

Regular Meeting of the Board of Directors

NOTE SPECIAL MEETING LOCATION

**Don Pedro High School, Multipurpose Room
3090 Merced Falls Rd
LaGrange, CA 95329**

July 18th, 2016, at 1:00 p.m.

Mission Statement: *The Lake Don Pedro CSD is dedicated to providing our customers with ample quantities of high quality water meeting all standards, in a fiscally responsible manner.*

AGENDA

1. CALL TO ORDER: Presiding Officer: Establish Quorum, Pledge of Allegiance:

2. PUBLIC COMMENT:

Any person may address the Board at this time on any matter within the jurisdiction of the Board that is NOT ON THE AGENDA. A maximum of **three minutes** is allowed each person and a maximum of 20 minutes per topic. Any person wishing to address the Board on an item ON THE AGENDA will be given the opportunity at that time. Speakers are encouraged to consult District Management or Directors prior to agenda preparation regarding any District matters, as no action will be taken on non-agenda issues.

3. PRESENTATION ONLY:

- a. Presiding Officer's Report
- b. General Manager's Report: Peter J. Kampa
- c. Chief Plant Operator's Report: R. Gilgo

4. APPROVAL OF CONSENT AGENDA: The following items may all be approved in one motion or considered separately as determined appropriate by the President

- a. Read and file the June 2016 Treasurer's Report
- b. Approval of the Minutes – Finance Committee Meeting of June 20, 2016 and Regular Board Meeting June 20, 2016

5. DISCUSSION AND ACTION ITEMS:

- a. Discussion and Action Regarding the District Organizational Chart, Personnel Responsibilities and Position Requirements
- b. Adoption of a Resolution Approving a Revised Policy on Employee Benefits including Medical, Dental and Vision and Eligibility Therefore
- c. Adoption of a Resolution Approving Revisions to Personnel Policies Regarding Work Hours and Schedules, Overtime Pay, Standby Duty, Meals and Rest Periods, Salary and Merit Reviews, Use of Timeclocks, Cell Phones, Attendance and District Vehicles

5. DISCUSSION AND ACTION ITEMS, CON'T:

- d. Review of 2015 Proposition 84 Integrated Regional Water Management Implementation Grant from the Department of Water Resources, and Report on the Process and Schedule for Implementation of:
 - i. Grant Agreement Administration
 - ii. Emergency Groundwater Well Project
 - iii. Regional Water Use Efficiency Project
 - iv. Water Service Line Replacement Project
- e. Adoption of a Resolution Approving a New Policy on District Financial Reserves

6. DIRECTORS COMMENTS:

Any Director may address the Board on any item of interest that is within the subject matter and jurisdiction of the District. Generally, no discussion or comment by other Board members should be expected on non-agenda items, except to properly place the matter on a future agenda for review, discussion or action as appropriate.

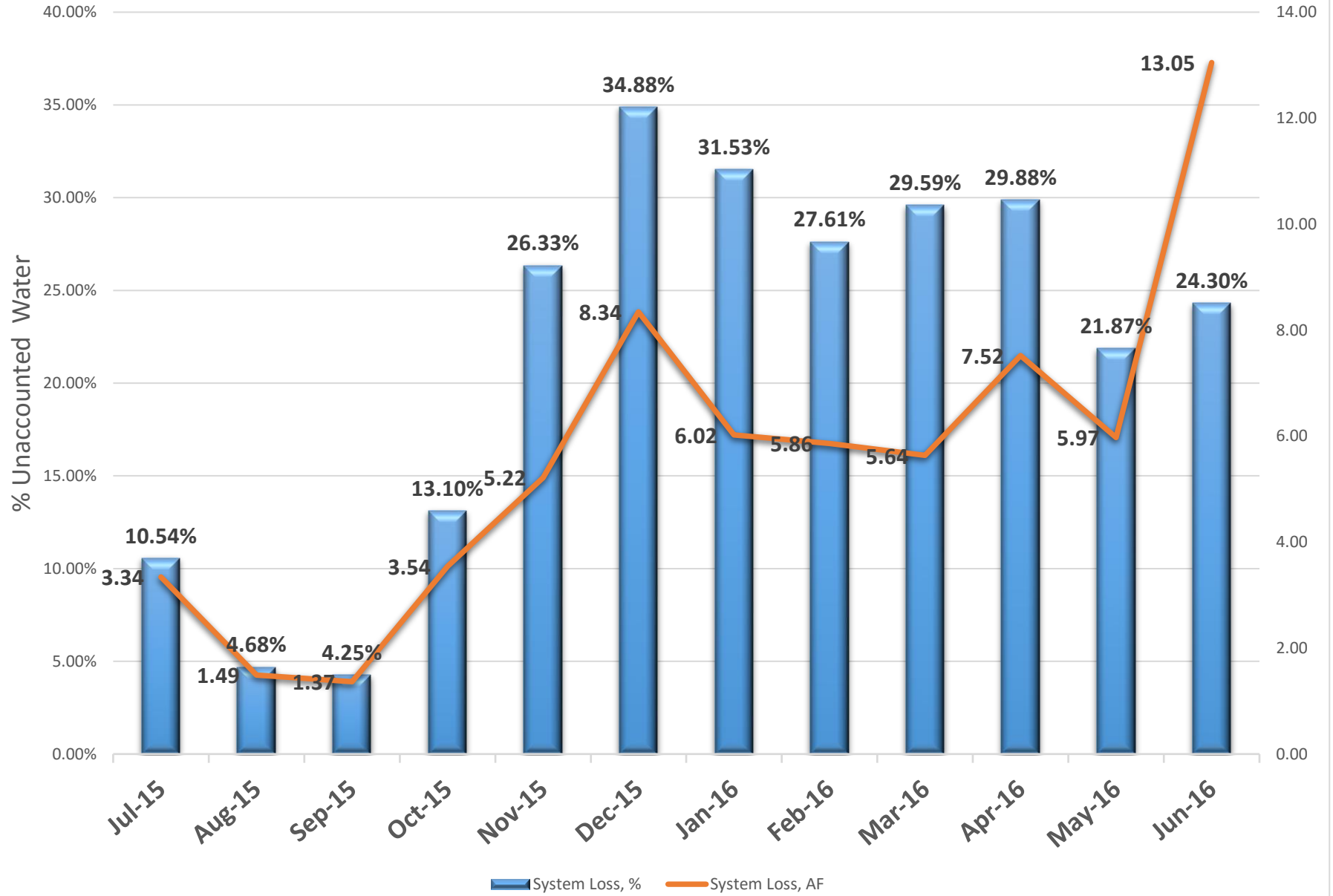
7. ADJOURNMENT:

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy viewed at the District office, 9751 Merced Falls Rd., La Grange, CA 95329 during business hours or mailed pursuant to a written request and payment of associated mailing fees
- An electronic copy received by email. Note - a form requesting email delivery of agendas and/or meeting materials must be completed a minimum of one week in advance of the meeting
- Viewed on the Board page of the District's website
- A limited number of copies of agenda materials will also be available at the meeting

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the LDPCSD Board Secretary at (209) 852-2251 Ext. 2. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

Loss Report June 2016





Lake Don Pedro Community Services District General Manager's Report

July 18, 2016

1 Report Overview

I am pleased to present this report of the management activities for the period of June 20 through July 18, 2016. This report summarizes the activities of management which both drive the efforts of District staff on a daily basis, but also populates items on the Board's agenda. A detailed quarterly Strategic Plan Update Report will be provided in August 2016.

Included with this report are also leak reports covering recent months for both the raw and treated water systems. A vehicle maintenance program memo is also included wherein the vehicle responsibilities have been developed and delegated to the Operations Supervisor for full implementation.

The majority of the management efforts throughout this period was contained within budget development and implementation, completing the well project administration as well as preparing the reports and items for this meeting agenda.

2 Management and Administration

Communications

- During public comment for the past year we have heard over and over how the cost of a District Controller would be \$30,000 to \$50,000. I have attached a page from the recent CSDA salary survey report, that evaluates the salary of controllers in special districts in the Sierra and all other regions of the state, by budget amount, number of employees and district type. You will see that the cost of a controller is much higher than presented to the Board. One could say that we can find a recent college grad and pay them less, but after full training and several years with the CSD, their salary will need to be close to the amount presented in the report, or we could be a revolving training door for entry level controllers. Staff is not recommending the hiring of a controller at this time.
- The new district website is fully operational and is being enhanced by the day with the addition of file archives and miscellaneous relevant information about the District.
- On the website topic, a director has asked for water quality data to be presented on the District website, and to date staff has chosen to make simple statements regarding water supply quality as meeting all state standards, rather than posting very difficult to read and understand testing results. The sampling of the wells does reveal levels of iron, manganese and arsenic over the detection limit for reporting; but understand that these contaminants are removed in the full treatment process. No mercury or other heavy metals were found in the well water.

Staff recommends posting only the annual water quality report, rather than alarming unknowing customers of contaminants that do not exist in the drinking water.

- **Dollar Store** – During the last Board meeting the issue came up of the District providing an approval for a new Dollar Store to connect to the water system. We do not approve a connection to the system until a property owner submits a service application to the District, which the Dollar Store has not. When a project such as this store is planned, the County in which the project is located typically circulates a land development application to the District for our review and comment. In this case, the county is looking to determine “if” the store is approved through the planning process, “can” the District provide service. The short answer is that we can provide service, and in the event there was not enough available water supply for the store, we would respond accordingly to the county planning department, and the county may require that the project work with the District to find a source of water supply, in which case we may require that they drill new wells and dedicate them to the District, or some other means of generating water. They are required to connect to the District water system if approved by the county.
- **Customer service survey** – we continue to receive results to the survey, and will do one last effort at the Special Board meeting to receive input, at which time we will call and end to the survey, present the final results, and set off to repeat the survey in the future to determine customer outreach progress.
- **DWR IRWMP Grant** – A significant amount of time was spent negotiating with the state on the final project scope of work and budget, presented in this Board packet.
- **Water Supply** – After hitting a high elevation of 789.48 on June 13, 2016, the current Lake level sits just below 790 feet above sea level. We expect the lake to once again drop below our pumps this fall. The new groundwater wells will fill the water supply need in the event of water drop below minimum pool.
- **Intake pump startup** – In June our District Engineer and a mechanical consultant attended the startup of the fixed lake pumps. One pump started and ran well following several glitches, but the second pump appears to be at dead short, meaning the motor is dead or the pump is frozen, or both. The second pump does not work at all. District Engineer Binkley is preparing a memo to the Board providing a description of the event and problems, an recommending that we replace the entire pump columns, down to 610 feet above sea level, rather than replacing the single dead pump. Although this will be a much more expensive project than pump replacement alone, the timing will be right to complete the work this winter, we hope.
- **Groundwater Well Status** - Construction is complete except for final SCADA programming, and staff is currently planning a very public ribbon cutting to celebrate the new water supply, and invite/thank the state funding agencies. We are currently planning the press event/ribbon cutting on August 12, 2016 or August 15, 2016 before the Board meeting.
- **Ranchito Well** – We have not yet been able to schedule the well pump removal to evaluate the condition of the well casing and pump. We expect this project to occur in August.

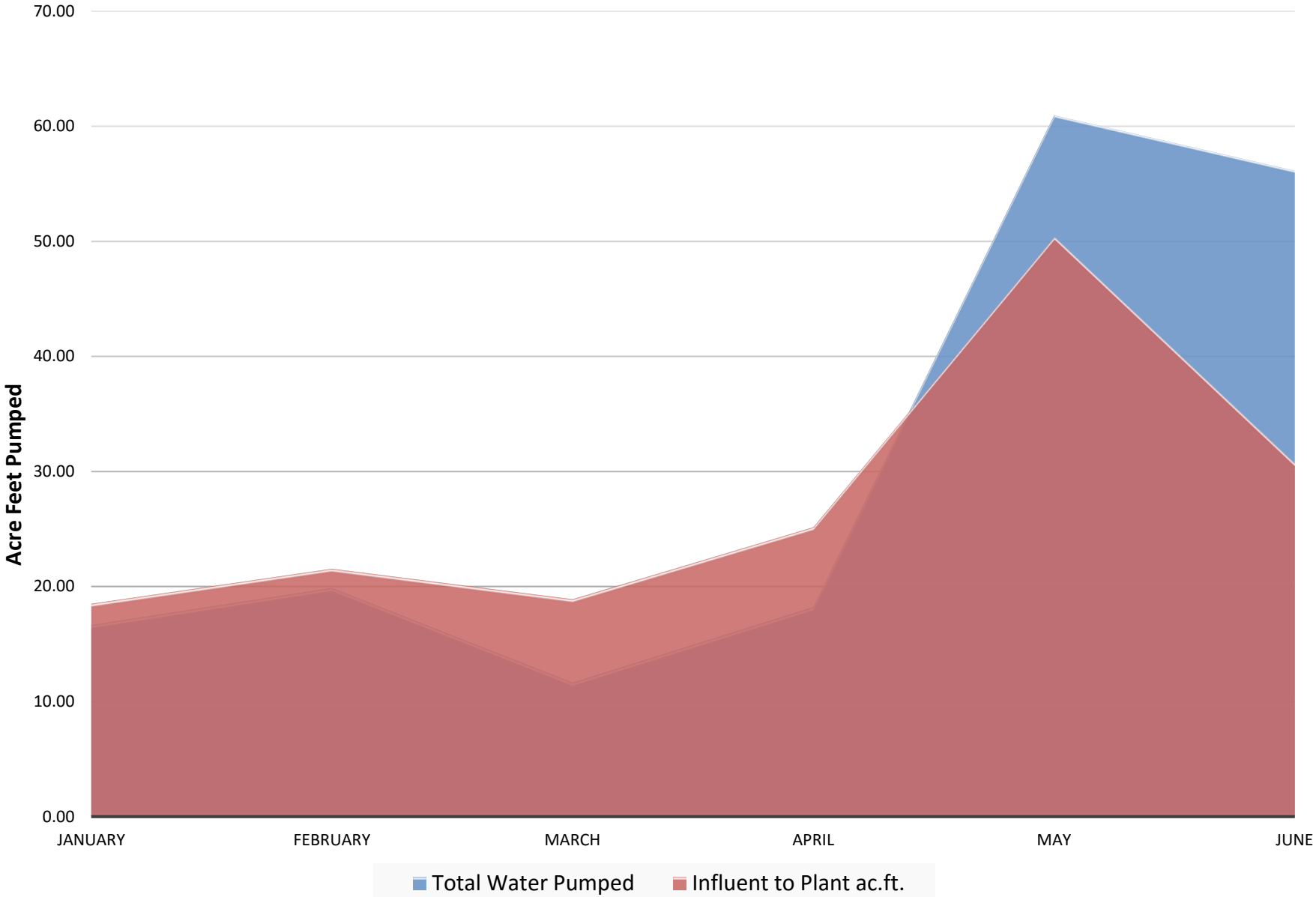
3 Finance

- **Project Grants and Reimbursements** –Please note that we have over \$230,000 in approved reimbursement requests in to the state, and expect payment any time. We are currently preparing our third and final reimbursement requests to the DWR and State Water Board programs. A box of project files has been delivered to USDA for review and we expect their response soon regarding our first reimbursement request.

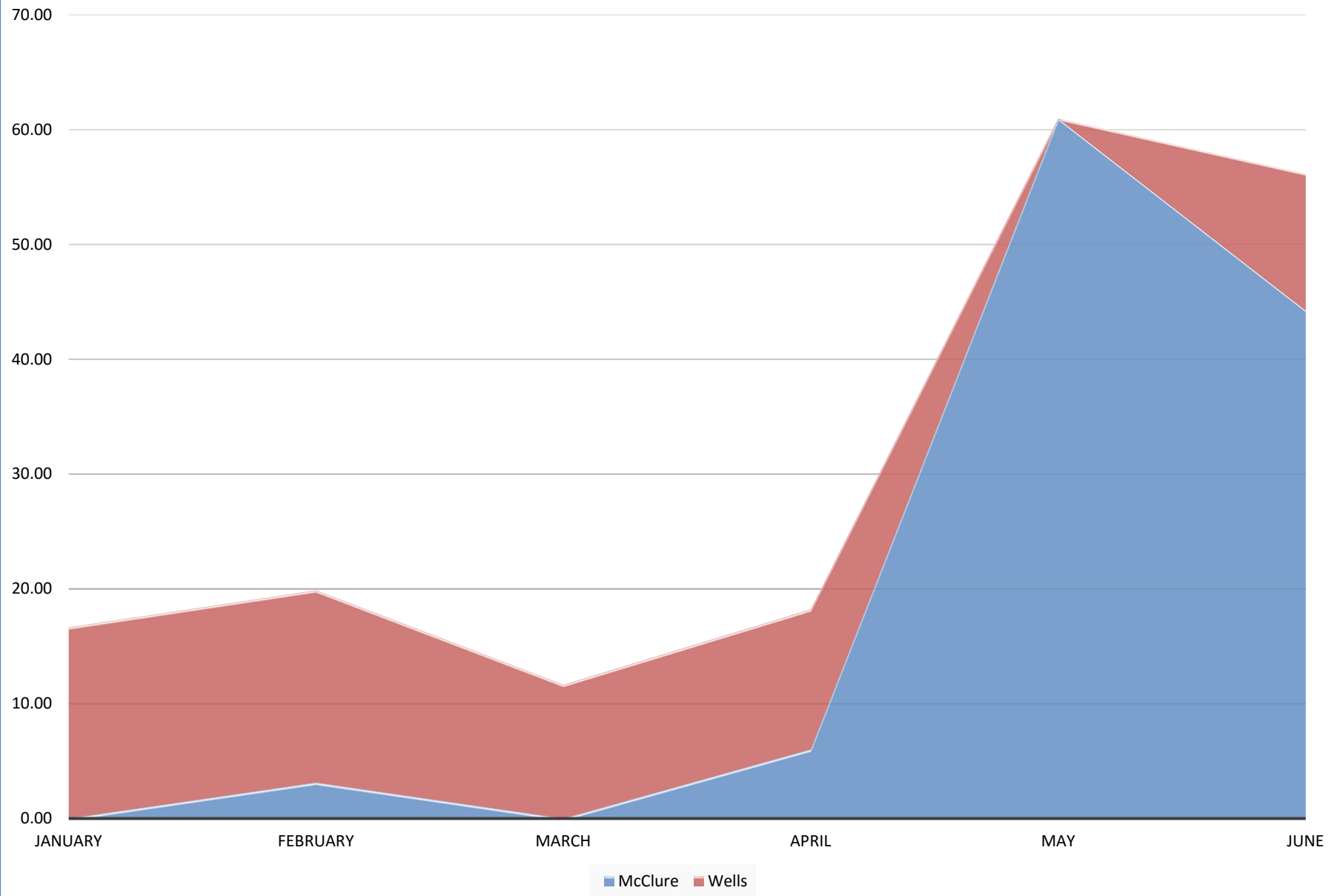
4 Infrastructure and Operations

- **System Water losses** – The written loss reports for both raw and treated water are included with this report. On the raw water, you will see next month that the leak repair has reduced water losses significantly and in treated water we are still hovering around the 30% loss factor, which will be seriously reduced following the service line project.

Raw Water Loss 2016



Raw Water Pumped





**LAKE DON PEDRO
COMMUNITY
SERVICES DISTRICT**

President

Danny Johnson

Vice President

Dan Hankemeir

Directors

Emery Ross
James Sult
Russ Warren

General Manager

Peter Kampa

Office Supervisor

Syndie Marchiesiello

Operations Supervisor

Randy Gilgo

Mailing Address:

9751 Merced Falls Rd
La Grange, CA 95329

Phone: (209) 852-2331

FAX: (209) 852-2261

www.ldpcsd.org

MEMO

Subject: Vehicle Maintenance Program Implementation

Date: July 15, 2016

To: Randy Gilgo

From: Peter J. Kampa

Please find attached hereto a comprehensive vehicle maintenance program that covers everything from required driver inspections, to maintenance of records and completion of repairs. You are responsible to ensure that the program is fully implemented and effective; including development of an annual budget for vehicle replacements, repairs and supplies.

As you will see, our employees will be required to perform some routine work such as vehicle inspections, documentation and cleaning; while the majority of the vehicle maintenance and all of the repairs will be completed by qualified mechanics.

Please provide me copies of the vehicle inventory and initial inspection forms so that I have a baseline understanding, and keep me informed of any issues or problems in program implementation. Please provide a copy of this program and the new District vehicle use policy to the staff, and provide the level of training needed. Please let me know if you want me as part of the initial training, and we can schedule.



Key Staff Salaries

Controller / CFO / Finance Manager

Job Description: Directs and controls the District's financial, accounting, and treasury activities; prepares a wide variety of detailed and analytical accounting, statistical, and narrative reports necessary for fiscal review; provides management and the Board of Directors with expertise in the areas of fiscal planning and control, accounting, budgeting, and investing public funds; supervises the daily work activities within accounting/bookkeeping including accounts payable, accounts receivable, cash receipts, payroll, and general ledger; prepares monthly financial statements; reconciles accounts; prepares special reports and analyses as required.

	Responses	Annual Salary		Average Salary Range		Average	
		Average	Median	Low	High	Years in Current Position	Number of Staff Supervised
All Respondents	137	117,160	112,996	96,705	128,233	6	4
CSDA Networks							
Northern	8	77,059	79,927	53,442	74,009	4	3
Sierra	21	107,468	94,776	88,378	115,190	4	4
Bay Area	26	125,369	109,840	118,588	152,397	6	3
Central	10	103,208	113,566	94,022	131,750	4	4
Coastal	25	112,322	110,000	91,772	121,628	6	4
Southern	47	129,317	128,400	100,188	134,361	6	4
Number of Full-Time Equivalent Employees							
2 or fewer	5	63,524	58,308	46,839	63,423	4	2
3 to 5	2	73,280	73,280	51,800	85,600	6	2
6 to 10	9	60,241	57,350	54,378	79,388	4	3
11 to 20	16	102,875	103,532	84,907	115,161	7	3
21 to 50	51	111,341	110,000	88,331	115,530	5	4
51 to 100	23	125,296	122,825	105,182	131,556	8	3
More than 100	31	156,076	159,531	125,684	169,974	5	4
Population or Customers Served							
5,000 or fewer	19	88,375	80,000	70,785	102,132	4	3
5,001 to 10,000	8	110,827	111,398	100,299	130,428	9	4
10,001 to 25,000	19	106,533	107,688	90,550	117,135	4	4
25,001 to 50,000	17	106,164	110,000	78,706	105,921	7	4
50,001 to 100,000	29	125,815	128,606	112,263	143,327	5	4
100,001 to 250,000	17	125,654	116,334	97,161	128,605	5	4
More than 250,000	28	138,269	122,280	108,210	145,773	7	3

A "-" indicates no data.

"Responses" refers to the number providing actual annual salaries. Salary range, years in current position, and number of staff supervised may have a different number of responses.



Key Staff Salaries

Controller / CFO / Finance Manager (continued)

	Responses	Annual Salary		Average Salary Range		Average	
		Average	Median	Low	High	Years in Current Position	Number of Staff Supervised
Operating Revenue							
\$250,000 or less	7	99,606	125,270	79,520	113,203	5	4
\$250,001 to \$500,000	3	91,440	101,525	75,820	93,911	1	2
\$500,001 to \$1 million	3	59,276	55,000	52,749	69,069	7	6
\$1 million to \$2.5 million	8	63,446	64,480	61,596	80,108	5	3
\$2.5 million to \$5 million	11	87,172	88,121	70,351	98,857	6	2
\$5 million to \$10 million	37	103,284	101,560	89,565	116,026	6	4
\$10 million to \$25 million	36	123,076	124,089	101,131	130,294	6	3
\$25 million to \$50 million	15	143,667	152,464	111,534	141,571	6	4
More than \$50 million	17	178,105	185,848	134,307	189,963	4	4
District Type							
Airport	2	95,152	95,152	84,747	110,050	6	2
AQMD/Air Pollution Control	4	111,531	118,323	89,624	119,157	4	3
Cemetery	-	-	-	22,300	40,000	-	-
Community Services/Improvement	10	84,448	79,954	78,130	103,151	4	4
Drainage	1	107,688	107,688	84,372	107,688	-	3
Flood Control/Levee	1	119,002	119,002	88,790	119,002	-	1
Harbor/Port	6	121,909	101,516	93,314	126,496	6	3
Healthcare/Hospital	3	93,362	101,560	106,559	149,178	5	7
Irrigation	10	129,240	121,312	92,048	166,414	6	3
Library	4	86,051	73,050	77,456	95,510	10	5
Memorial	-	-	-	-	-	-	-
Mosquito & Vector Control	6	106,987	106,850	84,743	106,381	9	3
Fire/Police Protection	12	114,591	117,635	107,796	128,303	4	2
Reclamation	1	148,616	148,616	110,843	148,616	6	2
Recreation & Park	12	96,875	93,585	81,921	102,934	6	3
Resource Conservation	5	56,983	55,000	52,950	87,478	4	4
Sanitary/Sanitation	15	125,915	120,952	104,530	137,250	6	3
Transit	3	152,841	137,592	97,508	127,073	10	5
Utility	3	158,085	156,051	141,497	180,731	9	4
Water	39	134,888	133,152	107,452	143,419	5	4

A "-" indicates no data.

"Responses" refers to the number providing actual annual salaries. Salary range, years in current position, and number of staff supervised may have a different number of responses.

MID OUTSIDE PLACE OF USE METERED PROPERTIES
2016

Account #	Customer	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
1 5004	DOSCHER	0	0	0	0	0	0	0	0	0	0	0	0	0
2 5009	DOSCHER (BOAT STOR)	10	8	7	9	8	9	6						
3 5057	COBARRUBIA	2	0	0	0	0	1	12						
4 5188	PARSONS	0	0	0	1	0	2	0						
5 100771	HILLS	x	x	x	x	x	x	x						
6 5443	CARPENTER	19	0	7	8	8	2	16						
7 5444	ELEM. SCHOOL	22	22	29	26	62	87	93						
8 5470	SHEPHERD	12	14	10	14	12	13	40						
9 5477	(AT&T)	0	1	0	0	1	0	1						
10 5481	C.D.F.	8	7	6	5	5	10	17						
11 101328	HALL	3	4	4	6	7	10	15						
12 5695	OLIVER	0	1	1	1	4	0	6						
13 101662	ROSEMIRE	12	9	11	7	20	27	42						
14 5754	ARTMAN	6	10	9	5	8	8	14						
15 5908	CLARK	2	0	0	0	6	7	12						
16 5910	DANIELSEN	4	3	5	3	5	7	10						
17 5927	ARNDT	0	0	1	0	0	0	0						
18 100237	HENDERSON	14	12	12	11	12	15	55						
19 5980	LAWSON	5	4	5	4	6	8	64						
20 101770	LAWSON (RENTAL)	6	4	4	4	4	4	6						
21 101815	BOWDEN	10	10	15	12	10	13	34						
22 6026	PONZO	0	0	0	0	0	0	0						
23 101143	MARTIN	x	x	x	x	x	x	x						
24 101333	KELLER	0	0	3	3	6	0	0						
25 6237	DUMAS	15	6	6	5	5	7	11						
26 6238	ROSS	10	6	3	0	7	2	7						
27 6245	ROSS	41	5	9	3	5	16	43						
28 100687	Bozsik	20	18	16	12	14	22	40						
29 101072	*KENNER	0	4	5	5	12	0	13						
30 6259	*STONE	4	3	5	5	5	12	12						
31 100872	BURLARLEY	8	7	6	4	5	6	13						
32 100181	RAYHER	7	6	6	5	12	10	12						
33 101248	WALKER	0	0	0	50	69	65	72						
34 101803	KELLER	0	0	0	0	0	0	0						
100473	TOTAL													
35	D P WASTE WTR	2	148	12	27	24	24	30						
TOTAL UNITS (CCF)	TOTAL UNITS (CCF)	242	312	197	235	342	387	696	0	0	0	1033	0	0
TOTAL ACRE FEET	TOTAL ACRE FEET	0.556	0.716	0.452	0.539	0.785	0.888	1.598	0.000	0.000	0.000	2.371	0.000	0.000

Lake Don Pedro Community Services District

Regular Meeting of July 19th, 2016

AGENDA SUPPORTING DATA

4. APPROVAL OF CONSENT AGENDA: The following items may all be approved in one motion or considered separately as determined appropriate by the President

- a. Read and file the June 2016 Treasurer's Report
- b. Approval of the Minutes – Finance Committee Meeting of June 20, 2016 Regular Board Meeting June 20, 2016

Recommended Motion

Staff recommends the following motion:

I move to approve the Consent Agenda as presented.

Background

The consent agenda contains the June Treasurer's Report and two sets of meeting minutes for June 2016. If there are any questions or concerns related to these items, please contact staff.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Treasurer's Report

Reporting Period: June 2016

The district ended the month of June 2016 with the following balances in our accounts:

* All bank accounts verified against bank statements

Restricted:		
Investment - LAIF	\$	162,675
Total Restricted:		<u>\$ 162,675</u>
Unrestricted:		
Checking	\$	83,499
Money Market - Working Capital	\$	377,945
Petty Cash	\$	<u>125</u>
Total Unrestricted:		<u>\$ 461,569</u>
Total Restricted & Unrestricted:		<u>\$ 624,244</u>

The district ended June 2016 with the following amounts affecting our financial status:

	Jun-2016	Year to Date
Sales & Business Revenue:	\$ 130,372	\$ 1,366,036
Total Operating Expenses:	\$ (100,029)	\$ (1,009,928)
Non-Operating Income/Expense:	\$ (2,159)	\$ (180,653)
Water Drought Income/Expense:	\$ 75,038	\$ (427,521)
Change in Net Assets (P&L):	\$ 103,222	\$ (252,066)
Net Cash Flow:	\$ 11,838	\$ (666,111)

Accounts Receivable:

Billing Time Frame	Utility Billing	Availability Billing	A/R Other	A/R Accrue	A/R Water Drought Reimb
Current	\$ 26,834	\$ -	\$ 74	\$ 112,309	\$ 78,538
> 30 Days	\$ (57)	\$ -	\$ -	\$ -	\$ -
> 60 Days	\$ 6,029	\$ -	\$ 58	\$ -	\$ -
> 90 Days	\$ 1,736	\$ -	\$ 16	\$ -	\$ 152,208
> 120 Days	\$ 6,575	\$ -	\$ 5,250	\$ -	\$ -
Credits	\$ (8,966)				
Total	\$ 32,151	\$ -	\$ 5,398	\$ 112,309	\$ 230,746
Total Combined	\$ 144,460		\$ 5,398		\$ 230,746
 G/L Balance	 \$ 144,460		 \$ 5,398		 \$ 230,746
Difference	\$ -		\$ -		\$ -

* Amount of availability payments received: \$0

* Amount of availability payments outstanding: \$0

Accounts Payables:

Payable Time Frame	A/P Trade	A/P Accruals	A/P Water Accrual
Current	\$ 26,369	\$ -	\$ 8,376
> 30 Days	\$ -	\$ -	\$ 9,529
> 60 Days	\$ -	\$ -	\$ 1,139
> 90 Days	\$ -	\$ -	\$ 591
Credits	\$ -	\$ -	\$ -
Total	\$ 26,369	\$ -	\$ 19,635
 G/L Balance	 \$ 26,369	 \$ -	 \$ 19,635
Difference	\$0	\$0	\$0

Name Title Date

**Statement of Revenues and Expenses (P&L)
June 2016 & Year-To-Date Versus 6/30/16 Budget**

	Jun-16	June vs Budget %	2015-2016 YTD	YTD vs Budget %	2015-2016 Prop. Budget	Remaining Budget	
Revenue							
01-0-3010-301	Meter Reconnection Fee	-	0.00%	-	0.00%	1,000	1,000
01-0-3010-302	Donated Capital - Meters Curre	15,000	100.00%	25,000	166.67%	15,000	(10,000)
01-0-4010-400	Water Sales Residential	32,748	14.55%	222,578	98.92%	225,000	2,422
01-0-4010-402	Water Availability Revenue	15,794	8.31%	189,199	99.58%	190,000	801
01-0-4010-403	Water Service Charges	78,481	8.35%	939,469	99.94%	940,000	531
01-0-4020-410	Interest Income - LAIF	-	0.00%	583	166.57%	350	(233)
01-0-4020-413	Int Inc Penalties - Customer	1,691	7.69%	21,464	97.56%	22,000	536
01-0-4020-414	Transfer Fee Income	850	11.33%	7,000	93.33%	7,500	500
01-0-4020-415	Other Income	125	0.86%	3,055	21.07%	14,500	11,445
01-0-4020-416	Meter Set Fee	2,500	62.50%	6,500	162.50%	4,000	(2,500)
01-0-4020-417	Interest Income Guaranty Fed	11	3.61%	135	45.05%	300	165
01-0-4020-901	Hydrant Rental	-	0.00%	-	0.00%	100	100
01-0-4020-902	Hydrant Consumption	-	0.00%	-	0.00%	700	700
01-0-4020-999	Avail Fee Income	-	0.00%	1,290	99.23%	1,300	10
01-0-4040-100	Lease Fee	900	4.17%	18,000	83.33%	21,600	3,600
01-0-4050-575	Office Fire Reimbursement	-	0.00%	-	0.00%	32,000	32,000
	Transfer From Reserve					44,499	
TOTAL REVENUE	148,099	9.74%	1,434,274	94.37%	1,519,849	85,575	
Expenses							
01-1-5010-100	Regular Pay - Plant	9,802	7.87%	117,300	94.22%	124,500	7,200
01-1-5010-101	Overtime Pay	1,378	6.89%	17,167	85.84%	20,000	2,833
01-1-5010-102	Sick Pay	-	0.00%	5,106	100.12%	5,100	(6)
01-1-5010-104	Vacation Pay	215	2.98%	9,224	128.11%	7,200	(2,024)
01-1-5010-105	Holiday Pay	466	6.38%	6,653	91.13%	7,300	647
01-1-5010-200	PERS	1,164	10.75%	10,595	97.90%	10,822	227
01-1-5010-201	FICA/Medicare	907	7.23%	12,438	99.08%	12,554	116
01-1-5010-202	SUI	-	0.00%	1,302	100.00%	1,302	-
01-1-5010-203	Health Insurance	3,895	8.78%	45,750	103.12%	44,364	(1,386)
01-1-5010-204	Workers Compensation	503	5.42%	6,835	73.72%	9,272	2,437
01-1-5010-206	Dental Insurance	390	8.34%	4,682	100.05%	4,680	(2)
01-1-5010-207	Vision Care	-	0.00%	-	0.00%	300	300
01-1-5010-546	Travel, Meetings & Mileage	-	0.00%	38	3.85%	1,000	962
01-1-5020-501	Lease Of Equipment	-	0.00%	1,755	175.50%	1,000	(755)
01-1-5020-510	Repair & Maintenance - Plant	251	1.17%	13,987	65.36%	21,400	7,413
01-1-5020-511	Repair & Maintenance - Vehicle	1,230	9.61%	22,440	175.31%	12,800	(9,640)
01-1-5020-512	Repair & Maintenance - Distribution	3,679	7.83%	60,684	129.11%	47,000	(13,684)
01-1-5020-515	R&M Transmission - Intake	9,381	187.62%	9,381	187.62%	5,000	(4,381)
01-1-5020-518	R&M Transmission - 10" Irrigation	-	0.00%	-	0.00%	2,000	2,000
01-1-5020-520	Small Tools & Equipment	-	0.00%	1,110	22.20%	5,000	3,890
01-1-5020-522	Gas, Oil & Lubricant - Plant	1,488	7.01%	13,639	64.21%	21,240	7,601
01-1-5020-524	Health & Safety	-	0.00%	4,988	83.14%	6,000	1,012
01-1-5020-529	Telephone - T & D	978	18.81%	7,355	141.44%	5,200	(2,155)
01-1-5020-544	Water Testing Fees	1,255	10.12%	11,550	93.15%	12,400	850
01-1-5020-545	Water System Fees	-	0.00%	11,674	62.09%	18,800	7,126
01-1-5020-548	Water Testing Materials	54	7.84%	2,405	349.56%	688	(1,717)
01-1-5021-521	Water Treatment Chemicals	8,157	17.33%	44,785	95.14%	47,075	2,290
01-1-5021-524	P G & E Power - Office	329	14.46%	2,727	119.94%	2,274	(453)
01-1-5021-525	P G & E Power - Intake	9,825	11.08%	62,981	71.05%	88,639	25,658
01-1-5021-526	P G & E Power - Well	24	0.32%	7,604	102.84%	7,394	(210)
01-1-5021-527	P G & E Power - Water Treatment	2,902	8.30%	24,461	69.94%	34,972	10,511
01-1-5021-528	P G & E Power - Distribution	2,605	9.76%	20,531	76.95%	26,680	6,149
01-1-5021-529	P G & E Power - Well 2	352	8.80%	4,215	105.38%	4,000	(215)
01-1-5021-530	P G & E Power - Medina	695	17.39%	3,520	87.99%	4,000	480
01-1-5021-532	P G & E Power - Well 5/6	695	17.39%	3,520	87.99%	4,000	480
01-1-5021-561	Purchased Water Actual-mid-p	8,376	10.35%	53,569	66.22%	80,900	27,331
01-1-5023-533	Outside Services	127	3.84%	3,745	113.49%	3,300	(445)

		June	2015-2016	YTD vs	2015-2016	Remaining	
	Jun-16	vs Budget %	YTD	Budget %	Prop. Budget	Budget	
01-1-5023-535	Fire Protection/Weed Control	-	0.00%	-	0.00%	500	500
01-1-5023-537	Pest Control	32	8.00%	384	96.00%	400	16
01-1-5023-538	Engineering Services	2,765	18.43%	6,038	40.25%	15,000	8,963
01-1-5023-539	Employee Education	250	12.50%	331	16.53%	2,000	1,670
01-1-5024-540	Memberships	-	0.00%	837	418.62%	200	(637)
01-1-5024-541	Subscriptions	-	0.00%	-	0.00%	200	200
01-1-5024-542	Publications	-	0.00%	-	0.00%	500	500
01-1-5024-543	Licenses, Permits & Cert.	214	21.40%	713	71.30%	1,000	287
01-1-5032-583	Depreciation Expense	13,388	8.11%	162,903	98.73%	165,000	2,097
01-2-6010-100	Regular Pay - Administration	5,001	7.00%	70,119	98.21%	71,400	1,281
01-2-6010-101	Overtime Pay	68	1.77%	5,127	132.48%	3,870	(1,257)
01-2-6010-102	Sick Pay	-	0.00%	188	6.78%	2,768	2,580
01-2-6010-104	Vacation Pay	873	28.34%	4,601	149.39%	3,080	(1,521)
01-2-6010-105	Holiday Pay	243	7.97%	3,172	104.08%	3,048	(124)
01-2-6010-200	PERS	556	9.22%	5,468	90.69%	6,030	562
01-2-6010-201	FICA/Medicare	480	7.46%	6,723	104.41%	6,439	(284)
01-2-6010-202	SUI	76	5.82%	1,076	82.63%	1,302	226
01-2-6010-203	Health Insurance	1,656	9.08%	19,189	105.20%	18,240	(949)
01-2-6010-204	Workers Compensation	50	9.09%	676	123.58%	547	(129)
01-2-6010-206	Dental Insurance	159	8.55%	1,911	102.60%	1,863	(48)
01-2-6010-207	Vision Care	-	0.00%	-	0.00%	100	100
01-2-6010-546	Travel, Meetings & Mileage	-	0.00%	109	21.86%	500	391
01-2-6020-512	Propane	-	0.00%	343	34.26%	1,000	657
01-2-6020-515	Customer Billing Supplies	-	0.00%	777	38.87%	2,000	1,223
01-2-6020-529	Telephone - Admin	850	16.99%	4,102	82.05%	5,000	898
01-2-6020-530	Office Supplies	251	10.05%	3,548	141.90%	2,500	(1,048)
01-2-6020-531	Postage	888	10.17%	8,617	98.64%	8,736	119
01-2-6023-531	Computer IT	1,742	8.05%	20,551	95.04%	21,623	1,072
01-2-6023-532	R & M Equipment	-	0.00%	-	0.00%	500	500
01-2-6023-533	Outside Services	8,730	7.40%	113,213	95.94%	118,000	4,787
01-2-6023-535	Office Cleaning Serv	140	8.33%	1,600	95.24%	1,680	80
01-2-6023-536	Legal Services	-	0.00%	27,532	183.55%	15,000	(12,532)
01-2-6023-537	Audit Services	-	0.00%	7,000	100.00%	7,000	-
01-2-6023-539	Employee Education	-	0.00%	-	0.00%	900	900
01-2-6024-540	Memberships	-	0.00%	4,992	166.40%	3,000	(1,992)
01-2-6024-541	Subscriptions	-	0.00%	-	0.00%	300	300
01-2-6024-542	Publications	732	36.61%	1,499	74.97%	2,000	501
01-2-6024-543	Licenses, Permits & Cert.	-	0.00%	-	0.00%	1,000	1,000
01-2-6024-547	County Fees	-	0.00%	668	66.80%	1,000	332
01-2-6024-999	County Avail Fee	-	0.00%	1,310	93.57%	1,400	90
01-3-6025-100	Regular Pay	500	4.17%	7,500	62.50%	12,000	4,500
01-3-6025-201	FICA/Medicare	38	4.17%	574	62.50%	918	344
01-3-6025-202	SUI	-	0.00%	-	0.00%	744	744
01-3-6025-204	Workers Compensation	-	0.00%	-	0.00%	78	78
01-3-6025-546	Travel, Meetings & Mileage	-	0.00%	-	0.00%	2,000	2,000
01-3-6025-550	Board Meeting Expense	-	0.00%	-	0.00%	1,300	1,300
01-3-6025-555	Board Election Expenses	-	0.00%	-	0.00%	3,000	3,000
01-9-6030-569	Credit Card Service Charges	388	7.76%	4,935	98.71%	5,000	65
01-9-6030-571	Bad Debt Expense	-		11,622			
01-9-6030-572	Business Insurance Expense	2,224	7.11%	33,168	105.97%	31,300	(1,868)
01-9-6030-576	Misc Other Expense	40	0.58%	6,000	85.71%	7,000	1,000
01-9-6030-577	Retired Employee Health	2,280	6.15%	26,676	71.90%	37,100	10,424
01-9-6030-580	Retired EE Benefit Expense	-	0.00%	-	0.00%	180,000	180,000
01-9-6031-580	Interest Long Term Debt	3,980	7.85%	49,367	97.37%	50,700	1,333
01-9-6031-581	Pension Expense	-		1,300			
01-9-6032-583	Depreciation Expense	198	5.66%	2,645	75.58%	3,500	855
01-9-6035-575	Office Fire Recovery	-	0.00%	-	0.00%	32,000	32,000
TOTAL EXPENSES		119,915	7.62%	1,258,819	80.01%	1,573,422	314,603

	Jun-16	June vs Budget %	2015-2016 YTD	YTD vs Budget %	2015-2016 Prop. Budget	Remaining Budget
Total Revenue Before Water Drought Activity	148,099	9.74%	1,434,274	94.37%	1,519,849	85,575
Total Expense Before Water Drought Activity	119,915	7.62%	1,258,819	80.01%	1,573,422	314,603
Net Income / (Loss) Before Water Drought Activity	28,183	-52.61%	175,454	-327.51%	(53,573)	(229,027)
Emergency Water Activity						
01-0-4020-418 Well 2 Grant Revenue	78,538	20.59%	306,328	80.30%	381,500	75,172
01-0-4020-419 Medina Well Grant Revenue	-	0.00%	101,665	39.47%	257,600	155,935
01-0-4020-420 Well 3/4 Grant Revenue	-	0.00%	123,013	47.86%	257,000	133,987
01-0-4020-421 Well 5 Grant Revenue	-	0.00%	81,690	24.77%	329,820	248,130
01-0-4020-422 Well 6 Grant Revenue	-	0.00%	-	0.00%	329,820	329,820
01-0-4020-423 Barge Grant Revenue	-	0.00%	60,900	100.00%	60,900	-
TOTAL WATER REVENUE	78,538	4.86%	673,596	41.67%	1,616,640	943,044
01-1-5020-535 Water Supply Emergency 2014	-	0.00%	142,608	679.09%	21,000	(121,608)
01-9-6030-584 Well 2	520	0.13%	236,703	60.27%	392,760	156,057
01-9-6030-585 Medina Well	-	0.00%	394,640	65.78%	599,950	205,310
01-9-6030-586 Well 3/4	-	0.00%	57,951	22.55%	257,000	199,049
01-9-6030-587 Well 5	2,980	0.90%	178,944	54.26%	329,820	150,876
01-9-6030-588 Well 6	-	0.00%	8,577	2.60%	329,820	321,243
01-9-6030-589 Grant Application Services	-	0.00%	79,907	99.88%	80,000	93
01-9-6030-590 NBS rate evaluation	-	0.00%	1,786	3.31%	54,000	52,214
TOTAL EMERGENCY PROJECTS	3,500	0.17%	1,101,117	53.34%	2,064,350	963,233
Net Income / (Loss) From Water Emergency	75,038	-16.76%	(427,521)	95.49%	(447,710)	(20,189)
Total Revenue	226,637	7.23%	2,107,870	67.20%	3,136,489	1,028,619
Total Expense	123,415	3.39%	2,359,936	64.87%	3,637,772	1,277,836
Net Income / (Loss)	103,222	-20.59%	(252,066)	50.28%	(501,283)	(249,217)

* Total income and expenses are different from the Statement of Revenue & Expenses due to how the finance and non-operating income are combined. Net income is identical.

* Bad Debt - invoice available upon request.

* Year to date misc expense includes a \$5,391 CalPers payment to be allocated by auditors FYE 6/30/16.

Recap of water drought related projects to show remaining budget amounts:

Account #	Account	2014-2015 YTD	2015-2016 YTD	Activity from Inception	Total Budget	Remaining Budget
01-9-6030-584	Water Supply Emergency 2014	132,505	142,608	275,113	21,000	(254,113)
01-9-6030-584	Well 2	142,298	236,703	379,001	392,760	13,759
01-9-6030-585	Medina Well	32,328	394,640	426,968	599,950	172,982
01-9-6030-586	Well 3/4	66,152	57,951	124,103	257,000	132,897
01-9-6030-587	Well 5	-	178,944	178,944	329,820	150,876
01-9-6030-588	Well 6	-	8,577	8,577	329,820	321,243
01-9-6030-589	Grant Application Services	-	79,907	79,907	80,000	93
01-9-6030-590	NBS rate evaluation	-	1,786	1,786	54,000	52,214
		373,283	1,101,117	1,474,400	2,064,350	589,950

LDPCSD Financials**Asset :**

Cash and investments
 Restricted cash
 Accts Receivable net of res
 Water Drought Receivable
 Inventory
 Prpd expense & deposits
 Deferred Outflow of Resources

**Statement of Net Assets (Balance Sheet)
 for the month ending June 30, 2016**

\$ 624,244
 \$ -
 \$ 149,858
 \$ 230,746
 \$ 69,931
 \$ 56,055
 \$ 1,112
 Total current assets \$ 1,131,946

Property, plant & equipment
 less depreciation
 C I P

\$ 9,081,656
 \$ (6,665,219)
 \$ 920,956
 Net P P & E \$ 3,337,393

Other L T Assets

Total Assets \$ 4,469,339

Liabilites:

Accounts payable
 Interest payable
 Water Accrual
 Accrued Payroll
 L T debt, current

\$ 26,369
 \$ 13,930
 \$ 19,635
 \$ 35,827
 \$ 72,100
 Total current liab \$ 167,861

L T debt

Post Retirement Benefit
 Net Pension Liability
 Deferred Inflow of Resources
 Muni Loan
 less current above

\$ 830,950
 \$ 188,741
 \$ 56,405
 \$ 965,406
 \$ (72,100)
 Total Liabilites \$ 2,137,263

Net assets

\$ 2,332,076
 Total liab & net ass't \$ 4,469,339

<u>Vendor</u>	<u>Check Amount</u>
000012 AQUA LAB	1,255.00
000025 CHEMCO PRODUCTS COMPANY	8,157.33
000047 LAWSON & SON BACKHOE & GRADIN	1,807.00
000059 MARIPOSA GAZETTE	306.90
000065 KKI CORPORATION	362.50
000076 USPS	446.47
000091 VALERO MARKETING & SUPPLY	121.69
000105 PACIFIC GAS & ELECTRIC	11,684.91
000106 BINKLEY ASSOCIATES, INC	2,765.00
000110 SDRMA Wrk Comp/QTR	6,167.91
000118 D & D PEST CONTROL *	32.00
000120 QUILL CORPORATION	108.66
000121 UNION DEMOCRAT*	425.28
0001226 McCoy Passenger Tire Co	1,623.80
000136 AT&T	1,196.52
000165 ACWA/JPIA	7,830.75
000203 GRISWOLD, LaSALLE, COBB, DOWD	371.25
000299 CALIFORNIA RURAL WATER ASSOC.	684.00
0003221 KAMPA COMMUNITY SOLUTIONS LLC	9,750.00
000383 BUSINESS CARD	3,750.49
000550 LUIS'S HOUSEKEEPING / YARDS	140.00
000555 FEDERAL LICENSING, INC	214.00
000564 TOTAL WASTE SYSTEMS MARIPOSA	126.72
000635 Contractor Compliance And Monitoring Inc	225.00
00071 Mother Lode Answering Service	239.00
00072 Itron Inc	2,762.74
019970 NJIRICH & SON'S INC	21,963.81
10107 HD Supply Water Works, LTD	777.96
660108 VERIZON WIRELESS	392.36
702 Warmerdam CPA Group	2,480.00
991 TWEEDY TIRE SERVICE	50.75
UB*10452 MRS BOONE	35.74
UB*10453 MR/MRS WILLIAM BROWN III	147.94
UB*10454 PAUL & MARCIA URENDA	32.44
UB*10455 MR/MRS LARRY TILLERY	215.44
UB*10456 MIGUEL / LAURA CHACON	91.16
UB*10457 RICHARD DEGENSTEIN, ET/AL	150.00
Report Total:	88,892.52

Regular Meeting Minutes of the Board of Directors

9751 Merced Falls Road
June 20, 2016, at 1:00 p.m.

1. **CALL TO ORDER:** Presiding Officer: Establish Quorum, Pledge of Allegiance:
The Board of Directors of the Lake Don Pedro Community Services District held a regular meeting at 9751 Merced Falls Rd., La Grange, CA 95329.
President Johnson called the meeting to order at 1:01 p.m.
Directors present: Johnson, Hankemeier, Sult, Ross, and Warren
Also present: IGM P. Kampa
Also present: Staff S. Marchesiello
2. **PUBLIC COMMENT:**
Three public members spoke
3. **PRESENTATION ONLY:**
 - a. Presiding Officer's Report
None given at this time
 - b. General Manager's Report: Peter J. Kampa
Presented by GM P. Kampa
 - c. Chief Plant Operator's Report: R. Gilgo
Presented by GM P. Kampa
4. **APPROVAL OF CONSENT AGENDA:** The following items may all be approved in one motion or considered separately as determined appropriate by the President
 - a. Read and file the May 2016 Treasurer's Report
 - b. Approval of the Minutes – Regular Board Meeting May 16, 2016
 - c. Authorize the General Manager to Cast Votes for CSDA 2016 Board Elections

Motion: To approve the consent calendar

Votes: Carried 5-0

First: Hankemeier Second: Ross

Ayes: Hankemeier, Ross, Sult, Warren, and Johnson

Nays: None

OPEN PUBLIC HEARING: 1:49 p.m.

5. PUBLIC HEARING: A Notice of Public Hearing has been published and hearing to be held for the purpose of receiving public input and comment as required for the following revenue collection and budget related items. At the conclusion of the Public Hearing, the Board will consider adoption of Resolutions approving the various actions.

- a. Adoption of a Resolution Approving and Directing the Placement of the Availability Billing and Delinquent Account Balances on the Mariposa and Tuolumne County 2016-2017 Tax Rolls for collection

Motion: To approve item 5a approving adoption of resolution approving and directing the placement of availability billing and delinquent account balances on the Mariposa and Tuolumne County 2016-17 tax rolls for collection

Votes: Carried 5-0

First: Hankemeier Second: Warren

Ayes: Hankemeier, Warren, Ross, Sult, and Johnson

Nays: None

- b. Adoption of a Resolution Approving the Appropriations Limit (Gann Limit) for the District's 2016/17 Fiscal Year Expenditures

No action taken. Information item only

- c. Adoption of a Resolution Approving the District 2016-17 Fiscal Year Salary Schedule

Motion: To approve the Resolution approving the district 2016-17 fiscal year salary salary schedule as written. No merit increases until the board has something to base the criteria on.

Votes: Carried 4-1

First: Johnson Second: Sult

Ayes: Johnson, Sult, Warren, and Ross

Nays: Hankemeier

- d. Adoption of a Resolution Approving the District 2016-17 Fiscal Year budget

Motion: To approve resolution approving the district 2016-17 year budget

Votes: Carried 5-0

First: Hankemeier Second: Warren

Ayes: Hankemeier, Warren, Ross, Sult, and Johnson

Nays: None

CLOSED PUBLIC HEARING: 2:51 p.m.

6. DISCUSSION AND ACTION ITEMS:

- a. Adoption of a Resolution Approving a Revised Policy on Employee Insurance Benefits
- b. Adoption of a Resolution Approving a Revised Policy on Eligibility for Employee Benefits
- c. Discussion and Action Regarding the District Organizational Chart, Personnel Responsibilities and Position Requirements

Point of Order by Director Ross to postpone items 6 a, b, &c until July meeting and no hiring of additional employees

Consensus of the Board agreed

7. DIRECTORS COMMENTS:

Director Warren – Commented that he thought the district should have a community meeting.

8. ADJOURNMENT: 2:52 p.m.

Respectfully submitted by,

*S. Marchesiello
Board Secretary*

Finance Committee Meeting Minutes

9751 Merced Falls Road
June 20, 2016, at 10:00 p.m.

The Finance Committee of the Lake Don Pedro Community Services District held a finance Committee meeting at 9751 Merced Falls Rd., La Grange, CA 95329. at 10:00 p.m.

Directors present: Hankemeier, and Warren

Also present: IGM P. Kampa

Also present: Staff S. Marchesiello

1. Review of the draft Budget for Fiscal Year 2016/2017

The finance committee and the GM met. The items discussed were, the budget and performance for the last several years, connection and reconnection fees, retiree health benefits, operating expense, expected to receive reimbursements at the beginning of the new fiscal year, cost of \$721,287 for the raw water line replacement will not come from our customers, service line replacement will be bid out, capital improvement projects.

The committee agreed to recommend to the Board of Directors to approve the 2016-/2017 budget.

2. ADJOURNMENT: 12:03 p.m.

Respectfully submitted by,

S. Marchesiello
Board Secretary

Lake Don Pedro Community Services District

Regular Meeting of July 18th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- a. Discussion and Action Regarding the District Organizational Chart, Personnel Responsibilities and Position Requirements

Recommended Motion

Staff recommends the following motion:

I move to authorize and direct staff to prepare a policy that further defines the General Manager's role and responsibility as it relates to the development and amendment of district organizational charts and job descriptions, and prepare a revised 2016/17 salary chart for Board consideration.

Background

Staff will provide a presentation during the meeting covering the current organizational chart and various district employment positions and responsibilities. Management has determined that one of the major impediments to the District in advancing its goals and objectives is a lack of understanding of the myriad of responsibilities of operating and maintaining a water treatment and distribution system. The District has historically hired employees to operate and supervise the plant and water system; while at the same time assuming responsibilities for District management that were far more complex than understood by the Board and general public.

California Government Code 61051 states:

The general manager shall be responsible for all of the following:

- (a) The implementation of the policies established by the board of directors for the operation of the district.
- (b) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors.
- (c) The supervision of the district's facilities and services.
- (d) The supervision of the district's finances.

For the District to be successful, the General Manager must be delegated the responsibility to assemble the team of qualified persons necessary to conduct the services efficiently, safely and in compliance with all laws and permits. The General Manager develops the budget for this operation, and proposes fees and charges necessary to accumulate the revenue necessary to fund the staff and operations. Considering this, the GM should have the authority within the Board adopted budget to arrange staff and positions as necessary to achieve the desired results.

Currently, the development of the organizational chart, positions and job descriptions has been a function of the Board, which leaves the GM at a disadvantage in not being able to select the appropriate team; or mix of skills and abilities. There is currently no mid-management leaving the

responsibility of all staff supervision and direction on the GM, which nearly eliminates management time.

Staff recommends that the GM be given the authority to develop the positions necessary to most effectively carry out the District's mission; within the Board established budget limits. Currently, management is strongly considering the need for an Operations Manager and Administrative Services Manager position within the District, and requests that the Board take action to authorize the GM to further define and evaluate this recommendation through the development of Board policies.

Lake Don Pedro Community Services District

Regular Meeting of July 18th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- b. Adoption of a Resolution Approving a Revised Policy on Employee Benefits including Medical, Dental and Vision and Eligibility Therefore

Recommended Motion

Staff recommends that the Board adopt the following motion:

I move to adopt Resolution 2016-XX, a Resolution Approving a Revised Policy on Employee Benefits including Medical, Dental and Vision and Eligibility Therefore

Background

State and/or federal laws govern some of the benefits provided to employees, while others are determined by the LDPCSD Board specifically or governed by a benefit provider. Should there be a discrepancy between the contents of the Board's policy in the Personnel Handbook and a provision of an applicable law, benefit plan or contract, then the law, plan document, or contract will prevail.

All employees should receive information regarding benefits plans during their initial employee orientation. This information includes summary plan descriptions, which are detailed benefit documents. Employees having questions regarding benefit matters should speak with their supervisor or the General Manager. However, not all employees of the District were made clearly aware of the benefits provided.

LDPCSD reserves the right to change, suspend or eliminate any benefit at its sole discretion when conditions warrant and within the confines of applicable law. Benefit changes can only be made by Resolution of the Board of Directors and documented in new or revised policy documents. Employees will receive a full copy of a new or revised Personnel Handbook and shall sign acknowledging its receipt. Employees will be notified of any changes in employee benefit programs at meetings or through memos and will receive a certified copy of any revised policies.

LDPCSD has developed a broad, comprehensive set of employee benefit programs to supplement our employee's regular wages, for the purpose of maintaining a healthy and efficient workforce; and to attract and retain highly productive employees. We are continually investigating new opportunities to improve our present programs as needs arise and budgets permit.

The most recent version of the District's personnel policy, or personnel handbook, was adopted by the Board on February 18, 2014 by means of Resolution 2014-3. The new personnel handbook contained many references to an external set of personnel policies that were originally adopted in 1996, and then amended over the years, occasionally with very little documentation other than meeting minutes. Throughout the past decade there has been numerous occasions where the terms of the external policies were in conflict with the new personnel policy, and made interpretation of the personnel policies difficult for management, the Board and employees. It seemed as though each reader had their own interpretation of the terms and conditions of the policies.

Beginning in 2004 and primarily due to rapidly increasing cost to the District, the Board of Directors began reviewing the insurance benefits provided to employees. At the time, the District paid the cost of medical insurance on behalf of the employee at 100%, and 90% for the spouse. The attached history of insurance benefits document was prepared by staff through review of Board meeting agendas, minutes, staff reports and resolutions. The report shows that the Board had the clear intent in 2005 to cap the cost of medical insurance payments on behalf of employees. The record also shows that the Board considered whether or not to continue providing payment of medical insurance costs for retired employees.

This particular point, Retiree Medical insurance, became the point of controversy and debate for many years after 2005, and the record shows that the Board considered this topic in committee and at the Board as different staff were hired. The District also moved from the CalPERS medical program to the ACWA medical program, which allows more flexibility with regard to the various benefits the District can provide. From 2005 through 2014 when the new Personnel Handbook was adopted, the District continued to pay the same amount toward employee medical insurance and never really had to address the issue of Retiree Medical head-on until the 2015 actuarial valuation, as required by auditing standards GASB 45, included the cost to the District of providing retiree medical insurance to the District's two newest employees.

The new employees had to sign a document acknowledging receipt of the personnel handbook, but in reality, it is doubtful that they were specifically informed whether or not they were eligible for retiree medical insurance. The personnel handbook as written and approved was simply confusing with regard to these benefits, and their applicability to these two employees, we will have a third party firm conduct an independent evaluation to determine whether these employees receive medical insurance paid in retirement, should they continue with the District to that point.

When it comes to the future, a medical insurance policy amendment is needed to clarify the Board's intent to **not** continue to pay the full amount of medical benefits for retirees in the future. The attached revised policy language clarifies this matter and reduced the District's medical insurance payments on behalf of retirees, for employees hired after January 1, 2016. There have been no employees hired since January 1, 2016.

The laws may require that the District pay a minimum amount to allow employees hired post January 1, 2016 to receive the District medical insurance in retirement. The retiree is then responsible for the difference between the District's minimum contribution, and the then current total insurance costs. For CalPERS, the minimum is approximately \$130 per month. If the minimum payment allowed is zero, then the District will pay nothing and the newly hired employee will pay the total cost to continue their medical benefits on retirement. It is likely further Board action may be required by ACWA, our medical insurance administrator, to make the change to create a new tier of employees who do not receive the same retiree medical benefits.

The attached Resolution 2016-XX was drafted to rescind the referenced personnel policies adopted in 2014, and the old external personnel policies, replacing them with the new policy language titled as follows and attached hereto:

EXHIBIT A

Lake Don Pedro CSD Existing Personnel Policies Amended Insurance Provisions July 18, 2016

The amended insurance policy document was developed using the language existing in our 2014 personnel handbook, with proposed deleted language shown in ~~crossed out~~ text and added language shown in underlined text. The language from the old policies that were previously externally

referenced are now included, in part, in the added policy language. The external policies are shown as deleted at the end of the Personnel Policy Sections to be Amended document.

If the Resolution approving the policy amendments is approved, the deleted language will be removed and the underlined language added to each section. In addition, the new policy manual format will list each major policy separately, with each policy listing its adoption date and the date of each of its future amendments. All of the separate personnel policy sections will then be bound into a handbook, and as future policy amendments are made, the old policy will be removed, and new policy added into policy binders.

EXHIBIT A

Lake Don Pedro CSD Existing Personnel Policies Amended Insurance Provisions July 18, 2016

Section 3.9 Insurance

~~The District provides certain health and welfare benefits to full time employees as described herein. Your contribution will be paid through payroll deductions with a signed authorization while employed, and paid by retired employees directly to the insurance carrier/administrator. At your option you may add your eligible dependents to certain areas of this benefit. See Policy and Procedures Manual Policy number 2055 Health and Welfare Benefits for details.~~

Coverage starts the first day of the month following completion of thirty (30) days of continuous employment. A full summary plan description is available from the General Manager.

Eligibility

~~Regular, full time positions of the District are eligible for medical, dental and vision insurance, as well as retirement benefits. Upon completion of one (1) months of employment, all eligible full-time employees may be eligible for coverage by the District's group medical and hospitalization plan. Full time employees working at least 1560 hours in a calendar year shall be eligible for insurance benefits after completing 1000 hours (estimated 6 months) of continuous employment.~~

~~See Policy and Procedure Manual, Policy number 2050, Eligibility for Benefits.~~

~~MEDICAL INSURANCE is provided for eligible employees and retired employees. The District currently covers 100% of the employee's monthly premium and 90% of the employee's dependent monthly premium; Directors are responsible for 100% of their monthly premium.~~

~~Note: Full time employees hired on or before 09/07/2005 will be grand-fathered to maintain the medical coverage offered as of XXXX date after his/her retirement, but cannot add any additional persons that were not already covered on their medical coverage at the time of retirement. For full details see Grandfathered Documents for those employees involved.~~

Medical Insurance - General

~~Upon completion of one (1) month of employment, regular, full time employees become eligible for coverage by the District's group medical and hospitalization insurance plan.~~

~~**Medical Insurance While Employed** – Medical insurance is provided for eligible employees. The scope of coverage, the specific providers, and the payment of premiums may be subject to review and revision by the Board of Directors. The District currently covers 100% of the employee's monthly insurance premium and 90% of the employee's dependent monthly premium; Directors are responsible for 100% of their monthly premium.~~

Medical Insurance Upon Retirement:

Full time employees hired on or before January 1, 2016 – The District shall pay the cost of medical insurance coverage at the level of payment being offered as of the date of his/her retirement, but cannot add any additional persons to the insurance policy that were not already covered on their medical coverage at the time of retirement.

Full time employees hired after January 1, 2016 – The District shall pay the minimum cost of medical insurance as required by applicable law, to maintain coverage for the retired employee only. If the retired employee chooses to maintain the medical insurance provided by the District in retirement, he/she shall be responsible for the cost of the insurance premium, less the minimum payment amount required to be paid by the District.

DENTAL INSURANCE is provided with the District covering 100% of the premium for the employee and dependants. Directors are responsible for 100% of their coverage.

VISION CARE. Upon presentation of valid receipts for eye examinations and/or eyewear purchases, the District will provide a maximum benefit of \$100.00 per family member per calendar year.

RETIREMENT is provided through the Public Employees Retirement System (CalPERS) 2% @ 60. Employee pays the 7% member contribution. To be eligible for service retirement, a member must be at least 50 years old and have five years of CalPERS credited service. If you become a member on or after January 1, 2013, you must be age 52 with five years of credited service.

~~FLEXPLAN-The District provides an incentive program to encourage employees who are thinking about opting out of the District's Medical and Dental Insurance plan by paying them at a rate of 20% of the associated healthcare costs. For medical only, the maximum an employee with a family could collect in lieu of having Medical coverage will be based on 20% of the current cost associated with Anthem CACare HMO Family Plan. Flex plan payments to employees are conducted on the second pay day of each month.~~

EXHIBIT A

PERSONNEL POLICY TO BE DELETED (RESCINDED)

~~POLICY TITLE: Eligibility for Employee Benefits~~

~~POLICY NUMBER: 2050~~

~~ADOPTED:~~

~~2050.10 — Full time employees working at least 1560 hours in a calendar year shall be eligible for all medical, dental and vision insurance benefits after completing 1000 hours (estimated 6 months) of continuous employment.~~

~~2050.20 — Employees are eligible to receive sick, vacation, Holiday and Family Medical Leave in accordance with District policies specific to each of these other leaves.~~

EXHIBIT A
TO BE DELETED (RESCINDED)

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Policy and Procedures Manual

~~POLICY TITLE: — Benefits Package for Hourly~~

~~Associates POLICY NUMBER: 2055~~

~~ADOPTED: — February 22, 2005~~

~~MEDICAL INSURANCE is provided through the California Public Employees Retirement System (CalPERS) for employees and retired employees in accordance with Policy 2050 Eligibility for Employee Benefits and Policy 4035 Directors' Health Insurance. The District currently covers 100% of the employee's coverage and 90% of dependent coverage. Directors are responsible for 100% of their coverage. The amount will be capped, for current employees, at the January 2005 (exhibit A) rates and will be adjusted by consumer price index (CPI) each January, Employees hired after January 2005 will have the amount of benefits capped at the January 2005 Kaiser rate. Increases over the CPI will be the responsibility of the employees and retired employees receiving health coverage.~~

~~DENTAL INSURANCE is provided for with the District covering 100% of the premium for the employee and dependents. Directors are responsible for 100% of their coverage.~~

~~VISION CARE upon presentation of valid receipts for eye examinations and/or eyewear purchases the District will provide a maximum benefit of \$100.00 per family member per calendar year.~~

~~DISABILITY INSURANCE is provided through the state of California Employment Development Department (EDD). Coverage is solely the responsibility of the employee. Current rate is 1.18% to a maximum annual amount of \$812.18.~~

~~RETIREMENT is provided through the Public Employees Retirement System (CalPERS), 2% @ 60, single highest year, with the employee paying the 7% member contribution.~~

~~SOCIAL SECURITY The District employees participate in Social Security paying the mandatory contribution rate of 6.2%, The District matches the contribution at the same rate.~~

~~MEDICARE The District employees participate in Medicare paying the mandatory contribution rate of 1.45%. The District matches the contribution at the same rate.~~

April 18, 2016

History of Health Benefits

- 1.) **2004-3-15:** The board had a health benefits committee and agreed to dissolve it and have the board as a whole review the information during the annual budget process. At this time the District was paying 100% employee portion and 90% for family.
- 2.) **2005-2-22:** The finance committee recommended capping the health benefits. A revision of policy 2050 eligibility of benefits & policy 2055 benefit package for hourly associates was approved by the board. Resolution 2005-1 supported the vote.
- 3.) **2007-4-16:** The GM Bob Kent reported to the board CalPers (the health benefits provider) would not accept resolution 2005-1 due to the problem using different percentages, different rates for employees, retired & directors.
- 4.) **2007-9-27:** The board approved GM Bob Kent's recommendation to "switch" from CalPers health insurance to ACWA at 100 % for employees & 90% for dependents and a committee formed.
- 5.) **2008-10-2:** The board approved of Charise Reeves as financial administrator. When asked about the terms of hire it was stated by a board member she "will not receive the standard benefit package regarding retirement – she is not fully vested after 5 years." There was no policy change for benefits at this time.
- 6.) **2008-10-20:** A memo from Charise Reeves was submitted in the October 20, 2008 packet regarding her benefits. She stated her benefits were paid 100% for her and 90% for family. Benefits began after 30 days instead of the standard 1000 hours worked.
- 7.) **2009-10-13:** The board approved of Jeff Mann to be hired for Interim General Manager with the benefits package that modeled Charise Reeves in 2008. There was no policy change for benefits at this time.
- 8.) **2010-4-8:** The board held a special meeting to review series 2000 policies. The policy numbers had been changed. Eligibility of benefits wording from "at least" to "more than" was changed. And there were questions for Attorney Ray Carlson. Health and welfare benefits were skipped to be reviewed by the long range committee. There was no change in benefits at this time.
- 9.) **2010-11-3:** The board approved to hire Dan Tynan as General Manager. The compensation received included medical and dental benefits. There was no policy change for benefits at this time.
- 10.) **2012-4-20:** The board approved promoting John Turner on an interim basis to the position of Interim General Manager with verification on his certificates from the state and the position within 120 days verify his position, background, and everything, including criminal. Amended to include at the same salary and conditions as Dan Tynan, effective May 1, 2012

11.) 2013-1-11: Item b. - on the agenda was benefits. This item included health care, vacations, retirement programs and other. There was no action taken

Item c. – The item included salary plan and benefits for Interim GM / General Manager Position. The board approved the General Manager will receive 10 holiday days per year, 10 sick days annually and can accumulate up and max out at 30 days, doctors and dentist appointments, medical procedures are deducted from his annual pay cannot have more than 3 years' worth use, vacation is 8.33 per month with maximum of 10 days per year and can accumulate 2x's his annual allocation, health care the District pays the maximum of \$12,000.00 annually to the GM position.

Item d. The board selected Ralph Felix for the position of Inter General Manager. Wages and benefits are within previous District parameters.

12.) 2013-9-30: The board approved Resolution 2013-5 approving the employee handbook. There was an item added for grandfathering in employees hired on or before 9/7/2005. A flex plan was also added.

March 15, 2004

The board had a Health Benefits Committee and agreed to dissolve it and have the board as a whole review the information during the annual budget process.

Note: At this time the District was paying 100% employee portion and 90% for family.



2. **Health Benefits Committee** – Director Gile reported that the Committee did some research on Health Benefit costs for LDPCSD in comparison with several other Agencies. Director Gile further reported that possibly incorporating a percentage point that will run salaries against revenues for budgeting purposes might be helpful in determining costs. Director Gile requested that the Board help to recommend a number. General Manager Kent explained that the District's average is not that far off from other Agencies, if you take into consideration that six (6) out of ten (10) other District's have a higher percentage than LDPCSD. This puts LDPCSD in the lower 30 percentile when it comes to salaries and benefits verses revenue. Director Walz stated that she felt it best to leave the budgeting to General Manager Kent. Director Gile stated that the recommendation be to dissolve the Committee and for the entire Board to review the information as a whole during the annual budget process. The rest of the Board agreed.

3. **Miscellaneous 110 Accounts** – General Manager Kent reported that the miscellaneous accounts are Availability lots that do not pay an Availability fee. Some of these consist of lots that have merged; some belong to the State (Department of Transportation) which are exempt of paying taxes or fees. Others were included upon formation of the District but never charged an Availability fee. **(Discussion)** Director Gile suggested that a letter be sent to each individual owner explaining that if they ever wanted service or to annex to the District that there will be a fee. **(Discussion)** Chairman Collins stated that other than letters being sent, he didn't see the need of any further action at this time.

4. **Scheduling of Evening Meeting** – General Manager Kent reminded the Board of discussion in January 2004 about scheduling an evening meeting. He stated that a date needed to be set if the Board was considering having this meeting in April or May. **(Discussion on the type of meeting to be held; Regular Meeting verses a Special Meeting, etc.)** It was the decision of the Board to hold this meeting as a Regular Meeting of the Board on Monday, May 17, 2004 at 7:00pm. General Manager Kent was instructed to submit a General Agenda announcement to the local newspaper informing the public of the Regular Meeting and that the Board would be hearing Public Comments. The Board did however request that any person wanting to speak at the meeting, please arrive early enough to sign up and give a subject matter. It is also requested that all subject matters specifically pertain to LDPCSD jurisdiction.

5. **Highlights of Director Seminar/Training** - Vice Chairman Duste and Director Walz highlighted on the seminars they attended in Sacramento. They both gave insight and information on many subject matters varying from positive reinforcement for the General Manager, conservation information, how to be an effective leader (as a Member of the Board) and Mission Statements, etc.

February 22, 2005

The Finance Committee recommended capping the health benefits. A revision of Policy 2050 Eligibility of Benefits & Policy 2055 Benefit package for Hourly Associates was approved by the board. Resolution 2005-1 supporting the vote.

Copy of Memo to Jason McCulloch

Regarding Request for Spoiled Soil

Sierra Foothill, Jenkins Hill- Rough preliminary engineering review. Director Gile asked if the District could charge for the General Manager's time. The GM replied that could be done by changing the District Policies.

Plaza by the Lake- A preliminary review from the District's Engineer.

Jon Johnson, Mariposa Planning Subdivision Application APN 001-270-048- Reply to application from General Manager Kent.

Regarding a specific property's right to water from the District covered under the 'Solomon Agreement' between Solomon & Sierra Highlands Water Company.

6. OLD BUSINESS: (Discussion/Action)

A. Reports by Committees

- **MID Committee-** The proposed agreement sent to MID. We are waiting on their response.
- **South Shore/Lakeland LLC Committee-** A rough draft of Policies for Land Secured financing for Lakelands LLC was presented to the Board. A copy was sent to Legal. Director Gile made the recommendation that all Public Land financing require a 4/5th vote for passage. There was no second to his recommendation. General Manager Kent reminded the Board it is still in review by legal counsel.
- **Finance Committee** – The Finance Committee is evaluating some Policies to be submitted in the Long Range Meeting.

B. Appoint a Director to Review Policy & Regulations

Chairman Duste' felt that Agenda items B. & C. can be consolidated to one item. She then appointed Director Walz & Director Snyder to form the Policy & Regulation Committee.

C. Appoint a Policy & Regulations Committee - This is covered under section B. See above.


D. Auditors - General Manager Kent was charged with getting a RFP for the annual audit to present to the Board in the March Meeting.

Director Collins made the motion for General Manager Kent to draft a RFP.

Director Gile seconded the motion.

Unanimous. Motion Carried.

7. NEW BUSINESS: (Discussion/Action)

 **A. Capping Health Benefits** – The Finance Committee recommended capping the health benefits for the employees. A revision of Policy 2050 & 2055 was presented to the Board for their approval.



Director Gile made the motion to accept Policy #2050 & Policy # 2055.

Director Collins seconded the motion.

Ayes, Chairman Duste', Directors Collins & Gile

Opposed, Director Walz

Motion Carried.

B. Consolidating the Election – To save the District of bearing the entire cost of elections for Directors the GM proposed we change our voting to an even year cycle instead of the odd year cycle. This would entail extending each Director's term one year. More information will be presented at a later date when compiled.

8. DIRECTORS COMMENTS: Director Collins- Wanted the position of Chairman to be limited to one year. The Board could then just elect a new Vice Chairman each year & the current Vice would move to the Chair position.

9. ADJOURNMENT: The meeting adjourned at 3:47 pm.

Respectfully submitted by,

Connie Holley
Secretary to the Board of Directors

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

RESOLUTION 2005-1

Resolution Adopting the 2050 & 2055 Policies.

WHEREAS, The Lake Don Pedro Board of Directors having established policies for Benefits Package & Eligibility for Benefits and

WHEREAS, The Lake Don Pedro Board of Directors wishes to define Eligibility for Benefits in an effort to control rising Health Care Costs & to cap Health Care Benefits

THEREFORE they have developed **Policy 2050 & Policy 2055.**

Policy 2050 Eligibility for Benefits.

Policy 2055 Benefit Package for Hourly Associates

Other policies and provisions not expressly revoked, repealed, amended, or modified herein shall remain in full force and effect.

THEREFORE, this resolution was passed and revised Policies 2050 & 2055 were adopted by the Board of Directors of the

Lake Don Pedro Community Services District,

this 22nd day of February, 2005 by the following vote:

AYES: Three (3) Chairman Duste', Vice-Chairman Collins, Director Gile,

NOES: One (1) Director Walz

ABSENT: One (1) Director Snyder

Eleanor Duste', Chairman of the Board

ATTEST:

Connie Holley, Secretary to the Board

CERTIFICATE OF SECRETARY

I, Connie Holley, as the duly appointed Secretary of the Lake Don Pedro Community Services District, do hereby certify that the foregoing Resolution was duly and regularly adopted on the 22nd day of February, 2005 at the Regular Meeting of the Board of Directors.

Connie Holley, Secretary

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Policy and Procedures Manual

POLICY TITLE: Eligibility for Benefits

POLICY NUMBER: 2050


- 2050.1 FULL TIME ASSOCIATES are defined as associates working more than 1560 hours in a calendar year. Full time associates shall be eligible for benefits after completing 1000 hours of service.
- 2050.2 PART TIME ASSOCIATES are defined as associates working less than 1560 hours in a calendar year. Part time associates shall be eligible for benefits after completing 1000 hours of service.
- 2050.3 TEMPORARY ASSOCIATES are defined as associates being employed for a specific time frame or project. Temporary associates are not eligible for benefits.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Policy and Procedures Manual

POLICY TITLE: Benefits Package for Hourly Associates

POLICY NUMBER: 2055

-  2055.1 MEDICAL INSURANCE is provided through the California Public Employees Retirement System (CalPERS) for employees and retired employees in accordance with Policy 2050 Eligibility for Employee Benefits and Policy 4035 Directors' Health Insurance. The District currently covers 100% of the employee's coverage and 90% of dependent coverage. Directors are responsible for 100% of their coverage. The amount will be capped, for current employees, at the January 2005 (exhibit A) rates and will be adjusted by consumer price index (CPI) each January, Employees hired after January 2005 will have the amount of benefits capped at the January 2005 Kaiser rate. Increases over the CPI will be the responsibility of the employees and retired employees receiving health coverage.
- 2055.2 DENTAL INSURANCE is provided for with the District covering 100% of the premium for the employee and dependants. Directors are responsible for 100% of their coverage.
- 2055.3 VISION CARE upon presentation of valid receipts for eye examinations and/or eyewear purchases the District will provide a maximum benefit of \$100.00 per family member per calendar year.
- 2055.4 DISABILITY INSURANCE is provided through the state of California Employment Development Department (EDD). Coverage is solely the responsibility of the employee. Current rate is 1.18% to a maximum annual amount of \$812.18.
- 2055.5 RETIREMENT is provided through the Public Employees Retirement System (CalPERS), 2% @ 60, single highest year, with the employee paying the 7% member contribution.
- 2055.6 SOCIAL SECURITY The District employees participate in Social Security paying the mandatory contribution rate of 6.2%, The District matches the contribution at the same rate.
- 2055.7 MEDICARE The District employees participate in Medicare paying the mandatory contribution rate of 1.45%. The District matches the contribution at the same rate.

Monthly Premiums for Contracting Agencies Other Northern California Region

Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa,
Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou,
Stanislaus, Tehama, Trinity, Tuolumne

Effective Date: 1/1/2005 - 12/31/2005

BASIC MONTHLY RATE (B)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		\$394.26	3031	\$788.52	3032	\$1,025.08	3033
Kaiser		\$362.58	3071	\$725.16	3072	\$942.71	3073
PERS Choice		\$384.38	3221	\$768.76	3222	\$999.39	3223
PERSCare		\$644.48	3271	\$1,288.96	3272	\$1,675.65	3273
PORAC		\$399.00	2071	\$748.00	2072	\$950.00	2073
Western Health Advantage		\$322.47	2821	\$644.94	2822	\$838.42	2823

SUPPLEMENT/MANAGED MEDICARE MONTHLY RATE (SM)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		\$287.78	3131	\$575.56	3132	\$863.34	3133
Kaiser		\$243.22	3171	\$486.44	3172	\$729.66	3173
PERS Choice		\$279.60	3321	\$559.20	3322	\$838.80	3323
PERSCare		\$289.32	3371	\$578.64	3372	\$867.96	3373
PORAC		\$351.00	2081	\$701.00	2082	\$1,049.00	2083
Western Health Advantage		\$280.24	2831	\$560.48	2832	\$840.72	2833

COMBINATION MONTHLY RATE

PLAN	If you are ⇨	Employee in SM 1 Dependent in B	Plan Code	Employee in SM 2+ Dependents in B	Plan Code	Employee & 1 Dependent in SM 1+Dependents in B	Plan Code
Blue Shield		\$682.04	3134	\$918.60	3135	\$812.12	3136
Kaiser		\$605.80	3174	\$823.35	3175	\$703.99	3176
PERS Choice		\$663.98	3324	\$894.61	3325	\$789.83	3326
PERSCare		\$933.80	3374	\$1,320.49	3375	\$965.33	3376
PORAC		\$700.00	2084	\$902.00	2085	\$903.00	2086
Western Health Advantage		\$602.71	2834	\$796.19	2835	\$753.96	2836

PLAN	If you are ⇨	Employee in B 1 Dependent in SM	Plan Code	Employee in B 2+ Dependents in SM	Plan Code	Employee & 1 Dependent in B 1+Dependents in SM	Plan Code
Blue Shield		\$682.04	3137	\$969.82	3138	\$918.60	3139
Kaiser		\$605.80	3177	\$849.02	3178	\$823.35	3179
PERS Choice		\$663.98	3327	\$943.58	3328	\$894.61	3329
PERSCare		\$933.80	3377	\$1,223.12	3378	\$1,320.49	3379
PORAC		\$749.00	2087	\$1,097.00	2088	\$951.00	2089
Western Health Advantage		\$602.71	2837	\$882.95	2838	\$796.19	2839

6/30/04

Monthly Premiums for Contracting Agencies Out of State Region

Effective Date: 1/1/2005 - 12/31/2005

BASIC MONTHLY RATE (B)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		<i>Not Applicable</i>					
Kaiser Out of State		\$475.92	*1	\$951.84	*2	\$1,237.39	*3
PERS Choice		\$402.69	3241	\$805.38	3242	\$1,046.99	3243
PERSCare		\$675.17	3291	\$1,350.34	3292	\$1,755.44	3293
PORAC		\$399.00	2071	\$748.00	2072	\$950.00	2073
Western Health Advantage		<i>Not Applicable</i>					

SUPPLEMENT/MANAGED MEDICARE MONTHLY RATE (SM)

PLAN	If you are ⇨	Employee Only	Plan Code	Employee & 1 Dependent	Plan Code	Employee & 2+ Dependents	Plan Code
Blue Shield		<i>Not Applicable</i>					
Kaiser Out of State		\$260.95	**1	\$521.90	**2	\$782.85	**3
PERS Choice		\$279.60	3341	\$559.20	3342	\$838.80	3343
PERSCare		\$289.32	3391	\$578.64	3392	\$867.96	3393
PORAC		\$351.00	2081	\$701.00	2082	\$1,049.00	2083
Western Health Advantage		<i>Not Applicable</i>					

COMBINATION MONTHLY RATE

PLAN	If you are ⇨	Employee in SM 1 Dependent in B	Plan Code	Employee in SM 2+ Dependents in B	Plan Code	Employee & 1 Dependent in SM 1+Dependents in B	Plan Code
Blue Shield		<i>Not Applicable</i>					
Kaiser Out of State		\$736.87	**4	\$1,022.42	**5	\$807.45	**6
PERS Choice		\$682.29	3344	\$923.90	3345	\$800.81	3346
PERSCare		\$964.49	3394	\$1,369.59	3395	\$983.74	3396
PORAC		\$700.00	2084	\$902.00	2085	\$903.00	2086
Western Health Advantage		<i>Not Applicable</i>					

PLAN	If you are ⇨	Employee in B 1 Dependent in SM	Plan Code	Employee in B 2+ Dependents in SM	Plan Code	Employee & 1 Dependent in B 1+Dependents in SM	Plan Code
Blue Shield		<i>Not Applicable</i>					
Kaiser Out of State		\$736.87	**7	\$997.82	**8	\$1,022.42	**9
PERS Choice		\$682.29	3347	\$961.89	3348	\$923.90	3349
PERSCare		\$964.49	3397	\$1,253.81	3398	\$1,369.59	3399
PORAC		\$749.00	2087	\$1,097.00	2088	\$951.00	2089
Western Health Advantage		<i>Not Applicable</i>					

Kaiser Out-of-State	*Basic	**Supplemental	Kaiser Out-of-State	*Basic	**Supplemental
Colorado	252	253	Mid-Atlantic	265	261
Georgia	245	249	Northwest	219	269
Hawaii	270	214	Ohio	262	263

6/30/04

April 16, 2007

The GM Bob Kent reported to the board CalPers (the health benefits provider) would not accept Resolution 2005-1 due to the problem using different percentages, different rates for employees, retired & directors.

New Business Continued

GM recommended the Directors take the next couple of months to assimilate all this information, as a decision does not need to be made today. Director Gile asked what the possibility is for finding an independent consultant to evaluate and make recommendations to the Board. The secretary was asked to check with Raymond, the District's lawyer and David Aranda, one of CSDA's representative as well as a general manager, to see if they could recommend any consultant.



B. CalPers Contract—When the information for the medical benefits was compiled CalPers was contacted to receive their input. At that time, we were informed they did not have our latest resolution for medical benefit capping on file. After faxing a copy to them, we were told they would not accept this resolution (#2005-1) as presented. This was due to the problem with using percentages and different rates for the employees, retired, & directors. This will need to be addressed later before the next open enrollment.

C. Request for Proposal for Independent Auditor – There is a need to send new RFPs as the current Auditor's contract has expired. The Request for Proposal to be used was submitted to the Board.

D. Plaza by the Lake – Mr. Ullman requested to see the GM to inform him his project is back “on the table”. The GM recommended the Plaza by the Lake Committee be reactivated. President Punte appointed Director Duste' and herself to the committee.

E. Submitting Articles to the Highway Herald – The secretary was asked to check into the feasibility of having District articles published in the Highway Herald. Ms. Seaton (the owner) stated we would need to have our articles in by the 15th of each month in order to have them published by the last Wednesday of each month. Since the Board meetings rarely are held by the 15th as they are the third Monday each month, this would make the articles at least 6 weeks in arrears. No action taken.

8. DIRECTORS COMMENTS: Director Duste' stated she and President Punte have been recycling for a scholarship or good citizen award, and asked this be placed on next month's agenda to have the Board as a unit decide to continue this or not. Director Snyder spoke about an article he had received from Clem Brown from the Concerned Citizens Coalition of Stockton (CCCoS). He stated from his 40 years experience in water there were three companies he had worked for and all had been taken over by the city government and in all three cases the people of the cities asked for the private companies to take over again, after a year or so.

9. ADJOURNMENT: The meeting adjourned at 3:30 p.m.

Respectfully submitted by

Connie Holley

Connie Holley,

Secretary to the LDPCSD Board

Minutes

April 16, 2007

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September 27, 2007

The board approved GM Bob Kent's recommendation to "switch" from CalPers health insurance to ACWA at 100 % for employee & 90 % for dependents and a committee be formed.

**Minutes for the Special Meeting of the
Lake Don Pedro Community Services District
Thursday, September 27, 2007 @ 9:00 a.m.**

1. **CALL TO ORDER:** The Special Meeting of the Lake Don Pedro Community Services District was held Thursday, September 27, 2007 @ 9:00 a.m. in the Director's /Board Room. President Punte called the meeting to order.

BOARD PRESENT:

President Punte
Vice-President Barclay
Director Duste
Director Gile

STAFF PRESENT:

General Manager Kent
Secretary Holley

ABSENT:

Director Snyder (Due to conflict of interest as he is a retiree of the District.)

2. **PUBLIC COMMENT §54954.3:** C. Holley wanted to thank the Board for forming a personnel committee. She said although it was formed in the March meeting, no meetings have been held to set boundaries and parameters. She stated she believed this needs to be done in order for the employees to know they have a vehicle to express their issues and concerns.



3. **BENEFITS PRESENTATION BY GENERAL MANAGER KENT (Discussion/Action)**

General Manager Kent presented the history and to the present of the medical benefits paid for the employees by the District. He explained that according to the information received from CalPers, the capping of the Benefits that was implemented by resolution in 2005 is not acceptable to CalPers. The District needs to make a decision today, on the change necessary for the coming year. One part of the Presentation was to give the Directors another choice for an insurance provider. The District is a member of Associations of California Water Agencies (ACWA), which also supplies insurance, however the premiums are quite a bit less, and if the District switched from CalPers to ACWA it could be a viable short-term fix. See attached presentation. At the close of the presentation, the GM recommended the District switch to ACWA insurance at 100% for the employee and 90% for the dependent as a short-term fix. He then recommended a Committee be formed to look at medical benefits for the long-term. He stated this Committee should consist of the GM, two Board Members, and two employees (one administrative and one field staff). After the Presentation, the employees of the District were given time to address the Directors regarding the medical benefits. Emery Ross stated he would address the Board on behalf of the retirees. He also mentioned GASBE, said it was just a reference for a bond rating, used if the District wanted to use a bond to raise money. He also said the time to withdraw from CalPers was past and the District would have to wait until next year if they decide that is what they want to do. Kim Topie thanked the Board and GM for the opportunity to address the Board on this issue. She stated the benefits were one of the reasons she had wanted to work here. She stressed the importance of water to all, and the relief in knowing that our water is safe. She spoke about the schooling and testing for certification that is necessary for the field staff. She emphasized that one of the greatest assets the District has, is the assurance of its safe drinking water. Dan Syria, he stated this is the first job where he has 'punched a timecard', he has been self-employed most of his life. He said when he was hired, he was told he would have health benefits, now and for retiring, later. He mentioned that the field staff is underpaid by about 8%. He stated that the District could not hire minimum wage earners to fill their positions, as they require certification

and continuous schooling. He said he felt it unfair for the District to pass all the increases on to the employees. Syndie Marchesiello introduced herself and explained her varied duties. She relates directly with the customers, both in person and on the phone. She handles all customer complaints, takes payments daily. Keeps accurate records of all payments received and the deposits made from those payments. She bills the water customers monthly, also those who rent our hydrant meters. She spoke about all the unseen and sometimes unappreciated tasks that go into getting water to our customers. She spoke about being a water consumer and District customer herself, and stated she does not believe the District can afford to have a “revolving door policy” regarding the employees. She mentioned the training needed in all positions both in the field and in the office. She reminded the Directors that their function is to oversee the District and assure it runs in a fiscally responsible way. She stated she did not want to raise rates, but did not want to see any of the services diminish either. She encouraged them to ‘sharpen their collective pencils’ and look for other ways to cut expenditures. Connie Holley, spoke to the Directors about the GM stating the employees are the District’s greatest assets, and asked why would they look at cutting funds there first, if they believe the employees are the District’s greatest assets. She stated she understood why the District needed to look at ways of cutting back on excess spending. Most people are having to cut back, but she encouraged the Directors to look at other avenues first. Dave Tougas spoke about having a family and having to make choices between diapers, formula or medical benefits. He stated he is now working seven days a week, just to be able to make ends meet. Jason McCulloch spoke to the Directors about the time it takes to train new hires in proper procedures. He mentioned how six to eight months ago Columbia had to shut their whole town down, because somebody fixed a leak wrong. He also told them how difficult his job is when there is a leak and you can’t find your workers because they have to take a second job just to be able to pay for medical benefits. He spoke about the loyalty of the workers and how when you work so long together you begin to feel like family. He too mentioned the ‘revolving door policy’ and how it will not work here. There is too much technical details and knowledge needed for the safety of the water system.

Emery Ross asked what is the issue. Are you going to ACWA insurance or cut the benefits? The president answered that is the decision being made today. He then said that where he had worked on the coast, they did not fill a position for a while after it was vacated and used those funds for other purposes, like benefits. He was told this is too small a District to use that as a way to make up the difference. He then said, bottom line, you are just going to have to get creative in finding other ways to fund the benefits.

There was discussion among the Directors after the employees spoke.



Director Duste’ made the motion to accept the General Manager’s recommendation to go with ACWA and form a committee to evaluate long range benefits.

President Punte seconded the motion.

Ayes (3) Directors, Barclay, Duste’ & Punte

Nay (1) Director Gile

Motion Carried

4. **ADJOURNMENT:** The meeting adjourned at 10:30 a.m.

Respectfully submitted by

Connie Holley
Secretary to the Board

October 2, 2008

The board approved of Charise Reeves as financial Administrator. When asked about the terms of hire it was stated by a board member she “will not receive the standard benefit package regarding retirement – she is not fully vested after 5 years.”

There was no policy change for benefits at this time

**Minutes for the Special Meeting of the
Lake Don Pedro Community Services District
Thursday, October 2, 2008 @ 9:00 a.m.**

1. CALL TO ORDER: The Special Meeting of the Lake Don Pedro Community Services District was held Thursday, October 2, 2008 at 9:00 a.m. in the Director's /Board Room. President Punte called the meeting to order.

BOARD PRESENT:

President Punte
Vice-President Duste'
Director Barclay
Director Gile
Director Snyder

STAFF PRESENT:

Operations Supervisor McCulloch Attorney R. Carlson
Secretary Holley

ABSENT:

None

2. PUBLIC COMMENT §54954.3: No comments were made by the public. President Punte stated she would like to address the restrictions of closed sessions to Director Snyder. Director Snyder responded to her comments and there was discussion from both the board members and the audience.

3. CLOSE OPEN PORTION OF MEETING

Time 9:11 a.m.

4. CLOSED SESSION:(*Discussion-Action*)

CONFERENCE WITH LEGAL COUNSEL-*ANTICIPATED LITIGATION*

A. Significant exposure to litigation pursuant to Government Code Section 54956.9 (b):

Number of potential cases: 2

B. Initiation of litigation pursuant to Government Code §54956.9 (c): Number of potential cases: 1.

Re-Open Open and Public Meeting

Time 11:03 a.m.

5. Report out on action taken. President Punte stated, no specific action was taken. She also took the opportunity to introduce the Financial Administrator.

6. Old Business (*Discussion-Action*)

A. 2008/2009 Budget/Discussion –Wes Barton, of the Finance/Budget Committee gave his suggestions to the Board and the new Financial Administrator, Charise Reeves. Discussion ensued. No action taken.

7. New Business (*Discussion-Action*)

A. Financial Administrator

* Director Gile made the motion to name Charise Reeves as Financial Administrator.

Director Duste' seconded the motion.

President Punte opened the floor to discussion and questions from the audience. Due to questions asked the terms of hire were more definitely stated. Her salary is \$50,000. a year. This is not a 5-step position She is to receive 2 weeks vacation the first year advancing to 3 weeks the second year. She will not receive the standard benefit package regarding retirement, as she was hired with the full knowledge she is not fully vested after 5 years employment with the District. She was given instructions on evaluating the current employees' benefits and bringing recommendations on them to the Directors.

President Punte called for a vote on the motion made and seconded. The motion passed unanimously. Effective 10 2-2008.

October 20, 2008

A memo from Charise Reeves was submitted in the October 20, 2008 packet regarding her benefits. She stated her benefits were paid 100% for her and 90% for family. Benefits began after 30 days instead of the standard 1000 hours worked.

There was no policy change for benefits at this time.

Memo

To: *Board of Directors*
From: *Charise Reeves, Financial Administrator*
Date: *October 10, 2008*
Subject: *Benefits*

When I was hired, part of my verbal agreement was that I would receive full benefits after 30 days. I realized this agreement was not stated at the last meeting. I would like this on record that it includes medical and dental paid for me at 100% and paid at 90% for my family and full PERS contributions beginning November 1st, 2008, which is 30 days after my hire date.

October 13, 2009

The board approved of Jeff Mann to be hired for Interim General Manager with the benefit package that modeled Charise Reeves in 2008.

There was no policy change for benefits at this time.

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**

MEETING DATE: October 13, 2009 at 10:00 a.m.

I. CALL TO ORDER: The Board of Directors of the Lake Don Pedro Community Services District held a Special Meeting, pursuant to notice, on October 13, 2009, at the Lake Don Pedro Community Services Board Room, 9751 Merced Falls RD, La Grange, CA 95329. Vice President Barton called the meeting to order.

Directors Present: Vice President Barton
Director Kinsella
Director Ross
Director Punte
Director Day

Staff Present: Financial Administrator Reeves
Utility Billing Marchesiello
Field Operator Siria

2. DISCUSSION / ACTION:

a. Closed Session: Government Code Section § 54957 (b) Public Employment:

The item to be discussed was Interim General Manager. The Board closed the open portion of the meeting at 10:03a.m. They returned at 11:24a.m. to reopen the open portion of the meeting.

Report out was given by Vice President Barton. "The Board would like to hire Jeff Mann as Interim General Manager and Operations Supervisor. Effective October 13, 2009."

Ayes (3) Barton, Day, Punte

Nays (2) Kinsella, Ross

Motion carried



b. Interim General Manager Compensation and Benefits:

Vice President Barton stated the compensation salary for the Interim General Manager will be \$85,000 per year plus the benefit package that modeled Charise Reeves' benefit package offered in 2008. The board earmarked part of the budget for training and development. Mr. Mann will meet the Boards requirements at each monthly meeting. This includes advising the Board what he expects to do during that period of time and what he has completed. In the hiring plan there will be a three month review with the engineers, and a six month review. The District agreed to pay for the Department of Justice background check. Staff was directed to put advertising for the General Manager position on the next agenda.

Vice President Barton called for a motion

Director Punte stated "so moved"

Ayes (3) Barton, Day, Punte

Nays (2) Kinsella, Ross

3. Public Comment: §54954.3:

There were no comments from the public.

April 8, 2010

The board held a special meeting to review series 2000 policies.

The policy numbers had been changed

Eligibility of Benefits wording from “at least” to “more than” was changed; and there were questions for Attorney Ray Carlson

Health and Welfare Benefits was skipped to be reviewed by the Long Range committee

There was no change in benefits at this time

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Policy and Procedures Manual

POLICY TITLE: ELIGIBILITY FOR BENEFITS

POLICY NUMBER: 2015

2015.1 Full Time Employees for Benefit Purposes are defined as employees working at least 1560 hours in a calendar year. Full time employees for benefit purposes shall be eligible for benefits after completing 1000 hours of service.

Deleted: more than

2015.2 Part Time Employees for Benefit Purposes are defined as employees working less than 1560 hours in a calendar year. Part time employees for benefit purposes ~~shall be eligible for benefits after completing 1000 hours of service~~ are not eligible for benefits.

2015.3 Temporary Employees for Benefit Purposes are defined as employees being employed for a specific time frame or project. Temporary employees for benefit purposes are not eligible for benefits.

** Questions asked of Mr. Carlson:

1. Is there a point in time where a temporary employee automatically becomes a permanent employee?

Not under the definitions of the policy.

2. Is there a number of employees where it is required to provide benefits?

Unless required by statute such as FMLA. no. However, "benefits" should be defined. What exactly does the district believe benefits consists of?

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**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**

MEETING DATE: April 8, 2010 at 11:00 a.m.


1. CALL TO ORDER

The Board of Directors of the Lake Don Pedro Community Services District held a Special Meeting, pursuant to notice, on April 8, 2010, at the Lake Don Pedro Community Services Board Room, 9751 Merced Falls Rd., La Grange, CA 95329. President Barton called the meeting to order at 11:05 a.m. Directors present: Barton, Day, Kinsella, Punte, Ross. Directors absent: None. Also present: Staff J. Mann and C. Reeves.

2. DISCUSSION / ACTION

a. Policy Review

** The purpose of this meeting was to discuss and reach consensus on the content of the policies. None of these policies have been approved at this time.

- 2000 – General Personnel
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to remove the statement “Likewise, these Rules and Regulations do not create any legally enforceable obligations on the part of the District or its employees.” from section 2000.2 and to change section 2000.5.6 from “Tenured” to “Regular”. Consensus to accept the content of this policy with changes was reached.
- 2005 – Executive Officer
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to remove section 2005.2 and to replace it with the statement “The General Manager is an at-will employee.” Consensus to accept the content of this policy with changes was reached.
- 2010 – Hours of Work and Overtime
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to reword section 2010.4.7 regarding on-call time. Consensus to accept the content of this policy with changes was reached.
-  • 2015 – Eligibility for Benefits
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2020 – Vacations
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to change section 2020.5 from “An employee is only allowed to accrue one year’s worth of vacation.” to “By fiscal year end, employees may accrue their vacation not to exceed 160 hours.” Secretary Reeves was also directed to ask legal counsel if salaried individuals

In compliance with the American Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board. (209) 852-2331

Materials related to an item on this Agenda submitted to the District after distribution of the packet are available for public inspection in the District’s office at 9751 Merced Falls RD, during normal business hours.

Special Board Meeting
April 8, 2010 at 11:00 a.m.
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were allowed to cash out vacation time. Consensus to accept the content of this policy was reached.

Break Taken: 1:00 p.m.

Re-opened Meeting: 1:40 p.m.

a. Policy Review Continued

- 2030 – Holidays
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to add “with approval of the General Manager” at the end of the sentence regarding the Annual Floater. Discussion involving removing several holidays ensued. Consensus was not reached on this policy.
- 2040 – Sick Leave
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2045 – Family and Medical Leave
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Direction given to Secretary Reeves to change the first part of section 2045.1 from “The purpose of this policy is to clarify” to “This policy will clarify”. Consensus to accept the content of this policy with changes was reached.
- 2050 – Bereavement Leave
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2060 – Jury Duty
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2070 – Continuity of Service
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2090 – Uniforms
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2100 – Vehicle Costs
Policy presented by Secretary Reeves and Director Punte. Discussion ensued. Consensus to accept the content of this policy was reached.
- 2110 – Health and Welfare Benefits
Policy was skipped to be reviewed by the Long Range Benefits Committee.
- 2130 – Pay Periods



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Special Board Meeting
April 8, 2010 at 11:00 a.m.
Page 2 of 5

November 3, 2010

The board approved to hire Dan Tynan as General Manager. The compensation received included medical and dental benefits.

There was no policy change for benefits at this time

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**

MEETING DATE: November 3, 2010 at 9:00 a.m.

1. CALL TO ORDER

The Board of Directors of the Lake Don Pedro Community Services District held a Special Meeting, pursuant to notice, on November 3, 2010, at the Lake Don Pedro Community Services Board Room, 9751 Merced Falls Rd., La Grange, CA 95329. President Ross called the meeting to order at 9:01 a.m. Directors present: Day, Kinsella, Punte, Ross, Skoien. Directors absent: None. Also present: Staff C Reeves and D Tynan. Pledge of Allegiance was led by Director Day.

2. DISCUSSION / ACTION

Public Comment on Closed Session Items:


Dan Tynan suggested the idea of selling 50 meters on a first come, first serve basis at \$500 which according to him would net the District \$500,000 plus the \$27 per month fee which would give \$27,000 per month.

Closed Open Portion of Meeting at 9:04 a.m. / Re-convene in Closed Session

- a. **Closed Session: Government Code Section § 54957 (b) (1) – Public Employee Discipline / Dismissal / Release**
- b. **Closed Session: Government Code Section § 54957 (b) (1) – Public Employment**
▶ Title: General Manager

Reopen meeting at 10:52 a.m.


Report out on item “a” - no action taken.

 **Report out on item “b” – The Board has agreed to hire Dan Tynan as Interim General Manager. The vote carried 5-0 (Ayes: Day, Kinsella, Punte, Ross, Skoien – Nays: None).**

Break 10:57 a.m.

Re-Open 11:03 a.m.

Moved President Ross, second Director Skoien, carried 5-0 (Ayes: Day, Kinsella, Punte, Ross, Skoien – Nays: None), to add an agenda item to discuss General Manager Compensation as the need to do so arose during the closed session.

 **d. General Manager Compensation (added with a motion by the Board)**

Discussion ensued. Moved Director Day, second Director Punte, carried 5-0 (Ayes: Day, Kinsella, Punte, Ross, Skoien – Nays: None), to pay Dan Tynan \$70,000 per year salaried pay plus benefits, including no overtime and medical and dental benefits to begin on December 1, 2010. Dan Tynan accepted the change in employment.

In compliance with the American Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board. (209) 852-2331

Materials related to an item on this Agenda submitted to the District after distribution of the packet are available for public inspection in the District's office at 9751 Merced Falls RD, during normal business hours.

Special Board Meeting Minutes

November 3, 2010 at 9:00 a.m.

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April 20, 2012

The board approved promoting John Turner on an interim basis to the position of Interim General Manager with verification on his certificates from the state and the position within 120 days verify his position, background, and everything, including criminal. Amended to include at the same salary and conditions as Dan Tynan, effective May 1, 2012

There was no policy change for benefits at this time

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**

MEETING DATE: April 20, 2012 at 10:00 a.m.

1. CALL TO ORDER

The Board of Directors of the Lake Don Pedro Community Services District held a Special Meeting, pursuant to notice, on April 20, 2012, at the Lake Don Pedro Community Services Board Room, 9751 Merced Falls Rd., La Grange, CA 95329. Vice-President Richardson called the meeting to order at 10:02 a.m. Directors present: Afanasiev, Richardson, Ross, and Skoien. Directors absent: Kinsella due to illness. Also present: Staff D Tynan and C Reeves. Pledge of Allegiance was led by Vice-President Richardson.

2. DISCUSSION / ACTION as to all items except those indicated as discussion only:

a. Interim General Manager's Resignation

Resignation letter read by D Tynan. He is resigning as of April 30, 2012. He suggested the Board make J Turner the new Interim General Manager. Discussion ensued.

b. Interim General Manager's Reimbursement

Request for reimbursement of funds for the Cross Connection course, hotel expense, and employee time was introduced by Vice-President Richardson. This item was requested by President Kinsella who was not at the meeting. Discussion ensued.

Consensus was reached to drop the item and move on. The Board will address a policy for this item at a later time.

c. General Manager Position

Item introduced by Vice-President Richardson. Discussion ensued. Director Ross voiced his concerns that this topic should be addressed in closed session due to its connection to personnel issues.

Moved Director Afanasiev, second Director Richardson, carried, 3-1 (Ayes: Afanasiev, Richardson, Skoien – Nays: Ross), to promote John Turner on an interim basis to the position of Interim General Manager with verification on his certificates from the state and the position within 120 days verify his position, background, and everything, including criminal. Amended to include at the same salary and conditions as Dan Tynan, effective May 1, 2012.

Director Ross qualified his "Nay" vote because he had not interviewed John Turner and had not seen an application.

Director Skoien stated for the record: I agree with that. That is the best case scenario, but I'm also considering our time frame here.

Vice-President Richardson: Right. We're kind of operating in an emergency. (overlapped)

Director Skoien: Like with any other vote, I hope it's the right decision.

In compliance with the American Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board. (209) 852-2331

Materials related to an item on this Agenda submitted to the District after distribution of the packet are available for public inspection in the District's office at 9751 Merced Falls RD, during normal business hours.

Special Board Meeting Minutes

April 20, 2012 at 10:00 a.m.

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Approved

January 11, 2013

Item b. – On the agenda was benefits. This item included health care, vacations, retirement programs and other. There was no action taken.

Item c. – The item included salary plan and benefits for Interim GM /General Manager Position. The board approved the general Manager Position. The board approve the General Manager will receive 10 holiday days per year, 10 sick days annually and can accumulate up and max out at 30 days, doctors and dentist appointments, medical procedures are deducted from his annual pay cannot have more than 3 years' worth use, vacation is 8.33 per month with maximum of 10 days per year and can accumulate 2x's his annual allocation, health care the District pays the maximum of \$12,000.00 annually to the GM position.

Item d. – The board selected Ralph Felix for the position of Interim General Manager. Wages and benefits are within previous District parameters.

There was no policy change for benefits at this time.

b. **Benefits:**

This item included health care, vacations, retirement programs and other.
No action taken



c. **Salary Plan / Benefits:**

This item included salary plan and benefits for Interim GM / General Manager Position.

Motion: The General Manager will receive 10 holiday days per year, 10 sick days annually and can accumulate up and max out at 30 days, doctors and dentist appointments, medical procedures are deducted from his annual pay cannot have more than 3 years' worth use, vacation is 8.33 per month with maximum of 10 days per year and can accumulate 2x's his annual allocation, health care the District pays the maximum of \$12,000.00 annually to the GM position.

Votes: Carried 4-0

First: Johnson

Second: Richardson

Ayes: Richardson, Johnson, Day and Afanasiev

Nays: None

CLOSED SESSION:

d. **Public Employment Government Code section 54957:**

This item included discussion / action interview for Interim GM / General Manager.

Reopen meeting: 4:53



REPORT OUT:

The board, after careful review of the applications and extended interview has selected Mr. Ralph Felix as our choice for the position of Interim General Manager. Mr. Felix has been apprised of his nomination and has accepted our offer. Wages and benefits are within previous District parameters. He will be at the District January 22, as a consultant to assist in interview process for potential D2-T2 candidates and his hire date will be January 28, 2013. And on January 22, we will discuss employment of financial position.

3. **DIRECTORS COMMENTS:**

None

4. **ADJOURNMENT:** 5:07 p.m.

Cancel adjournment: 5:36 p.m.

Adjournment: 5:51

Respectfully submitted by,

*Syndie Marchesiello
Acting Secretary*

September 30, 2013

The board did not approve the resolution for the revised medical benefits policies

Special Meeting Minutes of the Board of Directors
Lake Don Pedro Community Services District
9751 Merced Falls Road

September 30, 2013 at 9:00 a.m.

1. CALL TO ORDER: Presiding Officer: Establish Quorum, Pledge of Allegiance:

The Board of Directors of the Lake Don Pedro Community Services District held a Special Meeting at the Lake Don Pedro Community Services Board Room, 9751 Merced Falls Rd., La Grange, CA 95329.

President Day called the meeting to order at 9:00 a.m.

Directors present: Richardson, Day, Afanasiev, Johnson, and Ross

Also present: GM R. Felix

Also present: Staff S. Marchesiello, R. Gilgo

2. DISCUSSION / ACTION



a. Benefit Policies/ Resolution 2013-5:

This item included Resolution 2013-5 approving revised Benefits Policies 2050, 2055, 2060, 2065, 2070, 2075, 2080

Motion: To bring the policies back with the suggested revisions

Votes: Carried 5-0

First: Ross

Second: Afanasiev

Ayes: Ross, Richardson, Afanasiev, Johnson, and Day

Nays: None

3. DIRECTORS COMMENTS:

None given

4. ADJOURNMENT:

Respectfully submitted by,

Syndie Marchesiello
Acting Secretary

February 18, 2014

The board approved Resolution 2014-3 approving the LDPCSD Employee Handbook. There was a grandfather clause for full time employees hired on or before 9/7/2005 added under the medical insurance. A flex plan was also added.

e. Consent Calendar #1:

This item included January 21, 2014 Regular Board Meeting Minutes

Motion: To approve, read and file the January 21, 2014 Regular Board Meeting Minutes

Votes: Carried 4-0

First: Richardson

Second: Afanasiev

Ayes: Ross, Richardson, Afanasiev, and Day

Nays: None

***Correspondence:**

None at this time

f. Update on Lake Don Pedro CSD Plant Fire:

This item included an update on the plant fire given by GM R. Felix and R. Gilgo

g. Policies/ Resolution 2014-3:

This item included Resolution 2014-3 approving the revised Lake Don Pedro CSD Employee Handbook

Motion: To adopt resolution 2014-3

Votes: Carried 4-0

First: Richardson

Second: Ross

Ayes: Ross, Richardson, Afanasiev, and Day

Nays: None

h. Report given by Director Afanasiev / MID Meeting regarding drought conditions:

This item included a report from Director Afanasiev who attended a MID Meeting held February 7, 2014 regarding drought conditions

No action taken

i. Policies/ Resolution 2014-2:

This item includes Resolution 2014-2 Lake Don Pedro CSD prescribing rules and regulations governing water service during drought conditions

Motion: To adopt resolution 2014-2

Votes: Carried 4-0

First: Richardson

Second: Afanasiev

Ayes: Ross, Richardson, Afanasiev, and Day

Nays: None

CLOSED SESSION: 2:55 p.m.

j. Conference with Real Property Negotiators:

Pursuant to Government Code § 54956.8

Property: District tank sites

Agency Negotiator: General Manager R. Felix

Negotiating Parties: Wi-Fi providers

Under Negotiation: Lease terms including payment terms

REPORT OUT: 3:12 p.m.

a former employee who is rehired, you must also complete the form if you have not completed an I-9 with Lake Don Pedro CSD within the past three years, or if your previous I-9 is no longer retained or valid.

If you have questions or seek more information on immigration law issues you are encouraged to contact the United States Citizenship and Immigration Services (USCIS) toll free on 1-800-375-5283. You may raise questions or complaints about immigration law compliance without fear of reprisal.

Section 1.5 Americans with Disabilities (ADA)

The Americans with Disabilities Act ("ADA") protects qualified employees with disabilities from discrimination in the workplace.

If you feel you may be disabled in any way, notify your supervisor in writing as soon as possible. If, in fact, it is established that you are a qualified individual with a disability under the ADA, at your request, the District will make every effort to open up a "dialogue" with you in attempt to determine whether the District can make a "reasonable accommodation" for your disability.

At no time will the District discriminate, harass, or retaliate in any way against you for making your accommodation request. Any type of harassment or discrimination whether real or perceived shall be reported to your supervisor immediately.

Section 1.6 Employee Classifications

Exempt Employees

A designation of professional, executive, administrative, etc. corresponding to California state law and the federal Fair Labor Standards Act that exempts employees in those positions from earning overtime pay.

Non-Exempt Employees

Positions not identified as "exempt" and thus eligible to receive overtime pay as determined by applicable state and federal laws.

Full-Time Employees

Full-time employees are defined as those employees who are scheduled to regularly work a minimum of forty (40) hours per week. A full-time employee qualifies for the complete range of benefits and leave accruals as set forth in this Employee Handbook.

Part-Time Employees

Part-time employees are defined as those employees who are regularly scheduled to work less than forty (40) hours per week.

Temporary Employees

Temporary employees are hired for a specific term or project and are not eligible for any benefits other than those required by law.

Section 1.7 Personal Appearance

Employees are expected to dress appropriately for the functional area they work in and in consideration of the District's business presentation needs. Depending on the job assignment, uniforms may be required. At a minimum, work attire must not pose a safety hazard for the wearer or others, must be clean and neat, must not be overly distracting to the workforce, and must not contain offensive graphics or slogans.

Basic Requirements

- Safe:** Attire should not pose a safety threat to the employee or others. For Operations Staff, PPE will be practiced. This includes the wearing of steel toe safety boots at all times and the wearing of eye & hearing protection, and work gloves when applicable.
- Appropriate/Professional:** Examples of appropriate attire may be a suit and tie in certain office settings, business casual or casual dress in other office settings. Examples of inappropriate attire include sweats/jogging suits, shorts, and overly revealing clothing such as tube tops, micro-mini skirts, and crop tops.
- Clean/Good Condition:** Attire should not be ripped, torn or unclean.
- Inoffensive:** Attire should not be derogatory or offensive to any class or group or to the culture and general image of the District.

You should address any questions regarding reasonable and appropriate work attire to your Supervisor.

If you are determined to be inappropriately dressed you may be sent home, without pay, to change.

Section 1.8 Uniforms/Work Clothing

When the District requires as a condition of employment that you wear a uniform, such uniform will be provided. The uniform provided and expected to be worn by Operations Staff is the Royal Blue Polo with the CSD Insignia. A clean and un-torn pair of jeans will complement the uniform shirt. Jeans are not a provision of the CSD.

Section 1.9 Physical Examination

The District may require that you have a physical examination at the expense of the District where necessary to demonstrate abilities to perform essential job functions or required by applicable laws or regulations.



Section 3.5 Workers' Compensation

Lake Don Pedro CSD provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, immediately if hospitalized.

If you sustain work-related injuries or illness you must inform your Supervisor immediately. No matter how minor the on-the-job injury may appear, it is important that it be reported immediately. Reporting procedures are critical to qualify for payment of workers' compensation benefits.

Workers' compensation fraud is cause for immediate termination.

A release from the doctor providing care stating that you are able to resume your normal duties will be required before you return to work after a work-related injury or illness.

The District or its insurer will not be responsible for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Section 3.6 State Disability Insurance

You are covered under the State Disability Insurance Plan (SDI), which provides low-cost protection for loss of earnings due to non-work-related illness or accident. Benefits begin after the seventh (7th) day of illness or accident. It is funded by employee contributions, which state law requires to be withheld from an employee's wages. The amount withheld is computed as a percentage of your gross wages, up to a maximum specified by the state.

Section 3.7 Unemployment Insurance

Unemployment insurance is provided at no cost to you through District contributions. You are not eligible for unemployment insurance if you voluntarily quit without good cause, or are terminated for misconduct connected with work.

Section 3.8 Social Security

As an employee of Lake Don Pedro CSD, you are covered under the provisions of the federal social security law (F.I.C.A.). The District matches the amount of deduction from your wages for social security taxes. The benefit you receive at retirement is a complicated matter based on your career earnings record, age and date of retirement. For more details contact your local Social Security Office.

Section 3.9 Insurance

Upon completion of one (1) months of employment, all eligible full-time employees may be eligible for coverage by the District's group medical and hospitalization plan. Your contribution will be paid through payroll deductions with a signed authorization. At your option you may add your eligible dependents to certain areas of this benefit. See Policy and Procedures Manual Policy number 2055 Health and Welfare Benefits for details.

Coverage starts the first day of the month following completion of thirty (30) days of continuous employment. A full summary plan description is available from the General Manager.

* Eligibility

Full time employees working at least 1560 hours in a calendar year shall be eligible for insurance benefits after completing 1000 hours (estimated 6 months) of continuous employment.

See Policy and Procedure Manual, Policy number 2050, Eligibility for Benefits.

* MEDICAL INSURANCE is provided for eligible employees and retired employees. The District currently covers 100% of the employee's monthly premium and 90% of the employee's dependent monthly premium; Directors are responsible for 100% of their monthly premium.

* Note: Full time employees hired on or before 09/07/2005 will be grand-fathered to maintain the medical coverage offered as of XXXX date after his/her retirement, but cannot add any additional persons that were not already covered on their medical coverage at the time of retirement. *For full details see Grandfathered Documents for those employees involved.*

DENTAL INSURANCE is provided with the District covering 100% of the premium for the employee and dependants. Directors are responsible for 100% of their coverage.

VISION CARE. Upon presentation of valid receipts for eye examinations and/or eyewear purchases, the District will provide a maximum benefit of \$100.00 per family member per calendar year.

* RETIREMENT is provided through the Public Employees Retirement System (CalPERS) 2% @ 60. Employee pays the 7% member contribution. To be eligible for service retirement, a member must be at least 50 years old and have five years of CalPERS credited service. If you become a member on or after January 1, 2013, you must be age 52 with five years of credited service.

* FLEXPLAN-The District provides an incentive program to encourage employees who are thinking about opting out of the District's Medical and Dental Insurance plan by paying them at a rate of 20% of the associated healthcare costs. For medical only, the maximum an employee with a family could collect in lieu of having Medical coverage will be based on 20% of the current cost associated with

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

RESOLUTION 2014-3

Resolution to revise Lake Don Pedro CSD Employee Handbook

WHEREAS, the Board of Directors adopted the resolution to revise the following Policies as presented:

Lake Don Pedro CSD Employee Handbook

THEREFORE BE IT RESOLVED, this resolution was adopted by the Board of Directors for the Lake Don Pedro Community Services District, at the Regular meeting on this 18th day of February, 2014, by the following vote:

AYES: (4) Day, Richardson, Afanasiev, and Ross

NAYS:

ABSTAIN:

ABSENT: (1) Johnson

Charles Day, President - Board of Directors

Attest:

Syndie Marchesiello / Secretary

CERTIFICATE OF SECRETARY

I, Syndie Marchesiello, the duly appointed and Secretary of the Lake Don Pedro Community Services District, do hereby certify that the foregoing Resolution was duly and regularly adopted on the 18th day of February, 2014 at the regular meeting of the Board of Directors.

Syndie Marchesiello / Secretary

RESOLUTION NO. 2016-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING
REVISED PERSONNEL POLICIES REGARDING EMPLOYEE INSURANCE
INCLUDING MEDICAL, DENTAL, VISION AND ELIGIBILITY THEREFORE**

The Board of Directors of the Lake Don Pedro Community Services District does hereby find and declare as follows:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District Board of Directors adopts policies to guide the actions of management and the District in the conduct of the day to day operations of District management and administration; and

WHEREAS, the Board has determined that certain policies are in need of update and amendment to ensure the efficient provision of services and effective management of District affairs; and

WHEREAS, draft policy amendments have been prepared and are attached hereto as Exhibit A for consideration and adoption.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District that the General Manager is hereby authorized and directed to update the District personnel policies with a certified copy of the approved policies contained in Exhibit A as attached hereto.

NOW THEREFORE BE IT FURTHER RESOLVED that the policies contained in Exhibit A and shown as deleted are hereby rescinded.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on July 18, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)

COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at _____, La Grange, CA 95239, on July 18, 2016.

DATED: July 18, 2016.

Lake Don Pedro Community Services District

Regular Meeting of July 18th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

c. Adoption of a Resolution Approving Revisions to Personnel Policies Regarding Work Hours and Schedules, Overtime Pay, Standby Duty, Meals and Rest Periods, Salary and Merit Reviews, Use of Timeclocks, Cell Phones, Attendance and District Vehicles

Recommended Motion

Staff recommends the following motion:

I move to adopt Resolution 2016-XX, a Resolution Approving Revisions to Personnel Policies Regarding Work Hours and Schedules, Overtime Pay, Standby Duty, Meals and Rest Periods, Salary and Merit Reviews, Use of Timeclocks, Cell Phones, Attendance and District Vehicles

Background

The most recent version of the District's personnel policy, or personnel handbook, was adopted by the Board on February 18, 2014 by means of Resolution 2014-3. The new personnel handbook contained many references to an external set of personnel policies that were originally adopted in 1996, with some being amended over the years. Throughout the past two years there has been numerous occasions where the terms of the external policies were either in conflict with the new policy, and were not readily available and accessible in making day to day decisions. Also, since the new personnel handbook was authored by a consultant with little experience in public agency policies, and no experience in public utility work, the new policy language was in many cases vague, difficult to interpret and in conflict from section to section.

It has been staff's intent and directed by the strategic plan to update and revise the personnel policies. The attached Resolution 2016-XX was drafted to rescind the referenced old personnel policies, replacing them with the new policy language titled Personnel Policy Sections to be Amended, attached hereto. The attached policy document was developed including selected sections taken directly from our 2014 personnel handbook, with proposed deleted language shown in ~~crossed-out~~ text and added language shown in underlined text. The language from the old policies that were previously externally referenced are now included in part in the added policy language. The external policies are shown as deleted at the end of the Personnel Policy Sections to be Amended document.

The policy amendments are relatively self-explanatory with the majority being proposed in support of the Board's directives in the strategic plan, including:

- *Develop up to date policies, organizational procedures and a supportive administrative structure*
- *Improve public image of the District through a variety of means*
- *Develop a system maintenance plan and strategy*
- *Update the District organizational chart, job descriptions and job requirements*
- *Update the performance evaluation process for all positions*

Many of the proposed changes are intended to support a revised set of job descriptions and position responsibilities and performance expectations. The changes are intended to clearly articulate management's expectations and assign responsibility for completion of important tasks.

If the Resolution approving the policy amendments is approved, the deleted language will be removed and the underlined language added to each section. In addition, the new policy manual format will list each major policy separately, with each policy listing its adoption date and the date of each of its future amendments. All of the separate personnel policy sections will then be bound into a handbook, and as future policy amendments are made, the old policy will be removed, and new policy added into policy binders.

EXHIBIT A PERSONNEL POLICY SECTIONS TO BE AMENDED

SECTION 2 – HOURS AND PAY

Section 2.1 Work Hours and Schedules – Non-Exempt Employees

The established workweek for non-exempt employees at *Lake Don Pedro CSD* is Monday through Sunday, inclusive.

The workday is a twenty-four (24) hour period. Our workday begins at 12:00 a.m. and ends at 11:59 p.m.

The actual work hours and schedule for each employee will be established by the employee's supervisor based on the service needs of the District. Unless instructed differently by your supervisor, you are to report to work at the previously agreed upon time and work location.

You will be paid for all hours worked. Pay for time worked will be computed from the time you begin your work day until the end of your work day.

Section 2.2 Over-time Pay – Non-Exempt Employees

You will be paid one-and-one-half (1-½) times your regular rate of pay for all time worked in excess of forty (40) hours in any one (1) workweek.

You will be paid double your regular rate of pay for all time work in excess of twelve (12) hours in a single work day.

You must have **prior** approval before working any non-emergency overtime from the General Manager or his/her designee.

Section 2.3 Standby Duty (On-Call Pay)

Answering and responding to afterhours emergency calls for utility repair and customer service is an essential job function of all operations staff. The employee who is "on-call" will be responsible to receive and respond to all calls for emergency service during all non-working hours, typically evenings and weekends, during an assigned seven-day period. The Operations Manager shall assign any required duties, such as treatment plant operation, needed to occur during the non-work hours. during the weekend will be paid for stand-by time in the amount of 2 hours for Saturday and 2 hours for Sunday. Four hours' compensation shall be paid at the overtime rate as a lump-sum stipend for the responsibility of being prepared and responding to afterhours calls by remaining within response time of the District boundaries and constantly fit for work duty for the seven day on-call period. This employee will also be compensated one-quarter hour for every four alarms answered at the overtime rate; ie. 1-4 alarms = 15 minutes, 5-8 alarms = 30 minutes, etc). If ~~this~~ the on-call employee ~~must~~ is assigned to report to work or responds to the location of an emergency call, he/she will document the reason for having to work and will be paid for the time worked with a minimum of at least 1 hour at the overtime rate.

A schedule shall be maintained by the ~~General Manager and the~~ Operations ~~Supervisor~~ Manager whereby operations employees shall be assigned, on a rotational basis, to be "on-call" on weekends, holidays, and other times not considered regular hours of work for District employees.

When an employee is on-call, he/she shall be provided a ~~pager and/or~~ District issued cell phone. Said ~~pager and/or~~ cell phone shall be kept in the employee's possession during the entire on-call period, and all calls received shall be acknowledged and responded to as required. If the on-call employee is in a location where cellular service is unavailable or unreliable, said employee shall notify the Operations Manager and afterhours answering service and provide an equally reliable, adequate means of contact for the entire period out of range. All afterhours calls from the answering service shall be answered as quickly as possible and missed calls/voicemail calls returned immediately. Notification of an emergency repair (a repair that cannot wait to be conducted during normal business hours) shall be given to the ~~GM~~ Operations Manager for approval either by telephone or in person ~~generally by the Operations Supervisor~~ if available.

When an employee is on-call, he/she shall be free to utilize his/her time as desired, but must remain fit for duty and be able to respond within 60 minutes to the District facility if called in. The District on-call vehicle is to be used for travel to and from the on-call operator's home so long as located within the District water service area, and District facilities. Incidental personal use of the District vehicle is allowed when on-call and responding to a call, such as stopping at the store on the way to or from a District facility.

Section 2.4 Meal and Rest Periods – Non-Exempt Employees

You ~~will be allowed~~ are required a thirty (30) minute unpaid duty-free meal period near the middle of the workday unless an alternate schedule has been approved or directed in advance by your supervisor. The District or Supervisor will schedule such meal periods and may post the schedule.

You will be allowed a fifteen (15) minute paid rest period as close as practicable to the mid-point of any continuous four (4) hour work period.

Lactation

If you desire to express breast milk for your infant child during the workday, upon request, you will be granted a reasonable amount of rest period time, to run concurrently, if possible, with break time already provided. If you desire such rest period time and a private location for expressing milk, you should contact your Supervisor who will assist in accommodating your needs.

Section 2.5 Salary and Merit Reviews

Each job classification has a specific salary range, which is ~~established based~~ determined by you on the job description, duties, certifications, skill and level of responsibility for each position within the District.

The General Manager has the responsibility to ensure an efficient, safe, competent, well trained and highly performing workforce. To accomplish this the General Manager has the authority, within established budget limits, to award salary increases for excellent performance in accordance with the salary range steps established within your job classification. The General Manager must approve any salary step increases recommended by the supervisor.

An employee advancement plan with specific, measurable performance objectives will be established for each employee at the frequency determined necessary by the supervisor; at minimum annually. The advancement plan is intended to outline the expectations for increased job knowledge, skill, efficiency, certification and proficiency required for continued employment in your position. To be eligible for any increase, it must fall within the appropriate salary range for your job classification. To be considered for a merit salary increase, your job performance must be documented as excellent and you must have accomplished the objectives detailed in your advancement plan. reviews serve as the basis for your merit increase, if any, and only if you have not reached the "top" of your range.

Once an employee has reached the highest step in the salary range for their job classification, further merit salary increases can be achieved through promotion to an available position in a higher pay and responsibility range.

Section 2.6 Time Clock and Time Cards – Non-Exempt Employees

As a non-exempt employee, you are required to accurately record your hours of work, your meal breaks and your holiday, sick and vacation time.

The time clock is located in the Main Office and in the Plant.

All time cards must be properly completed, and you are responsible for your own time card only. All non-exempt employees are required to clock in and out as follows:

1. Not more than five (5) minutes prior to the start of the employee's work shift, but as close to the start time as possible.
2. The beginning and end of meal periods (except ~~drivers and/or driver's helpers, who are when~~ performing ~~their regularly~~ assigned duties away from the plant or District facility at the time of the meal period).
3. Not more than five (5) minutes after the end of the employee's work shift, but as close to the quit time as possible.

District may utilize a round up/round down rule for timecard purposes.

You are to sign your timecard to attest that the hours recorded are accurate and are the total hours that you worked. You ~~should~~ must not sign any timecard that is inaccurate and notify your Supervisor immediately for resolution. You are not to make any changes on your time card without the approval of your Supervisor. Changes include correcting errors in punching, forgetting to punch or not getting a required meal or rest period. You may not knowingly punch anyone else's time card or knowingly allow anyone else to punch your time card.

SECTION 5 – YOUR RESPONSIBILITIES AS AN EMPLOYEE

Section 5.15 Cell Phones/Wireless Handheld Device

Lake Don Pedro CSD will not be liable for the loss of personal cell phones or mobile devices at the workplace. The use of cell phones/mobile devices for non-District business is prohibited during working hours unless you are on a designated rest or meal period. You must obtain approval from your Supervisor prior to using your cell phone during working hours. The personal cell phone should be turned off and stored away from your work area at all times.

You may be provided a District issued cell phone for use when on-call and other assignments. District cell phones are not to be used for personal reasons except to notify family of important matters related to work schedule, emergencies or for safety purposes. If you are issued a District phone, its safe and proper use and care is an important responsibility of your job. Misuse or careless use of the District cell phone is cause for disciplinary action. The phone must be turned over to the next user in a clean, operable condition or its malfunction must be immediately reported to the supervisor.

In accordance with California laws, except in the case of an emergency, you are required to use a hands-free device when using a cell phone (personal cell phone or District cell phone) while operating a motor vehicle. Employees should only use cell phones while driving when it is required for District business. Whenever feasible, you should safely pull off the road to use a cell phone.

Employees are prohibited from texting at any time while operating a vehicle on District business.

Employees under the age of eighteen are prohibited from using a cell phone at any time while driving.

Employees are prohibited from using the camera feature on their personal of District cell phones or wireless handheld devices for non-business purposes.

~~Nonexempt employees must have prior approval before using their cell phone or wireless handheld device for business purposes after regularly scheduled work hours. If you do utilize your cell phone or wireless handheld device for business after regularly scheduled work hours, you must report that work time to your Supervisor immediately.~~

Section 5.16 Attendance

Regular attendance and punctuality are required and must be maintained. You are considered absent from work any time you are not able to be in attendance for your normally scheduled workday and shift; whether an hour or an entire day. If you must be late or absent from work for a good reason, for it to be excused a previous arrangement with your Supervisor is required. If this is not possible, you must call your Supervisor no later than within one (1) hour after-before the scheduled start time of your workday, leaving a voicemail message on their contact phone and also calling the answering service if the supervisor cannot be reached personally. Failure to notify your supervisor and/or the answering service of your tardiness or absence in accordance with these requirements; not having a valid reason for the absence; or not completing a Leave Request Form will result in an unexcused absence, which is not eligible for the use of vacation or sick leave.

Unexcused absence will not be compensated and the time cannot be “made up” by working past the scheduled end of the workday, unless mandated to do so by your supervisor based on workload or emergencies.

Always state the reason for your late arrival or absence and your expected date of return or when you should be expected to arrive at work. Planned absences require the completion of a Leave Request Form signed by your supervisor in advance of the absence. Leave Request Forms shall be completed in arears for all unplanned absences.

If you fail to call in or show up for ~~three~~two consecutive working days you will be considered to have voluntarily quit at the close of business on the ~~third~~second day, unless the reason for your absence is accepted by your Supervisor.

Section 5.17 District Vehicles

The District may provide designated employees with a District vehicle for use during normal work hours and when on-call. Our vehicles are supplied for the sole purpose of use in conducting District business. ~~Other than the General Manager, no personal travel is allowed. See Policy and Procedures Manual, Policy number 2290 Use of District Vehicles and Equipment. The District on-call vehicle is to be used for travel to and from District facilities and the on-call operator's home so long as the home is located within the District water service area. Incidental personal use of the District vehicle (such as a stop for a brief personal errand on the way between the business activity and the employee's home) is allowed when on-call and responding to a call. A District vehicle may also be used for the purpose of going to lunch with the provision that an employee is performing duties that require him/her to be away from the office during the lunch period.~~

~~Observe the~~The following practices are required of the vehicle operator while driving a District vehicle:

- Seat belts must be worn at all times by the driver and all passengers
- Smoking is not permitted in a District vehicle at any time
- Remove any trash from the cab and bed of the truck daily and keep the vehicle clean inside and out
- When hauling or moving equipment, ensure that all material is secured properly
- Park and lock the vehicle in a secure location and if so equipped, set the alarm when leaving it unattended, day or night
- First-Aid kits and any emergency supplies should be fully stocked at all times
- No persons other than District employees are to be transported in District vehicles
- The vehicle operator is required to perform pre-trip vehicle inspections and to immediately report any identified malfunctions or needed repairs in accordance with the District vehicle maintenance program
- The Operations Manager is required to coordinate all necessary vehicle maintenance to keep the fleet operating in a safe, functional and presentable condition

Lake Don Pedro CSD will stock District vehicles with an adequate supply of parts, tools, equipment and supplies. Each employee must account for the inventory of their vehicle. ~~Lake Don Pedro CSD stocked and~~ supplies, equipment and parts should be only to be used on Lake Don Pedro CSD authorized jobs.

~~The District will be responsible for all necessary repairs and maintenance. If any repairs are needed, you must bring them to the attention of management as soon as possible.~~

EXHIBIT A
POLICY TO BE DELETED

Policy Title: ~~Use of District Vehicles and Equipment~~

Policy Number: ~~2290~~

Adopted: ~~May 16, 2011~~

~~Lake Don Pedro Community Services District vehicles, facilities, and equipment are to be used for District business only. Seat belts must be worn at all times by employees driving or riding in District vehicles.~~

~~All District vehicles with the exception of the vehicle to be utilized by the assigned "On-Call/Duty Operator" in accordance with Policy Title "ON CALL DUTY" 2110, are to be locked and safely secured in the District's yard after normal working hours, unless extended hours are necessary for repairs or modification to District equipment and/or lines.~~

~~The District backhoe and its carrier truck may remain on a work site if deemed necessary for job completion provided they are locked and secured for the night. When feasible, they should be returned to the District's yard.~~

~~Any employee assigned a District vehicle may not use the vehicle for personal purposes, other than for commuting or limited incidental person use (such as a stop for a brief personal errand on the way between a business activity and the employee's home). A District vehicle may also be used for the purpose of going to lunch with the provision that an employee is performing duties that require him/her to be away from the office during the lunch period. The area for such is limited to the Lake Don Pedro service area as defined in the Exhibit A map.~~

~~An employee may be assigned the District vehicle to run errands for the District. The errands may be to make the Bank Deposit, purchasing Office or Plant supplies as needed and specifically requested by the Plant Operations Manager or the Office Manager or General Manager. The place for errand running will be the most cost effective and efficient area after reviewing the specific needs of the District at the time.~~

~~The only exception to personal use restrictions of District vehicles shall apply to the Duty Operator. The Duty Operator shall ensure that his/her assigned District vehicle is available for immediate response and may operate the vehicle for limited incidental personal transportation within District boundaries. However, he/she shall not transport any other persons when operating the vehicle for personal use. Any misuse of District vehicles or violation of these Rules and Regulations is cause for Disciplinary Action, up to and including termination.~~

RESOLUTION NO. 2016-__

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING REVISIONS TO PERSONNEL POLICIES REGARDING WORK HOURS AND SCHEDULES, OVERTIME PAY, STANDBY DUTY, MEALS AND REST PERIODS, SALARY AND MERIT REVIEWS, USE OF TIMECLOCKS, CELL PHONES, ATTENDANCE AND DISTRICT VEHICLES

The Board of Directors of the Lake Don Pedro Community Services District does hereby find and declare as follows:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District Board of Directors adopts policies to guide the actions of management and the District in the conduct of the day to day operations of District management and administration; and

WHEREAS, the Board has determined that certain policies are in need of update and amendment to ensure the efficient provision of services and effective management of District affairs; and

WHEREAS, draft policy amendments have been prepared and are attached hereto as Exhibit A for consideration and adoption.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District that the General Manager is hereby authorized and directed to update the District personnel policies with a certified copy of the approved policies contained in Exhibit A as attached hereto.

NOW THEREFORE BE IT FURTHER RESOLVED that the policies contained in Exhibit A and shown as deleted are hereby rescinded.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on July 18, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)

COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at _____, La Grange, CA 95239, on July 18, 2016.

DATED: July 18, 2016.

Lake Don Pedro Community Services District

Regular Meeting of July 18th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

d. Review of 2015 Proposition 84 Integrated Regional Water Management Implementation Grant from the Department of Water Resources, and Report on the Process and Schedule for Implementation of:

- i. Grant Agreement Administration
- ii. Emergency Groundwater Well Project
- iii. Regional Water Use Efficiency Project
- iv. Water Service Line Replacement Project

Recommended Motion

This agenda item is intended to provide important information to the Board and public. No specific action is required with this agenda item.

Background

District Resolution 2015-25 authorized the General Manager to submit an application to the State Department of Water Resources (DWR) and to sign a grant agreement with the State if the application was successful. As we have discussed at many recent Board meetings, the state has issued a contract to the District for \$1,001,547 in grant funding from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant program for the three projects listed above, and the grant administration activity. The General Manager has signed the agreement and is in the process of meeting the agreement's standard conditions.

This is an informational agenda item to assist the Board and public in understanding the projects and funding agency requirements. Included with this item is a copy of the DWR grant agreement, final project scope of work, and budgets. Most important to discuss and understand is the next steps in the process. Please remember that all grant payments are made as reimbursements for eligible expenses incurred. The eligible expenses are listed in the individual project scopes of work and budgets. Once we incur the expense, on a regular basis such as monthly or every other month, we will package all paid invoices and prepare a reimbursement form for state approval; and once approved, submit multiple copies of each final reimbursement request.

The preparation of reimbursement requests, tracking of project costs, additional grant administration work, preparing the required progress reports and our past expenses in preparation of the grant application (approximately \$75,000) are reimbursable under the Project 1, Grant Administration line items.

All work associated with contracting, engineering, permits, materials and supplies and other direct costs for the three projects are reimbursable under the budget for each respective project. You will see that an in-kind or local match amount is included in the budget for each of the projects. The individual project specifics are detailed below:

Project 2 – Emergency Groundwater Well Project

In the project work scope, we have provided specific options for this project funding. At the time we applied for the grant, we were unsure if the USDA Rural Development funding would become a reality. This project was intended to reimburse our expenses in the event USDA was not received. So long as all project components are determined eligible by USDA, the entire amount of this funding can be used to expand the water service line replacement work. We have submitted boxes of information to USDA and await their determination on well project eligibility; which we expect in full within one month.

Assuming this project funding will be available for the water service lines, we had intended to immediately allocate this budget to the completion of the upgrade of the distribution system master meters and their connection to the SCADA system, as well as onsite water audit work (leak location) which will be done under service contract. We will also be contracting with our District Engineer for assistance in revising the meter reading route and associated databases and mapping. This effort will make system wide water loss identification much easier; as we will be able to pinpoint the highest leaking tank zones by simultaneously reading distribution and customer meters; zone by zone. Funding remaining from this work will fund service line replacements.

Tasks include:

1. Set up accounting system with Warmerdam CPA and develop management guidance memos for the contracting an accounting process
2. Secure USDA eligibility
3. Secure engineering design as necessary for the meter upgrades and development of water audit databases
4. Secure proposals and service contract for meter upgrade work
5. Secure leak detection services to identify the highest priority areas for service line replacements

No additional direct District dollars will be spent on this project. The matching budget has already been spent and documented in completion of the well projects. The District, state and federal funding are all eligible for the local dollars.

Project 3 – Regional Water Use Efficiency Project

This project involves development of an enhanced water conservation program in Don Pedro, that can then be carried out within the budget to the remainder of the county by the Mariposa County Resource Conservation District (MCRCD); who will be under contract with the District. This project involves a program to reimburse property owners for completing eligible water conservation projects. The eligible projects, amount of any reimbursements and responsible entities have not yet been established; however the grant scope includes an overview of how the program will function.

We do not intend to hire any additional employees for this project, nor do we expect to hire temporary employees for this 2+ year process. The administration effort will be shared between the District and MCRCD; who will assign a project coordinator to assist us in program design, and conducting all work occurring outside the LDPCSD boundaries. The project involves hiring a contractor (possibly MCRCD staff) to answer a dedicated phone line and respond to dedicated email and website inquiries for in-home water conservation assistance. Water conservation kits will be purchased and housed at the CSD, with the MCRCD contractor both delivering the kits, and installing them on properties needing assistance. The project scope lists the expected number of home visits and kits to be purchased and installed. The kits include low flow showerheads, faucet aerators, leak detection tablets and other items proven to immediately reduce water consumption.

The rebate program will include property owner reimbursements for:

- Rainwater catchment systems that reduce demand on potable water systems for irrigation
- Laundry to landscape systems where laundry discharge is piped for irrigation of existing landscape
- Installation of new, low water using toilets replacing high water use and pre-1993 fixtures
- The cost of conversion of spray irrigation to drip irrigation
- The cost of installation of weather based irrigation controllers and related systems

Some of the details yet to be worked out on this project include:

1. Development of an agreement between the CSD and MCRCDD for managing the home visits and out of area components of the project
2. Development of the approved rebate project list, amounts and administration responsibilities
3. Final development of the home visit program and contractor
4. Purchase of materials and supplies
5. Development of public outreach materials

The matching portion of the budget has already for the most part been documented with our expenditures in the water supply emergency management and administration. Additional staff work will be completed as in kind labor. No direct district dollars will be spent on this project.

Project 4 – Water Service Line Replacement Project

In addition to the meter upgrades discussed in Project 2 above, this project involves the replacement of as many water service lines as possible within the funding available through the grant. The project involves engineering design of the simple project bid packets, conducting the formal competitive bidding process and awarding a construction contract to the lowest responsive and responsible bidder. The bid documents will require that the contractor be prepared to complete service line replacements in multiple areas of the system, which may increase the per unit cost. As the project is funded with Proposition 84 grant dollars, we will need to hire a consultant to manage the review of the contractor’s certified payroll reports and report to the Department of Industrial Relations. We anticipate the project will be exempt from CEQA under California law, and we will prepare and file the appropriate paperwork with the state. No additional environmental studies are expected.

The project involves:

1. Determine if reimbursement of the cost of service lateral replacements completed recently is eligible for reimbursement
2. Completing engineering design and preparation of bids plans and specifications; management of the bid process. District Engineer Binkley and District management will complete this work.
3. Identify service lines to be replaced, construction staging areas, secure county permits and file paperwork with the state. This is a cooperative effort between CSD staff and Binkley.
4. Managing the construction contact and relationship with the contractor, as well as construction inspection. This work will mostly be conducted by District staff.

The local match for this project has already been spent through the service line replacements completed over the past 18 months, plus associated staff time previous and as part of project management. No additional District cash is needed for completion of the grant work scope; although it may be advantageous for the District to consider funding additional service line replacements with budget dollars or by securing a loan, especially if the contractor is cost efficient and the work is delivering expected water saving results.

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
AGREEMENT NUMBER 4600011497
2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT
CALIFORNIA PUBLIC RESOURCES CODE § 75026 ET SEQ.**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Lake Don Pedro Community Services District (LDPCSD), a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee to assist in financing projects associated with the Yosemite-Mariposa IRWM Plan pursuant to Chapter 8 (commencing with §79560) of Division 26.5 of the California Water Code (CWC), hereinafter collectively referred to as "IRWM Program."
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on September 30, 2018, or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement.
3. GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$1,001,547.
4. GRANTEE COST SHARE. Grantee agrees to fund the difference between the Total Project Cost and the Grant Amount (amount specified in Paragraph 3). Grantee Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B (Budget). Additional Cost Share will not be reviewed by the State for invoicing purposes; however, the Grantee is required to maintain all financial records associated with the project in accordance with Exhibit I (State Audit Document Requirements and Funding Match Guidelines for Grantees).
5. FUNDING MATCH. Grantee is required to provide a Funding Match (non-state funds) of not less than 25 percent of the Grand Total of all the total project costs unless a Disadvantaged Community waiver is granted. Grantee agrees to provide a Funding Match for the amount as documented in Exhibit B (Budget), and may include expenses directly related to Exhibit A (Work Plan) after January 1, 2011.
6. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the projects in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement, and be responsible for the performance of the projects.
7. LOCAL PROJECT SPONSOR'S RESPONSIBILITY. Grantee shall assign Local Project Sponsors to act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors shall be assigned in accordance with the participating agencies identified in the Lake Don Pedro Community Services District 2015 IRWM Implementation Grant Proposal grant application. Exhibit F identifies Local Project Sponsors. Local Project Sponsors shall also act on behalf of Grantee in the fulfillment of Grantee responsibilities where specifically specified in this Grant Agreement.
8. BASIC CONDITIONS. State shall have no obligation to disburse money for projects under this Grant Agreement until Grantee has satisfied the following conditions (if applicable):

- a) Grantee demonstrates the availability of sufficient funds to complete each project by submitting the most recent 3 years of audited financial statements and submitting an Audited Financial Statement Summary for each Local Project Sponsor.
- b) Grantee must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
- c) Grantee submits deliverables as specified in Paragraph 19 of this Grant Agreement and in Exhibit A.
- d) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State for each project:
 - 1) Final plans and specifications certified by a California Registered Professional (Civil Engineer or Geologist, as appropriate) for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2) Environmental Documentation:
 - i) Grantee submits to the State all applicable environmental permits,
 - ii) Documents that satisfy the CEQA process are received by the State,
 - iii) State has completed its CEQA compliance review as a Responsible Agency, and
 - iv) Grantee receives written concurrence from the State of Lead Agency's CEQA documents and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the projects or to require changes, alterations or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, and mitigation monitoring programs as may be required prior to beginning construction/implementation.

- 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."

9. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.
10. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Total Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, and implementation. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the projects including the portion of overhead and administrative expenses that are directly related to the projects included in this Grant Agreement in accordance with the standard accounting practices of the Grantee. Work performed on the projects after January 17, 2014, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include, but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment that is not an integral part of a project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after project construction is complete.

- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs (per diem includes subsistence and other related costs).
- i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee Cost Share (i.e., Funding Match).
- l) Overhead not directly related to project costs.

11. METHOD OF PAYMENT.

- a) **Reimbursement** – Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking System (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative, as indicated on page 10 of this Grant Agreement, must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:
 - 1) Costs incurred for work performed in implementing the project(s) during the period identified in the particular invoice.
 - 2) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the project(s) during the period identified in the particular invoice for the implementation of a project.
 - 3) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - i) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii) Sufficient evidence (e.g. receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
 - iv) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). After the disbursement requirements in Paragraph 8 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 19 "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number.
- b) **Advanced Payment** – Water Code § 10551 authorizes advance payment by State for projects which are sponsored by a nonprofit organization; a disadvantaged community (DAC); or, the proponent of a project that benefits a DAC. If these projects are awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within 90 calendar days of execution of the Grant Agreement, the Grantee shall provide DWR an Advanced Payment Request. The Advanced Payment Request must contain the following:
 - 1) Documentation demonstrating that each Local Project Sponsor was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.

- 2) If the Local Project Sponsor is requesting the advanced payment, the request must also include:
 - i) A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when)
 - ii) A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended.
- 3) If an Local Project Sponsor is requesting advanced payment, Grantee shall also submit a single Advance Payment invoice, containing the request for each qualified project, to the DWR Project Manager with signature and date (in ink) of Grantee's Project Representative, as indicated on page 10 of this Agreement. The Grantee shall be responsible for the timely distribution of the advanced funds to the individual Local Project Sponsors. Within 60 calendar days of receiving the Advanced Payment invoice and subject to the availability of funds, State will authorize payment of the advanced funds sought of 50% of the grant award for the qualified project(s).

The Advance Payment Invoice shall be submitted on forms provided by State and shall meet the following format requirements:

- 1) Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
- 2) Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
- 3) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the disbursement requirements in Paragraph 8 "Basic Conditions" (8a) and 8b) only) are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 19 "Submission of Reports."

On a quarterly basis, the Grantee will submit an Accountability Report to DWR that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:

- 1) An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
- 2) A funding plan which shows how the remaining advanced funds will be expended.
- 3) Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.

DWR Project Manager will notify Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion or portions of the expenditures claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.

Once Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 11a) and any remaining requirements of Paragraph 8.

12. REPAYMENT OF ADVANCES. State may demand repayment from Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State and take any other action that it deems necessary to protect its interests for the following conditions:
 - a) A project is not being implemented in accordance with the provisions of this Grant Agreement.
 - b) Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction.

Repayment amounts may also include:

- c) Advance funds which have not been expended within 18 months of the Grant Agreement's execution by the Local Project Sponsor.
- d) Actual costs incurred are not consistent with the Exhibit A (Work Plan) activities, not supported, or are ineligible.
- e) At the completion of the project, the funds have not been expended.

For conditions 12c) and 12d), repayment may consist of deducting the amount from future reimbursement invoices.

State may consider Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 14, "Default Provisions." If State notifies Grantee of its decision to demand repayment or withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

13. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 14, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 14, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

14. DEFAULT PROVISIONS. Grantee (and a Local Project Sponsor receiving grant funding through this Grant Agreement) will be in default under this Grant Agreement if any of the following occur:
- a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.
 - c) Failure to maintain an adopted IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with §10530.
 - d) Failure to operate or maintain project(s) in accordance with this Grant Agreement (Paragraph 20).
 - e) Failure to make any remittance required by this Grant Agreement.
 - f) Failure to comply with Labor Compliance Program requirements (Paragraph 18).
 - g) Failure to submit timely progress reports.
 - h) Failure to routinely invoice State.
 - i) Failure to meet any of the requirements set forth in Paragraph 15, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

- a) Declare the funding be immediately repaid, with interest, at the California general obligation bond interest rate at the time the State notifies the Grantee of the default.
- b) Terminate any obligation to make future payments to Grantee.

- c) Terminate the Grant Agreement.
- d) Take any other action that it deems necessary to protect its interests.

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

15. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:

- a) An urban water supplier that receives grant funds governed by this Grant Agreement shall:
 - 1) Maintain compliance with the Urban Water Management Planning (UWMP) Act (Water Code §10610 *et. seq.*) and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (Water Code §10608 *et. Seq.*). Urban water suppliers that submitted AB 1420 compliance Table 2 in the 2015 Implementation Grant Application must submit, until June 30, 2016, either:
 - i) List of tasks to implement the best management practices listed in AB 1420 compliance Table 2 and a corresponding schedule and budget or;
 - ii) The progress toward the 2015 interim Gallons per Capita per Day (GPCD) target. If not meeting the interim target also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24.

By July 1, 2016 all urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim GPCD target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24. Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24).

- 2) Have their 2010 UWMP deemed consistent by DWR. The 2015 UWMP update must be submitted to DWR by July 1, 2016. If the 2015 UWMP is not submitted to DWR by July 1, 2016, funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: <http://www.water.ca.gov/urbanwatermanagement>.
- b) An agricultural water supplier receiving grant funding must:
 - 1) Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48.
 - 2) Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. The most recent AWMP update must have been submitted to DWR by December 31, 2015. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP deemed consistent by DWR on or before October 1, 2016. For more information, visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>.
- c) Grantees diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
- d) Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
- e) Project Proponents that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code §10920 and the CASGEM Program.

16. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the project. Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.
17. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of each project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.
18. LABOR COMPLIANCE. Grantee agrees to comply with all applicable California Labor Code requirements and Standard Condition D.28 in Exhibit D. Grantee must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code §1771.5 for projects funded by:
- Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; Public Resources Code §75075 *et seq.*) or
 - Any other funding source requiring an LCP.

At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

19. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit G. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such projects.
- Progress Reports: Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail to the State's Project Manager and shall be uploaded into GRanTS at the frequency specified in Exhibit C (Schedule). The progress reports shall provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.
 - Accountability Report: Grantee shall submit, on a quarterly basis, an Accountability Report by individual Local Project Sponsor that at a minimum:
 - An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 - A funding plan which shows how the remaining advanced funds will be expended.
 - Provides an accounting of distributing the advanced funds to the appropriate Local Project Sponsor.
 - Documents that the funds were spent on eligible reimbursable costs.
 - Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - Water Management Status Report: Until June 30, 2016, Grantee shall submit a status report on implementation of either AB 1420 status or SBx7-7 water conservation status for the urban water suppliers

that submitted an AB 1420 compliance Table 2 in the 2015 Implementation Grant Application. AB 1420 status reports shall be uploaded into GRANTS no later than 30 calendar days after execution of this agreement. SBx7-7 GPCD status reports shall be uploaded via GRANTS no later than June 30, 2016. By July 1, 2016 all urban water suppliers must submit an UWMP that demonstrates they are meeting the 2015 interim SBx7-7 GPCD target. If the urban water supplier is not meeting the interim target, then the urban water suppliers must also submit with its UWMP, a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Failure to progress on implementation may result in continuing grant eligibility actions under Paragraph 15. Before July 1, 2016, all agricultural water suppliers must submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48 to comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code.

- d) Project Completion Report: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Project Completion Report(s) shall include, in part, a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Project Completion Report shall also include, if applicable, certification of final project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Standard Condition D.19 in Exhibit D. A DWR "Certification of Project Completion" form will be provided by the State.
- e) Grant Completion Report: Upon completion of all projects included in Exhibit A, Grantee shall submit to State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Project Completion Report for the final project to be completed under this Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each project completed, and how those projects will further the goals of the IRWM Plan and identify any changes to the IRWM Plan, as a result of project implementation. Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State.
- f) Post-Performance Reports: Grantee shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed project(s) begins operation.

20. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of each project, and shall ensure or cause each project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 14, "Default Provisions."

21. PROJECT MONITORING PLAN REQUIREMENTS. Grantee shall develop and submit to State a Project Monitoring Plan that incorporates: (1) the Project Performance Monitoring Table requirements outlined in the Proposition 84 2015 IRWM Implementation Grant Proposal Solicitation Package (pages 20 and 21), and (2) the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."
22. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with §10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit H (Requirements for Statewide Monitoring and Data Submittal), for web links and information regarding other State monitoring and data reporting requirements.
23. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a projects will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
 - b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.
 - c) Final inspection of the completed work on a project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with Standard Condition D.19 in Exhibit D. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
24. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- a) By delivery in person.
 - b) By certified U.S. mail, return receipt requested, postage prepaid.
 - c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
 - d) By electronic means.

Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 26. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

25. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.
26. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources
Arthur Hinojosa
Chief, Division of IRWM

Lake Don Pedro Community Services District
Peter Kampa
General Manager

P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 653-4736
e-mail: Arthur.Hinojosa@water.ca.gov

9751 Merced Falls Rd.
La Grange, CA 95329
Phone: (209) 694-7023
e-mail: pete@ldpcsd.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Jason Preece
Division of Integrated Regional Water Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9636
e-mail: Jason.preece@water.ca.gov

Lake Don Pedro Community Services District
Peter Kampa
General Manager
9751 Merced Falls Rd.
La Grange, CA 95329
Phone: (209) 694-7023
e-mail: pete@ldpcsd.org

Either party may change its Project Representative or Project Manager upon written notice to the other party.

27. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Authorizing Resolution
- Exhibit F – Local Project Sponsors
- Exhibit G – Report Formats and Requirements
- Exhibit H – Requirements for Statewide Monitoring and Data Submittal
- Exhibit I – State Audit Document Requirements and Funding Match Guidelines for Grantees
- Exhibit J – Project Monitoring Plan Guidance

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Arthur Hinojosa, P.E., Chief
Division of Integrated Regional Water Management

Peter Kampa
General Manager

Date _____

Date _____

Approved as to Legal Form and Sufficiency

Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date _____

**EXHIBIT A
WORK PLAN**

The Proposition 84 2015 IRWM Implementation Grant agreement provides funding for four projects located within the Yosemite-Mariposa IRWM region.

PROJECT 1: GRANT AGREEMENT ADMINISTRATION

IMPLEMENTING AGENCY: Lake Don Pedro Community Services District

PROJECT DESCRIPTION: The Regional Water Management Group, authorized Lake Don Pedro Community Services District (LDPCSD)(Grantee) to act as the applicant and the grant manager for the Proposition 84 2015 IRWM Implementation Grant.

The Grantee will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. The Grantee will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc), obtaining data for progress reports from individual project managers, assembling and submitting progress reports to the State, and coordinating all invoicing and payment of invoices.

Budget Category (a): Direct Project Administration

Task 1a Agreement Administration

As a part of Task 1a, the Grantee prepared, or had prepared by others, the grant proposal containing information and documentation useful to the projects and preparation of the grant agreement. Under Task 1a, the Grantee will also respond to DWR's reporting and compliance requirements associated with the grant administration and will coordinate with the project managers responsible for implementing the projects contained in this agreement.

Task 1b Invoicing

The Grantee will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation for each of the projects and compiling the information into a DWR Invoice Packet.

Task 1c Progress Reports and Project Completion Report(s)

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will coordinate with project staff to retain consultants as needed to prepare and submit, Progress Reports and Final Grant Completion Report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit G of this agreement. For example, Progress Reports will explain the status of the project and will include the following information: summary of the work completed for the project during the reporting period; activities and milestones achieved; and accomplishments and any problems encountered in the performance of work. Project Completion Reports will include: documentation of actual work done, changes and amendments to each project, a final schedule showing actual progress versus planned progress, and copies of final documents and reports generated during the project.

Deliverables:

- Invoices and associated backup documentation
- Progress Reports
- Draft and Final Grant Completion Report

PROJECT 2: WATER SUPPLY IMPROVEMENT/GROUNDWATER WELLS

IMPLEMENTING AGENCY: Lake Don Pedro Community Services District

PROJECT DESCRIPTION: The project involves increasing LDPCSD's water supply reliability and drought tolerance by installing two new groundwater supply wells. The two new emergency wells will have an anticipated combined capacity of 175 gallons per minute in order to mitigate current and future water supply shortages during drought. Project 2 will complete the remaining work on the groundwater wells consisting primarily of installation of well appurtenances, like well hook-ups, controls and monitoring equipment. Pending available remaining funds from completing the wells, upgrades to the water distribution will be made that will include installing up to nine (9) master water meters with the installation of flow transmitters connected to the existing Supervisory Control and Data Acquisition (SCADA) system to allow for continuous monitoring of water consumption on a tank zone by tank zone basis for real-time, pinpoint service line and system leak detection, as well as installing additional service line replacements to reduce groundwater extractions and limiting the need for additional wells.

Budget Category (a): Direct Project Administration

Task 1a Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare supporting documentation for invoice submittals to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoice supporting documentation
- Other Applicable Project Deliverables

Task 1b Labor Compliance Program

The District has recently prepared an approved Labor Compliance Program for its Emergency Groundwater Well Project funded under Proposition 84 by the State Water Resources Control Board and Department of Water Resources. The District will take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, update of the labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 1c Reporting

Prepare supporting information for progress reports detailing work completed during reporting periods as outlined in Exhibit (G) of this agreement.

Prepare Draft Project Completion Report and submit to DWR for DWR comment and review no later than 90 days after project completion. Prepare Final Report addressing DWR's comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

For one of the two proposed wells, a candidate location was selected, and LDPCSD purchased this 17-acre property using LDPCSD funds. LDPCSD located the second well on existing publicly owned property so no additional land purchase was required.

Well locations were selected to minimize the need for easements to the extent feasible. A fifteen-foot-wide, 16,500-square-foot easement was acquired by the District for well-related equipment and pipeline connections from the wells.

Land acquisition is not necessary for the service line replacements as all work will occur within existing easements and County road right-of-way.

Deliverables:

- All relevant documentation regarding acquisition of easement including final recorded deed, and title report.

Budget Category (c): Planning/Design/Engineering and Environmental Documentation

Task 3a Feasibility Studies

LDPCSD has been conducting feasibility studies since February 2015. Given the hydrogeological conditions of the area (fractured rock formations), two pilot well sites were required at different locations to identify sufficient water supply. Review of candidate well locations has been conducted to verify that the various wells drilled were not hydraulically connected to one another, to determine the requirements for physical connection to the water distribution system, confirm well water quality and production capacity, and analyze storage and demand issues. The two pilot wells were installed and tested per state standards and ultimately determined to be unacceptable for development due to poor water quality and low production. A third well site was identified, pilot well drilled and water quality sampled, pump testing and logging completed and determined to be adequate in both water quality and quantity, with testing results used to form the basis for the well and pumping plant design.

Deliverables:

- Preliminary Design Report including well driller's logs

Task 3b CEQA Documentation

LDPCSD has completed and certified an environmental assessment in accordance with National Environmental Policy Act guidelines, and filed a CEQA Notice of Exemption for installation of the pilot wells, final development of three wells including pipeline connections, and iron and manganese treatment system. No anticipated negative environmental effects were identified, and preconstruction surveys for ground-nesting birds will be conducted before May 1, 2016.

For the Service Line Replacement alternative, the implementing agency will prepare a CEQA Notice of Exemption under Title 14 of the California Code of Regulations Section 15302, Replacement or Reconstruction (Class 2 Categorical Exemption, which includes replacement/reconstruction of existing water pipelines.

Deliverables:

- Copy of CEQA Notice of Exemption
- Copy of the project environmental assessment if requested
- Copy of Receipt of Filing from the County of Mariposa
- Copy of Receipt of Filing from the County of Tuolumne
- No Legal Challenges Letter

Task 3c Permitting

Obtain all necessary federal, state, and local permits. Permits may include:

- County Encroachment Permit
- Mariposa County well drilling and electrical permits

Additional permits may be required and will be obtained as necessary.

Deliverables:

- Copy of all required permits

Task 3d Design

Based on the pilot well drilling results, the hydrogeologist on-contract with LDPCSD provided test pumping analysis to establish the criteria for design and specifications, and the District's engineering consultant has completed the design plans and specifications for the well installations, including the screen material, packing and depth of well. In addition, the design plans and specifications for all associated surface facility improvements and well equipment such as pumps, control and monitoring equipment, electrical equipment, site work, and pipelines have been completed under this task.

For the Service Line Replacement alternative, tasks will involve design of replacement and upgrade of existing distribution system master water meters, to include flow transmitters with system production and consumption data compared on a continuous, real-time basis. Design will involve logic pattern identification of the master meter flow data use in conjunction with electronic readings from read-customer water meters to identify portions of the water system with the highest leakage loss.

Design also includes utilizing the District's existing standard construction specifications and details for pipe material, pavement and trench bedding, confirming and documenting the pavement details and depth to pipe for each replacement location type, and compiling this information to be included in the bid package. As LDPCSD has been conducting similar work in the past, a single design submittal is anticipated.

Deliverables:

- Updated Project Cost Estimate
- 100% Design Documents

Task 3e Project Monitoring Plan

For the well project, the District has performed extensive pilot testing and analysis to project the performance of the wells when pumped continuously for six months. The District will develop and submit a well or service line replacement Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

The District has developed a system leakage identification protocol and spreadsheet to be used in monitoring the water service line replacement project success in reducing leakage rates.

Deliverables:

- Project Monitoring Plan
- Emergency groundwater well testing evaluation report

Budget Category (d): Construction/Implementation

Task 4a Construction Contracting

LDPCSD has already drilled and tested the wells, chosen one well location for final development, installed the well casing, pump, electrical equipment and temporary pipe connections associated with the well installations under a

continuous emergency declaration pursuant to California Public Contract Code Sections 22035 and 22050. In addition, Pacific Gas and Electric Company (PG&E) has designed and installed the electrical power equipment to the well site.

For the Service Line Replacement alternative, this task includes as-needed activities, including developing bid documents, preparing advertisement and contract documents, for construction contract bidding, conducting pre-bid meeting, bid opening and evaluation and selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- LDPCSD Emergency Declarations and exemption from public bidding requirements
- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 4b Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. Construction observer duties will include: documenting of pre-construction conditions, daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, notifying contractor if work is not acceptable.

Deliverables:

- Notice of Completion

Task 4c Construction/Implementation Activities

For the well installation alternative, work activities include:

4c(1): Mobilization and Demobilization Including production well drilling, casing, screening, development and testing.

4c(2): Site preparation will include vegetation stripping, debris clearing and leveling as needed for well drilling, equipping and pipeline installations.

4c(3): Drilling and constructing of water supply wells, installation of the associated equipment, including pumps, control and monitoring equipment, electrical equipment, and disinfection/treatment system, as well as installation of the pipes and valves for connecting to the water distribution system.

4c(4): Other improvements may include fence installation and surface restoration of the well sites and pipe layout areas.

For Service Line Replacement alternative, the construction contractor service replacement work will be focused in the areas of the system determined to have the highest leak rates. Depending on available funding, work activities will likely include:

4c(1): Mobilization and demobilization.

4c(2): Notifying the affected customers (up to one day of service disruptions may be necessary).

4c(3): Upgrade up to nine (9) master water meters with the installation of flow transmitters connected to the existing Supervisory Control and Data Acquisition (SCADA) system

4c(4): Removing up to 65 existing service lines if necessary, using either trenching or trenchless method, depending on the specific location.

4c(5): Installing the new pipes and re-connecting them to the corporation stop on the water main and the end users' meter yoke or angle stop valve.

4c(6): Site restoration including repaving the streets and replacing landscaping.

Deliverables:

- Photographic documentation

PROJECT 3: REGIONAL WATER USE EFFICIENCY PROGRAM

IMPLEMENTING AGENCY: Lake Don Pedro Community Services District

PROJECT DESCRIPTION: The proposed program will include multiple elements to promote water conservation by residential and commercial water users. The program will initially focus on the LDPCSD's service area within Mariposa County for the first year, and later expand to the remainder of Mariposa County. The program will include education and outreach, house calls, rebates and incentives.

Budget Category (a): Direct Project Administration

Task 1a Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare invoice supporting documentation for submittal to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoice supporting documentation
- Other Applicable Project Deliverables

Task 1b Labor Compliance Program

The project does not involve any "public works" construction elements that would require the payment of prevailing wages. Therefore, it is not required to initiate and enforce a Labor Compliance Program in accordance with the Labor Code 1771.5 for this project.

Task 1c Reporting

Prepare supporting information for progress reports detailing work completed during reporting period as outlined in Exhibit (G) of this agreement.

Prepare Draft Project Completion Report and submit to DWR for DWR comment and review no later than 90 days after project completion. Prepare Final Report addressing DWR's comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

Land purchase/easement is not needed for the project.

Budget Category (c): Planning/Design/Engineering and Environmental Documentation

Task 3a Feasibility Studies

The water efficiency program elements included in the project have been demonstrated to be feasible and effective in Tuolumne County and elsewhere in the state. Incentive programs have been specifically crafted and incentivized in

response to needs identified by local water providers and their customers. Therefore, no separate feasibility study will be required to implement the proposed project.

Deliverables:

- Preliminary Water Use Efficiency Program Description

Task 3b CEQA Documentation

The Regional Water Use Efficiency Program is not a project as defined by CEQA

Task 3c Permitting

Obtain all necessary federal, state, and local permits. Permits may include:

- County Encroachment Permit

Additional permits may be required and will be obtained as necessary.

Deliverables:

- Copy of all required permits

Task 3d Design

LDPCSD staff has been working to identify the financial, staffing, and external resources needed to implement and manage a successful water conservation program. Additional tasks to be completed to finalize the program design include:

- Modifying the existing public outreach materials to tailor the content to the local audience as necessary
- Determining the detailed methods and schedules for outreach, marketing and educational program curriculum development, venue identification and scheduling
- Determining the details of the Terms and Conditions, application process, any applicable system design or homeowner permitting requirements, inspection and installation verification process and reimbursement methods for the Incentive Program

Deliverables:

- Marketing and outreach materials
- Educational workshop schedules and agendas
- Incentive Program Terms and Conditions

Task 3e Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

The project performance monitoring parameters are anticipated to include the number of program participants (e.g., number of Water Kits installed, number of rebates disbursed, high efficiency toilets or urinals installed, square feet of turf eliminated, irrigation systems modified to drip), water use reduction data for metered program participants, and data from follow-up surveys for non-metered program participants.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 4a Construction Contracting

The proposed program will primarily be administered and managed by a third party program coordinator. In addition, third party contractors will be secured through a Request for Proposal (RFP) process to implement the House Call Program and Technical Assistance program elements. The contracting activity will include: developing the request for proposals, evaluation and review of the proposals, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Request for Proposal
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 4b Construction Administration

The program coordinator will administer the Incentive Program, including monitoring project compliance and completion, and identifying and coordinating with equipment supply vendors and contractors. Incentive Program administration will include the following activities:

- Customer outreach and marketing via the program website, mailers, workshops and outreach activities at community events.
- Receiving customer applications for program participation.
- Purchase and distribution of water saving showerheads, faucet aerators, hose nozzles, shower timers, toilet leak test tablets and other water use reduction devices.
- House Calls / Audits -- Third party contractors will conduct house calls / audits and provide property owners with a site-specific efficiency plan that identifies appropriate measure(s) and/or device(s) for the property.
- Rebate Distribution. Upon verification and/or inspection of the purchase of relevant materials/devices, or installation of approved devices or systems, the customer will be reimbursed.
- The program coordinator will provide regular reports to LDPCSD, outlining ongoing implementation activities. Upon project completion the third party administrators will provide a final report on implementation.

Deliverables:

- Preliminary Water Use Efficiency Program Description

Task 4c Construction/Implementation Activities

The following presents the estimated quantities of water-saving retrofits and incentive rebates to be provided under the Program:

- 4c(1): Water Use Reduction Kits and/or devices (kit includes water-saving retrofit plumbing fixtures including two faucet aerators, showerhead, sprinkler nozzle, toilet tank die tablets, leak info card, and water heater wrap). Up to 700 kits at approximately \$15 per kit will be available and a \$30 incentive paid to the first 200 customers verifying full installation.
- 4c(2): Greywater (laundry to landscape or fixed lateral system)- or rainwater catchment-to-irrigation system rebate: up to 100 properties will receive approximately \$500 rebates from the program.
- 4c(3): Irrigation system and landscaping modification rebate: up to a maximum of \$250 per property and up to 100 properties will receive rebates for conversion of spray irrigation to drip, installation of smart irrigation controllers and sensors, and/or lawn removal or replacement of high-water-use landscaping with drought tolerant landscaping.

4c(4): High Efficiency Toilet rebate: up to 400 units will be reimbursed approximately \$75 under the rebate program.

The actual number of rebates and specific amount of the rebate is subject to change based on program performance and customer interest.

Deliverables:

- Photographic documentation

PROJECT 4: SERVICE LINE REPLACEMENT

IMPLEMENTING AGENCY: Lake Don Pedro Community Services District

PROJECT DESCRIPTION: The project will replace existing water service lines that are over 40 years old and subject to frequent leaks. Approximately 375 segments of service lines from the water main corporation stop (i.e., the start of end user's water line) to the water meter box will be replaced with pipes that meet current codes and standards for material and diameter. Since the LDPCSD service area is in both Tuolumne and Mariposa Counties, the replacement work will be in both counties, addressing the worst leaking service line segments first.

Budget Category (a): Direct Project Administration

Task 1a Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare invoice supporting documentation for submittal to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Other Applicable Project Deliverables

Task 1b Labor Compliance Program

LDPCSD has developed and implemented an approved labor compliance program used for its recent Proposition 84 funded groundwater well projects. LDPCSD will take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 1c Reporting

Prepare supporting information for progress reports detailing work completed during reporting period as outlined in Exhibit (G) of this agreement.

Prepare Draft Project Completion Report and submit to DWR for DWR comment and review no later than 90 days after project completion. Prepare Final Report addressing DWR's comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

The proposed service line replacements will take place within public rights-of-way, and no land purchases or easement acquisitions will be required.

Budget Category (c): Planning/Design/Engineering and Environmental Documentation

Task 3a Feasibility Studies

LDPCSD has been addressing replacement on an on-going basis and have thus developed methods to quickly address replacement as they are reported using a local contractor; constructed in compliance with county encroachment permitting requirements. The planning phase of the project will involve identifying and documenting the specific locations/parcel numbers where service lines will be replaced as detailed in the (alternative) Project #1, Service Line Replacement Project, and establishing the detailed construction phasing schedule.

Deliverables:

- Water audit and leak detection reports identifying system areas with the highest water loss
- Plans of the locations/parcel numbers of the service lines to be replaced

Task 3b CEQA Documentation

The implementing agency will prepare a CEQA Notice of Exemption under Title 14 of the California Code of Regulations Section 15302, Replacement or Reconstruction (Class 2 Categorical Exemption, which includes replacement/reconstruction of existing water pipelines.

Deliverables:

- Copy of CEQA Notice of Exemption
- Copy of Receipt of Filing from the County of Mariposa
- Copy of Receipt of Filing from the County of Tuolumne
- No Legal Challenges Letter

Task 3c Permitting Task status: 0%

Obtain all necessary federal, state, and local permits. Permits may include:

- County Encroachment Permit

Additional permits may be required and will be obtained as necessary.

Deliverables:

- Copy of all required permits

Task 3d Design

The design will identify targeted locations for service line replacements based on documented leakage rates, using existing District construction standards and specifications for pipe material, pavement and trench bedding, confirming and documenting the pavement details and depth to pipe for each replacement location type, and compiling this information to be included in the bid package. As LDPCSD has been conducting similar work in the past, a single design submittal is anticipated.

Deliverables:

- Water system leak audit protocol
- Standard Details
- 100% Design Documents
- Updated Project Cost Estimate

Task 3e Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

The project performance monitoring parameters will include: the length of service lines replaced and the estimate of Unaccounted-For-Water (UFW). A post-project reduction in the amount of UFW compared to the pre-project baseline would indicate that the service line replacement has effectively reduced leakage.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 4a Construction Contracting

This task includes developing bid documents, preparing advertisement and contract documents, for construction contract bidding, conducting pre-bid meeting, bid opening and evaluation and selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 4b Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. Construction observer duties will include: documenting of pre-construction conditions, daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, notifying contractor if work is not acceptable.

Deliverables:

- Notice of Completion

Task 4c Construction/Implementation Activities

The project work activities will likely include:

4c(1): Mobilization and demobilization.

4c(2): Notifying the affected customers (up to one day of service disruptions may be necessary).

4c(3): Removing the existing service lines if necessary, using either trenching or trenchless method, depending on the specific location. As many as 245 lines will be replaced at approximately \$1,400 per line.

4c(4): Installing the new pipes and re-connecting them to the corporation stop on the water main and the end users' meter yoke or angle stop valve.

4c(5): Site restoration including repaving the streets and replacing landscaping.

Deliverables:

- Photographic documentation

**EXHIBIT B
BUDGET**

Summary Budget for the Yosemite-Mariposa IRWM Implementation Grant					
Project Title	Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total Cost	% Funding Match
Project 1 – Grant Agreement Administration	\$105,000	\$0	\$12,700	\$117,700	0%
Project 2 – Water Supply Improvement/Groundwater Wells*	\$250,000	\$0	\$262,350	\$512,350	0%
Project 3 – Regional Water Use Efficiency Program*	\$175,260	\$0	\$55,275	\$230,535	0%
Project 4 – Service Line Replacement*	\$471,287	\$0	\$225,000	\$696,287	0%
Total	\$1,001,547	\$0	\$555,325	\$1,556,872	0%

*Denotes DAC Funding Match Waiver

Project 1 – Grant Agreement Administration Budget					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$105,000	–	\$12,700	\$117,700
	Total	\$105,000	–	\$12,700	\$117,700

**EXHIBIT B
BUDGET (CONT.)**

Project 2 – Water Supply Improvement/Groundwater Wells					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$15,000	-	-	\$15,000
(b)	Land Purchase/Easement	-	-	-	-
(c)	Planning/Design/Engineering/Environmental Documentation	-	-	\$262,350	\$262,350
(d)	Construction/Implementation	\$235,000	-	-	\$235,000
Total		\$250,000	-	\$262,350	\$512,350

Project 3 – Regional Water Use Efficiency Program Budget					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$2,500	-	-	\$2,500
(c)	Planning/Design/Engineering/Environmental Documentation	\$2,640	-	-	\$2,640
(d)	Construction/Implementation	\$170,120	-	\$55,275	\$225,395
Total		\$175,260	-	\$55,275	\$230,535

Project 4 – Service Line Replacement Budget					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$10,000	-	-	\$10,000
(c)	Planning/Design/Engineering/Environmental Documentation	\$33,000	-	-	\$33,000
(d)	Construction/Implementation	\$428,287	-	\$225,000	\$653,287
Total		\$471,287	-	\$225,000	\$696,287

Lake Don Pedro Community Services District

Regular Meeting of July 18th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- e. Adoption of a Resolution Approving a New Policy on District Financial Reserves

Recommended Motion

Staff Recommends the following motion:

I move to adopt Resolution 2016-XX, a Resolution Approving a New Policy on District Financial Reserves

Background

The Board's strategic plan includes initiatives intended to raise the visibility and public understanding of the District, as well as to effectively and efficiently manage the District finances. The District has the need to accumulate a variety of funding reserves to ensure that we at all times have enough money in place to efficiently deliver our services, and charge the appropriate fees and charges to existing and new customers to ensure that all ratepayers benefit evenly from the system.

State law provides requirements for the establishment of reserves, and the California Special Districts Association produces a Reserve Guideline Manual for the development of comprehensive reserve policies and programs. The attached policy is developed in compliance with the law and CSDA guidelines.

The reserve policy establishes a minimum and maximum funding amount for most of the reserve funds, which can be accumulated over time to meet the District goals.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Policy and Procedures Manual

POLICY TITLE: Reserve Policy
POLICY NUMBER: (to be established)
ADOPTED: July 18, 2016
AMENDED:

This statement is intended to provide policy and direction concerning the District's comprehensive reserve policy.

BASIC POLICY AND OBJECTIVES

The Lake Don Pedro Community Services District reserve policy is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds intended to:

- Minimize adverse annual budgetary impacts from fluctuations in anticipated and unanticipated District expenses
- Ensure that new water system customers and new development projects pay the proportional cost of the value in the existing system and the cost of system expansion needed to serve the water demand of these new connections
- Plan and set aside funding in advance for known future expenditures, to make cash available for purchases when necessary and to conduct planning, design, permitting and other capital improvement project preparatory actions
- Ensure that adequate funding is available connection and other mitigation type fees to construct improvements related to system capacity

The adequacy of the target reserve year end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised accordingly as necessary. The following District reserve fund categories are established:

1. Capital Facility Replacement Reserve (Water Service and Administration)

1.1. **Purpose:** Fees are collected for the future replacement of existing facilities and major equipment.

1.2. **Target Balance:** The target balance continually fluctuates with the addition and replacement of new facilities and equipment. As new facilities and equipment are built, acquired or purchased, the target balance will increase in order to provide for the ultimate replacement of these facilities at the end of their life-cycle. As such, the current target reserve balance is the amount that should be funded at

the end of each fiscal year according to a replacement reserve study and Capital Improvement Plans (CIP), which are reviewed annually.

1.3. **Methodology/Rational:** The District records depreciation using the straight-line method over the estimated useful lives of facilities and equipment. The fee is collected to replace District facilities and equipment as they reach the end of their useful life and also to handle unanticipated repairs during the life-cycle.

1.4. **Use of Funds:** The funds will be used to replace facilities and equipment as necessary to continue reliable and efficient District water services.

1.5. **Funding:** Annual contributions from user fees are currently based upon annual projected requirements in conjunction with the overall budget, replacement reserve study and CIP. Interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments. In addition, the Board of Directors may approve the designation of available fund balance as Capital Replacement Reserves provided, however, that sufficient Operating Fund balances are preserved.

2. **Capital Facility Improvement Fee Reserve**

2.1. **Purpose:** To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's regulatory compliance and existing level of service.

2.2. **Target Balance:** AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law. The target funding level will be established at an amount adequate to fund the estimated cost of future system expansion.

2.3. **Methodology/Rational:** Virtually all development that may occur within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs. The fee is charged when vacant properties established prior to this policy apply for new meter installation. The fee is also charged to new development projects specifically to offset and avoid any cost or negative impact to the existing system caused by the water demand of future customers. Connection and capacity fees shall be set at the level to fund the necessary capacity improvements in a timely manner in advance of the new water demand occurring.

2.4. **Use of Funds:** The funds generated by the fee will be used to acquire and/or construct various capital facilities, both replacement and capacity related for the water plant, distribution system and equipment for the provision of water and administrative services.

2.5 **Funding:** Annual contributions from connection fees (capacity portion) and developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

3. **Water Supply Contingency Reserve Fee**

3.1. **Purpose:** To provide funds for the orderly and timely augmentation of the District's water supply to meet future demands during a major drought event, determined based on the water demand of the undeveloped lands, as it develops within the District's existing boundaries.

3.2. **Target Balance:** This reserve fund is based on a combination of the development of groundwater well systems and the lowering of the existing Lake McClure Intake pumps to provide a more reliable water supply system during drought, and an alternate water supply when the Lake McClure surface elevation drops below the lake's statutory Minimum Pool. The amount of the reserve will be set at the level detailed in the current Water Supply Assessment Report prepared by or under the supervision of the District Engineer.

3.3. **Methodology/Rational:** Virtually all development that occurs within the District requires a potable water supply, as well as a non-potable supply for fire suppression. The current water supply facilities of the District are adequate to meet the human consumption, sanitation and fire protection supply needs of the existing development, but additional water supply facilities are required to serve future development within the District. Specifically, this fee applies on an equitable basis only to those future connections and developments that require water service, and the funds generated from this fee will be used to develop water supply facilities that will be capable of meeting the water supply needs of said new connections and future development. This fee is established to insure the adequacy and reliability of the District's water supply as development of undeveloped lands occurs, and to continue to meet the minimum water supply needs of the community during extreme drought conditions.

3.4. **Use of Funds:** The funds generated by the fee will be used to pay the proportional share of cost of the Lake McClure Intake Pump Extension Project and the construction cost of the number of new groundwater wells necessary to serve the drought water demand of new system connections and new development projects. The fund may also be used to pay for the construction of the transmission and treatment facilities determined necessary by the District, and may also include the cost of performance of various studies and other miscellaneous management and administrative functions.

3.5. **Funding:** Annual contributions from accumulated connection and developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

4. **Capital Improvement Connection Fee Reserve (Vacant Parcels)**

4.1. **Purpose:** Fees are collected as a primary source of funds for the development of additional water treatment and system capacity to serve the parcels existing within the District at the time of adoption of this policy. The fee is set at a level which will defray the costs of providing service to the existing vacant parcels including additional water treatment and/or distribution facilities, major trunk and transmission pipelines and facilities for pumping when such facilities are needed.

4.2. **Target Balance:** The target balance is set at the amount as determined by the District Engineer, necessary to:

1) Fund the cost of the value of capacity in the existing water treatment and distribution system, as necessary to serve the demand of full buildout of the existing system vacant lots; and

2) Fund the cost of the installation of additional water treatment plant capacity, distribution pumps, water storage tanks, valves, controls and pipelines necessary to serve full buildout of the existing system vacant lots; and

3) Mitigate the impact of any future land development project, set on a project by project basis using established per parcel fees.

4.3. **Methodology/Rational:** Vacant lots have been paying an annual standby assessment since the inception of the system. This funding has been dedicated toward general system maintenance and replacement to maintain the system in a ready-to-serve capacity. The buildout of the system has occurred much slower than ever anticipated, requiring major system renovations and improvements, and the vacant lot standby fee has been determined to be wholly inadequate to fund a proportional share of these improvements.

A study will be prepared by the District Engineer to identify the cost of major existing system renovations attributable to vacant parcels but not paid with standby fees; and the cost of future system improvements needed to serve the added capacity of full system buildout (all vacant lots connected). The expense detailed by this study will be used to calculate new connection and capacity fees which when charged, will be deposited into this reserve account to fund the improvements when needed.

4.4. **Use of Funds:** The funds will be used to maintain and enhance system water treatment and distribution system capacity.

4.5. **Funding:** This fee is collected in connection fees with each service application from a vacant parcel. In addition, the per new connection value of treatment and distribution capacity will be charged to all new land development projects and deposited into this account. Interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

5. **Rate Stabilization Contingency Fund Reserve (Water Service and Administration)**

5.1. Purpose: To offset revenue shortages due to high levels of water conservation, economic hardships and/or unforeseen major expenses.

5.2. Target Balance: The minimum and maximum balances will be periodically reviewed by the Board and are to be maintained based upon the level of next year's revenue. The minimum level is no less than 25% of one year's current operating revenue. The maximum limit will be no greater than 75% of next year's fund revenue.

5.3. Methodology/Rational: An economic hardship or unforeseen event could cause a loss of revenue for the District. If such an event occurs, the District could use these funds to stabilize revenues while adjusting rates if necessary to compensate for the fluctuation.

5.4. Use of Funds: These funds will be used to supplement differences in revenue projections resulting from economic hardships and unforeseen events.

5.5. Funding: Initial contributions will be set at up to 50% of any positive fund balance at the close of a fiscal year, net of transfers to other capital reserves. The Board will allocate the highest feasible amount annually to this fund considering near future operating and capital expense needs. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

6. Operating Fund Contingency Reserve (Water and Administration)

6.1. Purpose: To ensure cash resources are available to fund daily administration, operations and maintenance of providing and administering water services.

6.2. Target Balance: A minimum of six months of cash to fund District expenditures.

6.3. Methodology/Rational: The District is required to have sufficient cash flow to meet the next six months of budgeted District expenditures (Government Code Section 53646(b)(3)). The next six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement. Revenues in excess of reserve contributions and expenditures resulting from expenditure savings or timing differences are also reflected in this fund.

6.4. Use of Funds: These funds will be used to pay for expenditures according to budget and expenditure authority.

6.5. Funding: Annual contributions will vary, depending upon other reserve requirements and current year expenditure requirements. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

RESOLUTION NO. 2016-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING A
NEW POLICY ON DISTRICT FINANCIAL RESERVES**

The Board of Directors of the Lake Don Pedro Community Services District does hereby find and declare as follows:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District Board of Directors adopts policies to guide the actions of management and the District in the conduct of the day to day operations of District management and administration; and

WHEREAS, the California Government Code Section 61112 contains provisions for the establishment of designated reserve funds for contingencies and capital improvements and further requires the annual review of the District’s policy on designated reserves; and

WHEREAS, the Board has determined that a policy is desirable and necessary to identify appropriate capital and contingency financial reserves and to establish their purpose, funding amounts and annual financial contributions; and

WHEREAS, the California Special Districts Association has developed and published Reserve Policy Guidelines for the purpose of policy development by special districts; and

WHEREAS, the District has developed draft reserve policy language attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District that the General Manager is hereby authorized and directed to file and publish a certified copy of the approved reserve policy contained in Exhibit A as attached hereto.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on July 18, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)

COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at _____, La Grange, CA 95239, on July 18, 2016.

DATED: July 18, 2016.