

(1) COVID-19: SPECIAL BROWN ACT PROCEDURES

The Central Coast Water Authority has determined this meeting to be an essential public meeting and will be conducting the meeting pursuant to the provisions of the Governor's Executive Orders N-25-20, N-29-20 and N-35-20 and the corresponding Santa Barbara County Health Officer's order.

Since this is an evolving COVID-19 situation, the Central Coast Water Authority will provide updates to any changes to this policy as soon as possible. The Authority thanks you in advance for taking all precautions to prevent spreading the COVID-19 virus.

(2) OPTIONS FOR THE PUBLIC TO PARTICIPATE IN THE PUBLIC MEETING

Consistent with the Governor's Executive Orders, all meetings of the Central Coast Water Authority will be conducted remotely – via video call and telephonically – until further notice. You are strongly encouraged to listen to all Board meetings live via RING CENTRAL MEETING (a Zoom affiliate) and TELEPHONE, as described in the agenda which is located on CCWA's website and was distributed to CCWA's "Notice of Meeting Distribution List" in compliance with the Brown Act.

Board members, staff, and the public may participate remotely via computer using this URL:

<https://meetings.ringcentral.com/j/1492575432>

Or using this teleconference phone number and access code:

+1(623) 404-9000 Access Code: 149 257 5432 (press # after entering code)

When prompted, enter (speak) your full name.

You may provide the Board with public comment in the following manner:

If you wish to make either a general public comment or to comment on a specific agenda item as it is being heard, or if you wish to make a comment on a specific agenda item, please: "raise your hand" digitally, or telephonically.

1. If you are joining via Zoom video, simply select "participants" at the bottom of your screen and choose the "raise your hand" icon on the right. This will notify us that you wish to speak.

2. If you are joining via telephone dial-in, please dial *9 to raise your hand. All participants, with the exception of Board Members and certain staff, will remain muted.

Please note the Board Chair has the discretion to limit the speaker's time for any meeting or agenda matter. Typically, the practice has been 3 minutes per speaker on each item.



A Meeting of the

REVISED

**BOARD OF DIRECTORS
OF THE
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on **Friday, July 31, 2020**
via URL: <https://meetings.ringcentral.com/j/1492575432>

or via telephone by dialing 1(623) 404-9000 and entering code 149 257 5432#

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

I. Call to Order and Roll Call

II. Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)

III. Consent Calendar

- * A. Approve Minutes of the June 25, 2020 Regular Meeting
- * B. Approve Bills
- * C. Controller’s Report
- * D. Operations Report

IV. Executive Director’s Report

- * A. CCWA Warren Act Contract for the Conveyance and Storage of State Water Into/In Lake Cachuma for the South Coast CCWA Project Participants
- B. Assignment of the State Water Contract from Santa Barbara County to CCWA
- C. Suspended Table A Reacquisition Update
- * D. Siemens Energy & Environmental Solution Proposal for Solar Power Installation at the Water Treatment Plant and 20 Year Power Purchase Agreement
- * E. Additional Revision to Payment Schedule for FY 2020/21 DWR Fixed Costs
- ◆ F. Finance Committee
 - 1. FY 2019/20 Fourth Quarter Investment Report

V. Closed Session

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Cachuma Project, Negotiation of Warren Act Contract
Agency negotiator: Ray Stokes, Executive Director, CCWA
Negotiating parties: CCWA and United States Bureau of Reclamation
Under negotiation: Terms and conditions of Warren Act Contract for use of Cachuma Project

VI. Reports from Board Members for Information Only

VII. Items for Next Regular Meeting Agenda

VIII. Date of Next Regular Meeting: August 27, 2020

IX. Adjournment

A handwritten signature in blue ink, appearing to be 'R. Stokes', is located in the bottom right corner of the page.

**MINUTES OF THE
CENTRAL COAST WATER AUTHORITY
BOARD OF DIRECTORS**

June 25, 2020

The Board meeting was conducted pursuant to California Government Code Section 54953 and Governor Newsom's Executive Order, N-29-20, temporarily suspending portions of the Brown Act to implement social distancing in response to the COVID-19 pandemic. Members of the Board participated in this meeting by video call or telephone. Public Comment on agenda items also occurred telephonically.

Ms. Lisa Watkins, Board Secretary, confirmed that all Board members could hear each other, had received a copy of the meeting agenda, and could hear the proceedings.

I. Call to Order and Roll Call

Chairman Friedman called the Central Coast Water Authority (CCWA) Board of Directors meeting to order at 9:00 AM.

CCWA member agencies with voting privileges were represented by:

<u>Representative</u>	<u>Agency/City</u>	<u>Voting %</u>
Ed Andrisek	City of Buellton	2.21%
Farfalla Borah	Goleta Water District	17.20%
Jeff Clay	Santa Ynez River Water Conservation District, ID #1	7.64%
Eric Friedman	City of Santa Barbara	11.47%
Shirley Johnson	Carpinteria Valley Water District	7.64%
Shannon Sweeney	City of Guadalupe	1.15%
Etta Waterfield	City of Santa Maria	43.19%

II. Public Comment

There was no public comment related to items not on the agenda.

III. Consent Calendar

- A. Approve Minutes of the April 23, 2020 Regular Meeting
- B. Approve Bills
- C. Controller's Report
- D. Operations Report

A motion to approve the Consent Calendar was made by Director Waterfield, seconded by Director Andrisek and carried following a roll call vote, with Directors Andrisek, Borah, Clay, Friedman, Johnson, Sweeney, and Waterfield in favor and none opposed.

IV. Executive Director's Report

A. Water Supply Situation Report

Ray Stokes, CCWA Executive Director, provided an update on the state of water supplies and recent precipitation and snow pack levels throughout California.

An incident occurred on Sunday with the CCWA bypass pipe at Lake Cachuma. The connection point of the bypass to the steel pipe within a vault at Bradbury Dam was torqued and created a leak. Bradbury Dam staff immediately notified CCWA and a response plan was initiated. Mr. Brady explained the corrective actions taken and provided additional information related to how the leak was detected and when delivery to Lake Cachuma is expected to resume.

B. CCWA COVID-19 Pandemic Response

The Central Coast Water Authority (CCWA) activated its Pandemic Response Plan on Monday March 16, 2020. CCWA staff reviewed the measures being taken by CCWA, including coordination efforts with Santa Barbara County project participants and San Luis Obispo County staff.

C. Delta Conveyance Project Contract Amendment Update

Mr. Stokes reviewed the Agreement in Principle and White Paper related to negotiations on the amendments to the State Water Contract provided in the meeting materials. The materials were provided for information of the Board, no action was requested.

D. CCWA Warren Act Contract for Transportation of State Water Into Lake Cachuma for the South Coast CCWA Project Participants

The current Warren Act Contract with the United States Bureau of Reclamation (Bureau) to allow CCWA to deliver State Water into Lake Cachuma expires on July 25, 2020 and a new contract must be executed to allow CCWA to continue to pump South Coast Project Participant State Water into Lake Cachuma. The draft contract that was included in the meeting materials has been reviewed, and determined to be an unacceptable form, and the Bureau has resolved that an acceptable extension contract will be delivered in time to avoid a lapse in CCWA's ability to deliver water to Lake Cachuma for South Coast agencies.

E. Water Management Strategies Request for Qualifications Update

Currently CCWA and the San Luis Obispo County Flood Control and Water Conservation District (SLO County) are utilizing San Luis Reservoir as a storage facility for State Water Project (SWP) water. However, during spill events the stored water is lost, so CCWA and SLO County are jointly pursuing a project to identify and evaluate strategies for optimizing the yield from the SWP. CCWA staff collaborated with SLO County staff and subsequently prepared a Request for Qualification (RFQ) for this project. Following submittal of four Statement of Qualifications (SOQ), a panel of CCWA and SLO County staff determined the SOQ submitted by the Provost & Pritchard Consulting Group and Hallmark Group

team was the most qualified for the specific project. Mr. Brady provided additional information on the qualifications of the selected team.

Due to complications with SLO County, the original estimate of \$75,000 may need to be increased, and there is potential that SLO County may not be able provide 50% of the funding. Mr. Stokes asked if the Board had any objections to increasing the funding and potentially increasing CCWA's share of the project, and following discussion, the general consensus was the project was important and the conceptual increase in funds and participation may be permissible, pending additional information which should be available in August.

F. Procurement of Chlorine Scrubber Equipment – Budget of \$288,750

Mr. Brady reviewed the materials included in the meeting packet related to the procurement of a Chlorine Scrubber Unit for the operations at the Polonio Pass Water Treatment Plant, and the subsequent memo related to the bid opening results.

Following review of the bids on June 22, 2020, a panel of CCWA staff indicated that the unit proposed by Integrity Municipal Systems was equivalent to the existing Chlorine Scrubber Unit. A Preliminary Bid Tabulation was circulated to all three Bidders, and the two highest Bidders acknowledged receipt and did not raise issue with the apparent low bid.

Upon a motion by Director Waterfield, seconded by Director Sweeney and carried, following a roll call vote, with Directors Borah, Clay, Friedman, Johnson, Sweeney, and Waterfield in favor and none opposed, the Board Authorized the Executive Director to procure a Chlorine Scrubber Unit from Integrity Municipal Systems for the amount of \$122,801.

G. Personnel Committee

1. 2020 Review of Personnel Policy Manual

Mr. Jeff Dinkin, CCWA Personnel legal counsel, reviewed the memo included in the meeting materials which outlined the proposed changes to the CCWA Personnel Policies and Procedures Manual, and noted the Personnel Committee recommends Board approval of the proposed changes.

Upon a motion by Director Borah, seconded by Director Waterfield and carried, following a roll call vote, with Directors Borah, Clay, Friedman, Johnson, Sweeney, and Waterfield in favor and none opposed, the Board approved the recommended changes to the CCWA Personnel Policy Manual.

H. Committee Meetings, Closed Sessions and Confidential Information Update

Stephanie Hastings, CCWA General Counsel, provided information to the Board on the background and method of conducting Committee meetings and closed sessions, which are dictated by CCWA's governance documents, the unique voting structure of CCWA, and the Brown Act.

The Board adjourned to closed session at 10:40 AM.

V. Closed Session

- A. Conference with Legal Counsel – Existing Litigation (Government Code section 54956.9, subdivision (a)): 1 matter State Water Contractors, et. al. v. State of California Department of Fish and Wildlife and State of California Department of Water Resources
- B. Public Employee Performance Evaluation - Government Code Section 54957 Title: Executive Director
- C. Conference with Labor Negotiator - Government Code Section 54957.6 Name of Negotiator: Jeffrey Dinkin Unrepresented Employees: Executive Director, Deputy Director

The Board reconvened from closed session 12:28 PM.

Ms. Hastings reported in open session that the Board took action on pending litigation in Case No.20CECG01302 filed under California Environmental Quality Act (CEQA) for State Water Contractors and Kern County Water Agency.

Upon a motion made in closed session the Board agreed to join in the State Water Contractors and Kern County Water Agency v. State of California Department of Fish and Wildlife, and State of California Department of Water Resources; Fresno County Superior Court Case Number 20CECG01302 (file-stamped May 4, 2020), with Directors Sweeney, Waterfield, Andrisek, Clay, Borah in support and Director Johnson opposed.

VI. Open Session - Executive Director and Deputy Director Salary Adjustment

CCWA Personnel Counsel Jeffrey Dinkin reported that during the closed session the Board evaluated the performance of the Executive Director and completed bargaining with the Executive Director and Deputy Director. As a result of negotiations the Board and Staff have agreed upon two weeks of administrative leave to be used prior to vacation time and within the upcoming fiscal year to each individual, which if not used, could be cashed out by the end of the fiscal year.

Upon a motion by Director Waterfield, seconded by Director Sweeney and carried with Directors Sweeney, Waterfield, Clay, Borah and Johnson in favor and none opposed, the Board approved providing two weeks of administrative leave to Mr. Stokes and Mr. Brady, to be used prior to vacation time by the end of FY 2020/21 which may be cashed out by the end of the fiscal year if not used.

Mr. Dinkin reported that the personnel evaluation of the Executive Director has been completed, and Chairman Friedman stated he would be discussing the evaluation with Mr. Stokes.

VII. Reports from Board Members for Information Only

There were no reports from Board members.

VIII. Items for Next Regular Meeting Agenda

IX. Date of Next Regular Meeting: July 23, 2020

X. Adjournment

The meeting was adjourned at 12:31 PM.

Respectfully submitted,

Elizabeth Watkins
Secretary to the Board



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - June 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
Bank of America Business Card	24.59	Publications, subscriptions, postage
Endeman, Grant	75.00	Reimbursable expenses - Certificate renewal
Federal Express	468.58	Express shipping
KnowBe4 Inc	759.50	Safety Training
Petty Cash	8.76	Employee meeting and travel expenses
Quadient Finance USA, Inc.	400.00	Postage - postage machine
United Parcel Service	127.15	Shipping expenses
	\$ 1,863.58	Total General & Administrative
MONITORING EXPENSES		
AmeriPride Services, Inc.	250.40	Lab supplies
Eurofins Eaton Analytical	7,395.00	Lab testing
Hach Company	9,839.53	Lab supplies
IDEXX Distribution Corp.	749.97	Lab supplies
VWR International	2,655.28	Lab supplies
	\$ 20,890.18	Total Monitoring Expenses
OFFICE EXPENSES		
Aramark	292.39	Office supplies
Bank of America Business Card	258.14	Office and kitchen supplies
Cardmember Services	185.14	Office, janitorial & kitchen supplies
Office Depot	236.39	Office, janitorial & kitchen supplies
Petty Cash	187.40	Office and kitchen supplies
Staples Inc.	186.24	Office, janitorial & kitchen supplies
Ultrax Business Products	139.00	Office supplies
	\$ 1,484.70	Total Office Expenses
OTHER EXPENSES		
Adam, Lacey	105.00	DSL reimbursement
Afinity Inc.	4,125.00	Miscellaneous Software Updates
Alvim	5,537.57	Biofilm Sensor
Baker, Julie	67.43	DSL reimbursement
Bank of America Business Card	859.57	Computer miscellaneous expenses
Bazzell, David	420.00	DSL reimbursement
Comcast	194.78	Internet Service
CompuVision	995.00	Datto Cloud Backup
CompuVision	3,024.00	Gemalto Mobilpass Tokens
CompuVision	3,099.65	Miscellaneous Software Updates
CompuVision	4,590.00	Managed Service Agreement
De Lage Landen Financial Services	491.47	Copier Lease - BAO and WTP
Espinoza, Manuel	140.00	DSL reimbursement
Impulse Internet Services	2,097.00	T-1 System and Internet Service (Buellton and Shandon)
Kieding, Eric	420.00	DSL reimbursement
Long, Lisa	105.00	DSL reimbursement
Marborg Industries	316.00	Tank 5/Tank 7/Tank 2/ EDV Rental
Nelson, Garrett	140.00	DVD media, additional ports
Petersen, Tom	420.00	DSL reimbursement
Petty Cash	5.94	Miscellaneous Computer Expense
Praxair Company	36.56	Gas tank
Ross, Don	420.00	DSL reimbursement
Scheer, Adam	315.00	DSL reimbursement



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - June 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
Thompson, James	140.00	DSL reimbursement
US Bank	12.91	Miscellaneous Computer Expense
Velosio	8,518.75	Microsoft Dynamics SL annual support services
Winema Industrial & Safety Supplies	3,033.16	Safety Equipment
	\$ 39,629.79	Total Other Expenses
OTHER MISCELLANEOUS EXPENSES		
Department of Water Resources	1,732,634.00	Variable OMP&R, Delta Water & Transport Charge
	\$ 1,732,634.00	Total Other Miscellaneous Expenses
PERSONNEL EXPENSES		
CalPERS Health	34,156.90	Health Insurance
CalPERS Retirement	35,614.27	Pension Contributions
CCWA Payroll Wages/Taxes	223,489.52	Gross Payroll Wages/Taxes
Dental/Vision Payments	1,677.13	Dental/Vision Benefits
MetLife SBC Insurance	1,034.60	Life Insurance
Other Misc Employee Benefits	9,147.06	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	1,325.79	Disability Insurance
	\$ 306,445.27	Total Personnel Expenses
PROFESSIONAL SERVICES		
Cardno, Inc.	540.75	Environmental Consulting
Deep Blue Integration	2,800.00	CCWA Website design service
Sentry Alarm Systems	450.00	Security System - WTP
Stanley Convergent Security	1,157.37	Security Service BAO/SYPS
Stradling Yocca Carlson Rauth	197.50	Legal - Employee Matters
The Dig Safe Board Program	240.74	Quality Control Testing
Underground Service Alert	90.85	New USA tickets
	\$ 5,477.21	Total Professional Services
CIP PROJECTS - MATERIALS & OVERHEAD		
Smart Office Interiors	7,029.07	Ergonomic Furniture Replacement
Taft Electric Company	26,995.20	SYPP Equipment Upgrades
	\$ 34,024.27	Total CIP Project - Materials and Overhead
REPAIRS & MAINTENANCE		
AmeriPride Services, Inc.	434.62	Building maintenance supplies
Bank of America Business Card	103.94	Vehicles repairs and maintenance
Bank of America Business Card	165.83	Equipment repairs and maintenance
Battery Systems Inc	164.31	Batteries replaced
Brezden Pest Control, Inc	155.00	Pump repair
Cal Coast Machinery, Inc.	30.41	Parts, repair and maintenance
City of Buellton	96.89	Landscape maintenance - water
Consolidated Electrical Distributors	254.96	Parts, repair and maintenance
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
Endress+Hauser, Inc.	890.41	Parts, repair and maintenance
GFG Instrumentation Inc.	842.45	Equipment repairs and maintenance
Grainger Inc.	954.48	Parts, repair and maintenance
Green Coast Auto and Diesel	81.79	Auto parts and supplies
Harrison Hardware	179.01	Parts, repair and maintenance
Home Depot	59.75	Parts, repair and maintenance
Knechts Plumbing and Heating	4,743.00	HVAC service and repairs

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CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - June 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
MCR Technologies, Inc.	2,209.62	Equipment repairs and maintenance
Mid-State Concrete Products	9,151.89	Equipment repair
Mullahey Ford, Inc.	134.96	Equipment repairs and maintenance
Office Depot	21.51	Janitorial supplies
OVIVO USA, LLC	4,972.82	Equipment repairs and maintenance
Procure Janitorial Supply	120.49	Janitorial supplies - WTP
Progressive Greenery	330.00	Landscape maintenance - WTP
Santa Ynez Valley Hardware	12.90	Maintenance supplies
Statewide Traffic Safety & Sign	3,861.00	Equipment repairs and maintenance
Steve's Wheel & Tire	311.74	Equipment repairs and maintenance
US Bank	177.74	Equipment repairs and maintenance
Vreeland Ford	266.39	Vehicle maintenance
	\$ 31,706.91	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
AmeriPride Services, Inc.	843.82	Uniform expenses
Aramark	144.92	Safety supplies
Bank of America Business Card	76.40	Safety supplies
Bank of America Business Card	433.92	Equipment & maintenance supplies
Chemtrade Chemicals US, LLC	29,548.19	Chemicals - WTP
Eagle Energy	146.04	Equipment service
Farm Supply	100.19	Landscape materials
Grainger Inc.	718.18	Minor tools, equipment & maintenance supplies, safety supplies
Harrison Hardware	45.12	Maintenance supplies and hardware
Hill Brothers Chemical Company	4,676.66	Chemicals - WTP
Home Depot	650.92	Minor tools, equipment & maintenance supplies
JCI Jones Chemical	28,874.59	Chemicals - WTP
Petty Cash	53.46	Minor tools, equipment & maintenance supplies, safety supplies
Praxair Distribution Inc.	37.77	Equipment maintenance
Univar Solutions USA, Inc.	1,058.51	Chemicals - WTP
US Bank	37.73	Safety supplies
WEX Bank - Wright Express	4,460.41	Fuel - Autos
	\$ 71,906.83	Total Supplies & Equipment
UTILITIES		
City of Buellton	179.88	Water - BAO
Delta Liquid Energy	134.97	Propane gas
First Choice Technology	13.24	Phone - Long distance carrier, 800#
Frontier	289.69	Telephone charges
Health Sanitation Services	249.12	Waste Disposal - SYPS
Pacific Gas & Electric	68,726.44	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	225.02	Waste Disposal - WTP
Santa Ynez River Water Conservation	182.01	Water - SYPS
Stokes, Ray	64.64	Reimbursable Expenses - Cell Phone charges
Surfnet Communications, Inc.	75.00	Wireless Internet - Chorro
The Gas Company	11.32	Natural Gas - BAO
Verizon Wireless	51.61	New cell phone
Verizon Wireless	714.77	Cell phone charges
	\$ 70,917.71	Total Utilities
Subtotal - Bills for Ratification	\$2,316,980.45	



CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR		INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$	13,766,255.00	Capital Cost and Minimum OMP&R Charges -Jul'20
Subtotal - Bills for Approval	\$	13,766,255.00	
Total Ratification and Approval Bills	\$	<u>16,083,235.45</u>	

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Statements of Net Position



ASSETS	Preliminary & Unaudited June 30, 2020	May 31, 2020
<u>Current Assets</u>		
Cash and investments	\$ 14,879,937	\$ 12,371,691
Accounts Receivable (Note 1)	15,500	15,500
Accrued interest receivable	422,019	356,670
Other assets	1,526,174	1,537,985
Total Current Assets	16,843,630	14,281,846
<u>Restricted Assets</u>		
Cash and investments with fiscal agents	492,039	492,039
<u>Investment Accounts</u>		
Operations and Maintenance Reserve Fund (Note 2)	2,133,440	2,133,028
DWR Reserve Fund (Note 3)	1,577,159	1,576,521
Rate Coverage Reserve Fund (Note 4)	9,461,318	9,466,856
Debt Service Payments (Note 5)	10,905,200	8,132,691
Department of Water Resources (Note 6a)	33,555,115	25,427,064
Credits Payable (Note 7)	390,416	390,115
Escrow Deposits (Note 8)	525,562	525,330
Total Restricted Assets	59,040,250	48,143,645
<u>Property, Plant and Equipment</u>		
Construction in progress (Note 9)	1,850,862	1,815,462
Fixed assets (net of accumulated depreciation)	89,994,644	89,994,644
Total Property, Plant and Equipment	91,845,506	91,810,106
<u>Other Assets</u>		
Unamortized bond issuance costs (Note 10)	220,804	247,751
Long term receivable (Note 11)	1,270,283	1,366,067
Total Other Assets	1,491,087	1,613,818
Total Assets	\$ 169,220,472	\$ 155,849,414

Central Coast Water Authority



Statements of Net Position

<u>LIABILITIES AND FUND EQUITY</u>	<i>Preliminary & Unaudited</i>	<i>May 31, 2020</i>
	<u>June 30, 2020</u>	<u>May 31, 2020</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 193,397	\$ 99,179
DWR and Warren Act Charge Deposits (Note 6a)	33,555,117	25,427,066
CCWA Variable Charge Deposits (Note 6b)	13,683	14,327
Accrued interest payable	739,126	657,001
Other liabilities	820,642	832,136
Rate Coverage Reserve Fund	1,577,159	1,576,521
DWR Reserve Fund	9,282,145	9,282,145
Unearned Revenue	19,661,484	13,601,126
Credits Payable to Project Participants	947,128	946,789
Total Current Liabilities	<u>66,789,883</u>	<u>52,436,291</u>
<u>Non-Current Liabilities</u>		
Bonds payable (Note 12)	19,710,000	19,710,000
Bond Original Issue Premium, net	591,930	664,168
OPEB Liability	818,000	818,000
Escrow Deposits	525,562	525,330
Net Pension Liability	3,494,467	3,494,467
Total Non-Current Liabilities	<u>25,139,959</u>	<u>25,211,965</u>
<u>Commitments and Uncertainties</u>		
<u>Net Assets</u>		
Contributed capital, net (Note 13)	22,562,433	22,562,433
Retained earnings	54,728,198	55,638,725
Total Net Assets	<u>77,290,631</u>	<u>78,201,158</u>
Total Liabilities and Net Assets	<u>\$ 169,220,472</u>	<u>\$ 155,849,414</u>



Statements of Revenues, Expenses and Changes in Net Position

	<i>Preliminary & Unaudited</i> June 30, 2020	May 31, 2020
<u>Operating Revenues</u>		
Operating reimbursements from project participants	\$ 21,540,305	\$ 21,835,812
Other revenues	91,083	91,073
Total Operating Revenues	21,631,388	21,926,885
<u>Operating Expenses</u>		
Personnel expenses	4,768,054	4,400,451
Office expenses	16,571	14,990
General and administrative	190,471	179,398
Professional services	382,919	377,247
Supplies and equipment	804,195	710,775
Monitoring expenses	97,187	75,886
Repairs and maintenance	251,717	217,609
Utilities	374,049	302,025
Depreciation and amortization	1,432,261	1,490,785
Other expenses	957,364	906,872
Total Operating Expenses	9,274,788	8,676,038
Operating Income	12,356,600	13,250,847
<u>Non-Operating Revenues</u>		
Investment income	1,314,183	1,226,539
Total Non-Operating Revenues	1,314,183	1,226,539
<u>Non-Operating Expenses</u>		
Interest	1,100,000	1,017,875
Current year credits payable	817,473	795,674
Total Non-Operating Expenses	1,917,473	1,813,549
Net Income	11,753,310	12,663,837
<u>Retained Earnings</u>		
Retained earnings at beginning of period	42,974,887	42,974,887
Retained earnings at end of period	\$ 54,728,198	\$ 55,638,725

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 1: Accounts Receivable

Accounts receivable consists of amounts payable by the State Water Project contractors and other miscellaneous receivables.

Note 2: O&M Reserve Fund

The O&M reserve fund represents cash reserves for emergency uses. The funding requirement is \$2,000,000 allocated on an entitlement basis for the Santa Barbara County project participants. Investment earnings on O&M reserve fund balances are credited against CCWA O&M assessments.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 28,516
City of Santa Maria	839,926
Golden State Water Company	25,924
Vandenberg AFB	396,872
City of Buellton	29,968
Santa Ynez ID #1 (Solvang)	77,771
Santa Ynez ID #1	25,706
Goleta Water District	231,354
Morehart Land Co.	10,369
La Cumbre Mutual Water Company	51,841
Raytheon Systems Company	2,592
City of Santa Barbara	155,542
Montecito Water District	154,236
Carpinteria Valley Water District	102,824
TOTAL:	<u>\$ 2,133,440</u>

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 3: DWR Reserve Fund

The DWR Reserve Fund was established to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR. Contributions to the DWR Reserve Fund are voluntary. Funding of each participating Project Participant's share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components until the funding Target Amount is reached. The Target Amount will be equal to the participating Project Participant's proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges. The following schedule shows the current fund balance of the participating Project Participant's.

Project Participant	Amount
City of Guadalupe	24,084
City of Santa Maria	938,756
Golden State Water Company	37,441
City of Buellton	\$ 45,409
Santa Ynez ID #1 (Solvang)	124,412
Santa Ynez ID #1	130,159
Morehart Land Co.	18,958
La Cumbre Mutual Water Company	69,015
Raytheon Systems Co.	4,937
City of Santa Barbara	183,987
TOTAL:	\$ 1,577,159

Note 4: Rate Coverage Reserve Fund Cash Deposits

The rate coverage reserve fund was established to provide CCWA project participants a mechanism to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments. The following schedule shows the current balances plus accrued interest receivable in the rate coverage reserve fund.

Project Participant	Amount
City of Guadalupe	\$ 195,909
City of Santa Maria	5,129,802
City of Buellton	281,925
Santa Ynez ID #1 (Solvang)	627,594
Santa Ynez ID #1	463,034
La Cumbre Mutual Water Company	410,614
Montecito Water District	1,483,231
Carpinteria Valley Water District	853,612
Shandon	15,597
TOTAL:	\$ 9,461,318

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 5: Debt Service Payments

The following table shows the financing participant cash balances available to pay CCWA Series 2016-A revenue bond principal and interest payments.

<u>Participant</u>	<u>Amount</u>
Avila Beach	\$ 12,494
California Men's Colony	109,284
County of SLO	116,416
Cuesta College	54,646
Morro Bay	705,137
Oceano	91,351
Pismo Beach	150,980
Shandon	12,371
Guadalupe	155,481
Buellton	275,479
Santa Ynez (Solvang)	845,042
Santa Ynez	317,358
Goleta	2,663,497
Morehart Land	122,397
La Cumbre	585,573
Raytheon	25,630
Santa Barbara	1,637,326
Montecito	1,924,499
Carpinteria	1,100,238
TOTAL:	\$ 10,905,200

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 6a: Cash and Investments Payment to DWR and Warren Act and Trust Fund Charges

Cash deposits for payments to DWR and Warren Act and Trust Fund payments.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 372,426
City of Santa Maria	10,672,135
Golden State Water Company	366,307
Vandenberg AFB	8,306,752
City of Buellton	399,846
Santa Ynez ID #1 (Solvang)	962,832
Santa Ynez ID #1	1,034,174
Goleta Water District	3,490,123
Morehart Land Co.	130,363
La Cumbre Mutual Water Company	697,338
Raytheon Systems Co.	64,027
City of Santa Barbara	2,901,311
Montecito Water District	2,623,954
Carpinteria Valley Water District	1,533,525
TOTAL:	<u>\$ 33,555,115</u>

Note 6b: Cash Payments for CCWA Variable Charges

Cash deposits for payments to CCWA for Variable Assessments.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ -
City of Santa Maria	-
Golden State Water Company	-
Vandenberg AFB	-
City of Buellton	-
Santa Ynez ID #1 (Solvang)	9,546
Santa Ynez ID #1	-
Goleta Water District	-
Morehart Land Co.	284
La Cumbre Mutual Water Company	-
Raytheon Systems Co.	3,853
City of Santa Barbara	-
Montecito Water District	-
Carpinteria Valley Water District	-
Shandon	-
Lopez Turnout	-
Chorro Turnout	-
TOTAL:	<u>\$ 13,683</u>

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 7: Credits Payable

Credits payable to, or (due from) CCWA project participants for investment earnings and O&M assessment credits.

Project Participant	Amount
City of Guadalupe	\$ 0
City of Santa Maria	(24)
Golden State Water Company	(0)
Vandenberg AFB	411,148
City of Buellton	(2)
Santa Ynez ID #1 (Solvang)	(5)
Santa Ynez ID #1	(20,308)
Goleta Water District	526
Morehart Land Co.	(0)
La Cumbre Mutual Water Company	(1)
Raytheon Systems Co.	(0)
City of Santa Barbara	(1)
Montecito Water District	386
Carpinteria Valley Water District	233
Shandon	(1,785)
Lopez Turnout	132
Chorro Turnout	118
TOTAL:	<u>\$ 390,416</u>

Note 8: Escrow Deposits

Cash deposits from certain project participants as required under the Water Supply Agreements.

Project Participant	Amount
Morehart Land Company	\$ 414,922
Raytheon Systems Company	110,640
TOTAL:	<u>\$ 525,562</u>

Note 9: Construction in Progress

Amounts in construction in progress represent expenditures incurred during FY 2018/19 and amounts retained in construction in progress at June 30, 2018. The following schedule shows the CIP expenditures for CCWA projects.

Financial Reach	Amount
Labor	\$ 160,082
Materials	802,740
Overhead	888,039
Project CIP Total:	<u>\$ 1,850,862</u>

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 10: Unamortized Bond Issuance Costs

Unamortized bond issuance costs for the 2016 revenue bonds include bond insurance and the 1992, 1996 and 2006 revenue bond deferred costs.

Note 11: Long-Term Receivable

The long-term receivable represents CCWA revenue bond expenditures for project participant local facilities which are owned by the individual project participants. The costs associated with the construction of these local facilities are financed with proceeds from the CCWA revenue bonds. Project participant revenue bond principal payments are proportionally divided between the long-term receivable and the CCWA owned facilities over the term of the bond issue.

Financing Participant	Long-Term Receivable
Avila Beach	\$ 2,905
California Men's Colony	64,873
County of SLO	69,185
Cuesta College	32,439
Morro Bay	496,260
Oceano	19,787
Pismo Beach	32,669
Shandon	2,387
Guadalupe	84,373
Buellton	13,733
Santa Ynez (Solvang)	36,632
Santa Ynez	16,233
Goleta	208,558
Morehart Land	960
La Cumbre	4,801
Raytheon	1,267
Santa Barbara	45,531
Montecito	72,432
Carpinteria	65,259
TOTAL:	\$ 1,270,283

Note 12: Bonds Payable

Bonds payable represents outstanding Series 2016-A revenue bonds outstanding. The next Series 2016-A principal payment is due on October 1, 2020 in the amount of \$9,615,000.

Central Coast Water Authority
Notes to Financial Statements
June 30, 2020

Note 13: Contributed Capital

Certain project participants elected to pay their share of CCWA project construction costs in cash. The amounts listed below show the capital contributions by project participant less the cost of local facilities and refunds to the project participants.

Project Participant	Amount
Avila Valley Water Company	\$ 15,979
City of Guadalupe	81,119
San Luis Schools	5,608
San Miguelito Water Company	233,605
Golden State Water Company	866,277
City of Santa Maria	13,498,802
Vandenberg AFB	7,861,043
TOTAL:	<u>\$ 22,562,433</u>



Budget and Actual All Reaches

	June 30, 2020		
	<u>Budget</u>	<u>Actual</u>	<u>Percent Expended ⁽¹⁾</u>
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 10,029,748	10,029,748	100.00%
Variable operating assessments	3,259,787	2,352,893	72.18%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	<u>13,289,535</u>	<u>12,382,641</u>	<u>93.18%</u>
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	5,201,852	4,768,054	91.66%
Office expenses	20,500	16,571	80.83%
General and administrative	309,710	190,471	61.50%
Professional services	432,843	382,919	88.47%
Supplies and equipment	2,297,803	804,195	35.00%
Monitoring expenses	105,604	97,187	92.03%
Repairs and maintenance	285,620	251,717	88.13%
Utilities	1,331,312	374,049	28.10%
Depreciation and amortization	-	-	N/A
Other expenses	1,547,670	957,364	61.86%
Total Operating Expenses	<u>11,532,913</u>	<u>7,842,527</u>	<u>68.00%</u>
Operating Income	<u>1,756,622</u>	<u>4,540,114</u>	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	
<u>Non-Operating Expenses</u>			
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	
Net Income (Loss)	<u>\$ 1,756,622</u>	<u>4,540,114</u>	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Administration

	June 30, 2020		Percent Expended ⁽¹⁾
	Budget	Actual	
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,868,217	\$ 1,868,217	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	1,868,217	1,868,217	100.00%
Operating Expenses ⁽²⁾			
Personnel expenses	991,469	939,299	94.74%
Office expenses	10,500	9,465	90.14%
General and administrative	202,460	145,052	71.64%
Professional services	254,171	275,553	108.41%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	29,935	22,882	76.44%
Utilities	15,203	14,568	95.82%
Depreciation and amortization	-	-	N/A
Other expenses	252,898	464,099	183.51%
Total Operating Expenses	1,756,637	1,870,917	106.51%
Operating Income	111,580	(2,700)	
Non-Operating Revenues			
Investment Income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Current Year credits payable	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 111,580	(2,700)	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Water Treatment Plant

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 4,498,633	4,498,633	100.00%
Variable operating assessments	2,198,977	1,600,541	72.79%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	6,697,610	6,099,175	91.06%
Operating Expenses ⁽²⁾			
Personnel expenses	2,477,227	2,223,153	89.74%
Office expenses	6,000	4,832	80.53%
General and administrative	73,000	30,836	42.24%
Professional services	75,239	63,957	85.01%
Supplies and equipment	2,194,892	724,395	33.00%
Monitoring expenses	105,604	97,187	92.03%
Repairs and maintenance	166,485	141,496	84.99%
Utilities	188,801	170,351	90.23%
Depreciation and amortization	-	-	N/A
Other expenses	525,576	235,959	44.90%
Total Operating Expenses	5,812,823	3,692,165	63.52%
Operating Income	884,787	2,407,009	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 884,787	2,407,009	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20

Central Coast Water Authority
Polonio Pass Water Treatment Plant
Fixed and Variable Cost per Acre-Foot
June 30, 2020

WTP Fixed O&M Costs	July 2019	Aug. 2019	Sept. 2019	Oct. 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	April 2020	May 2020	June 2020	Total for Year
Fixed O&M Expenses	\$ 334,149	\$ 213,877	\$ 219,798	\$ 245,736	\$ 304,255	\$ 240,004	\$ 217,970	\$ 208,757	\$ 204,503	\$ 216,384	\$ 296,125	\$ 248,173	\$ 2,949,730
Annual Table A Amount ⁽¹⁾	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908
Fixed WTP Cost per AF	\$ 7.61	\$ 4.87	\$ 5.01	\$ 5.60	\$ 6.93	\$ 5.47	\$ 4.96	\$ 4.75	\$ 4.66	\$ 4.93	\$ 6.74	\$ 5.65	\$ 67.18
WTP Variable O&M Costs													
Variable O&M Expenses	\$ 77,325	\$ 98,037	\$ 95,697	\$ 82,191	\$ 33,343	\$ 39,594	\$ 45,415	\$ 54,803	\$ 46,338	\$ 51,240	\$ 30,231	\$ 88,232	\$ 742,448
Actual Water Treated	2,486	2,463	2,250	2,255	635	1,178	992	1,043	1,118	1,025	1,439	1,702	18,586
Variable WTP Cost per AF	\$ 31.10	\$ 39.80	\$ 42.53	\$ 36.45	\$ 52.51	\$ 33.61	\$ 45.78	\$ 52.54	\$ 41.45	\$ 49.99	\$ 21.01	\$ 51.84	\$ 39.95
 (1) Includes Santa Barbara County and San Luis Obispo County Table A amounts and excludes Goleta 2,500 AF drought buffer and Santa Barbara County 3,908 AF drought buffer.													



Budget and Actual Mission Hills II

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 366,691	366,691	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	366,691	366,691	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	222,268	208,742	93.91%
Office expenses	513	292	56.83%
General and administrative	4,392	1,870	42.57%
Professional services	13,265	6,798	51.25%
Supplies and equipment	13,198	10,060	76.23%
Monitoring expenses	-	-	N/A
Repairs and maintenance	11,439	9,474	82.82%
Utilities	8,528	3,149	36.92%
Depreciation and amortization	-	-	N/A
Other expenses	25,815	47,189	182.80%
Total Operating Expenses	299,417	287,573	96.04%
Operating Income	67,273	79,117	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 67,273	79,117	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Santa Ynez I

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 635,277	635,277	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	635,277	635,277	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	312,860	305,502	97.65%
Office expenses	722	410	56.84%
General and administrative	6,183	2,632	42.58%
Professional services	18,671	8,308	44.49%
Supplies and equipment	18,577	14,339	77.18%
Monitoring expenses	-	-	N/A
Repairs and maintenance	16,102	8,636	53.64%
Utilities	12,004	7,236	60.29%
Depreciation and amortization	-	-	N/A
Other expenses	76,026	22,408	29.47%
Total Operating Expenses	461,145	369,472	80.12%
Operating Income	174,132	265,806	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 174,132	265,806	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Santa Ynez II

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,186,914	1,186,914	100.00%
Variable operating assessments	1,060,810	752,352	70.92%
Other revenues	-		N/A
Total Operating Revenues	2,247,724	1,939,266	86.28%
Operating Expenses ⁽²⁾			
Personnel expenses	449,302	406,617	90.50%
Office expenses	1,037	589	56.84%
General and administrative	8,879	3,780	42.58%
Professional services	26,814	10,332	38.53%
Supplies and equipment	26,679	21,095	79.07%
Monitoring expenses	-	-	N/A
Repairs and maintenance	23,124	23,437	101.35%
Utilities	1,078,049	149,310	13.85%
Depreciation and amortization	-	-	N/A
Other expenses	279,840	68,701	24.55%
Total Operating Expenses	1,893,723	683,862	36.11%
Operating Income	354,001	1,255,404	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 354,001	1,255,404	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 33B

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 747,465	747,465	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	747,465	747,465	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	346,171	302,920	87.51%
Office expenses	799	454	56.82%
General and administrative	6,841	2,912	42.57%
Professional services	20,659	8,292	40.13%
Supplies and equipment	20,555	15,939	77.54%
Monitoring expenses	-	-	N/A
Repairs and maintenance	17,816	18,582	104.30%
Utilities	13,282	9,829	74.01%
Depreciation and amortization	-	-	N/A
Other expenses	197,842	92,202	46.60%
Total Operating Expenses	623,966	451,131	72.30%
Operating Income	123,500	296,334	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 123,500	296,334	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 34

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 249,039	249,039	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	249,039	249,039	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	167,480	154,016	91.96%
Office expenses	387	220	56.82%
General and administrative	3,310	1,409	42.57%
Professional services	9,995	3,195	31.96%
Supplies and equipment	9,945	7,703	77.45%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,620	6,871	79.72%
Utilities	6,426	6,186	96.27%
Depreciation and amortization	-	-	N/A
Other expenses	19,452	11,655	59.92%
Total Operating Expenses	225,613	191,254	84.77%
Operating Income	23,426	57,785	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 23,426	57,785	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 35

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 162,220	162,220	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	162,220	162,220	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	110,285	91,503	82.97%
Office expenses	255	145	56.81%
General and administrative	2,179	928	42.56%
Professional services	6,582	1,836	27.89%
Supplies and equipment	6,548	4,983	76.10%
Monitoring expenses	-	-	N/A
Repairs and maintenance	5,676	2,336	41.16%
Utilities	4,231	2,018	47.70%
Depreciation and amortization	-	-	N/A
Other expenses	12,809	7,096	55.40%
Total Operating Expenses	148,565	110,844	74.61%
Operating Income	13,654	51,375	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 13,654	51,375	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 37

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 70,133	70,133	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	70,133	70,133	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	47,283	40,662	86.00%
Office expenses	109	63	57.30%
General and administrative	934	401	42.92%
Professional services	2,822	794	28.13%
Supplies and equipment	2,808	2,155	76.75%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,434	1,010	41.51%
Utilities	1,814	625	34.43%
Depreciation and amortization	-	-	N/A
Other expenses	5,492	3,068	55.87%
Total Operating Expenses	63,695	48,777	76.58%
Operating Income	6,438	21,355	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 6,438	21,355	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 38

	June 30, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 114,934	114,934	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	114,934	114,934	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	77,507	67,612	87.23%
Office expenses	179	102	56.82%
General and administrative	1,532	652	42.56%
Professional services	4,626	1,290	27.89%
Supplies and equipment	4,602	3,502	76.10%
Monitoring expenses	-	-	N/A
Repairs and maintenance	3,989	2,496	62.57%
Utilities	2,974	1,015	34.14%
Depreciation and amortization	-	-	N/A
Other expenses	9,002	4,987	55.40%
Total Operating Expenses	104,411	81,656	78.21%
Operating Income	10,524	33,278	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 10,524	33,278	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2018/19 to FY 2019/20

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS
RAW WATER (RW) AND SETTLED WATER (SW)**

Agenda Item III.D.
Board of Directors
July 23, 2020

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

June 2020

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.13	1.14	0.30	1.0	71	1	69	74	0	99	49	468	
2	8.01	1.07	0.30	1.0			70	75	0	99	48		
3	8.10	0.72	0.30	1.0			68	75	0	99	49		3.2
4	8.13	0.88	0.30	1.0			68	75	0	98	50		
5	8.13	0.80	0.27	1.0			65	74	0	94	46		
6	8.18	0.83	0.26	1.0			69	74	0	97	50		
7	8.43	1.13	0.29	1.0			69	75	2	97	50		
8	8.53	0.97	0.33	1.5	115	2	68	75	3	95	50	462	
9	8.65	0.77	0.26	1.0			71	73	4	98	48		
10	8.77	0.82	0.30	1.5			71	73	6	98	49		
11	8.83	0.86	0.34	1.0			70	73	7	98	49		
12	8.73	0.85	0.30	1.0			70	73	5	98	48		
13	8.68	0.87	0.30	1.0			71	73	5	97	48		
14	8.77	0.93	0.29	1.0			71	71	6	97	50		
15	8.90	1.08	0.31	1.0	93	<1	70	72	8	98	48	458	
16	8.88	1.08	0.30	1.0			71	73	8	92	50		
17	8.73	1.24	0.36	1.0			71	74	7	91	46		
18	8.63	2.83	0.42	1.5			70	74	4	95	46		
19	8.37	1.60	0.39	3.0			70	76	0	95	47		
20	8.20	1.23	0.35	2.5			68	75	0	95	46		
21	8.14	1.20	0.37	3.0			71	74	0	93	44		
22	8.08	0.97	0.29	2.0	38	1	71	75	0	93	45	459	
23	8.12	0.89	0.26	1.0			71	73	0	97	47		
24	8.20	0.97	0.24	1.0			69	71	0	97	49		
25	8.03	0.87	0.27	1.5			69	72	0	101	50		
26	7.97	0.93	0.26	1.5			67	73	0	97	47		
27	8.01	0.97	0.29	1.0			67	72	0	97	49		
28	8.13	1.14	0.30	1.5			67	74	0	98	48		
29	8.45	1.30	0.26	4.0	28	<1	66	73	3	97	47	442	
30	8.70	2.13	0.32	2.5			67	76	7	95	48		
Avg	8.39	1.10	0.30	1.5	69	1	69	74	3	97	48	458	3.2

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS
TREATED WATER (TW) & CLEARWELL (CW)**

System Name: Central Coast Water Authority

System Number: 4210030

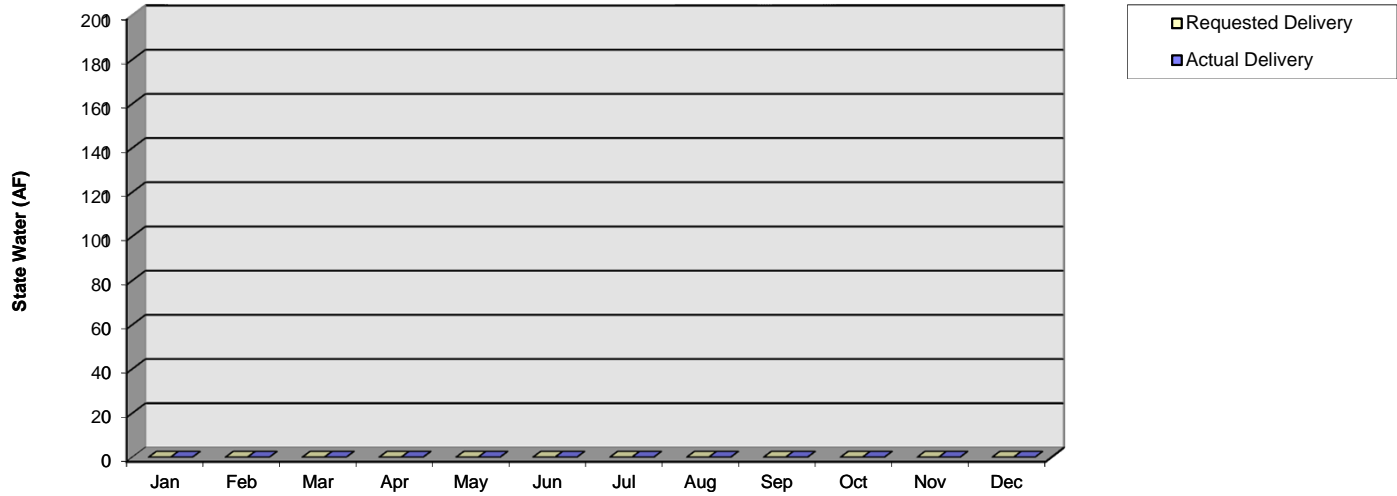
Treatment Plant Name: Polonio Pass Water Treatment Plant

June 2020

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft ²)	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.53	0.05	4.29	0.0	ABSENT	72	65	100	47	3.41	0.00	3.27	0.65	0.00	5.0	518	
2	8.43	0.05	4.12	0.0	ABSENT	75	71	99	51	3.37	0.00	3.28	0.63	0.00	5.2		
3	8.43	0.05	4.12	0.0	ABSENT	74	73	99	50	3.36	0.00	3.28	0.63	0.00	5.2		2.1
4	8.46	0.05	4.43	0.0	ABSENT	71	72	98	51	3.33	0.00	3.25	0.63	0.00	5.2		
5	8.37	0.05	4.61	0.0	ABSENT	70	70	96	46	3.43	0.00	3.38	0.62	0.00	5.5		
6	8.28	0.05	4.40	0.0	ABSENT	74	70	98	50	3.38	0.00	3.29	0.64	0.01	5.1		
7	8.44	0.05	3.93	0.0	ABSENT	75	72	99	51	3.33	0.00	3.26	0.63	0.01	5.2		
8	8.44	0.05	4.25	0.0	ABSENT	73	71	99	49	3.33	0.00	3.23	0.62	0.00	5.2	500	
9	8.38	0.06	4.31	0.0	ABSENT	77	68	100	49	3.41	0.00	3.31	0.63	0.00	5.3		
10	8.43	0.05	4.61	0.0	ABSENT	73	68	98	48	3.43	0.00	3.29	0.65	0.00	5.1		
11	8.43	0.06	4.46	0.0	ABSENT	74	68	97	46	3.42	0.00	3.27	0.64	0.00	5.1		
12	8.38	0.06	3.98	0.0	ABSENT	74	66	97	48	3.44	0.00	3.32	0.65	0.00	5.1		
13	8.38	0.06	3.88	0.0	ABSENT	73	67	97	49	3.40	0.00	3.32	0.64	0.00	5.2		
14	8.42	0.06	4.29	0.0	ABSENT	73	67	98	47	3.40	0.00	3.26	0.64	0.00	5.1		
15	8.42	0.06	4.76	0.0	ABSENT	73	65	97	47	3.33	0.00	3.23	0.62	0.00	5.2	491	
16	8.40	0.06	4.79	0.0	ABSENT	74	70	94	46	3.42	0.00	3.30	0.65	0.00	5.1		
17	8.40	0.05	5.11	0.0	ABSENT	74	70	92	47	3.48	0.00	3.35	0.64	0.00	5.2		
18	8.36	0.06	4.82	0.0	ABSENT	73	71	96	46	3.38	0.00	3.22	0.63	0.00	5.1		
19	8.50	0.08	4.69	0.0	ABSENT	74	72	94	47	3.38	0.00	3.31	0.63	0.00	5.3		
20	8.31	0.06	4.67	0.0	ABSENT	72	71	92	47	3.38	0.00	3.27	0.63	0.00	5.2		
21	8.44	0.06	3.96	0.0	ABSENT	75	70	93	44	3.32	0.00	3.23	0.63	0.01	5.1		
22	8.41	0.05	4.12	0.0	ABSENT	73	72	93	45	3.42	0.00	3.36	0.64	0.00	5.3	489	
23	8.38	0.05	4.49	0.0	ABSENT	74	71	98	49	3.42	0.00	3.33	0.64	0.00	5.2		
24	8.40	0.05	4.61	0.0	ABSENT	74	68	97	48	3.41	0.00	3.36	0.64	0.00	5.3		
25	8.38	0.05	4.64	0.0	ABSENT	69	70	101	49	3.48	0.00	3.44	0.65	0.00	5.3		
26	8.40	0.05	4.55	0.0	ABSENT	73	72	98	49	3.38	0.00	3.36	0.63	0.00	5.3		
27	8.38	0.05	3.88	0.0	ABSENT	71	71	97	48	3.42	0.00	3.35	0.63	0.00	5.3		
28	8.45	0.06	3.79	0.0	ABSENT	73	70	97	48	3.38	0.00	3.42	0.63	0.00	5.4		
29	8.43	0.06	3.79	0.0	ABSENT	72	70	96	50	3.43	0.00	3.32	0.64	0.00	5.2	490	
30	8.32	0.08	4.37	0.0	ABSENT	72	69	94	47	3.43	0.00	3.26	0.65	0.00	5.0		
Avg	8.41	0.06	4.36	0.00		73	70	97	48	3.40	0.00	3.30	0.64	0.00	5.2	498	2.10

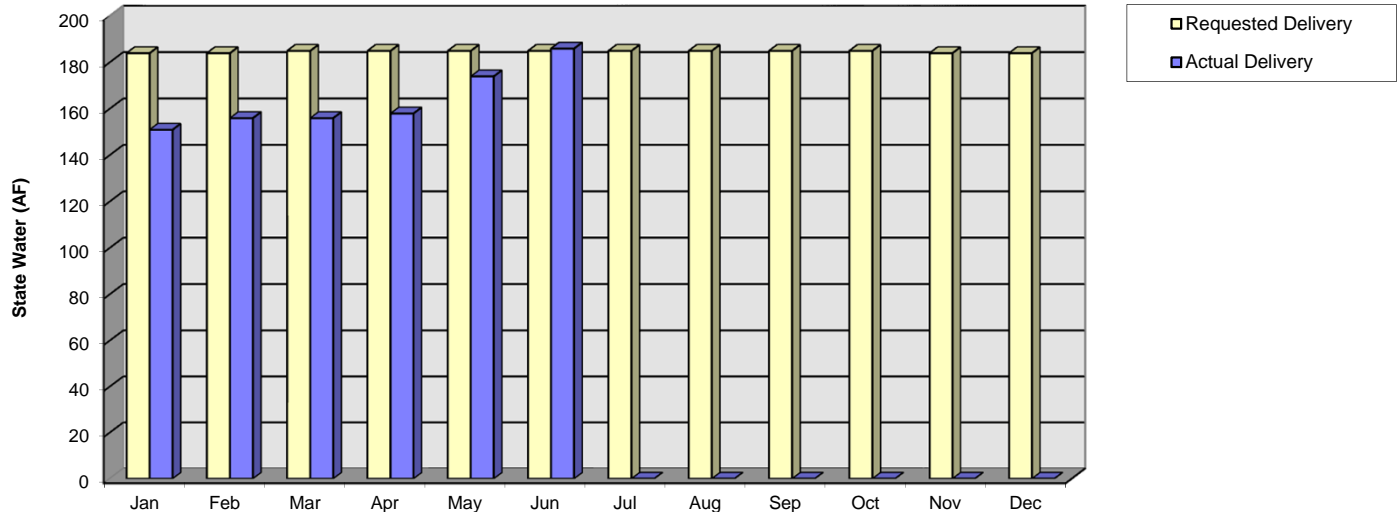
Shandon T.O. - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	0	0	
Apr	0	0	
May	0	0	
Jun	0	0	
Jul	0	0	
Aug	0	0	
Sep	0	0	
Oct	0	0	
Nov	0	0	
Dec	0	0	
Total	0	0	



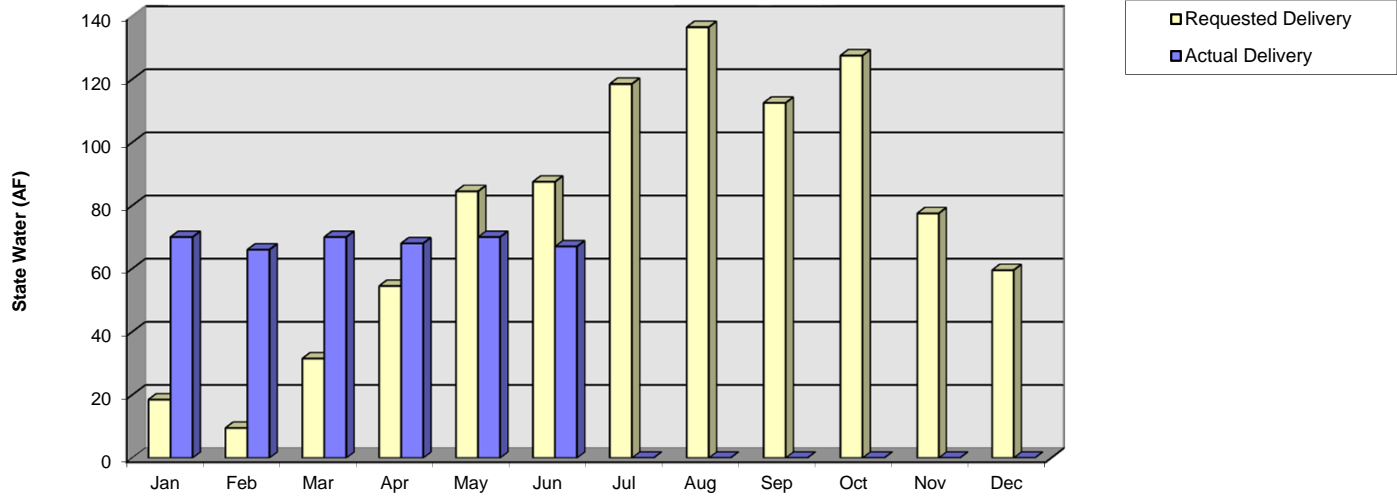
Chorro Valley T.O. - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	184	151	
Feb	184	156	
Mar	185	156	
Apr	185	158	
May	185	174	
Jun	185	186	
Jul	185	0	
Aug	185	0	
Sep	185	0	
Oct	185	0	
Nov	184	0	
Dec	184	0	
Total	2216	981	



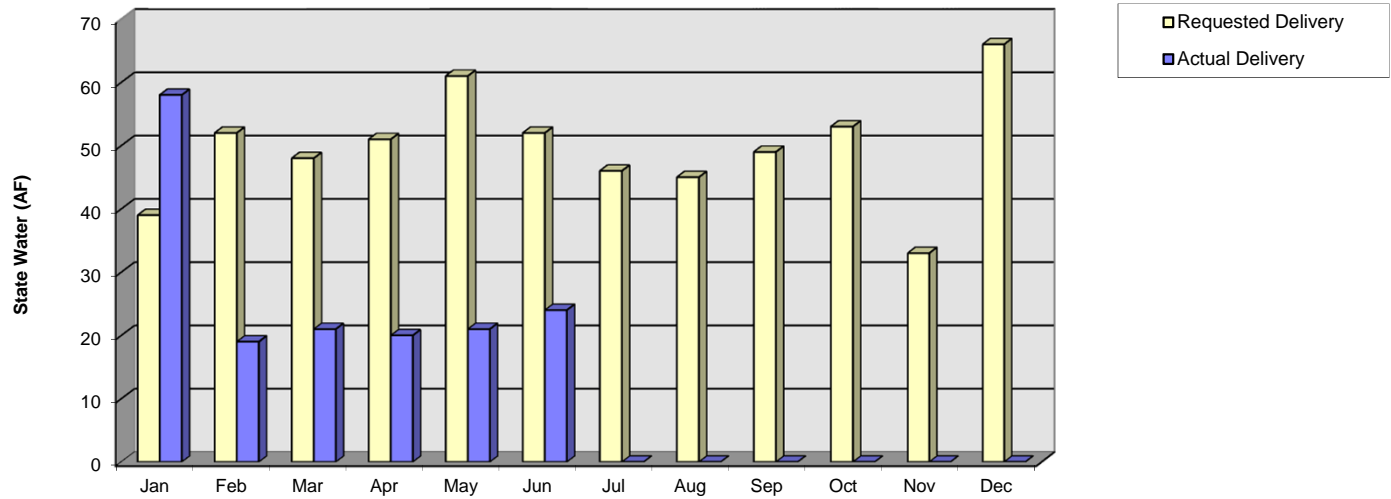
Lopez T.O. - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	19	70	
Feb	10	66	
Mar	32	70	
Apr	55	68	
May	85	70	
Jun	88	67	
Jul	119		
Aug	137		
Sep	113		
Oct	128		
Nov	78		
Dec	60		
Total	918	411	



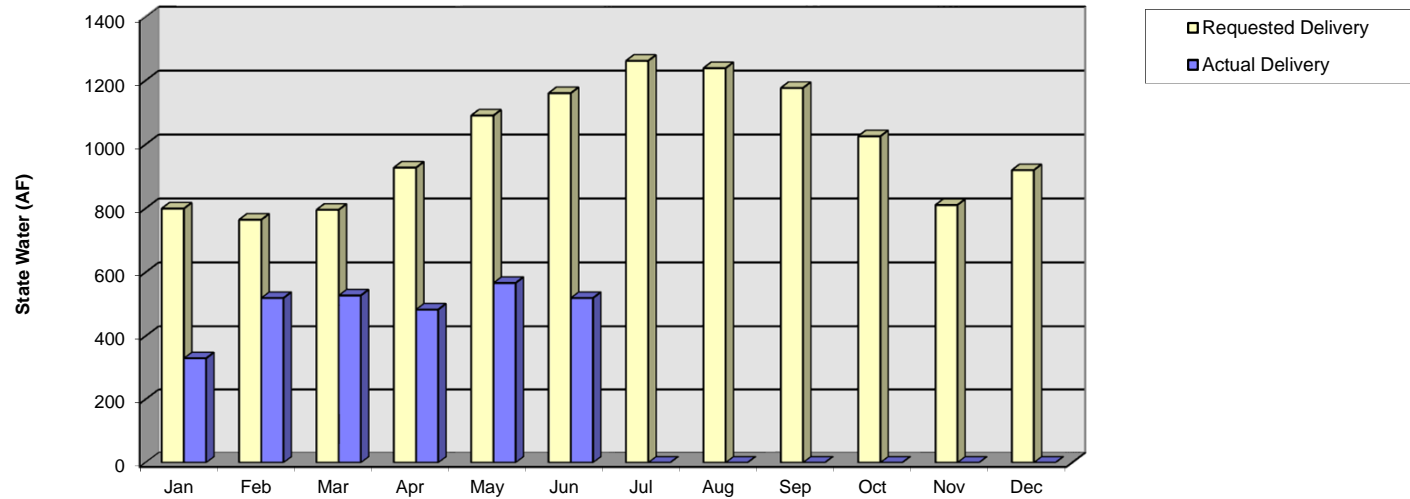
Guadalupe - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	58	
Feb	52	19	
Mar	48	21	
Apr	51	20	
May	61	21	
Jun	52	24	
Jul	46		
Aug	45		
Sep	49		
Oct	53		
Nov	33		
Dec	66		
Total	595	163	



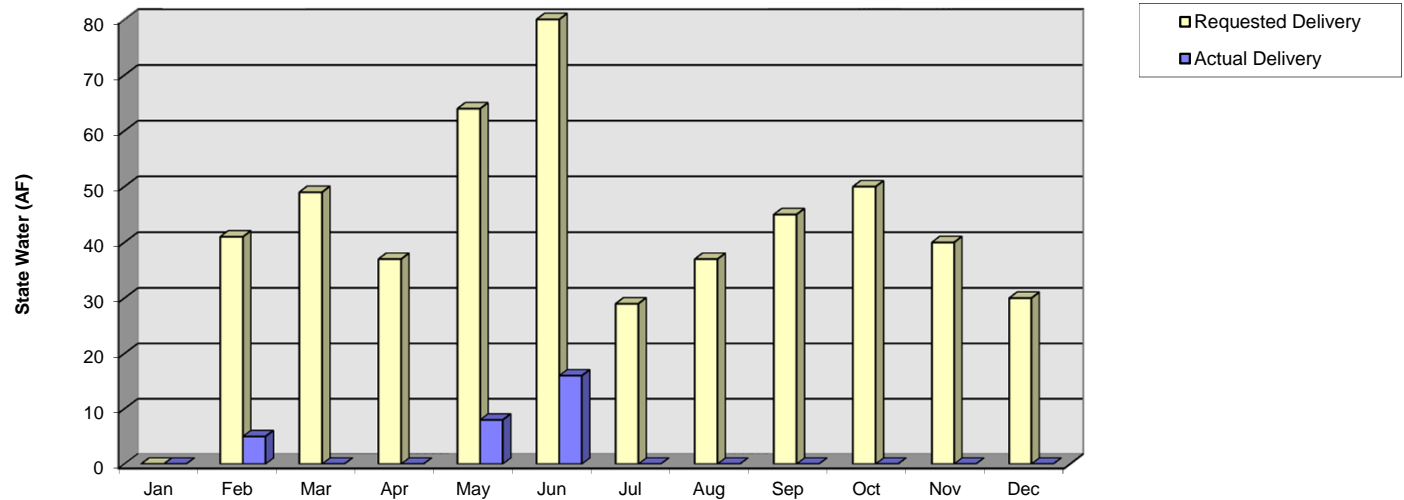
Santa Maria - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	800	330	
Feb	765	520	
Mar	796	528	
Apr	928	484	
May	1091	567	
Jun	1161	520	
Jul	1262		
Aug	1239		
Sep	1177		
Oct	1026		
Nov	811		
Dec	920		
Total	11976	2949	



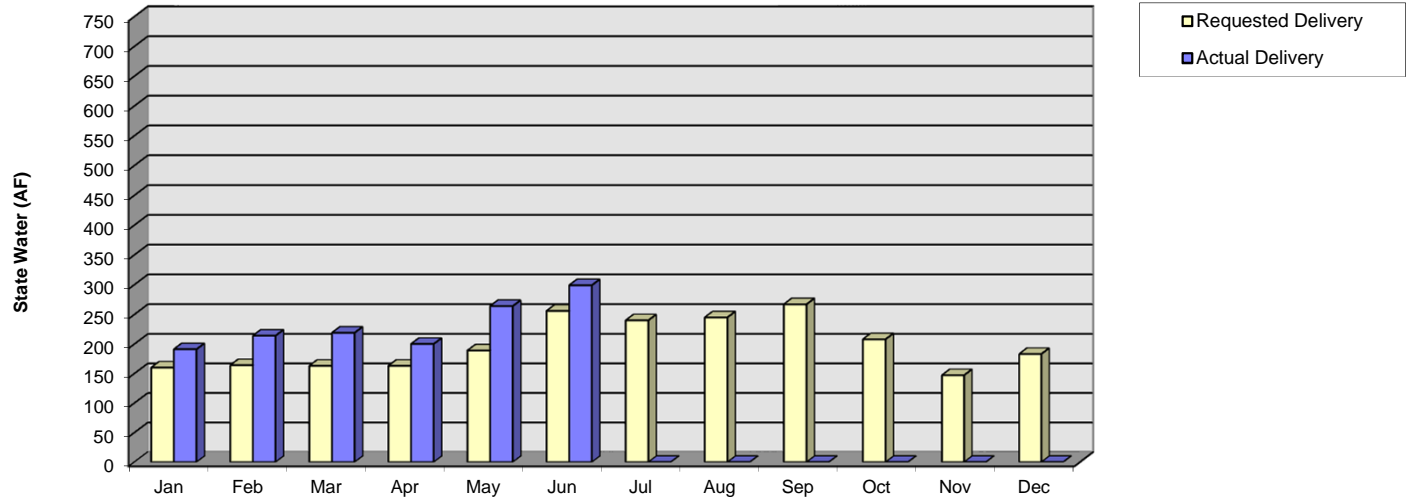
Golden State - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	41	5	
Mar	49	0	
Apr	37	0	
May	64	8	
Jun	80	16	
Jul	29		
Aug	37		
Sep	45		
Oct	50		
Nov	40		
Dec	30		
Total	502	29	



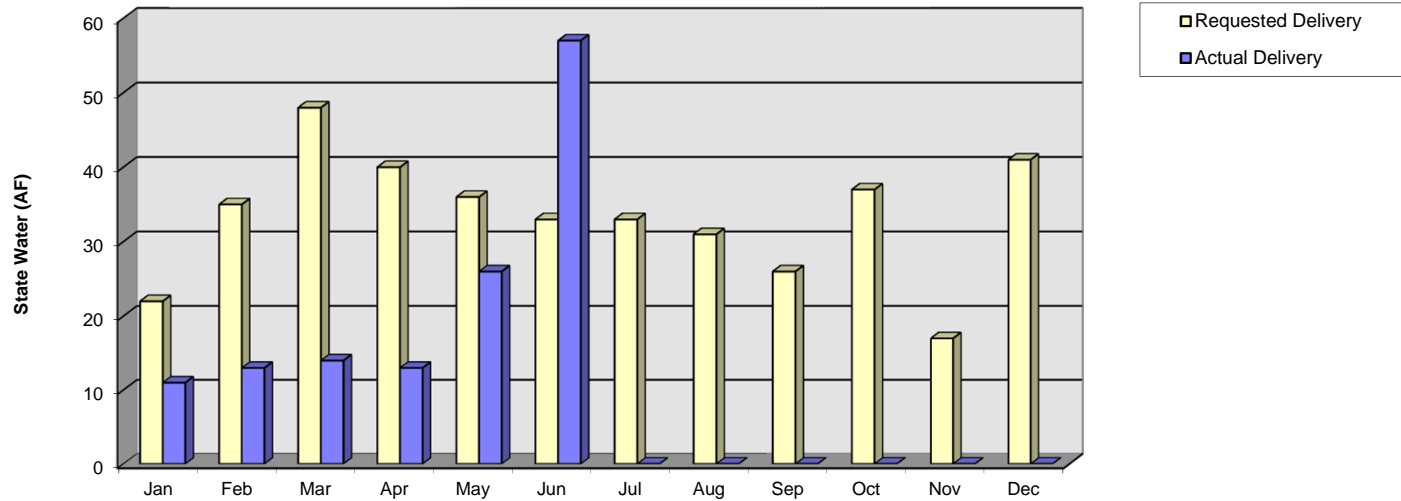
VAFB - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	160	191	
Feb	164	214	
Mar	163	219	
Apr	163	200	
May	189	264	
Jun	256	299	
Jul	240		
Aug	245		
Sep	267		
Oct	208		
Nov	147		
Dec	183		
Total	2385	1387	



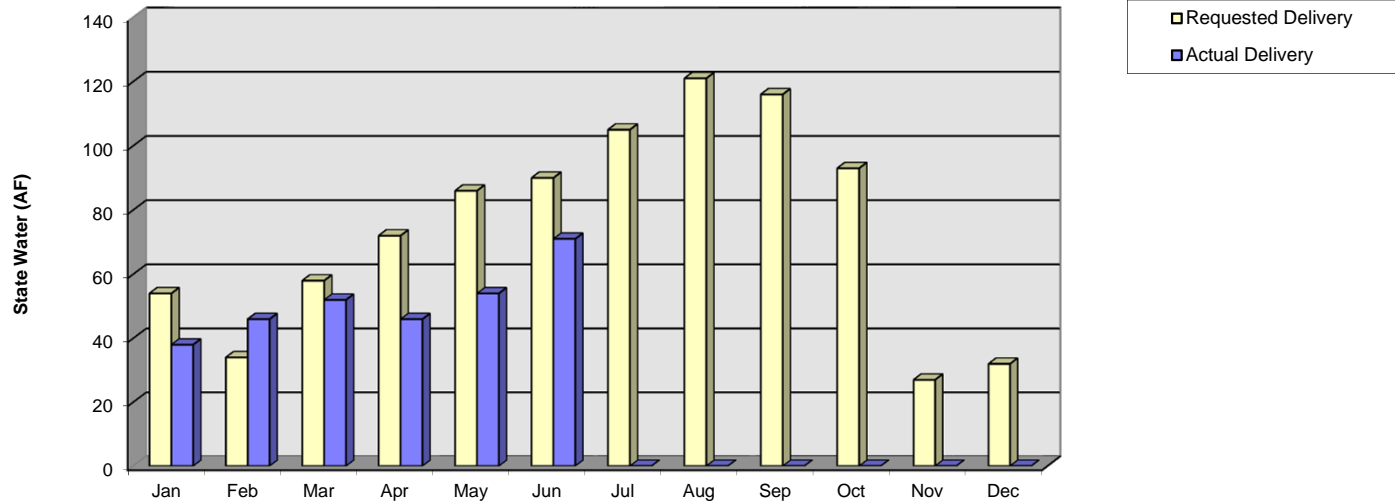
Buellton - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	22	11	
Feb	35	13	
Mar	48	14	
Apr	40	13	
May	36	26	
Jun	33	57	
Jul	33		
Aug	31		
Sep	26		
Oct	37		
Nov	17		
Dec	41		
Total	399	134	



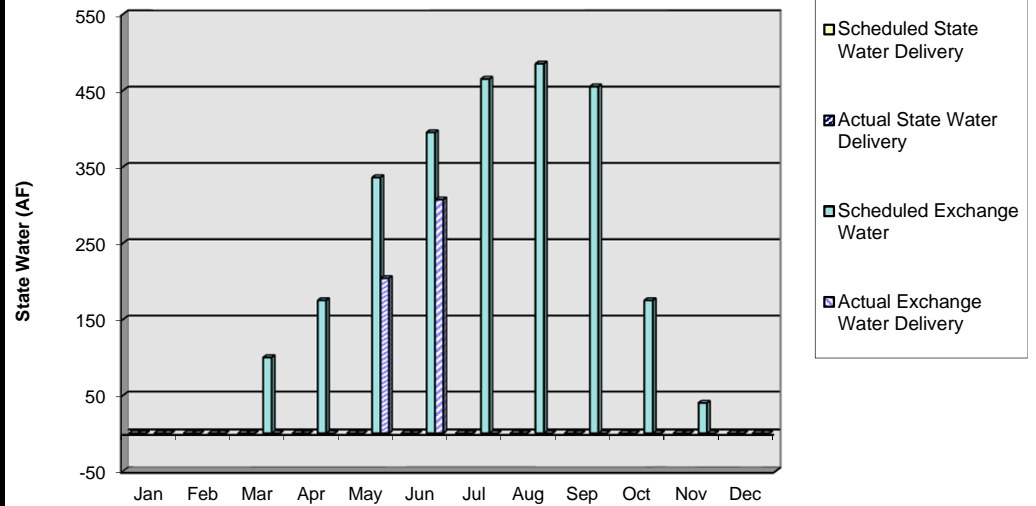
Santa Ynez - Solvang Only - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	54	38	
Feb	34	46	
Mar	58	52	
Apr	72	46	
May	86	54	
Jun	90	71	
Jul	105		
Aug	121		
Sep	116		
Oct	93		
Nov	27		
Dec	32		
Total	888	307	



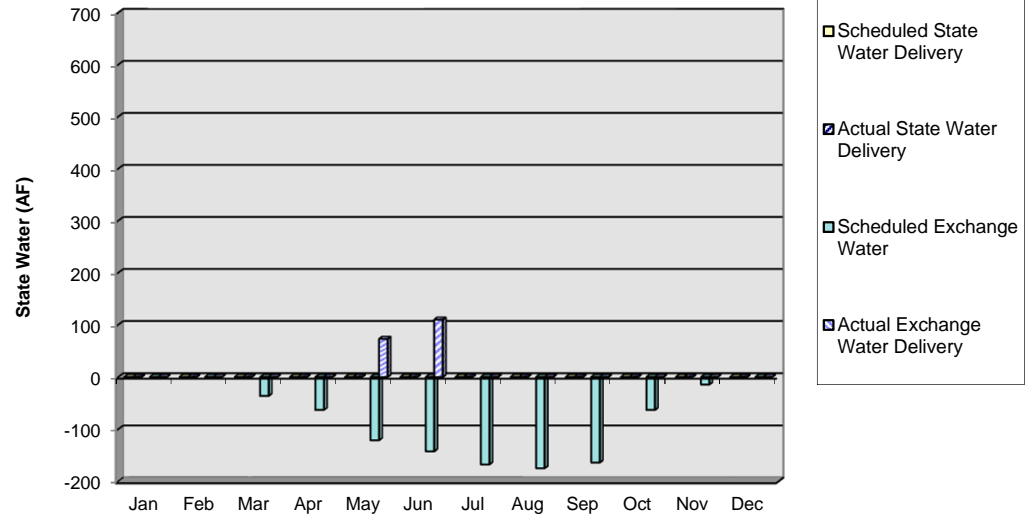
Santa Ynez (Without Solvang) - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	100	100	0	0	0	
Apr	0	175	175	0	0	0	
May	0	336	336	0	204	204	
Jun	0	395	395	0	307	307	
Jul	0	465	465				
Aug	0	485	485				
Sep	0	455	455				
Oct	0	175	175				
Nov	0	40	40				
Dec	0	0	0				
Total	0	2626	2626	0	511	511	



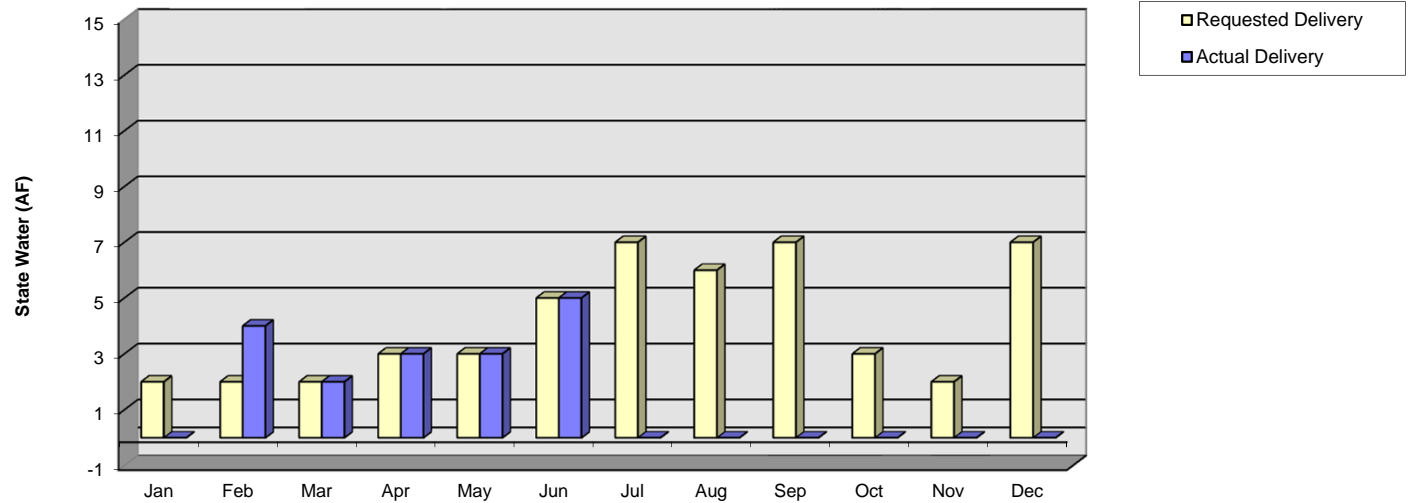
Goleta - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	-36	-36	0	0	0	
Apr	0	-63	-63	0	0	0	
May	0	-121	-120.96	0	73	73	
Jun	0	-142	-142.2	0	110	110	
Jul	0	-167	-167.4				
Aug	0	-175	-174.6				
Sep	0	-164	-163.8				
Oct	0	-63	-63				
Nov	0	-14	-14.4				
Dec	0	0	0				
Total	0	-945	-945	0	183	183	



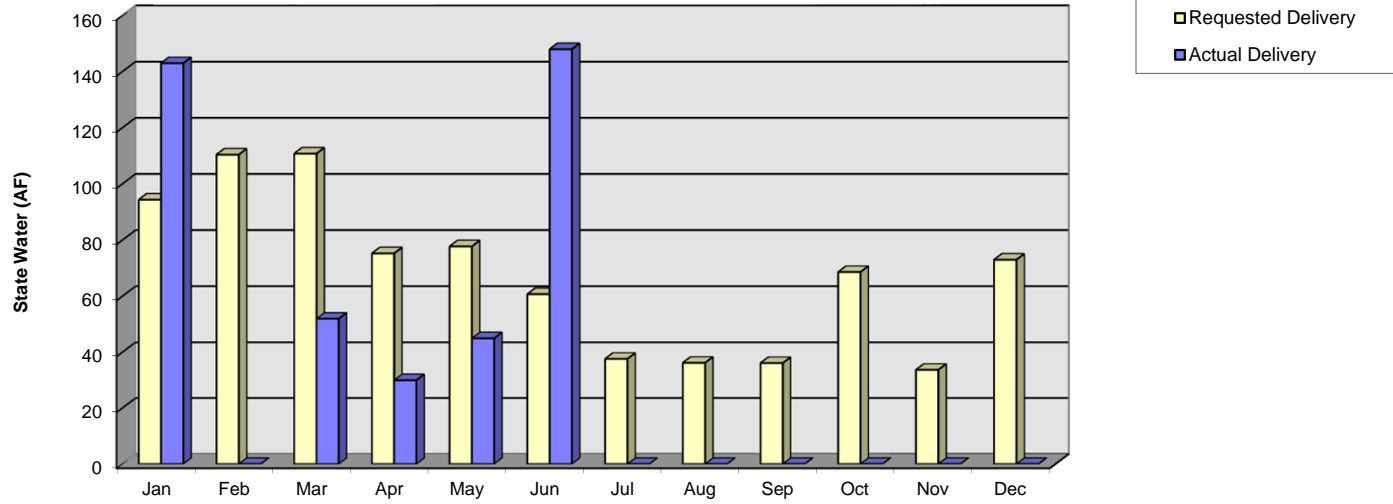
Morehart Land - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	0	
Feb	2	4	
Mar	2	2	
Apr	3	3	
May	3	3	
Jun	5	5	
Jul	7	0	
Aug	6	0	
Sep	7	0	
Oct	3	0	
Nov	2	0	
Dec	7	0	
Total	49	17	



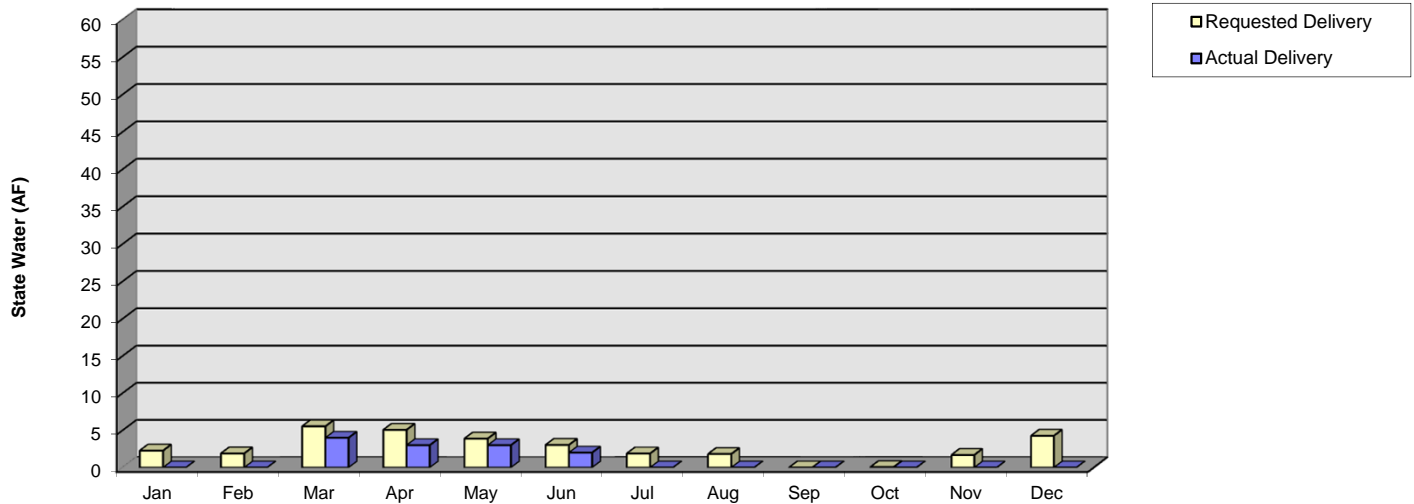
La Cumbre - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	94	143	
Feb	110	0	
Mar	111	52	
Apr	75	30	
May	78	45	
Jun	61	148	
Jul	38		
Aug	36		
Sep	36		
Oct	69		
Nov	34		
Dec	73		
Total	815	418	



Raytheon (SBRC) - SWP Deliveries in Year 2020

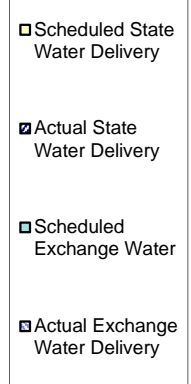
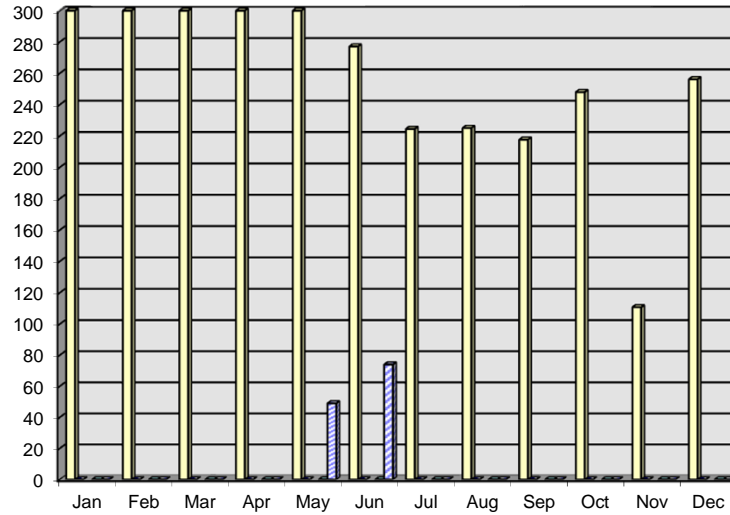
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	0	
Feb	2	0	
Mar	6	4	
Apr	5	3	
May	4	3	
Jun	3	2	
Jul	2		
Aug	2		
Sep	0		
Oct	0		
Nov	2		
Dec	4		
Total	31	12	



Santa Barbara - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'l'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	377	0	377	0	0	0	
Feb	331	0	331.37	0	0	0	
Mar	356	-24	332.49	0	0	0	
Apr	346	-42	303.98	0	0	0	
May	314	-81	233.37	0	49	49	
Jun	277	-95	182.32	0	74	74	
Jul	225	-112	112.92				
Aug	225	-116	108.71				
Sep	218	-109	108.44				
Oct	248	-42	205.99				
Nov	111	-10	101.18				
Dec	256	0	256.18				
Total	3285	-630	2654	0	123	123	

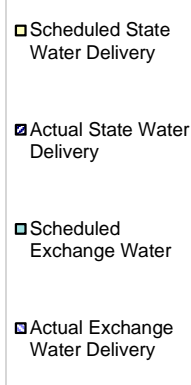
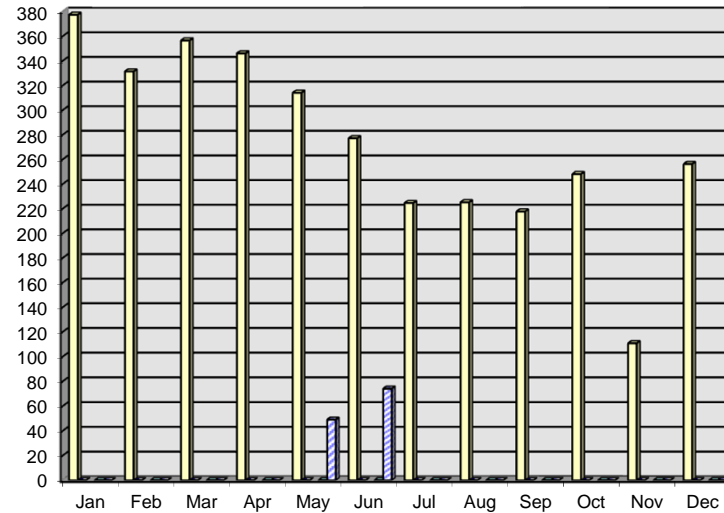
State Water (AF)



Montecito - SWP Deliveries in Year 2020

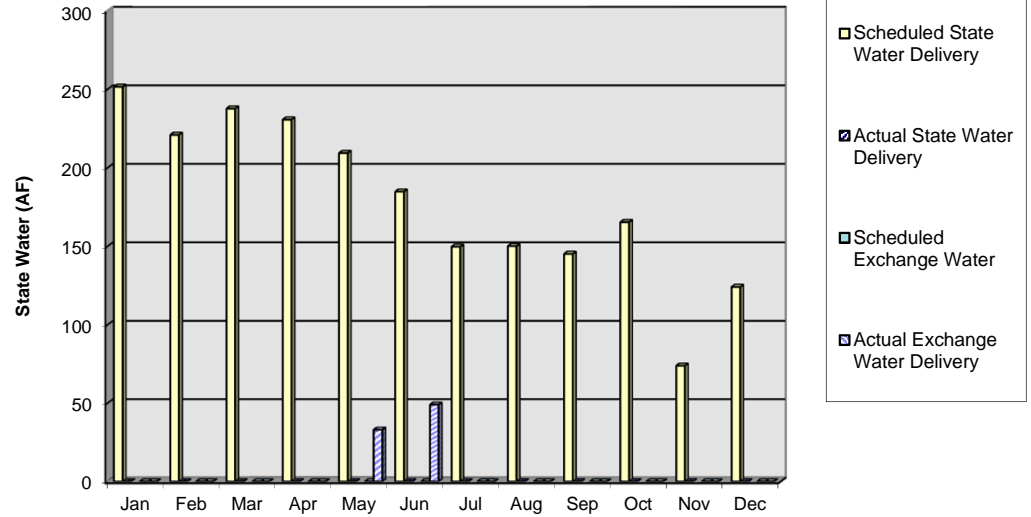
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'l'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	377	0	377	0	0	0	
Feb	331	0	331.37	0	0	0	
Mar	356	-24	332.49	0	0	0	
Apr	346	-42	303.98	0	0	0	
May	314	-81	233.37	0	49	49	
Jun	277	-95	182.32	0	74	74	
Jul	225	-112	112.92				
Aug	225	-116	108.71				
Sep	218	-109	108.44				
Oct	248	-42	205.99				
Nov	111	-10	101.18				
Dec	256	0	256.18				
Total	3285	-630	2654	0	123	123	

State Water (AF)



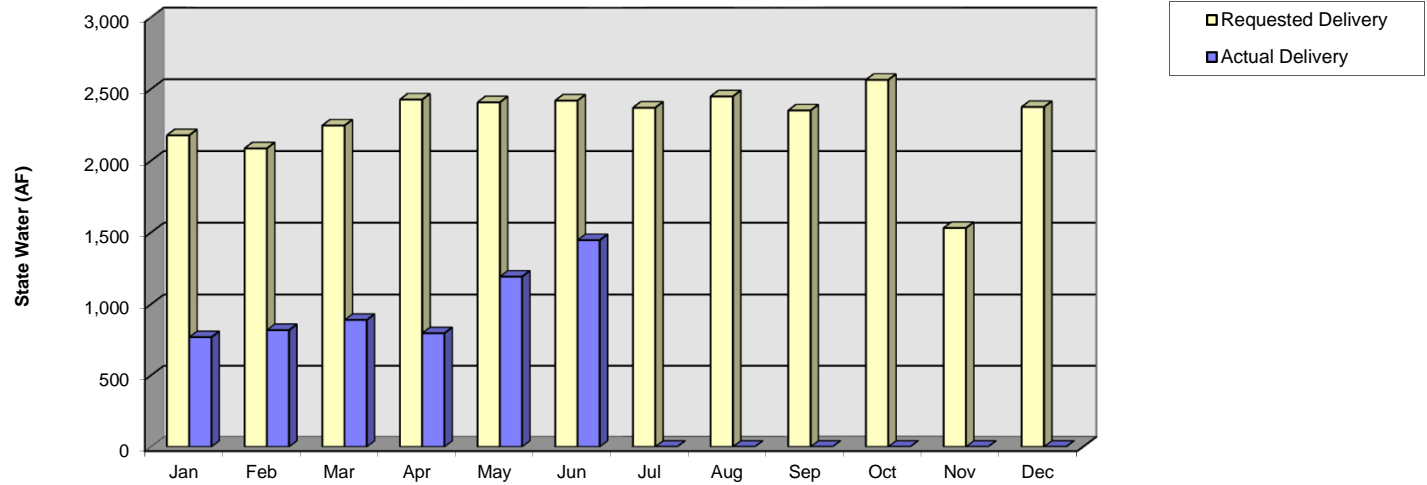
Carpinteria - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	252	0	252	0	0	0	
Feb	221	0	220.91	0	0	0	
Mar	238	-16	221.66	0	0	0	
Apr	231	-28	202.66	0	0	0	
May	209	-54	155.58	0	33	33	
Jun	185	-63	121.55	0	49	49	
Jul	150	-74	75.277				
Aug	150	-78	72.472				
Sep	145	-73	72.295				
Oct	165	-28	137.33				
Nov	74	-6	67.454				
Dec	124	0	124.06				
Total	2143	-420	1723	0	82	82	



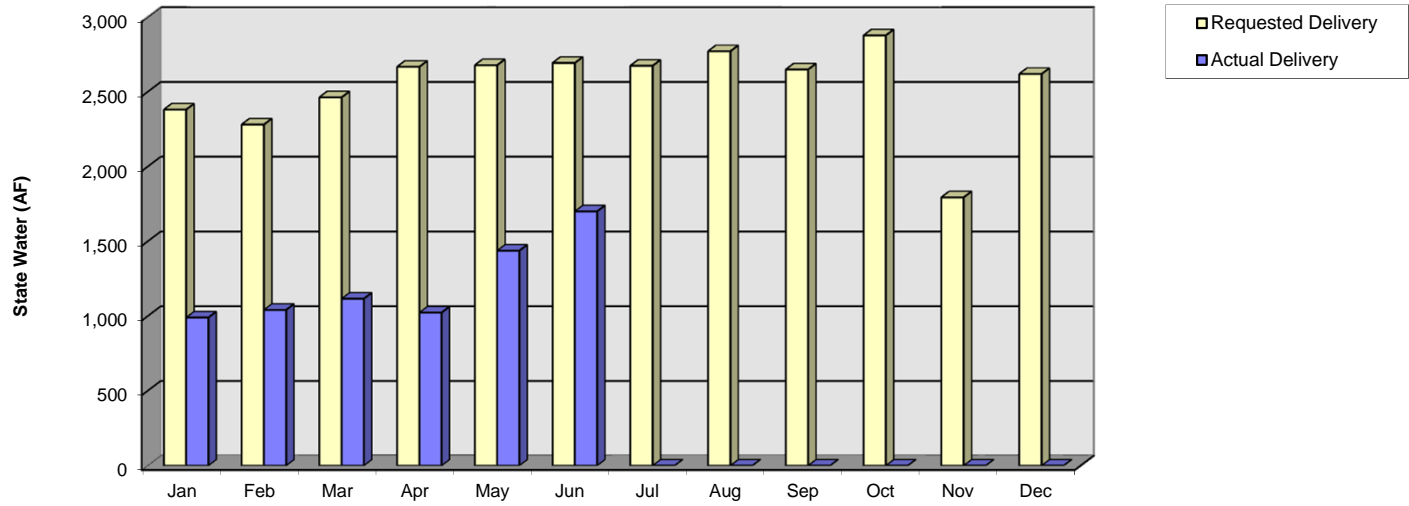
Total SB County - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery
Jan	2,180	771
Feb	2,089	821
Mar	2,248	892
Apr	2,429	799
May	2,410	1,195
Jun	2,422	1,449
Jul	2,372	
Aug	2,451	
Sep	2,353	
Oct	2,566	
Nov	1,534	
Dec	2,377	
Total	27,431	5,927



Total SB and SLO County - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery
Jan	2,383	992
Feb	2,283	1,043
Mar	2,465	1,118
Apr	2,669	1,025
May	2,680	1,439
Jun	2,695	1,702
Jul	2,676	
Aug	2,773	
Sep	2,651	
Oct	2,879	
Nov	1,796	
Dec	2,621	
Total	30,565	7,319





CENTRAL COAST WATER AUTHORITY

MEMORANDUM

July 15, 2020

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: CCWA Warren Act Contract for the Conveyance and Storage of State Water Into/In Lake Cachuma for the South Coast CCWA Project Participants

SUMMARY

CCWA entered into a Warren Act Contract with the United States Bureau of Reclamation (Bureau) in 1995 to allow CCWA to deliver State Water into Lake Cachuma, which is owned by the Bureau, for the benefit of the CCWA South Coast project participants, specifically, the City of Santa Barbara, Goleta Water District, Montecito Water District, Carpinteria Valley Water District, La Cumbre Mutual Water Company, Raytheon Systems Company and the Morehart Land Company.

We were operating under the belief that the contract expired on July 25, 2020 which was 25 years from the date the current Warren Act Contract was executed. However, the language in the actual contract regarding the terms states the following:

- 1 **TERM OF CONTRACT**
- 2 2. This Contract shall become effective on the date on which the Contractor
- 3 first introduces Non-Project Water into Project facilities and shall remain in effect for a
- 4 term of 25 years from that date.

CCWA staff researched the date State water deliveries were originally delivered to Lake Cachuma and determined the date to be June 24, 1997. As a result, the current Warren Act Contract does not expire until June 24, 2022.

Based on this fact, I sent the attached letter to the United States Bureau of Reclamation (USBR) providing documentation of the initial deliveries to the Lake and stating we are terminating our negotiations of an interim 5-year Warren Act Contract, which was proposed to be executed prior to July 25, 2020. We are however, requesting that work begin immediately on a new long-term Warren Act Contract prior to the expiration of the current Contract on June 24, 2022.

RAS

Attachments



July 15, 2020

Michael P. Jackson, P.E.
United States Bureau of Reclamation
South-Central California Area Office
1243 N. Street
Fresno, CA 93721-1813

SUBJ: Contract No. 5-07-20-W1282, dated July 25, 1995

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Dear Mr. Jackson:

It has come to my attention that the Contract for the Storage and Conveyance of Non-Project Water Between the United States Bureau of Reclamation (Bureau) and the Central Coast Water Authority (CCWA), Contract No. 5-07-20-W1282, dated July 25, 1995 (Contract), expires in 2022, not on July 25, 2020, as previously understood. As we have discussed by emails and telephone this week, I am writing to formally terminate our recent discussions regarding an interim 5-year contract for CCWA's continued use of the Cachuma Project for the conveyance and storage and instead to convert our negotiations to the development of a new 25-year contract. Accordingly, any associated environmental review of a proposed interim contract, such as that described in the Draft Environmental Assessment, Five Year Warren Act Contract for Central Coast Water Authority, CGB-EA-2020-030, dated July 2020, should also be terminated.

Section 2 of the Contract provides: "This Contract shall become effective on the date on which the Contractor first introduces Non-Project Water into Project facilities and shall remain in effect for a term of 25 years from that date." As demonstrated by the attached correspondence between CCWA and the Bureau, after the execution of the Contract in 1995, CCWA's introduction of non-project water to the Cachuma Project was delayed for another two years, and did not commence until approximately June 24, 1997. The Bureau's records may further confirm the precise date, but it is clear that the effective date of the Contract did not occur until sometime in June, 1997. Thus, the Contract remains in effect until June, 2022.

I appreciate your and your team's assistance over the past few weeks in drafting a proposed interim contract. Since the urgency to replace the Contract before July 25, 2020 has been removed, I am hopeful that the drafting efforts we have undertaken to date may simply be transferred to the negotiation of a new 25-year contract to commence in June, 2022. So that we provide ourselves sufficient time for those negotiations and the associated environmental review and approvals, I will follow up with you shortly to commence that process.

Thank you and be well.


Ray Stokes
Executive Director

255 Industrial Way
Buellton, CA 93427
(805) 688-2292
Fax (805) 686-4700
www.ccwa.com

Attachments: March 11, 1997 Letter from CCWA to Bureau
April 8, 1997 from Bureau to CCWA
July 2, 1997 Letter from CCWA to Cachuma Operations and
Maintenance Board

cc: Eric Friedman, Chairman, CCWA
Michael Alvarado, La Cumbre Water District
Joshua Haggmark, City of Santa Barbara
John McInnes, Goleta Water District
Nicolas Turner, Montecito Water District
Robert McDonald, Carpinteria Valley Water District
Paeter Garcia, Santa Ynez River Water Conservation District, ID No. 1



March 11, 1997

Area Manager
Bureau of Reclamation
South-Central California Area Office
2666 N. Grove Industrial Drive, Suite 106
Fresno, California 93727-1551

Subject: Warren Act Contract (Contract No. 5-07-20-W1281) Between the Central Coast Water Authority and the United States Dated July 25, 1995

Robert W. Puddicombe
Chairman

Wayne Barbarick
Vice Chairman

Dan Masnada
Executive Director

Stanley C. Hatch
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Gentlemen:

In accordance with Paragraph 3(a) of the referenced contract, attached is a schedule for the delivery of State Water Project (SWP) water to Lake Cachuma for the water year commencing May 15, 1997. We have not enclosed a payment, however, for the reasons which follow and instead propose to make the next Warren Act payment on August 1, 1997.

On October 10, 1996 I forwarded a letter to Mr. James McNamara containing a schedule and \$29,445 payment covering anticipated Warren Act charges during the May 15, 1996 - May 14, 1997 water year. The schedule was based on initial deliveries to Lake Cachuma during December 1996. Unfortunately, the Coastal Branch pipeline construction schedule was delayed due to heavy rains this past winter. Deliveries of SWP water did not commence in December; we now anticipate commencing deliveries during June 1997.

On November 15, 1996 I forwarded a letter to Mr. McNamara requesting a change in the Warren Act contract water year to make it consistent with the water year designation in the renewed Cachuma Project water service contract No. I75r-1802R dated April 14, 1996. In response to a February 13, 1997 letter from Mr. Robert Stackhouse, the CCWA Board of Directors approved Resolution 97-06 on February 27, 1997 which authorizes execution of an amendment to the referenced Warren Act Contract to modify the water year as requested by CCWA. A certified copy of the resolution was forwarded to the Bureau on February 28, 1997.

In my November 15, 1996 letter, CCWA proposed that two Warren Act payments be made in 1997 during the transition from the May 15 to October 1 water year. The first payment would have been made on March 15, 1997 and would have covered the May 15 to September 30, 1997 deliveries. The second payment would be made on August 1, 1997 and would cover the October 1, 1997 to September 30, 1998 water year deliveries.

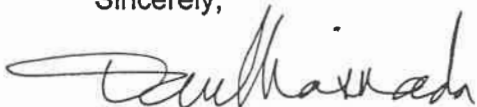
Due to the delay in start-up of SWP water deliveries to Lake Cachuma, the estimated Warren Act charges for the May 15 to September 30, 1997 deliveries total \$10,560. Since CCWA has already made a \$29,445 payment which exceeds the estimated charges covering the period of time from initial deliveries to the start of the new water year on October 1, 1997, this would leave a credit balance of \$18,885 in CCWA's favor. Consistent with the proposal expressed in my November 15, 1996



letter, CCWA will make its next payment on August 1, 1997 taking into account (1) the credit balance, (2) actual deliveries as of July 31, 1997, (3) anticipated deliveries between August 1 and September 30, 1997 and (4) estimated deliveries during the October 1, 1997 - September 30, 1998 water year.

Please call me at (805) 688-2292 if you have any questions. Unless we hear from you otherwise, we will proceed as described above. We appreciate the Bureau's continued cooperation in CCWA's efforts to efficiently and cost-effectively serve its South Coast customers.

Sincerely,



Dan Masnada
Executive Director

Attachment

cc: Ray Stokes
Steve Amerikaner, Hatch & Parent
Chris Dahlstrom, SYRWCD, ID #1
Chuck Evans, Montecito Water District
Charles Hamilton, Carpinteria Valley Water District
Steve Mack, City of Santa Barbara
Bob Paul, Goleta Water District
Bob Wignot, Cachuma Operations & Maintenance Board

**State Water Delivery Schedule
Warren Act Charges**

(South Coast Deliveries in Acre Feet)

Project Participant	WATER DELIVERY SCHEDULE FORECAST (AF) ⁽¹⁾												TOTAL Thru End of Cachuma Project Water Year			
	CCWA FY 96/97 - 2nd QTR				CCWA FY 96/97 - 3rd QTR				CCWA FY 96/97 - 4th QTR					CCWA FY 97/98 - 1st QTR		
	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97		Oct-97		
Goleia ⁽²⁾	0	0	0	0	0	0	0	0	118	28	0	196	342			
Morehart Land	0	0	0	0	0	0	0	0	2	2	2	2	8			
La Cumbre	0	0	0	0	0	0	0	0	86	90	83	75	334			
Santa Barbara Research	0	0	0	0	0	0	0	0	5	5	5	5	20			
Santa Barbara	0	0	0	0	0	0	0	0	0	0	0	0	0			
Montecito	0	0	0	0	0	0	0	0	0	0	0	0	0			
Capintieria	0	0	0	0	0	0	0	0	0	0	0	0	0			
Deliveries to Lake Cachuma	0	0	0	0	0	0	0	0	211	125	90	278	704			
SYID#1 Exchanges	0	0	0	0	0	0	0	0	525	615	643	447	2,230			
Gross Total (South Coast)	0	0	0	0	0	0	0	0	736	740	733	725	2,934			

WARREN ACT CHARGES	
May 15 - Sept. 30, 1997	Annual Charge (\$15/AF)
	\$5,130
	\$120
	\$5,010
	\$300
	\$0
	\$0
	\$0
	\$10,560

Notes:

1. Delivery forecast based on project participants' 10/1/96 "unconstrained" delivery requests including adjustments for 2/3/97 Turnback Pool "A" elections and SYID#1 exchanges.
2. Includes delivery adjustments for exchanges with SYID#1.

10612



IN REPLY
REFER TO:
SCC-413
WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION
South-Central California Area Office
2666 North Grove Industrial Drive, Suite 106
Fresno, California 93727-1551

APR -8 1997

Mr. Dan Masnada
Executive Director
255 Industrial way
Buellton, California 93427-9695

Subject: Delayed Water Delivery Schedule and Payments Under Warren Act
Contract Number 5-07-20-W1281 Between United States and Central
Coast Water Authority (Your Letter Dated March 11, 1997)

Dear Mr. Masnada:

We are in receipt of your subject letter outlining the delayed State water deliveries and the reasoning behind your proposed delay in the second payment to the United States until August 1, 1997.

The resulting overpayment from the delay in start-up water deliveries to Lake Cachuma exceeds the estimated charges and with the transition to a new water year starting October 1, the next payment date of August 1, 1997, is agreeable to Reclamation.

On a related issue, Reclamation has spent considerable staff time in meetings associated with the operational aspects of the subject contract, without reimbursement. As related in previous discussions with you, the contract does not provide for reimbursement of our costs associated with those types of activities. The initial negative response to the draft letter of agreement given to you for review has resulted in our having to charge past costs to other Projects (not Cachuma) which in effect is subsidizing your costs.

Reclamation is under a July 20, 1994, directive from the Commissioner to ensure that the Federal investment and Reclamation's administrative costs are recovered in an effective and businesslike manner. Without a separate agreement previously agreed to by both of us, Reclamation will not be able to participate in any future meetings.

If you wish to discuss this further, or have any questions, please call me at (209) 487-5262 or for the hearing impaired at (209) 487-5933.

Sincerely,

James P. McNamara
James P. McNamara
Contract Repayment Specialist
South-Central California Area Office

RECEIVED

APR 10 1997

C.C.W.A.

cc: Bob Wignot
Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, California 93105



July 2, 1997

Mr. Robert Wignot
Cachuma Operations & Maintenance Board
 3301 Laurel Canyon Road
 Santa Barbara, CA 93105-2017

Robert W. Puddicombe
 Chairman

Wayne Barbarick
 Vice Chairman

Dan Masnada
 Executive Director

Stanley C. Hatch
 General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
 Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
 Conservation District,
 Improvement District #1

Associate Member

La Cumbre Mutual
 Water Company

Subject: State Water Deliveries into Lake Cachuma

Dear Mr. Wignot:

On June 24, 1997, CCWA Operations & Maintenance (O&M) staff completed the initial flushing of the pipeline from Polonio Pass Water Treatment Plant to Lake Cachuma. Over the period of approximately one week, 393 acre-feet of water were treated and transported down the pipeline at design flow rates. Of this total, 245 acre-feet were discharged into the Santa Maria River at the Guadalupe Turnout/Blowoff and 148 acre feet were delivered into Lake Cachuma.

The water placed in Lake Cachuma should be considered water delivered to project participants. Since Goleta is the only South Coast participant currently requesting water, its account should be credited with 148 acre-feet delivered June 20, 1997 to June 24, 1997.

Sincerely,

Dan Masnada
 Executive Director

DAM:mmg

cc: Steve Amerikaner, Hatch & Parent
 Bill Brennan, CCWA
 Chris Dahlstrom, Santa Ynez Water Conservation District, ID#1
 Chuck Evans, Montecito Water District
 Charles Hamilton, Carpinteria Valley Water District
 Steve Mack, City of Santa Barbara
 Kevin Walsh, Goleta Water District





United States Department of the Interior

BUREAU OF RECLAMATION
South-Central California Area Office
1243 N Street
Fresno, CA 93721-1813



IN REPLY REFER TO:

SCC-100/445
2.2.4.17
2.2.4.23
Cachuma Project
Central Coast Water Authority

VIA ELECTRONIC MAIL ONLY

Mr. Ray A. Stokes
Executive Director
Central Coast Water Authority
255 Industrial Way
Buelton, CA 93427-9565
RAS@ccwa.com

Subject: Contract No. 5-07-20-W1282, dated July 25, 1995 (Your Letter dated July 15, 2020)

Dear Mr. Stokes,

Thank you for your subject Letter that notes in part:

"I am writing to formally terminate our recent discussions regarding an interim 5-year contract for CCWA's continued use of the Cachuma Project for the conveyance and storage and instead to convert our negotiations to the development of a new 25-year contract. Accordingly, any associated environmental review of a proposed interim contract, such as that described in the Draft Environmental Assessment, Five Year Warren Act Contract for Central Coast Water Authority, CGB-EA-2020-030, dated July 2020, should also be terminated."

In accordance with your Letter we will cease any further work on the Draft Environmental Assessment, however, please be advised that we have already expended the \$10,000 deposit as of July 17, 2020.

I appreciate your recognition of my team's assistance over the past few weeks in drafting a proposed interim contract, and we agree that since the urgency to replace the Contract before July 25, 2020 has been removed, the drafting efforts we have undertaken to date may simply be transferred to the negotiation of a new contract.

For your information there was an amendment to the July 25, 1995 contract on June 2, 1997 that provides an effective date of January 1, 1997 (attached).

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA*, NEVADA*, OREGON*

* PARTIAL

Subject: Contract No. 5-07-20-W1282, dated July 25, 1995 (Your Letter dated July 15, 2020)

If you should have any questions on this matter please contact Ms. Erma Leal, Contract Specialist at (559) 262-0350, by electronic mail at eleal@usbr.gov, or for the hearing impaired at (800) 877-0339.

Sincerely,

Michael P. Jackson, P.E.
Area Manager

Enclosure

cc: Mr. Eric Friedman
Chairman
Central Coast Water Authority
255 Industrial Way
Buelton, CA 93427-9565
EFriedman@SantaBarbaraCA.gov

Mr. Michael Alvarado
General Manager
La Cumbre Water District
695 Via Tranquila
Santa Barbara, CA 93110
malvarado@lacumbrewater.com

Mr. Joshua Haggmark
Water Resources Manager
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102
JHaggmark@SantaBarbaraCA.gov

Mr. John McInnes
General Manager
Goleta Water District
4699 Hollister Avenue
Goleta, CA 93110
JMcInnes@goletawater.com

Mr. Nicholas Turner
General Manager
Montecito Water District
583 San Ysidro Road
Montecito, CA 93108
nturner@montecitowater.com

Mr. Robert T. McDonald
General Manager
Carpinteria Valley Water District
1301 Santa Ynez Avenue
Carpinteria, CA 93013
bob@cvwd.net

Mr. Paeter Garcia
General Manager
Santa Ynez River WCD ID No. 1
3622 Sagunto Street
Santa Ynez, Ca 93460
pgarcia@syrwd.org
(all w/o enclosure)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

AMENDATORY CONTRACT PROVIDING FOR THE
STORAGE AND CONVEYANCE OF NON-PROJECT WATER
BETWEEN THE UNITED STATES
AND THE CENTRAL COAST WATER AUTHORITY

Table of Contents

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2	Modifications to Contract	2
3	Other Provisions of the Contract	2
	Signature Page	3

1
2
3 UNITED STATES
4 DEPARTMENT OF THE INTERIOR
5 BUREAU OF RECLAMATION
6 Cachuma Project, California

7 AMENDATORY CONTRACT PROVIDING FOR THE
8 STORAGE AND CONVEYANCE OF NON-PROJECT WATER
9 BETWEEN THE UNITED STATES
10 AND THE CENTRAL COAST WATER AUTHORITY
11

12 THIS AMENDATORY CONTRACT is made this 2nd day of June,

13 1997, in pursuant generally of Act of June 17, 1902 (32 Stat. 388) and acts amendatory thereof
14 and supplementary thereto, including Section 305 of the Reclamation States Emergency Drought
15 Act of 1991, enacted March 5, 1992 (106 Stat. 59), all collectively hereinafter referred to as the
16 Federal Reclamation laws, between THE UNITED STATES OF AMERICA, hereinafter referred
17 to as the United States, represented by the officer executing this contract, and the CENTRAL
18 COAST WATER AUTHORITY, hereinafter referred to as the Contractor,

19 WITNESSETH, That:

20 EXPLANATORY RECITALS

21 WHEREAS, on July 25, 1995, the United States and the Contractor entered into
22 Contract No. 5-07-20-W1282, hereafter referred to as the Contract, to store and/or convey
23 through facilities of the Cachuma Project a supply of Non-Project Water for municipal and
24 industrial uses; and

1 WHEREAS, the Contractor desires to change the definition of "Year" in said
2 Contract to be consistent with definition of the term "Water Year" in the renewed water service
3 contract, No. I75r-1802R, dated April 14, 1996, between the United States and the Santa Barbara
4 County Water Agency; and

5 WHEREAS, the United States feels that such a change is in the best interest of
6 both the Contractor and the United States;

7 NOW, THEREFORE, in consideration of the covenants herein contained, the
8 parties agree as follows:

9 EFFECTIVE DATE OF AMENDATORY CONTRACT

- 10 1. This amendatory contract shall become effective on January 1, 1997.

11 MODIFICATIONS TO CONTRACT

12 2. Article 1 (f) of the Contract is deleted in its entirety, and the following is
13 substituted in lieu thereof:

14 (f) "Year" shall mean the period from and including October 1 of each
15 calendar year through September 30 off the following calendar year.

16 OTHER PROVISIONS OF THE CONTRACT

17 3. Except as specifically modified by Article 2 above, the Contract shall remain in full
18 force and effect as originally written.

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15

IN WITNESS WHEREOF, the parties hereto have executed this
amendatory contract the day and the year first above written.

APPROVED AS TO LEGAL
FORM AND SUFFICIENCY
James E. Turner
OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

THE UNITED STATES OF AMERICA

By *[Signature]*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

CENTRAL COAST WATER AUTHORITY

(SEAL)

By *[Signature]*
Chairman of the Board of Directors

Attest:

[Signature]
Secretary

(I:Waamnd1)

RESOLUTION NO. 97-06

**RESOLUTION OF THE CENTRAL COAST WATER AUTHORITY
AUTHORIZING THE EXECUTION OF AN AMENDMENT
TO THE AGREEMENT BETWEEN CCWA AND
THE UNITED STATES BUREAU OF RECLAMATION
FOR THE STORAGE AND CONVEYANCE OF STATE PROJECT WATER**

WHEREAS, the Central Coast Water Authority (CCWA) and the United States Bureau of Reclamation (USBR) entered into an agreement dated July 25, 1995 for the storage and conveyance of State Project water; and

WHEREAS, CCWA has requested a revision to Article 1(f) of that agreement to establish the water year as October 1 of each year to September 30 of the following year; and

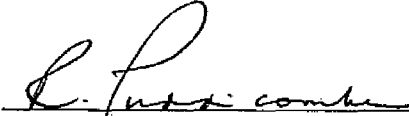
WHEREAS, USBR has prepared a Draft Amendatory Contract, attached hereto as Exhibit A, which incorporates the requested revision.

NOW, THEREFORE, BE IT RESOLVED, the Amendatory Contract attached as Exhibit A is hereby approved.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the Chairman and Secretary are authorized to execute and transmit the Amendatory Contract to the USBR.


BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

I certify that the foregoing Resolution No. 97-06 was adopted by the Board of Directors of the Central Coast Water Authority at a meeting held February 27, 1997.


 Robert Puddicombe, Chairman

[Seal]

Attest:


 Dan Masnada
 Secretary of the
 Board of Directors

	VOTING PERCENTAGE	AYE	NAY	ABSTAIN	ABSENT
City of Buellton	2.21%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Carpinteria Valley Water District	7.64%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Goleta Water District	17.20%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
City of Guadalupe	1.15%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Montecito Water District	9.50%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
City of Santa Barbara	11.47%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
City of Santa Maria	43.19%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Santa Ynez River Water Conservation District, Improvement District No. 1	7.64%	<u>X</u>	<u> </u>	<u> </u>	<u> </u>



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

July 15, 2020

TO: CCWA Board of Directors

FROM: John Brady
Deputy Director, Operations and Engineering

SUBJECT: Siemens Energy & Environmental Solution Proposal for Solar Power Installation at the Water Treatment Plant and 20 Year Power Purchase Agreement

BACKGROUND

In 2019, representatives of Siemens Energy & Environmental Solutions (Siemens) approached CCWA about a potential project to construct an array of solar panels on the grounds of the Polonio Pass Water Treatment Plant (WTP). The basic project concept is that Siemens would construct, at no charge to CCWA, a solar panel electrical generation system sufficient in size to generate the amount of power that is equivalent to the annual WTP power use. In return, CCWA would enter into a 20 year term Power Purchase Agreement with a lower energy rate.

Due to PG&E's bankruptcy, CCWA staff viewed the Siemens proposal as a potential rate stabilization measure and subsequently allowed Siemens access to the WTP electrical usage records to conduct a preliminary study. Siemens completed their preliminary due diligence work and concluded that the project would be beneficial to both parties. They also expressed an interest in pursuing the project in greater detail, through completing additional studies and engineering work. Since this additional work would require additional expense, Siemens requested that CCWA enter into a Project Development Agreement (PDA).

The PDA would allow Siemens to proceed with the detailed studies and engineering work and would also provide certain assurances that CCWA would proceed with the project if Siemens concluded the project had merit. Specifically, if Siemens concluded the project had merit and wished to move forward and CCWA decided to not proceed with the project, CCWA would be required to pay a cancellation fee of \$60,000 to cover Siemens' engineering costs. If Siemens concluded the project had no merit, then the project would be cancelled at no cost to CCWA.

CCWA staff presented the Siemens Proposal to the CCWA Board of Directors in their April 2020 meeting. Staff requested that the Board authorize a budget of \$20,000 to develop project acceptance criteria that would be incorporated into the PDA. The acceptance criteria would provide a clear standard that the project must meet in order to advance and would be protective of CCWA's interests. If the project does not meet the project acceptance criteria, then CCWA would not need to pay the cancellation fee. Similarly, if Siemens concluded the project did not have merit for their own reasons, they would cancel the project and CCWA would not need to pay the cancellation fee.

The Board authorized staff's request to proceed with the development of the project acceptance criteria. Staff moved forward and completed the negotiation of the PDA. The current version of the PDA is attached and is currently under review by Siemens. Based on the on-going dialog with Siemens, we anticipate that this version will be mutually acceptable to CCWA and Siemens.

If there are changes, staff will forward the final version to the Board prior to the Board of Directors Meeting set for July 23, 2020. The negotiated PDA includes the project acceptance criteria as well as a site access agreement that allows Siemens to complete work associated with their special studies and engineering work on the WTP grounds.

The next steps in this project, if approved by the CCWA Board of Directors, is to (1) execute the PDA with Siemens, (2) allow Siemens to proceed with their special studies and engineering work, (3) review and analyze Siemens' special studies and engineering work to determine compliance with project acceptance criteria, (4) negotiate the Power Purchase Agreement and Project Lease Agreement, and (5) seek Board authorization to enter into the Power Purchase Agreement, if the project has merit.

To ensure that CCWA interests are adequately protected during the next steps of the project, staff will need the services of CCWA legal counsel and engineering consultant, which will require a budget of \$30,000 for legal and \$15,000 for engineering. Upon completion of negotiating a mutually acceptable Power Purchase Agreement and Project Lease Agreement, CCWA staff will present the agreements to the CCWA Board of Directors for consideration.

DISCUSSION

PG&E Issues:

After over 18 months in bankruptcy, PG&E has emerged from the proceedings with a court approved restructuring plan. While there are provisions in the approved plan to prevent PG&E from increasing rates to fund financial settlements arising from the Camp and Tubbs Fire, PG&E will be required to move forward with efforts to make their electrical distribution system safer. PG&E is required to implement the safety improvements as quickly as possible. If they delay, PG&E will be subjected to sanctions or even State receivership.

The planned safety improvements will require an investment of \$15.5 Billion. Investment in infrastructure, such as those planned, translates directly to increasing PG&E's "Rate Base", which will directly lead to legitimate rate increases designed to pass the cost of infrastructure improvement to customers in accordance with established Public Utility Commission Rules. PG&E plans to increase their Rate Base from \$44.5 Billion in 2021 to \$60 Billion in 2023.

Consequently, PG&E rate increases are certain and will very likely be significantly higher than historical rate increases, at least for the timeframe associated with the \$15.5 Billion investment in the PG&E system. In addition, there is a potential that PG&E's fundamental rate design may change. The implication of a changing rate design is that rate increases may potentially shift more toward "Demand Charges" rather than "Energy Charges". Rates related to electrical "Demand" and "Energy" use are two different commodities. It is best to consider these analogous to driving a car where "Demand" is the speed in which you drive and "Energy" is the distance you traveled. Also, "Demand" is related to the use of the electrical distribution system while "Energy" is related to electrical generation.

It is important to note that PG&E is in the process of implementing an approved rate design change right now. In March 2021, CCWA will be shifted from the current Table E19 Tariff to the new Table B19 Tariff. CCWA staff reviewed the new rate design and applied the new rates to the WTP's energy use in 2019. The conclusion of this exercise was that the new Tariff B19 will result in an approximate 3% increase.

Appropriate Procurement Method.

Siemens' cited Section 4217.10 of the California Government Code and they indicated that this section allows public agencies such as CCWA to award development projects like the current proposal without need for competitive bidding. To address this issue, CCWA staff requested CCWA legal counsel to review the cited Code as well as CCWA Resolution 19-01 (Rules and Regulations governing the Policy and Procedures for the purchase of services, supplies or equipment). In short, the legal review concluded that (1) CCWA Resolution 19-01 does not apply since the proposed project is a Public Works Project, which is specifically excluded from Resolution 19-01, and (2) Section 4217.10 of the California Government Code does apply to CCWA.

To provide the Board with an understanding of the range of procurement methods available, staff requested the DHDR Engineering complete a "Strength, Weakness, Opportunities and Threats (SWOT) analysis of the available procurement methods. A SWOT analysis is a business analysis tool that is essentially a pro/con analysis arranged in a way to provide better insight. This SWOT Analysis is attached and the procurement methods evaluated include the following:

- Sole Source Negotiation with Siemens for a Power Purchase Agreement (PPA). This agreement will require Siemens to build, own and operate the solar electrical generation system and to transfer system to CCWA at the end of the contract term.
- Request for Proposals for PPA Developer. CCWA to develop procurement specifications and solicit proposals similar to the Siemens proposal for competitive bidding.
- Request for Proposals for a Developer to design, build and transfer the system to CCWA. CCWA purchases facility for pre-agreed price upon substantial completion.
- CCWA initiates classic public works design then build project. In this procurement method, CCWA retains an engineering firm to design the facility. Upon completion of the design, CCWA solicits competitive bids for the construction of the facility.

The analysis shows that the two most compelling cases are to either move forward with the Siemens proposal or for CCWA to implement the project itself. Also, it is important to note that Siemens needs to take full advantage of the Tax credit that would be available to them but not to CCWA. This tax credit will be reduce from the current 26% down to 22% of capital investment at the end of 2020.

California Environmental Quality Act Applicability.

Siemens representatives were asked about the applicability of CEQA to their proposal. They responded by indicating that there is a CEQA Exemption for Certain Solar Installations that was authorized by Senate Bill 226, which passed in 2011. The new state law established that certain solar energy systems are exempt from environmental review under the CEQA. To qualify under this statutory exemption, a solar energy project must be located either on the roof of an existing building or on an existing parking lot. SB 226 makes clear the legislative intent that rooftop and parking lot solar projects do not require in-depth environmental review. This CEQA exemption is contained in Section 21080.35 of the Public Resources Code.

CCWA staff also consulted with legal counsel to confirm this information. Legal counsel indicated that the requested action for the July 2020 Board of Directors Meeting, which is to

CCWA staff also consulted with legal counsel to confirm this information. Legal counsel indicated that the requested action for the July 2020 Board of Directors Meeting, which is to fund a more detailed due diligence study and negotiation of a Power Purchase Agreement, is not considered a project under CEQA and therefore not subject to CEQA. However, once the project is more developed, legal counsel advised that a review of CEQA applicability is merited. Also, the PDA will require Siemens to prepare an environmental permitting plan, confirm the CEQA exemption for the project and to comply with the requirements of CCWA's approved Habitat Conservation Plan.

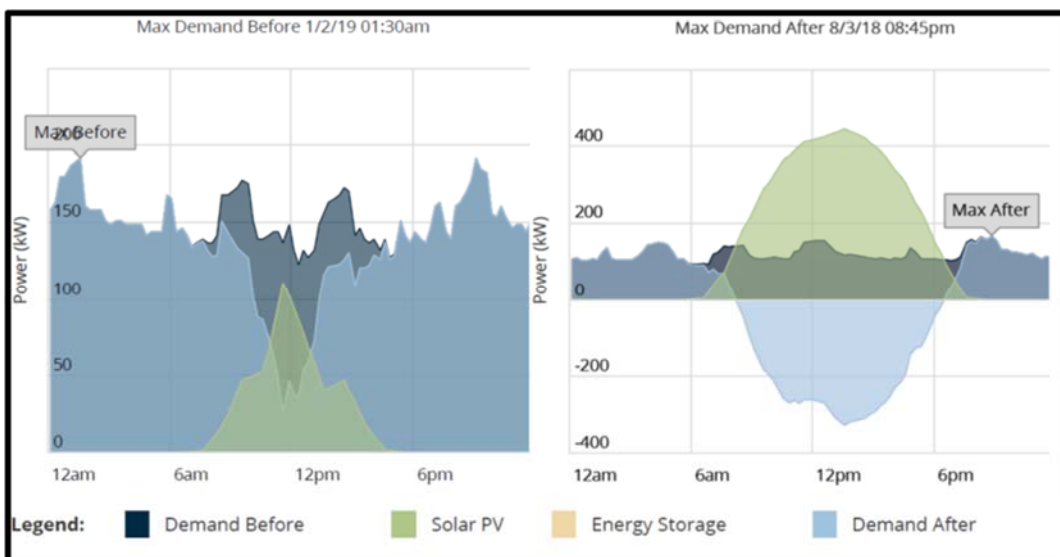
CCWA Operating Committee

CCWA staff provided a presentation to the CCWA Operating Committee in the March 2020 meeting and the July 2020 meeting. Both meetings included dialog on the merits and risks of the project and CCWA staff provided follow up information after each meeting. Staff also requested comments on the project prior to the July Board of Directors Meeting on July 23, 2020. All comments received will be shared with the Board during staff's presentation.

FINANCIAL

The proposal contemplates the installation of a 600 KW solar panel electrical generation system, which will generate enough energy to satisfy 100% of the annual energy needs of the WTP. However, considering that the peak power used by the WTP is in the 200 KW range, there will be times where excess power is generated and will flow back to PG&E. There will also be times where no power will be available from the Siemens solar electrical generation system (night time) and CCWA will need to purchase power from PG&E.

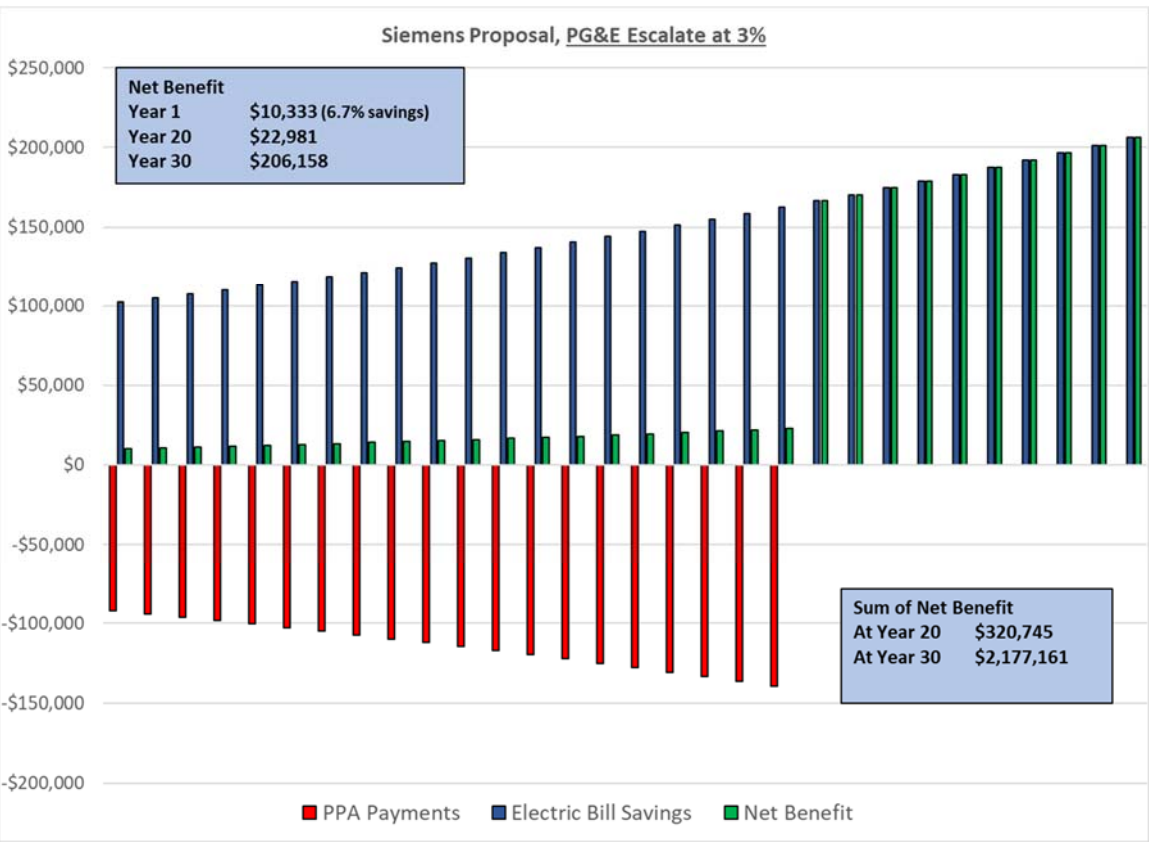
Consequently, CCWA will have two separate electric bills: one from Siemens and one from PG&E. CCWA will purchase power from Siemens where the "Energy" rate is lower than the PG&E "Energy" rate and will increase annually no greater than 2.75%. During times where the Siemens system does not generate enough power for the WTP, CCWA will purchase power from PG&E at a more favorable rate, specifically the rates shown in Option R of Tariff B19. CCWA will qualify for Option R because of a solar electrical generation system being onsite. Also, during times where the Siemens system generates excess power, the excess power will flow back into the PG&E electrical distribution system and CCWA will receive full credit for the returned power.



(highest of light or dark blue lines) in each graph represents the power use at the WTP for the selected day. The green curve represents the power generated by the Siemens system. The light blue curve represents the decrease in power purchases from PG&E as a result of having the Siemens system online.

During the winter season, there is no excess power generated from the Siemens system but in the summer season there is excess power. The light blue curve of the summer graph shows credits back to CCWA due to the flow of excess power from the Siemens system back into the PG&E electrical distribution system.

To evaluate this proposal in more detail, CCWA staff requested the Siemens prepare a financial pro forma using software that would be acceptable by financial institutions that service the solar power industry. Siemens utilized software called Energy Toolbase. Siemens entered the following data to generate the financial pro forma report: (1) the most recent energy use at the WTP covering a one year period, (2) solar radiation data from a monitoring site three miles from the WTP, (3) solar panel performance data, (4) Tariff E19 Primary Voltage power rates, (5) Siemens Energy rates Of \$0.09/kw-hr, (6) Siemens annual rate escalation of 2.75% and (7) PG&E rate escalation of 2.5%, 3.0% and 3.5%. The output of the model using the PG&E rate escalation of 3.0% is shown in the graph below:



The red bars show the payments to Siemens and the blue bars show the savings CCWA achieves through purchasing power from PG&E as well as the credits for power sold through Option R of Tariff B19. The net annual benefit is shown in the green bars.

The conclusion of the analysis indicates that a savings of \$320,745 over the 20-year contract term could potentially be realized, which is an overall savings of approximately 7%. However, after the contract term has expired, the equipment will have another ten years of service life

remaining. The sum of the net benefit at year 30 is \$2,177,161. The most recent 5-year average of energy use at the WTP is 934,954 KW-hours, which is close to the modeled energy use.

Costs to CCWA:

While the Siemens proposal suggests that there are no costs to CCWA, there will be costs related to legal review of contracts and engineering support through the initial phases of project development. So far, the Board has authorized a budget of \$20,000 in establishing the project acceptance criteria. We requested cost estimates and proposals from CCWA legal counsel and CCWA's engineering consultant, HDR Engineering, for the next phase of the project. The costs provided are as follows:

- Legal Counsel for review of the Project Development Agreement, Power Purchase Agreement and Lease Agreement. \$30,000
- HDR Engineering for developing the Exhibit A and reviewing the various studies and design work produced by Siemens by an expert in Solar Power. \$15,000

If approved, the total CCWA cost would be \$65,000. It is important to point out that this project will be presented to the Board again, if the current phase is approved. The current request is to fund the review of Siemens special studies and engineer design as well as negotiation of the Power Purchase Agreement.

CONCLUSION

Based on CCWA staff's due diligence work, the project could provide a benefit to CCWA through a savings in electrical charges of approximately \$320,745 or approximately 7% range over the 20-year contract period and potentially significantly higher levels of savings between year 20 and 30. While we could pursue this project on our own, the Siemens proposal provides the benefit of the project being immediately implemented with no construction costs to CCWA and would be completed just prior to the anticipated PG&E rate increases associated with the \$15.5 Billion increase in Rate Base. An additional benefit of the proposal is that the use of renewable energy will reduce the carbon footprint of the CCWA operation, which may be of assistance to Participants attempting to implement a carbon neutral operation.

Consequently, staff believes that it would be prudent to proceed with entering into a Project Development Agreement with Siemens. Staff also believes it is prudent to retain the services of legal counsel and HDR Engineering to assist with review of the Siemens special studies and engineering work to determine compliance with the project acceptance criteria.

If approved by the Board, CCWA will enter into the Project Development Agreement with Siemens, review Siemens special studies and engineering work and negotiate the Power Purchase Agreement, with the assistance of CCWA legal counsel and HDR Engineering. Upon completion of this work, staff will bring the final negotiated Power Purchase Agreement to the Board for consideration.

Although not part of the current consideration, Siemens is interested in a second phase to the project. The second phase is to install additional solar panels on the WTP grounds sufficient to meet 100% of the energy needs of the Santa Ynez Pumping Plant, which used approximately 6,360,000 KW-hours of energy in 2018.

RECOMMENDATION

That the Board:

- Authorize the Executive Director to execute the Project Development Agreement with Siemens Energy & Environmental Solution to evaluate the design, construction and operation of a solar panel electrical generation system at the Polonio Pass Water Treatment Plant.
- Authorize the Executive Director to retain the services of HDR Engineering and Legal Counsel to assist CCWA staff in reviewing Siemens special studies and engineering work to confirm compliance with the project acceptance criteria and to negotiate the Power Purchase Agreement with Siemens, in the amount of \$30,000 for legal Counsel and \$15,000 for HDR Engineering.

Approach	Definition	Roles	Strength	Weaknesses	Opportunity	Threats
Sole Source Negotiation	Power Purchase Agreement (Build, Own, Operate, Transfer Agreement). Current business scenario for sole source negotiations with Siemens (Developer). Developer will complete feasibility assessment to develop PPA offer terms for CCWA that meets minimum economic savings and green energy benefits to CCWA. Siemens completes development, design, construction of facility and performs long term O&M	Owner/Developer/Operator - Siemens	<ul style="list-style-type: none"> •Immediate benefit opportunity, •No additional solicitation costs, •No upfront capital required for CCWA, •Production risk completely on developer, •Saved cost of RFP solicitation, •Maximized capture of tax incentives 	<ul style="list-style-type: none"> •lost control of land use, •no direct control over facility operations, •marginal savings compared to self develop model 	<ul style="list-style-type: none"> •Economic savings guaranteed for other priorities, •Green Energy benefits for CCWA use, 	<ul style="list-style-type: none"> •Utility bankruptcy, •Utility rate/changes structural changes over time, •Commercial terms exceptions, •Force majeure, •Developer unable to deliver contracted power production,
RFP for PPA (BOOT)	Power Purchase Agreement (Build, Own, Operate, Transfer Agreement). CCWA to develop procurement solicitation for Scope offered by Siemens for competitive bidding of PPA. Developer completes development, design, construction of facility performs long term O&M.	Owner/Developer/Operator - TBD (winning Bidder)	<ul style="list-style-type: none"> •Immediate benefit opportunity, •No upfront capital required for CCWA, •Production risk completely on developer, •Maximized capture of tax incentives, •Highly competitive market for PPAs, •Maximized potential savings in PPA scenario, •No OPEX or maintenance staff requirements for CCWA 	<ul style="list-style-type: none"> •Lost control of land use, •No direct control over facility operations, •Marginal savings compared to self develop model, •Additional costs for solicitation process, •May lose Siemens as bidder, 	<ul style="list-style-type: none"> •Economic savings guaranteed for other priorities, •Green Energy benefits for CCWA use, 	<ul style="list-style-type: none"> •Utility bankruptcy, •Utility rate/changes structural changes over time, •Commercial terms exceptions, •Force majeure, •Developer unable to deliver contracted power production, •Unable to find sufficient bidders in current solar market,
RFP for BTA	Build Transfer Agreement. Developer designs, permits, and constructs the facility. CCWA purchases facility for pre-agreed price upon substantial completion. CCWA performs long term O&M.	Developer - Design, Permit, Build the facility CCWA Owner and Operator	<ul style="list-style-type: none"> •Developer may be able to capture tax credits and safe harbor benefits for equipment procurement. •All energy savings/monetary savings captured by CCWA once CAPEX/OPEX accounted for. •CCWA can use traditional procurement strategies for process (Design/bid/build). •Developer responsible for utility interconnection requirements 	<ul style="list-style-type: none"> •OPEX budget & staffing requirements, •CCWA responsible for maintenance activities, •No guarantee of savings, •Long term production risk on CCWA, 	<ul style="list-style-type: none"> •Ability to better integrate facility into plant operations during design (maximize performance), •Green Energy benefits for CCWA use, 	<ul style="list-style-type: none"> •Verify years of ownership for credits. •Tight labor market for solar construction in CA (bid quality), •Utility bankruptcy, •Utility rate/changes structural changes over time, •Commercial terms exceptions, •Force majeure, •Developer unable to deliver contracted power production, •Long term warranty claims, •Construction quality meeting CCWA preferences,
CCWA Self Develop	CCWA to self develop or individually hire services to complete development, design, construction of facility. CCWA performs long term O&M	CCWA is Developer, Owner and Operator	<ul style="list-style-type: none"> •All energy savings/monetary savings captured by CCWA once CAPEX/OPEX accounted for. •CCWA can use traditional procurement strategies for process (Design/bid/build), •Direct control over facility operations, •Direct control over facility quality 	<ul style="list-style-type: none"> •CCWA experience with solar •Upfront CAPEX cost requirements, •CCWA unable to capture federal tax credits/higher initial CAPEX. •OPEX budget & staffing requirements, •CCWA responsible for maintenance activities, •No guarantee of savings, Solely responsible for utility interconnection requirements, •Additional RFP solicitation costs, •Additional project development costs, •Low buying power in market for equipment/less efficient pricing, 	<ul style="list-style-type: none"> •CCWA receives all project benefits. •No safe harbor requirements, •CCWA low cost of capital, •Schedule flexibility to delay into 2021 or later 	<ul style="list-style-type: none"> •CCWA assumes all project risks. •Utility bankruptcy, •Utility rate/changes structural changes over time, •Unable to find sufficient bidders in current solar market, •Tight labor market for solar construction in CA (Bid Quality), •System performance issues beyond warranty claims

SIEMENS

Ingenuity for life

Prepared For

CCWA - Polonio Pass
0000000

collin.ackerman@siemens.com



The Energy Toolbase provides comprehensive cost analysis for commercial, municipal, and residential renewable energy projects. We provide the tools that professionals need to compete in the fast paced renewable energy market by leveraging our first hand experience developing energy projects. Our software developers are NABCEP certified energy professionals and have completed energy analysis for companies including the Mirage Casino Resorts, Boston Scientific, Leviton, Balfour Beatty Construction, and many others.

PV Only - 569kW Option R \$0.09/kwh
PPA - 3% PG&E escalation

Prepared By

7/8/2020

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(802) 363-9972
brian.hurley@siemens.com

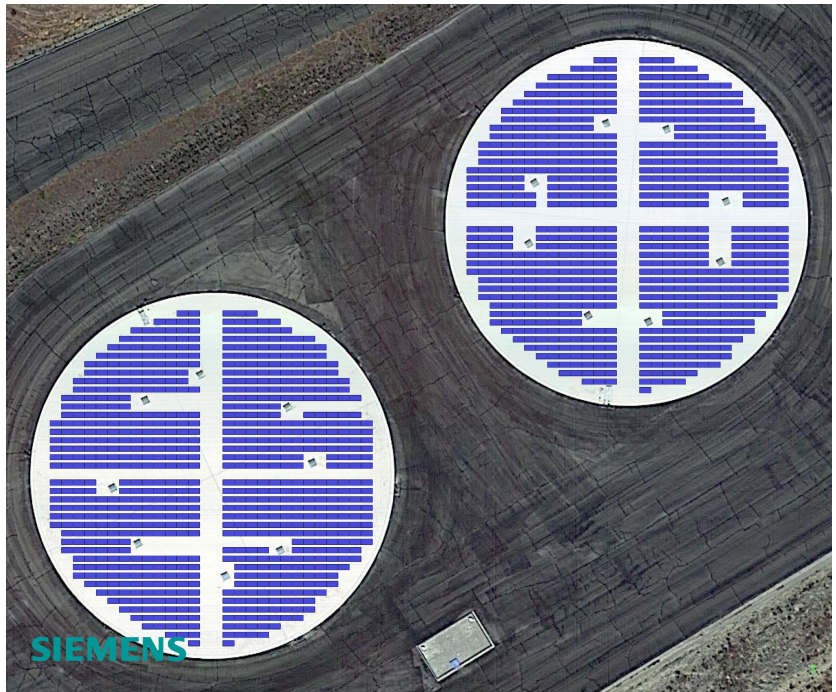


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1 Project Summary

Payment Options	\$0.09/kWh
PPA Escalation Rate	2.75%
Starting PPA Rate	\$0.09/kWh
Upfront Payment	-
Term	20 Years
Total Payments	\$2,284,570
30-Year Electric Bill Savings	\$4,461,731
30-Year LCOE PV	\$0.08
30-Year NPV	\$721,916

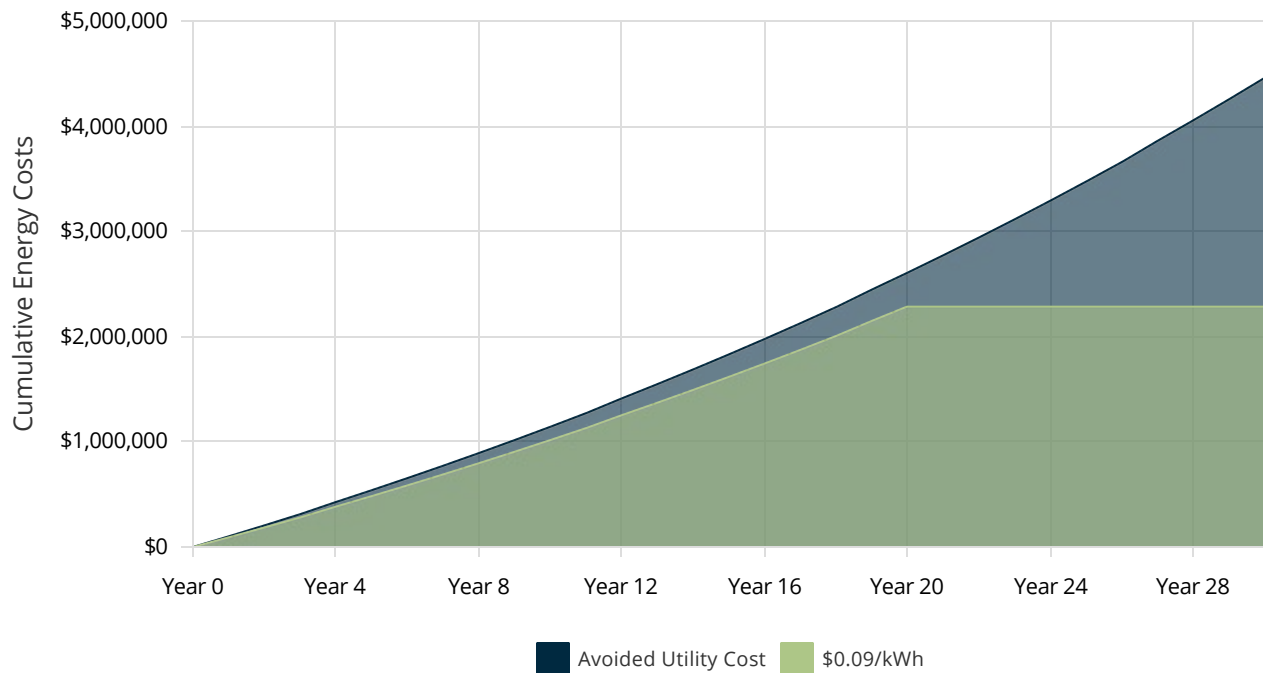
Combined Solar PV Rating

Power Rating: 569,195 W-DC
 Power Rating: 495,803 W-AC-CEC

Combined ESS Ratings

Energy Capacity: 0.0 kWh
 Power Rating: 0.0 kW

Cumulative Energy Costs By Payment Option



2.1.1 PV System Details

General Information

Facility: Facility #1
 Address: CA CA 93461

Solar PV System Rating

Power Rating: 569,195 W-DC
 Power Rating: 495,803 W-AC-CEC

Solar PV Equipment Description

Solar Panels: (1441) Talesun TP6F72M 395 (1000V)
 Inverters: (4) Sungrow SG 125HV

Energy Consumption Mix

Annual Energy Use: 1,027,639 kWh

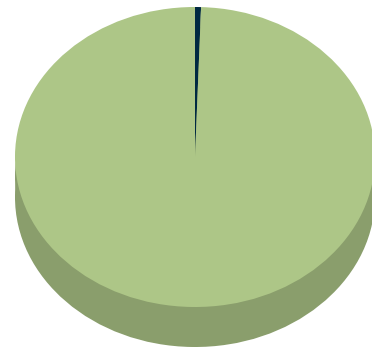
Solar PV Equipment Typical Lifespan

Solar Panels: Greater than 30 Years
 Inverters: 15 Years

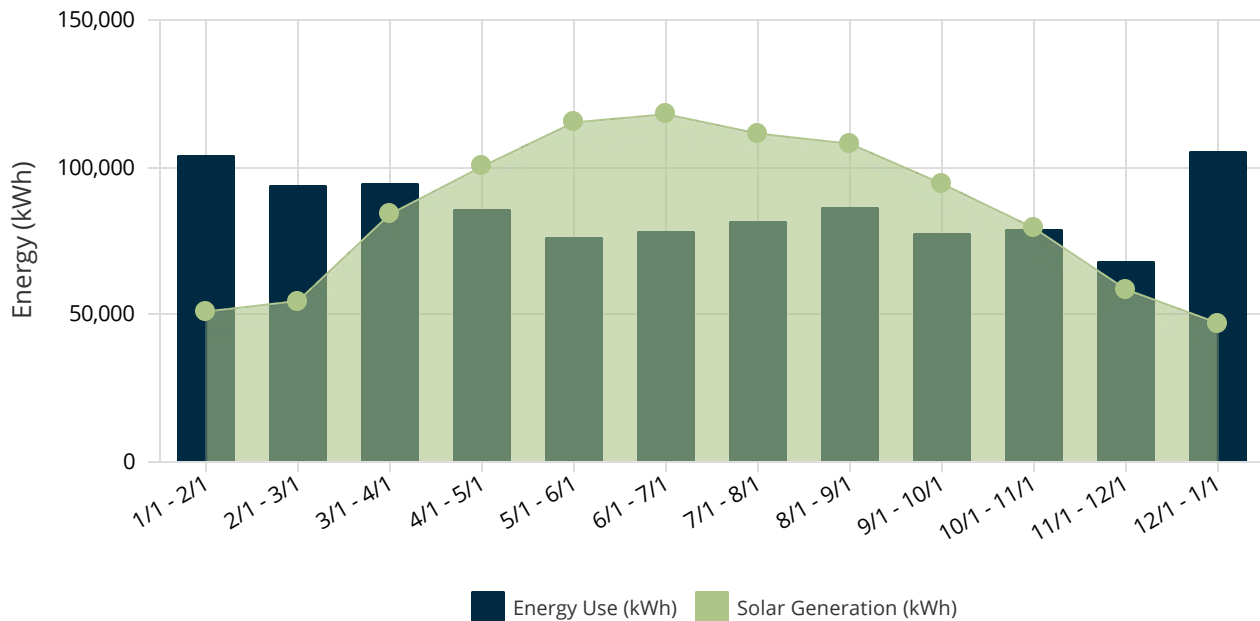
Solar PV System Cost And Incentives

Solar PV System Cost \$1,928,833

Net Solar PV System Cost: \$1,928,833



Monthly Energy Use vs Solar Generation



2.1.2 Rebates and Incentives

This section summarizes all incentives available for this project. The actual rebate and incentive amounts for this project are shown in each example.

2.1.3 Utility Rates

You have the option to remain on your current rate schedule (E-19, Primary (PROPOSED)) or switch to an alternative rate schedule (B-19 Option R). The rates for each are shown below and your estimated electric bills are shown on the following page for each rate schedule.

Fixed Charges			Energy Charges			Demand Charges		
Type	E-19, Primary (PROPOSED)	B-19 Option R	Type	E-19, Primary (PROPOSED)	B-19 Option R	Type	E-19, Primary (PROPOSED)	B-19 Option R
W1 Daily	\$36.14	\$4.60	W1 Part Peak	\$0.11885		W1 NC	\$16.02	\$17.41
W2 Daily	\$36.14	\$4.60	W1 Off Peak	\$0.09368	\$0.10659	W2 NC	\$16.02	\$17.41
S Daily	\$36.14	\$4.60	W2 Part Peak	\$0.11885		S NC	\$16.02	\$17.41
			W2 Off Peak	\$0.09368	\$0.10659	W1 Part Peak	\$1.10	
			W2 Super Off Peak	\$0.05786	\$0.07077	W2 Part Peak	\$1.10	
			S On Peak	\$0.12917	\$0.34307	S On Peak	\$16.25	\$2.48
			S Part Peak	\$0.11013	\$0.16833	S Part Peak	\$2.48	\$0.71
			S Off Peak	\$0.09357	\$0.11127			
			W1 On Peak		\$0.14425			
			W2 On Peak		\$0.14425			

2.1.4 Current Electric Bill

The table below shows your annual electricity costs based on the most current utility rates and your previous 12 months of electrical usage.

Rate Schedule: PG&E - E-19, Primary (PROPOSED)

Time Periods	Energy Use (kWh)				Max Demand (kW)			Charges				
	On Peak	Part Peak	Off Peak	Super Off Peak	NC / Max	On Peak	Part Peak	Other	NBC	Energy	Demand	Total
1/1/2019 - 2/1/2019 W1	0	21,441	82,224	0	192	0	187	\$1,120	\$2,592	\$7,659	\$3,282	\$14,653
2/1/2019 - 3/1/2019 W1	0	19,493	74,260	0	194	0	187	\$1,012	\$2,344	\$6,930	\$3,314	\$13,599
3/1/2018 - 4/1/2018 W2	0	19,175	56,096	19,134	185	0	178	\$1,120	\$2,360	\$6,281	\$3,160	\$12,921
4/1/2018 - 5/1/2018 W2	0	16,647	51,021	17,557	204	0	180	\$1,084	\$2,131	\$5,643	\$3,466	\$12,324
5/1/2018 - 6/1/2018 W2	0	16,159	46,863	13,248	190	0	180	\$1,120	\$1,907	\$5,170	\$3,242	\$11,439
6/1/2018 - 7/1/2018 S	16,767	13,208	47,794	0	178	168	175	\$1,084	\$1,944	\$6,148	\$6,016	\$15,192
7/1/2018 - 8/1/2018 S	17,751	13,675	50,060	0	175	175	151	\$1,120	\$2,037	\$6,446	\$6,022	\$15,625
8/1/2018 - 9/1/2018 S	18,561	14,587	52,728	0	168	168	166	\$1,120	\$2,147	\$6,791	\$5,833	\$15,891
9/1/2018 - 10/1/2018 S	17,104	12,826	47,450	0	166	166	154	\$1,084	\$1,935	\$6,127	\$5,739	\$14,885
10/1/2018 - 11/1/2018 W1	0	17,059	61,755	0	173	0	156	\$1,120	\$1,970	\$5,842	\$2,943	\$11,876
11/1/2018 - 12/1/2018 W1	0	14,389	53,636	0	190	0	190	\$1,084	\$1,701	\$5,034	\$3,253	\$11,072
12/1/2018 - 1/1/2019 W1	0	22,166	82,804	0	197	0	194	\$1,120	\$2,624	\$7,767	\$3,369	\$14,881
Totals:	70,183	200,825	706,691	49,939	-	-	-	\$13,191	\$25,691	\$75,840	\$49,637	\$164,358

2.1.5 New Electric Bill

Rate Schedule Option 1: PG&E - E-19, Primary (PROPOSED)

Time Periods	Energy Use (kWh)				Max Demand (kW)			Charges				
	On Peak	Part Peak	Off Peak	Super Off Peak	NC / Max	On Peak	Part Peak	Other	NBC	Energy	Demand	Total
1/1/2019 - 2/1/2019 W1	0	19,783	32,844	0	192	0	187	\$1,120	\$1,835	\$4,112	\$3,282	\$10,349
2/1/2019 - 3/1/2019 W1	0	16,523	22,599	0	194	0	187	\$1,012	\$1,587	\$3,103	\$3,314	\$9,016
3/1/2018 - 4/1/2018 W2	0	7,309	32,874	-29,862	185	0	178	\$1,120	\$1,454	\$1,962	\$3,160	\$7,696
4/1/2018 - 5/1/2018 W2	0	76	21,670	-36,762	204	0	180	\$1,084	\$1,202	\$287	\$3,466	\$6,040
5/1/2018 - 6/1/2018 W2	0	-3,310	12,559	-48,230	190	0	180	\$1,120	\$1,089	-\$1,033	\$3,242	\$4,418
6/1/2018 - 7/1/2018 S	-4,591	-11,935	-23,713	0	178	165	175	\$1,084	\$966	-\$3,120	\$5,967	\$4,897
7/1/2018 - 8/1/2018 S	-2,766	-10,364	-16,831	0	175	175	151	\$1,120	\$1,015	-\$2,325	\$6,022	\$5,833
8/1/2018 - 9/1/2018 S	-13	-9,688	-12,412	0	168	168	166	\$1,120	\$1,127	-\$1,677	\$5,833	\$6,403
9/1/2018 - 10/1/2018 S	4,140	-8,935	-12,228	0	166	166	139	\$1,084	\$1,077	-\$1,168	\$5,702	\$6,695
10/1/2018 - 11/1/2018 W1	0	8,639	-9,188	0	173	0	156	\$1,120	\$1,203	\$180	\$2,943	\$5,446
11/1/2018 - 12/1/2018 W1	0	13,182	-3,701	0	190	0	190	\$1,084	\$1,139	\$983	\$3,253	\$6,459
12/1/2018 - 1/1/2019 W1	0	21,458	36,421	0	197	0	193	\$1,120	\$1,914	\$4,515	\$3,368	\$10,918
Totals:	-3,230	42,738	80,894	-114,854	-	-	-	\$13,191	\$15,608	\$5,820	\$49,550	\$84,169

New Rate Schedule Option 2: PG&E - B-19 Option R

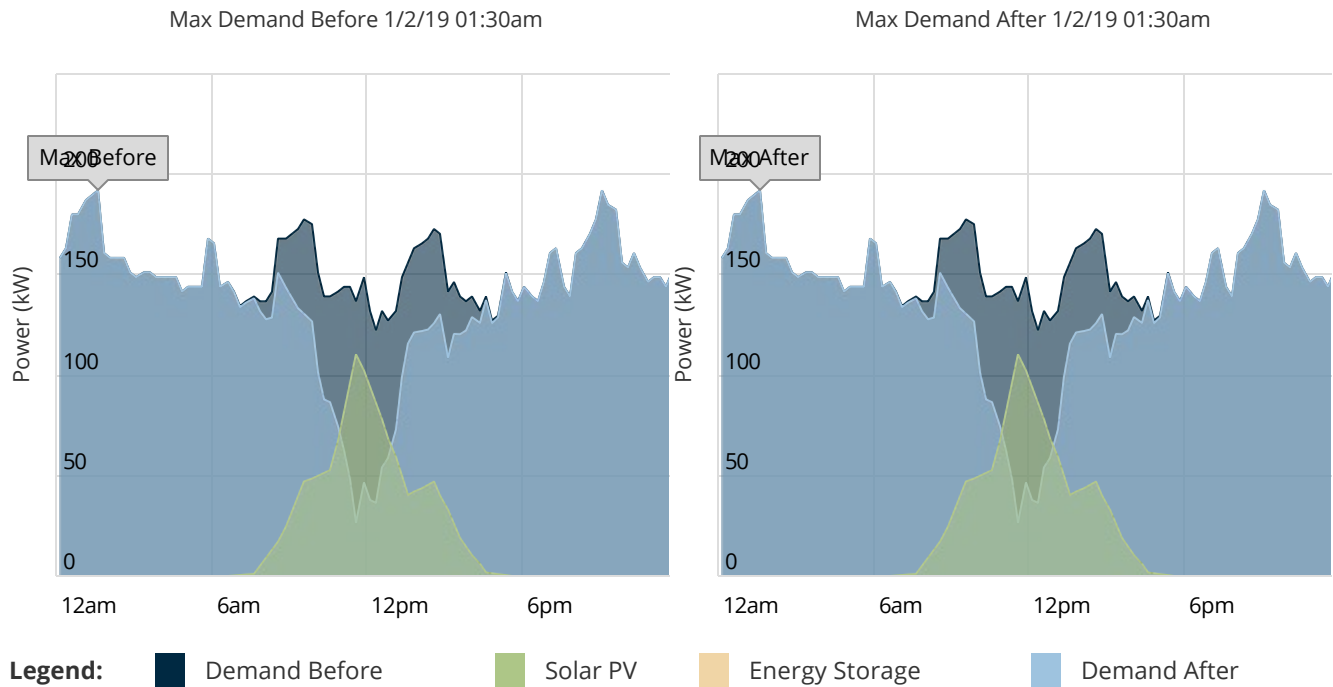
Time Periods	Energy Use (kWh)				Max Demand (kW)			Charges				
	On Peak	Part Peak	Off Peak	Super Off Peak	NC / Max	On Peak	Part Peak	Other	NBC	Energy	Demand	Total
1/1/2019 - 2/1/2019 W1	19,783	0	32,844	0	192	0	0	\$143	\$1,835	\$5,039	\$3,343	\$10,359
2/1/2019 - 3/1/2019 W1	16,523	0	22,599	0	194	0	0	\$129	\$1,587	\$3,814	\$3,378	\$8,908
3/1/2018 - 4/1/2018 W2	7,309	0	32,874	-29,862	185	0	0	\$143	\$1,454	\$2,187	\$3,221	\$7,004
4/1/2018 - 5/1/2018 W2	76	0	21,670	-36,762	204	0	0	\$138	\$1,202	\$95	\$3,552	\$4,986
5/1/2018 - 6/1/2018 W2	-3,310	0	12,559	-48,230	190	0	0	\$143	\$1,089	-\$1,578	\$3,308	\$2,962
6/1/2018 - 7/1/2018 S	-4,591	-11,935	-23,713	0	178	165	175	\$138	\$966	-\$5,217	\$3,632	-\$480
7/1/2018 - 8/1/2018 S	-2,766	-10,364	-16,831	0	175	175	151	\$143	\$1,015	-\$3,817	\$3,588	\$929
8/1/2018 - 9/1/2018 S	-13	-9,688	-12,412	0	168	168	166	\$143	\$1,127	-\$2,463	\$3,459	\$2,265
9/1/2018 - 10/1/2018 S	4,140	-8,935	-12,228	0	166	166	139	\$138	\$1,077	-\$1,019	\$3,400	\$3,596
10/1/2018 - 11/1/2018 W1	8,639	0	-9,188	0	173	0	0	\$143	\$1,203	\$281	\$3,012	\$4,638
11/1/2018 - 12/1/2018 W1	13,182	0	-3,701	0	190	0	0	\$138	\$1,139	\$1,270	\$3,308	\$5,855
12/1/2018 - 1/1/2019 W1	21,458	0	36,421	0	197	0	0	\$143	\$1,914	\$5,530	\$3,430	\$11,017
Totals:	80,430	-40,922	80,894	-114,854	-	-	-	\$1,679	\$15,608	\$4,122	\$40,630	\$62,040

Annual Electricity Savings: \$102,319

2.1.6 Demand Profiles

Date Range: 1/1/2019 - 2/1/2019

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



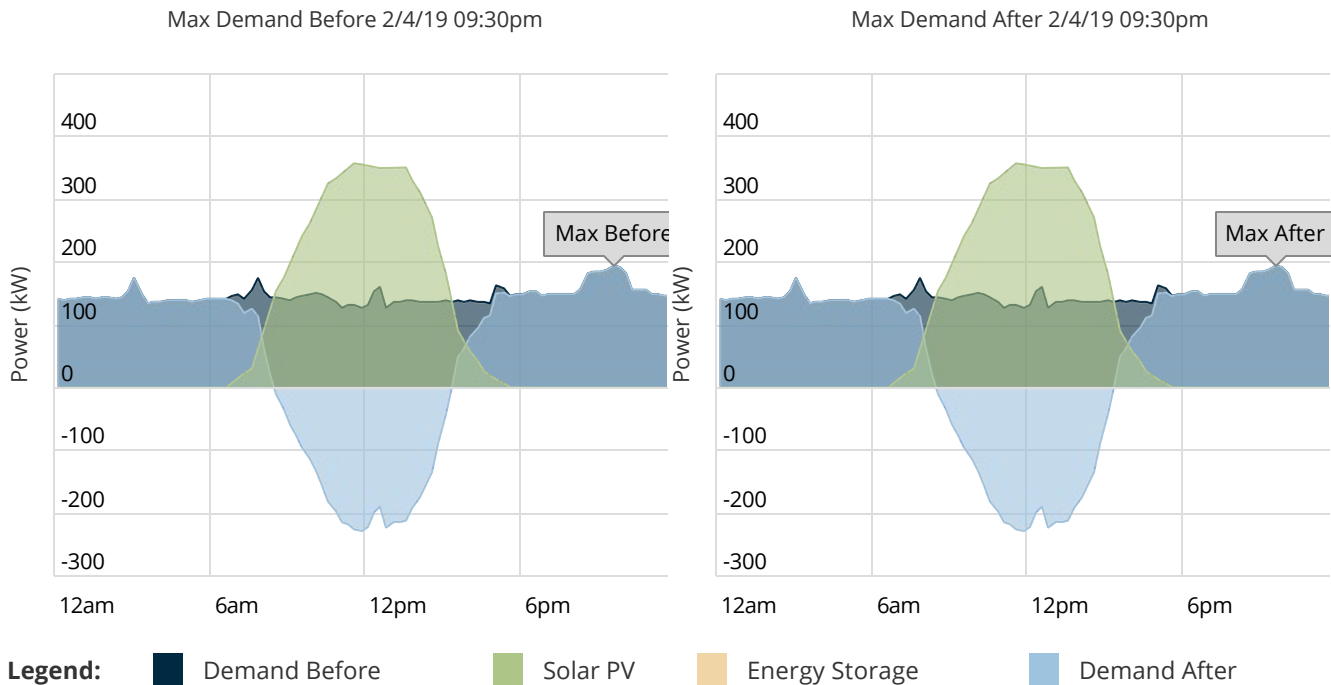
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 2/1/2019 - 3/1/2019

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



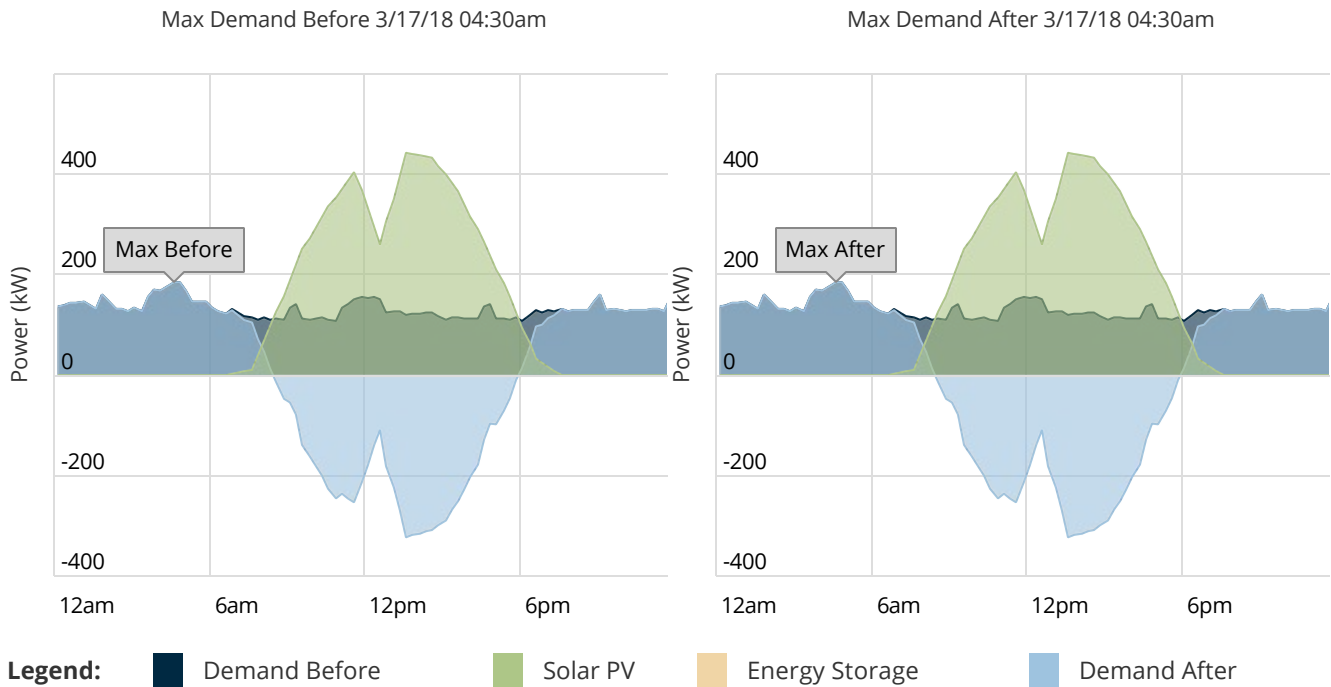
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 3/1/2018 - 4/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



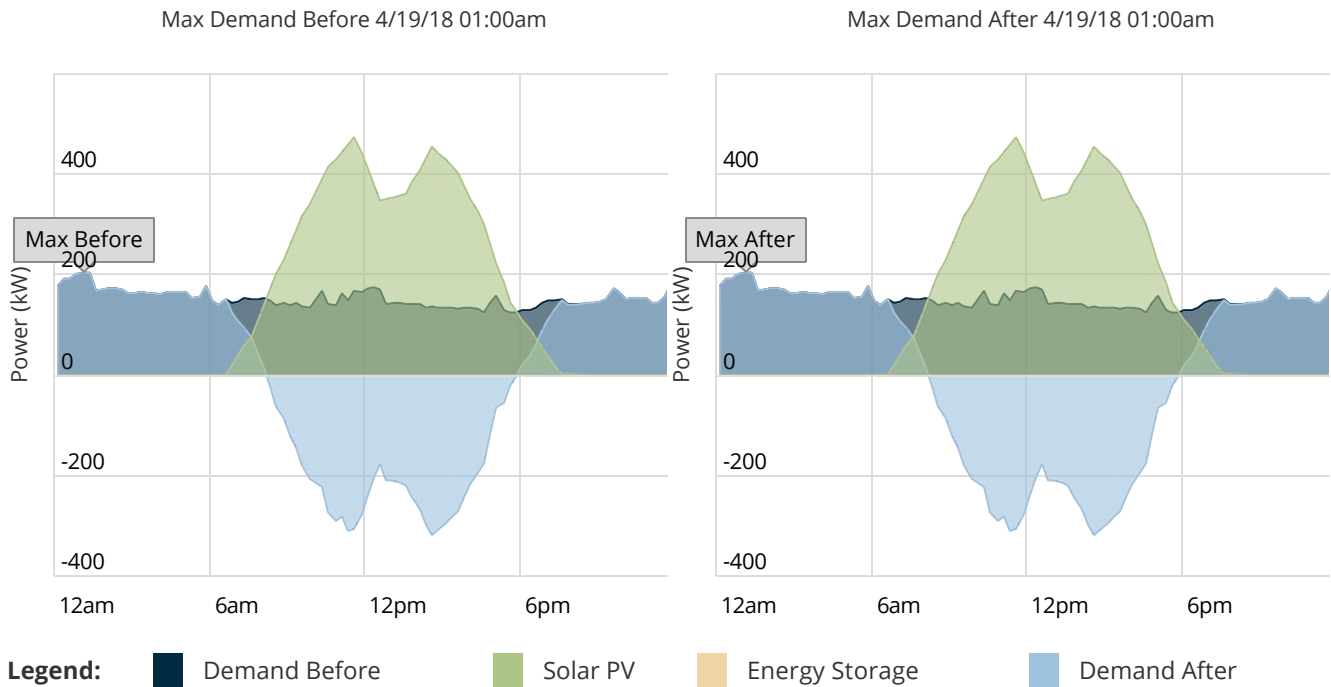
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 4/1/2018 - 5/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



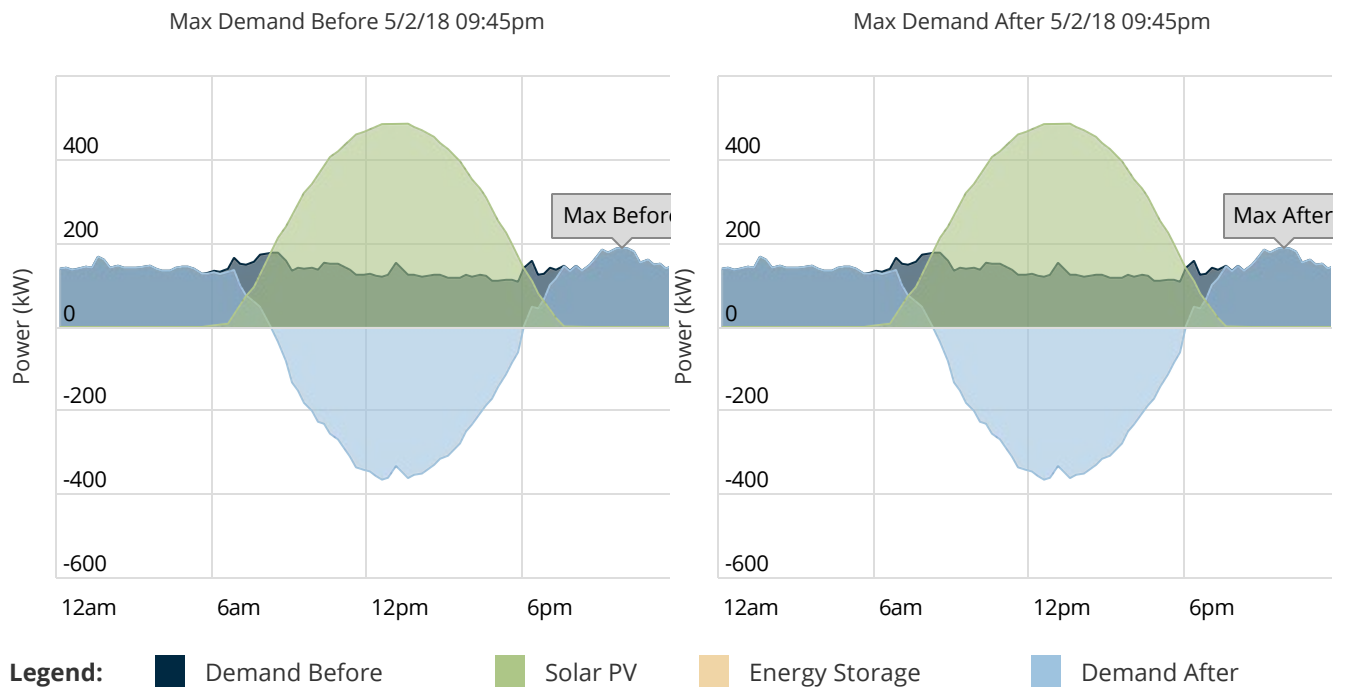
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 5/1/2018 - 6/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



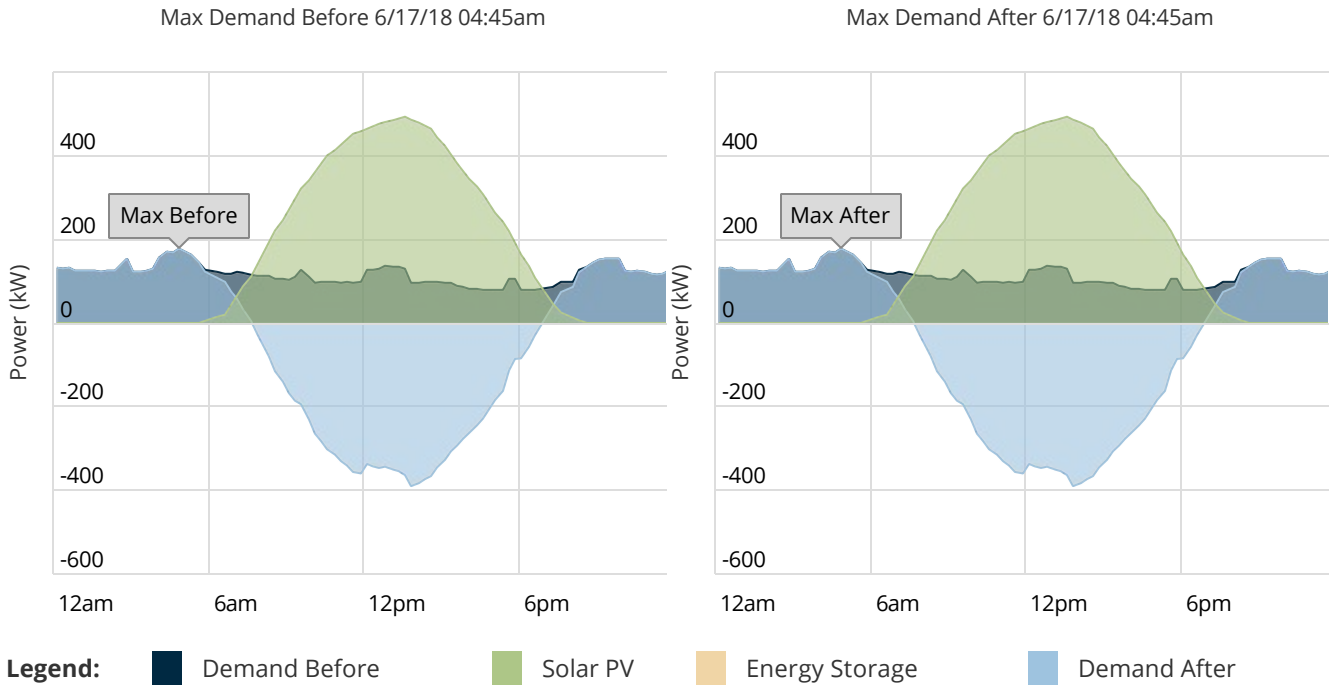
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

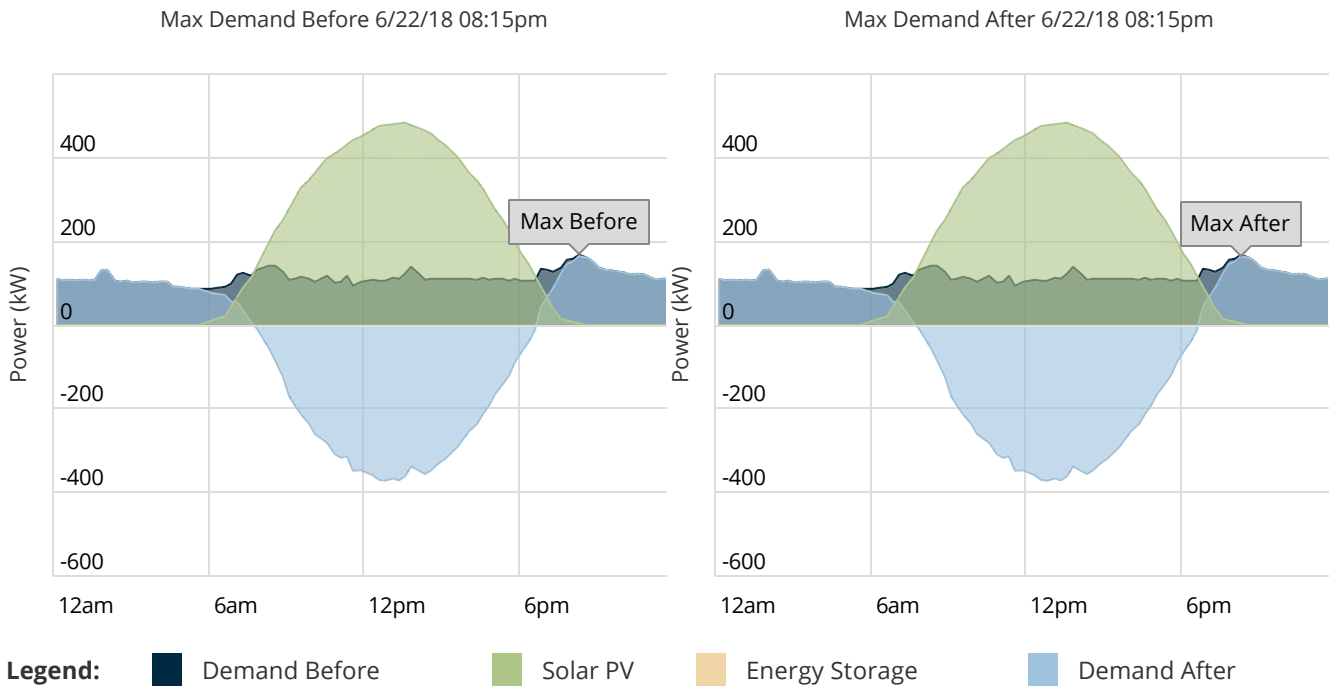
Demand Profiles

Date Range: 6/1/2018 - 7/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



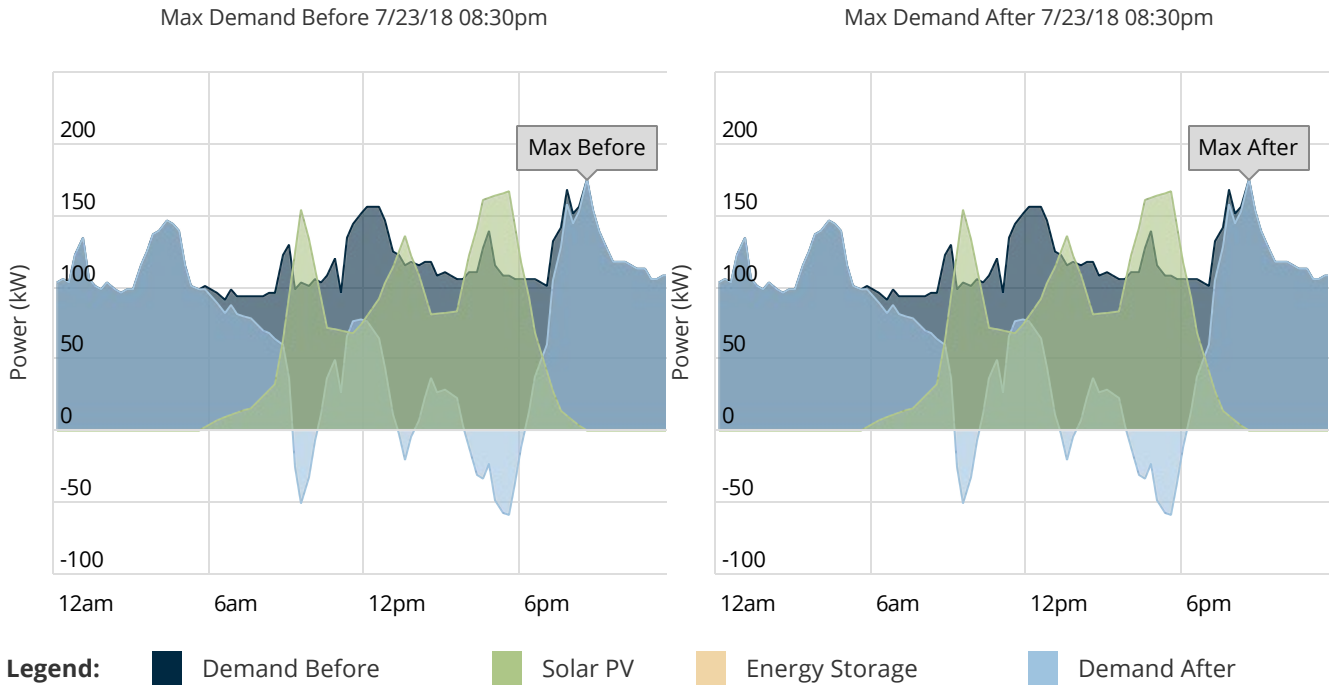
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



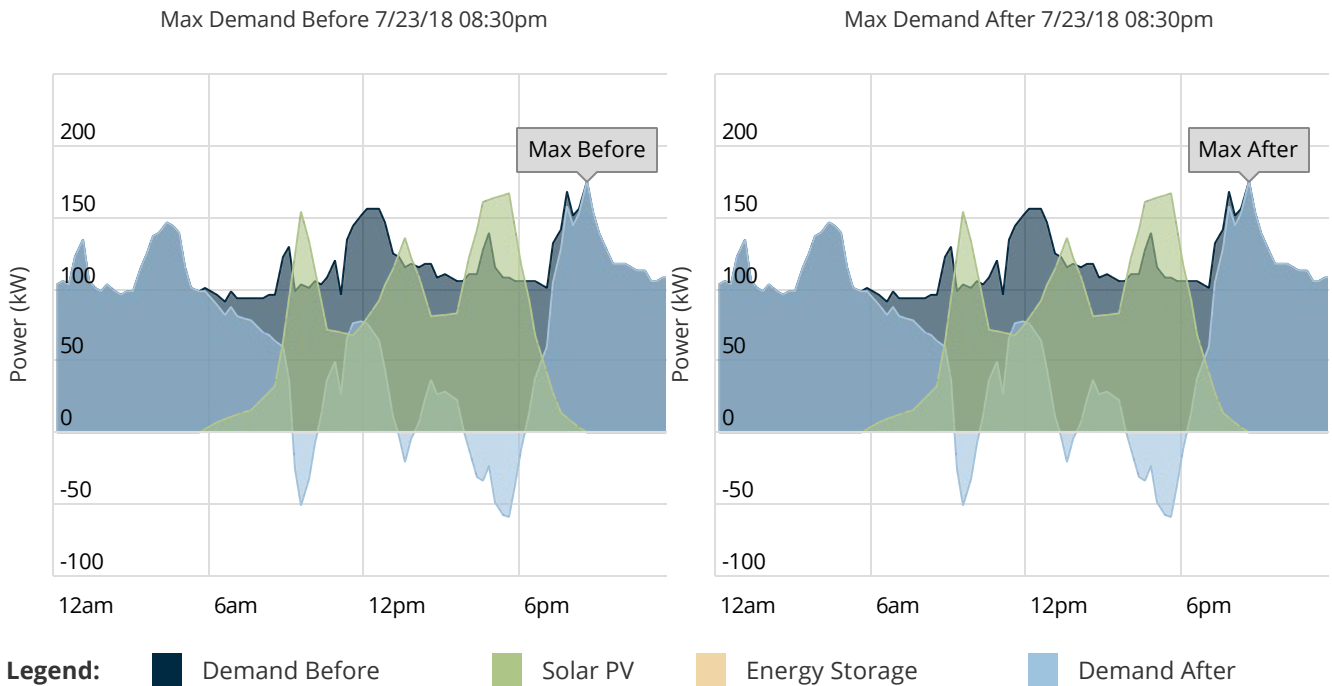
Demand Profiles

Date Range: 7/1/2018 - 8/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



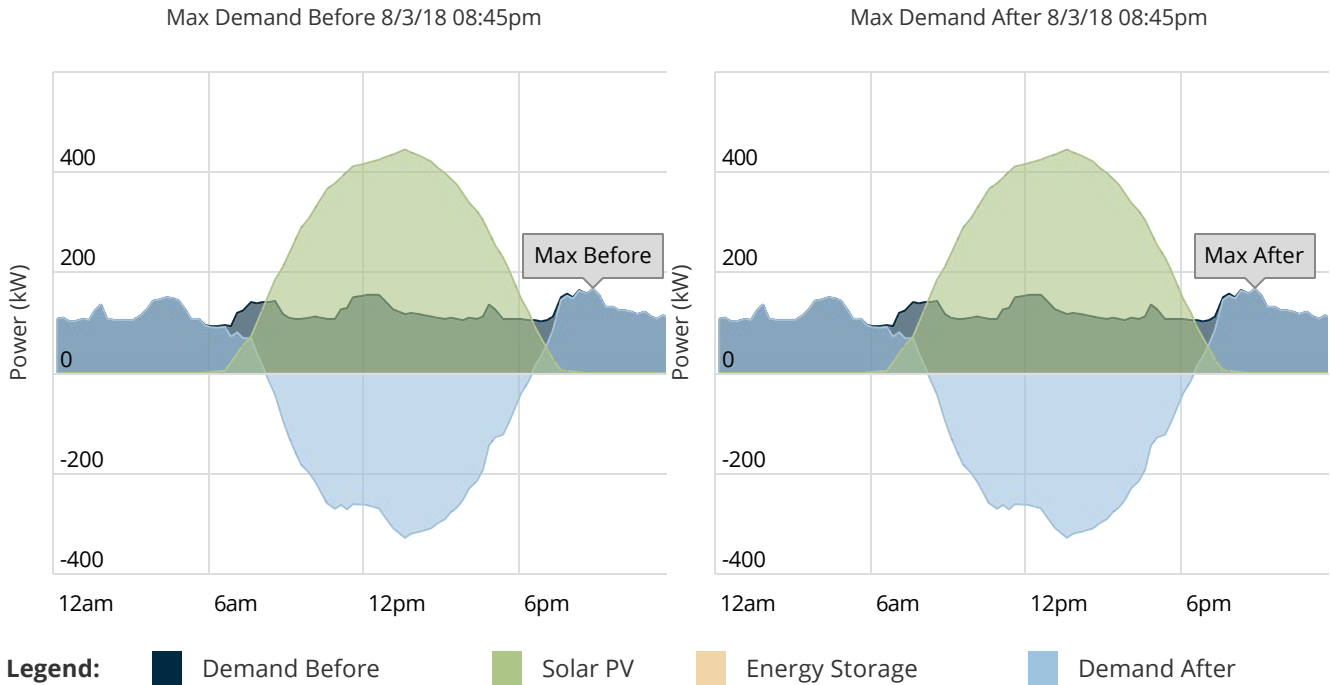
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



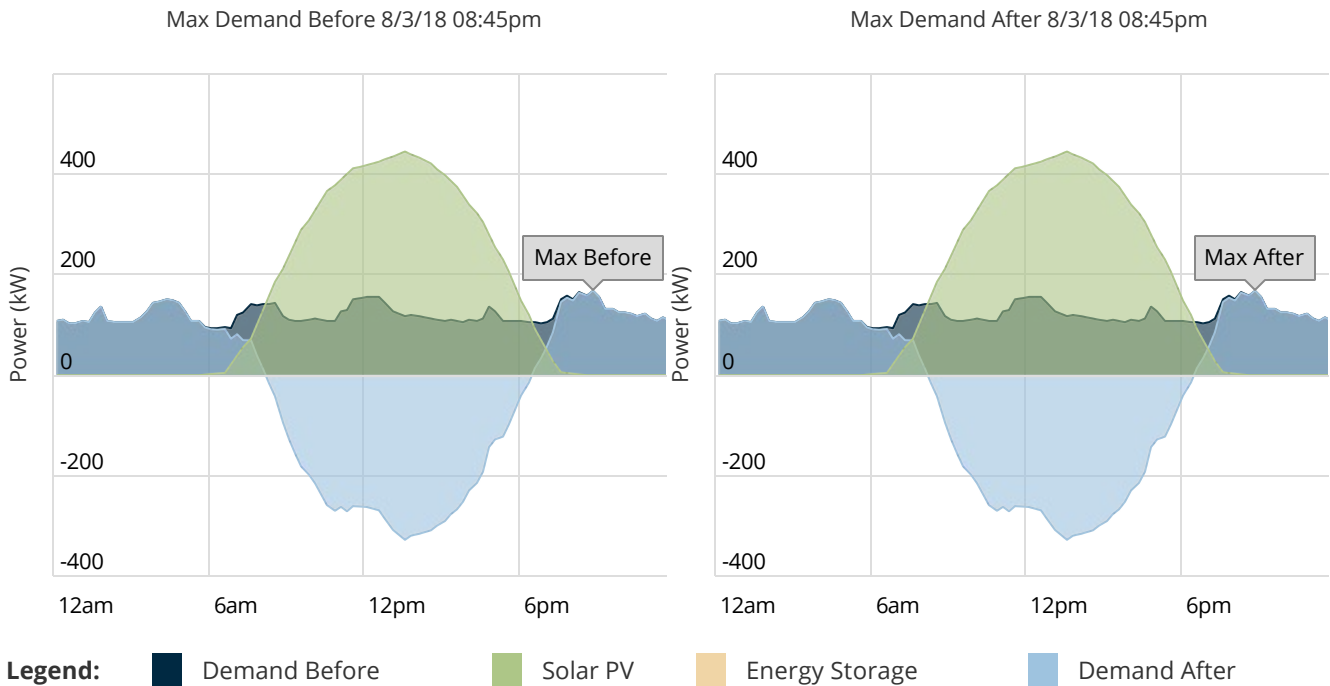
Demand Profiles

Date Range: 8/1/2018 - 9/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



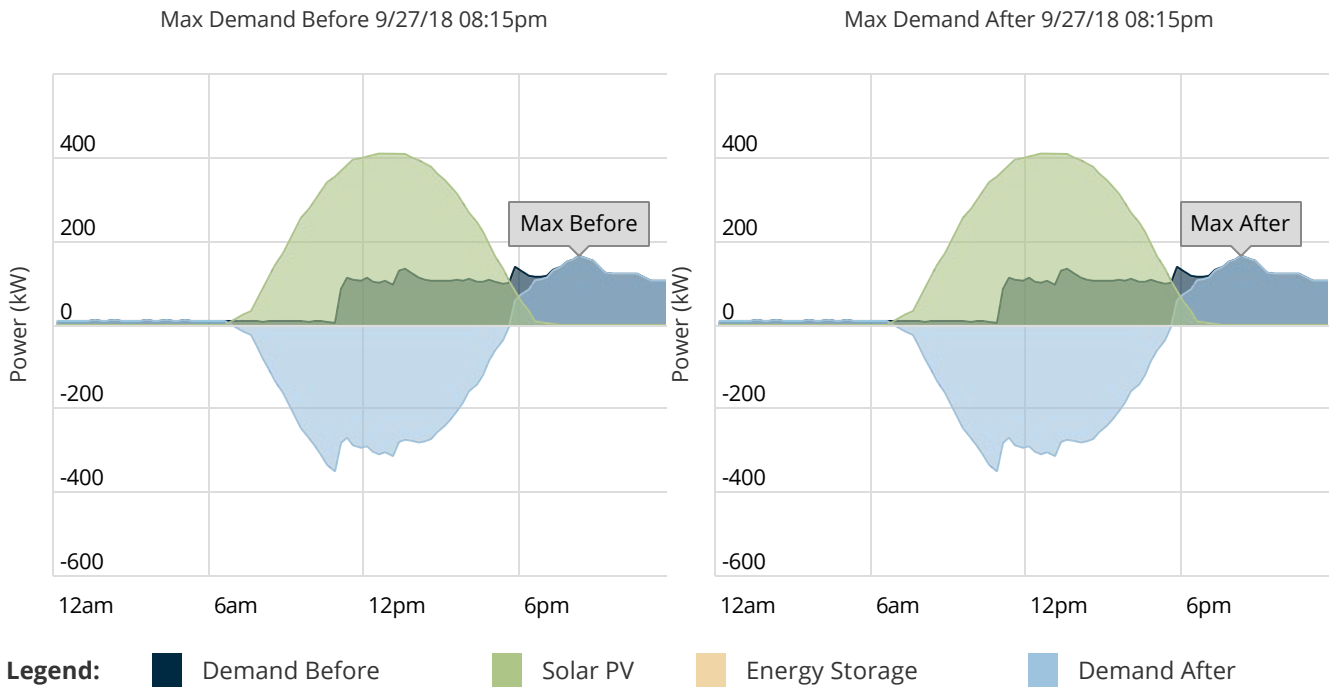
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



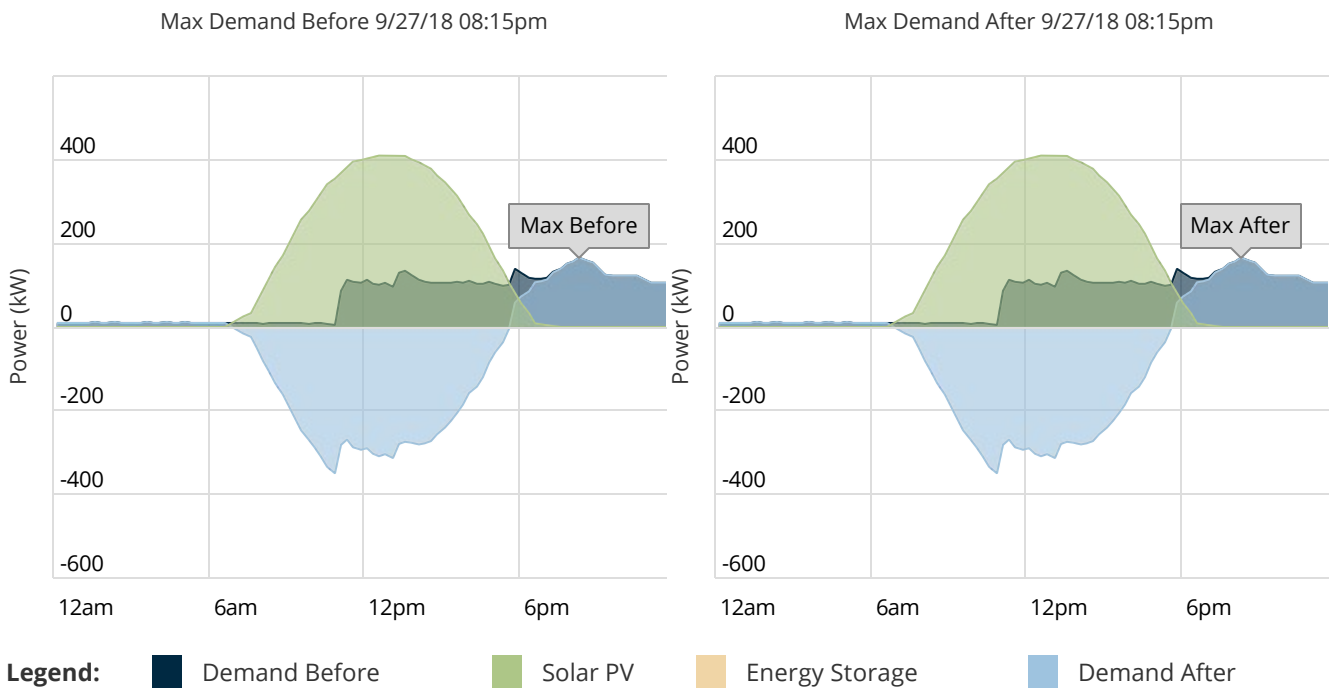
Demand Profiles

Date Range: 9/1/2018 - 10/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



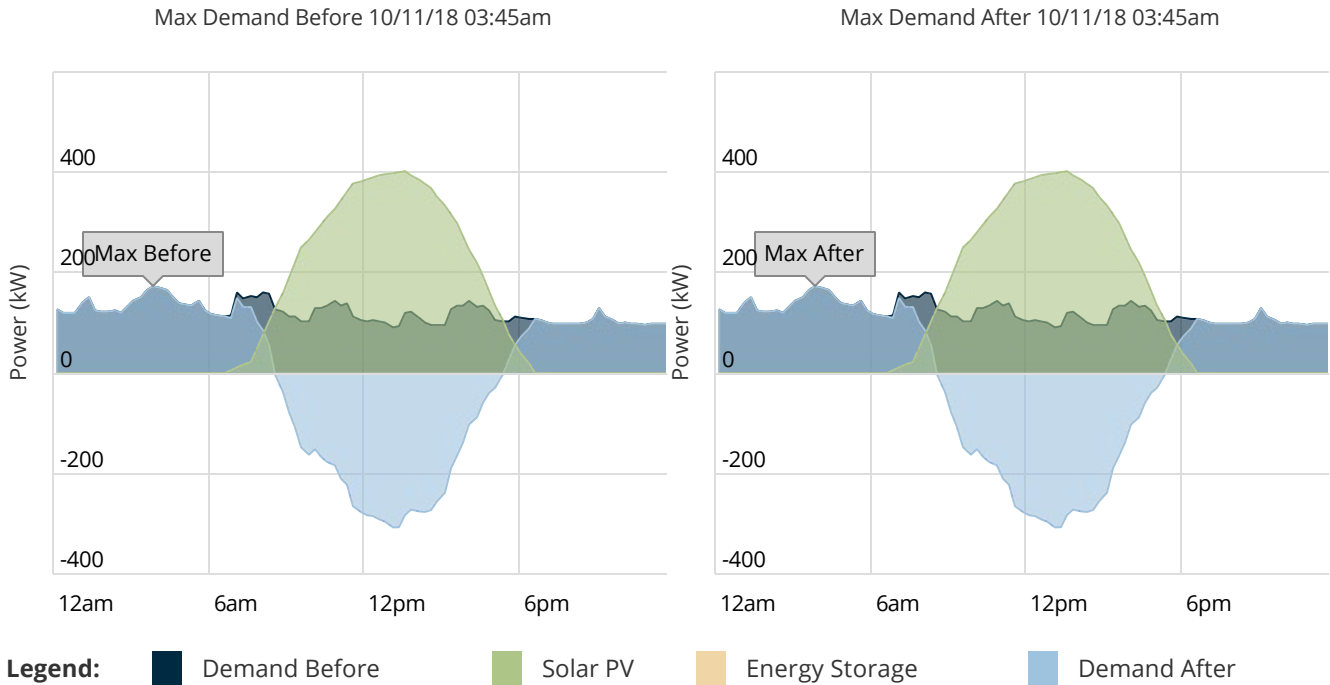
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



Demand Profiles

Date Range: 10/1/2018 - 11/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



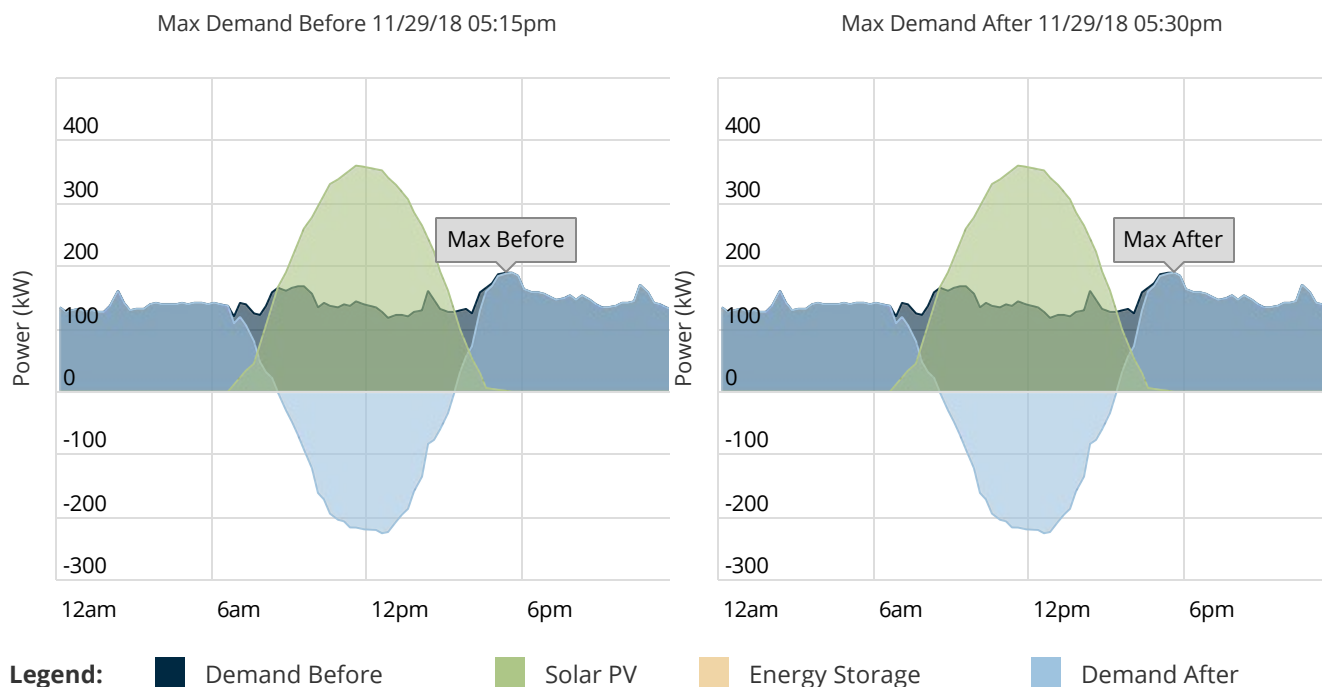
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 11/1/2018 - 12/1/2018

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



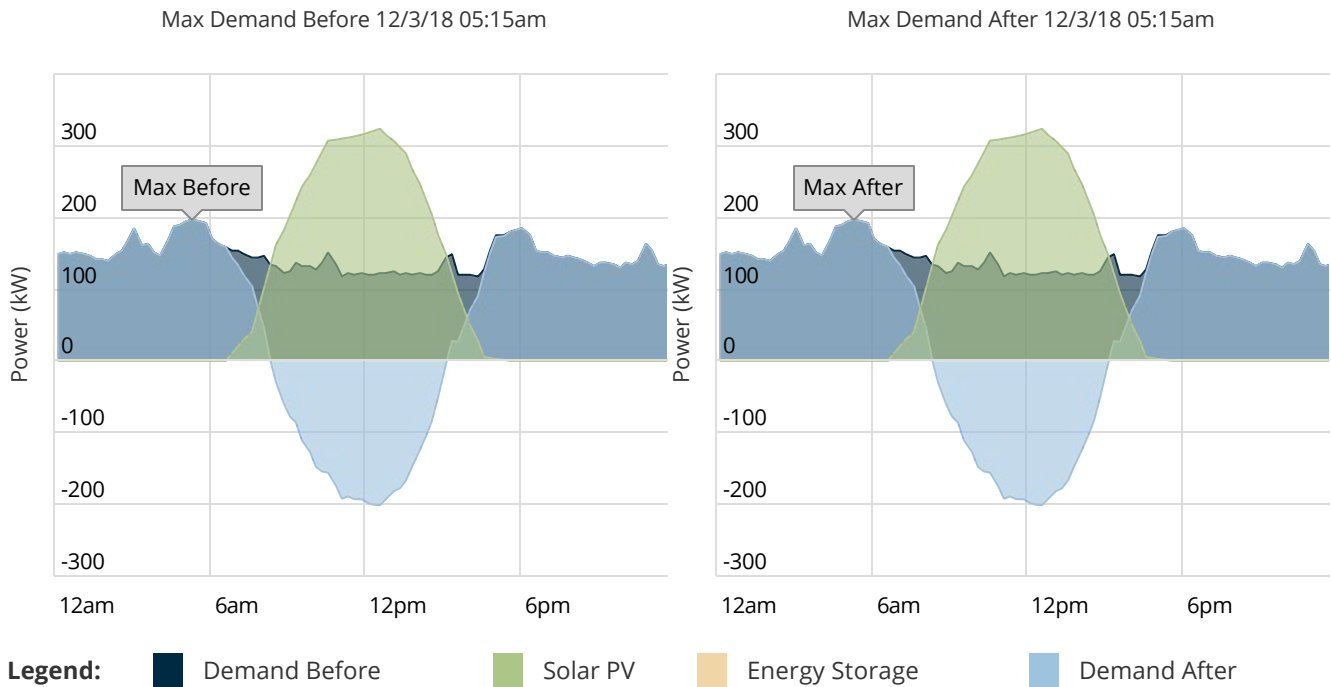
Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

Demand Profiles

Date Range: 12/1/2018 - 1/1/2019

Max NC Demand: The charts below show when the maximum non-coincident (NC) demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.



Max On-Peak Demand: The charts below show when the maximum on-peak demand for this facility occurred before and after the hybrid Solar PV with Storage system simulation.

Charts Not Applicable

3.1 \$0.09/kWh

Inputs and Key Financial Metrics

End of Term Buyout Payment	\$0	Term	20	Electricity Escalation Rate	3%
PPA Escalation Rate	2.75%	Total Payments	\$2,284,570	Federal Income Tax Rate	0%
Starting PPA Rate	\$0.09	PV Degradation Rate	0.5%	State Income Tax Rate	0%
Upfront Payment	\$0				

Years	PPA Payments	Electric Bill Savings	Total Cash Flow	Cumulative Cash Flow
Upfront	-	-	-	-
1	-\$91,988	\$102,319	\$10,330	\$10,330
2	-\$94,045	\$104,861	\$10,816	\$21,146
3	-\$96,146	\$107,464	\$11,318	\$32,465
4	-\$98,291	\$110,129	\$11,838	\$44,303
5	-\$100,481	\$112,857	\$12,376	\$56,679
6	-\$102,718	\$115,650	\$12,932	\$69,611
7	-\$105,001	\$118,509	\$13,507	\$83,118
8	-\$107,333	\$121,435	\$14,102	\$97,220
9	-\$109,713	\$124,430	\$14,717	\$111,937
10	-\$112,143	\$127,495	\$15,352	\$127,289
11	-\$114,624	\$130,632	\$16,009	\$143,297
12	-\$117,156	\$133,843	\$16,687	\$159,984
13	-\$119,741	\$137,129	\$17,388	\$177,373
14	-\$122,379	\$140,492	\$18,112	\$195,485
15	-\$125,072	\$143,933	\$18,860	\$214,345
16	-\$127,821	\$147,453	\$19,633	\$233,978
17	-\$130,626	\$151,056	\$20,430	\$254,408
18	-\$133,489	\$154,742	\$21,253	\$275,662
19	-\$136,410	\$158,514	\$22,103	\$297,765
20	-\$139,391	\$162,372	\$22,981	\$320,745
21	-	\$166,319	\$166,319	\$487,064
22	-	\$170,357	\$170,357	\$657,421
23	-	\$174,487	\$174,487	\$831,909
24	-	\$178,712	\$178,712	\$1,010,621
25	-	\$183,034	\$183,034	\$1,193,655
26	-	\$187,454	\$187,454	\$1,381,108
27	-	\$191,974	\$191,974	\$1,573,082
28	-	\$196,597	\$196,597	\$1,769,679
29	-	\$201,324	\$201,324	\$1,971,003
30	-	\$206,158	\$206,158	\$2,177,161
Totals:	-\$2,284,570	\$4,461,731	\$2,177,161	-

4.1 \$0.09/kWh

Inputs and Key Financial Metrics

End of Term Buyout Payment	\$0	Upfront Payment	\$0	PV Degradation Rate	0.5%	State Income Tax Rate	0%
PPA Escalation Rate	2.75%	Term	20	Electricity Escalation Rate	3%		
Starting PPA Rate	\$0.09	Total Payments	\$2,284,570	Federal Income Tax Rate	0%		

Years	Upfront	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash											
PPA Payments	-	-\$91,988	-\$94,045	-\$96,146	-\$98,291	-\$100,481	-\$102,718	-\$105,001	-\$107,333	-\$109,713	-\$112,143
Electric Bill Savings	-	\$102,319	\$104,861	\$107,464	\$110,129	\$112,857	\$115,650	\$118,509	\$121,435	\$124,430	\$127,495
Cash	-	\$10,330	\$10,816	\$11,318	\$11,838	\$12,376	\$12,932	\$13,507	\$14,102	\$14,717	\$15,352
Total Cash Flow	-	\$10,330	\$10,816	\$11,318	\$11,838	\$12,376	\$12,932	\$13,507	\$14,102	\$14,717	\$15,352
Cumulative Cash Flow	-	\$10,330	\$21,146	\$32,465	\$44,303	\$56,679	\$69,611	\$83,118	\$97,220	\$111,937	\$127,289

4.1 \$0.09/kWh

Inputs and Key Financial Metrics

End of Term Buyout Payment	\$0	Upfront Payment	\$0	PV Degradation Rate	0.5%	State Income Tax Rate	0%
PPA Escalation Rate	2.75%	Term	20	Electricity Escalation Rate	3%		
Starting PPA Rate	\$0.09	Total Payments	\$2,284,570	Federal Income Tax Rate	0%		

Years	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Cash											
PPA Payments	-\$114,624	-\$117,156	-\$119,741	-\$122,379	-\$125,072	-\$127,821	-\$130,626	-\$133,489	-\$136,410	-\$139,391	-
Electric Bill Savings	\$130,632	\$133,843	\$137,129	\$140,492	\$143,933	\$147,453	\$151,056	\$154,742	\$158,514	\$162,372	\$166,319
Cash	\$16,009	\$16,687	\$17,388	\$18,112	\$18,860	\$19,633	\$20,430	\$21,253	\$22,103	\$22,981	\$166,319
Total Cash Flow	\$16,009	\$16,687	\$17,388	\$18,112	\$18,860	\$19,633	\$20,430	\$21,253	\$22,103	\$22,981	\$166,319
Cumulative Cash Flow	\$143,297	\$159,984	\$177,373	\$195,485	\$214,345	\$233,978	\$254,408	\$275,662	\$297,765	\$320,745	\$487,064

4.1 \$0.09/kWh

Inputs and Key Financial Metrics

End of Term Buyout Payment	\$0	Upfront Payment	\$0	PV Degradation Rate	0.5%	State Income Tax Rate	0%
PPA Escalation Rate	2.75%	Term	20	Electricity Escalation Rate	3%		
Starting PPA Rate	\$0.09	Total Payments	\$2,284,570	Federal Income Tax Rate	0%		

Years	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Totals
Cash										
PPA Payments	-	-	-	-	-	-	-	-	-	-\$2,284,570
Electric Bill Savings	\$170,357	\$174,487	\$178,712	\$183,034	\$187,454	\$191,974	\$196,597	\$201,324	\$206,158	\$4,461,731
Cash	\$170,357	\$174,487	\$178,712	\$183,034	\$187,454	\$191,974	\$196,597	\$201,324	\$206,158	\$2,177,161
Total Cash Flow	\$170,357	\$174,487	\$178,712	\$183,034	\$187,454	\$191,974	\$196,597	\$201,324	\$206,158	\$2,177,161
Cumulative Cash Flow	\$657,421	\$831,909	\$1,010,621	\$1,193,655	\$1,381,108	\$1,573,082	\$1,769,679	\$1,971,003	\$2,177,161	-



Project Development Agreement

Siemens Industry, Inc., a Delaware corporation with its principal place of business located at 100 Technology Drive, Alpharetta, Georgia 30005 ("Siemens") and the Central Coast Water Authority, a California joint powers authority, with its principal office located at 255 Industrial Way, Buellton, CA 93427 ("Client") (individually "Party " and collectively the "Parties"), enter into this Project Development Agreement ("PDA") on this ___day of_____, 2020 (Effective Date") with respect to the following facts and intentions:

RECITALS

WHEREAS, Client has expressed interest in obtaining solar generated electricity for use by Client (the "Project").

WHEREAS, the intended site for the development of the Project to generate such solar electricity is Client's Polonio Pass Water Treatment Plant located at [redacted] ("Project Site");

WHEREAS, Client has selected Siemens to develop a proposal for the implementation of the Project pursuant to the terms and conditions of this PDA ("Proposal");

WHEREAS, in order to proceed further, Siemens must perform certain development work in order to create a meaningful Proposal to present to Client;

WHEREAS, such development work includes, but is not limited to, preliminary design documents, pricing, determining interconnection to existing electricity supply systems, and other works as determined by Siemens ("Development Work") ~~as is described in greater detail in Exhibit B~~ and Client must provide Siemens with additional access to the Site for the Development Work; and,

WHEREAS, the Parties agree that Siemens shall perform the Development Work and prepare the Proposal in accordance with the terms and conditions of this PDA.

NOW THEREFORE, as a result of the above Recitals, which are specifically incorporated herein and for the mutual consideration contained herein, the Parties agree as follows:

AGREEMENT

1. **Term.** The term of this PDA ("Term") shall commence on the Effective Date and continue until terminated as provided in this PDA. Upon the Effective Date, Siemens shall commence performing the Development Work. The time period for performing the Development Work shall conclude upon the submission of the Proposal to Client. Siemens shall use reasonable efforts to complete the Development Work and submit the Proposal no later than one hundred-eighty (180) days from the Effective Date. The Proposal shall be valid, and may not be withdrawn by Siemens, for a period of sixty (60) days, commencing on submittal of the Proposal to the Client in order to provide eClient sufficient time to evaluate the Proposal. The Parties agree to use their best efforts to meet the following milestone schedule:

<u>Milestone</u>	<u>Target Date</u>
Kickoff meeting	
Submittal and Presentation of the Proposal	
Client Evaluation of the Proposal	
Client Decision	
PPA Negotiation	

PPA Execution	
Project Implementation	

2. **Required Information.** Client authorizes Siemens, its employees, agents, consultants and subcontractors, on a need to know basis, to inspect and copy all information and data that Siemens reasonably deems is necessary to sufficiently perform the Development Work, whether such information is in Client's possession or in the possession of a third-party to which Client shall provide Siemens with sufficient access, ~~to the Project Site~~ and documentation where required in order to obtain such information for the Development Work. Client shall provide Siemens, its employees, agents and contractors, with reasonable access to the Project Site pursuant to a separate site access agreement which is attached as **Exhibit A**, and incorporated by this reference ("Site Access Agreement"). In addition, Client shall promptly provide Siemens with Client's information as appropriate in relation to the following:

Commented [DS(RSR1)]: Stricken because this sentence addresses the Client's obligation to provide Siemens with information.

- a. Utility data for the past three (3) year(s), including but not limited to, actual copies of electrical, gas, water invoices, or other utility invoices requested by Siemens ("Utility Data");
- b. Information on the CCWA's hours of operation and modes of operation for the Project Site ("Operational Data");
- c. Names and contact information of persons with whom Siemens can confer regarding any of the Utility Data, Operational Data, financial information and general day-to-day issues that may arise during performance of the Development Work ("Contact Persons");
- d. If applicable, an audited financial statement for the fiscal year immediately preceding the Effective Date; and,
- e. Any and all other information requested by Siemens reasonably necessary in order for Siemens to perform the Development Work.

3. **Representations, Warranties and Covenants of the Parties.**

- a. Each Party represents, warrants and covenants to the other Party that:
 - i. It has all requisite power and authority, whether statutory or otherwise, to enter into this PDA, and that its execution has been duly authorized and does not and will not constitute a breach or violation of any of its organizational documents, any applicable laws or regulations, or any agreements with third parties;
 - ii. It has done and will continue to do all things necessary to preserve and keep in full force and effect its existence ~~for purposes of~~ this PDA;
 - iii. This PDA is a legal, valid and binding obligation of the Party, in accordance with its terms, and all requirements of the Party have been met and procedures have been followed by the Party to ensure the enforceability of this PDA; and,
 - iv. To the Party's best knowledge, there is no pending or threatened suit, action, litigation or proceeding against or affecting the Party that impacts the validity or enforceability of this PDA.
- b. Siemens further represents, warrants and covenants to Client that Siemens is duly authorized to do business in all locations where the Development Work is to be performed and the Project is to be located.
- c. Client further represents, warrants and covenants to Siemens, to the best of its knowledge, that: 1) any information provided to Siemens, or that is provided to Siemens, by Client or on behalf of Client, is accurate and that Siemens is entitled to rely on the accuracy of the same in performing the Development

Work, and 2) Siemens shall not be held liable to Client in any manner whatsoever for any error, inaccuracy or omission that is caused solely by Siemens' reliance on the information supplied by Client or information provided to Siemens on behalf of Client.

4. Transactional Structure. Client and Siemens acknowledge that the Project may be implemented through various transactional structures, the specific structure to be determined as part of the Development Work. Such transaction structures may include Client entering into a Power Purchase Agreement ("PPA") with a company other than Siemens, but with whom Siemens has a direct or indirect financial interest, (a "Project Company") or Siemens may assign its rights under the PPA to a Project Company with whom Client acknowledges the assignment rights necessary to facilitate project financing. These transaction structure alternatives enable Siemens to incorporate the Project's financial benefits to include but not limited to federal tax credits, associated asset ownership benefits and incentives as may be appropriate for project financing. The Parties acknowledge that any pricing or similar economic parameters as represented by Siemens to Client, if any, are conditioned upon Siemens' rights to utilize the finance transactional structures as defined herein.

5. Fee. Siemens shall perform the Development Work for the fixed fee of **\$60,000.00 (Sixty thousand Dollars and no cents)** (the "Fee").

6. Payment of the Fee.

a. In the event that the [Proposal/Development Work](#) demonstrates that the criteria set forth in the attached **Exhibit B** – Project Criteria, which is incorporated by this reference, ("Project Criteria") can be met through a PPA structure and Siemens submits the Proposal to Client containing [such information meeting the requirements of the](#) Project Criteria, then Client shall be liable to Siemens for the Fee, except as provided below.

b. On the Effective Date and during the period of time that the Development Work is being performed, Siemens will direct resources to develop the Proposal. Where the Proposal is completed, it will be submitted to Client within the time period set forth in Section 1 of this PDA. The Proposal will identify that the Fee will be included in the calculation of the PPA pricing. Therefore, if the PPA is executed by the Parties, Client will have no obligation to pay the Fee to Siemens, [because](#) the Fee [will be having been](#) included in the pricing under the PPA.

c. In the event that Client is liable to Siemens for the Fee pursuant to [clause/section](#) 6.a. and Siemens has provided Client with the Proposal pursuant to [section/clause](#) 6.b., but Client rejects the Proposal, Siemens will submit an invoice to Client for the Fee. Client shall pay Siemens in immediately available funds no later than thirty (30) days from the date of invoice.

d. If during the performance of the Development Work, Siemens believes that the Project Criteria cannot be reasonably achieved and, therefore, the Proposal cannot be provided to Client, Siemens will notify Client and then Client shall not have any obligation to pay the Fee.

7. Proposal Evaluation. Upon the Client's receipt of the Proposal, the Client will review the Proposal for completeness before proceeding to review the Proposal in accordance with the Project Criteria. In order to assist in the evaluation process, the Client may, in its sole discretion, request clarifications from Siemens in order to clarify aspects of the Proposal. The Client will determine if the Proposal meets the Project Criteria and, if not, which Project Criteria are not met. [Failure to meet the Project Criteria cannot be caused by the Client's action or inaction. If the Client reasonably determines that the Proposal does not meet the Project Criteria, the Client will notify Siemens of the Project Criteria that have not been met by the Proposal.](#) Siemens will then have a reasonable opportunity to supplement the Proposal in an attempt to comply with the Project Criteria. If there are any discrepancies between the hard copy and the electronic copy of any information provided in the Proposal, the hard copy version will prevail. If there are any differences between the sum of individual line amounts and totals, the individual line amounts will prevail. The Client may request Siemens to correct any minor irregularities or errors in the Proposal as identified by the Client following initial evaluation of the Proposal. The evaluation process will consider any revised information and

reevaluate and revise scores as appropriate. Client shall complete its evaluation of the Proposal within the time period specified in section 1, above.

8. Good Faith Negotiation. If the Proposal meets all of the Project Criteria and Siemens has substantially complied with all of the material terms and conditions of this PDA, the Parties acknowledge that each Party is obligated under this PDA to proceed in good faith, including the good faith negotiation of the PPA. The Parties agree to attempt to negotiate a term sheet for a PPA ("Term Sheet"). The Term Sheet will establish the principal terms and conditions acceptable to both parties for purposes of the development and negotiation of a PPA.

Execution of the Term Sheet is contingent upon the successful negotiation of terms. The Parties intend that negotiations shall be confidential and not subject to disclosure to third parties. If a satisfactory conclusion to negotiations of a Term Sheet cannot be reached with Siemens after the Parties have negotiated in good faith for a reasonable period of time, not to exceed [redacted] days, the Client will formally end negotiations and may: (a) reject the Proposal and pay Siemens the Fee, (b) issue a request for revisions to the Proposal, or (c) extend the period for negotiating a Term Sheet.

After execution of the Term Sheet, the Parties plan to commence good faith negotiations to attempt to negotiate a PPA based on the principal terms and intent of the executed Term Sheet. ~~Any e~~Execution of the PPA ~~is~~are contingent upon the successful negotiation of final terms. If a satisfactory conclusion to negotiations of a PPA cannot be reached with Siemens after the Parties have negotiated in good faith for a period of [redacted] days, the Client will formally end discussions with Siemens and may: (a) reject the Proposal and Term Sheet and pay Siemens the Fee, (b) issue a request for revisions to the Proposal and Term Sheet; or (c) extend the period for negotiations.

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9. Termination. Client may terminate this PDA at any time with fifteen (15) days prior written notice to Siemens. Client shall then pay to Siemens a termination fee equal to Siemens' actual reasonable costs and expenses incurred up to the date of termination which shall not exceed the Fee. If Client terminates the Site Access Agreement prior to Siemens submittal of the Proposal to Client~~site access agreement (Exhibit A)~~, such termination shall operate to terminate this PDA and Client's obligations under the preceding sentence shall apply.

10. Insurance. Siemens shall procure and maintain in full force and effect during the Term the following insurance:

a. Commercial General Liability. Commercial general liability insurance for bodily injury (including death), personal injury, property damage, owned and non-owned equipment, blanket contractual liability, completed operations, explosion, collapse, underground excavation and removal of lateral support covering Siemens' activities under this PDA, which coverage shall be at least as broad as Insurance Services Office (ISO) Occurrence form CG 0001, and with a limit in an amount of One Million Dollars (\$1,000,000).

b. Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance covering its employees in accordance with statutory requirements and employer's liability insurance with limits of One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) policy limit, and One Million Dollars (\$1,000,000) each employee.

c. Automobile Liability. Automobile liability insurance for bodily injury and property damage which coverage shall be at least as broad as ISO Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto), and with a limit in an amount of One Million Dollars (\$1,000,000) each accident.

d. General Requirements. The commercial general and automobile liability policies shall contain, or be endorsed to contain the following provisions: (1) Client, its elected officials, officers, agents consultants, contractors and employees shall be named as additional insureds; (2) Siemens insurance shall be primary as respects Client, its elected officials, officers, agents and employees and any insurance, self-

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insurance or other coverage maintained by Client, its elected officials, officers, agents and employees shall not contribute to it; (3) any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to Client, its elected officials, officers, agents and employees; and (4) the Siemens insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Siemens shall provide thirty (30) days written notice to Client prior to any cancellation or non-renewal of any policy or policies required by this PDA. All insurance coverage, as initially provided and as materially modified or changed, shall be subject to reasonable approval by Client. Any deductible or self-insured retention must be declared to and approved by Client. Prior to Siemens commencing work under this PDA and at any subsequent time, upon request by Client, Siemens shall provide Client with Certificates of Insurance evidencing the above coverages. Siemens shall be responsible for requiring and confirming that each sub-consultant and subcontractor meets the minimum insurance requirements specified above. The above insurance coverage shall not limit the indemnification obligations of Siemens as provided below and the failure to maintain the required coverages shall constitute a material breach of this PDA.

9. Indemnity. Siemens and Client shall indemnify and hold each other harmless from and against all damages, losses and expenses suffered or paid as a result of any and all claims, demands, suits, causes of action, proceedings, judgments and liabilities, fines, penalties and costs, including reasonable attorneys' fees and disbursements, incurred in litigation or otherwise assessed, incurred or sustained by or against the indemnified party arising out of or in connection with this PDA to the extent that such damages, losses and expenses result from the negligence or willful misconduct of the indemnifying Party.

10. Limitation of Liability. ANYTHING HEREIN NOTWITHSTANDING, IN NO EVENT SHALL EITHER CLIENT OR SIEMENS BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING COMMERCIAL LOSS, LOSS OF USE, OR LOST PROFITS, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND, IN ANY EVENT, SIEMENS' AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS, LOSSES OR EXPENSES ARISING OUT OF THE DEVELOPMENT WORK PERFORMED UNDER THIS PDA WHETHER BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, AGENCY, WARRANTY, TRESPASS, INDEMNITY OR ANY OTHER THEORY OF LIABILITY, SHALL BE LIMITED TO THE ~~GREATER~~ **LESSER** OF \$~~1,000,000~~ **180,000** OR THE TOTAL COMPENSATION RECEIVED BY SIEMENS FROM CLIENT UNDER THIS PDA, EXCEPT TO THE EXTENT SUCH DAMAGES ARE WITHIN THE SCOPE AND COVERED BY SIEMENS' INSURANCE POLICIES SUBJECT TO THE LIMITS IDENTIFIED ABOVE.

Commented [DS(RSR2)]: With the change to "greater", the cap must be lowered. \$180k is 3 times the value of the contract which is 3 times what a cap would be under a standard consulting contract in which the consultant caps their exposure at their fee.

11. No Fiduciary Relationship. CLIENT ACKNOWLEDGES AND AGREES THAT IN READING ANY OF THE INFORMATION PROVIDED HEREIN OR BY SIEMENS (I) THE PROPOSED TRANSACTION DESCRIBED IN THIS PDA IS AN ARM'S-LENGTH COMMERCIAL TRANSACTION BETWEEN CLIENT AND SIEMENS, (II) IN CONNECTION THEREWITH AND WITH THE DISCUSSIONS, UNDERTAKINGS, AND PROCEDURES LEADING UP TO THE CONSUMMATION OF THIS TRANSACTION, SIEMENS IS AND HAS BEEN ACTING SOLELY AS A PRINCIPAL AND IS NOT ACTING AS THE AGENT OR FIDUCIARY OF CLIENT, (III) SIEMENS IS NOT AN ADVISOR TO OR FIDUCIARY OF CLIENT WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY OR THE DISCUSSIONS, UNDERTAKINGS, AND PROCEDURES LEADING THERETO (REGARDLESS OF WHETHER SIEMENS HAS PROVIDED OTHER SERVICES OR IS CURRENTLY PROVIDING OTHER SERVICES TO CLIENT ON OTHER MATTERS), AND (IV) CLIENT HAS CONSULTED ITS OWN LEGAL, FINANCIAL, AND OTHER ADVISORS TO THE EXTENT IT HAS DEEMED APPROPRIATE.

12. Exclusivity. During the Term, Client shall not negotiate with any third-party for the same or a substantially similar project as that which is the subject of this PDA.

13. Limited Use License. Payment of the Fee or payment of the termination fee does not entitle Client to rights of ownership in the Proposal, [Term Sheet](#), PPA and/or any documents prepared by or for Siemens related thereto ("Project Documents"). Neither does such payment provide a right for Client to use the Project Documents to perform the Project without entering into the PPA with Siemens. Client covenants

to Siemens that it will not use the Project Documents for any use beyond evaluating whether to proceed with the Project with Siemens. In consideration for such covenant, Siemens grants to Client a revocable, non-transferable, non-sublicense-able, and non-exclusive license to use the Project Documents for the sole purpose of evaluating and determining whether to proceed with the Project with Siemens ("License").

The Parties acknowledge that the Project Documents contain Siemens' proprietary and/or trade secret information, the unauthorized disclosure or use of which will cause Siemens irreparable harm. The Parties further acknowledge that in the event of unauthorized disclosure or use of such proprietary and trade secret information, Siemens shall be entitled to all equitable remedies including injunctive relief, as well as all available legal remedies including punitive damages.

The Parties further acknowledge that any other use of the Project Documents beyond the terms of this License, will be at such user's sole risk and without liability to Siemens; and, unless expressly prohibited by law, Client and the other users, if any, jointly and severally shall indemnify, defend and hold Siemens harmless from any claims, losses or damages arising from such use.

~~Siemens shall provide a list of all items and materials in its Project Documents that it deems to be confidential and proprietary and, therefore, exempt or protected from public disclosure under the California Public Records Act, California Government Code section 6250 et seq. ("CPRA"). Each page of the materials identified in the list shall be individually stamped or labeled as "confidential and proprietary." Each entry on the list shall identify the specific statute within the CPRA that Siemens believes exempts or protects that item from public disclosure. Items listed without an accompanying statutory reference will be treated as public information. Blanket designations that do not identify specific information or statutes will not be acceptable and may be cause for the Client to treat the Project Documents as public information subject to public disclosure. The list required under this section is intended to provide input to the Client as to the confidential nature of the Project Documents, but in no event shall such list and identification be binding on the Client or determinative of any matter relating to confidentiality. The Client will consider Siemens to have waived any claim of confidentiality and exemption from the public disclosure with respect to materials not listed and stamped as confidential.~~

16.15. Confidentiality. Any information concerning Siemens or Client that is designated as proprietary and disclosed in confidence to the other party during the term of this PDA is disclosed in confidence. The party that receives such confidential information shall not publish or disclose the same to any other entity or person without the prior written approval of the disclosing party. To the extent that the Parties have entered into a confidentiality agreement or will enter into such an agreement during the term of this PDA, then the terms contained in the confidentiality agreement shall be incorporated by reference herein.

17.16. Public Records Act. Notwithstanding any other provision of this PDA, the Project Documents will be a matter of public record subject to the [California Public Records Act, Government Code section 6250 et seq. \("CPRA"\)](#). Information contained in the Project Documents and submitted to the Client is a public record and may be subject to disclosure if requested by a member of the public. Siemens should familiarize itself with the CPRA, including consulting with legal counsel, regarding its requirements for disclosure of public records and applicable exemptions from such disclosure. If Siemens claims an exemption from disclosure under the CPRA, it must identify the specific provision(s) of the CPRA providing an exemption from disclosure for each such item or portion of the Project Documents claimed by Siemens as exempt from disclosure. Siemens must also clearly identify, in writing and with specificity, all copyright, patent, or trademark materials; trade secrets; or proprietary or confidential commercial or financial information claimed as exempt from disclosure under the CPRA (collectively, "Exempt Information").

Exempt Information shall remain the property of Siemens. If a request is made under CPRA for disclosure of Exempt Information, the Client will endeavor to provide Siemens with reasonably timely notice of that request, in order that Siemens will have the opportunity, under the CPRA, to seek protection from disclosure by a court of competent jurisdiction. The Client shall not be, under any circumstances, responsible or liable to Siemens, or any other person, for the disclosure of Exempt Information, whether such disclosure is required by law, by an order of court, or as a result of inadvertence, mistake, or negligence on the part of the Client or its elected or appointed officials, officers, employees, agents, contractors, representatives, or consultants.

Siemens, by submitting claimed Exempt Information in connection with the Project Documents, unconditionally agrees to indemnify, defend, and hold harmless the Client and its elected or appointed officials, officers, employees, agents, contractors, representatives, and consultants, from and against any and all claims, damages, losses, liabilities, and expenses, including actual attorneys' fees and costs, incurred by the Client in good faith that arise out of, relate to, or result from the Client's failure to disclose any claimed Exempt Information to any person making a request for such information. If Siemens fails to timely and diligently undertake this indemnification of the Client, Siemens shall be deemed to have waived its right to claim exemption from disclosure under the CPRA; and after reasonable notice to Siemens, the Client may release the requested information in accord with applicable law.

17. General Provisions.

a. Choice of Law, Jurisdiction and Venue. THIS PDA SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO CHOICE OF LAW PROVISIONS. JURISDICTION AND VENUE SHALL LIE WITH THE STATE OR FEDERAL COURTS IN THE COUNTY IN WHICH CLIENT'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. TO THE EXTENT PERMITTED BY LAW, THE PARTIES EACH WAIVE ANY RIGHTS THAT EACH OF THEM MAY HAVE TO A TRIAL BY JURY. FURTHERMORE, EACH PARTY WAIVES ANY OBJECTION THAT IT MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS.

b. Merger Clause. Upon execution and delivery, this PDA: (a) constitutes the entire agreement and understanding between the Parties relating to the subject matter hereof; (b) supersedes any and all prior agreements and understandings of the Parties, oral or written, relating to the subject matter hereof; and, (c) shall not be amended, supplemented, contradicted or otherwise modified by evidence of prior, contemporaneous or subsequent oral agreements of the Parties.

c. Notices. All notices, requests, demands and other communications under this PDA shall be in writing and shall be deemed to have been duly given on the date of service if personally served or on the second day after mailing if mailed by first class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

To Client: Ray Stokes, Executive Director
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

With Copy To: Gary M. Kvistad
Brownstein Hyatt Farber Schreck, LLP
1021 Anacapa Street, Second Floor
Santa Barbara, CA 93101

To Siemens: Siemens Industry, Inc.
1000 Deerfield Parkway
Buffalo Grove, IL 60089
Attn: EPS-DES Lead

Any Party may change their address for the purpose of this paragraph by giving the other Party written notice of the new address in the above manner.

d. Attorneys' Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this PDA, or because of an alleged dispute, breach or default in connection with any of the provisions of this PDA, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

e. Assignment. This PDA shall not be assigned by Siemens to any third party, except as otherwise provided in this PDA, without the prior written consent of Client, who shall have the sole discretion to consent or not to consent to any proposed assignment since Client is relying upon the specific expertise of Siemens and its employees. Except as otherwise provided in this PDA, aAny attempted assignment without approval of Client shall be voidable at the option of Client.

f. Waiver. No waiver of a provision of this PDA shall constitute a waiver of any other provision, whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

g. Construction of Terms. All parts of this PDA shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the Parties. If any term, provision, covenant or condition of this PDA is held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, the remainder of this PDA shall remain in full force and effect and shall not be affected, impaired or invalidated. In the event of such invalidity, voidness or unenforceability, the Parties agree to enter into supplemental agreements to effectuate the intent of the Parties and the purposes of this PDA.

IN WITNESS WHEREOF, the Parties have caused this Project Development Agreement to be duly executed by their respective authorized signatories as of the date first above written.

CLIENT

Central Coast Water Authority

By: _____
Ray Stokes, Executive Director

APPROVED AS TO FORM:

Brownstein Hyatt Farber Schreck, LLP

By: _____
Gary M. Kvistad,
Attorneys for Client

SIEMENS

Siemens Industry, Inc.

By: _____

By: _____

**EXHIBIT A
TO
PROJECT DEVELOPMENT AGREEMENT**

SITE ACCESS AND DUE DILIGENCE AGREEMENT

This Access and Due Diligence Agreement ("Agreement") is entered into as of the _____ day of _____, 2020 ("Effective Date") by and between Siemens Industry, Inc., a Delaware corporation ("Siemens"), with its principal place of business located at 100 Technology Drive, Alpharetta, Georgia 30005, and the Central Coast Water Authority, a California joint powers authority ("CCWA"), with its principal office located at 255 Industrial Way, Buellton, CA 93427 ("CCWA"), (individually "Party " and collectively the "Parties"), with respect to the following facts and intentions:

A. CCWA and Siemens have entered into a Project Development Agreement, dated _____, 2020 ("PDA") for Siemens to develop a proposal ("Proposal") for implementation of a project to generate solar electricity ("Project");

B. The Project will be located on CCWA's property at its Polonio Pass Water Treatment Plant ("Property"); and

C. CCWA has agreed to permit Siemens to enter the Property to examine, inspect and perform investigations on the Property to evaluate the physical and environmental condition of the Property and to perform other investigations and inspections, for preparation of the Proposal pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, The Parties agree as follows:

1. Investigation Period. For purposes of this Agreement, the term "Investigation Period" means the period commencing on the Effective Date until the earlier of: (i) receipt by CCWA of written notice from Siemens to CCWA terminating this Agreement, which decision shall be made in Siemens' sole discretion; (ii) Siemens' completion of the Inspections (as defined below), as determined by Siemens in its sole discretion; (iii) the termination of the PDA; (iv) the date of written notice from CCWA to Siemens terminating this Agreement, which notice may be given in CCWA's sole discretion; or, (v) the completion of the transactions contemplated pursuant to the PDA.

2. Limited Access. CCWA grants a license to Siemens and its agents, contractors, engineers, surveyors, attorneys, and employees (collectively, "Consultants") during the Investigation Period (as defined below) to enter onto the Property and make such reasonable, investigations, studies and tests as Siemens deems necessary or advisable. Siemens shall conduct all such investigations, studies and tests strictly in accordance with the following procedures:

2.1. To conduct and make any and all customary studies, tests, examinations and inspections, or investigations (collectively, the "Inspections") of or concerning the Property (including without limitation, engineering, environmental, and feasibility studies and surveys, including topographical surveys);

2.2. To confirm any and all matters which Siemens may reasonably desire to confirm with respect to the Property;

2.3. To ascertain and confirm the suitability of the Property for Siemens' intended use [for the Project](#);

2.4. To review all due diligence materials, if any, with respect to the Property as delivered or made available by CCWA to Siemens. Siemens agrees to immediately deliver the foregoing due diligence materials and other Confidential Information (as defined below) to CCWA upon the termination of this Agreement;

2.5. Siemens Investigations shall be conducted during normal business hours, unless CCWA otherwise approves in writing, which approval may be given or withheld in CCWA's sole discretion. Siemens shall provide to CCWA a notice of Siemens' intent to enter the Property at least three (3) days prior to the intended date of entry, which notice shall include a general description of the activities to be conducted;

2.6. A representative of CCWA shall have the right, but not the obligation, to be present during Siemens' Investigations; and

~~2.7. Siemens will comply with CCWA safety rules and regulations prior to and while accessing the Property including, but not limited to, COVID-19 safety measures. CCWA will provide Siemens with a copy of its rules and regulations. 2.7. — Neither Siemens nor its Consultants shall take any action which materially interferes with CCWA's use, occupancy or operations on the Property.~~

3. **Indemnification.** Siemens shall indemnify, defend and hold CCWA, as well as its elected officials, officers, agents and employees, harmless from and against any and all claims liabilities, damages, losses, actions, penalties, proceedings and expenses, including but not limited to attorneys', paralegal and experts' fees, costs and expenses, to the extent arising out of or resulting from: (1) any and all negligent acts or omissions or willful misconduct of Siemens or of any employee, sub-consultant or subcontractor of Siemens in performing its investigation activities pursuant to this Agreement; (2) the violation of any governmental law or regulation, compliance with which it is the responsibility of Siemens; and (3) the failure, neglect or refusal of Siemens or any employee, sub-consultant or subcontractor of Siemens to faithfully perform the investigation activities under the Agreement in a manner which meets the required standard of care; except to the extent caused by CCWA's negligence or willful misconduct.

4. **Confidentiality.** All non-publicly available information made available by CCWA to Siemens or its Consultants in accordance with this Agreement, all non-publicly available information obtained by Siemens or its Consultants in the course of their inspections and the results of all tests, surveys, studies, investigations and assessments conducted or obtained by Siemens (collectively, "Confidential Information") shall be treated as confidential information, and Siemens shall not divulge or disclose, and shall cause its Consultants to not divulge or disclose, such Confidential Information to any third parties, except as required by law. If required by law to disclose any Confidential Information, Siemens shall promptly deliver written notice to CCWA of such fact. Within two (2) business days following CCWA's written request, Siemens shall provide CCWA with the names of the persons to whom any Confidential Information has been ~~requested~~communicated in accordance with this paragraph ~~in order to provide CCWA with an opportunity to object to any such disclosure and seek a court order.~~ Siemens shall be liable for any breach of this paragraph by it or any of its Consultants. All Confidential Information shall be held by Siemens in strict confidence solely for the purpose of assisting Siemens in assessing the suitability of the Property for Siemens' intended use. In CCWA providing any such Confidential Information to Siemens, Siemens acknowledges and agrees that CCWA makes no representation or warranty, express, written, oral, statutory, or implied, and all such representations and warranties are hereby expressly excluded. Siemens shall not in any way be entitled to rely upon the accuracy of such information.

5. **Property Documents.** CCWA has previously made, or will make, available to Siemens and its Consultants for their review, certain items and information pertaining to the Property (collectively referred to as the "Property Documents"). The Property Documents have been and shall be made available (to the extent reasonably possible) to Siemens without representation or warranty by, or recourse against, CCWA, it being agreed that Siemens shall not rely on such documents and shall independently verify the truth, accuracy and completeness of said information and/or items contained therein. The Property Documents shall not include any internal memoranda or correspondence of CCWA relating to Siemens' intended use of the Property, documents which constitute attorney work product or which are subject to the attorney-client privilege. CCWA ~~covenants~~does, however, hereby covenant that to the extent it ~~actually knows~~has information pertaining to the inaccuracy or incompleteness of the Property Documents, that it will disclose such information to Siemens and Siemens may rely on such

information in its investigation.

~~6. Reserved.~~

67. Restrictions. Notwithstanding anything in this Agreement to the contrary, CCWA shall have the right in its sole and absolute discretion, without limitation, to disapprove any and all entries, surveys, tests (including, without limitation, investigations and other matters that in CCWA's sole judgment could result in any injury to the Property or breach of any contract, or expose CCWA to any losses or violation of applicable law, or otherwise adversely affect the Property or CCWA's interest therein, and Siemens shall obtain CCWA's prior written consent to any such entries, surveys, tests, investigations or other matters that are invasive on the Property. Siemens shall use best efforts to minimize disruption to not materially interfere with CCWA's use, occupancy or operations at the Property in connection with Siemens' or its Consultants' activities pursuant to this Agreement. No consent by CCWA to any such activity shall be deemed to constitute a waiver by CCWA or assumption of liability or risk by CCWA. Siemens agrees to promptly restore, at Siemens' sole cost and expense, the Property to the same condition existing immediately prior to Siemens' exercise of its rights pursuant to this Agreement.

78. Insurance. CCWA shall have no liability, responsibility or duty of care to Siemens or to any of its Consultants on the Property. Siemens acknowledges that it and its Consultants enter and occupy the Property at their own risk. Siemens shall procure and maintain in full force and effect during the Term the following insurance:

78.1. Commercial General Liability. Commercial general liability insurance for bodily injury (including death), personal injury, property damage, owned and non-owned equipment, blanket contractual liability, completed operations, explosion, collapse, underground excavation and removal of lateral support covering Siemens' activities under this Agreement, which coverage shall be at least as broad as Insurance Services Office (ISO) Occurrence Form CG 0001, and with a limit in an amount of One Million Dollars (\$1,000,000).

78.2. Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance covering its employees in accordance with statutory requirements and employer's liability insurance with limits of One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) policy limit, and One Million Dollars (\$1,000,000) each employee.

78.3. Automobile Liability. Automobile liability insurance for bodily injury and property damage which coverage shall be at least as broad as ISO Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto), and with a limit in an amount of One Million Dollars (\$1,000,000) each accident.

78.4. General Requirements. The commercial general and automobile liability policies shall contain, or be endorsed to contain the following provisions: (1) CCWA, its elected officials, officers, agents consultants, contractors and employees shall be named as additional insureds; (2) Siemens' insurance shall be primary with respect to CCWA, its elected officials, officers, agents and employees and any insurance, self-insurance or other coverage maintained by CCWA, its elected officials, officers, agents and employees shall not contribute to it; (3) any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to CCWA, its elected officials, officers, agents and employees; and (4) Siemens' insurance shall apply separately to each insured against whom the claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Siemens shall provide thirty (30) days written notice to CCWA prior to the cancellation or non-renewal of any policy or policies required by this Agreement. All insurance coverage, as initially provided and as materially modified or changed, shall be subject to reasonable approval by CCWA. Any

deductible or self-insured retention must be declared to and approved by CCWA. Prior to Siemens commencing work under this Agreement and at any subsequent time, upon request by CCWA, Siemens shall provide CCWA with Certificates of Insurance evidencing the above coverages. Siemens shall be responsible for requiring and confirming that each sub-consultant and subcontractor meets the minimum insurance requirements specified above. The above insurance coverage shall not limit the indemnification obligations of Siemens as provided below and the failure to maintain the required coverages shall constitute a material breach of this Agreement.

89. Compliance with Law. Siemens shall take all necessary actions and implement all protections necessary to ensure that all actions taken in connection with the inspections or other matters performed by Siemens with respect to the Property, and all equipment, materials and substances generated, used or brought onto the Property pose no material threat to the safety of persons or the environment and cause no damage to the Property or other property of Siemens or other persons. Siemens shall conduct itself on the Property according to, and all of Siemens' tests, inspections, examinations and studies performed pursuant to this Agreement shall be performed in compliance with, all applicable laws and regulations. [Siemens shall not bring any hazardous materials or substances onto the Property.](#)

910. Termination. This Agreement shall automatically terminate without further notice or execution of any documentation by CCWA and/or Siemens upon the date of termination of the PDA (the "Termination Date"). Notwithstanding the foregoing to the contrary, CCWA may terminate this Agreement at any time, for any reason, or for no reason whatsoever, in CCWA's sole discretion by delivering written notice to Siemens [which termination shall also terminate the PDA.](#)

1044. No Additional Rights Granted. Siemens acknowledges and agrees that CCWA's execution of this Agreement shall in no way constitute a binding contract related to the Property or an obligation to enter into or to negotiate the Agreement as described in the PDA, and no such agreement shall exist unless and until a separate contract has been executed by CCWA and Siemens. Siemens acknowledges that it has no interest in the Property whatsoever.

1142. General Provisions.

1142.1. Applicable law: venue. The laws of the State of California shall govern the interpretation and enforcement of this Agreement. The Superior Court of the County Santa Barbara shall be the site and have jurisdiction for the resolution of all such actions.

1142.2. Notices, Demands and Communications Between the Parties. Written notices, demands, and communications between CCWA and Siemens shall be given either by: (i) personal service; (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery; or, (iii) by mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To CCWA:	Ray Stokes, Executive Director Central Coast Water Authority 255 Industrial Way Buellton, CA 93427
With copy to:	Gary M. Kvistad Brownstein Hyatt Farber Schreck, LLP 1021 Anacapa Street, Second Floor Santa Barbara, CA 93101
To Siemens:	Siemens Industry, Inc. 1000 Deerfield Parkway Buffalo Grove, Illinois 60526

Attn: EPS-DES Lead

With copy to: Siemens Industry, Inc.
1000 Deerfield Parkway
Buffalo Grove, Illinois 60526
Attn: Noe Bermudez, Lead Counsel

Notices personally delivered, sent by United States mail or delivered by document delivery service shall be deemed effective upon receipt. Notices sent solely by mail in the manner provided above shall be deemed effective on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either Party may from time to time designate by mail.

1142.3. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and in accord with paragraph 12.9, below. The part and paragraph headings used in this Agreement are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

1142.4. Counterparts. This Agreement may be executed in counterparts, each of which, after all the Parties hereto have signed this Agreement, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Delivery of an electronic counterpart shall be effective as physical manual delivery thereof.

1142.5. Successors This Agreement shall be binding upon and shall inure to the benefit of the successors of each of the Parties hereto.

1142.6. Severability. In the event any section or portion of this Agreement shall be held, found, or determined to be unenforceable or invalid for any reason whatsoever, the remaining provisions shall remain in effect, and the Parties hereto shall take further actions as may be reasonably necessary and available to them to effectuate the intent of the Parties as to all provisions set forth in this Agreement.

~~12.7. —Reserved.~~

11.812.8. Assignment. This Agreement shall not be assignable without the prior written consent of CCWA, who shall have the sole discretion to consent or not to consent to any proposed assignment. Any attempted assignment without the approval of CCWA shall be void.

11.912.9. Construction The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of all parts of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either Party, as each Party has participated in the drafting of this document and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

11.1012.10. Several Obligations Except where specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

11.1142.11. Attorneys' Fees. If any legal proceeding (lawsuit, arbitration, etc.), including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement,

the prevailing Party shall be entitled to recover actual attorneys' fees and costs, which may be determined by the court in the same action or in a separate action brought for that purpose. The attorneys' fees award shall be made as to fully reimburse for all attorneys' fees, paralegal fees, costs and expenses actually incurred in good faith, regardless of the size of the judgment, it being the intention of the Parties to fully compensate for all attorneys' fees, paralegal fees, costs and expenses paid or incurred in good faith by the prevailing Party.

11.1212.12. Authority. The individuals executing this Agreement represent and warrant that they have the authority to enter into this Agreement and to perform all acts required by this Agreement, and that the consent, approval or execution of or by any third-party is not required to legally bind either Party to the terms and conditions of this Agreement.

11.1312.13. Survival. The provisions of this Section and Sections 3, 4, 7.6-8, and 13 shall survive the termination of this Agreement.

11.1412.14. Entire Agreement. This Agreement contains the entire understanding and agreement of the Parties, and supersedes all prior agreements and understandings, oral and written, between the Parties. There have been no binding promises, representations, agreements, warranties or undertakings by any of the Parties, either oral or written, of any character or nature, except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Agreement and by no other means. Each Party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

13. Limitation of Liability.

ANYTHING HEREIN NOTWITHSTANDING, IN NO EVENT SHALL EITHER CLIENT OR SIEMENS BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING COMMERCIAL LOSS, LOSS OF USE, OR LOST PROFITS, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND, IN ANY EVENT, SIEMENS' AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS, LOSSES OR EXPENSES ARISING OUT OF THE DEVELOPMENT WORK PERFORMED UNDER THIS AGREEMENT WHETHER BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, AGENCY, WARRANTY, TRESPASS, INDEMNITY OR ANY OTHER THEORY OF LIABILITY, SHALL BE LIMITED TO THE GREATER/LESSER OF \$1,000,000/180,000 OR THE TOTAL COMPENSATION RECEIVED BY SIEMENS FROM CLIENT UNDER THIS AGREEMENT, EXCEPT TO THE EXTENT SUCH DAMAGES ARE WITHIN THE SCOPE AND COVERED BY SIEMENS INSURANCE POLICIES SUBJECT TO THE LIMITS IDENTIFIED ABOVE.

Commented [DS(RSR1)]: Same as PPA. With the change to Greater, the amount is reduced. This is 3 times the amount of the PDA which is reasonable especially with the insurance cut out.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

CCWA

SIEMENS

Central Coast Water Authority

Siemens Industry, Inc.

By: _____
Ray Stokes, Executive Director

By: _____

By _____

APPROVED AS TO FORM:

Brownstein Hyatt Farber Schreck, LLP

By: _____
Gary M. Kvistad,
Attorneys for CCWA

**EXHIBIT B
TO THE
PROJECT DEVELOPMENT AGREEMENT**

PROJECT CRITERIA

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Siemens will provide to the Central Coast Water Authority (CCWA) as part of the Project Proposal information confirming that the project can meet the following criteria.

I. General Requirements.

- The Solar Facility will not interfere with the Water Treatment Plant operations or be placed within structural areas of the water treatment facility (i.e. be placed within asphalt concrete paved areas)
- Solar Facility will not structurally compromise any Water Treatment Plant structures or facilities
- The Solar Facility will integrate safely into the CCWA Electrical System
- Siemens will comply with the CCWA Habitat Conservation Plan at Polonio Water Treatment Plant
- The Project is Exempt from CEQA per SB 226. If not, Siemens will describe the required Environmental Studies and schedule
- Siemens will describe how it will comply with federal, state and local regulatory compliance, building permits or confirm that Siemens will be exempt from them
The minimum energy losses over the 20 year period onsite will be less than 15% cumulative from life cycle production estimate determined by modeling.
- A production guaranty of ~~95%~~90% of estimated output, segmented into summer and winter seasons. This will be calculated from the baseline PVsyst, Helioscope, or equivalent production model. kWh quantity will reflect a seasonally segmented 90% guaranty. Liquidated damages will be calculated based on the difference between the otherwise applicable PG&E rate at the time of underproduction as compared to production model. Overproduction can be used to offset underproduction on a seasonal basis by \$ value.
- Siemens will confirm any ISO/Utility interconnection requirements
- Siemens will complete schedule development to identify any critical path items of each party's responsibilities

Commented [DS(RSR1)]: 85% is industry standard. 95% is too high.

II. Development Report

A Development Report will be presented in a format identified by CCWA before Development Work commences that provides quantitative and qualitative evidence of industry appropriate analysis for system operations, safety, environmental clearances and economic benefits to the CCWA for the term of the agreement. Evidence should be provided in a Development Report detailing Siemens' approach to the work. Generally, the Development Report should include:

1. Site Overview
2. General Arrangement Drawing, Electrical Single Line and Instrumentation Schematics
3. Production Estimate
4. Environmental & Permitting
5. Schedule
6. Commissioning, Measurement and Verification
7. Economic Evaluation.
8. Determination of Go/No Go for development.

Information requested in these sections is further defined below.

1. Site Overview

Confirmation through the use of drawings and written descriptions of the final considered location(s) for array and how integration into existing facilities will occur. Any general information about the planned facility should be identified including general layout, staging areas, exclusion areas and other issues of concern anticipated as part of project execution.

2. General Arrangement Drawing, Electrical Single Line and Instrumentation Schematics

Provide conceptual layout of array on site showing panels, racking, access paths, inverters, interconnection locations, any buried or overhead wires routes, etc. for the facility on site and other below grade existing utilities within footprint of solar array facility as provided by the CCWA. Identify offsets from key structures for accessibility verification and safety.

General project information expected to be provided consists of the following:

- DC System voltage
- Array Totals
- Module and array description, including module and array efficiency
- Number of modules per string
- Number of strings
- Number of Modules
- Module wattage
- Number of/Type of inverters
- PV cell specifications, including cell efficiency
- DC Capacity
- AC Capacity
- DC/AC Ratio
- Racking system
- Azimuth
- Panel tilt angle and orientation
- Row to Row spacing
- Ground cover ratio
- Interconnection voltage
- Site temperature maximum & minimum
- Basis of Design for overall facility including civil, structural and electrical systems
- Identify codes and standards to be used for design/installation/operations, including State of California Building Code
- Solar manufacturer guaranteed performance, including product warranty and decrease of power output warranty
- Manufacturer's statement of guaranteed useful life

Provide electrical single line diagram to indicate all interconnection/interface points with CCWA owned or Utility owned facilities. Indicate interconnection requirements to meet CCWA/Utility/ISO requirements for metering & protection/controls. Requirements can be verified in report rather than on drawings if preferred.

Provide instrumentation and monitoring information to confirm CCWA's ability to view facility operations for data points required as part of any PPA contractual agreements. If modifications or upgrades to CCWA's systems are anticipated, Siemens should identify these needs and include those costs in the overall development costs/PPA costs assessment.

Provide Basis of Design information indicating equipment to be used as well and codes/standards and design approach that will be used for the work. Include software description used for the evaluation.

Future O&M activities including matrix of responsibility (Siemens/CCWA) and anticipated frequency should be identified in the work.

3. Production Estimate

The completion of a PVSyst model, ~~Helioscope model~~ (or equivalent) to estimate facility production based upon the facility developed is anticipated. The equipment used in general arrangement will be the same used for modeling. Weather data will be the nearest TMY2 or TMY3 data set deemed acceptable for use. A copy of PVSyst ~~or Helioscope model~~ (or equivalent) output is ~~required~~ requested as part of the Development Report.

Nameplate and Performance characteristics requested are:

PERFORMANCE GUARANTEE		
Parameter	Guarantee Value	Minimum Performance Requirement
Nameplate Capacity	[*] MW ac	
Year One Annual Production	[*] MWhr/yr ac	952%90% production guarantee
Annual Losses	[*] %/yr	Identify system losses included
Guaranteed Availability	≥ [*]	
Noise Emissions Project Edge	≤ [*] dBA	
[*] items shall be filled in by Contractor 1. Availability shall be equivalent to the availability factor as defined in IEEE 762, Standard Definitions for Use in Reporting Electric Generating Unit Reliability, Availability, and Productivity		

4. Environmental & Permitting

The assessment should include the development of a permitting matrix to define the processes and regulations that will impact facility development. Matrix will identify federal, state and local requirements and general cost/schedule implications for completion as a part of matrix development. Any permitting expected to be completed by someone other than Siemens should be clearly identified in the matrix.

Siemens will comply with the CCWA Habitat Conservation Plan at Polonio WTP. The Project is Exempt from CEQA per SB 226. If not, Siemens will produce and lead required Environmental Studies. Siemens will comply with Regulatory Compliance, Building Permits or confirm that Siemens will be exempt from CEQA.

5. Schedule

Siemens will provide an estimated schedule for all future activities to attain commercial operation of the solar plant. Schedule should indicate work that will be completed in 2020 to maximize tax credits that will be reflected in the PPA price and economic analysis.

6. Commissioning, Measurement and Verification

Specify the commissioning plan and metering equipment and how the system performance will be monitored including method of analysis, accuracy, reporting, schedule and responsibilities.

7. Economic Evaluation

Provide the CCWA with an economic evaluation and determination of estimated annual economic benefits anticipated for the CCWA for the life of the facility. Identify the estimated total lifecycle cost of the

project for CCWA with estimates of annual cost and savings estimates included for the life of the contract. List and explain all assumptions. Provide estimated electricity sale back to the grid, include value, quantity and timing. The following information should be indicated in report including any clarifications on any line items:

- Study Period years
- Weighted Average Cost of Capital %
- Electricity Use (assumed) kWh
- Year One Solar Production kWh
- Annual PPA Costs \$
- Annual Energy Costs \$
 - o Demand
 - o Use
 - o Misc. Utility charges
- Annual Cost Savings** \$
- PPA Price Estimate \$/kWh
- PPA Price Escalation %
- System Size (DC) kWdc
- System Cost \$/kWdc

**Savings to consider potential impacts to changes to demand and use charges for power purchased from Utility, if applicable.

If the determination of feasibility makes assumptions, clarifications or exceptions that shift any costs to CCWA, CCWA may deem the evaluation non-compliant with the intent of the good faith discussions to date. Specifically, CCWA is moving forward with the Project Development Agreement with the following understandings:

- CCWA will not be responsible for any costs for development of any of the construction cost for the project including, but not limited to, planning, designing, permitting, construction, separate from that which is factored into the rate under the PPA and in any the termination value that will be part of the PPA.
- CCWA will receive a minimum immediate financial benefit of at least a 10% reduction of Energy costs from the energy costs currently applied to the CCWA operation in PG&E Tariff E19 as of May 1 2020, which shall apply to energy produced by Project and sold to CCWA and energy sold by PG&E to CCWA (after receiving credits from sale of power to the grid).
- CCWA will receive the benefit of paying for Demand Charges pursuant to Tariff B19, Option R.

8. Determination of Go/No Go for Development.

If the site is determined to be non-feasible, Siemens will provide economic evidence that the proposed site is not feasible for economic model review by CCWA concurrence. Include all assumptions and exceptions pertinent to the determination.

~~9.~~ End of Term.

If CCWA does not purchase the Project at the end of the Term, Siemens will be responsible for removal of the Project and restoration of the Project Site to its prior condition, normal wear and tear excluded.

Commented [DS(RSR2): Restoration projected cost has to be factored into the rate which is a shame as it may never happen.




CENTRAL COAST WATER AUTHORITY

MEMORANDUM

July 15, 2020

TO: CCWA Board of Directors

FROM: Lisa M Long 
Controller

SUBJECT: Additional Revision to Payment Schedule for FY 2020/21 DWR Fixed Costs

SUMMARY

CCWA prepares an annual budget and presents it to the Board for approval in March of each year, with final approval in April of each year. CCWA budgets on a fiscal year basis and DWR budgets on a calendar year basis, creating the need to use estimates for CCWA budgeting purposes. Most of the time those estimates are appropriate, however in recent years DWR costs have proven to be very volatile creating potential under-collection of fixed costs from CCWA participants. In December 2017, a severe under-collection resulted in a supplemental assessment from CCWA Project Participants. For the 2021 DWR Statement of Charges, there is a net over-collection of DWR fixed costs when compared against estimates used in the FY 2020/21 CCWA Budget. CCWA Staff have analyzed the costs and are providing recommendations for the Board's consideration to provide options for agencies to change their fixed assessment, or apply the variance to the DWR Reserve Fund as appropriate.

DISCUSSION

When the CCWA Annual budget is prepared and presented to the Board for approval, certain assumptions regarding DWR costs must be made because DWR bills on a calendar year and actual charges are not known until after Board approval of the final CCWA budget.

At the April Board Meeting, when approving the CCWA budget for FY 2020/21 the CCWA Board of Directors approved a special one-time revision to the payment schedule for the FY 2020/21 in light of significant decreases in revenues associated with lower water usage some CCWA project participants were experiencing due to the COVID-19 pandemic. This revision allowed for a portion of the DWR fixed costs to be paid June 1, 2020 for those costs due to DWR between July 2020 to December 2020 and the remaining portion to be paid on December 1, 2020 for those fixed costs due to DWR between January 2021 and June 2021.

CCWA has now received the 2021 Statement of Charges (SOC) from DWR detailing the costs for the calendar year 2021, which is the second half of CCWA's fiscal year 2020/2021. As a result, several of the charges on the 2021 SOC varied significantly from the estimates used for the budget, resulting in an overall reduction of DWR fixed costs of approximately \$3.8 million. CCWA staff performed an analysis of each component of the DWR fixed costs, and is requesting the Board to consider an additional revision to the approved payment schedule, which would reflect the changes in the DWR fixed costs to be paid by the CCWA Project Participants on December 1, 2020.

If approved, this revision would allow participants to choose to either:

*Reduce their second payment of fixed costs which will be due December 1, 2020, or

*Apply the difference to their DWR reserve balance.

The following tables show the changes and how each CCWA participant would be affected if the Board approves this request.

Table A shows the overall variance of fixed costs from the approved budget for Fiscal Year 2020/2021.

TABLE A

Participant	A	B		C	D	E	F	G	H
	Original Budget	Revised Budget		(Credits) Due	Total	Paid on June 1, 2020	To Be Paid Dec 1, 2020 ⁽²⁾	Difference From Orig. Budget	
Guadalupe	\$ 571,063	\$ 292,242	\$ 254,318	\$ (18,853)	\$ 527,707	\$ (269,401)	\$ 258,306	\$ (43,356)	
Santa Maria	17,374,105	9,180,954	7,656,384	(746,659)	16,090,680	(8,373,726)	7,716,954	(1,283,425)	
Golden State Water	536,982	283,619	236,561	(22,533)	497,648	(258,800)	238,848	(39,335)	
Vandenberg AFB ⁽¹⁾	6,218,124	3,443,354	2,698,733	(345,488)	5,796,599	(6,228,765)	(432,167)	(421,525)	
Buellton	654,795	362,238	283,981	(35,577)	610,642	(325,615)	285,027	(44,153)	
Solvang (Billed to SY)	1,658,593	919,398	718,323	(92,580)	1,545,141	(826,088)	719,053	(113,453)	
Santa Ynez ID#1 ⁽¹⁾	591,384	315,382	247,513	(47,070)	515,824	(589,751)	(73,927)	(75,560)	
Goleta	5,415,936	2,885,394	2,273,928	(467,385)	4,691,936	(2,656,075)	2,035,861	(723,999)	
Morehart Land Co.	225,712	125,068	97,990	(12,859)	210,199	(112,267)	97,932	(15,513)	
La Cumbre	1,130,112	625,653	490,276	(63,632)	1,052,297	(562,049)	490,249	(77,815)	
Raytheon ⁽¹⁾	57,546	31,509	24,735	(2,733)	53,511	(57,642)	(4,131)	(4,034)	
Santa Barbara	3,389,954	1,877,770	1,471,616	(189,299)	3,160,086	(1,685,973)	1,474,114	(229,868)	
Montecito	3,322,901	1,779,500	1,384,729	(272,571)	2,891,658	(1,638,905)	1,252,753	(431,243)	
Carpinteria	2,218,404	1,187,724	924,685	(180,100)	1,932,309	(1,093,966)	838,343	(286,095)	
TOTALS	\$ 43,365,611	\$ 23,309,805	\$ 18,763,772	\$ (2,497,340)	\$ 39,576,237	\$ (24,679,022)	\$ 14,897,215	\$ (3,789,375)	

⁽¹⁾ Participants who elected to receive one Fixed invoice rather than two.

⁽²⁾ Invoices to be issued November 1, 2020 with payment due no later than December 1, 2020. The Fixed Invoice for FY 2021/2022 will include any credits.

The following is an explanation of the various columns in Table A above:

- Column A: "Original Budget" – represents the original DWR fixed cost in the CCWA FY 2020/21 Budget.
- Column B&C: "Revised Budget"- represents the "revised" DWR budget taking into account the actual DWR calendar year 2021 Statement of Charges received on July 1, 2020.
- Column D: "(Credits)/Due"- represents credits to be received from DWR for various fixed cost components during FY 2020/21.
- Column E: "Total" – represents the total revised FY 2020/21 DWR budget based on the actual DWR calendar year 2021 Statement of Charges.
- Column F: "Paid on June 1, 2020"-represents actual payments already received by CCWA for the DWR FY 2020/21 fixed costs.
- Column G: "To be paid Dec. 1, 2020" – represents the remaining amount to be paid by December 1, 2020 for the FY 2020/21 DWR fixed costs.
- Column H: "Difference from Original Budget" – represents the change (decrease/savings) from the original DWR FY 2020/21 fixed cost budget.

In March 2019, the CCWA Board of Directors approved a "DWR Reserve Fund Policy" to provide a funding source for payments to DWR when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR. Contributions to this fund are voluntary. All participants have elected to participate in the Fund except Carpinteria Valley Water District, Goleta Water District, Montecito Water District, Santa Ynez River Water Conservation District, ID#1, and Vandenberg Air Force Base.

Table B below shows current estimates for DWR Reserve Balances (this is an estimate; final amounts to be transferred for FY 2019/20 will not be known until the financial close of the fiscal year).

TABLE B

	A	B	C	D	E	F	G
				(B + C)	(D - A)	(Column H on Table A above)	(E + F)
	DWR Reserve Fund Target	DWR Reserve Balance 6/30/19	Estimated FY 2019/20 transfer	Estimated ending balance 6/30/20	Remaining to target	credits to apply from Fixed Charges Adjustment	Remaining to Target if Fixed adjustment is applied
Buellton	147,909	45,390	6,372	51,763	(96,146)	44,153	(51,993)
Guadalupe	140,744	24,075	5,883	29,957	(110,787)	43,356	(67,431)
La Cumbre	255,898	68,988	11,975	80,962	(174,936)	77,815	(97,121)
Morehart Land	51,180	18,951	2,127	21,077	(30,102)	15,513	(14,589)
Santa Barbara	767,695	183,915	44,012	227,927	(539,768)	229,868	(309,900)
Raytheon	12,795	4,935	573	5,508	(7,287)	4,034	(3,253)
Santa Maria	4,145,555	938,377	170,326	1,108,703	(3,036,852)	1,283,425	(1,753,427)
Golden State	127,949	37,426	5,402	42,828	(85,121)	39,335	(45,786)
Santa Ynez (Solvang)	383,848	124,361	16,748	141,109	(242,739)	113,453	(129,286)
Santa Ynez	127,949	130,102	965	131,068	-	-	-
	6,161,523	1,576,521	264,382	1,840,903	(4,323,739)	1,850,952	(2,472,787)

The following is an explanation of the various columns in Table B above:

- Column A: “DWR Reserve Fund Target” – represents the proportional amounts for each participant (based on Table A amounts) of a total of \$10 million DWR reserve approved by the Board.
- Column B: “DWR Reserve Balance 6/30/19”- represents the Reserve Fund Balance as of 6/30/19.
- Column C: ‘Estimated FY 2019/20 transfer’- represents credits available from DWR Interest and CCWA O&M Interest during FY 2020/21 to be transferred to the DWR Reserve account.
- Column D: “Estimated ending balance 6/30/20” – represents Reserve Fund Balance as of 6/30/19 plus additional estimated credits represented in Column D.
- Column E: “Remaining to Target” – represents the remaining amount to reach the target balance (column A) after applying estimated credits for FY 2019/20.
- Column F: “Potential Credits to apply from Fixed Charges Adjustment” – represents the additional amount available shown on Table A above to apply to DWR reserve.
- Column G: “Remaining to Target if Fixed Adjustment is applied” – represents the estimated balance in the DWR reserve for each participant if variance is applied to DWR Reserve rather than applied as a reduction on the December 1 Fixed invoice.

RECOMMENDATION

That the Board approve offering participants a choice to either 1) Reduce their remaining Fixed Invoice due December 1, 2020 by the variance in the DWR Fixed charges shown in Table A; or 2) Apply the variance in the DWR Fixed charges shown in Table A to their DWR Reserve Fund Account; or 3) A combination of both.

LML



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

July 15, 2020

TO: CCWA Finance Committee
FROM: Ray A. Stokes
Executive Director *RAS*
SUBJECT: FY 2019/20 Fourth Quarter Investment Report

SUMMARY

Attached is the fourth quarter FY 2019/20 investment report covering the three-month period of April to June 2020. In accordance with the CCWA Statement of Investment Policy, the quarterly report includes a statement of compliance of the portfolio with the investment policy and confirmation of the Authority's ability to meet expenditure requirements for the next six months.

DISCUSSION

As of June 30, 2020 the investment portfolio totaled \$73 million and had an effective rate of return of 1.15% on an average daily balance for the month of June 2020 of about \$66.2 million. The investments were comprised of the State of California Local Agency Investment Fund (LAIF), (\$62.7 million), and Montecito Bank & Trust money market accounts (\$8.3 million), and U.S. Treasury Notes held in a Charles Schwab Brokerage Account (\$2 million).

All investments during the quarter complied with the CCWA investment policy provisions.

CASH MANAGEMENT PRO FORMA PROJECTIONS

Current pro forma projections indicate that the Authority will have sufficient cash with which to operate for the next six months.

RECOMMENDATION

That the Finance Committee recommends Board approval of the fourth quarter FY 2019/20 investment report.

RAS
Attachments



Investment Portfolio Portfolio Management Portfolio Summary June 29, 2020

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
CCWA-LAIF	62,742,991.44	62,742,991.44	62,742,991.44	85.90	1	1	1.200	1.217
Pool-Money Market Accounts	8,295,992.47	8,295,992.47	8,295,992.47	11.36	1	1	0.631	0.640
Bond Trustee-Money Market Accounts	7.84	7.84	7.84	0.00	1	1	0.001	0.001
Treasury Securities	2,000,000.00	2,004,687.40	2,000,000.00	2.74	365	0	1.916	1.943
Investments	73,038,991.75	73,043,679.15	73,038,991.75	100.00%	11	1	1.155	1.171
Cash and Accrued Interest								
Accrued Interest at Purchase		88.32	88.32					
Subtotal		88.32	88.32					
Total Cash and Investments	73,038,991.75	73,043,767.47	73,039,080.07		11	1	1.155	1.171
Total Earnings								
	June 29 Month Ending	Fiscal Year To Date						
Current Year	60,719.18	1,076,652.64						
Average Daily Balance	66,190,476.16							
Effective Rate of Return	1.15%							

7/15/2020

Ray Stokes, Executive Director/Treasurer

**Investment Portfolio
Portfolio Management
Portfolio Details - Investments
June 29, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
CCWA-LAIF												
90-42-006	10001	State of CA LAIF			62,742,991.44	62,742,991.44	62,742,991.44	1.217	AAA	1.217	1	
Subtotal and Average			54,605,060.41		62,742,991.44	62,742,991.44	62,742,991.44			1.217	1	
Pool-Money Market Accounts												
SYS10023	10023	Montecito Bank & Trust			26.51	26.51	26.51	0.150		0.150	1	
SYS10041	10041	Montecito Bank & Trust			8,295,965.61	8,295,965.61	8,295,965.61	0.640		0.640	1	
SYS10024	10024	Rabobank			0.00	0.00	0.00	0.330		0.330	1	
SYS10056	10056	Charles Schwab			0.35	0.35	0.35	1.660		1.660	1	
SYS10057	10057	Charles Schwab			0.00	0.00	0.00	0.300		0.300	1	
22005532	10004	Wells Fargo Money Market Accou			0.00	0.00	0.00	0.215		0.215	1	
Subtotal and Average			9,585,647.64		8,295,992.47	8,295,992.47	8,295,992.47			0.640	1	
Bond Trustee-Money Market Accounts												
SYS10010	10010	Bank of New York-Bond Trustee			7.84	7.84	7.84	0.001		0.001	1	
SYS10013	10013	Bank of New York-Bond Trustee			0.00	0.00	0.00	0.001		0.001	1	
Subtotal and Average			7.84		7.84	7.84	7.84			0.001	1	
Treasury Securities												
912828XH8	10068	U.S. Treasury		07/01/2019	2,000,000.00	2,004,687.40	2,000,000.00	1.625		1.943	0	06/30/2020
Subtotal and Average			1,999,760.27		2,000,000.00	2,004,687.40	2,000,000.00			1.943	0	
Total and Average			66,190,476.16		73,038,991.75	73,043,679.15	73,038,991.75			1.171	1	

**Investment Portfolio
Portfolio Management
Portfolio Details - Cash
June 29, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Average Balance			0.00	Accrued Interest at Purchase		88.32	88.32				0
				Subtotal		88.32	88.32				
Total Cash and Investments			66,190,476.16		73,038,991.75	73,043,767.47	73,039,080.07			1.171	1