DISTRICT FOR AREA 1 AND 5

SUMMARY:

Overview:

Pursuant to California Elections Code section 10515, conditions for appointment of candidate to the Kings County Water District Area 1 Board of Directors by the Kings County Board of Supervisors have been met. The Kings County Board of Supervisors is vested with the authority to appoint candidates who have filed declarations to their respective offices in lieu of election.

Recommendation:

Appoint Barry McCutcheon to a four-year term as Director of the Kings County Water District Area 1 and Ernest Taylor to a four-year term as Director of the Kings County Water District area 5.

Fiscal Impact:

None.

BACKGROUND:

The Kings County Elections Department has certified that conditions identified in the California Elections Code section 10515 for appointment of candidates in lieu of election have been met. On that basis, staff recommends that the Board of Supervisors make requested appointments to the governing board of the Kings County Water District area 1 and 5. Pursuant to Elections Code section 10515, if the number of persons who have filed a Declaration of Candidacy for a special district office does not exceed the number of offices to be filled, the Board of Supervisors shall make the appointment of the candidate in lieu of holding the election. Furthermore, the only declarations of candidacy filed were received from incumbents: Barry McCutcheon (Exhibit A) and Ernest Taylor (Exhibit B). Additionally, the Notice of General Election was signed by the Registrar of Voters on July 19, 2019 and published in

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

APPOINTMENT OF DIRECTOR IN LIEU OF ELECTION TO THE KINGS COUNTY WATER DISTRICT FOR AREA 1 AND 5

November 5, 2019

Page 2 of 2

The Hanford Sentinel on July 24, 2019 (Exhibit C) and is also posted on the County of Kings Elections Department website. The four-year term ends the 1st Friday of December 2019 with the new term commencing thereafter.

The Kings County Water District Area 1 and 5 are embedded within boundaries of the 2nd and 5th Supervisorial Districts represented by Supervisor Richard Fagundes-District 5 and Supervisor Richard Valle-District 2.

Attachments:

Exhibit A – Declaration of Candidacy for Barry McCutcheon, filed August 07, 2019.

Exhibit B – Declaration of Candidacy for Ernest A. Taylor, filed August 05, 2019.

Exhibit C – Notice of General District Election published by the Hanford Sentinel.

Official Filing Form

**LUPE
VILLA**

County Elections Official

By: MANUEL I HERNANDEZ

Date Issued: 8/7/2019

Filed in County of Kings

**LUPE
VILLA**

County Elections Official

By: MANUEL I HERNANDEZ

Date Issued: 8/7/2019

Declaration of Candidacy

For use in GENERAL DISTRICT ELECTIONS Nonpartisan Offices
(Elections Code §§ 20, 200, 8002.5, 8020, 8040, 8121, 8140, 13105)

I hereby declare myself a candidate for nomination to the office of KINGS COUNTY WATER DISTRICT 1

to be voted for at the General District Election to be held on November 5, 2019 and declare
the following to be true:

My name is BARRY MC CUTCHEON

First Middle/initial (optional) Last

I request my name and ballot designation to appear on the ballot as follows:

<u>BARRY</u>	<u>MC CUTCHEON</u>
<small>Print Your Name for Use on the Ballot</small>	
<u>FARMER/DIRECTOR</u>	
<small>Print Ballot Designation Requested</small>	
<small>A ballot designation is optional. If one is requested, a completed BALLOT DESIGNATION WORKSHEET must be submitted. If no ballot designation is requested, write in the word "NONE" and initial in the box. (Elections Code §§ 13107, 13107.3.)</small>	

Candidate initials
if preferring no designation:

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set for in Section 18203 the Elections Code. NOTE: The Elections Department will publish one of the addresses below in the certified list of candidates. Please check the appropriate box to indicate which address you wish to be used for these purposes. If no box is checked, the first address listed below will be published.

<input checked="" type="checkbox"/>	Mailing Address:	7543 ELDER AVE HANFORD CA 93230
<input type="checkbox"/>	Residence Address: (required)	7543 ELDER AVE HANFORD CA 93230
<input type="checkbox"/>	Business Address:	7543 ELDER AVE HANFORD CA 93230

Telephone:	(559) 289 8606	
<small>Business</small>	<small>Residence</small>	<small>Fax</small>

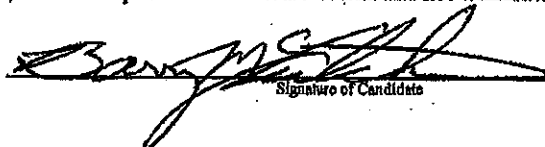
E-mail and Website:	bbmcutcheon@yahoo.com	
<small>E-mail</small>	<small>Website</small>	

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship and residency). I am at present an incumbent of the following public office (if any):

KINGS COUNTY WATER DISTRICT 1

I have not been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

If nominated/elected, I will accept the nomination/election and not withdraw.


Signature of Candidate

KC WATER
EXHIBIT A

Official PBing Form

**LUPE
VILLA**

County Elections Official

By: MANUEL HERNANDEZ

Date Issued: 8/5/2019

Filed in County of Kings

**LUPE
VILLA**

County Elections Official

By: MANUEL HERNANDEZ

Date Issued: 8/5/2019

Declaration of Candidacy

For use in GENERAL DISTRICT ELECTIONS Nonpartisan Offices
(Elections Code §§ 20, 200, 8002.5, 8020, 8040, 8121, 8140, 13105)

I hereby declare myself a candidate for nomination to the office of KINGS COUNTY WATER DISTRICT 5

to be voted for at the General District Election to be held on November 5, 2019 and declare

the following to be true:

My name is ERNEST A TAYLOR
First Middle/Initial (optional) Last

I request my name and ballot designation to appear on the ballot as follows:

<u>ERNEST</u> <u>A</u> <u>TAYLOR</u> Print Your Name for Use on the Ballot	Candidate initials if preferring no designation:
<u>INCUMBENT</u> Print Ballot Designation Requested	

A ballot designation is optional. If one is requested, a completed BALLOT DESIGNATION WORKSHEET must be submitted. If no ballot designation is requested, write in the word "NONE" and initial in the box. (Elections Code §§ 13107, 13107.3.)

I am aware that any person who files or submits for filing a declaration of candidacy knowing that it or any part of it has been made falsely is punishable by a fine or imprisonment, or both, as set for in Section 18203 the Elections Code. NOTE: The Elections Department will publish one of the addresses below in the certified list of candidates. Please check the appropriate box to indicate which address you wish to be used for these purposes. If no box is checked, the first address listed below will be published.

<input checked="" type="checkbox"/>	Mailing Address:	<u>7290 KENT AVE HANFORD CA 93230</u>
<input type="checkbox"/>	Residence Address: (required)	<u>7290 KENT AVE HANFORD CA 93230</u>
<input type="checkbox"/>	Business Address:	<u>7300 KENT AVE HANFORD CA 93230</u>

Telephone:	<u>(559) 707 8822</u>		
	<small>Business</small>	<small>Residence</small>	<small>Fax</small>

E-mail and Website:	<u>ETAYLOR@UNWIREDDB.COM</u>
	<small>E-mail Website</small>

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship and residency). I am at present an incumbent of the following public office (if any):

KINGS COUNTY WATER DISTRICT 5

I have not been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

If nominated/elected, I will accept the nomination/election and not withdraw.

Ernest A Taylor
Signature of Candidate

KC WATER
EXHIBIT B

**NOTICE OF GENERAL DISTRICT ELECTION
AVISO DE ELECCIÓN GENERAL POR DISTRITO**

NOTICE IS HEREBY GIVEN that a General District Election will be held on November 5, 2019. The special district and the names of the offices for which candidates may be nominated are as follows:

SE HACE SABER POR EL PRESENTE que se llevará a cabo una Elección General por Distrito el 5 de noviembre de 2019. El distrito especial y las designaciones de los cargos para los cuales los candidatos pueden ser nominados son los siguientes:

DISTRICT DISTRITO	VACANCIES AND TERMS VACANTES Y MANDATOS
KINGS COUNTY WATER DISTRICT AREA 1 ÁREA 1 DEL DISTRITO HÍDRICO DEL CONDADO DE KINGS	ONE (1) FULL TERM UN (1) MANDATO COMPLETO
KINGS COUNTY WATER DISTRICT AREA 5 ÁREA 5 DEL DISTRITO HÍDRICO DEL CONDADO DE KINGS	ONE (1) FULL TERM UN (1) MANDATO COMPLETO

The qualifications of a nominee and of an elective office of the district are as follows:
Las cualificaciones de un nominado y de un cargo electivo del distrito son las siguientes:

- 1) Must be at least 18 years of age. 2) Be a registered voter of Kings County 3) Live within the division to which he/she will represent 4) Have the ability to attend monthly and special meetings
- 1) Ha de tener 18 años cumplidos como mínimo; 2) ser un votante inscrito del Condado de Kings; 3) residir en la división a la cual representará; y 4) ser capaz de asistir a reuniones mensuales y especiales.

DISTRICT DISTRITO	VACANCIES AND TERMS VACANTES Y MANDATOS
EMPIRE WESTSIDE IRRIGATION DISTRICT DISTRITO DE IRRIGACIÓN EMPIRE WESTSIDE	THREE (3) FULL TERM TRES (3) DE MANDATO COMPLETO

The qualifications of a nominee and of an elective office of the district are as follows:
Las cualificaciones de un nominado y de un cargo electivo del distrito son las siguientes:

- 1) Landowner or designated representative
- 1) Terrateniente o representante designado

Declarations of Candidacy for eligible candidates desiring to file for any of the elective offices may be obtained from the Kings County Elections Department, at 1400 W Lacey Blvd, Hanford, CA 93230. Declarations of Candidacy shall be available commencing on July 15, 2019, and shall be filed at the Elections Department in person no later than 5:00 pm., August 9, 2019. Appointment to each elective office will be made as prescribed by Section 10515 in the event there are no nominees or an insufficient number of nominees for the office and a petition for an election is not filed with the elections official within the time period prescribed by Section 10515.

*KC WATER
EXHIBIT C*

Las Declaraciones de Candidatura para candidatos elegibles que deseen postularse para alguno de los cargos electivos pueden ser obtenidas en el Departamento Electoral del Condado de Kings, en 1400 W. Lacey Blvd., Hanford, CA 93230. Las Declaraciones de Candidatura estarán disponibles a partir del 15 de julio de 2019, y han de ser presentadas en el Departamento Electoral, en persona, a más tardar a las 5:00 pm, del 9 de agosto de 2019. El nombramiento para cada cargo electivo se realizará según lo prescrito por la Sección 10515 en el caso de haber un número insuficiente o nulo de nominados para el cargo y no se presente una petición para una elección al funcionario electoral dentro del plazo prescrito por la Sección 10515.

Dated: July 19, 2019

Fechado:

Published: Hanford Sentinel / Publicado: Hanford Sentinel

KC WATER
EXHIBIT C



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Public Works Department – Kevin McAlister/Dominic Tyburski

SUBJECT: KINGS VIEW BUILDING REMODEL PROJECT

SUMMARY:

Overview:

On April 9, 2019, your Board awarded the Kings View Building Remodel Project to Chas Rhoads Architecture to perform architectural design services. Through the course of the design, it was determined that a surveying subconsultant would be required to capture the existing topography to ensure compliance with the Americans with Disabilities Act in the final rendering.

Recommendation:

Approve the first amendment to the consultant services agreement with Chas Rhoads Architecture to perform Architectural Design Services for the Kings View Building Remodel Project, and authorize the Public Works Director to sign the agreement.

Fiscal Impact:

This project utilizes Proposition 63 funding, known as the Mental Health Services Act (MHSA) under the Capital Facilities & Technology Needs (CFTN) portion. The original consultant fee was \$72,000, and the new fee is \$73,500, of which 100% will be paid by Proposition 63 funds as shown in the Fiscal Year 2019-2020 Adopted Budget, Budget Unit 700000 Account Number 82226000. The County transitioned to a new finance system on October 1, 2019, and the new account number is 94006 with the Budget Unit remaining the same. The project was approved by the State of California in September of 2018 allocating a total of \$750,000 for this project, of which approximately ten (10) percent will be utilized for design and support services.

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

KINGS VIEW BUILDING REMODEL PROJECT

November 5, 2019

Page 2 of 2

BACKGROUND:

The Public Works Department, based on a request by the Behavioral Health Department, prepared and advertised a request for proposal to hire a licensed architect for the purpose of preparing plans and specifications to remodel portions of the Kings View Building, which was constructed in 1989. Design work will continue upon approval of the amended agreement with construction anticipated to commence in December of 2019, and an estimated completion of June 1, 2020. Per the terms of the funding, all invoicing must be completed and paid on or before June 30, 2020.

The amended agreement has been reviewed and approved as to form by County Counsel.

**CONSULTANT SERVICES AGREEMENT (CSA)
AMENDMENT - I**



ARCHITECTURAL DESIGN SERVICES

**KINGS COUNTY BEHAVIORAL HEALTH
KINGS VIEW BUILDING REMODEL PROJECT
RFP #2019-34**

November 5, 2019

ISSUED BY:

Kings County-Public Works Department
1400 W. Lacey Boulevard
Building 6
Hanford, CA 93230

Kings County Behavioral Health - Kings View Building Remodel Project

FIRST AMENDMENT TO AGREEMENT BETWEEN COUNTY OF KINGS AND CHAS. RHOADS ARCHITECTURE

This first amendment to that Agreement commencing on April 9, 2019, (“Amendment I”) is made on the 5th day of November, 2019, by and between the County of Kings (“County”) and Chas. Rhoads Architecture (“Contractor”) upon the following terms and conditions:

RECITALS

WHEREAS, the County and Contractor entered into that Agreement commencing April 9, 2019, for architectural design services; and

WHEREAS, as set forth in Section 5, the parties may modify the Agreement by a written, executed document; and

WHEREAS, the parties intend to modify this Agreement to reflect changes in the scope of work and fee.

NOW, THEREFORE, the parties agree as follows:

1. Exhibit A to that certain Agreement shall be replaced with Revised Exhibit A attached hereto and incorporated herein as though fully set forth. Any reference throughout the Agreement or its Exhibits to “Exhibit A” shall be replaced with “Revised Exhibit A”.
2. The recitals are an integral part of this Amendment and are incorporated herein.
3. All other terms and conditions of the Agreement shall remain in full force and effect.

Kings County Behavioral Health - Kings View Building Remodel Project

IN WITNESS WHEREOF, the Parties have caused this Amendment I to Agreement to be executed on the day and year as provided above.

County

Contractor

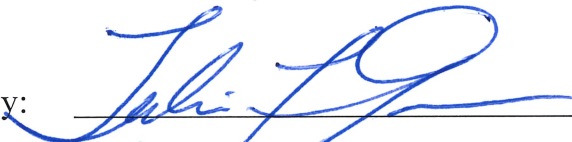
By: _____

By: _____

RECOMMENDED:

By: _____

APPROVED AS TO FORM:
Lee Burdick, County Counsel

By:  _____
JULIANA F GMR, ASSISTANT
COUNTY COUNSEL

REVISED EXHIBIT A

Chas. Rhoads Architecture

128 Katherine Street - Hanford - California - 93230

Mr. Dominic Tyburski, P.E.
Kings County – Chief Engineer
1400 West Lacey Boulevard
Public Works Department – Building 6
Hanford, CA 93230

March 28, 2019

Re: Request for Proposal No. 2019-34

Fee Quote

Based on the Scope of Work as set forth in our Proposal dated March 28, 2019, Chas Rhoads Architecture proposes to complete all designated services for the fixed fee of Seventy-Two Thousand Dollars (\$72,000). This total fee will be allocated as follows:

Schematic Design	\$ 10,800	15%	(67 Estimated Hours)
Design Development	\$ 14,400	20%	(90 Estimated Hours)
Contract Documents	\$ 39,600	55%	(247 Estimated Hours)
Bidding Phase	\$ 0	0%	
Construction Review	\$ 7,200	10%	(45 Estimated Hours)
Post Occupancy	\$ 0	0%	
	-----	-----	
	\$ 72,000	100%	

This fee proposal shall remain valid for sixty (60) days following submission.

Any additional services requested outside of those listed in our Proposal will be negotiated with the County using the current fixed hourly rates for those specific professionals involved in the work.



Chas Rhoads
Architect

Tyburski, Dominic

From: Chas Rhoads <chasrhoads@sbcglobal.net>
Sent: Monday, August 05, 2019 3:45 PM
To: Tyburski, Dominic
Subject: Kings View - Request for Contract Amendment
Attachments: image001.jpg

Dominic,

Attached is the fee proposal from Zumwalt's office for the topo survey. I am also asking for 4 hours of my administrative and coordination time at \$100 per hour. The total amended request amount is \$1,500.

Thanks.

Chas Rhoads
Architect

----- Forwarded Message -----

From: Alex Dwiggin
To: chasrhoads@sbcglobal.net
Sent: Tuesday, July 23, 2019, 3:44:58 PM PDT
Subject: Bailey Dr.

Chas,


For the Bailey Dr topo, \$1,100.

That's 3 hours for the survey, 4 hours for office processing and a couple hours for set up and admin.

If good I'll send over a contract.

Thanks,

Alex T. Dwiggin, PE, QSD

 **CIVIL ENGINEERS**
**ZUMWALT
HANSEN INC.**
LAND SURVEYORS
609 N. Irwin St
Hanford, CA 93230
Office: (559) 582-1056
Cell: (559) 250-2743

Fax: (559) 584-4143

www.zumwalt-hansen.com



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Public Works Department – Kevin McAlister

SUBJECT: RESOLUTION OF INTENT TO SELL REAL PROPERTY LOCATED AT 17150
10TH AVENUE IN HANFORD, CALIFORNIA

SUMMARY:

Overview:

Staff recommends the sale of the real property located at 17150 10th Avenue, Hanford, California, which was used as a Fire Station until 2011. The building is presently used for storage, and can be declared as surplus.

Recommendation:

- a. Adopt a Resolution of Intent to Sell the real property located at 17150 10th Avenue, Hanford, California.
- b. Direct the Clerk of the Board to post the Notice of Intent to Sell Surplus Real Property.

Fiscal Impact:

The property was appraised at \$170,000, which is recommended to be the minimum bid that would be accepted. The actual sale price may be higher depending on the bids that are received at the public auction. Proceeds from the sale will be deposited in Budget Unit 110900 (General Fund Revenues), Account 81720005 (Other Revenues). The County transitioned to a new finance system on October 1, 2019, and the new account number is 88025 with the Budget Unit remaining the same.

BACKGROUND:

The property at 17150 10th Avenue was used as a Fire Station until around 2011, when it was used as a Sheriff Substation until approximately 2017. Presently, it is used by the Health Department for storage. The building is 3,004 square feet in size, with 1,950 square feet of finished space and 1,054 square feet of garage space, sitting on a 0.44 acre parcel zoned AG-20. Per a professional appraisal acquired for the property, the highest and best

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

RESOLUTION OF INTENT TO SELL REAL PROPERTY LOCATED AT 17150 10TH AVENUE IN HANFORD, CALIFORNIA

November 5, 2019

Page 2 of 2

use of the property, if vacant, is as a single-family residential development. If improved, the highest and best use remains single-family residential, although agri-business, meeting halls, and farm labor housing are also allowed on the property with the appropriate zoning permit.

The attached resolution provides a description of the property, sets a minimum price of \$170,000, and provides the terms of the sale and sets December 10, 2019 at 10:00 am as the date and time for the receipt of sealed proposals to purchase the property. After the proposals are opened, examined, and the results declared, your Board will call for any oral bids. Such oral bids must exceed the highest written bid by at least 5% in order to be considered. Following the receipt of all bids, your Board may accept the highest bid at the meeting or delay your decision for a maximum of ten (10) calendar days. Any bids must be accepted in open session.

The Resolution has been reviewed and approved as to form by County Counsel.

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF KINGS, STATE OF CALIFORNIA

IN THE MATTER OF DECLARING
INTENT TO SELL REAL PROPERTY
LOCATED AT 17150 10TH AVENUE
HANFORD, CALIFORNIA _____
_____ /

RESOLUTION NO.

WHEREAS, the County Administrator has informed this Board that the property located at 17150 10th Avenue in Hanford, California (“Property”), acquired for the purpose of a fire station, is no longer needed for County purposes and recommends the property, as further described in Exhibit A to this resolution, which is attached hereto and incorporated by reference as if set forth in full, be sold in accordance with Section 25520 *et seq.* of the Government Code as required by law; and

WHEREAS, the Board declares its intention to sell the Property to the highest bidder or bidders under the terms and conditions contained in the Notice attached as Exhibit B, which is attached hereto and incorporated by reference as if set forth in full; and

WHEREAS, the minimum bid price for the Property is \$170,000.00 and the Property shall be sold in “as-in” condition; and

WHEREAS, the minimum bid deposit is \$17,000.00 in the form of a cashier’s or certified check; and

WHEREAS, a real estate broker’s commission shall not be paid out of the proceeds of the Property’s sale.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. The Board sets December 10, 2019 at 10:00 a.m. in the Board Chambers, located in the Kings County Government Center at 1400 W. Lacey Blvd. in Hanford, California, as the time and place for a public meeting of the Board where sealed proposals and oral auction bids shall be received and considered.

2. The Clerk of the Board is directed to cause the notice of the adoption of this resolution, its exhibits, and the time and place of the public meeting to be given by posting notices of the resolution signed by the Chairperson of the Board in three (3) public places in the County, as follows:

- a. On the Property,
- b. On the Board of Supervisors Information Kiosk at the Kings County Government Center, and
- c. On the Board of Supervisors Bulletin Board, outside the Board Chambers, located in Hanford, California.

3. Notice shall be posted not less than fifteen (15) days prior to the date of the public meeting and shall be published pursuant to Section 6063 in the of the Government Code in the *Hanford Sentinel*, a newspaper of general circulation published in the County.

The foregoing resolution was adopted upon motion by Supervisor _____, seconded by Supervisor _____ at a regular meeting held on the ____ day of November, 2019, by the following vote:

AYES: Supervisors
NOES: Supervisors
ABSENT: Supervisors
ABSTAIN: Supervisors

Joe Neves, Chairperson
Board of Supervisors, County of Kings

WITNESS my hand and seal of said Board of Supervisors this ____ day of November, 2019.

Clerk of said Board of Supervisors

EXHIBIT A

That certain real property commonly referred to as the former Guernsey Fire Station, situated at 17150 10th Avenue, Hanford, California, sometimes identified by Assessor's Parcel Numbers: 028-220-011, and legally described as: That portion of the Northeast one-quarter of Section One, Township Twenty South, Range Twenty-one East, Mount Diablo Base and Meridian, described as follows: Beginning at a point on the East line and 1,896.00 feet North of the Southeast corner of the Northeast one-quarter of said Section One, thence west, at right angles to the East line of said Northeast quarter, a distance of 175.00 feet; thence North parallel to the East line of said Northeast quarter a distance of 110.00 feet; thence East 175.00 feet to a point on the East line of said Northeast quarter; thence South 110.00 feet to the point of beginning.

EXHIBIT B

NOTICE OF INTENT TO SELL SURPLUS REAL PROPERTY

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Government Code section 25526 the Kings County Board of Supervisors (“Board”) intends to sell former Guernsey Fire Station, situated at 17150 10th Avenue, Hanford, California, sometimes identified by Assessor’s Parcel Numbers: 028-220-011 (“Real Property”). On _____, the Board adopted its Resolution No _____ declaring its intention to sell the Real Property.

The minimum bid price for the Real Property has been established by the Board at \$170,000.00. Any person interested in purchasing the Real Property may submit a written, sealed bid to the Clerk of the Board, Kings County Government Center, 1400 West Lacey Boulevard, Building No. 1, Hanford, California 93230. A form for submitting written bids and the Instructions to Bidders form may be obtained from the Clerk of the Board at the above address. Telephone inquiries related to the sale of the Real Property and/or the bid process may be made to Kevin McAlister, Kings County Public Works Director at (559) 582-3211, Ext 2700.

Written bids must be submitted at or before 9:00 a.m. on December 10, 2019, and must include a bid bond issued by an admitted surety insurer, a letter of credit from a recognized financial institution, or a deposit in the amount of 10 percent of the minimum bid amount submitted in the form of a certified or cashier’s check.

On December 10, 2019 at 10:00 a.m. or as soon thereafter as the matter can be heard, the Board will open, examine, and declare all sealed written bids received by that date. The Board will then call for any oral bids and consider all bids submitted by any Qualified Bidders. In order to be considered a Qualified Bidder for either written or oral bids, bidders must submit bid surety to the Clerk of the Board as described for written bids above and obtain a Bidder Number from the Clerk of the Board. In order to be considered by the Board, an oral bid must exceed the highest written bid or the minimum bid price by 5%, whichever is higher, and must otherwise comply with the requirements set forth in this Notice, the Board’s Resolution of Intent to Sell the Real Property, and Government Code section 25520 et seq.

The sale shall be made to the highest bid for cash, subject to a ninety-day escrow to be established at a title company in Hanford, California. The buyer shall be responsible for payment of the Kings County Documentary Transfer Tax. The County will not pay any real estate broker’s commission out of the proceeds of this sale.

The Board expressly reserves the right to reject all bids and withdraw the Real Property for sale if doing so is for the best interest of the public.

Catherine Venturella
Clerk of the Kings County Board of Supervisors



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell

SUBJECT: RESOLUTION PROCLAIMING NOVEMBER 11 – NOVEMBER 15, 2019 AS
SELECTIVE SERVICE WEEK

SUMMARY:

Overview:

The Selective Service System is an independent federal agency responsible for maintaining readiness programs and registration information on virtually all men in the United States (U.S.) should there be a necessity to implement military conscription (commonly known as the draft). Its main mission is “to register men and maintain a system that, when authorized by the President and Congress, rapidly provides personnel in a fair and equitable manner while managing an alternative service program for conscientious objectors.”

Recommendation:

Adopt a Resolution proclaiming November 11 – November 15, 2019 as Selective Service Week in Kings County.

Fiscal Impact:

None. This action encourages all eligible men in Kings County to comply with the registration requirements with the Selective Service System.

BACKGROUND:

The Selective Service System, created by Congress in 1917, requires (with few exceptions) that all male U.S. citizens and male immigrants residing in the United States who are ages 18 through 25 years old to register with the Selective Service. The Selective Service System deters adversaries from underestimating the maximum level of readiness of the U.S. Armed Forces to respond to threats and win a future war during a national emergency.

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

RESOLUTION PROCLAIMING NOVEMBER 11 – NOVEMBER 15, 2019 AS SELECTIVE SERVICE WEEK

November 5, 2019

Page 2 of 2

The Nation is well served by its strong military, and maintaining the Selective Service System creates significant deterrent capabilities in a still dangerous and uncertain world. Failure to register will jeopardize a man's eligibility for federal student financial aid, state-funded student financial aid in many states, federal employment, some state employment, security clearance for contractors, job training under the Workforce Innovation and Opportunity Act, and U.S. citizenship for immigrant men.

Staff recommends that your Board adopt the Resolution as a way of expressing your support and gratitude for the Selective Service System in Kings County.

The Resolution has been reviewed and approved as to form by County Counsel.

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF KINGS, STATE OF CALIFORNIA

IN THE MATTER OF RECOGNIZING
NOVEMBER 11 THROUGH 15, 2019,
AS SELECTIVE SERVICE WEEK _____/

Resolution No. _____

WHEREAS, the Selective Service System is an independent federal agency responsible for maintaining readiness programs and registration information on virtually all men in the United States should there be a necessity to implement military conscription (commonly known as the draft); and

WHEREAS, the Selective Service System, created by Congress in 1917, requires (with few exceptions) that all male U.S. citizens and male immigrants residing in the United States who are ages 18 through 25 years old are required by law to register with the Selective Service; and

WHEREAS, our Nation is well served by our strong military and maintaining the Selective Service System creates significant deterrent capabilities in a still dangerous and uncertain world; and

WHEREAS, the Selective Service System deters adversaries from underestimating the maximum level of readiness of our Armed Forces to respond to threats and win a future war during a national emergency; and

WHEREAS, the Selective Service System's current state of readiness and its peacetime registration program help ensure that any future draft, if necessary, would be fair and equitable; and

WHEREAS, with a current national registration compliance rate of 93 percent, the men of our Nation are overwhelmingly complying with the requirement to register; and

WHEREAS, failure to register will jeopardize a man's eligibility for federal student financial aid, state-funded student financial aid in many states, federal employment, some state employment, security clearance for contractors, job training under the Workforce Innovation and Opportunity Act, and U.S. citizenship for immigrant men; and

WHEREAS, Selective Service registration is a visible symbol of our national resolve and is the only time-proven means of mobilizing America's manpower for a significant crisis in a timely, orderly manner;

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. That the Kings County Board of Supervisors hereby recognizes November 11-15, 2019 as Selective Service Week and expresses its support and gratitude for the Selective Service System in Kings County and encourages all eligible men in Kings County to comply with the registration requirements with the Selective Service System.

The foregoing resolution was adopted upon motion by Supervisor _____, seconded by Supervisor _____ at a regular meeting held on the _____ day of November 2019, by the following vote:

AYES: Supervisors
NOES: Supervisors
ABSENT: Supervisors
ABSTAIN: Supervisors

Joe Neves, Chairman of the Board of Supervisors
County of Kings, State of California

IN WITNESS WHEREOF, I have set my hand this _____ day of November 2019.

Clerk of said Board of Supervisor



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration – Rebecca Campbell

SUBJECT: APPOINTMENT TO THE KINGS COUNTY PLANNING COMMISSION

SUMMARY:

Overview:

When a vacancy occurs on any board, commission, or committee over which a legislative body has appointing power, a vacancy notice shall be posted in the office of the clerk of the local agency and the local library before an appointment can be made. The legislative body shall not make a final appointment for at least 10 working days after the posting of a vacancy notice. Pursuant to Board policy, the Administrative Office makes no recommendations on advisory board appointments.

Recommendation:

Appoint one member to the Kings County Planning Commission.

Fiscal Impact:

None.

Advisory Board Statement:

The Committee Coordinator recommends the appointment of William Lynch.

BACKGROUND:

One (1) vacancy currently exists on this Commission for a representative of Supervisorial District 3. The complete membership of the Kings County Planning Commission consists of five (5) members, one from each of the Supervisorial Districts (1, 2, 3, 4 & 5) and the applicants must live in the District in which the vacancy occurs.

The purpose of this Commission shall be to develop and maintain the County General Plan, develop such specific plans as may be necessary and/or desirable; to periodically review the capital improvement program of the County, and perform such other functions as the legislative body may provide.

Applicant: William Lynch – District 3 resident

BOARD ACTION:

APPROVED AS PRESENTED: _____ OTHER: _____

I hereby certify that the above order was passed
and adopted on _____ 2019.

CATHERINE VENTURELLA, Clerk of the Board

By _____, Deputy.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration - Rebecca Campbell/Roger Bradley

SUBJECT: BOARD OF SUPERVISORS APPOINTMENT TO THE SAN JOAQUIN VALLEY
MULTIAGENCY WORKING GROUP

SUMMARY:

Overview:

Funds from the Local Government Planning Support Grants Program created by AB 101 (Chapter 159, Statutes of 2019) will be provided to the San Joaquin Valley Council of Governments through a San Joaquin Valley Multiagency Working Group, consisting of three members from each county. Membership shall consist of one representative from each county and two city representatives from each county. At least one of each county's three representatives must also be a member of the Kings County Association of Governments (KCAG) Commission. Pursuant to Board policy, the Administrative Office makes no recommendations on advisory board appointments.

Recommendation:

Appoint a member of your Board to the San Joaquin Valley Multiagency Working Group.

Fiscal Impact:

None.

BACKGROUND:

On July 31, 2019, Governor Newsom signed AB 101, which created the Local Government Planning Support Grants Program, which is to be administered by the State Department of Housing and Community Development (HCD). This was done for the purpose of providing regions and jurisdictions with one-time funding to be used for planning activities related to housing. A total of \$250 million will be allocated to the grants program, which will be split 50/50 between the following regional governing entities and local jurisdictions:

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

BOARD OF SUPERVISOR APPOINTMENT TO THE SAN JOAQUIN VALLEY MULTIAGENCY WORKING GROUP

November 5, 2019

Page 2 of 2

- \$125 million to Councils of Governments (COGs), specified counties, and other regional entities to increase housing planning and accelerate housing production, which may include developing and improving the Regional Housing Needs Assessment (RHNA) methodology for the sixth cycle, suballocating moneys to jurisdictions or other subregional entities in the form of grants for planning purposes, and providing jurisdictions and local agencies with technical assistance for updating planning and zoning documents. The Kings County Association of Governments (KCAG) is the COG for Kings County.
- \$125 million to jurisdictions to assist in planning for other activities related to meeting the sixth cycle RHNA, based on the population size of that jurisdiction. Grants may be used for rezoning and encouraging development by updating planning documents and zoning ordinances, completing environmental clearances, establishing a workforce housing opportunity zone or a housing sustainability district, performing infrastructure planning, identifying excess property for residential development, revamping local planning processes, developing or improving an accessory dwelling unit ordinance in compliance with state law, and covering of costs of temporary staffing or consultants needed for these purposes.

San Joaquin Valley Multiagency Working Group

For the \$125 million allocated to regional entities, funds available to San Joaquin Valley regional agencies (estimated to be between \$18.5 and \$20.5 million) are to be provided via a San Joaquin Valley Multiagency Working Group that must be formed by November 30, 2019. The Multiagency Working Group may determine the appropriate use of the funds or suballocations within its boundaries to appropriately address its unique housing and planning priorities.

Membership shall consist of one county representative from each county, two city representatives from each county, appointed by a City Selection Committee, of which one must be from a larger city and the other from a smaller city. Additionally, at least one of the three representatives must be a member of the KCAG Commission. The City Selection Committee selected Hanford Mayor Sue Sorensen as the large city representative and Avenal Councilmember Glenda Woolley as the small city representative. Glenda Woolley is a member of the KCAG Commission, fulfilling the requirement that at least one of the representatives must be a member of the Commission. However, staff has been informed by the KCAG Executive Director that it is requested that the County's representative also be a member of the San Joaquin Valley Regional Policy Council, which would make only Supervisor Verboon and Chairman Neves eligible for this appointment.



COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM November 5, 2019

SUBMITTED BY: Administration- Rebecca Campbell/ Julianne Phillips

SUBJECT: STATE WATER PROJECT CONTRACT EXTENSION WITH THE STATE DEPARTMENT OF WATER RESOURCES

SUMMARY:

Overview:

An extension of the County's State Water Project Agreement with the Department of Water Resources is requested. This will extend the County's existing contract for surface water delivery from the State Water Project in the County through 2085.

Recommendation:

Approve Amendment No. 18 to the Water Supply Contract between the State Department of Water Resources and the County of Kings.

Fiscal Impact:

The cost of the State Water Project water is borne by the end user. There is no cost impact to the County for the delivery of water under this contract.

BACKGROUND:

In 1967, the County entered into a contract with the State Department of Water Resources (DWR) for a total amount of 9,305 acre feet of Table A contract water, which is general contracted water delivered to the County from the State Water Project for agriculture and general use.

The County contracts with a number of entities to use water from the State Water Project for agricultural production and other purposes. A presentation will be given to the Board to show how allocations are delivered to the various entities.

(Cont'd)

BOARD ACTION:

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed and adopted
on _____, 2019.

CATHERINE VENTURELLA, Clerk to the Board

By _____, Deputy.

Agenda Item

STATE WATER PROJECT CONTRACT EXTENSION WITH THE STATE DEPARTMENT OF WATER RESOURCES

November 5, 2019

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The current contract for State Water Project water expires in 2035. The contract extension process has been ongoing for several years, staff has been heavily involved in the process and is pleased to report a finalized version is available for execution. The contract documents were presented to staff for review in early summer 2019.

The proposed contract extension would extend the County's State Water Project contract through 2085. This contract is an essential source of surface water in Kings County for public safety, agricultural production, and drinking water for disadvantaged communities. Staff recommends your Board approve the contract.

A copy of the contract is on file with the Clerk of the Board.

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 18 (THE CONTRACT EXTENSION AMENDMENT)
TO WATER SUPPLY CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND COUNTY OF KINGS FOR
CONTINUED SERVICE AND THE TERMS AND CONDITIONS THEREOF

THIS AMENDMENT to the Water Supply Contract is made this _____ day
of _____, 201_, pursuant to the provisions of the California Water
Resources Development Bond Act, the Central Valley Project Act, and other applicable
laws of the State of California, between the State of California, acting by and through its
Department of Water Resources, herein referred to as the "State," and County of Kings,
herein referred to as the "Agency."

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RECITALS

- A. The State and the Agency entered into and subsequently amended a water supply contract (the “contract”), dated August 31, 1967, providing that the State shall supply certain quantities of water to the Agency and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and
- B. Article 2 of the contract provides that the contract shall remain in effect for the longest of the following: (1) the project repayment period, which, as defined in the contract, is to end on December 31, 2035; (2) 75 years from the original date of the contract; and (3) the period ending with the latest maturity date of any bond issue used to finance the construction costs of project facilities; and
- C. The longest of the above referenced periods in Article 2 would have ended in this contract on August 31, 2042; and
- D. Article 4 of the contract provides that the Agency, by written notice to the State at least six (6) months prior to the expiration of the term of the contract (as specified in Article 2), may elect to receive continued service under the contract under certain conditions specified therein and under other terms and conditions that are reasonable and mutually agreed upon by the State and the Agency; and
- E. The State, the Agency and representatives of certain other State Water Project Contractors have negotiated and executed a document (Execution Version dated June 18, 2014), the subject of which is “Agreement in Principle Concerning Extension of the State Water Project Water Supply Contracts” (the “Agreement in Principle”); and
- F. The Agreement in Principle describes the terms and conditions of the continued service upon which the State and the Agency mutually proposed to develop contractual amendments consistent with the Agreement In Principle; and
- G. The State, the Agency and those Contractors intending to be subject to the contract amendments contemplated by the Agreement in Principle subsequently prepared an amendment to their respective contracts to implement the provisions of the Agreement in Principle, and such amendment was named the “Amendment for Continued Service and the Terms and Conditions Thereof”; and

STATE WATER PROJECT WATER SUPPLY CONTRACT EXTENSION AMENDMENT
Execution Version

- H. The State and the Agency desire to implement continued service under the contract under the terms and conditions of this Amendment for Continued Service and the Terms and Conditions Thereof to the water supply contract; and
- I. The Agency's execution of this Amendment for Continued Service and the Terms and Conditions Thereof is the equivalent of the Agency's election under Article 4 to receive continued service under the contract under the conditions provided in Article 4, and the mutually agreed terms and conditions herein are the other reasonable and equitable terms and conditions of continued service referred to in Article 4.

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

AMENDED CONTRACT TEXT

I. ARTICLES 1, 2, 22 THROUGH 29, 50 AND 51 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING TEXT:

1. DEFINITIONS.

When used in this contract, the following terms shall have the meanings hereinafter set forth:

(a) **"Additional Project Conservation Facilities"** shall mean the following facilities and programs, which will serve the purpose of preventing any reduction in the Minimum Project Yield as hereinafter defined:

(1) Those Project Facilities specified in Section 12938 of the Water Code;

(2) Those facilities and programs described in (A), (B), (C), (D), and (E) below which, in the State's determination, are engineeringly feasible and capable of producing Project Water which is economically competitive with alternative new water supply sources, *provided* that in the State's determination, the construction and operation of such facilities and programs will not interfere with the requested deliveries of Annual Table A Amount to any Contractor other than the sponsoring Contractor, and will not result in any greater annual charges to any Contractor other than the sponsoring Contractor than would have occurred with the construction at the same time of alternative new water supply sources which are either reservoirs located north of the Delta or off-Aqueduct storage reservoirs located south or west of the Delta designed to supply water to the California Aqueduct.

The following facilities and programs shall hereinafter be referred to as "Local Projects":

(A) On-stream and off-stream surface storage reservoirs not provided for in Section 12938 of the Water Code, that will produce Project Water for the System for a period of time agreed to by the sponsoring Contractor;

(B) Groundwater storage facilities that will produce Project Water for the System for a period of time agreed to by the sponsoring Contractor;

(C) Waste water reclamation facilities that will produce Project Water for the System for a period of time agreed to by the sponsoring Contractor;

(D) Water and facilities for delivering water purchased by the State for the System for a period of time agreed to by the sponsoring Contractor; *provided* that the economic test specified herein shall be applied to the cost of these facilities together with the cost of the purchased water; and

(E) Future water conservation programs and facilities that will reduce demands by the sponsoring Contractor for Project Water from the System for a period of time agreed to by the sponsoring Contractor and will thereby have the effect of increasing Project Water available in the Delta for distribution.

(3) Whether a Local Project described in (2) above shall be considered economically competitive shall be determined by the State by comparing, in an engineering and economic analysis, such Local Project with alternative new water supply sources which are either reservoirs located north of the Delta or off-Aqueduct storage reservoirs located south or west of the Delta designed to supply water to the California Aqueduct. The analysis for such alternative new water supply sources shall use the average cost per acre-foot of yield in the latest studies made for such sources by the State and shall compare those facilities with the proposed Local Project using commonly accepted engineering economics. In the case of a Local Project to be funded in part by the State as part of the System and in part from other sources, the economic analysis specified herein shall be applied only to the portion to be funded by the State as part of the System.

(4) The Local Projects in (2) above shall not be constructed or implemented unless or until:

(A) The sponsoring Contractor signs a written agreement with the State which:

(i) Contains the sponsoring Contractor's approval of such facility or program;

(ii) Specifies the yield and the period of time during which the water from the Local Project shall constitute Project Water; and

(iii) Specifies the disposition of such Local Project or of the yield from such Local Project upon the expiration of such period of time.

(B) All Contractors within whose boundaries any portion of such Local Project is located, and who are not sponsoring Contractors for such Local Project give their written approval of such Local Project.

(5) “Sponsoring Contractor” as used in this Article 1(a) shall mean the Contractor or Contractors who either will receive the yield from facilities described in 2(A), (B), (C), or (D) above, or agree to reduce demands for Project Water from the System pursuant to 2(E) above.

(6) In the event of a shortage in water supply within the meaning of Article 18(a), the determination of whether to count, in whole or in part, the yield from facilities described in 2(A), (B), (C), or (D) above, or the reduced demand from future conservation programs described in 2(E) above in the allocation of deficiencies among Contractors will be based on a project-by-project evaluation taking into consideration such factors as any limitation on the use of the water from such facilities and whether the sponsoring Contractor has access to Project Water from the Delta as an alternate to such facilities.

(b) “**Agricultural Use**” shall mean any use of water primarily in the production of plant crops or livestock for market, including any use incidental thereto for domestic or stock-watering purposes.

(c) “**Annual Table A Amount**” shall mean the amount of Project Water set forth in Table A of this Contract that the State, pursuant to the obligations of this contract and applicable law, makes available for delivery to the Agency at the delivery structures provided for the Agency. The term Annual Table A Amount shall not be interpreted to mean that in each year the State will be able to make that quantity of Project Water available to the Agency. The Annual Table A Amounts and the terms of this contract reflect an expectation that under certain conditions only a lesser amount, allocated in accordance with this contract, may be made available to the Agency. This recognition that full Annual Table A Amounts will not be deliverable under all conditions does not change the obligations of the State under this contract, including but not limited to, the obligations to make all reasonable efforts to complete the Project Facilities, to perfect and protect water rights, and to allocate among Contractors the supply available in any year, as set forth in Articles 6(b), 6(c), 16(b) and 18, in the manner and subject to the terms and conditions of those articles and this contract. Where the term “annual entitlement” appears elsewhere in this contract, it shall mean “Annual Table A Amount.” The State agrees that in future amendments to this and other Contractor’s contracts, in lieu of the term “annual entitlement,” the term “Annual Table A

Amount” will be used and will have the same meaning as “annual entitlement” wherever that term is used.

(d) **“Area of Origin Statutes”** shall mean Sections 10505 and 11460 through 11463 of the Water Code as now existing or hereafter amended.

(e) **“Article 51(e) Amounts”** shall mean the annual amounts determined pursuant to Article 51(e)(1).

(f) **“Billing Transition Date”** shall mean January 1 of the first calendar year starting at least six (6) months after the Contract Extension Amendment Effective Date.

(g) **“Burns-Porter Bond Act”** shall mean the California Water Resources Development Bond Act, comprising Chapter 8, commencing at Section 12930, of Part 6 of Division 6 of the Water Code, as enacted in Chapter 1762 of the Statutes of 1959.

(h) **“Capital Costs”** shall mean all costs Incurred subsequent to authorization of a facility for construction by the Legislature or by administrative action pursuant to Section 11290 of the Water Code and to the Burns-Porter Bond Act, including those so Incurred prior to the beginning of the Project Repayment Period as herein defined and any accrued unpaid interest charges thereon at the rates specified herein, which are properly chargeable to the construction of and the furnishing of equipment for the facilities of the System, including the costs of surveys, engineering studies, exploratory work, designs, preparation of construction plans and specifications, acquisition of lands, easements and rights-of-way, and relocation work, all as shown upon the official records of the Department of Water Resources.

(i) **“Carry-over Table A Water”** shall mean water from a Contractor’s Annual Table A Amount for a respective year, which is made available for delivery by the State in the next year pursuant to Article 12(e).

(j) **“Central Valley Project Act”** shall mean the Central Valley Act comprising Part 3, commencing at Section 11100, of Division 6 of the Water Code.

(k) **“Contract Extension Amendment”** shall mean the substantially similar amendments to the Contractors’ Water Supply Contracts that include, among other things, an extension of the term of the contract to December 31, 2085.

(l) **“Contract Extension Amendment Effective Date”** shall mean the date on which the Contract Extension Amendment becomes effective with regard to this contract. The State shall provide a written notice to the Agency specifying the Contract Extension Amendment Effective Date once the applicable conditions set out in the Contract Extension Amendment have been met.

(m) **“Contractor”** shall mean any entity that has executed, or is an assignee of, a contract of the type published in Department of Water Resources Bulletin No. 141,

dated November 1965, with the State for a dependable supply of water made available by the System, except such water as is made available by the facilities specified in Section 12934(d)(6) of the Water Code, as such contracts have been amended from time to time.

(n) “**Delta**” shall mean the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code on the date of approval of the Burns-Porter Bond Act by the voters of the State of California.

(o) “**East Branch Aqueduct**” shall mean that portion of the San Joaquin Valley-Southern California Aqueduct specified in Section 12934(d)(2) of the Water Code extending from the South Portal of the Tehachapi Tunnels to a terminus in the vicinity of Perris, Riverside County.

(p) “**Economic Useful Life**” shall mean the period during which the State expects to derive economic benefit from using an asset, as determined by the State.

(q) “**Financial Information System**” shall mean the system of record designated by the State as the authoritative source for the recording of all financial data values relating to the System.

(r) “**Financing Costs**” shall mean the following:

- (1) principal of and interest on Revenue Bonds,
- (2) debt service coverage required by the applicable bond resolution or indenture in relation to such principal and interest,
- (3) deposits to reserves required by the bond resolution or indenture in relation to such Revenue Bonds, and
- (4) premiums for insurance or other security obtained in relation to such Revenue Bonds.

(s) “**Incurred**” shall mean the following with respect to the timing of a cost:

- (1) Capital Costs and operation, maintenance, and power costs allocated irrespective of the amount of Project Water delivered to the Contractors are “Incurred” when the expenditure for the good, service or other consideration is recorded in the State’s financial information system, regardless of the date the good, service or other consideration is provided; and
- (2) operation, maintenance, and power costs allocated in an amount which is dependent upon and varies with the amount of Project Water delivered to the Contractors are “Incurred” when the good, service or other consideration is provided, regardless of when the expenditure for the good, service or other

consideration is recorded in the financial information system.

(t) **“Initial Project Conservation Facilities”** shall mean the following Project Facilities specified in Section 12934(d) of the Water Code:

(1) All those facilities specified in subparagraph (1) thereof.

(2) Those facilities specified in subparagraph (3) thereof to the extent that they serve the purposes of water conservation in the Delta, water supply in the Delta, and transfer of water across the Delta.

(3) A reservoir near Los Banos in Merced County as specified in subparagraph (2) thereof.

(4) The reach of the San Joaquin Valley-Southern California Aqueduct extending from the Delta to a reservoir near Los Banos in Merced County, to the extent required for water conservation through conveyance of water diverted from the Delta to offstream storage in such reservoir as determined by the State.

(5) Those facilities specified in subparagraph (5) thereof which are incidental to the facilities included under (1), (2), (3), and (4) above.

(6) Those facilities specified in subparagraph (7) thereof which are necessary and appurtenant to the facilities included under (1), (2), (3), (4), and (5) above.

(u) **“Interruptible Water”** shall mean Project Water available as determined by the State that is not needed for fulfilling Contractors’ Annual Table A Amount deliveries as set forth in their water delivery schedules furnished pursuant to Article 12 or for meeting project operational requirements, including storage goals for the current or following years.

(v) **“Manufacturing Use”** shall mean any use of water primarily in the production of finished goods for market.

(w) **“Maximum Annual Table A Amount”** shall mean the maximum annual amount set forth in Table A of this contract, and where the term “maximum annual entitlement” appears elsewhere in this contract it shall mean “Maximum Annual Table A Amount.”

(x) **“Minimum Project Yield”** shall mean the dependable annual supply of project water to be made available assuming completion of the initial project conservation facilities and additional project conservation facilities. The project’s capability of providing the Minimum Project Yield shall be determined by the State on the basis of coordinated operations studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon factors

including but not limited to:

(1) the estimated relative proportion of deliveries for agricultural use to deliveries for municipal use assuming Maximum Annual Table A Amounts for all Contractors and the characteristic distributions of demands for these two uses throughout the year; and

(2) agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the division of utilization of waters of the Delta or streams tributary thereto.

(y) **“Monterey Amendment”** shall mean the substantially similar amendments to Contractors’ Water Supply Contracts that included, among other provisions, the addition of Articles 51 through 56.

(z) **“Municipal Use”** shall mean all those uses of water common to the municipal water supply of a city, town, or other similar population group, including uses for domestic purposes, uses for the purposes of commerce, trade or industry, and any other use incidental thereto for any beneficial purpose.

(aa) **“Nonproject Water”** shall mean water made available for delivery to Contractors that is not Project Water as defined in Article 1(ah).

(ab) **“Project Facilities”** shall mean those facilities of the System which will, in whole or in part, serve the purposes of this contract by conserving water and making it available for use in and above the Delta and for export from the Delta and from such additional facilities as are defined in Article 1(a)(2), and by conveying water to the Agency. Such Project Facilities shall consist specifically of “Project Conservation Facilities” and “Project Transportation Facilities”, as hereinafter defined.

(ac) **“Project Conservation Facilities”** shall mean such Project Facilities as are presently included, or as may be added in the future, under 1(a) and 1(t).

(ad) **“Project Interest Rate”** shall mean the following:

(1) Prior to the Billing Transition Date, the weighted average interest rate on bonds, advances, or loans listed in this section to the extent the proceeds of any such bonds, advances, or loans are for construction of the State Water Facilities defined in Section 12934(d) of the Water Code, the additional project conservation facilities, and the supplemental conservation facilities (except off-aqueduct power facilities; water system facilities; advances for delivery structures, measuring devices and excess capacity; and East Branch Enlargement Facilities). The Project Interest Rate shall be calculated as a decimal fraction to five places by dividing (i) the total interest cost required to be paid or credited by the State during the life of the indebtedness or advance by (ii) the total

of the products of the various principal amounts and the respective terms in years of all such amounts. The bonds, advances, or loans used in calculating the project interest rate shall be:

- (A) General obligation bonds issued by the State under the Bond Act, except that any premium received on the sale of these bonds shall not be included in the calculation of the project interest rate,
- (B) Revenue Bonds issued after May 1, 1969,
- (C) Bonds issued by the State under any other authority granted by the Legislature or the voters,
- (D) Bonds issued by any agency, district, political subdivision, public corporation, or nonprofit corporation of this State,
- (E) Funds advanced by any Contractor without the actual incurring of bonded debt therefore, for which the net interest cost and terms shall be those which would have resulted if the Contractor had sold bonds for the purpose of funding the advance, as determined by the State,
- (F) Funds borrowed from the General Fund or other funds in the Treasury of the State of California, for which the total interest cost shall be computed at the interest rate earned over the period of such borrowing by moneys in the Surplus Money Investment Fund of such Treasury invested in securities, and
- (G) Any other financing capability available in the Treasury of the State of California at whatever interest rate and other financing costs are provided in the law authorizing such borrowing. However, the use of other financing from the State Treasury is intended to involve only short term borrowing at interest rates and other financing costs no greater than those charged to other State agencies during the same period until such time as the Department can sell bonds and reimburse the source of the short term borrowing from the proceeds of the bond sale.

(2) On and after the Billing Transition Date, the Project Interest Rate shall be four and six hundred and ten thousandths percent (4.610%) per annum.

(ae) **“Project Repayment Period”** shall mean that period of years commencing on January 1, 1961, and extending until December 31, 2035.

(af) **“Project Revenues”** shall mean revenues derived from the service of Project Water to Contractors and others, and from the sale or other disposal of electrical energy generated in connection with operation of Project Facilities.

(ag) **“Project Transportation Facilities”** shall mean the following Project Facilities:

(1) All those facilities specified in subparagraph (2) of Section 12934(d) of the Water Code except: The reservoir near Los Banos in Merced County; the reach of the San Joaquin Valley-Southern California Aqueduct extending from the Delta to the reservoir near Los Banos in Merced County, to the extent required for water conservation as determined by the State; the North Bay Aqueduct extending to a terminal reservoir in Marin County; the South Bay Aqueduct extending to terminal reservoirs in the Counties of Alameda and Santa Clara; the Pacheco Pass Tunnel Aqueduct extending from a reservoir near Los Banos in Merced County to a terminus in Pacheco Creek in Santa Clara County; and the Coastal Aqueduct beginning on the San Joaquin Valley-Southern California Aqueduct in the vicinity of Avenal, Kings County, and extending to a terminus at the Santa Maria River.

(2) Facilities for the generation and transmission of electrical energy of the following types:

(A) Hydroelectric generating and transmission facilities, whose operation is dependent on the transportation of Project Water, or on releases to channels downstream of Project Facilities defined under (1) above. Such facilities shall be called “project aqueduct power recovery plants”, and

(B) All other generating and associated transmission facilities, except those dependent on water from Project Conservation Facilities, for the generation of power. These facilities shall be called “off-aqueduct power facilities” and shall consist of the State’s interest in the Reid-Gardner and any other generating and associated transmission facilities, constructed or financed in whole or in part by the State, which are economically competitive with alternative power supply sources as determined by the State.

(3) Those facilities specified in subparagraph (7) of Section 12934(d) of the Water Code which are necessary and appurtenant to the facilities included under (1) and (2) above.

(ah) **“Project Water”** shall mean water made available for delivery to the Contractors by the Project Conservation Facilities and the Project Transportation Facilities included in the System.

(ai) **“Revenue Bonds”** shall mean the following types of instruments payable from the sources provided in the Central Valley Project Act: revenue bonds, notes, refunding bonds, refunding notes, bond anticipation notes, certificates of indebtedness,

and other evidences of indebtedness.

(aj) **“Subject to Approval by the State”** shall mean subject to the determination and judgment of the State as to acceptability.

(ak) **“Supplemental Conservation Facilities”** shall mean those facilities provided for in Section 12938 of the Water Code which will serve the purpose of supplying water in addition to the Minimum Project Yield and for meeting local needs.

(al) **“Supplemental Water”** shall mean water made available by Supplemental Conservation Facilities, in excess of the Minimum Project Yield.

(am) **“System”** shall mean the State Water Resources Development System as defined in Section 12931 of the Water Code.

(an) **“System Revenue Account”** shall mean the special account created pursuant to Water Code Section 12937(b) into which are deposited all revenues derived from the sale, delivery or use of water or power and all other income or revenue, derived by the State, from the System, with the exception of revenue attributable to facilities financed with revenue bonds issued pursuant to the Central Valley Project Act (Water Code Section 11100 et seq.).

(ao) **“Water Supply Contract”** shall mean one of the contracts described in the definition of Contractor in Article 1(m).

(ap) **“Water System Facilities”** shall mean the following facilities to the extent that they are financed with Revenue Bonds or to the extent that other financing of such facilities is reimbursed with proceeds from Water System Facility Revenue Bonds:

(1) The North Bay Aqueduct,

(2) The Coastal Branch Aqueduct,

(3) Delta Facilities, including Suisun Marsh facilities, to serve the purposes of water conservation in the Delta, water supply in the Delta, transfer of water across the Delta, and mitigation of the environmental effects of Project Facilities, and to the extent presently authorized as project purposes, recreation and fish and wildlife enhancement,

(4) Local projects as defined in Article 1(a)(2) designed to develop no more than 25,000 acre-feet of project yield from each project,

(5) Land acquisition prior to December 31, 1995, for the Kern Fan Element of the Kern Water Bank,

- (6) Additional pumps at the Banks Delta Pumping Plant,
- (7) The transmission line from Midway to Wheeler Ridge Pumping Plant,
- (8) Repairs, additions, and betterments to Project Facilities,
- (9) A Project Facilities corporation yard,
- (10) A Project Facilities operation center, and

(11) Capital projects which are approved in writing by the State and eighty (80) percent of the affected Contractors as “Water System Facilities”, *provided* that the approving Contractors’ Table A amounts exceed eighty (80) percent of the Table A amounts representing all affected Contractors and *provided further* that “affected Contractors” for purposes of this subdivision (11) shall mean those Contractors which would be obligated to pay a share of the debt service on Revenue Bonds issued to finance such project.

(aq) **“Water System Facility Revenue Bonds”** shall mean Revenue Bonds issued after January 1, 1987 for Water System Facilities identified in Article 1(ap).

(ar) **“West Branch Aqueduct”** shall mean that portion of the San Joaquin Valley-Southern California Aqueduct specified in Section 12934(d)(2) of the Water Code extending from the South Portal of the Tehachapi Tunnels to a terminus in the vicinity of Newhall, Los Angeles County.

(as) **“Year”** shall mean the 12-month period from January 1 through December 31, both dates inclusive.

(at) **“Year of Initial Water Delivery”** shall mean the year when Project Water will first be available for delivery to a Contractor pursuant to its contract with the State.

2. TERM OF CONTRACT.

This contract shall become effective on the date first above written and shall remain in effect for the longer of the following:

1. December 31, 2085, or
2. The period ending with the latest maturity date of any bond issue used to finance the construction costs of Project Facilities.

22. DELTA WATER CHARGE

The payments to be made by each Contractor shall include an annual charge designated as the Delta Water Charge, which shall be separately calculated and stated for costs Incurred prior to the Billing Transition Date and costs Incurred on or after the Billing Transition Date.

(a) **Delta Water Charge for Costs Incurred Prior to the Billing Transition Date.** The provisions of this subdivision (a) shall apply only to costs Incurred prior to the Billing Transition Date.

(1) *Recovery of Costs of Project Conservation Facilities.* The Delta Water Charge for costs Incurred prior to the Billing Transition Date, together with the total revenues derived prior to the Billing Transition Date from the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities, shall return to the State during the Project Repayment Period all costs of the Project Conservation Facilities Incurred prior to the Billing Transition Date, including capital, operation, maintenance, power, and replacement costs, which are allocated to the purpose of water conservation in, above, and below the Delta pursuant to subdivisions (c)(1) through (c)(3) of this article.

(2) *Components of Charge.* For each Contractor receiving Project Water in any year through December 31, 1969, the Delta Water Charge shall be the product of \$3.50 and the Contractor's Annual Table A Amount for the respective year. For each Contractor receiving Project Water in the year 1970, the Delta Water Charge shall be the product of \$6.65 and the Contractor's Annual Table A Amount for that year. The \$6.65 rate for the year 1970 shall consist of a capital component of \$5.04 and a minimum operation, maintenance, power and replacement component of \$1.61. For each Contractor receiving Project Water in the year 1971, the Delta Water Charge shall be the product of \$7.24 and the Contractor's Annual Table A Amount for that year. The \$7.24 rate for the year 1971 shall consist of a capital component of \$5.44 and a minimum operation, maintenance, power and replacement component of \$1.80.

After December 31, 1971, the Delta Water Charge for costs Incurred prior to the Billing Transition Date shall consist and be the sum of the following components as these are computed in accordance with subdivisions (a)(3) and (a)(4) of this article: a capital component; a minimum operation, maintenance, power and replacement component; and a variable operation, maintenance, power and replacement component.

(3) *Charge Components Expressed as Rates.* The Capital Cost, the minimum operation, maintenance, power, and replacement, and the variable operation, maintenance, power, and replacement components of the Delta Water

Charge for costs Incurred prior to the Billing Transition Date, together with that portion of the revenues derived prior to the Billing Transition Date from the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities which is allocated by the State to repayment of the respective category of costs, shall return to the State during the Project Repayment Period, respectively, the following categories of the costs allocated to the purpose of water conservation in, above, and below the Delta pursuant to subdivisions (c)(1) through (c)(3) of this article:

(A) Capital Costs;

(B) operation, maintenance, power, and replacement costs Incurred irrespective of the amount of Project Water delivered to the Contractors;
and

(C) operation, maintenance, power, and replacement costs Incurred in an amount which is dependent upon and varies with the amount of Project Water delivered to the Contractors;

provided that each of the above categories of costs shall be inclusive of the appropriate costs properly chargeable to the generation and transmission of electrical energy in connection with operation of Project Conservation Facilities. Each component of the Delta Water Charge for costs Incurred prior to the Billing Transition Date shall be computed on the basis of a rate which, when charged during the Project Repayment Period for each acre-foot of the sum of the yearly totals of Annual Table A Amounts of all Contractors, will be sufficient, together with that portion of the revenues derived prior to the Billing Transition Date from the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities which is allocated by the State to repayment of the respective category of costs, to return to the State during the Project Repayment Period all costs included in the respective category of costs covered by that component. Each such rate shall be computed in accordance with the following formula:

$$\frac{(c_1 - r_1)(1 + i)^{-1} + (c_2 - r_2)(1 + i)^{-2} + \dots + (c_n - r_n)(1 + i)^{-n}}{e_1(1 + i)^{-1} + e_2(1 + i)^{-2} + \dots + e_n(1 + i)^{-n}}$$

Where:

i = The Project Interest Rate.

- c = The total costs included in the respective category of costs and Incurred during the respective year of the Project Repayment Period (prior to the Billing Transition Date).
- r = That portion of the revenues derived from the sale or other disposal of electrical energy allocated by the State to repayment of the costs included in the respective category and Incurred during the respective year of the Project Repayment Period (prior to the Billing Transition Date).

1, 2, and n
appearing
below

- c and r = The respective year of the Project Repayment Period during which the costs included in the respective category are Incurred, n being the last year of the Project Repayment Period.
- e = With respect to the Capital Cost and minimum operation, maintenance, power, and replacement components, the total of Annual Table A Amounts of all Contractors for the respective year of the Project Repayment Period.
- e = With respect to the variable operation, maintenance, power, and replacement component, the total of the amounts of Project Water delivered to all Contractors for the respective year of the expired portion of the Project Repayment Period, together with the total of Annual Table A Amounts of all Contractors for the respective year of the unexpired portion of the Project Repayment Period.

1, 2, and n
appearing

- below e = The respective year of the Project Repayment Period in which the Annual Table A Amounts or Project Water deliveries occur, n being the last year of the Project Repayment Period.

n used
as an

- exponent = The number of years in the Project Repayment Period.

(4) *Determination of Charge Components.* The Capital Cost and minimum operation, maintenance, power, and replacement components of the Delta Water Charge for costs Incurred prior to the Billing Transition Date shall be the product of the appropriate rate computed under subdivision (a)(3) of this article and the Contractor's Annual Table A Amount for the respective year. The

variable operation, maintenance, and power component of the charge shall be the product of the appropriate rate computed under subdivision (a)(3) of this article and the number of acre-feet of Project Water delivered to the Contractor during the respective year; *provided*, that when Project Water has been requested by a Contractor and delivery thereof has been commenced by the State, and, through no fault of the State, such water is wasted as a result of failure or refusal by the Contractor to accept delivery thereof, such variable component during such period shall be the product of such rate per acre-foot and the sum of the number of acre-feet of Project Water delivered to the Contractor and the number of acre-feet wasted.

(5) *Redetermination of Rates.* The rates to be used in determining the components of the Delta Water Charge pursuant to subdivision (a)(4) of this article and to become effective on January 1, 1970, shall be computed by the State in accordance with subdivision (a)(3) of this article prior to that date. Such computation shall include an adjustment which shall account for the difference, if any, between revenues received by the State under the Delta Water Charge prior to January 1, 1970, and revenues which would have been received under the charge prior to that date had it been computed and charged in accordance with subdivisions (a)(3) and (4) of this article. Upon such computation, a document establishing such rates shall be prepared by the State and attached to this contract as an amendment of this article. The State shall recompute such rates each year thereafter, and each such recomputation shall take account of and reflect increases or decreases from year to year in projected costs, outstanding reimbursable indebtedness of the State Incurred to construct the Project Conservation Facilities described in subdivisions (c)(1) through (c)(3) of this article, Annual Table A Amounts, deliveries of Project Water, Project Interest Rate, revenues from the sale or other disposal of electrical energy, and all other factors which are determinative of such rates. In addition, each such recomputation shall include an adjustment of the rates for succeeding years which shall account for the differences, if any, between projections of costs used by the State in determining such rates for all preceding years, and actual costs Incurred by the State during such years. Upon each such recomputation, an appropriately revised copy of the document establishing such rates shall be prepared by the State and attached to this contract as an amendment of this article.

(6) *Water System Facility Revenue Bond Charges.* Notwithstanding provisions of Article 22(a)(1) through (5), the capital and the minimum operation, maintenance, power and replacement component of the Delta Water Charge for costs Incurred prior to the Billing Transition Date shall include an annual charge to recover the Agency's share of the portion of the Water System Facility Revenue Bond Financing Costs allocable to Project Conservation Facilities for Capital Costs Incurred prior to the Billing Transition Date. Charges to the Agency for these costs shall be calculated in accordance with Article 50(a).

(b) **Delta Water Charge for Costs Incurred On or After the Billing Transition Date.** The provisions of this subdivision (b) of this article shall apply only to costs Incurred on or after the Billing Transition Date.

(1) *Components of the Delta Water Charge for Costs Incurred On or After the Billing Transition Date.* The Delta Water Charge for costs Incurred on or after the Billing Transition Date shall consist of the following components as these are computed in accordance with subdivisions (b)(2) through (b)(4) of this article:

(A) Capital component,

(B) Minimum operation, maintenance, power, and replacement component, and

(C) Variable operation, maintenance, and power component.

(2) *Determination of Charge Components.* These three components of the Delta Water Charge for each calendar year, together with that portion of the revenues derived during such calendar year from the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities which is allocated by the State to repayment of the respective category of costs, shall return to the State during such calendar year the following categories, respectively, of the costs allocated pursuant to subdivisions (c)(1) through (c)(3) of this article to the purpose of water conservation in, above, and below the Delta.

(A) the capital component consisting of Capital Costs of Project Conservation Facilities to be recovered during such calendar year as and to the extent provided in subdivision (b)(3) of this article,

(B) the minimum operation, maintenance, power, and replacement component consisting of operation, maintenance, power, replacement costs of Project Conservation Facilities Incurred during such calendar year irrespective of the amount of Project Water delivered to the Contractors, and

(C) the variable operation, maintenance, and power component consisting of operation, maintenance, and power costs of Project Conservation Facilities Incurred during such calendar year in an amount

which is dependent upon and varies with the amount of Project Water delivered to the Contractors;

provided that each of the above categories of costs shall be inclusive of the appropriate costs properly chargeable to the generation and transmission of electrical energy in connection with operation of Project Conservation Facilities; and *provided further* that revenues generated in connection with the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities shall not reduce or be credited against charges pursuant to subdivision (b)(3)(D)(i) of this article (charges for Water System Facility Revenue Bond Financing Costs).

(3) *Categories of Capital Costs.*

(A) The amount of the capital component of the Delta Water Charge shall be determined in three steps as follows:

(i) first, an allocation to the Agency of Capital Costs of Project Conservation Facilities as provided in subdivisions (c)(1) through (c)(3) of this article,

(ii) second, a determination of the type and source of payment of each Capital Cost in accordance with subdivision (b)(3)(B) of this article, and

(iii) third, a computation of the annual payment to be made by the Agency as provided in subdivision (b)(3)(C) and (b)(3)(D) of this article.

(B) Annual Capital Costs of Project Conservation Facilities shall be divided into five categories of type and source of payment:

(i) Project Conservation Facility Capital Costs paid with the proceeds of Water System Facility Revenue Bonds,

(ii) Project Conservation Facility Capital Costs to be paid with the proceeds of Bonds issued under the Burns-Porter Bond Act,

(iii) Project Conservation Facility Capital Costs to be paid with amounts in the SWRDS Reinvestment Account,

(iv) Project Conservation Facility Capital Costs to be paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and

(v) Project Conservation Facility Capital Costs prepaid by the Agency.

(C) The projected amounts of Project Conservation Facility Capital Costs in each such category to be allocated annually to the Agency shall be determined by the State in accordance with the cost allocation principles and procedures set forth in subdivision (c)(1) through (c)(3) and (b)(6) of this article, which principles and procedures shall be controlling as to allocations of Capital Costs to the Agency; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such projected amounts will be set forth in Table B by the State.

**TABLE B
PROJECTED ALLOCATIONS TO
COUNTY OF KINGS
OF PROJECT CONSERVATION FACILITY CAPITAL COSTS INCURRED ON OR
AFTER THE BILLING TRANSITION DATE**

Year	Projected Allocations in Thousands of Dollars				
	Costs to be Paid with Proceeds of Water System Facility Revenue Bonds	Costs to be Paid with the Proceeds of Bonds issued under the Burns-Porter Bond Act	Costs to be Paid with Amounts in the SWRDS Reinvestment Account	Costs to be Paid Annually for Assets That Will Have a Short Economic Useful Life or the Costs of which are Not Substantial	Costs Prepaid by the Agency
1*					
2					
3					

* Year commencing with the Billing Transition Date.

(D) The annual amount to be paid by the Agency under the capital component of the Delta Water Charge for each calendar year for costs Incurred on or after the Billing Transition Date shall consist of the following categories:

(i) Water System Facility Revenue Bonds: a charge determined in accordance with Article 50(b) to recover Water System Facility Revenue Bond Financing Costs Incurred during such calendar year that relate to the financing of Project Conservation Facilities,

(ii) Burns-Porter Act Bonds: a charge to recover the amount to be paid by the State of California during such calendar year in accordance with the Burns-Porter Bond Act for the principal of and interest on bonds issued under the Burns-Porter Bond Act on or after the Billing Transition Date for Project Conservation Facility Capital Costs,

(iii) SWRDS Reinvestment Account: a charge determined in accordance with subdivision (b)(5) of Article 61 to amortize Project Conservation Facility Capital Costs Incurred during prior calendar years (but not prior to the Billing Transition Date) that have been paid with amounts from the SWRDS Reinvestment Account, and

(iv) Capital Assets with Short Economic Life or Costs of which are Not Substantial: a charge to recover the Capital Costs to be Incurred during such calendar year of Project Conservation Facility assets with a short Economic Useful Life or the costs of which are not substantial as determined by the State and any such Capital Costs Incurred but not charged in the prior two calendar years.

(E) The projected amounts of each category of charges to be paid annually by the Agency under this capital component shall be determined by the State in accordance with the cost allocation principles and procedures set forth in this subdivision (b), which principles and procedures shall be controlling as to allocations of types of capital component charges to the Agency; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such amounts are projected to be as set forth in Table C by the State.

**TABLE C
PROJECTED CHARGES TO
COUNTY OF KINGS
UNDER THE CAPITAL COMPONENT OF THE DELTA WATER CHARGE FOR
COSTS INCURRED ON OR AFTER THE BILLING TRANSITION DATE**

Year	Projected Charges in Thousands of Dollars			
	Costs to be Paid with Proceeds of Water System Facility Revenue Bonds	Costs to be Paid with the Proceeds of Bonds issued under the Burns-Porter Bond Act	Costs to be Paid with Amounts in the SWRDS Reinvestment Account	Costs to be Paid Annually for Assets That Will Have a Short Economic Useful Life or the Costs of which are Not Substantial
1				
2				
3				

* Year commencing with the Billing Transition Date.

(4) *Minimum Operation, Maintenance, Power and Replacement Charge – Determination; Repayment Table.*

The amount to be paid each year by the Agency under the minimum operation, maintenance, power, and replacement component of the Delta Water Charge shall be determined by the State in accordance with the cost allocation principles and procedures set forth in subdivision (b)(6)(A) of this article; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such amounts are projected to be as set forth in Table D by the State.

TABLE D
DELTA WATER CHARGE -- ESTIMATED MINIMUM OPERATION, MAINTENANCE,
POWER AND REPLACEMENT COMPONENT FOR COSTS INCURRED ON OR
AFTER THE BILLING TRANSITION DATE
COUNTY OF KINGS

Year	Total Annual Payment by Agency
1*	
2	
3	
4	

* Year commencing with the Billing Transition Date.

(5) *Variable Operation, Maintenance and Power Charge—
Determination; Repayment Table.*

The amount to be paid each year by the Agency under the variable operation, maintenance and power component of the Delta Water Charge shall be determined by the State in accordance with the cost allocation principles and procedures set forth in subdivision (b)(6)(B) of this article; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such amounts are projected to be as set forth in Table E by the State.

**TABLE E
DELTA WATER CHARGE -- ESTIMATED VARIABLE OPERATION, MAINTENANCE
AND POWER COMPONENT FOR COSTS INCURRED ON OR AFTER THE BILLING
TRANSITION DATE
COUNTY OF KINGS**

Year	Total Annual Payment by Agency
1*	
2	
3	
4	

* Year commencing with the Billing Transition Date.

(6) *Allocation of Charges to the Agency.*

(A) The capital and minimum operation, maintenance, and power components of the Delta Water Charge for each calendar year for costs Incurred on or after the Billing Transition Date shall be allocated to the Agency in proportion to the ratio of the Agency's Annual Table A Amount for such calendar year to the total of the Annual Table A Amounts for all Contractors for such calendar year.

(B) The variable operation, maintenance, and power component of the Delta Water Charge for each calendar year for costs Incurred on or after the Billing Transition Date shall be allocated to the Agency in proportion to the ratio of the number of acre-feet of Project Water delivered to the Agency during such calendar year to the number of acre-feet of Project Water delivered to all Contractors during such calendar year; *provided* that when Project Water has been requested by a Contractor and delivery thereof has been commenced by the State, and, through no fault of the State, such water is wasted as a result of failure or refusal by the Contractor to accept delivery thereof, such variable component during such period shall be calculated as if the number of acre-feet wasted had been delivered.

(7) *Delta Water Charge -- Repayment Schedule.*

The amounts to be paid by the Agency for each year on or after the Billing Transition Date under the Capital Cost component, minimum operation, maintenance, power and replacement component and the variable operation, maintenance, and power component of the Delta Water Charge shall be set forth by the State in Table F, which Table F shall constitute a summation of Tables C, D, and E; *provided* that each of the amounts set forth in Table F shall be subject to redetermination by the State in accordance with Article 28; *provided further*

that the principles and procedures set forth in this Article 22 shall be controlling as to such amounts. Such amounts shall be paid by the Agency in accordance with the provisions of Article 29.

**TABLE F
REPAYMENT SCHEDULE -- DELTA WATER CHARGE FOR COSTS INCURRED ON
OR AFTER THE BILLING TRANSITION DATE
COUNTY OF KINGS**

Year	Capital Cost Component	Minimum Component	Variable Component	Total
1*				
2				
3				
4				

* Year commencing with the Billing Transition Date.

(c) **Provisions Applicable to the Delta Water Charge for Costs Incurred Both Before and On or After the Billing Transition Date.** The provisions of this subdivision (c) shall be applicable to costs Incurred both prior to and on or after the Billing Transition Date.

(1) *Allocation of Costs to Project Purposes.*

(A) Prior to the time that Additional Project Conservation Facilities or Supplemental Conservation Facilities are constructed, the Delta Water Charge shall be determined on the basis of an allocation to project purposes, by the separable cost-remaining benefits method, of all actual and projected costs of all those Initial Project Conservation Facilities located in and above the Delta, and upon an allocation to the purposes of water conservation and water transportation, by the proportionate use of facilities method, of all actual and projected costs of the following Project Facilities located below the Delta: The aqueduct intake facilities at the Delta, Pumping Plant I (Harvey O. Banks Delta Pumping Plant), the aqueduct from the Delta to San Luis Forebay (O'Neill Forebay), San Luis Forebay (O'Neill Forebay), and San Luis Reservoir: *provided*, that all of the actual and projected costs properly chargeable to the generation and transmission of electrical energy in connection with operation of Project Conservation Facilities shall be allocated to the purpose of water conservation in, above, and below the Delta; *provided further*, that allocations to purposes the cost of which are to be paid by the United States shall be as determined by the United States.

(B) Wherever reference is made, in connection with the computation, determination, or payment of the Delta Water Charge, to the costs of any facility or facilities included in the System, such reference shall be only to those costs of such facility or facilities that are reimbursable by the Contractors as determined by the State.

(C) The State, in fixing and establishing prices, rates, and charges for water and power, shall include as a reimbursable cost of any state water project an amount sufficient to repay all costs incurred by the State, directly or by contract with other agencies, for the preservation of fish and wildlife and determined to be allocable to the costs of the project works constructed for the development of that water and power, or either. Costs incurred for the enhancement of fish and wildlife or for the development of public recreation shall not be included in the prices, rates, and charges for water and power, and shall be nonreimbursable costs. Such recreational purposes include, but are not limited to, those recreational pursuits generally associated with the out-of-doors, such as camping, picnicking, fishing, hunting, water contact sports, boating, and sightseeing, and the associated facilities of campgrounds, picnic areas, water and sanitary facilities, parking areas, viewpoints, boat launching ramps, and any others necessary to make project land and water areas available for use by the public. In administering this Contract "development of public recreation" shall include recreation capital and operation and maintenance.

(2) *Additional Conservation Facilities.* Commencing in the year in which the State first awards a major construction contract for construction of a major feature of Additional Project Conservation Facilities, or first commences payments under a contract with a federal agency in the event a major feature of Additional Project Conservation Facilities is constructed by such federal agency under an agreement requiring the State to pay all or part of the costs of such construction, the Delta Water Charge shall be determined on the basis of the foregoing allocations and upon an allocation to project purposes, by the separable costs-remaining benefits method and subject to the foregoing provisos, of all projected costs of such feature of the Additional Project Conservation Facilities; *provided*, that if the agreement with such federal agency allows repayment of costs of a portion of a facility to be deferred, the associated costs of such portion shall be excluded from the Delta Water Charge computations until repayment of such deferred costs or interest thereon is commenced by the State; *provided, further*, that all costs of Additional Project Conservation Facilities Incurred prior to the award of a major construction contract, shall be included in the Delta Water Charge computations in the year in which they are Incurred.

(3) *Supplemental Conservation Facilities.* Upon the construction of the Supplemental Conservation Facilities, the Delta Water Charge shall be paid by

all Contractors for Supplemental Water, as well as by Contractors for Project Water, and, together with revenues derived from the sale or other disposal of electrical energy generated in connection with operation of Project Conservation Facilities and Supplemental Conservation Facilities, shall return to the State, in addition to those costs of the Project Conservation Facilities allocated to the purpose of water conservation, in, above, and below the Delta pursuant to subdivision (c)(1) of this article, all costs of such Supplemental Conservation Facilities, including capital, operation, maintenance, power, and replacement costs which are allocated to the purpose of water conservation, in, above, and below the Delta pursuant hereto. Commencing in the year in which the State first awards a major construction contract for construction of a major feature of any Supplemental Conservation Facilities, or first commences payments under a contract with a federal agency in the event a major feature of Supplemental Conservation Facilities is constructed by such federal agency under an agreement requiring the State to pay all or part of the costs of such construction, the Delta Water Charge shall be determined on the basis of the allocations made pursuant to subdivision (c)(1) of this article, and upon an allocation to project purposes, by the separable costs-remaining benefits method and subject to provisos corresponding to those contained in such subdivision (c)(1), of all projected costs of such feature of the Supplemental Conservation Facilities. Commencing in the same year, the computation of the rates to be used in determining the components of the Delta Water Charge shall include the Annual Table A Amounts under all contracts for Supplemental Water. If the repayment period of any bonds sold to construct Supplemental Conservation Facilities or the repayment period under any agreement with a federal agency for repayment of the costs of Supplemental Conservation Facilities constructed by such federal agency extends beyond the repayment period of the contract, the Delta Water Charge shall be determined and redetermined on the basis of such extended repayment period as the State determines to be appropriate; *provided*, that if the agreement with such federal agency allows repayment of costs of a portion of a facility to be deferred, the associated costs of such portion shall be excluded from the Delta Water Charge computations until repayment of such deferred costs or interest thereon is commenced by the State.

(4) *Local Projects.* The determination of the Delta Water Charge shall be made by including the appropriate costs and quantities of water, calculated in accordance with subdivisions (a) and (b) above, for all Additional Project Conservation Facilities as defined in Article 1(a). In the event a Local Project as defined in Article 1(a)(2) will, pursuant to written agreement between the State and the sponsoring Contractor, be considered and treated as an Additional Project Conservation Facility for less than the estimated life of the facility, the Delta Water Charge will be determined on the basis of that portion of the appropriate cost and water supply associated with such facility as the period of time during which such facility shall be considered as an Additional Project Conservation Facility bears to the estimated life of such facility. No costs for the construction or implementation of any Local Project are to be included in the

Delta Water Charge unless and until the written agreement required by Article 1(a) has been entered into.

(5) *Water Purchased By the State.* In calculating the Delta Water Charge under subdivisions (a) and (b) of this article, the component for operation, maintenance, power and replacement costs shall include, but not be limited to, all costs to the State Incurred in purchasing water, which is competitive with alternative sources as determined by the State, for delivery as Project Water.

(6) *Replacement Cost Treatment.* Replacement costs of Project Conservation Facilities shall be treated as either Capital Costs or as minimum operation, maintenance, power, and replacement costs, as determined by the State considering the Economic Useful Life of the asset being replaced and other relevant factors.

23. TRANSPORTATION CHARGE.

The payments to be made by each Contractor shall include an annual charge designated as the Transportation Charge, which shall be separately stated and calculated for costs Incurred prior to the Billing Transition Date and costs Incurred on or after the Billing Transition Date.

(a) **Transportation Charge for Costs Incurred Prior to the Billing Transition Date.** The provisions of this subdivision (a) and Articles 24(a) and (c), 25 and 26 shall apply to costs Incurred prior to the Billing Transition Date.

(1) *Recovery of Costs of Project Transportation Facilities.* The Transportation Charge for costs Incurred prior to the Billing Transition Date shall return to the State during the Project Repayment Period such costs of all Project Transportation Facilities necessary to deliver Project Water to the Contractor and which are allocated to the Contractor in accordance with the cost allocation principles and procedures hereinafter set forth.

(2) *Components of Transportation Charge for Costs Incurred Prior to the Billing Transition Date.* The Transportation Charge for costs Incurred Prior to the Billing Transition Date shall consist of a capital component; a minimum operation, maintenance, power, and replacement component; and a variable operation, maintenance and power component, as these components are defined in and determined under Articles 24(a) and (c), 25, and 26, respectively.

(b) **Transportation Charge for Costs Incurred On or After the Billing Transition Date.** The provisions of this subdivision (b) and Articles 24(b) and (c), 25 and 26 shall apply to costs Incurred on or after the Billing Transition Date.

(1) *Recovery of Costs of Project Transportation Facilities.* The Transportation Charge for costs Incurred on or after the Billing Transition Date shall return to the State during each such calendar year all costs which are Incurred on or after the Billing Transition Date of all Project Transportation Facilities necessary to deliver Project Water to the Agency and which are allocated to the Agency in accordance with the cost allocation principles and procedures hereinafter set forth.

(2) *Components of Transportation Charge.* The Transportation Charge for costs Incurred on or after the Billing Transition Date shall consist of a capital component; a minimum operation, maintenance, and power component; and a variable operation, maintenance, and power component, as these components are defined in and determined under Articles 24(b) and (c), 25, and 26, respectively.

(c) **Segregation of Aqueduct Reaches for All Transportation Charge Purposes.** For the purpose of allocations of costs among Contractors pursuant to

subdivisions (a) and (b) of this article, and Articles 24, 25 and 26, the Project Transportation Facilities shall be segregated into such aqueduct reaches as are determined by the State to be necessary for such allocations of costs. Subject to such modifications as are determined by the State to be required by reason of any request furnished by the Agency to the State pursuant to Article 17(a) of this contract, or by reason of contracts entered into by the State with other Contractors, the aqueduct reaches of the Project Transportation Facilities, a portion of the costs of which may be allocated to the Agency, are established as provided in Table G; *provided* that those costs of the aqueduct reaches from the Delta through the outlet of San Luis Reservoir which are allocated to the purpose of water conservation in, above, and below the Delta for the purpose of determining the Delta Water Charge, as hereinbefore set forth, shall not be included in the Transportation Charge.

**TABLE G
PROJECT TRANSPORTATION FACILITIES NECESSARY TO DELIVER WATER TO
COUNTY OF KINGS**

Aqueduct Reach	Major Features of Reach
Delta to Bethany reservoir	Intake Channel Fish Protective Facilities Delta Pumping Plant (Pumping Plant I) Bethany Dams and reservoir
Bethany reservoir to Orestimba Creek	Aqueduct
Orestimba Creek to O'Neill Forebay	Aqueduct
O'Neill Forebay to Dos Amigos Pumping Plant	O'Neill Forebay, O'Neill Dam, Aqueduct and Dos Amigos Pumping Plant
Dos Amigos Pumping Plant to Panoche Creek	Aqueduct
Panoche Creek to Five Points	Aqueduct
Five Points to Arroyo Pasajero	Aqueduct
Arroyo Pasajero to Kettleman City	Aqueduct
Kettleman City to State Route 41	Aqueduct

(This table was labeled Table I in original contract provisions)

(d) Provisions Applicable to the Transportation Charge for Costs Incurred Both Before and On or After the Billing Transition Date.

(1) Wherever reference is made, in connection with the computation, determination, or payment of the Transportation Charge, to the allocation or payment of costs of any facility or facilities included in the System, such reference shall be only to those costs of such facility or facilities which are reimbursable by the Contractors as determined by the State.

(2) The State, in fixing and establishing prices, rates, and charges for water and power, shall include as a reimbursable cost of any state water project an amount sufficient to repay all costs incurred by the State, directly or by contract with other agencies, for the preservation of fish and wildlife and determined to be allocable to the costs of the project works constructed for the development of that water and power, or either. Costs incurred for the enhancement of fish and wildlife or for the development of public recreation shall not be included in the prices, rates, and charges for water and power, and shall be nonreimbursable costs. Such recreational purposes include, but are not limited to, those recreational pursuits generally associated with the out-of-doors, such as camping, picnicking, fishing, hunting, water contact sports, boating, and sightseeing, and the associated facilities of campgrounds, picnic areas, water and sanitary facilities, parking areas, viewpoints, boat launching ramps, and any others necessary to make project land and water areas available for use by the public. In administering this Contract "development of public recreation" shall include recreation capital and operation and maintenance.

24. TRANSPORTATION CHARGE -- CAPITAL COMPONENTS.

(a) **Transportation Charge Capital Component for Costs Incurred Prior to the Billing Transition Date.** The provisions of this subdivision (a) shall apply only to Capital Costs Incurred prior to the Billing Transition Date.

(1) *Recovery of Capital Costs of Project Transportation Facilities Incurred Prior to the Billing Transition Date.* The amount of the capital component of the Transportation Charge for Capital Costs Incurred prior to the Billing Transition Date shall be determined in two steps as follows:

(A) first, an allocation of such costs to the Contractor in accordance with subdivision (a)(2) of this article, and

(B) second, a computation of annual payments to be made by the Contractor of such allocated costs and interest thereon, computed at the Project Interest Rate in accordance with subdivision (a)(3) of this article.

(2) *Allocation of Capital Costs of Project Transportation Facilities Incurred Prior to the Billing Transition Date.* The total amount of Capital Costs Incurred prior to the Billing Transition Date of each aqueduct reach to be returned to the State shall be allocated among all Contractors entitled to delivery of Project Water from or through such reach by the proportionate use of facilities method of cost allocation and in accordance with Article 23(c) and subdivision (c)(1) of this article.

The projected amounts of Capital Costs to be allocated annually to the Agency under the capital component of the Transportation Charge shall be determined by the State in accordance with the cost allocation principles and procedures set forth in this subdivision (a) and subdivision (c)(1) of this article, which principles and procedures shall be controlling as to allocations of Capital Costs to the Agency. Such amounts will be set forth in Table H by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of Project Water to the Agency, pursuant to Article 17(a), *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28.

**TABLE H
PROJECTED ALLOCATIONS OF CAPITAL COSTS INCURRED PRIOR TO THE
BILLING TRANSITION DATE OF
PROJECT TRANSPORTATION FACILITIES TO
COUNTY OF KINGS**

Year	Projected Allocation in Thousands of Dollars
1*	
2	
3	
4	

* Year in which State commences construction of Project Transportation Facilities.
(This table was labeled Table C in original contract provisions)

(3) *Determination of Capital Component of Transportation Charge for Costs Incurred Prior to the Billing Transition Date.* The Agency's annual payment of its allocated Capital Costs Incurred prior to the Billing Transition Date and interest thereon, computed at the Project Interest Rate and compounded annually, shall be determined in accordance with a repayment schedule established by the State and determined in accordance with the principles set forth in (A), (B), and (C) below, which principles shall be controlling as to the Agency's payment of its allocated Capital Costs. The Agency's repayment schedule will be set forth in Table I by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of Project Water to the Agency, pursuant to Article 17(a); *provided* that the amounts set forth in Table I shall be subject to redetermination by the State, pursuant to Article 28.

(A) The Agency's annual payment shall be the sum of the amounts due from the Agency on the Agency's allocated Capital Costs for the then current year and for each previous year where each such amount will pay, in not more than fifty (50) equal annual installments of principal and interest, the Agency's allocated Capital Costs for the respective year and interest thereon, computed at the Project Interest Rate and compounded annually.

(B) The Agency may make payments at a more rapid rate if approved by the State.

(C) Such annual Transportation Charge payments shall cease when all allocated Capital Costs and interest thereon, computed at the Project Interest Rate and compounded annually, are repaid.

TABLE I
TRANSPORTATION CHARGE FOR COSTS INCURRED PRIOR TO THE BILLING
TRANSITION DATE -- CAPITAL COST COMPONENT
COUNTY OF KINGS
(In Thousands of Dollars)

Year	Annual Payment of Principal	Annual Interest Payment	Total Annual Payment by Agency
1*			
2**			
3			
4			

* Year in which State commences construction of Project Transportation Facilities.

** Year of first payment.

(This table was labeled Table D in original contract provisions)

(4) Notwithstanding provisions of subdivisions 24(a)(1) through (a)(3) of this article, the capital component of the Transportation Charge for costs Incurred prior to the Billing Transition Date shall include an annual charge to recover the Agency's share of the portion of Water System Facility Revenue Bond Financing Costs allocable to Project Transportation Facilities. Charges to the Agency for these costs shall be calculated in accordance with Article 50(a).

(5) *Costs Incurred Prior to Date of Contract.* The Agency's allocated capital costs for the year preceding the year of initial payment of the capital component of the Transportation Charge, pursuant to subdivision 24(a)(3) of this article, shall consist of the sum of the Agency's allocated capital costs for each year through such year preceding the year of initial payment, and interest thereon, computed at the project interest rate and compounded annually.

(b) **Transportation Charge Capital Component for Costs Incurred On or After the Billing Transition Date.** The provisions of this subdivision (b) shall apply only to Capital Costs Incurred on or after the Billing Transition Date.

(1) The amount of the capital component of the Transportation Charge for costs Incurred on or after the Billing Transition Date shall be determined in three steps as follows:

(A) first, an allocation of Capital Costs to the Contractor as provided in subdivision (b)(2) of this article,

(B) second, a determination of the type and source of payment of each Capital Cost as provided in subdivision (b)(3) of this article, and

(C) third, a computation of the annual payment to be made by the Contractor as provided in subdivision (b)(4) and (b)(5) of this article.

(2) The total amount of Capital Costs of each aqueduct reach to be returned to the State under the Transportation Charge for costs Incurred on or after the Billing Transition Date shall be allocated among all Contractors entitled to delivery of Project Water from or through the reach by the proportionate use of facilities method of cost allocation and in accordance with Article 23(c) and subdivision (c)(1) of this article.

(3) Annual Capital Costs of Project Transportation Facilities shall be divided into five categories of type and source of payment:

(A) Project Transportation Facility Capital Costs paid with the proceeds of Water System Facility Revenue Bonds,

(B) Project Transportation Facility Capital Costs paid with the proceeds of bonds issued under the Burns-Porter Bond Act,

(C) Project Transportation Facility Capital Costs paid with amounts in the SWRDS Reinvestment Account,

(D) Project Transportation Facility Capital Costs paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and

(E) Project Transportation Facility Capital Costs prepaid by the Agency.

The projected amounts of Project Transportation Facility Capital Costs of each type to be allocated annually to the Agency shall be determined by the State in accordance with the cost allocation principles and procedures set forth in Article 23(c)(1) through (c)(3) and this subdivision (b)(3), which principles and procedures shall be controlling as to allocations of each type of Capital Costs to the Agency; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such projected amounts will be set forth in Table J by the State.

**TABLE J
PROJECTED ALLOCATIONS TO
COUNTY OF KINGS
OF PROJECT TRANSPORTATION FACILITY CAPITAL COSTS INCURRED ON OR
AFTER THE BILLING TRANSITION DATE**

Year	Allocations in Thousands of Dollars				
	Costs to be Paid with Proceeds of Water System Facility Revenue Bonds	Costs to be Paid with the Proceeds of Bonds issued under the Burns-Porter Bond Act	Costs to be Paid with Amounts in the SWRDS Reinvestment Account	Costs to be Paid Annually for Assets That Will Have a Short Economic Useful Life or the Costs of which are Not Substantial	Costs Prepaid by the Agency
1*					
2					
3					

* Year commencing with the Billing Transition Date

(4) The capital component of the Transportation Charge for a calendar year for costs Incurred on or after the Billing Transition Date shall consist of the following to the extent the related Capital Costs are allocated to the Agency:

(A) Water System Facility Revenue Bond: a charge determined in accordance with Article 50(b) to recover Water System Facility Revenue Bond Financing Costs Incurred during such calendar year that relate to the financing of Water System Facilities that are Project Transportation Facilities,

(B) Burns-Porter Act Bonds: a charge to recover the amount to be paid by the State of California during such calendar year in accordance with the Burns-Porter Bond Act for the principal of and interest on bonds issued under the Burns-Porter Bond Act on or after the Billing Transition Date for Project Transportation Facility Capital Costs,

(C) SWRDS Reinvestment Account: a charge determined in accordance with subdivision (b)(5) of Article 61 to amortize Project Transportation Facility Capital Costs Incurred during prior calendar years

(but not prior to the Billing Transition Date) that have been paid with amounts from the SWRDS Reinvestment Account, and

(D) Capital Assets with Short Economic Life or Costs of which are Not Substantial: a charge to recover the Capital Costs to be Incurred during such calendar year of Project Transportation Facility assets with a short Economic Useful Life or the costs of which are not substantial as determined by the State and any such Capital Costs Incurred but not charged in the prior two calendar years,

(5) *Projected Charges.* The projected amounts of the charges to be allocated annually to the Agency under the capital component of the Transportation Charge for costs Incurred on or after the Billing Transition Date shall be determined by the State in accordance with the cost allocation principles and procedures set forth in this Article, which principles and procedures shall be controlling as to allocations of capital component charges to the Agency; *provided* that these amounts shall be subject to redetermination by the State in accordance with Article 28. Such amounts are projected to be as set forth in Table K by the State.

**TABLE K
PROJECTED CHARGES UNDER THE CAPITAL COMPONENT
OF THE TRANSPORTATION CHARGE FOR COSTS INCURRED ON OR AFTER THE
BILLING TRANSITION DATE TO
COUNTY OF KINGS**

Year	Projected Charges in Thousands of Dollars			
	Costs to be Paid with Proceeds of Water System Facility Revenue Bonds	Costs to be Paid with the Proceeds of Bonds issued under the Burns-Porter Bond Act	Costs to be Paid with Amounts in the SWRDS Reinvestment Account	Costs to be Paid Annually for Assets That Will Have a Short Economic Useful Life or the Costs of which are Not Substantial
1*				
2				
3				

* Year commencing with the Billing Transition Date.

(c) **Provisions Applicable to the Transportation Charge For Costs Incurred Both Prior To and On or After the Billing Transition Date.** The provisions of this subdivision (c) shall be applicable to Capital Costs Incurred both prior to and on or after the Billing Transition Date.

(1) *Proportionate Use Factors.* The measure of the proportionate use by each Contractor of each reach shall be the average of the following two ratios:

(A) the ratio of the Contractor's Maximum Annual Table A Amount to be delivered from or through the reach to the total of the Maximum Annual Table A Amounts of all Contractors to be delivered from or through the reach from the year in which charges are to be paid through the end of the Project Repayment Period, and

(B) the ratio of the capacity provided in the reach for the transport and delivery of Project Water to the Contractor to the total capacity provided in the reach for the transport and delivery of Project Water to all Contractors served from or through the reach from the year in which charges are to be paid through the end of the Project Repayment Period.

Allocations of Capital Costs to the Agency pursuant hereto shall be on the basis of relevant values which will be set forth in Table L by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach of the Project Transportation Facilities for the transport and delivery of Project Water to the Agency, pursuant to Article 17(a); *provided* that these values shall be subject to redetermination by the State in accordance with Article 28; *provided further* that the principles and procedures set forth in this subdivision shall be controlling as to allocations of Capital Costs to the Agency. Proportionate use of facilities factors for prior years shall not be adjusted by the State in response to changes or transfers of Table A Amounts among Contractors unless otherwise agreed by the State and the parties to the transfer and unless there is no impact on past charges or credits of other Contractors.

TABLE L

[TABLE L shall set forth the relevant values that shall serve as the basis for allocation of all Transportation Charge Costs]

(This table was labeled Table B in original contract provisions)

(2) *Determinations Using Proportionate Use Factors.* The total amount in each category of Capital Costs allocated to a Contractor shall be the sum of the products obtained when there is multiplied, for each aqueduct reach necessary to deliver water to the Contractor, the total amount of the Capital Costs of the reach in that category to be returned to the State under the Transportation Charge by the average of the two foregoing ratios for such reach as such average is set forth in the appropriate table included in its contract.

(3) *Excess Capacity.* In the event that excess capacity is provided in any aqueduct reach for the purpose of making Project Water available in the future to an agency or agencies with which the State has not executed contracts at the time of any allocation of costs pursuant to this subdivision, the prospective Maximum Annual Table A Amount or Amounts to be supplied by such excess capacity, as determined by the State, shall be deemed to be contracted for by such agency or agencies for the purpose of such allocation of costs, to the end that the Capital Costs of providing such excess capacity are not charged to any Contractor entitled by virtue of an executed contract to the delivery of Project Water from or through that aqueduct reach at the time of such allocation. Where additional capacity is provided in any aqueduct reach to compensate for loss of water due to evaporation, leakage, seepage, or other causes, or to compensate for scheduled outages for purposes of necessary investigation, inspection, maintenance, repair or replacement of the facilities of the Project Facilities, then, for the purpose of any allocation of costs pursuant to this subdivision:

(A) the Maximum Annual Table A Amount to be delivered from or through the reach of each Contractor entitled to delivery of Project Water from or through the reach shall be increased by an amount which bears the same proportion to the maximum annual delivery capability provided by such additional capacity that the Contractor's Maximum Annual Table A Amount to be delivered from or through the reach bears to the total of the Maximum Annual Table A Amounts to be delivered from or through the reach under all contracts; and

(B) the capacity provided in the reach for each Contractor entitled to delivery of Project Water from or through the reach shall be increased in the same proportion that the Contractor's Maximum Annual Table A Amount to be delivered from or through the reach is increased pursuant to (A) above.

(4) *Power Facilities.* The Capital Costs of project aqueduct power recovery plants shall be charged and allocated in accordance with this Article 24. The Capital Costs of off-aqueduct power facilities shall be charged and allocated in accordance with Article 25(d).

(5) *Capital Costs of Excess Capacity.* In the event that any Contractor, pursuant to Article 12(b), requests delivery capacity in any aqueduct reach which will permit maximum monthly deliveries to such Contractor in excess of the percentage amounts specified in such Article 12(b) for the uses designated therein, such Contractor shall furnish to the State, in advance of the construction of such aqueduct reach, funds sufficient to cover the costs of providing such excess capacity, which funds shall be in an amount which bears the same proportion to the total Capital Costs of such reach, including the costs of providing such excess capacity, as such excess capacity bears to the total capacity of such reach, including such excess capacity. For the purpose of any allocation of costs pursuant to subdivision (c)(1) of this article, the total Capital Costs of such aqueduct reach shall be allocated among all Contractors entitled to delivery of Project Water from or through the reach in the following manner:

(A) The costs which would have been Incurred for such reach had no such excess capacity been provided shall be estimated by the State and allocated among all such Contractors in the manner provided in such subdivision (c)(1); and

(B) the amount of the difference between such estimated costs and the projected actual costs of such reach shall be allocated to the Contractor or Contractors for which such excess capacity is provided.

Where such excess capacity is provided for more than one Contractor, the costs allocated to them under (B) above shall be further allocated between or among them in amounts which bear the same proportion to the total of such allocated costs as the amount of such excess capacity provided for the respective Contractor bears to the total of such excess capacity provided in such reach. In the event that the funds advanced by a Contractor pursuant to this subdivision are more or less than the costs so allocated to such Contractor under (B) above, the account of such Contractor shall be credited or debited accordingly.

(6) *Replacement Cost Treatment.* Replacement costs of Project Transportation Facilities shall be treated as either Capital Costs or as minimum operation, maintenance, power and replacement costs, as determined by the State considering the Economic Useful Life of the asset being replaced and other relevant factors.

25. TRANSPORTATION CHARGE -- MINIMUM OPERATION, MAINTENANCE, POWER, AND REPLACEMENT COMPONENT.

The provisions of this article shall apply to costs incurred both prior to and on or after the Billing Transition Date.

(a) **Purpose.** The minimum operation, maintenance, power, and replacement component of the Transportation Charge shall return to the State those costs of the Project Transportation Facilities necessary to deliver water to the Contractor which constitute operation, maintenance, power, and replacement costs Incurred irrespective of the amount of Project Water delivered to the Contractor and which are allocated to the Contractor pursuant to subdivision (b) of this article; *provided* that to the extent permitted by law, the State may establish reserve funds to meet anticipated minimum replacement costs; and deposits in such reserve funds by the State: (1) shall be made in such amounts that such reserve funds will be adequate to meet such anticipated costs as they are incurred, and (2) shall be deemed to be a part of the minimum replacement costs for the year in which such deposits are made.

(b) **Allocation.** The total projected minimum operation, maintenance, power, and replacement costs of each aqueduct reach of the Project Transportation Facilities for the respective year shall be allocated among all Contractors entitled to delivery of Project Water from such facilities by the proportionate use of facilities method of cost allocation, in the same manner and upon the same bases as are set forth for the allocation of Capital Costs in subdivisions (c)(1) through (c)(3) of Article 24; *provided* that such minimum operation, maintenance, power, and replacement costs as are Incurred generally for the Project Transportation Facilities first shall be allocated to each aqueduct reach in an amount which bears the same proportion to the total amount of such general costs that the amount of the costs Incurred directly for the reach bears to the total of all direct costs for all aqueduct reaches.

(c) **Determination; Repayment Table.** The amount to be paid each year by the Agency under the minimum operation, maintenance, power, and replacement component of the Transportation Charge shall be determined in accordance with subdivision (b) of this article on the basis of the relevant values to be set forth for the respective aqueduct reaches in Table L, included in Article 24; *provided* that these values shall be subject to redetermination by the State in accordance with Article 28. Such amounts and any appropriate interest thereon for costs incurred prior to the Billing Transition Date shall be set forth by the State in Table M as soon as designs and cost estimates have been prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of Project Water to the Agency, pursuant to Article 17(a); *provided* that the amounts set forth in Table M shall be subject to redetermination by the State in accordance with Article 28.

**TABLE M
TRANSPORTATION CHARGE -- MINIMUM OPERATION MAINTENANCE, POWER,
AND REPLACEMENT COMPONENT
COUNTY OF KINGS**

Year	Total Annual Payment by Agency*
1**	
2	
3	
4	

* Payment shall start with respect to each aqueduct reach in the year following the year in which the State completes construction of the respective reach.

** Year in which the State commences construction of Project Transportation Facilities.
(This table was labeled Table E in original contract provisions)

(d) **Off-Aqueduct Power Facilities.** Notwithstanding the provisions of subdivisions (a) through (c) of this Article or of Article 1(h), the costs of off-aqueduct power facilities shall be determined and allocated as follows:

(1) The off-aqueduct power costs shall include all annual costs the State incurs for any off-aqueduct power facility, which shall include, but not be limited to, power purchases, annual Financing Costs, and associated operation and maintenance costs of such facility, less any credits, interest earnings, or other monies received by the State in connection with such facility or Revenue Bonds issued to finance the Capital Costs of such facility. In the event the State finances all or any part of an off-aqueduct power facility directly from funds other than bonds or borrowed funds, in lieu of such annual principal and interest payments, the repayment of Capital Costs as to that part financed by such other funds shall be determined on the basis of the schedule that would have been required under Article 24.

(2) The annual costs of off-aqueduct power facilities as computed in (1) above shall initially be allocated among Contractors in amounts which bear the same proportions to the total amount of such power costs that the total estimated electrical energy (kilowatt hours) required to pump through Project Transportation Facilities the desired delivery of Annual Table A Amounts for that year, as submitted pursuant to Article 12(a)(1) and as may be modified by the State pursuant to Article 12(a)(2), bears to the total estimated electrical energy

(kilowatt hours) required to pump all such amounts for all Contractors through Project Transportation Facilities for that year, all as determined by the State.

(3) An interim adjustment in the allocation of the power costs calculated in accordance with (2) above, may be made in May of each year based on April revisions in approved schedules of deliveries of project and nonproject water for Contractors for such year. A further adjustment shall be made in the following year based on actual deliveries of project and nonproject water for Contractors; *provided, however*, that in the event no deliveries are made through a pumping plant, the adjustments shall not be made for that year at that plant.

(4) To the extent the monies received or to be received by the State from all Contractors for off-aqueduct power costs in any year are determined by the State to be less than the amount required to pay the off-aqueduct power costs in such year, the State may allocate and charge that amount of off-aqueduct power costs to the Agency and other Contractors in the same manner as costs under the capital component of the Transportation Charge are allocated and charged. After that amount has been so allocated, charged and collected, the State shall provide a reallocation of the amounts allocated pursuant to this paragraph (4), such reallocation to be based on the allocations made pursuant to (2) and (3) above for that year, or in the event no such allocation was made for that year, on the last previous allocation made pursuant to (2) and (3) above. Any such reallocation of costs incurred prior to the Billing Transition Date shall include appropriate interest thereon at the Project Interest Rate.

(e) The total minimum operation, maintenance, power and replacement component due that year from each Contractor shall be the sum of the allocations made under the proportionate use of facilities method provided in subdivision (b) of this article and the allocations made pursuant to subdivision (d) of this article for each Contractor.

26. TRANSPORTATION CHARGE -- VARIABLE OPERATION, MAINTENANCE AND POWER COMPONENT.

The provisions of this article shall apply to costs Incurred both prior to and on or after the Billing Transition Date.

(a) **Purpose.** The variable operation, maintenance, and power component of the Transportation Charge shall return to the State those costs of the Project Transportation Facilities necessary to deliver water to the Contractor which constitute operation, maintenance, power and replacement costs Incurred in an amount which is dependent upon and varies with the amount of Project Water delivered to the Contractor and which are allocated to the Contractor pursuant to (1) and (2) below; *provided* that to the extent permitted by law, the State may establish reserve funds to meet anticipated variable replacement costs; and deposits in such reserve funds by the State: (1) shall be made in such amounts that such reserve funds will be adequate to meet such anticipated costs as they are incurred, and (2) shall be deemed to be a part of the variable replacement costs for the year in which such deposits are made.

(b) **Determination.** The amount of this variable operation, maintenance, and power component shall be determined as follows:

(1) *Determination of Charge Per Acre-Foot.* There shall be computed for each calendar year for each aqueduct reach of the Project Transportation Facilities a charge per acre-foot of water which will return to the State the total projected variable operation, maintenance and power costs of the reach for such calendar year. This computation shall be made by dividing such total by the number of acre-feet of Project Water estimated to be delivered from or through the reach to all Contractors during the year.

(2) *Determination of Charge Per Reach to the Contractor.* The amount of the variable component shall be the product of the sum of the charges per acre-foot of water, determined under (1) above, for each aqueduct reach necessary to deliver water to the Contractor, and the number of acre-feet of Project Water delivered to the Contractor during the year through such reach; *provided* that when Project Water has been requested by a Contractor and delivery thereof has been commenced by the State, and, through no fault of the State, such water is wasted as a result of failure or refusal by the Contractor to accept delivery thereof, the amount of such variable component to be paid by such Contractor during such period shall be the product of the above sum and the sum of the number of acre-feet of Project Water delivered to the Contractor and the number of acre-feet wasted.

(c) **Credit Relating to Project Aqueduct Power Recovery Plants.** There shall be credited against the amount of the variable operation, maintenance, and power component to be paid by each Contractor, as determined pursuant to subdivision (a) of this article, a portion of the projected net value of any power recovered during the

respective year at project aqueduct power recovery plants located upstream on the particular aqueduct reach from the delivery structures for delivery of Project Water to the Contractor. Such portion shall be in an amount which bears the same proportion to such projected net value that the number of acre-feet of Project Water delivered to the Contractor through such plants during the year bears to the number of acre-feet of Project Water delivered to all Contractors through such plants during the year.

(d) **Determination of Total Variable Component Charge.** The amount to be paid each year by the Agency under the variable operation, maintenance, and power component of the Transportation Charge shall be determined in accordance with subdivision (a) of this article for the respective aqueduct reaches in Table L included in Article 24. Such amounts and any appropriate interest thereon for costs incurred prior to the Billing Transition Date shall be set forth by the State in Table N as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of Project Water to the Agency, pursuant to Article 17(a); *provided* that the amounts set forth in Table N shall be subject to redetermination by the State in accordance with Article 28.

**TABLE N
TRANSPORTATION CHARGE -- ESTIMATED VARIABLE OPERATION,
MAINTENANCE, AND POWER COMPONENT
COUNTY OF KINGS**

Year	Total Annual Payment by Agency*
1**	
2	
3	
4	

* Payments start with year of initial water delivery.

** Year in which the State commences construction of the Project Conservation Facilities.
(This table was labeled Table F in original contract provisions)

27. TRANSPORTATION CHARGE -- REPAYMENT SCHEDULE.

The amounts to be paid by the Agency for each year under the Capital Cost and minimum operation, maintenance, power, and replacement components of the Transportation Charge, and under the variable operation, maintenance, and power component of such charge on the basis of then estimated deliveries, shall be set forth by the State in Table O as soon as designs and cost estimates have been prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of Project Water to the Agency, pursuant to Article 17(a), which Table O shall constitute a summation of Tables I, K, M, and N; *provided* that each of the amounts set forth in Table O shall be subject to redetermination by the State in accordance with Article 28; *provided further* that the principles and procedures set forth in Articles 24, 25, and 26 shall be controlling as to such amounts. Such amounts shall be paid by the Agency in accordance with the provisions of Article 29.

**TABLE O
REPAYMENT SCHEDULE--TRANSPORTATION CHARGE
COUNTY OF KINGS**

Year	Capital Cost Component	Minimum Component	Variable Component	Total
1*				
2**				
3				
4				

* Year in which State commences construction of Project Transportation Facilities.

** Year of first payment.

(This table was labeled Table G in original contract provisions)

**28. DELTA WATER CHARGE AND TRANSPORTATION CHARGE --
REDETERMINATION.**

(a) **Redetermination of Transportation Charges for Costs Incurred Prior to the Billing Transition Date.** The provisions of this subdivision (a) shall apply only to costs Incurred prior to the Billing Transition Date.

(1) *Determinative Factors Subject to Retroactive Change.* The State shall redetermine the values and amounts set forth in Tables H through O (referred to in the original contract provisions as Tables B through G) of this contract in the year following the year in which the State commences construction of the Project Transportation Facilities and each year thereafter during the Project Repayment Period in order that the Transportation Charge to the Agency and the components thereof may accurately reflect the increases or decreases from year to year in projected costs, outstanding reimbursable indebtedness of the State Incurred prior to the Billing Transition Date to construct the Project Transportation Facilities described in Table G of this contract, Annual Table A Amounts, estimated deliveries, Project Interest Rate, and all other factors which are determinative of such charges. In addition, each such redetermination shall include an adjustment of the components of the Transportation Charge to be paid by the Agency for succeeding years which shall account for the differences, if any, between those factors used by the State in determining the amounts of such components for all preceding years and the factors as then currently known by the State. Such adjustment shall be computed by the State and paid by the Agency or credited to the Agency's account in the manner described in (b) and (c) below.

(2) *Adjustment: Transportation Charge -- Capital Component For Costs Incurred Prior to the Billing Transition Date.* Adjustments for prior underpayments or overpayments of the capital component of the Transportation Charge to the Agency for costs Incurred prior to the Billing Transition Date, together with accrued interest charges or credits thereon computed at the then current Project Interest Rate on the amount of the underpayment or overpayment and compounded annually for the number of years from the year the underpayment or overpayment occurred to and including the year following the redetermination, shall be paid in the year following the redetermination; *provided* that the Agency may elect to exercise the option whereby when the redetermined Transportation Charge for the following year, with adjustments, including adjustments of the operation, maintenance, power, and replacement components provided for in subdivision (a)(3) of this article, is more or less than the last estimate of the charge provided pursuant to Article 27 for the corresponding year, without adjustments, an amount equal to the total of such difference shall be deducted

from or added to the adjusted capital component for that year and paid or credited in accordance with the following schedule:

Percent that Transportation Charge for costs Incurred prior to the Billing Transition Date differs from last estimate (+ or -)	Period, in years, for amortizing the difference in indicated charge
for 10% or less	no amortization
more than 10%, but not more than 20%	2
more than 20%, but not more than 30%	3
more than 30%, but not more than 40%	4
more than 40%	5

Such payments or credits shall be equal semi-annual amounts of principal and interest on or before the 1st day of January and the 1st day of July, with interest computed at the Project Interest Rate and compounded annually, during varying amortization periods as set forth in the preceding schedule; *provided* that for the purpose of determining the above differences in the Transportation Charge for costs Incurred prior to the Billing Transition Date, the variable operation, maintenance, and power component shall be computed on the basis of the same estimated Project Water deliveries as was assumed in computing pursuant to Article 26(c).

(3) *Adjustment: Transportation Charge -- Minimum and Variable Components for costs Incurred prior to the Billing Transition Date.* One-twelfth of the adjustments for prior underpayments or overpayments of the Agency's minimum and variable operation, power, and replacement components for each year shall be added or credited to the corresponding components to be paid in the corresponding month of the year following the redetermination, together with accrued interest charges or credits thereon computed at the then current Project Interest Rate on the amount of the underpayment or overpayment and compounded annually for the number of years from the year the underpayment or overpayment occurred to and including the year following the redetermination.

(4) *Exercise of Option.* The option provided for in subdivision (a)(2) of this article shall be exercised in writing on or before the January 1 due date of the first payment of the capital component of the Transportation Charge for the year in which the option is to become effective. Such option, once having been exercised, shall be applicable for all of the remaining years of the Project Repayment Period.

(5) *Project Interest Rate Adjustments.* Notwithstanding the provisions of subdivision (a)(2) of this article, adjustments for prior overpayments and underpayments shall be repaid beginning in the year following the redetermination by application of a unit rate per acre-foot which, when paid for

the projected portion of the Agency's Annual Table A Amount will return to the State, during the Project Repayment Period, together with interest thereon computed at the Project Interest Rate and compounded annually, the full amount of the adjustments resulting from financing after January 1, 1987, from all bonds, advances, or loans listed in Article 1(ad) except for Article 1(ad)(3) and except for bonds issued by the State under the Central Valley Project Act after January 1, 1987 for facilities not listed among the Water System Facilities in Article 1(ap). Notwithstanding the immediately preceding exception, such amortization shall also apply to any adjustments in this component charge resulting from a change in the Project Interest Rate due to any refunding after January 1, 1986 on bonds issued under the Central Valley Project Act. However, amortization of adjustments resulting from items listed in subdivisions (1)(ad)(4) through (7) of Article 1 shall be limited to a period which would allow the Department to repay the debt service on a current basis until such time as bonds are issued to reimburse the source of such funding. In no event shall this amortization period be greater than the Project Repayment Period.

(6) *No Adjustment of Water System Facility Revenue Bond Financing Costs.* The use of Water System Facility Revenue Bonds for financing facilities listed in Article 1(ap) shall not result in adjustments for prior underpayments or overpayments of the capital component of the Transportation Charge to the Agency under the provisions of this article. In place of making such adjustments, charges to the Agency for Water System Facility Revenue Bond Financing Costs will be governed by Article 50(a).

(b) **Redetermination of Delta Water Charges and Transportation Charges for Costs Incurred On or After the Billing Transition Date.** The provisions of this subdivision (b) shall apply only to costs Incurred on or after the Billing Transition Date.

(1) *Determinative Factors Subject to Retroactive Change.* The State shall redetermine the values and amounts set forth in Tables B through F and Tables J through O of this contract each calendar year commencing on or after the Billing Transition Date in order that the Delta Water Charge and the Transportation Charge to the Agency for costs Incurred on or after the Billing Transition Date and the components thereof may accurately reflect the increases or decreases from year to year in projected costs, outstanding reimbursable indebtedness of the State Incurred to construct Project Conservation Facilities and Project Transportation Facilities, Annual Table A Amounts, estimated deliveries, and all other factors which are determinative of such charges. In addition, each such redetermination shall include an adjustment of the components of the Delta Water Charge and Transportation Charge to be paid by the Agency for succeeding years which shall account for the differences, if any, between those factors used by the State in determining the amounts of such components for all preceding years and the factors as then currently known by the State, as applicable. Such adjustment shall be computed by the State and paid by the Agency or credited to the Agency's account in the manner described in

subdivisions (b)(2) and (b)(3) of this article.

(2) Adjustment: Delta Water Charge and Transportation Charge -- Capital Components for Costs Incurred On or After the Billing Transition Date.

Adjustments for prior underpayments or overpayments of the capital component of the Delta Water Charge and the Transportation Charge to the Agency for costs Incurred on or after the Billing Transition Date shall be paid in the year following the redetermination.

(3) Adjustment: Delta Water Charge and Transportation Charge -- Minimum and Variable Components for Costs Incurred On or After the Billing Transition Date

One-twelfth of the adjustments for prior underpayments or overpayments of the Agency's minimum operation, maintenance, power, and replacement component and variable operation, maintenance and power component of the Delta Water Charge and Transportation Charge for each year shall be added or credited to the corresponding components to be paid in the corresponding month of the year following the redetermination.

29. TIME AND METHOD OF PAYMENT OF DELTA WATER CHARGE AND TRANSPORTATION CHARGE.

The provisions of this article shall apply to costs Incurred both prior to and on or after the Billing Transition Date. References to the Delta Water Charge shall include the Delta Water Charge for costs Incurred prior to the Billing Transition Date and the Delta Water Charge for costs Incurred on or after the Billing Transition Date, separately, as applicable, and references to the Transportation Charge shall include the Transportation Charge for costs Incurred prior to the Billing Transition Date and the Transportation Charge for costs Incurred on or after the Billing Transition Date, separately, as applicable.

(a) Initial Payments.

(1) *Delta Water Charge.* Payments by the Agency under the Delta Water Charge shall commence in the Year of Initial Water Delivery to the Agency.

(2) *Capital Component of the Transportation Charge.* Payments by the Agency under the capital component of the Transportation Charge shall commence in the year following the year in which the State commences construction of the Project Transportation Facilities.

(3) *Minimum Operation, Maintenance, Power, and Replacement Component.* Payments by the Agency under the minimum operation, maintenance, power, and replacement component of the Transportation Charge shall commence for each aqueduct reach in the year following the year in which construction of that reach is completed.

(4) *Variable Operation, Maintenance, Power, and Replacement Component.* Payments by the Agency under the variable operation, maintenance, power and replacement component of the Transportation Charge shall commence in the Year of Initial Water Delivery to the Agency.

(b) **Annual Statement of Charges.** The State shall, on or before July 1 of each year, commencing with the year preceding the year in which payment of the respective charge is to commence pursuant to this article, furnish the Agency with a written statement of the following items:

(1) the charges to the Agency for the next succeeding year under the capital components and minimum operation, maintenance, power, and replacement components of the Delta Water Charges and Transportation Charges; *provided* that charges for Financing Costs shall be stated as separate items in the Statement of Charges;

(2) the unit charges to the Agency for the next succeeding year under the variable operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge; and

(3) the total charges to the Agency for the preceding year under the variable operation, maintenance, power and replacement components of such Delta Water Charge and Transportation Charge; *provided* that through December 31, 1969, the Delta Water Charge shall be based upon a unit rate of \$3.50 per acre-foot and shall be paid by the Contractors on the basis of their respective Annual Table A Amounts, as provided in Article 22(b).

All such statements shall be accompanied by the latest revised copies of the documents amendatory to Article 22 and of the tables included in Articles 24 through 27, together with such other data and computations used by the State in determining the amounts of the above charges as the State deems appropriate.

(c) **Monthly Statements.** The State shall, on or before the fifteenth day of each month of each year, commencing with the Year of Initial Water Delivery to the Agency, furnish the Agency with a statement of the charges to the Agency for the preceding month under the variable operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge. Such charges shall be determined by the State in accordance with the relevant provisions of Articles 22 and 26 of this contract, upon the basis of metered deliveries of Project Water to the Agency, except as otherwise provided in those articles.

(d) **Semiannual Payments of Capital Components.** The Agency shall pay to the State, on or before January 1 of each year, one-half (1/2) of the charge to the Agency for the year under the capital component of the Delta Water Charge and one-half (1/2) of the charge to the Agency for the year under the capital component of the Transportation Charge, as such charges are stated pursuant to subdivision (b) of this article; and shall pay the remaining one-half (1/2) of each of such charges on or before July 1 of that year.

(e) **Monthly Payments of Minimum Operation, Maintenance, Power, and Replacement Component.** The Agency shall pay to the State, on or before the first day of each month of each year, one-twelfth (1/12) of the sum of the charges to the Agency for the year under the minimum operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge, respectively, as such charges are stated pursuant to subdivision (b) of this article.

(f) **Monthly Payments of Variable Operation, Maintenance, Power, and Replacement Component.** The Agency shall pay to the State on or before the fifteenth day of each month of each year, the charges to the Agency under the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge, respectively, for which a statement was received by the Agency during the preceding month pursuant to subdivision (c) of this article, as

such charges are stated in such statement.

(g) **Contest of Charges.** In the event that the Agency in good faith contests the accuracy of any statement submitted to it pursuant to subdivision (b) or (c) of this article, it shall give the State notice thereof at least ten (10) days prior to the day upon which payment of the stated amounts is due. To the extent that the State finds the Agency's contentions regarding the statement to be correct, it shall revise the statement accordingly, and the Agency shall make payment of the revised amounts on or before the due date. To the extent that the State does not find the Agency's contentions to be correct, or where time is not available for a review of such contentions prior to the due date, the Agency shall make payment of the stated amounts on or before the due date, but may make the contested part of such payment under protest and seek to recover the amount thereof from the State.

50. WATER SYSTEM FACILITY REVENUE BOND FINANCING COSTS.

(a) **Water System Facility Revenue Bonds to Finance Capital Costs Incurred Prior to the Billing Transition Date.** The provisions of this subdivision (a) shall apply to the Financing Costs of Revenue Bonds issued to finance Water System Facility Capital Costs Incurred prior to the Billing Transition Date. Charges to all Contractors for such Financing Costs shall return to the State each year an amount equal to the Financing Costs the State incurs in that year for such Water System Facility Revenue Bonds.

(1) *Elements of Charge.* Annual charges to recover such Water System Facility Revenue Bond Financing Costs shall consist of two elements.

(A) The first element shall be an annual charge to the Agency for repayment of Capital Costs of Water System Facilities as determined under Articles 22(a) and 24(a) of this contract with interest at the Project Interest Rate. For conservation facilities, the charge shall be a part of the capital component of the Delta Water Charge in accordance with the provisions of Article 22(a) applicable to Capital Costs Incurred prior to the Billing Transition Date. For transportation facilities, the charge shall be a part of the capital component of the Transportation Charge in accordance with the provisions of Article 24(a) applicable to Capital Costs Incurred prior to the Billing Transition Date.

(B) The second element shall be the Agency's share of a Water System Facility Revenue Bond Surcharge to be paid in lieu of a Project Interest Rate adjustment. The total annual amount to be paid by all Contractors under this element shall be the difference between the total annual charges under the first element and the annual Financing Costs of the related Water System Facility Revenue Bonds. The amount to be paid by each Contractor shall be calculated annually as if the Project Interest Rate were increased to the extent necessary to produce revenues from all Contractors sufficient to pay such difference for that year. In making that calculation, adjustments in the Agency's transportation capital component charges for prior overpayments and underpayments shall be determined as if amortized over the remaining years of the Project Repayment Period.

(2) *Identification of Surcharge on Invoices.* The Water System Facility Revenue Bond Surcharge will be identified in the Agency's invoice.

(3) *Timing of Surcharge Payments.* Surcharge payments shall be made in accordance with Article 29(f) of this contract.

(4) *Termination of Surcharge.* The Water System Facility Revenue Bond Surcharge under Article 50(a)(1)(B) shall cease for each series of Water System Facility Revenue Bonds when that series is fully repaid. However, the

annual charge determined pursuant to Article 50(a)(1)(A) shall continue to be collected for the time periods otherwise required under Articles 22 and 24.

(5) *Reduction of Charges.* After the Department has repaid the California Water Fund in full and after each series of Water System Facility Revenue Bonds is repaid, the Department will reduce the charges to all Contractors in an equitable manner in a total amount that equals the amount of the charges under Article 50(a)(1)(A) that the Department determines is not needed for future financing of facilities of the System which, in whole or in part, will serve the purposes of the water supply contract with the Agency.

(b) **Water System Facility Revenue Bonds to Finance Capital Costs Incurred On or After the Billing Transition Date.** The provisions of this subdivision (b) shall apply to the Financing Costs of Revenue Bonds issued to finance Water System Facility Capital Costs Incurred on or after the Billing Transition Date. Charges to all Contractors for such Financing Costs shall return to the State each year an amount equal to the Financing Costs the State incurs in that year for such Water System Facility Revenue Bonds. The amount of this charge shall be calculated in two steps as follows:

(1) *Allocation of Water System Facility Capital Costs.* Capital Costs Incurred on or after the Billing Transition Date of Water System Facilities that are conservation facilities shall be allocated among all Contractors in proportion to each Contractor's Maximum Annual Table A Amount. Capital Costs Incurred on or after the Billing Transition Date of Water System Facilities that are transportation facilities shall be allocated among all Contractors in accordance with Article 24(c).

(2) *Determination of Annual Financing Cost Amounts.* The State shall determine and charge the Agency each year the amount of the Financing Costs the State incurs in that year for the Water System Facility Revenue Bonds issued to finance such Water System Facility Capital Costs allocated to the Agency.

(c) **Provisions Applicable to All Water System Facility Revenue Bonds.** The provisions of this article shall apply to all Water System Facility Revenue Bonds.

(1) *Credits for Excess Amounts.* The State shall provide credits to the Contractors for excess reserve funds, excess debt service coverage, interest, and other earnings of the State in connection with payment of the Financing Costs of such Water System Facility Revenue Bonds, when and as permitted by the applicable bond resolution or indenture. When such credits are determined by the State to be available, such credits shall be promptly provided to the Contractors and shall be in proportion to the payments of Water System Facility Revenue Bond Financing Costs from each Contractor. Reserves, bond debt service coverage, interest, and other earnings may be used to retire bonds.

(2) *Allocation of Maturities Permitted.* When calculating charges for Water System Facility Revenue Bond Financing Costs, the State may allocate portions of particular maturities of Water System Facility Revenue Bonds and the Financing Costs associated with such maturities to particular Water System Facilities, in order to establish a reasonable relationship between the Economic Useful Life of such facilities and the term of bonds issued to finance such facilities, and may determine the Financing Costs allocated to the Agency on the basis of such maturity allocation.

(3) *Supplemental Bills for Unanticipated Financing Costs.* The State may submit a supplemental bill to the Agency for the year if necessary to meet unanticipated costs for Water System Facility Revenue Bond Financing Costs for which the State can issue a statement of charges under this article and any other article of this contract providing for payments that are pledged to the payment of Revenue Bonds issued to finance Project Facility Capital Costs allocated to the Agency. The relative amounts of any supplemental billing made to the Agency and to other Contractors for Revenue Bond purposes shall be governed by the otherwise applicable article. Payment of any supplemental billing shall be due thirty days after the date of the invoice.

(4) *Insurance on Contractor Obligations.* To the extent economically feasible and justifiable, as determined by the State after consultation with Contractors, the State shall maintain insurance or other forms of security protecting bondholders and non-defaulting Contractors against costs resulting from the failure of any Contractor to make the payments required by this article.

(5) *Consultation on Financing Plan.* Before issuing each series of Water System Facility Revenue Bonds, the State shall consult with the Contractors, prepare a plan for the State's future financing of Water System Facilities, and give the Agency an opportunity to comment on the plan. The plan shall include but not be limited to the size of any Water System Facility Revenue Bond issuances and the form of any necessary resolutions, indentures or supplements.

(6) *Defaults.*

(A) If a Contractor defaults partially or entirely on its payment obligations with respect to Water System Facility Revenue Bond Financing Costs and sufficient insurance or other security protecting the non-defaulting Contractors is not provided under subdivision (c)(4) of this article, the State shall allocate a portion of the default to each non-defaulting Contractor. The Agency's share of the default shall be equal to an amount determined by multiplying the total default amount to be charged to all non-defaulting Contractors by the ratio that the Agency's Maximum Annual Table A Amount bears to the total of the Maximum Annual Table A Amounts of all non-defaulting Contractors. However, such amount shall not exceed in any year 25 percent of the Water System

Facility Revenue Bond Financing Costs that are otherwise payable by the Agency in that year. The amount of default to be charged to non-defaulting Contractors shall be reduced by any receipts from insurance protecting non-defaulting Contractors and bond debt service coverage from a prior year and available for such purpose.

(B) If a Contractor defaults partially or entirely on its payment obligations under this article, the State shall also pursuant to Article 20, upon six months' notice to the defaulting Contractor, suspend water deliveries under Article 20 to the defaulting Contractor so long as the default continues. The suspension of water deliveries shall be proportional to the ratio of the default to the total Water System Facility Revenue Bond Financing Cost payments due from the defaulting Contractor. However, the State may reduce, eliminate, or not commence suspension of deliveries pursuant to this subparagraph if it determines suspension in the amounts otherwise required is likely to impair the defaulting Contractor's ability to avoid further defaults or that there would be insufficient water for human consumption, sanitation, and fire protection. The State may distribute the suspended water to the non-defaulting Contractors on terms it determines to be equitable.

(C) During the period of default, credits otherwise due the defaulting Contractor shall be applied to payments due from the defaulting Contractor.

(D) Except as otherwise provided in subparagraph (c) of this article, the defaulting Contractor shall repay the entire amount of the default to the State with interest compounded annually at the Surplus Money Investment Fund rate before water deliveries that had been suspended shall be fully resumed to that Contractor. If the defaulting Contractor makes a partial repayment of its default, the Department may provide a proportional restoration of suspended deliveries. The amount of the default to be repaid shall include any amounts previously received by the State from insurance proceeds, bond debt service coverage, or other reserves, and payments from other Contractors pursuant to this subparagraph (c)(6). The defaulting Contractor shall not be entitled to any

make-up water deliveries as compensation for any water deliveries suspended during the period when the Contractor was in default.

(E) At such time as the default amount is repaid by the defaulting Contractor, the non-defaulting Contractors shall receive credits in proportion to their contributions towards the amount of the default with interest collected by the State on the defaulted amount.

(F) In the event there is an increase in the amount a non-defaulting Contractor contributes to reserves and/or bond debt service coverage, such increase shall be handled in the same manner as provided in subparagraph (a) of this article.

(G) Action taken pursuant to this subdivision shall not deprive the State of or limit any remedy provided by this contract or by law for the recovery of money due or which may become due under this contract.

(7) *No Article 51 Reduction.* Amounts of Water System Facility Revenue Bond Financing Costs payable under this contract shall not be affected by any reductions in payments pursuant to Article 51.

(8) *Contract Extension.* In the event the Contract Extension Amendment takes effect, but not all Contractors sign the amendment, the following shall apply: If and to the extent that the charges under Article 50(b)(1) and 50(b)(2) of the water supply contracts of Contractors that have not executed the Contract Extension Amendment (“non-signing Contractors”) are not sufficient to recover the annual Financing Costs that relate to Revenue Bonds issued to finance capital costs that are Incurred after the Billing Transition Date and are allocable to such non-signing Contractors, the amount of the shortfall shall be determined. Such shortfall shall be charged to the Contractors that have executed the Contract Extension Amendment (“signing Contractors”) in proportion to each such signing Contractor’s total Water System Facility Revenue Bond Financing Cost charges under Article 50(b) of this contract.

51. FINANCIAL ADJUSTMENTS.

(a) Article Expiration.

This Article 51 shall be effective through December 31, 2035 and shall be of no further effect on and after January 1, 2036; provided, however, that the provisions of this Article 51 may, to the extent applicable, continue to be used and applied on and after January 1, 2036 for the purpose of truing up amounts owed by the Agency to the State or by the State to the Agency for the calendar years up to and ending with calendar year 2035.

(b) State Water Facilities Capital Account.

(1) The State shall establish a State Water Facilities Capital Account to be funded from revenues available under Water Code section 12937(b)(4). Through procedures described in this article and as limited by this article, the State may consider as a revenue need under subdivision (c)(2)(v) of this article and may deposit in the State Water Facilities Capital Account the amounts necessary to pay capital costs of the State Water Facilities for which neither general obligation bond nor revenue bond proceeds are available, including but not limited to planning, reconnaissance and feasibility studies, the San Joaquin Valley Drainage Program and, through the year 2000, the CALFED Bay-Delta Program.

(2) The Director of the Department of Water Resources shall fully consult with the Contractors and consider any advice given prior to depositing funds into this account for any purposes. Deposits into this account shall not exceed the amounts specified in subdivision (c)(2)(v) of this article.

(3) The State shall use revenue bonds or other sources of moneys rather than this account to finance the costs of construction of any major capital projects.

(4) Five years following the Contract Extension Amendment Effective Date, the SWRDS Finance Committee shall review the State Water Facilities Capital Account to determine whether to recommend to the Director that this account be closed. If the Director determines to close the account, the State shall transfer any balance in the account to the SWRDS Support Account.

(5) Unless closed sooner, the State Water Facilities Capital Account shall terminate on December 31, 2035 and the State shall transfer any balance in such account to the SWRDS Support Account.

(c) Calculation of Financial Needs.

(1) Each year the State shall calculate in accordance with the timing provisions of Articles 29 and 31 the amounts that would have been charged (but for this article) to each Contractor as provided in other provisions of this contract.

(2) Each year the State shall also establish its revenue needs for the following year for the following purposes, subject to the following limitations:

(i) The amount required to be collected under the provisions of this contract, other than this article, with respect to all revenue bonds issued by the State for Project Facilities.

(ii) The amount required for payment of the reasonable costs of the annual maintenance and operation of the State Water Resources Development System and the replacement of any parts thereof as described in Water Code section 12937(b)(1). These costs shall not include operation and maintenance costs of any Federal Central Valley Project facilities constructed by the United States and acquired by the State of California after 1994, other than the State's share of the joint use facilities which include San Luis Reservoir, the San Luis Canal and related facilities.

(iii) The amount required for payment of the principal of and interest on the bonds issued pursuant to the Burns-Porter Act as described in Water Code section 12937(b)(2).

(iv) Any amount required for transfer to the California Water Fund in reimbursement as described in Water Code section 12937(b)(3) for funds utilized from said fund for construction of the State Water Resources Development System.

(v) For the years 1998 and thereafter, the amount needed for deposits into the State Water Facilities Capital Account as provided in subdivision (b) of this article, but (A) not more than \$6 million per year for the years 1998, 1999 and 2000, and (B) not more than \$4.5 million per year for the years 2001 and thereafter.

(3) The State shall reduce the annual charges in the aggregate for all Contractors by the amounts by which the hypothetical charges calculated pursuant to subdivision (c)(1) above exceed the revenue needs determined pursuant to subdivision (c)(2) above; provided that the reduction in annual charges in the aggregate for all Contractors shall not exceed \$48 million in any year beginning with the first calendar year following the Contract Extension Amendment Effective Date. The provisions regarding the reduction in annual charges that were in effect prior to the Contract Extension Amendment Effective Date shall continue to apply to the entire calendar year in which the Contract Extension Amendment Effective Date

occurs. The reductions under this article shall be apportioned among the Contractors as provided in subdivisions (d), (e), (f) and (g) of this article. Reductions to Contractors shall be used to reduce the payments due from the Contractors on each January 1 and July 1; provided, however, that to the extent required pursuant to subdivision (h) of this article, each Agricultural Contractor shall pay to the Agricultural Rate Management Trust Fund an amount equal to the reduction allocated to such Agricultural Contractor. Any default in payment to the trust fund shall be subject to the same remedies as any default in payment to the State under this contract. To determine whether the reduction in annual charges in the aggregate for all Contractors equals the \$48 million limit specified in this subdivision (c)(3), it shall be assumed that all Contractors have executed the Contract Extension Amendment and will share in the available rate reductions consistent with the proportions as provided in this contract, regardless of whether one or more Contractors do not receive a reduction under their respective Water Supply Contracts.

(4) The supplemental billing provisions authorized under this Article 51(c)(4) shall remain in effect through December 31, 2035, unless the Director determines in his or her discretion to eliminate the use of supplemental billing prior to that date or the Director in his or her discretion accepts a recommendation from the SWRDS Finance Committee to eliminate the use of supplemental billing prior to that date.

(i) The State shall inform the SWRDS Finance Committee if the available System cash balances are projected by the State to fall during the succeeding one hundred twenty (120) days to an amount below an amount equal to ninety (90) days operating expenditures. The SWRDS Finance Committee shall make a recommendation in light of such circumstances to the Director.

(ii) The State may submit a supplemental billing to the Agency for the year in an amount not to exceed the amount of the prior reductions for such year under this Article if necessary to meet unanticipated costs for purposes identified in Water Code Section 12937(b)(1) and (2) for which the State can issue billings under other provisions of this contract, subject to the following procedures and limitations:

(a) The State may only issue supplemental bills pursuant to the provisions of this Article 51(c)(4) when available System cash

balances are projected to be less than the amount equal to 90 days operating expenditures.

(b) The term “available System cash balances,” for purposes of subdivision (a) of this Article 51(c)(4)(ii) shall mean available amounts in the following California Water Resources Development Bond Fund accounts: System Revenue Account (to the extent the funds in the System Revenue Account are not projected to be needed for payment of Burns-Porter General Obligation Bond debt service within the next two years), General Operating Account, SWRDS Reinvestment Account, and SWRDS Support Account (to the extent the funds in the SWRDS Support Account are not projected to be needed for non-reimbursable expenditures within the next two years).

(c) The term “operating expenditures” for purposes of subdivision (a) of this Article 51(c)(4)(ii) shall mean the costs described in California Water Code Section 12937(b) chargeable to the State Water Project as water supply.

(d) Any supplemental billing made to the Agency for these purposes shall be in the same proportion to the total supplemental billings to all Contractors for these purposes as the prior reduction in charges to the Agency in that year bears to the total reduction in charges to all Contractors in that year and shall be treated as reducing the amount of the reduction made available for that year to the Contractor by the amount of the supplemental bill to the Contractor.

(5) The State may also submit a supplemental billing to the Agency for the year if necessary to meet unanticipated costs for revenue bond debt service and coverage for which the State can issue a statement of charges under provisions of this contract other than this article. The relative amounts of any supplemental billing made to the Agency and to other Contractors for revenue bond purposes shall be governed by such other applicable provisions of this contract.

(6) Payment of any supplemental billing shall be due thirty days after the date of the invoice. Delinquency and interest on delinquent amounts due shall be governed by Article 32.

(d) Apportionment of Reductions between Agricultural and Urban Contractors.

(1) Commencing with the first calendar year following the Contract Extension Amendment Effective Date, the State shall apportion available reductions for each year in accordance with this Article.

(2) Annual reductions in the aggregate amount of \$48 million are projected to be available in the first calendar year following the Contract Extension Amendment Effective Date and each succeeding year through calendar year 2035 and shall be applied as follows:

(i) If reductions are available in an aggregate amount that equals \$48 million, \$11,856,000 of reductions shall be apportioned among the Agricultural Contractors, and \$36,144,000 of reductions shall be apportioned among the Urban Contractors.

(ii) If reductions are available in an aggregate amount less than \$48 million in any of these years, the reductions shall be divided on a 24.7%-75.3% basis between the Agricultural Contractors and the Urban Contractors respectively.

(3) No Contractor shall be entitled to receive in any year any additional reductions, including any additional reductions to make up for deficiencies in past projected reductions and any additional reductions above an aggregate annual amount of \$48 million.

(4) Reductions in annual charges to a Contractor pursuant to this Article 51 (d) shall only be made prospectively beginning with the later of the first calendar year following the Contract Extension Amendment Effective Date or the first calendar year following the date the Contractor executes the Contract Extension Amendment. Apportionments of reductions shall be calculated on the assumption that all Contractors have executed such amendment.

(e) Revenues and Reports.

(1) Each year, beginning with the first calendar year commencing after the Contract Extension Amendment Effective Date, the Director shall determine the amount of available Article 51(e) Amounts. The Director shall determine the aggregate amount that would have been charged to all Contractors in any year but for this Article 51 and from that amount shall deduct the sum of

(i) the amount of revenues needed for the purposes specified in subdivisions (c)(2)(i), (ii), (iii), (iv) and (v) plus

(ii) \$48 million.

The remaining amount, if any, shall be referred to herein as “Article 51(e) Amounts”.

(2) The State shall allocate available Article 51(e) Amounts as follows: The Director in his or her discretion shall allocate and transfer or deposit up to 80% of available Article 51(e) Amounts, as determined on a projected basis, and up to 100% of available Article 51(e) Amounts, as determined on an actual basis, into the General Operating Account, the SWRDS Support Account and/or the SWRDS Reinvestment Account. Any Article 51(e) Amounts determined on an actual basis to be remaining in the Systems Revenue Account after the Director allocates and transfers such amounts to the General Operating Account, the SWRDS Support Account and/or the SWRDS Reinvestment Account shall remain in the Systems Revenue Account and shall be tracked separately in the State’s Financial Information System. The Director shall have full discretion regarding the use of the amounts remaining in the Systems Revenue Account.

(3) The State shall prepare and distribute an Annual Rate Reduction Determination Report setting out the factors used to determine reductions in rates pursuant to Article 51(c). The report shall include a display of the distribution of gross annual revenues before, among other items, recreation and fish and wildlife expenditures, contributions to the State Water Facilities Capital Account and reduction in rates pursuant to Article 51(c). The report shall also include a display of the distribution and/or allocation of net annual revenues after reduction in rates pursuant to Article 51(c), to the General Operating Account, SWRDS Support Account, SWRDS Reinvestment Account, 51(e) Sub-Account of the Systems Revenue Account, Davis-Dolwig Fund, State Water Facilities Capital Account, and Suspended Costs, as applicable.

(4) The System Financial Activity Report, which is required to be prepared quarterly pursuant to Article 61(d), shall include annual and accumulated Article 51(e) Amounts and expenditure activity, including the beginning balance, the annual activity and the ending balance for the year for each fund or account into which Article 51(e) Amounts have been transferred or deposited. The System Financial Activity Report should also have sufficient detail to provide comprehensive accounting of annual Article 51(e) Amounts and the uses of the annual Article 51(e) Amounts to enable the SWRDS Finance Committee to assess the use of these amounts.

(f) **Apportionment of Reductions Among Urban Contractors.**

Reductions in annual charges apportioned to Urban Contractors under subdivision (d) of this article shall be further allocated among Urban Contractors pursuant to this subdivision. The amount of reduction of annual charges for each Urban Contractor shall be based on each Urban Contractor's proportionate share of total allocated capital costs as calculated below, for both project conservation and project transportation facilities, repaid by all Urban Contractors over the project repayment period.

(1) The conservation capital cost component of the reduction allocation shall be apportioned on the basis of maximum annual Table A amount. Each Urban Contractor's proportionate share shall be the same as the percentage of that Contractor's maximum annual Table A amount to the total of all Urban Contractors' maximum annual Table A.

(2) The transportation capital cost component of the reduction allocation shall be apportioned on the basis of transportation capital cost component repayment obligations, including interest over the project repayment period. Each Urban Contractor's proportionate share shall be the same as the percentage that the Contractor's total transportation capital cost component repayment obligation is of the total of all Urban Contractors' transportation capital cost component repayment obligations.

(i) Recalculations shall be made annually through the year 1999. Beginning in the year 2000 recalculations shall be made every five years unless an Urban Contractor requests a recalculation for an interim year and does so by a request in writing delivered to the Department by January 1 of the year in which the recalculation is to take place.

(ii) The transportation capital cost component repayment obligations, for purposes of this Article 51(f), shall be based in the year of recalculation on the then most recent Department of Water Resources Bulletin 132, Table B-15, "Capital Cost Component of Transportation Charge for Each Contractor," or its equivalent, excluding any costs or Table A amount associated with transfers of Table A amounts from Agricultural Contractors pursuant to Article 53.

(3) To reflect the relative proportion of the conservation capital cost component and the transportation capital cost component to the total of all capital cost repayment obligations, the two cost components shall be weighted as follows:

(i) The conservation capital cost component shall be weighted with a thirty percent (30%) factor. The weighting shall be accomplished by multiplying each Urban Contractor's percentage of maximum annual Table A Amounts as calculated in subdivision (f)(1) of this article by thirty percent (30%).

(ii) The transportation capital cost component shall be weighted with a seventy percent (70%) factor. The weighting shall be accomplished by multiplying each Urban Contractor's percentage of transportation capital cost component repayment obligations as calculated in subdivision (f)(2) of this article by seventy percent (70%).

(iii) A total, weighted capital cost percentage shall be calculated for each Urban Contractor by adding the weighted conservation capital cost component percentage to their weighted transportation capital cost component percentage.

(4) The total amount of the annual charges to be reduced to Urban Contractors in each year shall be allocated among them by multiplying the total amount of annual charges to be reduced to the Urban Contractors by the total, weighted capital cost percentages for each such Contractor. If the amount of the reduction to an Urban Contractor is in excess of that Contractor's payment obligation to the Department for that year, such excess shall be reallocated among the other Urban Contractors.

(5) In the case of a permanent transfer of urban Table A amounts, the proportionate share of annual charge reductions associated with that Table A amount shall be transferred with the Table A amount to the buying Contractor. In the case of an Table A amount transfer by either Santa Barbara County Flood Control and Water Conservation District or San Luis Obispo County Flood Control and Water Conservation District, the reductions in annual charges to that agency shall be allocated (a) on the basis of that Table A amount being retained by that agency which bears Coastal Branch Phase II transportation costs, (b) on the basis of that Table A amount being retained by that agency which does not bear Coastal Branch Phase II transportation costs, and (c) on the basis of the balance of that agency's Table A amount which also does not bear Coastal Branch Phase II transportation costs.

(g) Apportionment of Reductions Among Agricultural Contractors.

(1) Reductions in annual charges apportioned to Agricultural Contractors under subdivision (d) of this article shall be allocated among the Agricultural Contractors pursuant to this subdivision. The amount of reduction of annual charges for each Agricultural Contractor for the years 1997 through 2001 shall be based on each Agricultural Contractor's estimated proportionate share of the total project costs, excluding the variable operation, maintenance, power and replacement components of the Delta Water Charge and the Transportation Charge and also excluding off-aqueduct power charges, to be paid by all Agricultural Contractors for the years 1997 through 2035, calculated without taking into account this article. For purposes of these calculations, Kern County Water Agency's and Dudley Ridge Water District's estimated project costs shall not

include any costs associated with the 45,000 acre-feet of Annual Table A Amounts being permanently relinquished by those Contractors pursuant to subdivision (j) of Article 53. Also, for purposes of these calculations, an Agricultural Contractor's estimated project costs shall not be reduced by the transfer of any of the 130,000 acre-feet of Annual Table A Amounts provided for in subdivisions (a) through (i) of Article 53. The proportionate shares for 1997 through 2001 shall be calculated as follows:

(i) Each Agricultural Contractor's statement of charges received on July 1, 1994, shall be the initial basis for calculating the proportionate shares for the five years 1997 through 2001.

(ii) Each Agricultural Contractor's estimated capital and minimum components of the Delta Water Charge and the Transportation Charge (excluding off-aqueduct power charges) and Water Revenue Bond Surcharge shall be totaled for the years 1997 through 2035.

(iii) Kern County Water Agency and Dudley Ridge Water District totaled costs shall be reduced for the 45,000 acre-feet of annual Table A amount being permanently relinquished by them.

(iv) Any reductions in an Agricultural Contractor's totaled costs resulting from the transfer of any of the 130,000 acre-feet of annual Table A amount shall be re-added to that Contractor's costs.

(v) Each Agricultural Contractor's proportionate share shall be computed by dividing that Contractor's total costs by the total costs for all Agricultural Contractors determined pursuant to subparagraphs (ii), (iii) and (iv) above.

(2) The reductions in annual charges, for 1997 through 2001, shall be calculated using the method described in subdivision (g)(1) of this article.

(3) The allocation shall be recalculated using the same method described in subdivision (g)(1) of this article every five years beginning in 2002, if any Agricultural Contractor requests such a recalculation. Any recalculation shall be based on project cost data beginning with the year that the recalculation is to become effective through 2035.

(h) Agricultural Rate Management Trust Fund.

(1) Establishment. Through a trust agreement executed contemporaneously with this amendment, the State and the Agricultural Contractors that sign the Monterey Amendments shall establish the Agricultural Rate Management Trust Fund with a mutually agreed independent trustee.

(2) Separate Accounts. The trustee shall maintain within the trust fund a separate account for each Agricultural Contractor that signs the trust agreement to hold deposits made pursuant to this article.

(3) Deposits. Each Agricultural Contractor that signs the trust agreement shall deposit into such Contractor's account within the trust fund, at the same time as payments would otherwise be required by this contract to be made to the State, an amount equal to the amount by which such Contractor's charges under this contract have been reduced by reason of this article, until the balance in such Contractor's account within the trust fund is the same percentage of \$150,000,000 as such Contractor's percentage share of reductions made available to all Agricultural Contractors as specified in subdivision (g) of this article. In 2002 and every fifth year thereafter, the Agricultural Contractors will review the maximum accumulation in the trust fund (the "Cap") and determine whether the cap should be adjusted. However, the Cap shall not be reduced below an aggregate of \$150,000,000 for all Agricultural Contractor accounts.

(4) Trust Fund Disbursements.

(i) In any year in which the State's allocation of water to an Agricultural Contractor by April 15th of that year is less than one-hundred percent (100%) of the Contractor's requested annual Table A amount for that year, the trustee shall, to the extent there are funds in that Contractor's account, distribute to the State from such account for the benefit of that Contractor an amount equal to the percentage of the total of that Contractor's statement of charges for that year, as redetermined by the State on or about May 15th of that year, for (a) the Delta Water Charge; (b) the capital cost and minimum operation, maintenance, power and replacement components of the Transportation Charge (including off-aqueduct power charges); and (c) the water system revenue bond surcharge, that is equal to the percentage of that Contractor's annual Table A amount for that year that was not allocated to it by the State by April 15th of that year.

(ii) In addition to the provisions of subdivision (h)(4)(i) of this article, if on April 15 of any year any of the irrigable land within the Tulare Lake Basin Water Storage District (Tulare) is flooded, and Tulare in writing requests the trustee to do so, the trustee shall, to the extent there are funds in Tulare's account, distribute to the State from such account for the benefit

of Tulare an amount equal to the percentage of the total of Tulare's statement of charges for that year, as redetermined by the State on or about May 15th of that year, for (a) the Delta Water Charge; (b) the capital cost and minimum components of the Transportation Charge (including off-aqueduct power charges); and (c) the water system revenue bond surcharge, that is equal to the percentage of the irrigable land within Tulare that is flooded on April 15.

(iii) Each Agricultural Contractor shall remain obligated to make payments to the State as required by other articles in this contract. Any amount to be disbursed pursuant to subdivisions (h)(4)(i) and (h)(4)(ii) shall be paid by the trustee to the State on July 1 of the year involved and shall be credited by the State toward any amounts owed by such respective Agricultural Contractor to the State as of that date. However, an Agricultural Contractor may direct the trustee to make the disbursement to that Agricultural Contractor which shall in turn make the payment to the State as required by other provisions of this contract. If the amount to be disbursed exceeds the amount owed to the State by such Contractor as of July 1, the excess shall be disbursed by the Trustee to the State at the time of and in payment of future obligations owed to the State by such Contractor. Alternatively, upon the request of such Contractor, all or part of the excess shall be paid by the trustee to that Contractor in reimbursement of prior payments by the Contractor to the State for that year.

(5) Payment of Supplemental Bills. In any year in which a supplemental bill has been submitted to an Agricultural Contractor pursuant to subdivision (c)(4) of this article, such supplemental bill shall be treated as reducing by an equal amount the obligation of such Contractor for that year to make payments into the Agricultural Rate Management Trust Fund. To the extent that such Contractor has already made payments to the trust fund in an amount in excess of such Contractor's reduced trust fund payment obligation, such Contractor may request the trustee to use the excess from the trust fund to pay the supplemental bill.

(6) Discharge of Payment Obligation. Each payment to the State by the trust fund shall discharge and satisfy the Agricultural Contractor's obligation to pay the amount of such payment to the State. No reimbursement of the trust fund by the Agricultural Contractor for such payments shall be required. However, each Agricultural Contractor shall continue to make deposits to the trust fund matching the amount of each year's reductions as provided in subdivision (d) of this article so long as the amount in that Contractor's account is less than its share of the Cap.

(7) Distribution of Funds in Excess of the Cap. Whenever accumulated funds (including interest) in an Agricultural Contractor's account in the trust fund exceed that Contractor's share of the Cap, or the estimated remaining payments the Contractor is required to make to the State prior to the end of the project

repayment period, that Contractor may direct the trustee to pay such excess to the Contractor.

(8) Termination of Trust Fund. At the end of the project repayment period, the Agricultural Rate Management Trust Fund shall be terminated and any balances remaining in the accounts for each of the Agricultural Contractors shall be disbursed to the respective Agricultural Contractors.

(i) **Definitions. For the purposes of this article, the following definitions will apply:**

(1) "Agricultural Contractor" shall mean the following agencies as they now exist or in any reorganized form:

- (i) County of Kings,
- (ii) Dudley Ridge Water District,
- (iii) Empire West Side Irrigation District,
- (iv) Kern County Water Agency for 848,130 acre-feet of its Table A amount,
- (v) Oak Flat Water District,
- (vi) Tulare Lake Basin Water Storage District.

(2) "Urban Contractor" shall mean every other agency having a long term water supply contract with the State as they exist as of the date of this amendment or in any reorganized form as well as Kern County Water Agency for 134,600 acre-feet of its Table A amount.

(j) **Except as provided in subdivisions (c)(4) and (c)(5),** this article shall not be interpreted to result in any greater State authority to charge the Contractors than exists under provisions of this contract other than this article.

NEW CONTRACT ARTICLE

II. ARTICLE 61 IS ADDED TO THE CONTRACT AS A NEW ARTICLE AS FOLLOWS:

61. FINANCIAL ACCOUNTS AND ACTIVITIES

(a) General Operating Account

(1) The State shall maintain a General Operating Account to provide the moneys needed for the following purposes:

(i) To pay or provide for the payment of System costs which are reimbursable by one or more Contractors under their respective Water Supply Contracts in the event System revenues available for such payment are insufficient for such purpose; or

(ii) To pay or provide for the payment of System costs for any System purpose in the event of a System emergency as defined in Article 61(a)(1)(iii).

(iii) A System Emergency, as used in this Article 61(a)(1)(ii) shall mean an immediate, urgent, critical, unexpected, or impending situation that, in the judgment of the Director may cause or pose a risk of causing injury, loss of life, damage to the property, impairment of the financial condition, and/or interference with the normal activities of the System which requires immediate attention and remedial action.

(2) The maximum amount in the General Operating Account shall be set, adjusted and funded as follows:

(i) Upon the Contract Extension Amendment Effective Date, the maximum amount shall be \$150 million.

(ii) On or before the first September 1 occurring five (5) years after the Contract Extension Amendment Effective Date and every five (5) years thereafter, the State shall present a business case analysis of the maximum amount reasonably necessary or appropriate to be maintained in the General Operating Account, including an evaluation of the maximum amount and its relationship to the business risks associated with the System cash flow, to the SWRDS Finance Committee for recommendation to the Director regarding a General Operating Account maximum amount

adjustment, provided that the maximum amount shall not be less than \$150 million.

(iii) To fund the General Operating Account to its maximum amount, the Director may, in his or her discretion, transfer to the General Operating Account (1) amounts determined to be available pursuant to Article 51(e); (2) earnings from the investment of amounts in the General Operating Account; (3) amounts in the SWRDS Reinvestment Account; and (4) amounts in the SWRDS Support Account.

(iv) If the Director determines to decrease the maximum amount pursuant to Article 61(a)(2)(ii), or the maximum amount is otherwise exceeded, the excess amount in the General Operating Account shall be transferred to the SWRDS Reinvestment Account.

(v) The State shall replenish the amounts used from the General Operating Account (1) through charges to the Contractors to the extent the Contractors are obligated to reimburse the State for the costs paid with such amounts and (2) from the SWRDS Support Account or other available revenues (including the sources described in subparagraph (iii) of this Article 61(a)(2)) for costs not reimbursable by the Contractors under their respective Water Supply Contracts.

(vi) General Operating Account investment earnings shall be used to fund the General Operating Account to its maximum amount or, in the Director's discretion, transferred to the SWRDS Support Account and/or the SWRDS Reinvestment Account.

(3) The State shall prepare monthly reports on the balance in and use of the General Operating Account for the Director, and shall provide those reports to the SWRDS Finance Committee. The SWRDS Finance Committee may periodically review reporting frequency and make recommendations to the Director regarding reporting frequency.

(b) SWRDS Reinvestment Account

(1) Commencing with the Contract Extension Amendment Effective Date, the State shall establish and maintain a SWRDS Reinvestment Account to provide a continuing source of investment revenue to provide amounts to be transferred to or deposited in the General Operating Account, the SWRDS Reinvestment Account, and the SWRDS Support Account.

(2) To fund the SWRDS Reinvestment Account, the Director may, in his or her discretion, transfer to the SWRDS Reinvestment Account (i) amounts determined to be available pursuant to Article 51(e), (ii) earnings from the investment of amounts in the SWRDS Reinvestment Account, (iii) payments by

the Contractors for capital costs funded from the SWRDS Reinvestment Account, (iv) amounts from the SWRDS Support Account, and (v) amounts from the General Operating Account.

(3) Amounts in the SWRDS Reinvestment Account may be used and/or invested as follows:

(i) To pay capital costs of Project Facilities to the extent those costs are reimbursable by one or more Contractors under their respective Water Supply Contracts. Such capital costs shall be reimbursed to the State in accordance with item 5 of this subparagraph (b) below.

(ii) To pay capital costs of Project Facilities pending reimbursement of the State with the proceeds of revenue bonds issued by the State; and

(iii) To make temporary investments in accordance with the statutory limitations on such investments.

(4) The State shall prepare regular reports on the SWRDS Reinvestment Account for the Director and shall provide those reports to the SWRDS Finance Committee. The State shall consult with the SWRDS Finance Committee about the investments and activities to be funded from the SWRDS Reinvestment Account.

(5) *Amortization of Costs Financed with Amounts in the SWRDS Reinvestment Account.* Charges to amortize Project Facility Capital Costs paid with amounts from the SWRDS Reinvestment Account shall return to the State, in equal annual amounts over an amortization period determined by the State, the amount of each such cost together with an interest charge on the unamortized balance thereof.

(i) The length of such amortization periods may be from ten (10) to fifty (50) years, *provided* that if the capital asset has an Economic Useful Life of less than ten (10) years, the amortization period may be a comparable period of less than ten (10) years.

(ii) The interest charge shall be at a rate equal to the market interest rate at the time the cost is Incurred on municipal Revenue Bonds with the following characteristics:

(a) the same rating as the rating on Revenue Bonds issued by the State to finance Project Facilities, and

(b) the same term as the length of the amortization period, all as determined by the State.

(iii) For the purposes of this subdivision (b)(5), the State may aggregate the Capital Costs of each Project Facility Incurred during each calendar year and determine a composite interest rate and a composite amortization period applicable to the amortization of such costs.

(iv) The amortization charges relating to the costs Incurred during each calendar year shall commence the calendar year starting one year after the end of the calendar year in which such costs were Incurred, and the amount to be amortized shall include capitalized interest for the period from the date or dates the costs are Incurred to the date of commencement of amortization.

(c) **SWRDS Support Account**

(1) Commencing with the Contract Extension Amendment Effective Date, the State shall establish and maintain a SWRDS Support Account to provide a source of funds to pay System costs that are not chargeable to the Contractors under their respective Water Supply Contracts and for the payment of which there are no other monies available.

(2) To fund the SWRDS Support Account, the Director may, in his or her discretion, transfer to the SWRDS Support Account (i) amounts determined to be available pursuant to Article 51(e); (ii) amounts in the SWRDS Reinvestment Account, (iii) investment earnings in the General Operating Account; (iv) earnings from the investment of amounts in the SWRDS Support Account; and (v) other available revenues. The State shall not charge the Agency to replenish the SWRDS Support Account for costs not otherwise chargeable to the Agency under this contract.

(3) If the State is reimbursed or other amounts are appropriated and received for a cost paid from the SWRDS Support Account, the State shall deposit the amount reimbursed or received in the SWRDS Support Account.

(4) The State shall prepare regular reports on the SWRDS Support Account for the Director and shall provide those reports to the SWRDS Finance

Committee. The State shall consult with the SWRDS Finance Committee about the investments and activities to be funded from the SWRDS Support Account.

(d) System Financial Activity Report and Reporting Principles

(1) The State shall prepare and distribute quarterly a System Financial Activity Report that contains the following information:

(i) By fund or account, the activity in the following funds and accounts: the General Operating Account, the SWRDS Support Account, the SWRDS Reinvestment Account, the 51(e) Sub-Account of the Systems Revenue Account, the Davis-Dolwig Fund, and the State Water Facilities Capital Account, and the activity with respect to suspended costs.

(ii) The data in the System Financial Activity Report shall be auditable, which includes an audit trail from the costing ledger (currently the Utility Cost Accounting Billing System, as of the Contract Extension Amendment Effective Date) to the general ledger (currently SAP, as of the Contract Extension Amendment Effective Date) or the Bulletin 132 estimates to the System Financial Activity Report.

(2) Appendix B, entitled System Reporting Principles, contains principles and guidelines which shall be followed, to the extent applicable, in the preparation of System financial reports and financial management reports.

(e) State Water Resources Development System Finance Committee

(1) The State shall establish a joint State and Contractors finance committee, which shall be referred to as the State Water Resources Development System Finance Committee or SWRDS Finance Committee. The membership of the SWRDS Finance Committee shall include both representatives from the State and the Contractors.

(2) The primary purpose of the SWRDS Finance Committee shall be to make recommendations to the Director concerning the financial policies of the System. The State and the Contractors shall describe the scope of the SWRDS Finance Committee in a charter mutually agreeable to the State and the Contractors.

(f) Cost Recovery

In general, the State should seek reimbursement for all System costs from the appropriate customers and users of System facilities. With respect to those System costs that are reimbursable by the Contractors, the State should allocate

financial responsibility for such costs in a manner that is both lawful and equitable, and which endeavors to recover such costs from the appropriate Contractors. If the State proposes to not charge any Contractor the full amount that the State is entitled to charge the Contractor under the contract, the State shall present a written proposal to the SWRDS Finance Committee for purposes of developing a recommendation to the Director regarding the proposal. The State shall submit such proposal in writing to the SWRDS Finance Committee 90 days in advance of the Director issuing any decision and within such 90 day period the SWRDS Finance Committee shall provide the Director with a recommendation regarding such proposal. Such proposals shall comply with the structure set out in the SWRDS Finance Committee charter referenced in Article 61(e)(2).

NEW CONTRACT APPENDIX

III. APPENDIX B IS ADDED TO THE CONTRACT AS A NEW APPENDIX AND SHALL READ AS FOLLOWS:

APPENDIX B

SYSTEM REPORTING PRINCIPLES

- A. During the term of the water supply contracts, it is likely that financial reports and financial management reports will change in scope, nature, and frequency. Regardless of the exact reports used, such reports shall follow the below principles and guidelines to the extent applicable.
1. Principle 1: Financial reporting will be generated from the general ledger or data warehouse of the financial information system (system of record), such as SAP. The financial system of record is the authoritative source for financial reporting data values in a system. To ensure data integrity, there must be one, and only one, system of record for financial reporting values.
 2. Principle 2: Financial reporting is not limited to annual financial statements but will be developed for regular reporting periods.
 3. Principle 3: Financial management reporting generated from other financial systems, such as Utility Cost Accounting Billing System (UCABS), will identify and analyze significant variances from prior years or budgets.
 4. Principle 4: Financial reporting and financial management reporting will identify unusual items and exceptions, and these items will be documented, reviewed, and resolved by management.
 5. Principle 5: DWR will use standardized System-wide business rules and utilize a centralized financial system, such as SAP, UCABS, or other system, to provide controls/validations to ensure data integrity and reliable reporting.
 6. Principle 6: DWR will use standardized data integrity rules in the development and publication of reports, including but not limited to the following:
 - (1) Data integrity refers to the accuracy and consistency of data stored in a database, data warehouse, data mart or other construct.
 - (2) Data integrity processes verify that data has remained unaltered in transit from creation to reception or remains unaltered in transit from one system to the next. Data used outside of the Enterprise Resource Planning (ERP) systems to meet the reporting needs of Program will undergo any number of operations in support of decision-making, such as capture, storage,

retrieval, update and transfer. It is important to have confidence that during these operations, the data will be kept free from corruption, modification and remain unaltered.

- (3) Data with “integrity” has a complete or whole structure. Data values are standardized according to a data model and/or data type. All characteristics of the data must be correct – including business rules, relations, dates, definitions and lineage – for data to be complete.
- (4) Data integrity is imposed within an ERP database when it is created and is authenticated through the ongoing use of error checking and validation routines.
- (5) Data integrity state or condition is to be measured by the validity and reliability of the data values.
- (6) Data integrity service and security maintains information exactly as it was input, and is auditable to affirm its reliability.

The SWRDS Finance Committee is charged with providing financial policy recommendations to the Director, and the Director has final discretion on whether or not to accept the recommendations. While the SWRDS Finance Committee is not charged with reviewing the content of financial reports, timely and accurate financial reporting and financial management reporting provides technical committees access to useful information that can be used to formulate proposals on financial policy matters that may be brought to the SWRDS Finance Committee.

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

AMENDMENT IMPLEMENTING AND ADMINISTRATIVE PROVISIONS

1. EFFECTIVE DATE OF CONTRACT EXTENSION AMENDMENT.

(a) The Contract Extension Amendment shall take provisional effect (“provisional effective date pursuant to subparagraph (a)”) on the last day of the calendar month in which both of the following occur: (i) the State and 15 or more Contractors, with an aggregate maximum annual Table A amount exceeding 3,200,000 acre feet, have executed (or committed in a form satisfactory to the State to execute) the Contract Extension Amendment and (ii) no legal action addressing the validity or enforceability of the Contract Extension Amendment or any aspect thereof has been filed within sixty days of such execution or, if filed, a final judgment of a court of competent jurisdiction has been entered sustaining or validating the Contract Extension Amendments. Subject to subparagraph (b), the provisional effective date pursuant to paragraph (a) shall be the Contract Extension Amendment Effective Date if the conditions set out in subparagraph (e) are met.

(b) If any part of the Contract Extension Amendment of any Contractor is determined by a court of competent jurisdiction in a final judgment or order to be invalid or unenforceable, the Contract Extension Amendments of all Contractors shall be of no force and effect except as provided in subparagraph(c).

(c) The unenforceability and lack of effectiveness of all Contractors’ Contract Extension Amendments as provided for in subparagraph (b) may be avoided only if the part of the Contract Extension Amendment determined to be invalid or unenforceable is explicitly waived in writing by the State and 15 or more Contractors, with an aggregate maximum annual Table A amount exceeding 3,200,000 acre feet , in which case the Contract Extension Amendment shall take provisional effect (“provisional effective date pursuant to subparagraph (c)”) on the last day of the calendar month in which the requisite waivers are received, but only as to those Contractors submitting such a waiver in writing, subject to subparagraph (e). The provisional effective date pursuant subparagraph (c) shall become the Contract Extension Amendment Effective Date if the conditions set out in subparagraph (e) are met.

(d) If any Contractor has not executed a Contract Extension Amendment or has not submitted a waiver pursuant to subparagraph (c), whichever is applicable, within sixty (60) days of the provisional effective date pursuant to subparagraph (a) or the provisional effective date pursuant to subparagraph (c), as applicable, the amendment shall not take effect as to such Contractor, unless the Contractor and the State, in its discretion, thereafter execute such Contractor’s contract extension amendment or the Contractor thereafter submits, and the State in its discretion accepts,

the waiver, whichever applies, in which case the Contract Extension Amendment Effective Date for purposes of that Contractor's contract and any associated terms shall be as agreed upon by the State and Contractor.

(e) (1) If at the end of the applicable 60-day period specified in subparagraph (d), 24 or more Contractors with an aggregate maximum annual Table A amount exceeding 3,950,000 acre feet have executed the amendment (or committed to execute the amendment in a form satisfactory to the State) or submitted a waiver pursuant to subparagraph (c), as applicable, the provisional effective date pursuant subparagraph (a) or the provisional effective date pursuant to subparagraph (c), as applicable, shall become the Contract Extension Amendment Effective Date.

(2) If at the end of the applicable 60 day period specified in subparagraph (d), 24 or more Contractors with an aggregate maximum annual Table A amount exceeding 3,950,000 acre feet have not executed (or committed to execute) the amendment or submitted a waiver pursuant to subparagraph (c), as applicable, then the State, after consultation with the Contractors that have executed (or committed to execute) the amendment or submitted a waiver, as applicable, shall within 30 days following such 60 day period determine in its discretion whether to make the provisional effective date pursuant to subparagraph (a) or the provisional effective date pursuant to subparagraph (c), as applicable, the Contract Extension Amendment Effective Date. The State shall promptly notify all Contractors of the State's determination. If the State determines, pursuant to this subparagraph 1(e)(2) to allow the contract amendment to take effect, it shall take effect only as to those Contractors consenting to the amendment taking effect pursuant to this subparagraph 1(e)(2)

(f) (1) During the pendency of a legal action addressing the validity or enforceability of the Contract Extension Amendment, the State and a minimum of 24 Contractors with an aggregate maximum annual Table A amount exceeding 3,950,000 acre feet which have executed (or committed to execute) the Contract Extension Amendment may agree in writing to waive any limitation barring the Contract Extension Amendment from taking effect until a final judgment of a court of competent jurisdiction has been entered (including to waive the "no force and effect" provision in subsection (b)) and instead allow the Contract Extension Amendment to take effect as to such Contractors, subject to such conditions, if any, agreed upon, by the State and such contractors. In such case, the State shall promptly notify all Contractors of the effective date of the Contract Extension Amendment.

(2) If, during the pendency of a legal action addressing the validity or enforceability of the Contract Extension Amendment, less than 24 Contractors with an aggregate maximum annual Table A amount exceeding 3,950,000 acre feet have agreed in writing to waive any limitation barring the Contract Extension Amendment from taking effect until a final judgment of a court of competent jurisdiction has been entered as provided in subsection (1)(f)(1) above, then a Contractor which has so agreed in writing may request the State to consider allowing the contract extension amendment to take effect with the agreement of less than 24 Contractors. Upon

receiving such a request, the State, after consultation with the Contractors that have agreed in writing to waive any limitation as provided in subsection (1)(f)(1) above, may determine in its discretion whether to allow the Contract Extension Amendment to take effect with less than 24 Contractors agreeing in writing to waive the limitation. The State shall promptly notify all Contractors if the State's determines to allow the Contract Extension Amendment to take effect, and include in such notice the effective date of the Contract Extension Amendment and any conditions that would apply. If the State determines, pursuant to this subparagraph 1(f)(2) to allow the contract amendment to take effect, it shall take effect only as to those Contractors consenting to the amendment taking effect pursuant to subparagraph 1(f)(1).

2. POST BILLING TRANSITION DATE ESTIMATES.

If the State determines it to be necessary, the State may rely on estimates and later true-up for billing and reporting purposes in the initial years after the Billing Transition Date.

3. WAIVER AND RELEASE.

Subject to the Contract Extension Amendment taking effect, the Agency does hereby forever waive, release and discharge the State, and its current and former officers, agents and employees, from any and all past and present protests, claims, damages, actions and causes of action of every kind and description, now existing or hereafter arising, known or unknown, that were or could be or could have been asserted relating to the State's adjustment made prior to the execution date of this Contract Extension Amendment in connection with the proportional responsibility, for System facilities south of and including the Dos Amigos Pumping Plant, between (i) water supply and (ii) recreation and fish and wildlife enhancement.

4. OTHER CONTRACT PROVISIONS.

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

5. COUNTERPART.

This Contract Extension Amendment may be signed in counterpart.

STATE WATER PROJECT WATER SUPPLY CONTRACT EXTENSION AMENDMENT
Execution Version

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

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief Counsel
Department of Water Resources

Director

Date

COUNTY OF KINGS

Signature

Title

Date