



AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
District Board Room, 2890 Mosquito Road, Placerville, California
October 28, 2019 — 9:00 A.M.

Board of Directors

Alan Day—Division 5
President

George Osborne—Division 1
Vice President

Pat Dwyer—Division 2
Director

Michael Raffety—Division 3
Director

Lori Anzini—Division 4
Director

Executive Staff

Jim Abercrombie
General Manager

Brian D. Poulsen, Jr.
General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Mark Price
Finance

Jose Perez
Human Resources

Tim Ranstrom
Information Technology

Dan Corcoran
Operations

PUBLIC COMMENT: Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. Public comments are limited to five minutes per person.

PUBLIC RECORDS DISTRIBUTED LESS THAN 72 HOURS BEFORE A MEETING: Any writing that is a public record and is distributed to all or a majority of the Board of Directors less than 72 hours before a meeting shall be available for immediate public inspection in the office of the Clerk to the Board at the address shown above. Public records distributed during the meeting shall be made available at the meeting.

AMERICANS WITH DISABILITIES ACT: In accordance with the Americans with Disabilities Act (ADA) and California law, it is the policy of El Dorado Irrigation District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or email at adacoordinator@eid.org at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.

CALL TO ORDER

Roll Call
Pledge of Allegiance
Moment of Silence

ADOPT AGENDA

COMMUNICATIONS

General Manager's Employee Recognition

PUBLIC COMMENT

COMMUNICATIONS

General Manager

Brief reports on District activities or items of interest to the public, including activities or developments that occur after the agenda is posted.

Clerk to the Board

Board of Directors

Brief reports on community activities, meetings, conferences and seminars attended by the Directors of interest to the District and the public.

APPROVE CONSENT CALENDAR

Action on items pulled from the Consent Calendar

CONSENT CALENDAR

1. Finance (Pasquarello)

Ratification of EID General Warrant Registers for the periods ending October 8 and October 15, 2019, and Board and Employee Expense Reimbursements for these periods.

Option 1: Ratify the EID General Warrant Registers as submitted to comply with Section 24600 of the Water Code of the State of California. Receive and file Board and Employee Expense Reimbursements.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

2. Clerk to the Board (Sullivan)

Approval of the minutes of the October 15, 2019 regular meeting of the Board of Directors.

Option 1: Approve as submitted.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

3. Finance (Downey)

Consideration to award a contract to DataProse, Inc. in the not-to-exceed amount of \$200,000 for bill printing, mailing and Internet payment services, and authorize the General Manager to approve annual contracts with DataProse, Inc. for these services.

Option 1: Award a contract to DataProse, Inc. in the not-to-exceed amount of \$200,000 for bill printing, mailing and Internet payment services, and authorize the General Manager to approve annual contracts with DataProse, Inc. for these services.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

4. Operations (Odzakovic)

Consideration to award a contract to Doug Veerkamp General Engineering Inc. in the not-to-exceed amount of \$59,341 for construction of traffic safety measures related to the El Dorado Hills Boulevard roadway and intersection rehabilitation.

Option 1: Award a contract to Doug Veerkamp General Engineering Inc. in the not-to-exceed amount of \$59,341 for construction of traffic safety measures related to the El Dorado Hills Boulevard roadway and intersection rehabilitation.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

END OF CONSENT CALENDAR

INFORMATION ITEMS

5. Office of the General Counsel (Leeper)

Presentation of Annual Legislative Report for 2019 by Bob Reeb of Reeb Government Relations, LLC.

Recommended Action: None – Information only.

CLOSED SESSION

A. Conference with General Counsel – Anticipated Litigation (Poulsen)

Government Code Sections 54956.9(d)(2) & (e)(2)

(one potential case: claim by Shimmick Construction regarding Forebay Dam Project)

B. Conference with General Counsel – Anticipated Litigation (Poulsen)

Government Code Sections 54956.9(d)(2) & (e)(3)

(one potential case: claim by Clint Ayler regarding water damage)

REVIEW OF ASSIGNMENTS

ADJOURNMENT

TENTATIVELY SCHEDULED ITEMS FOR FUTURE MEETINGS

Finance

- 2019-2020 Mid-Cycle Operating Budget and 2020-2024 Financial Plan, Workshop, November 12

Office of the General Manager / Finance

- Cost of Services Analysis (COSA) Principles Review, Workshop, November 12 (Abercrombie/Price)

EL DORADO IRRIGATION DISTRICT

Subject: Ratification of EID General Warrant Registers for the periods ending October 8 and October 15, 2019, and Board and Employee Expense Reimbursements for these periods.

Previous Board Action

The Board ratifies the District's General Warrant Registers on a weekly basis, excluding certain holiday weeks.

Board Policies (BP), Administrative Regulations (AR) and Board Authority

Section 24600 of the Water Code provides that no claim is to be paid unless allowed by the Board.

Summary of Issue

The District's practice has also been to notify the Board of proposed payments by email and have the Board ratify the Warrant Registers. Copies of the Warrant Registers are sent to the Board of Directors on the Friday preceding the Warrant Register's date. If no comment or request to withhold payment is received from any Director by the following Tuesday morning, the warrants are mailed out and formal ratification of said warrants is agendized on the next regular Board agenda.

Background/Discussion

Current Warrant Register Information

Warrants are prepared by Accounts Payable; reviewed and approved by the Finance Manager, the Director of Finance and the General Manager or their designee.

Register Date	Check Numbers	Amount
October 8, 2019	677331 – 677475	\$274,858.99
October 15, 2019	677476 – 677629	\$1,289,219.68

Current Board/Employee Expense Payments and Reimbursement Information

Board Expenses and Reimbursements have been reviewed and approved by the Clerk to the Board, Finance Manager and the General Manager prior to the warrants being released. These expenses and reimbursements are for activities performed in the interest of the District in accordance with Board Policy 12065 and Resolution No. 2007-059.

Additional information regarding board and employee expense reimbursements is available for copying or public inspection at District headquarters in compliance with Government Code Section 53065.5.

Board Options

Option 1: Ratify the EID General Warrant Registers as submitted to comply with Section 24600 of the Water Code of the State of California. Receive and file Board and Employee Expense Reimbursements.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommendation


Option 1

Attachments

Attachment A: Executive Summaries

Attachment B: Board Expenses/Reimbursements


Attachment C: Employee Expenses/Reimbursements totaling \$100 or more



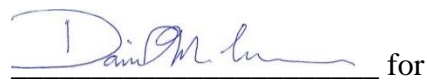
Tony Pasquarello
Finance Manager



Mark Price
Finance Director



Jennifer Sullivan
Clerk to the Board



for
Jim Abercrombie
General Manager

Executive Summary for October 8, 2019 -- \$274,858.99:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105) none to report

General District Operations (Fund 110)

- \$10,780— Backflow Distributors, Inc. for warehouse inventory
- \$36,476—Golden State Flow Measurement, Inc. for warehouse inventory
- \$10,180—Hunt & Sons, Inc. for fuel deliveries at various locations
- \$6,561—Pace Supply Corporation for warehouse inventory
- \$5,000—Pitney Bowes Reserve Account for postage for warehouse meter
- \$7,500—Probolsky Research, LLC for a customer satisfaction survey
- \$4,374—Sierra Security & Fire for Jun-Sept 2019 alarm monitoring

Engineering Operations (Fund 210)

- \$18,498—Plumbing Service Company for residential recycled water inspections

Water Operations (Fund 310)

- \$3,676—Olin Chlor Alkali Products for sodium hypochlorite at Res-A
- \$4,056—The Sherwin-Williams Company for Res-A cover paint

Wastewater Operations (Fund 410)

- \$14,974—Denali Water Solutions, LLC for sludge hauling and disposal at EDHWWTP
- \$5,260—Hastie's Capitol Sand and Gravel Company for ¾ AB and cut back
- \$5,934—Holt of California for equipment rentals
- \$6,077—Polydyne, Inc. for clarifloc at DCWWTP
- \$14,760—Sierra Crane & Hoist, Inc. for hoist repairs at DCWWTP
- \$6,712—Univar USA, Inc. for caustic soda at DCWWTP

Recycled Water Operations (Fund 510)

- \$6,540—Univar USA, Inc. for caustic soda at DCWWTP

Hydroelectric Operations (Fund 610)

- \$3,175—Grainger for miscellaneous supplies, parts, and tools

Recreation Operations (Fund 710)

- \$7,176—El Dorado Disposal Service, Inc. for garbage disposal at Sly Park Recreation

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- \$7,400—Crystal Basin Construction for concrete service – Moose Hall Generator
(Project #18048.05)

Executive Summary for October 15, 2019 -- \$1,289,219.68:

This summary highlights significant disbursements made by major business activity:

Development Services (Fund 105)

- \$11,364—El Dorado Hills Senior Living, LP for a refund on a deposit payment

General District Operations (Fund 110)

- \$56,619—Association of California Water Agencies/JPIA for third quarter 2019 workers compensation insurance
- \$342,119—Association of California Water Agencies/JPIA for 2019/2020 liability insurance
- \$15,895—AT&T for phone service
- \$3,347—California Employment Development Department for notice of levy on payment owed to an EID vendor
- \$12,920—Ferguson Enterprises, Inc. for warehouse inventory
- \$3,897— Hunt & Sons, Inc. for dyed diesel and fuel deliveries at various locations
- \$3,859—Life Insurance Company of North America for October 2019 life insurance premiums

Engineering Operations (Fund 210)

- \$6,555—All Pro Backflow, Inc. for backflow testing services
- \$4,965—Tully & Young, Inc. for water hydrology support services
- \$56,824—U.S. Forest Service for permit agreement for Caples Creek restoration

Water Operations (Fund 310)

- \$17,521—El Dorado County Community Development Services for utility encroachment application fees
- \$3,639—Olin Chlor Alkali Products for sodium hypochlorite at Reservoir A
- \$3,228—The Sherwin-Williams Company for primer paint
- \$8,900—Univar USA, Inc. for caustic soda at EDHWTP

Wastewater Operations (Fund 410)

- \$3,116—Cintas Corporation for uniform service
- \$4,261—Cues, Inc. for pipeline inspection equipment repairs
- \$12,990—Denali Water Solutions, LLC for sludge hauling and disposal at DCWWTP
- \$3,324—Edges Electrical Group, LLC for a transfer switch, wire, and tape
- \$3,326—Hastie's Capitol Sand and Gravel Company for rock deliveries
- \$3,415—Jensen Precast for sanitary sewer caps
- \$9,395—USP Technologies for peroxide at EDHWWTP

Recycled Water Operations (Fund 510)

- \$3,961—Olin Chlor Alkali Products for sodium hypochlorite at EDHWWTP

- \$6,419—Univar USA, Inc. for caustic soda at EDHWWTP

Hydroelectric Operations (Fund 610)

- \$11,739—Alpine County for property taxes
- \$60,257—GEI Consultants, Inc. for dam safety engineering services

Recreation Operations (Fund 710)

- \$3,304—Aces Waste Services, Inc. for disposal services
- \$11,776—Blue Ribbon Personnel Services for temporary labor at Sly Park Recreation

Capital Improvement Projects (Construction Funds 140, 340, 440, 540, 640 and 740)

- \$12,927—Arrow Fence Company for fencing installation – Camp Creek Fencing (Project #18056.01)
- \$106,205—Doug Veerkamp General Engineering, Inc. for construction services (\$111,795) – El Dorado Main #1 and #2 Intertie (Project #19007.01). Retention held \$5,590
- \$4,883—Ellison Schneider Harris & Donlan LLP for on-call legal services – Permit 21112 Change in Point (Project #16003.01)
- \$73,505—GHD, Inc. for engineering services:
 - >Project #17041.01 – Flume 30 Rehabilitation Project (\$17,324)
 - >Project #17034.01 – Wastewater Collection Facility Relocation (\$24,478)
 - >Project #16022.01 – Flume 38-40 Canal Conversion (\$6,327)
 - >Project #18025.01 – DOT Construction Projects - Water (\$226)
 - >Project #14024.01 – Flume 44 Canal Conversion (\$25,150)
- \$15,796—Horizon Water and Environmental, LLC for consulting services – FERC:C35 Oyster Creek (Project #06019H.01)
- \$124,925—Kiewit Infrastructure West Company for engineering services (\$131,500) – EDHWWTP Odor Control (Project #18015.01). Retention held \$6,575
- \$95,445—KW Emerson, Inc. for rock deliveries – 4 Beat Access Road Phase 2 (Project #19017.01)
- \$10,320—Rexel USA, Inc. for logic controllers and chassis – Wastewater Collections Radio Programmable Logic Controller Replacement (Project #16047.01)
- \$5,327—Stantec Consulting Services, Inc. for engineering services – Main Ditch-Forebay to Reservoir 1 (Project #11032.01)
- \$41,800—Technical Systems, Inc. for hardware installation and configuration services (\$44,000) – Diversion/USGS SCADA Hardware (Project #18013.01). Retention held \$2,200
- \$14,430—Youngdahl Consulting Group, Inc. for geotechnical services – Forebay Dam Modifications (Project #17013.01)

Board Expenses/Reimbursements
Warrant Registers dated 10/08/19 - 10/15/19

DESCRIPTION	Lori Anzini	Alan Day	Pat Dwyer	George Osborne	Michael Raffety	Total
Personal Vehicle Expense					\$51.04	\$51.04
Hotel						\$0.00
Meals or Incidentals Allowance						\$0.00
Airfare, Car Rental, Misc Travel						\$0.00
Fax, Cell or Internet Service					\$40.00	\$40.00
Meeting or Conference Registration						\$0.00
Meals with Others						\$0.00
Membership Fees/Dues						\$0.00
Office Supplies						\$0.00
Reimburse prepaid expenses						\$0.00
Miscellaneous Reimbursements						\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$91.04	\$91.04

Employee Expenses/Reimbursements
 Warrant Registers dated 10/08/19 - 10/15/19

EMPLOYEE	DESCRIPTION	AMOUNT
Karen Cross	CAPIO Training and EDHWWTP Tours Mileage	\$126.91
Brian Poulsen	ACWA Irvine Water Tour Expenses	\$191.77
Jesus Leanos	SCADA Training Expenses	\$259.41
Phillip Houseworth	Wonderware Summit Expenses	\$111.37
Don Holland	Water Distribution Operator Exam and Certification Fees	\$220.00
Elizabeth Dawson	Assertiveness Skills Workshop and WateReuse Symposium Expenses	\$238.53
		\$1,147.99



MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
 District Board Room, 2890 Mosquito Road, Placerville, California
 Tuesday, October 15, 2019 — 9:00 A.M.

Board of Directors

Alan Day—Division 5
 President

George Osborne—Division 1
 Vice President

Pat Dwyer—Division 2
 Director

Michael Raffety—Division 3
 Director

Lori Anzini—Division 4
 Director

Executive Staff

Jim Abercrombie
 General Manager

Brian D. Poulsen, Jr.
 General Counsel

Jennifer Sullivan
 Clerk to the Board

Jesse Saich
 Communications

Brian Mueller
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CALL TO ORDER

President Day called the meeting to order at 9:00 A.M.

Roll Call Board

Present: Directors Osborne, Dwyer, Raffety, Anzini and Day

Staff

Present: General Manager Abercrombie, General Counsel Poulsen and Board Clerk Sullivan

Pledge of Allegiance and Moment of Silence

President Day led the Pledge of Allegiance.

ADOPT AGENDA

ACTION: Agenda was adopted.

MOTION PASSED

Ayes: Directors Osborne, Dwyer, Raffety, Anzini and Day

COMMUNICATIONS

General Manager's Employee Recognition

- a) Congratulations, Kimberly Holland. Kimberly has been promoted to the position of Development Services Technician.

PUBLIC COMMENT

Clint Ayler, El Dorado Hills

COMMUNICATIONS

General Manager

- a) Michael Raffety Elected Vice Chair of ACWA Region 3 Board – Summary by Jesse Saich
- b) Dan Corcoran, Operations Director, provided an update on the recent PG&E Public Safety Power Shutoff (PSPS) event and its impacts to the District.
- c) Laurence Crabtree, US Forest Supervisor, provided an update on the recent Caples ecological restoration prescribed burn/wildfire.

Clerk to the Board

None

Board of Directors

Director Osborne reported on his attendance at the recent El Dorado County Water Agency meeting. Additionally, he commented on the District's final payment on the general obligation debt incurred to purchase Sly Park.

APPROVE CONSENT CALENDAR

ACTION: Consent Calendar was approved.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

CONSENT CALENDAR

1. Finance (Pasquarello)

Ratification of EID General Warrant Registers for the periods ending September 17, September 24, and October 1, 2019, and Employee Reimbursements for these periods.

ACTION: Option 1: Ratified the EID General Warrant Register as submitted to comply with Section 24600 of the Water Code of the State of California. Received and filed Employee Expense Reimbursements.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

2. Clerk to the Board (Sullivan)

Approval of the minutes of the September 23, 2019 regular meeting of the Board of Directors.

ACTION: Option 1: Approved as submitted.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

3. Office of the General Counsel (P. Johnson)

Consideration to adopt a resolution approving and authorizing execution of an easement quitclaim to El Dorado County for a portion of an abandoned 12-inch waterline located in El Dorado Hills, California.

ACTION: Option 1: Adopted Resolution No. 2019-021, approving and authorizing execution of an easement quitclaim to El Dorado County for a portion of an abandoned 12-inch waterline located in El Dorado Hills, California.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

4. Engineering (Wilson)

Consideration to approve a contract amendment to Iconix Waterworks in the not-to-exceed amount of \$4,294 for additional waterline materials for the El Dorado Main (EDM) #1 and EDM #2 Intertie, Project No. 19007.01.

ACTION: Option 1: Approved a contract amendment to Iconix Waterworks in the not-to-exceed amount of \$4,294 for waterline materials for the EDM #1 and EDM #2 Intertie, Project No. 19007.01.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

5. Engineering (Carrington)

Consideration to authorize funding for District Capital Improvement Plan (CIP) Projects: Lakeridge Manhole Installation, Project No. 18039 in the amount of \$20,000 and Camino Heights Wastewater Treatment Plant Study, STUDY09 in the amount of \$73,122.

ACTION: Option 1: Authorized funding for District Capital Improvement Plan (CIP) Projects: Lakeridge Manhole Installation, Project No. 18039 in the amount of \$20,000 and Camino Heights Wastewater Treatment Plant Study, STUDY09 in the amount of \$73,122.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

END OF CONSENT CALENDAR

INFORMATION ITEMS

6. Engineering / Operations (Dawson/Carrington/Corcoran)

Status Update of the Collections Facility Relocation; Project No. 17034.01.

Public Comment: Kevin Loewen, General Manager, El Dorado Hills Community Service District

ACTION: None – Information only.

WORKSHOPS

7. Finance (Price)

Overview of 2020-2024 Draft Financial Plan and Cost-of-Service Analysis (COSA).

ACTION: None – Information only.

ACTION ITEMS

8. Engineering (Mueller)

Consideration to adopt the 2020–2024 Capital Improvement Plan (CIP).

ACTION: Option 1: Adopted the 2020–2024 Capital Improvement Plan (CIP), subject to available funding.

MOTION PASSED

Ayes: Directors Dwyer, Osborne, Raffety, Anzini and Day

9. Office of the General Counsel (J. Noel)

Consideration to authorize payment to the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) in the amount of \$175,440 for the 2019-2020 Project 184 property insurance premium, and authorize the General Manager to approve annual renewals with ACWA JPIA and payment of annual premiums for Project 184 property insurance.

ACTION: Option 1: Authorized payment to the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) in the amount of \$175,440 for the 2019-2020 Project 184 property insurance premium, and authorized the General Manager to approve annual renewals with ACWA JPIA and payment of annual premiums for Project 184 property insurance.

MOTION PASSED

Ayes: Directors Osborne, Anzini, Dwyer, Raffety and Day

CLOSED SESSION

A. Conference with Labor Negotiators

Government Code Section 54957.6

Agency Negotiators: Jim Abercrombie, Brian Poulsen, Jose Perez, and Mark Price

Employee Organization: Association of El Dorado Irrigation District Employees

ACTION: The Board met with its agency negotiators and provided direction but took no reportable action.

REVIEW OF ASSIGNMENTS

None

ADJOURNMENT

President Day adjourned the meeting at 12:51 P.M.

Alan Day
Board President
EL DORADO IRRIGATION DISTRICT

ATTEST

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

Approved: _____

EL DORADO IRRIGATION DISTRICT

Subject: Consideration to award a contract to DataProse, Inc. in the not-to-exceed amount of \$200,000 for bill printing, mailing and Internet payment services, and authorize the General Manager to approve annual contracts with DataProse, Inc. for these services.

Previous Board Action

April 9, 2004 – Board awarded contract to DataProse, Inc. for bill printing, mailing and Internet payment services.

Board Policies (BP), Administrative Regulations (AR) and Board Authority

AR 3061 Procurement and Contracts

Summary of Issue

In 2004 the Board authorized award of a contract to DataProse, Inc. for bill printing, mailing and Internet payment services. That original contract utilized the vendor's standard agreement, rather than the District's standard agreement. The original contract was amended several times over the years, to reflect changes in pricing, services, etc. District staff has determined that it is preferable to enter into a new agreement with DataProse, using the District standard agreement and the District's Software-as-a-Service terms and conditions, to provide additional terms and conditions that are protective of the District. Staff has determined that DataProse's pricing and terms provide significant value for the District. Staff is recommending award of a single-source negotiated contract to DataProse in the not-to-exceed amount of \$200,000, and recommending that the Board authorize the General Manager to approve annual contracts with DataProse, Inc. for these services.

Background/Discussion

Original DataProse Contract & Subsequent Amendments

The original DataProse, Inc. agreement, authorized by the Board in 2004, has been amended several times but has remained within the scope of the original Board authorization, so no additional Board action was needed.

DataProse Competitive Pricing & Valuable Services

In 2013 the District reached out to other vendors with an informal request for information on providing these services. DataProse came in below all other proposals and has continued to offer the pricing from the 2013 amendment, which is based upon a \$0.125 charge per printed bill and was lowered from \$0.145 per printed bill from the previous agreement. As a whole, including both printed and paperless bill processing, the average cost per statement processed was \$0.05. DataProse has always responded in a timely and efficient manner when responding to any requests from the District. They have provided all services requested in a highly satisfactory manner. Additional consideration when moving to a new service provider is that we currently have 57% of all customers signed up for online bill pay. Changing providers would require all 23,939 online bill pay customers to recreate their online profiles and recurring payment options with a new vendor. Additionally, District staff would need to handle any interim payments and assist with setting up the new online bill pay accounts.

In 2018 telephone conversations with vendors for lockbox services associated with mailing of check payments, District staff was informed that it has become the standard that companies are combining the bill presentment, online bill pay, and lockbox services. Companies seem to hesitate at proposals that service only a portion of those services, often offering a reduction in cost by combining the services. However, the reduced cost pricing offered for combined services is still higher than what the District is currently paying to our separate providers for those services.

New Contract with DataProse & Single-Source Justification

District staff has been examining those vendors that have access to customer information and/or provide software-as-a-service (SaaS), to ensure that the contracts with those vendors include appropriate terms and conditions. District staff determined that it would be beneficial to update the existing DataProse contract creating a new agreement, which would include the additional terms and conditions developed by the District.

Staff believes that single-source negotiations and contract with DataProse is appropriate, and in the best interest of the District given the factors discussed above, and the additional costs that would be incurred to establish service with a new provider.

Staff is seeking Board authorization for the General Manager to approve subsequent annual agreements with DataProse, based on favorable pricing and terms of service until such time as the customer and asset management system (CMMS) upgrades implemented in the Hansen 7 software replacement CIP project. It is anticipated that the first phases of that project will begin in 2020, with the utility billing portion beginning in the second or third phase of the project likely in 2021 or 2022. Staff believes this transitional period would be a reasonable time to issue a competitive request for proposals for the bill presentment and online bill payment services, to be completed and integrated with the new CMMS software.

Board Options

Option 1: Award a contract to DataProse, Inc. in the not-to-exceed amount of \$200,000 for bill printing, mailing and Internet payment services, and authorize the General Manager to approve annual contracts with DataProse, Inc. for these services.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommendation

Option 1

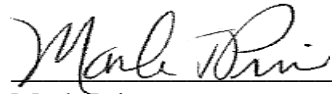
Attachments

Attachment A: DataProse, Inc. Services Agreement

Attachment B: Justification for Single Source Procurement by Negotiation



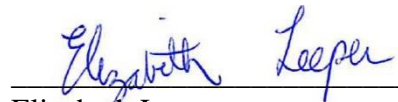
Jenny Downey
Customer Service Manager




Mark Price
Finance Director



Tim Ranstrom
Information Technology Director



Elizabeth Leeper
Senior Deputy General Counsel


_____ for
Jim Abercrombie
General Manager

EL DORADO IRRIGATION DISTRICT

2890 Mosquito Road
Placerville, CA 95667
Services Agreement

VENDOR: Dataprose, Inc.

I. SCOPE OF THE SERVICES

The Services to be rendered ("Services") consist of:

- 1. Vendor shall perform the Services described in Vendor's proposal dated August 30, 2019 attached hereto to this Agreement as Appendix B and incorporated herein by reference in accordance with all terms and conditions of this Agreement and all attachments hereto. The Services shall be performed in accordance with all applicable and the most current codes, laws, regulations and professional standards. Vendor shall be responsible for obtaining all permits necessary for the Services to be rendered.
2. Unless otherwise permitted in writing by District, Vendor shall not propose or recommend any service that has the effect of shifting responsibilities from Vendor to a third party through performance specifications or any other means. Performance specifications will be allowed only when necessary to preclude single vendor sources or when specifically requested by District.

II. COMPENSATION FOR SERVICES

Vendor's total compensation for Services performed under this Contract is \$200,000, to be paid as (1) [] Lump sum; (2) [] Lump sum with progress payments; (3) [x] per attached schedule of rates and charges (Appendix B), with a guaranteed not to exceed price of \$200,000. Additional scope or service must be approved in writing by District prior to performance.

III. SCHEDULE OF PERFORMANCE

Vendor shall commence the Services from November 1, 2019 through October 31, 2020.

IV. TERMS AND CONDITIONS

- (1) Vendor shall perform the Services in accordance with the terms and conditions of this Agreement, INCLUDING THE GENERAL TERMS AND CONDITIONS ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.
(2) Purchase order number must appear on all invoices and correspondence. Send invoices to invoices@eid.org immediately upon performance.
(3) Changes made to printed Terms and Conditions on this Agreement are null and void unless approved in writing by the District's Office of the General Counsel.
(4) Vendor must comply with Appendix A, Appendix B (if applicable) and Appendix C (if applicable) of this Agreement.
(5) Vendor has read and expressly accepts all terms incorporated herein, including Section 5 relating to indemnity and liability.

DATAPROSE, LLC

EL DORADO IRRIGATION DISTRICT ("District")

Sign here Date

Jennifer Downey, Customer Services Manager Date

Print Name & Title

Mark Price, Director of Finance Date

Approved as to form:

By: Office of the General Counsel Date

Jim Abercrombie, General Manager Date

GENERAL TERMS AND CONDITIONS

1. Service Agreement ("Service") Force and Effect. El Dorado Irrigation District ("District") is not responsible for services rendered without the authority of an agreement on this form. This Agreement shall supersede and control over all inconsistent provisions in any proposal. The provisions of this Agreement (which may include attachments) constitute the entire agreement between the Vendor and District regarding the work and services described herein. No representation, term or covenant not expressly specified in this Agreement shall, whether oral or written, be a part of this agreement. No modification of this Agreement shall be effective unless it is in writing. This Agreement shall supersede all other prior purchase agreements and agreements between Vendor and District with respect to the work and services described herein. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved by fully authorized representatives of District and Vendor. The headings in this Agreement are for convenience only and do not affect the construction of this Agreement.
2. Performance of Services/No Assignment. Time is of the essence in the performance of the Services. Vendor represents that it is skilled in the professional discipline necessary to perform the services ("Services") under this Agreement. Vendor will perform its Services in a skillful manner, comply fully with criteria established by District, and with applicable laws, codes, and all applicable professional standards. Vendor shall not contract any portion of the Services or otherwise assign this Agreement without prior written approval of District. (Vendor shall remain responsible for compliance with all terms of this Agreement, regardless of the terms of any such assignment.) Vendor's authorized representative is the individual signing this Agreement unless Vendor otherwise informs District in writing. The granting of any payment, and any inspections, reviews, approvals or oral statements by any District representative, or certification by any governmental entity, shall in no way limit Vendor's obligations under this Agreement.
3. Records and Payment Requests. Vendor shall submit all billings with all necessary invoices or other appropriate evidence of performance, after which District shall make payment within thirty (30) days. District shall have the right to audit the Vendor's work records. Vendor shall make available to District, its authorized agents, officers, or employees, any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursement charged to District, for examination. Vendor shall furnish to District, its authorized agents, officers, or employees, such other evidence or information as District may require with regard to any such expenditure or disbursement charged by Vendor. Vendor shall maintain all documents and records prepared by or furnished to Vendor during the course of performing the services for at least three (3) years following completion of the Services, except that all such items pertaining to hazardous materials shall be maintained for at least thirty (30) years. Such records include, but are not limited to, correspondence, internal memoranda, calculations, books and accounts, accounting records documenting its work under its Agreement, and invoices, payrolls, records and all other data related to matters covered by this Agreement. Vendor shall permit District to audit, examine and make copies, excerpts and transcripts from such records. The State of California or any federal agency having an interest in the subject of Agreement shall have the same rights conferred to District by this section. Such rights shall be specifically enforceable.
4. Independent Contractor. Vendor is an independent contractor and does not act as District's agent in any capacity whatsoever. Vendor is not entitled to any benefits that District provides to District employees, including, without limitation, worker's compensation benefits or payments, pension benefits, health benefits or insurance benefits. Terms within this Agreement regarding direction apply to and concern the result of the Vendor's provision of Services not the means, methods, or scheduling of the Vendor's work. Vendor shall be solely responsible for the means, methods, techniques, sequences and procedures with respect to its provision of Services under this Agreement. Vendor shall pay all payroll taxes imposed by any governmental entity and will pay all other taxes not specifically identified in this Agreement as District's responsibility.
5. Indemnity/Liability. To the fullest extent permitted by law (including, without limitation, California Civil Code Section 2782), Vendor shall defend (with legal counsel reasonably acceptable to El Dorado Irrigation District ("District")), indemnify and hold harmless District and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Vendor or its sub-vendors), expense and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert vendors and/or expert witnesses incurred in connection therewith and costs of investigation) that arise from or relate to, directly or indirectly, in whole or in part, but only to the extent that any of the above are actually caused by, any negligent or reckless act or omission, or willful misconduct, of Vendor, any sub-vendor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused in whole or in part by the sole negligence, active negligence, or willful misconduct of any Indemnitee.
6. Conflict of Interest. Vendor represents and warrants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of work and services required under this Agreement. Without limitation, Vendor represents to and agrees with District that Vendor has no present, and will have no future conflict of interest between providing District services hereunder and any interest Vendor may presently have, or will have in the future, with respect to any other person or entity (including but not limited to any federal or state wildlife, environmental or regulatory agency) which has any interest adverse or potentially adverse to District, as determined in the reasonable judgment of District.
7. Confidentiality. Any information, whether proprietary or not, made known to or discovered by Vendor during the performance of or in connection with this Agreement for District, will be kept confidential and not be disclosed to any other person. Vendor will immediately notify District in writing if it is requested to disclose any information made known to or discovered by during the performance of or in connection with this Agreement. These conflict of interest, confidentiality and future service provisions and limitations shall remain fully effective indefinitely after termination of services to District hereunder.

8. Ownership of Results. Any interest (including copyright interests) of Vendor or its subvendors (together, "**Subvendors**"), in studies, reports, memoranda, computational sheets, drawings, plans or any other documents (including electronic media) prepared by Vendor or its Subvendors in connection with the Services, shall become the property of District. To the extent permitted by Title 17 of the United States Code, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of District. In the event that it is ever determined that any works created by Vendor or its Subvendors under this Agreement are not works for hire under U.S. law, Vendor hereby assigns to District all copyrights to such works. With District's prior written approval, Vendor may retain and use copies of such works for reference and as documentation of experience and capabilities.
9. Non-Discrimination Policy. Vendor shall not discriminate against any employee or applicant for employment, nor against any Subvendor or applicant for a subcontract, because of race, color, religious creed, age, sex, actual or perceived sexual orientation, national origin, disability as defined by the ADA or veteran's status. To the extent applicable, Vendor shall comply with all federal, state and local laws (including, without limitation, all District rules and regulations) regarding non-discrimination, equal employment opportunity, affirmative action and occupational-safety-health concerns, shall comply with all applicable rules and regulations thereunder, and shall comply with same as each may be amended from time to time. Vendor shall provide all information reasonably requested by District to verify compliance with such matters. Vendor stipulates, acknowledges and agrees that District has the right to monitor Vendor's compliance with all applicable non-discrimination requirements, and may impose sanctions upon a finding of a willful, knowing or bad faith noncompliance or submission of information known or suspected to be false or misleading.
10. Termination and Suspension. District may direct Vendor to terminate, suspend, delay or interrupt Services, in whole or in part, for such periods of time as District may determine in its sole discretion. District may issue such directives without cause. District will issue such directives in writing, and compensate Vendor for services satisfactorily rendered, subject to District's reasonable approval, through the date of termination. Vendor may recover no other cost, damage, or expense. Suspension of Services shall be treated as an excusable delay. District may terminate performance of the Services under this Agreement in whole, or from time to time in part, for default, should Vendor commit a material breach of the Agreement, or part thereof, and not cure such breach within ten (10) calendar days of the date of District's written notice to Vendor demanding such cure. In the event District terminates the Agreement for default, Vendor shall be liable to District for all loss, cost, expense, damage and liability resulting from such breach and termination. Vendor shall continue its work throughout the course of any dispute, and Vendor's failure to continue work during a dispute shall be a material breach of this Agreement. Either party's waiver of any breach, or the omission or failure of either party, at any time, to enforce any right reserved to it, or to require strict performance of any provision of this Agreement, shall not be a waiver of any other right to which any party is entitled, and shall not in any way affect, limit, modify or waive that party's right thereafter to enforce or compel strict compliance with every provision hereof.
11. Public Records Act. Both parties understand and agree that District must comply with the California Public Records Act ("**Act**"). If Vendor believes that any document or information furnished to District in connection with Vendor's performance of services is exempt from public disclosure under the Act, it shall so advise District in writing at the time the document or information is furnished.
12. Survival. Without limiting any of the parties' other rights or obligations arising from this Agreement, and in addition to all other provisions indicated as surviving the termination or expiration of this Agreement, the following provisions will survive any termination or expiration hereunder: 3, 4, 5, 7, 8, 10, 11, 12 and 13.
13. Execution; Venue; Limitations; Miscellaneous. This Agreement shall be deemed to have been executed in the City of Placerville, County of El Dorado, California. Enforcement of this Agreement shall be governed by the laws of the State of California, excluding its conflict of laws rules. The exclusive venue for all litigation arising from or relating to this Agreement shall be in the County of El Dorado. Except as expressly provided in this Agreement, nothing in this Agreement shall operate to confer rights or benefits on persons or entities not party to this Agreement. As between the parties to this Agreement, any applicable statute of limitations for any act or failure to act shall commence to run on the date of District's issuance of the final Certificate for Payment, or termination of this Agreement, whichever is earlier, except for latent defects, for which the statute of limitation shall begin running upon discovery of the defect and its cause. Captions to sections and subsections are for the convenience of the parties, and are not to be considered when construing this Agreement. The agreements contained herein shall not be construed in favor of or against any party, but shall be construed as if all parties prepared this Agreement. All terms not otherwise defined in this Agreement shall have the meanings provided in the Appendices or, if applicable, in the construction contract with the general contractor on the project.
14. Attorneys' Fees. If either party institutes or is required to defend any legal proceeding, action or motion to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover all costs and expenses, specifically including, but not limited to, reasonable attorneys' fees.
15. Prevailing Wage Laws. When applicable, the Vendor must comply with all prevailing wage laws applicable to public works projects and related requirements contained in this Agreement. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute this Agreement, as determined by Director of the State of California Department of Industrial Relations, are on file at the District's office and are deemed included in this Agreement. Upon request, District will make available copies to any interested party. Also, Vendor shall post the applicable prevailing wage rates at the Site. The California Department of Industrial Relations website is www.dir.ca.gov.
16. ADA Compliance. If, in the course of conducting the Services subject to this Agreement, Vendor offers a public program, service, or meeting on behalf of the District, Vendor shall, in accordance with the Americans with Disabilities Act and California law, offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities and shall, upon reasonable request provide reasonable accommodations for persons with disabilities including information or materials in appropriate alternative formats.

Appendix A to Services Agreement

INSURANCE

- A. Commercial General Liability Insurance, written on an "occurrence" basis, which shall provide coverage for bodily injury, death and property damage resulting from operations, liability for slander, false arrest and invasion of privacy, blanket contractual liability, broad form endorsement, and completed operations, personal and advertising liability, with limits of not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate, subject to a deductible of not more than \$25,000 payable by Vendor.
- B. Commercial automobile liability insurance with limits of not less than \$1,000,000 each occurrence including coverage for owned, scheduled, hired and non-owned autos.
- C. Workers' Compensation Employers' Liability insurance in at least such amounts as are required by law. Vendor's Workers' Compensation Insurance policy shall, by endorsement, contain a Waiver of Subrogation as to each named and additional insured.

In the event Vendor is self-insured, Vendor shall furnish a Certificate of Permission to Self-Insure, signed by Department of Industrial Relations Administration of Self-Insurance, State of California.

In the event the Vendor does not have any employees as defined under the State of California Workers' Compensation laws, Vendor shall sign the District's "Workers' Compensation Certificate for Independent Contractors", which states:

Contractor hereby certifies that he/she is aware of the provisions of Section 3700 of the Labor Code of the State of California, which requires every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with such provisions before commencing the performance of the work of this contract.

In addition, Contractor represents that he/she does not presently employ anyone in the manner subject to the workers' compensation laws of the State of California and that if Contractor does employ any such person during the time Contractor is performing this contract, Contractor will promptly provide the District with proof of workers' compensation insurance in the amount required by law.

- D. Cyber Liability Insurance, with limits not less than \$1,000,000 per occurrence, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
- E. Professional Liability Insurance (if applicable), either (a) with limits not less than \$1,000,000 each claim, or (b) limits of not less than \$1,000,000 each claim and aggregate, all with respect to negligent acts, errors or omissions in connection with services to be provided under this Agreement, and any deductible not to exceed \$25,000 for each claim, with no exclusion for claims of one insured against another insured. Vendor shall maintain said insurance coverage for a period of five (5) years after the completion of the Services and shall, upon request of District, provide certificates of insurance evidencing Vendor has maintained said coverage.
- F. Certificate(s) of Liability Insurance:
 - 1. Acceptability of Insurers – Insurance is to be placed with insurers authorized to do business in the State of California and have a current A.M. Best rating of no less than A:-VII or equivalent or as otherwise approved by the District. Certificate(s) of Liability Insurance shall include the A.M. Best or NAIC number for each insurer.
 - 2. A notation of "All Operations" or the Bid Number and/or Job Title must be included on the certificate(s) and on all endorsements. (Note: "All Operations" covers all current and future operations with the District. Minimum coverage must be in accordance with bid or contract specifications.)
 - 3. The Certificate Holder shall read as follows:

El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667
 - 4. Written notice of cancellation, non-renewal or of any material change in the policies shall be mailed to District thirty (30) days in advance of the effective date thereof.
 - 5. The authorized Insurance Agency Representative's original signature is required on the Certificate of Liability Insurance.
- G. Endorsements - Insurance policies shall contain an endorsement containing the following terms:

1. Additional Insured endorsements: Provide separate additional insured endorsements for the Commercial General Liability and Commercial Auto Liability policies that contain the following terms:

EL DORADO IRRIGATION DISTRICT, its Board of Directors, officers, employees, representatives, vendors (including without limitation Engineer) and agents, shall be named as additional insureds, but only with respect to liability arising out of the activities of the named insured.

A Statement of Additional Insured Endorsement on the Acord Certificate of Liability Insurance form is insufficient and will be rejected as proof of the additional insured requirement.

2. Primary / Non-contributory endorsement - Insurance shall be primary insurance and no other insurance or self-insured retention carried or held by any named or additional insureds other than Vendor shall be called upon to contribute to a loss covered by insurance for the named insured.
 3. Waiver of Subrogation – Vendor's Workers' Compensation Insurance policy shall contain, by endorsement, a Waiver of Subrogation as to each named and additional insured.
- H. Deductibles and Self-Insured Retentions - Any deductible or self-insured retention must be declared to and approved by the District prior to commencement of work.
- I. The policies 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.
- J. Vendor shall ensure all sub-vendors and any other person or entity assisting with provisions of this work shall maintain the same level of coverages specified in these insurance requirements at all times during performance hereunder.
- K. Vendor shall, upon request of District, deliver to District such policy or policies of insurance and the receipts for payment of premiums thereon.
- L. Continuation of Coverage – All said insurance shall be maintained by the Vendor in full force and effect during the entire period of performance.
- M. Renewal certificates must be received by the District's Insurance/Risk Administrator at least ten (10) days prior to the expiration date in agreement to ensure continuation of contract.
- N. Renewal certificates may be e-mailed to RiskManagement@eid.org or faxed to (530) 642-4572 and original certificates should be mailed to:
- El Dorado Irrigation District
Insurance / Risk Administrator
2890 Mosquito Road
Placerville, CA 95667
- O. Other than Professional Liability, any insurance policy written on a claims-made basis is subject to the approval of the District.
- P. If Vendor needs additional information regarding these insurance requirements, contact the District's Insurance / Risk Administrator at (530) 642-4172.

Appendix B to Services Agreement



Schedule 1.1 – Fees for Goods & Services

ServiceBill (Package Includes: data processing & duplex, 2-color, laser imaging, 8.5x11 - 24# white offset perforated at 3.5" from bottom, #10 window env., #9 single window reply env., folding, inserting, presorting and delivery to USPS)	\$0.125	Per Bill
Search&Viewbill (Archive Package Includes: data processing, archive creation, search, access & hosting of archive files for 18 months from creation date)	\$0.02	Per Bill
ViewBill Transmission (includes FTP transmission to client site or files copied toCDRom)	\$150.00	Per Transmission/CDRom
Additional Disks (if more than one CDRom is required for ViewBill Transmission)	\$10.00	Per Additional CDRom
NCOALink – Automated address update service	\$0.50	Per Address Correction
Additional Impressions	\$0.04	Per Impression
Bill Suppression (data processing only – Group Y & Z)	\$0.05	Per Bill
Oversized Surcharge (8-99 page bills – Group C)	\$0.35	Per Bill
Oversized Surcharge (100+ page bills – Group D & E)	\$4.00	Per Bill
Additional Inserts – Six (6) free insert per year	\$0.01	Per Insert
Offline Folding	\$0.01	Per Piece
Basic Setup Fee	NA	
NetBill (Subscribed users only) Includes: Internet bill presentment, 24x7 access to customer bills hosted on DataProse servers, posting of invoices, email notification of bill availability to customer, & Payment Facilitation. (Real-time payment submission & batch processing of all ACH payments for daily processing, daily accounts receivable file creation and delivery to client)	\$0.35 \$0.60 or 1.25%	Per Credit Card Transaction Per ACH Transaction
NetBill Monthly Maintenance Fee	\$400.00	Per Month
Technical Services (including additional set-up beyond standard, formatting or custom reports, conditional logic & insert/forms composition)	\$125.00	Per Hour
Freight, Courier & Air Delivery	Cost	Per Request
Minimum Daily Processing/Production Fee	\$150.00	Per Day
Postage (1 oz)	\$0.388	Per Bill

Quote Received: August 30, 2019 via email from Bill Murray, CEO at Dataprose.

END OF APPENDIX B

Appendix C to Services Agreement

SaaS Terms and Conditions

Plain Language	SaaS
<p>1. Definition of terms. Defines the service model and terms used.</p>	<p>1. Software-as-a-Service (SaaS) as used in this document is defined as the capability provided to the consumer to use the provider’s applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface. The consumer does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, storage or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.</p>
<p>2. The District owns all of its data. The service provider will not access the data except as needed to do the work of the contract.</p>	<p>2. Data Ownership: The District will own all right, title and interest in its data that is related to the services provided by this contract. The service provider shall not access District user accounts or District data, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of this contract, or (4) at the District’s written request.</p>
<p>3. The District owns all personal information. The service provider will protect it and will not use the data for anything not related to the customer. The service provider will encrypt personal data and non-public data both at rest and in transit.</p>	<p>3. Data Protection: Protection of personal privacy and data shall be an integral part of the business activities of the service provider to ensure there is no inappropriate or unauthorized use of District information at any time. To this end, the service provider shall safeguard the confidentiality, integrity and availability of District information and comply with the following conditions:</p> <ul style="list-style-type: none">a. The service provider shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of personal data and non-public data. Such security measures shall be in accordance with recognized industry practice and not less stringent than the measures the service provider applies to its own personal data and non- public data of similar kind.b. All data obtained by the service provider in the performance of this contract shall become and remain property of the District.c. All personal data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the service provider is responsible for encryption of the personal data. Any stipulation of responsibilities will identify specific roles and responsibilities and shall be included in the service level agreement (SLA), or otherwise made a part of this contract.d. Unless otherwise stipulated, the service provider shall encrypt all non-public data at rest and in transit. The District shall identify data it deems as non-public data to the service provider. The level of protection and encryption for all non-public data shall be identified and made a part of this contract.e. At no time shall any data or processes – that either belong to or are

Plain Language	SaaS
	<p>intended for the use of a District or its officers, agents or employees – be copied, disclosed or retained by the service provider or any party related to the service provider for subsequent use in any transaction that does not include the District.</p> <p>f. The service provider shall not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service.</p>
<p>4. The service provider will not store any of the District’s non-public data outside the U.S.</p>	<p>4. Data Location: The service provider shall provide its services to the District and its end users solely from data centers in the United States. Storage of District data at rest shall be located solely in data centers in the United States. The service provider shall not allow its personnel or contractors to store District data on portable devices, including personal computers, except for devices that are used and kept only at its United States data centers. The service provider shall permit its personnel and contractors to access District data remotely only as required to provide technical support. The service provider may provide technical user support on a 24/7 basis using a Follow the Sun model, unless otherwise prohibited in this contract.</p>
<p>5. The service provider will notify the District of a security breach. In the case of a SaaS or PaaS, the service provider will notify the District of a security incident.</p>	<p>5. Security Incident or Data Breach Notification: The service provider shall inform the District of any security incident or data breach.</p> <p>a. Incident Response: The service provider may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the contract. Discussing security incidents with the District should be handled on an urgent as-needed basis, as part of service provider communication and mitigation processes as mutually agreed upon, defined by law or contained in the contract.</p> <p>b. Security Incident Reporting Requirements: The service provider shall report a security incident to the appropriate District identified contact immediately as defined in the SLA.</p> <p>c. Breach Reporting Requirements: If the service provider has actual knowledge of a confirmed data breach that affects the security of any District content that is subject to applicable data breach notification law, the service provider shall (1) promptly notify the appropriate District identified contact within 24 hours or sooner, unless shorter time is required by applicable law, and (2) take commercially reasonable measures to address the data breach in a timely manner.</p>

Plain Language	SaaS
<p>6. If a service provider is responsible for a breach, they will pay the cost of the breach investigation, resolution, notification, credit monitoring and call centers up to a set amount per record/ per person. The service provider will take corrective action subject to any limitation of liability in the contract.</p>	<p>6. Breach Responsibilities: This section only applies when a data breach occurs with respect to personal data within the possession or control of service provider.</p> <p>a. The service provider, unless stipulated otherwise, shall immediately notify the appropriate District identified contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.</p> <p>b. The service provider, unless stipulated otherwise, shall promptly notify the appropriate District identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is, or reasonably believes that there has been a data breach. The service provider shall (1) cooperate with the District as reasonably requested by the District to investigate and resolve the data breach, (2) promptly implement necessary remedial measures, if necessary, and (3) document responsive actions taken related to the data breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.</p> <p>c. Unless otherwise stipulated, if a data breach is a direct result of the service provider’s breach of its contract obligation to encrypt personal data or otherwise prevent its release, the service provider shall bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by state law; (3) a credit monitoring service required by state (or federal) law; (4) a website or a toll-free number and call center for affected individuals required by state law – all not to exceed the average per record per person cost calculated for data breaches in the United States (currently \$201 per record/ person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the data breach; and (5) complete all corrective actions as reasonably determined by service provider based on root cause; all [(1) through (5)] subject to this contract’s limitation of liability.</p>
<p>7. The service provider will notify the District of any legal requests that might require access to the District’s data.</p>	<p>7. Notification of Legal Requests: The service provider shall contact the District upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the District’s data under this contract, or which in any way might reasonably require access to the data of the District. The service provider shall not respond to subpoenas, service of process and other legal requests related to the District without first notifying the District, unless prohibited by law from providing such notice.</p>

Plain Language	SaaS
<p>8. The service provider will not erase the District’s data in the event of a suspension or when the contract is terminated. Specific time periods are established where data will be preserved by the service provider based on the circumstances of termination and the type of service provided. The service provider will destroy data using a NIST- approved method when requested by the District.</p>	<p>8. Termination and Suspension of Service:</p> <p>a. In the event of a termination of the contract, the service provider shall implement an orderly return of District data in a CSV or another mutually agreeable format at a time agreed to by the parties and the subsequent secure disposal of District data.</p> <p>b. During any period of service suspension, the service provider shall not take any action to intentionally erase any District data.</p> <p>c. In the event of termination of any services or agreement in entirety, the service provider shall not take any action to intentionally erase any District data for a period of:</p> <p style="padding-left: 40px;">10 days after the effective date of termination, if the termination is in accordance with the contract period</p> <p style="padding-left: 40px;">30 days after the effective date of termination, if the termination is for convenience</p> <p style="padding-left: 40px;">60 days after the effective date of termination, if the termination is for cause</p> <p>After such period, the service provider shall have no obligation to maintain or provide any District data and shall thereafter, unless legally prohibited, delete all District data in its systems or otherwise in its possession or under its control.</p> <p>d. The District shall be entitled to any post-termination assistance generally made available with respect to the services unless a unique data retrieval arrangement has been established as part of the SLA.</p> <p>e. The service provider shall securely dispose of all requested data in all of its forms, such as disk, CD/DVD, backup tape and paper, when requested by the District. Data shall be permanently deleted and shall not be recoverable, according to NIST-approved methods. Certificates of destruction shall be provided to the District.</p>
<p>9. The service provider will perform background checks on staff, including subcontractors. The service provider will not use staff who have criminal convictions.</p>	<p>9. Background Checks: The service provider shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the contract who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The service provider shall promote and maintain an awareness of the importance of securing the District’s information among the service provider’s employees and agents.</p>
<p>10. The service provider will provide reports to the District for its accounts in a format agreed to in the SLA. The reports include: latency statistic, user access, user access IP addresses, user access history and security logs.</p>	<p>10. Access to Security Logs and Reports: The service provider shall provide reports to the District in a format as specified in the SLA agreed to by both the service provider and the District. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all District files related to this contract.</p>

Plain Language	SaaS
11. The District can audit conformance to contract terms.	11. Contract Audit: The service provider shall allow the District to audit conformance to the contract terms. The District may perform this audit or contract with a third party at its discretion and at the District's expense.
12. The service provider will have an independent audit performed of its data centers annually.	12. Data Center Audit: The service provider shall perform an independent audit of its data centers at least annually at its expense, and provide a redacted version of the audit report upon request. The service provider may remove its proprietary information from the redacted version. A Service Organization Control (SOC) 2 audit report or approved equivalent sets the minimum level of a third-party audit.
13. The service provider will notify the District of upgrades and maintenance.	13. Change Control and Advance Notice: The service provider shall give advance notice (to be determined at the contract time and included in the SLA) to the District of any upgrades (e.g., major upgrades, minor upgrades, system changes) that may impact service availability and performance. A major upgrade is a replacement of hardware, software or firmware with a newer or better version in order to bring the system up to date or to improve its characteristics. It usually includes a new version number.
14. The service provider will disclose security processes and technical limitations.	14. Security: The service provider shall disclose its non-proprietary security processes and technical limitations to the District such that adequate protection and flexibility can be attained between the District and the service provider. For example: virus checking and port sniffing – the District and the service provider shall understand each other's roles and responsibilities.
15. The service provider will limit staff knowledge of data and separate duties to protect the data. Non-disclosure agreements are required of service provider staff.	15. Non-disclosure and Separation of Duties: The service provider shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of District data to that which is absolutely necessary to perform job duties.
16. The District can import or export its data whenever needed.	16. Import and Export of Data: The District shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the service provider. This includes the ability for the District to import or export data to/from other service providers.
17. The service provider will disclose all subcontractors.	17. Subcontractor Disclosure: The service provider shall identify all of its strategic business partners related to services provided under this contract, including but not limited to all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the service provider, and who shall be involved in any application development and/or operations.

Plain Language	SaaS
18. The District may have the service provider remove staff.	18. Right to Remove Individuals: The District shall have the right at any time to require that the service provider remove from interaction with District any service provider representative who the District believes is detrimental to its working relationship with the service provider. The District shall provide the service provider with notice of its determination, and the reasons it requests the removal. If the District signifies that a potential security violation exists with respect to the request, the service provider shall immediately remove such individual. The service provider shall not assign the person to any aspect of the contract or future work orders without the District's consent.
19. When asked by the District, the service provider will provide business continuity and disaster recovery plans. Both parties must agree on recovery time objectives (RTO) in the contract. The service provider will meet the	19. Business Continuity and Disaster Recovery: The service provider shall provide a business continuity and disaster recovery plan upon request and ensure that the District's recovery time objective (RTO) of two (2) hours to restore credit card payments, and one (1) business day (or less) to restore the bill resentment capability.
20. The service provider will comply with accessibility requirements.	20. Compliance with Accessibility Standards: The service provider shall comply with and adhere to Accessibility Standards of Section 508 Amendment to the Rehabilitation Act of 1973.
21. The service provider will use Web services where possible to interface with District data.	21. Web Services: The service provider shall use Web services exclusively to interface with the District's data in near real time when possible.
22. The service provider will encrypt data at rest and data that resides on mobile devices.	22. Encryption of Data at Rest: The service provider shall ensure hard drive encryption consistent with validated cryptography standards as referenced in FIPS 140-2, Security Requirements for Cryptographic Modules for all personal data, unless the District approves the storage of personal data on a service provider portable device in order to accomplish work as defined in the statement of work.

JUSTIFICATION FOR SINGLE SOURCE PROCUREMENT BY NEGOTIATION

AR 3061.05e: Authorization for the Procurement of Goods or Services from a Single Source: Notwithstanding anything herein, for good cause documented in writing and approved by the General Counsel and an executive manager with sufficient spending authority, the District may negotiate with a single source for the procurement of goods or services, including construction services when authorized by law. Good cause for single-sourcing may include, for example, when there is only one available source for a necessary good or service, the General Manager has authorized standardization of goods or services pursuant to Section 3061.09, a prospective consultant or vendor possesses unique skills and expertise necessary for a particular procurement, or emergency or extraordinary circumstances require immediate action that cannot be delayed for obtaining bids or proposals.

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JUSTIFICATION FOR SINGLE SOURCE PROCUREMENT BY NEGOTIATION

The following is requested for procurement by negotiation:

I Dataprose, Inc. to provide online billing services and other billing needs for the District.

There is good cause for authorizing single source procurement for the following reasons:

Dataprose, Inc. provides bill presentment and online bill payment including; variable data with highlight color laser printing, data reprint, mailing/finishing, archiving with a search and view bill function, pre-sort, postal discounts, special handling options, and design work on bills and customer notices.

1. In April 2004 the District entered into a sole source contract with Data Prose Inc. to provide bill printing, mailing, and internet payment options. When originally proposed Data Prose was a preferred partner with HTE, the application then used for our utility billing process. When the District moved to Hansen in 2009 Data Prose spent time under contract to integrate into the Hansen database.

Many hours were spent engineering specialized interfaces to allow online bill payments to flow through the site hosted by Data Prose and into our customer billing application, and to export bill files from Hansen to be uploaded to Dataprose.

2. Until such time as the District decides the course of action to follow regarding our asset management system, there would be no cost savings in going back out for proposals.

The total acquisition cost of changing to a new provider would include but not be limited to the following:

Year 1: Increase of approximately \$13,000 dollars for initial set-up and higher annual costs.

Year 2: Cost increase of approximately \$8,000, with a total 5 year cost increase of approximately \$44,000.

Approximately \$15,000 for EID billing staff labor.

Approximately \$15,000 for EID IT staff labor (This pricing could go up if additional time and resources were needed. IT staff would need to learn a new system and keep it operational in addition to the other programs currently being ran by the IT staff at the District).

For an estimated cost of: \$200,000
SupplierVendor: Dataprose, Inc.

**JUSTIFICATION FOR SINGLE SOURCE PROCUREMENT BY
NEGOTIATION**

Approval Routing

This single source procurement over \$5,000 must be approved as follows (no signature authorization beyond what is indicated is required):

- To **\$10,000** as authorized by a Division Manager
- To **\$25,000** as authorized by a Department Director
- To **\$50,000** as authorized by General Manager
- Over **\$50,000** as authorized by the Board of Directors

Splitting orders to avoid these limits is prohibited

Legal counsel review as to form is required on all Single Source Documents.

Recommended _____, 20__

Project Manager/Requester

Recommended 10/3, 2019

Jenny Louney
Customer Services Manager

Recommended 10/4, 2019

Mark Orr
Director of Finance

Approved 10/21, 2019

Approved as to form:

[Signature] for
General Manager

[Signature]
Office of the General Counsel

EL DORADO IRRIGATION DISTRICT

Subject: Consideration to award a contract to Doug Veerkamp General Engineering Inc. in the not-to-exceed amount of \$59,341 for construction of traffic safety measures related to the El Dorado Hills Boulevard roadway and intersection rehabilitation.

Previous Board Action

May 13, 2019 – Board approved a contract amendment with Doug Veerkamp General Engineering, Inc. in the not-to-exceed amount of \$119,689.47 for paving services associated with the emergency repair of the drinking water transmission line located in El Dorado Hills Boulevard.

Board Policies (BP), Administrative Regulations (AR) and Board Authority

BP 3060 Contracts and Procurement

Summary of Issue

Final remediation work of the El Dorado Hills Blvd and Wilson Blvd intersection following the April 26, 2019, water line break must be performed according to El Dorado County Department of Transportation (DOT) requirements.

Background/Discussion

On Friday evening April 26, 2019, the District experienced a significant break of the 18-inch drinking water transmission main at the intersection of El Dorado Hills Blvd and Wilson Blvd in El Dorado Hills. Emergency repairs of the waterline were performed by District staff and Doug Veerkamp General Engineering Inc. (Veerkamp) restored the roadway to reopen the intersection to traffic early Sunday April 28, 2019.

Although the roadway restoration was completed immediately to reopen the intersection, final restoration efforts must be completed to fulfill the District's obligations to DOT to repair all damage caused by the break. These include cleaning and restoring the road culvert clogged by debris, road shoulder stabilization, thermoplastic striping, and reconstruction of traffic loops connected to the traffic lights. This work was anticipated to occur late summer or early fall after verifying that the initial roadway restoration repairs would hold and no additional efforts would be necessary due to settling or cracking.

District staff sought an initial quote for this additional work from Veerkamp in June of 2019, which resulted in a bid of \$59,341. Based on this initial quote exceeding \$50,000, District staff determined that the competitive quotes were necessary through a formal bidding process.

On September 3, 2019 RFP-19-001CST was posted to publicly seek proposals for the additional restoration work. Staff advertised the RFP on the District's public web page for 4 weeks. During the advertised period District staff received several inquiries from potential proposers. On September 23, 2019 the District conducted a mandatory job walk, which was attended by Pro Builders and B&M Builders. Proposals were due September 30, 2019 and Pro Builders submitted the only proposal in the amount of \$238,000. Veerkamp did not submit a formal proposal in response to the RFP. Staff inquired with Veerkamp regarding why they did not propose and they explained that they thought their prior proposal would be considered responsive to the RFP.

Since the original Veerkamp proposal was significantly lower than the Pro Builders' proposal received in response to the RFP, District staff elected to reject "all proposals" received in response to the formal RFP. District staff reached out to Veerkamp and confirmed the pricing from their original June cost proposal is still valid. District staff considers this proposal to be a direct negotiation with Veerkamp and has therefore prepared a single source justification form per the District's Administrative Regulations to document the procurement history for this contract.

Funding

Staff has determined that the costs for the repairs, including the remaining work identified in this proposed contract, will not be eligible for potential insurance reimbursement. Therefore, the costs of the repairs and these traffic safety measures will need to be funded from the Drinking Water operating budget.

Board Options

Option 1: Award a contract to Doug Veerkamp General Engineering Inc. in the not-to-exceed amount of \$59,341 for construction of traffic safety measures related to the El Dorado Hills Boulevard roadway and intersection rehabilitation.

Option 2: Take other action as directed by the Board.


Option 3: Take no action.

Recommendation


Option 1

Attachments

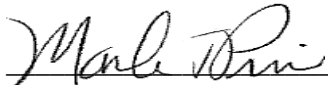
Attachment A: Doug Veerkamp Engineering Proposal



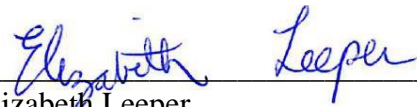
Radenko Odzakovic
Drinking Water Operations Manager




Daniel Corcoran
Operations Director



Mark Price
Finance Director



Elizabeth Leeper
Senior Deputy General Counsel


_____ for
Jim Abercrombie
General Manager

Attachment A PROPOSAL

DOUG VEERKAMP GENERAL ENGINEERING INC.

CA Lic. No. 440233
2585 Cold Springs Rd, Placerville CA 95667
(530) 676-0825 www.dougveerkamp.com

Today's Date: 6/5/2019

Submitted to:

Attn: Noel Russell
El Dorado Irrigation District
2890 Mosquito Rd.
Placerville, CA 95667
Direct: (530) 642-4018
nrussell@eid.org

In the State of California:

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar of the board whose address is: Contractors' State License Board 9835 Goethe Road, Sacramento CA 95827
Mailing Address: PO Box 26000 Sacramento CA 95826

El Dorado Hills Boulevard Water Main Leak

El Dorado Hills BLVD
Ditch, Culvert and shoulder Cleaning, Thermo Plastic, Loop Repairs

We hereby submit specifications and estimates for:

Item	Description	Quantity	Unit	Unit Price	Total
1	Clean & reshape ditch, Clean Culvert and Sweeping after clean up.	440.0	LF	\$ 46.97	\$ 20,668.00
2	Thermoplastic Striping and Legends over the current repair Striping	1.0	LS	\$ 9,724.00	\$ 9,724.00
3	Meggar loop system to determine outages.	1.0	LS	\$ 2,519.00	\$ 2,519.00
4	Rocksaw, restore, replace loops, install DLC	1.0	LS	\$ 26,430.00	\$ 26,430.00

****EXCLUSIONS: SEE ATTACHED**

Service Charge of 1.5% per month will be assessed on the unpaid balance.

The prevailing party in any dispute or litigation arising from this agreement shall be entitled to attorney fees.

THE OWNER HAS THE RIGHT TO REQUIRE CONTRACTOR TO HAVE A PERFORMANCE OR PAYMENT BOND, EXPENSE TO BE BORNE BY THE OWNER.

We Propose hereby to furnish material and labor - complete in accordance with the above specifications, for the sum of:

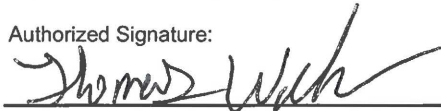
Fifty Nine Thousand Three Hundred Fourty One and 00/100 dollars \$ **59,341.00**

Payment to be made as follows:

See attached payment schedule

All material is guaranteed to be as specified. All work to be completed in workmanlike manner according to standard practice. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control.

Authorized Signature:



Note: This proposal may be withdrawn by us if not accepted within 30 days

ACCEPTANCE OF PROPOSAL:

The above prices, specifications and conditions are satisfactory and are hereby accepted.

You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date: _____

IS THERE A CONSTRUCTION LENDER ON THIS PROJECT: [] NO [] YES

LENDER NAME: _____

SPECIAL CONDITIONS / QUALIFICATIONS:

1. This is a unit price proposal. Final quantities multiplied by the attached unit costs will determine the final cost.
2. Bid is based the following: **Item #1:** 1. Repair of the adjacent shoulder on the east side of the northbound lanes. 2. Clean sediment and debris from the roadside ditch on the east side of the northbound travel lanes to the drainage culvert located under the bicycle path. 3. Removal of debris from the intake and outfall of the culvert. 4. Removal of debris from inside the culvert. 5. Sweeping and cleanup of the repair area upon completion of the mediation work. **Item #2:** 1. Thermoplastic striping and legends over the current repair string and legends already placed for the repair.
2. RPMs be replaced back on the repair section over the same area as the new/repared striping. **Item #3:** Meggar loop system to determine outages. **Item #4:** Rocksaw, restore, replace loops, install DLC

Any changes to the bid plans or to the conditions listed below shall constitute a change order and price revision.

3. Price includes Traffic Control
4. Site is bid to balance. Any import or export including off haul of underground spoils is not included. Import and export costs can vary greatly and are dependent on timing of work performed.
5. Fill preparation is limited to scarification and recompaction of the top 2". No additional removal or treatment of existing
6. Prices in this proposal do not reflect any phasing or sequencing of job.
7. Prices based on performing the work during the 2019 construction season. Work shall be accomplished per mutually agreed upon schedule, weather and ground conditions permitting, during normal working shifts.
8. Prices in this proposal do not reflect any phasing or sequencing of job. Bid includes one move-in. Additional move-ins will be billed on a time and materials basis. Delays caused by others may result in demobilization and remobilization as applicable.
9. All excavation of construction site materials is bid as non-hazardous material. Any contaminated or hazardous material will be mitigated, excavated, hauled, and disposed of on a time and materials basis. It is the owner's responsibility to notify the contractor of any hazardous conditions that exist regarding contaminated soil or asbestos.
10. In the event that completion of portions of work required in this subcontract is delayed by others beyond the control of Doug Veerkamp General Engineering (i.e. dry utility line construction, building construction, etc.), the work completed to date shall be accepted by the Owner and written notice will be executed.
11. Differing Site Conditions: (a) The Contractor shall give a written notice to the Owner and/or Soils Engineer of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract, or (2) unforeseen physical conditions at the site, or (3) the existence of toxic or hazardous materials not specifically described in type, character, or quantity in a Work Order, which existence is deemed to be a differing site condition. (b) The Owner and/or Soils Engineer shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ or are deemed to so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly.

SPECIAL CONDITIONS / QUALIFICATIONS CONTINUED:

12. Any prevention, delay, non-performance or stoppage due to any of the following reasons may cause an increase in prices and/or surcharge allocation and a possible delay in the production and/or load out of some materials. Failure of power, acts of public enemies, riots, increases in prices and/or supplies of raw materials and/or services (such as trucking) outside the control of Doug Veerkamp General Engineering, governmental restrictions, regulations, acts of God or other causes beyond

13. All excavated material is bid as material useable for engineered fills. Over-excavation and/or replacement of materials, unsuitable on-site stockpiles that may be required due to unsuitable ground conditions, and sub-drains shall be considered extra

14. Any material deemed to be unsuitable i.e. rock, etc. will be removed and disposed on a T&M basis. In addition, any material needed because of removal of said material will be imported on a T&M basis.

15. Owner expressly acknowledges that Contractor is a licensed contractor authorized to perform work provided in this Contract and that the Contractor is not an engineer or a design consultant. Proposals made by Contractor with respect to work to be performed are made solely for the consideration of Owner and Owner's design engineer or design consultant, who shall be solely responsible for determining whether any such work proposed by Contractor is, or will be, adequate to satisfy the needs and or purposes of the Owner. Except as expressly provided in this Contract, no warranty or representation of any kind or nature with respect to any such proposal. Warranty with respect to fitness for any purpose or use is expressly disclaimed to

16. This conditions and exclusions sheet shall be incorporated and supersede any language within the mutually agreed contract.

18. This proposal is good for 30 calendar days from June 5th, 2019

19. Removal of existing field fence at perimeter has been excluded.

EXCLUSIONS:

1. Backfill of any work by others.
2. Blasting, hammering, pre-blast or post-blast surveys, and/or seismic monitoring.
3. Handling, sorting, sizing of rock.
4. Fog seal, slurry seal.
5. Naturally Occurring Asbestos requirements.
6. Biological mitigation and monitoring.
7. Air quality monitoring (i.e. asbestos, equipment emissions or fugitive dust resulting from our operations).
8. Relocation or removal of existing utilities, poles or fences.
9. Repair or replacement of existing utilities that have not been identified by Owner prior to construction work and are damaged in the course of Contractor's work.
10. Haul off of any spoils, trash, lumber, and construction debris left by others.
11. Tree fencing.
12. Dust control or street sweeping for work by others.
13. Erosion control work.
14. SWPPP or Fugitive Dust Plan preparation.
15. Dewatering or diversion of water.
16. Chemical treatment of soil.
17. Cracks Re-opening over time
18. Work in excess of eight (8) hours per day or forty (40) hours per week.
19. Permits and fees.
20. Bonds. Bond rate is available upon request.
21. Engineering, construction staking and fees.
22. Surveying.
23. Compaction testing and certification.
24. Any item not specifically listed is considered excluded.

EL DORADO IRRIGATION DISTRICT

Subject: Presentation of Annual Legislative Report for 2019 by Bob Reeb of Reeb Government Relations, LLC.

Previous Board Action

The Board has proactively taken positions on State legislation that affect the District's interests.

Board Policies (BP), Administrative Regulations (AR) and Board Authority

Board Policy 12020 Duties and Powers

Summary of Issue

With the close of the State legislative session, the District's State Legislature Advocate, Reeb Government Relations, has prepared a 2019 Annual Report for presentation to the Board. Mr. Reeb will be present at the meeting to discuss the report and recent legislative and administrative developments of interest to the District.

Background/Discussion

Bob Reeb has served as the District's State Legislative advocate for more 15 years and is one of the most knowledgeable and influential legislative advocates on water policy in the State. As both the former General Manager of the El Dorado County Water Agency and Legislative Director of the Association of California Water Agencies (ACWA), Mr. Reeb has an exceptional understanding both of the District's needs and interests, and also of the means of accomplishing our goals—or at least protecting our interests against adverse changes—through the legislative and administrative processes.

Mr. Reeb and District staff actively monitored or influenced the development of dozens of legislative bills in 2019. Mr. Reeb worked with various coalitions to both affirmatively advance the District's interests through legislation, and also to defend against proposed legislation that raised concerns for the District. Areas of primary focus this session included: (1) funding for safe drinking water (water tax vs. other funding); (2) area of origin/water rights (SB 474); and (3) various proposed regulatory mandates.

The attached 2019 Annual Report from Reeb Government Relations covers:

- The State's 2019-20 Budget
- Legislation the District actively participated in, covering topics that included:
 - Funding for safe and affordable drinking water (Budget trailer bill, AB 134, AB 217, SB 669, SB 200)
 - Area of origin/water rights (SB 474)
 - Standards for residential water meters (AB 60)
 - Penalties associated with water-related reports and plans (AB 1415)
 - Public contracting processes (AB 1736)
 - Water reuse/water quality regulations (SB 166)
 - Accessory dwelling units (SB 13, AB 881)
 - California Public Utilities Commission jurisdiction (AB 1054)
 - Sacramento-San Joaquin Delta (SB 1)
 - Potable reuse and recycled water (AB 292, AB 1180)
 - California Public Records Act (AB 1184)

Mr. Reeb will be present for this agenda item to summarize his report and answer any questions from the Board.

Board Options

No action – Information only.

Recommendation

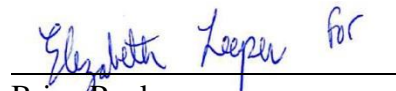
No action – Information only.

Attachments

Attachment A: Memorandum from Bob Reeb to Brian Poulsen, dated October 14, 2019,
Re: 2019 Annual Report



Elizabeth Leeper
Senior Deputy General Counsel



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

Reeb Government Relations, LLC

MEMORANDUM

October 14, 2019

TO: Brian Poulsen, General Counsel
El Dorado Irrigation District

FROM: Bob Reeb and Raquel Ayala
Reeb Government Relations, LLC

SUBJECT: 2019 Annual Report

This is the 15th year that Reeb Government Relations has had the honor and privilege to work with El Dorado Irrigation District (EID or District) to advance the interests of the District, its taxpayers and customers in the State Capitol. Together, the EID Board of Directors, District management and staff, and Reeb Government Relations continue to be an effective voice in support of common sense legislation and regulations that enable, rather than detract from, pursuit of the District's mission.

State Budget

On Thursday, June 27, Governor Newsom signed a \$214.8 billion budget deal which dedicated significant new spending for K-12 schools and healthcare, while setting aside an unprecedented amount of tax revenue for future economic slow-downs by adding billions of dollars to the state's reserve funds. The state's total rainy fund is now \$19 billion. The state avoided a return of surplus tax revenues to California taxpayers by creating and funding additional reserve funds for schools and social services.

The legislature and new governor continued the recent trend of focusing state budget appropriations on disadvantaged community water and wastewater systems. The FY 2019-20 budget allocated \$1 million General Fund to the State Water Resources Control Board (State Water Board) for Interim Water Storage Tanks, Hauled Water, and Permanent Well Replacements/Repair, and \$2 million General Fund to cover planning costs for recovery from 2017 and 2018 wildfires. The budget also included \$10 million General Fund to provide emergency funding for water and wastewater service providers serving disadvantaged communities to (1) evaluate, address and repair the failure of critical components of a collection or treatment system; and (2) fund critical operation and maintenance

1107 9th Street, Suite 620
Sacramento, California 95814

(916) 558-1926 PH
(916) 558-1932 FAX

activities that are cost prohibitive considering the population and median household income of the community served by the system. The budget also provides a one-time \$2.5 million in General Fund monies to the State Water Board to continue funding replacement and filling of temporary water tanks for households that have lost their water supply due to a dry well, and a total of \$12.5 million to address safe and clean drinking water in the San Joaquin Valley.

In terms of water supply and management, the budget appropriated \$70 million in state general obligation bond proceeds toward projects identified in voluntary agreements, including habitat restoration and scientific research; \$9.25 million to accelerate improvements in forecasting atmospheric rivers, the sporadic storms that account for up to half of California's total annual precipitation; and \$235 million to implement the Wildfire and Recovery Legislative Package, which includes increasing the pace and scale of enhancing forest and watershed health.

The budget also appropriates \$130 million to clean up drinking water in some parts of the state. The administration had initially pushed for a new tax to fund clean drinking water, but that plan was abandoned in the compromise. The majority of the money comes from a fund intended to reduce greenhouse gases, while the remaining \$30 million comes from the General Fund.

Water Tax

Governor Newsom's Department of Finance released a budget trailer bill in May that would create a Safe and Affordable Drinking Water Fund, which would receive revenues from a tax on customers of urban retail water suppliers and taxes and fees on nitrogen fertilizer, dairies and confined animal feeding operations. Together, the fund would receive about \$130 million annually. The new trailer bill was similar to a budget trailer bill offered by the former Brown Administration and legislation authored by Senator Bill Monning (D-Carmel). EID opposed those particular proposals and has consistently opposed the imposition of a tax (fee or public goods charge) since 2005 (for example, SB 623 and SB 845 by Senator Monning during the 2017-18 Regular Session of the Legislature).

There was a flurry of legislative activity early in the year separate and apart from the Newsom Administration proposal. Assembly Member Richard Bloom (D-Santa Monica) introduced AB 134 to accomplish the same purposes as the budget trailer bill. Bloom chairs the budget subcommittee with jurisdiction over drinking water. Assembly Member Eduardo Garcia (D-Coachella), who chairs the Assembly Water, Parks and Wildlife Committee, later amended his AB 217 to address the gap in safe drinking water funding. AB 217 would establish the Safe and Affordable Drinking Water Fund in the State Treasury. Moneys in the fund would be available to the State Water Resources Control Board, upon appropriation by the Legislature, for the purposes of providing a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. This legislation served as a placeholder for the imposition of a tax on urban retail water customers. The March 19, 2019 version of the Garcia bill included the creation of a trust fund being proposed by the Association of California Water Agencies (ACWA) as an alternative to the imposition of a tax on water.

In an effort to provide a better alternative to a water tax, the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) sponsored, and Senator Anna Caballero (D-Salinas) introduced, Senate Bill 669 —The Safe Drinking Water Trust bill.

SB 669 would be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities. EID joined the large coalition of supporters who believed the Trust was a better approach than a statewide water tax that would tax a resource that is essential to life and work against water affordability throughout the state.

The bill was last considered in the Senate Appropriations Committee on May 16 where it was held in committee and under submission.

Finally, Senator Monning introduced a new bill—SB 200, that also would create a Safe and Affordable Drinking Water Fund. The bill would authorize the State Water Board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests.

EID affirmed its opposition to a water tax and communicated its opposition directly to the Governor and its legislative delegation. The District also took an active role in supporting efforts by ACWA to pass SB 669 and oppose legislation that included a water tax. In its opposition to the water tax, the District clarified that it did not oppose the creation of a special fund to address the safe drinking water needs of communities served by public water systems that consistently fail to comply with safe drinking water laws and regulations, but rather the imposition of a water tax to pay for the needed capital facilities and operations and maintenance costs for these failing systems. The District has estimated that its customers would contribute about \$500,000 a year to the Safe and Affordable Drinking Water Fund and receive no direct benefit in return. The loss of local water system revenue could negatively affect the District's ability to repair, rehabilitate and replace its own water system assets as well as to properly operate and maintain its water system. The District, along with the ACWA coalition in opposition to a tax on water, argued that “with a record state budget surplus for the 2019-20 fiscal year, it is the perfect time to create and fund a Safe Drinking Water Trust as a durable funding solution.”

Legislative review of the Governor's state budget occurred while the legislature was considering the various legislative proposals, which complicated advocacy efforts. The Senate, under the leadership of President pro Tem Toni Atkins (D-San Diego), was the first to signal opposition to the imposition of a water tax. The Governor's budget trailer bill was rejected by the Senate Budget Committee and instead, the Senate proposed to appropriate \$100 million from the General Fund to pour into the Safe and Affordable Drinking Water Fund. This decision signaled the lack of a two-thirds majority in the Senate to approve a water tax. The Assembly, however, did not give up on the water tax and approved the Governor's budget trailer bill. The question of funding ended up in the two-house budget conference committee, where a compromise ultimately was reached on using proceeds from the Greenhouse Gas Reduction Fund to provide revenues annually to the Safe and Affordable Drinking Water Fund. SB 200 was amended following the June 27 enactment of the 2019-20 State Budget to provide the statutory framework for the expenditure of the drinking water fund.

In the first year, \$100 million of the funding will come from the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the General Fund. After the first year, SB 200 will provide that the funding will be 5 percent of the GGRF continuously appropriated – capped at \$130 million per year. The agreement includes General Fund funding as a backstop if 5 percent of the GGRF is less than \$130 million in any year. The funding will sunset in 2030.

Legislation Threatens to Eliminate Area of Origin Protection

Under existing law, the Department of Water Resources is required to make and file with the State Water Board applications for the appropriation of any water that may be required in the development and completion of a plan for the development, utilization, or conservation of the water resources of the state. Existing law gives those applications priority, as of the date of filing the application, over any subsequent application and exempts certain water rights diligence provisions from generally applying to the applications. Senator Henry Stern (D-Canoga Park), chairman of the Senate Natural Resources & Water Committee, introduced SB 474 to eliminate the exemption from the application of the diligence provisions as of January 1, 2021. This would have the effect of striking all unused state filings and frustrating the purpose for the filings. EID opposed SB 474 and Reeb Government Relations quickly reached out to other area of origin interests to generate opposition to the bill. ACWA joined the District in opposition.

El Dorado County is considered an 'area of origin' for purposes of California water right laws. The area of origin laws are a set of legislative enactments that are intended to provide assurances to areas where water originates that their water supply needs will be protected from impacts of exporting water out of the area of origin. The county has the most state filings in place today.

SB 474 would unnecessarily create significant uncertainty in the law regarding area of origin protections under the County of Origin Law of 1931. That law was enacted in response to the passage of legislation in 1927 that authorized the State of California to file applications to use unappropriated water as part of general water resources developments—later the Central Valley Project and the State Water Project. Such developments were being planned to export major amounts of water from areas of abundance in Northern California and the Sierra Nevada Mountain Range to the San Joaquin Valley and Southern California. The purpose of the 1931 law and the others cited herein was to reserve to areas of origin an undefined preferential right to future water needs.

The 1931 law is tied to so-called 'state filings' that reserve significant amounts of unappropriated water for the development of major statewide projects. The purpose of the County of Origin Law was to ensure that the use of the state filings would not deprive the county of origin of water necessary for the development of the county. Section 10505 of the Water Code only applies to applications filed by the State of California; the county of origin provisions do not apply to water rights that are not based on the assignment or release of a state filing. This has proven to be of critical importance to El Dorado Irrigation District as the geographical region covered by the District does not have access to aquifers and lies between 450 and 4,000 feet in elevation—well above the floor of the Sacramento Valley. The surface water that originates within the District's boundaries is the primary source of water available to the District. Such is the case for water purveyors located on most of the entirety of the western slope of the mountain range.

By eliminating the due diligence exemption provided under Section 10500, SB 474 would create significant uncertainty as to the appropriate mechanism by which applicants in the counties of origin could realize the promises of County of Origin Law—to preserve and give priority to water necessary for the development of the county. This would occur due to the potential lapse of the state filings and the resulting loss of the senior position provided by the state filings, the first of which carry a 1927 priority date, under the state's appropriative rights system (first in time, first in use).

District General Counsel Brian Poulsen was invited by Senator Stern to join a select group of attorneys to explore the ramifications of the legislation and to determine if changes to existing law were desirable. The group held a number of discussions and e-mail exchanges. In the end, Senator Stern decided against pursuing SB 474 this year, but the legislation could be introduced again in the future.

District Successfully Fights Back Against Proposed New Mandates

Much of the District's advocacy effort each year is expended on opposing legislation that would impose new mandates on the District—mandates that would not improve the level of service provided by EID, would not reduce the burden of regulation, and would not lower the cost of providing service. Instead, such legislation would add to the cost of operating the District and maintaining its assets without providing meaningful benefit to its customers and taxpayers. Four such bills introduced this year were AB 60 and AB 1415 by Assembly Member Laura Friedman (D-Glendale); AB 1736 by Assembly Member Tom Daly (D-Anaheim); and, SB 166 by Senator Scott Wiener (D-San Francisco). All four were opposed by EID and all four failed to be enacted into law.

AB 60 was a reintroduction of AB 3206 from 2018. Natural Resources Defense Council was the sponsor of the bill. The legislation would require the State Energy Resources Conservation and Development Commission to adopt regulations setting standards for the accuracy of residential water meters. The bill would prohibit any water meter manufactured on or after the effective date of those regulations from being sold or offered for sale in the state, or installed by a water purveyor, unless it is certified by the manufacturer to be in compliance with those standards. Notwithstanding these provisions, the bill would require the regulations to include an exception for purchase of a noncompliant water meter pursuant to a contract entered into before January 1, 2020, and the subsequent installation of that water meter. The bill would allow a water purveyor to maintain water meters that are installed as of the effective date of the regulations, or pursuant to that exception, until the end of their useful service, as determined by the water purveyor.

EID opposed AB 60 arguing that here is no reason for legislation except to supplant sound industry practice for a bureaucratic exercise that is better focused on reducing the wasteful, uneconomic, inefficient and unnecessary consumption of energy. Urban retail water suppliers throughout California like the District rely on the American Water Works Association (AWWA) for standards and practices relating to water meters, other equipment and operating and maintaining a public water system. AB 60 was held on the Assembly Appropriations Committee Suspense File.

AB 1415 would require the Department of Water Resources to impose a civil penalty on an entity that fails to file with the department a specified report or plan by the deadline required for that particular report or plan. This civil penalty authority applied to: (1) A report that summarizes aggregated farm-gate delivery data; (2) A water loss audit report; (3) An urban water management plan or plan update; (4) An annual water shortage assessment report; (5) Any report or plan, including a groundwater sustainability plan, required to be provided to the department pursuant to the Sustainable Groundwater Management Act ; (6) An agricultural water management plan or plan update; and (7) A report on the implementation and enforcement of the model water efficient landscape ordinance. The bill would authorize the department to reduce or waive the civil penalty under certain circumstances. Natural Resources Defense Council was the sponsor of the bill. AB 1415 would require the

department, not later than February 1, 2021, and not later than February 1 each year thereafter, to prepare and submit a report to the Speaker of the Assembly and the President pro Tempore of the Senate listing each entity that, during the preceding calendar year, failed to timely file a report or plan subject to the civil penalties imposed by this bill.

EID opposed AB 1415, arguing against the imposition of new state civil penalties on political subdivisions of the state for what often amounts to a data reporting deadline. Certainly, the District argued, a more collaborative approach is warranted when an unfunded state mandated program is imposed on local agencies. The number of reports included in the bill was narrowed based on EID opposition following passage of the bill in its first policy committee hearing. Ultimately, AB 1415 cleared the Assembly, but was held on the Senate Appropriations Committee Suspense File.

AB 1736, as amended, would require a local agency with an internet website, to post, within 24 hours of determining the lowest bid, the name of the successful bidder, the amount of the successful bidder's bid, and the names of listed subcontractors and their subcontract amounts.

In general, AB 1736 would impose strict time constraints and administrative burdens on local agencies. It was not clear what benefit this bill would provide, or what problem it sought to address. The first concern with the bill--aside that it creates yet another new state mandate--is the phrase "determining the lowest bid." This was nebulous at best. EID took an opposed unless amended position on the bill, seeking amendments to require posting following award of the contract, similar to the language relied on under existing provisions of law. There is no "successful bidder" until there is an award of the contract. The second concern with this bill was the 24-hour posting requirement deadline, which is burdensome, particularly for smaller agencies with fewer staff. Moreover, is the 24-hour requirement within the actual time that a particular award is approved at a Board meeting, or when that meeting as a whole is completed? This could be an important distinction for lengthy board meetings with multiple items and multiple contracts on the agenda.

Finally, there is no practical way for a local agency to comply with the proposed requirement to include the subcontract amounts for each subcontractor. While local agencies would have the names of the "listed subcontractors," they currently do not require the subcontract amounts to be disclosed. Reeb Government Relations secured amendments to the bill in April to simply require a local agency to create and maintain policies for notifying successful and unsuccessful bidders of an awarded contract within a reasonable timeframe, and to include such policies in the local agency's request for proposals or bid solicitations. EID removed its opposition to the bill. Later in the year, however, the bill was again amended by the author, unraveling the agreed upon language with EID, and instead to require a policy for notifying the apparent low bidder, and the subcontractors listed by the apparent low bidder, within a reasonable time after the bid opening.

EID was the lone opponent to AB 1736 at this point in the legislative session. Entreaties by Reeb Government Relations to amend the bill back to the agreed upon language were rebuffed. The bill passed the Senate and the Assembly on a concurrence vote. EID wrote the Governor to ask him to return the bill to the Assembly without his signature. AB 1736 was vetoed by Governor Newsom on October 13.

SB 166 would require the State Water Board, in consultation with the State Department of Public Health, Food and Drug Branch, to adopt regulations for microbiological, chemical, and physical water

quality and treatment requirements for voluntary onsite treatment and reuse of process water in breweries. The bill would require, before beginning onsite process water reuse, a brewery engaging in onsite reuse using a process water treatment system to consult with the water and wastewater service providers in its service area that would potentially be impacted by operation of the system. The bill would authorize breweries to install and operate onsite process water treatment systems even if a local jurisdiction has not established a program for onsite treated nonpotable water systems.

EID owns and operates recycled water production and distribution systems that were made possible by the expenditure of revenues derived from customer rates. Allowing a brewery—or any other significant industrial or commercial discharge—to adopt a program for onsite treated nonpotable water systems could reduce wastewater flows into the community sewer system and reduce the amount of recycled water that is produced. This would have the effect of reducing the revenues relied on to pay for the recycled water infrastructure, and potentially strand a percentage of the invested physical capacity of that infrastructure. A reduction in the quantity of recycled water produced would also require the District to substitute potable water for the reduction in recycled water, which is contrary to state law and policy. EID was the sole opponent to SB 166. The District sought an amendment to the bill that mirrored the amendment added to SB 966 by the same author last year. AB 166 made its way to the Assembly Appropriations Committee—the same committee that adopted the District’s SB 966 amendment last year. AB 166 was held on the Committee’s Suspense File.

District Remains Active on the Legislative Front

The District actively monitored or engaged in direct lobbying on over 66 bills this year. The following highlights a handful of other bills in which the District was active.

Accessory dwelling units: development fees

Several bills were introduced this year relating to the construction of accessory dwelling units following the enactment of similar laws over the past four years. ACWA and its members have engaged in hours of negotiations with authors and housing proponents and had previously on more than one occasion reached agreement as to the manner in which accessory dwelling units (ADUs) will be addressed by utility service providers. ACWA and EID reached a compromise with ADU advocates that property-related fees and charges would not be imposed on a unit that is contained within the existing space of a single-family residence or accessory structure. However existing law allows a local agency to require a new or separate utility connection directly between an ADU and the utility where the ADU is not within the existing space of a single-family residence or accessory structure. Consistent with Section 66013 of the Government Code, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit and reflect the reasonable cost of providing service, which reflects the requirements of Proposition 218.

Senate Bill 13, by Senator Bob Wieckowski (D-Fremont), sought to eviscerate the compromise reached in 2017 by prohibiting a local agency, special district, or water corporation from considering the ADU to be a new residential use for utilities, including water and sewer service. EID opposed the measure reminding legislators that Proposition 218 prohibits a local agency from shifting costs that cannot be collected from ADUs to other customers and development projects. Stable and predictable revenues are relied on to build capacity in water and sewer systems and to operate, maintain, repair

and replace water and sewer facilities. Relieving ADUs from paying their fair share of costs related to utility service will harm the financial position of local agency utility service providers.

The bill was amended on July 1 addressing the District's concerns with the bill by restoring the authority of utilities to charge connection fees and capacity charges. EID removed its opposition to the bill based on this amendment.

Governor Newsom signed SB 13 into law on October 9. (Chapter No. 653, Statutes of 2019)

Accessory dwelling units: area designation

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on *criteria that includes, but is not limited to*, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

AB 881, by Assembly Member Richard Bloom (D-Santa Monica) would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety by deleting the phrase "criteria that includes, but is not limited to". This legislation also clarifies the phrase "within the existing space of a single family residence or accessory structure" so that the ADU would be within an existing structure, including, but not limited to, the primary residence, a studio, garage, pool house, or other similar structure. Reeb Government Relations, in reviewing the legislation, noted that existing law authorized cities and counties to change land use zoning to accommodate ADUs and determine whether adequate water and sewer capacity was present to support the zoning change. The lobbying firm developed a solution to those localities in which a special district provides the water and sewer services. EID staff authorized a support if amended position on the bill if the bill was amended to include a sentence at the end of subparagraph (A) of paragraph (1) f subdivision (a) of Section 65852.2 of the Government Code to read:

"A local agency that does not provide water or sewer services shall consult with the local service provider regarding adequacy of service before designating an area where accessory dwelling units may be permitted."

EID understands the benefit zoning for accessory dwelling units (ADUs) may provide in the effort to ensure an adequate supply of affordable housing. In general, however, water pipelines, tanks, pump stations, pressure reducing stations and appurtenances have been sized to handle the demand on the system based on existing areas zoned to allow single-family or multifamily use. Water system capacity is based on peak hour demand, the maximum daily demand plus fire flow, and storage tank refill, if required. The addition of a significant number of ADUs within an existing residential area could result in water system pressure loss and jeopardize the ability to fight structure fires.

The bill was amended on August 12 to include the language requested by the District. By adding this sentence to the bill, AB 881 ensures that cities and counties that do not provide water and wastewater services will have practical information when making ADU zoning designations.

Governor Newsom signed AB 881 into law on October 9. (Chapter No. 659, Statutes of 2019)

Public utilities: wildfires and employee protection

The California Constitution establishes the Public Utilities Commission (CPUC or Commission) and authorizes the commission to exercise ratemaking and rulemaking authority over all public utilities under its jurisdiction, subject to control by the Legislature. The Public Utilities Act authorizes the commission to supervise and regulate every public utility and to do all things that are necessary and convenient in the exercise of such power and jurisdiction. The Public Utilities Act defines “public utility” to include every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof, and “water corporation” to include every corporation or person owning, controlling, operating, or managing any water system for compensation within this State.

AB 1054, by Assembly Member Chris Holden (D-Pasadena), which as introduce sought to add specific qualifications that must be possessed by the chief internal auditor of the California Public Utilities Commission (CPUC) was gutted and amended on June 27 to expand the CPUC’s jurisdiction over publicly owned water utilities and water districts. More specifically, Section 5, subdivision (f) of the June 27 amended bill version authorized the Wildfire Safety Division, which will be established within the CPUC, to *“review, as necessary, in coordination with the California Wildfire Safety Advisory Board and necessary commission staff, safety requirements for infrastructure operated by telephone corporations, water corporations, local public owned water utilities, and water districts, and provide recommendations to the commission to address the dynamic risk of climate change to mitigate wildfire risk.”*

EID quickly voiced its opposition to the inclusion of publicly owned water utilities and water districts into subdivision (f) of Section 5 of the bill as the District does not support giving the CPUC oversight authority over their safety requirements. The District argued that under current law local agencies are overseen by a directly elected board of directors who are accountable to their local taxpayers and ratepayers. Local agencies are not regulated by CPUC and AB 1056 should not alter existing law regarding this fundamental separation between the regulation of water corporations and local agencies.

EID removed its opposition to the bill based on the July 5, 2019 amended version which deleted from the bill references to local publicly owned water utilities and water districts.

The bill needed a two-thirds vote to pass. AB 1054 passed the Senate on July 8 with a 31-7 vote, and the Assembly on a 63-10 vote on July 11. Governor Newsom signed AB 1054 into law on July 12. (Chapter No. 79, Statutes of 2019)

California Environmental, Public Health, and Workers Defense Act of 2019

Legislation that threatened water supply reliability for millions of Californians and jeopardized efforts to improve the environmental health of the Sacramento and San Joaquin River watersheds remained active in the final weeks of the legislative session.

SB 1, authored by Senate President pro Tem Toni Atkins (D-San Diego), sought to enact state law to codify not only federal statutes and regulations, but individual permit conditions and decade old biological opinions governing water project operations in the Sacramento-San Joaquin Delta. Opponents of the legislation, including El Dorado Irrigation District, argued that SB 1, if enacted, would create chaos in California water management and could prevent the Newsom Administration from using the best available science to improve conditions for at-risk fish species in the Delta under the Porter-Cologne Water Quality Control Act, the California Endangered Species Act, and other state environmental laws.

EID was concerned about a provision in SB 1 that threatened progress to implement voluntary agreements to provide additional river flows and fund new habitat and ecosystem restoration efforts. The California Natural Resources Agency is leading the effort to negotiate voluntary agreements among water agencies, state and federal agencies, and environmental groups. The goal of these agreements is to improve habitat and flows for fish in the Delta while maintaining water supply reliability for Southern California, the Bay Area, and Central Valley agriculture. The agreements are premised on using science to adaptively manage the watershed over time, and require funds from the State Water Project and other water users to support the science and habitat activities. If successful, these agreements would be historic putting an end to conflict in the Delta and provide new funding and water to meet the watershed's environmental needs. EID joined other organizations and individual water districts across California in opposing SB 1 unless the provision of the bill was removed.

Despite opposition efforts, SB 1 cleared both houses of the legislature on the final night of the legislative session. EID and others asked the Governor to veto SB 1, and on September 27, Governor Newsom returned SB 1 to the Senate without his signature. In his veto message, the Governor stated:

“This bill would enact the California Environmental, Public Health, and Workers Defense Act of 2019 with the intent of ensuring that protections afforded under federal environmental and labor laws and regulations as of January 2017, could remain in place in the event of federal regulatory changes. California is a leader in the fight for resource, environmental, and worker protections. Since 2017, the federal government has repeatedly tried to override and invalidate those protections, and each time, the state has aggressively countered - taking immediate legal action and deploying every tool at the state's disposal to safeguard our natural resources, environmental protections and workers. No other state has fought harder to defeat Trump's environmental policies, and that will continue to be the case. While I disagree about the efficacy and necessity of Senate Bill 1, I look forward to working with the Legislature in our shared fight against the weakening of California's environmental and worker protections.”

Potable Reuse and Recycled Water

The District supported two bills this year as a member of WateReuse Association, California Chapter. The first was AB 292 by Assembly Member Bill Quirk (D-Hayward) and the second was AB 1180 by Assembly Member Friedman.

Existing law requires the State Water Board to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation. Existing law defines “direct potable reuse” and “indirect potable reuse for groundwater recharge” for these purposes. AB 292 would eliminate the definition of “direct potable reuse” and instead would substitute the term “groundwater augmentation” for “indirect potable reuse for groundwater recharge” in these definitions. The bill would revise the definition of “treated drinking water augmentation.” The bill would require, on or before December 31, 2023, the state board to adopt uniform water recycling criteria for raw water augmentation. AB 292 passed the Assembly, but was placed on the Senate Inactive File when the author and sponsor were unable to reach a final agreement on language with the State Water Board.

The California Safe Drinking Water Act requires the State Water Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law requires the board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook. AB 1180 would require that handbook to include provisions for the use of a swivel or changeover device to supply potable water to a dual-plumbed system during an interruption in recycled water service. AB 1180 was signed into law by Governor Newsom (Chapter 455, Statutes of 2019)

Retention of E-Mail as a Public Record

AB 1184 by Assembly Member Todd Gloria (D-San Diego) attracted significant opposition from local agencies and their statewide organizations this year.

The California Public Records Act (CPRA) requires a public agency to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public’s business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record that is transmitted by electronic mail.

Opponents of AB 1184, including EID, contended that retention will prove costly but, because the provision in the legislation was placed in the CPRA, these costs will not be reimbursed as a state mandate. Opponents contended that CPRA already creates burdens on public agencies in terms of staff time responding to requests. Given the volume of electronic mail generated, opponents argued, a mandatory retention period of two years would place even greater burdens on agencies in terms of reviewing and identifying relevant e-mail.

AB 1184 passed both houses of the legislature, but Governor Newsom vetoed the measure on October 13, 2019. The Governor wrote in his veto message: “This bill does not strike the appropriate balance between the benefits of greater transparency through the public’s access to public records,

and the burdens of a dramatic increase in records-retention requirements, including associated personnel and data management costs to taxpayer(s).”

EID an Effective Advocate on Behalf of its Taxpayers and Customers

This completes the 15th year of a commitment on the part of the EID Board of Directors to aggressively pursue advocacy efforts in the State Capitol relying on Reeb Government Relations to be its voice.

The District remains active in battling legislation that would impose new costs on the District and its taxpayers and ratepayers without providing measurable benefits. The District alternatively supports legislation that will assist it in holding down costs, whether they may be new administrative or operational mandates. The District board and staff were very active in the legislative arena this year, participating with Reeb Government Relations in meetings with legislators and legislative staff, as well as communicating directly with the District’s legislative delegation. Assembly Members Kevin Kiley and Frank Bigelow and newly-elected Senator Brian Dahle were all very attentive to communications on behalf of the District and proved to vote according to District positions the vast majority of the time.

The nearly three-fourths majority held by the Democratic Party has changed the political and policy dynamics in the California Legislature. While it remains possible with diligent effort to defeat contentious legislation, it falls to securing amendments more often than not to blunt the negative effects of legislation. Governor Newsom, a self-avowed progressive, demonstrated a willingness to push back against the Legislature on a number of bills this year, which provides some hope that common sense consideration and evaluation of the impact of legislation may be expected.

The District commits significant time and resources to policy engagement in Sacramento. Our firm continues to believe the level of commitment is not only warranted, but essential to protecting the District, its customers and taxpayers against the whims of legislators who believe in greater centralization of control over water supply and management.

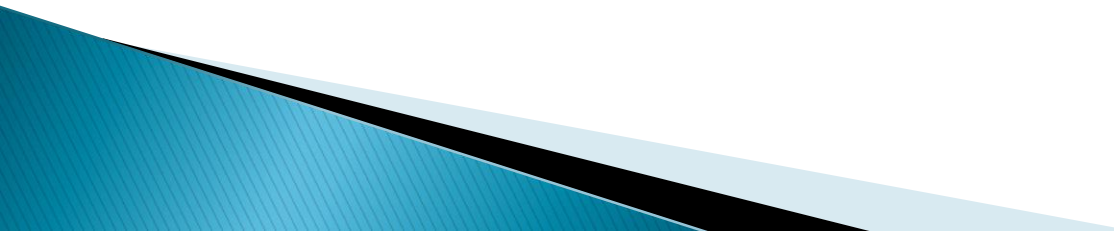
Annual Legislative Report

Reeb Government Relations, LLC

October 28, 2019



Information Item – Summary

- ▶ Board of Directors takes positions on State legislation that affect District interests
 - ▶ Reeb Government Relations has served as District legislative advocate for > 15 years
 - ▶ Reeb Government Relations prepared 2019 Annual Report for presentation to the Board
- 

State Budget & Legislative Trends

- ▶ Budget Highlights
- ▶ Legislative Trends
- ▶ Governor Newsom



Successful Battle Over Water Tax

- ▶ Issue of appropriate funding source for safe and affordable drinking water
 - Budget Trailer Bill
 - AB 134
 - AB 217
 - SB 669
 - SB 200



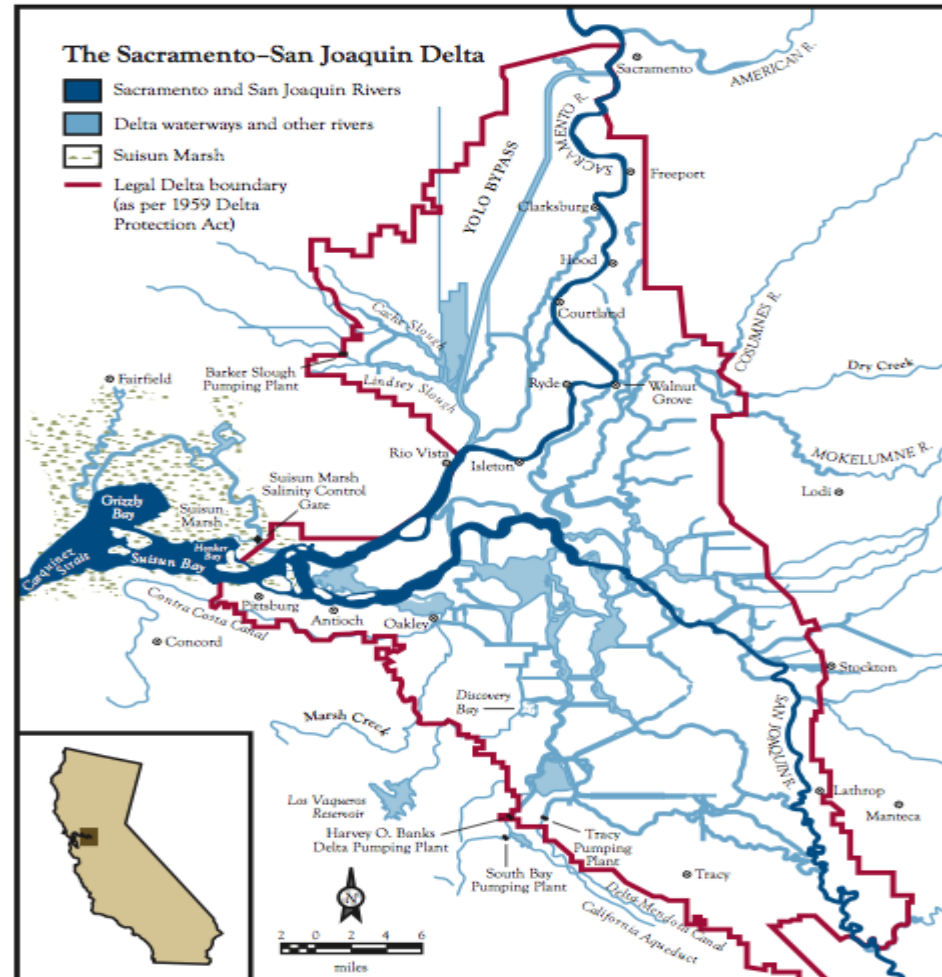
Defending Area of Origin Rights

- ▶ SB 474



Ongoing Efforts Regarding Sacramento–San Joaquin Delta

▶ SB 1



Questions?

