



**LINCOLN-SMD 1 WASTEWATER AUTHORITY
MEETING AGENDA**

Regular Meeting of the Board of Directors

Lincoln City Hall, Third Floor Council Chambers
600 Sixth Street, Lincoln, CA 95648

October 13, 2023, at 10:00 a.m.

The public may also observe and participate in the meeting via Zoom at the following videoconferencing link:

https://us06web.zoom.us/webinar/register/WN_L2bYfOdARYiQxL2vDwckAQ

Board of Directors

CITY OF LINCOLN
Dan Karleskint, Chair
Holly Andreatta

COUNTY OF PLACER
Jim Holmes, Vice Chair
Shanti Landon

General Manager and Secretary

George Barber

Legal Counsel

Wes Miliband

PRELIMINARY MATTERS

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. ROLL CALL
- D. PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items not on the Agenda within the Authority's subject matter jurisdiction should do so at this time. With respect to items on the Agenda, the Board will receive public comments at the time the item is opened for discussions, prior to any vote or other Board action. A three-minute time limit is requested. Please complete a speaker card and submit it to the General Manager at the meeting.



ACTION CALENDAR

1. APPROVAL OF MINUTES – 09/08/23 Regular Meeting 09/08/23 Special Meeting
2. CONSENT ITEMS

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.

- 2.1 CHANGE OF THE NOVEMBER 2023 REGULAR MEETING OF THE BOARD OF DIRECTORS DATE AND TIME TO NOVEMBER 17, 2023 AT 10:00 AM.

3. GENERAL MANAGER'S REPORT AND UPDATE – A written and verbal report.
4. OPERATIONS REPORT AND UPDATE – A written and verbal report.
5. OPERATIONS RFQ AD-HOC COMMITTEE – Consider the establishment of an Ad Hoc Committee consisting of two Board Members, the General Manager, Legal Counsel, City of Lincoln staff and County of Placer staff and appoint two Board members for the selection process of the contract operator for LiSWA.
6. PRESENTATION BY ALLIANT INSURANCE SERVICES – Alliant Insurance Representative will provide a presentation on the company and the California Sanitation Risk Management Authority (CSRMA).
7. RESOLUTION NO. 2023-06 CHANGING THE MAILING ADDRESS OF THE AUTHORITY – Consider a change of mailing address from 600 Sixth Street Lincoln, CA (Lincoln City Hall) to 1245 Fiddymment Road Lincoln, CA (Wastewater Treatment and Reclamation Facility).
8. DRAFT POLICY AND PROCEDURE MANUAL – No action to be taken. This is a discussion item only.
9. LEGAL REPORT – Counsel will provide a verbal report.
10. DIRECTOR'S COMMENTS

ADJOURNMENT

THE FOLLOWING INFORMATION IS PROVIDED TO ASSIST WITH PUBLIC PARTICIPATION:

Americans with Disabilities Act (ADA): In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the Lincoln City Clerk's Office at (916) 434-2490. The meeting room is wheelchair accessible and disabled parking is available. Notification at least 24 hours prior to the meeting or time when services are needed will assist staff in assuring reasonable arrangements can be made to provide accessibility to the meeting or service.

Agenda Availability: The main posting location of the LiSWA Agenda is on the public kiosk outside the entrance of Lincoln City Hall, 600 6th Street, Lincoln, California. Agenda Packets are available for review at the Lincoln City Clerk's Office, 600 6th Street, Lincoln, California.



**LINCOLN-SMD 1 WASTEWATER AUTHORITY
MEETING MINUTES**

Regular Meeting of the Board of Directors
September 08, 2023, at 10:00 a.m.

PRELIMINARY MATTERS

- A. CALL TO ORDER - The meeting was called to order at 10:02 am.
- B. PLEDGE OF ALLEGIANCE- The pledge was led by the Chair.
- C. ROLL CALL

Dan Karleskint, Chair
Jim Holmes, Vice Chair
Holly Andreatta, Director
Shanti Landon, Director
Staff present:
George Barber, General Manager and Board Secretary
Wes Miliband, Legal Counsel

- D. PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items not on the Agenda within the Authority's subject matter jurisdiction should do so at this time. With respect to items on the Agenda, the Board will receive public comments at the time the item is opened for discussions, prior to any vote or other Board action. A three-minute time limit is requested. Please complete a speaker card and submit it to the General Manager at the meeting.

There were no public comments on non-agenda items.

ACTION CALENDAR

- 1. APPROVAL OF MINUTES – 08/11/23 Regular Meeting
Motion to approve by Director Holmes, Second by Director Andreatta, Approved 4-0
- 2. CLOSED SESSION MATTERS: CONVENE TO CLOSED SESSION FOR MATTER(S) LISTED ON THE AGENDA
 - 2.1 **THREAT TO PUBLIC SERVICES OR FACILITIES** pursuant to Gov. Code § 54957(a)

Consultation with: George Barber, General Manager and Jennifer Brown, City of Lincoln Chief Innovation and Technology Officer

Board of Directors adjourned to closed session at 10:04 am.



RECONVENE FROM CLOSED SESSION AND PROVIDE REPORT(S), IF APPLICABLE

Board of Directors reconvened from closed session at 10:11, legal counsel announced there was no reportable action from closed session.

3. CONSENT ITEMS

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.

- 3.1 APPROVAL AND AUTHORIZATION TO EXECUTE AGREEMENT FOR LEGAL SERVICES IN CONNECTION WITH THE ISSUANCE AND SALES OF BONDS WITH JONES HALL.
- 3.2 APPROVAL AND AUTHORIZATION TO EXECUTE AMENDMENT TO REIMBURSEMENT AGREEMENT WITH THE CITY OF LINCOLN.

Motion to approve by Director Holmes, Second by Director Landon, Approved 4-0

- 4. GENERAL MANAGER'S REPORT AND UPDATE – A written and verbal report was provided discussing treatment plant update process, financial processes, and billing.
- 5. OPERATIONS REPORT AND UPDATE – A written and verbal report was provided by Gary Hengst, Chief Operator, Board questions were answered as he discussed projects and operations.
- 6. APPROVAL AND AUTHORIZATION TO EXECUTE AGREEMENT WITH STANTEC FOR ENGINEERING SERVICES FOR WWTRF PHASE I IMPROVEMENTS – Consider approval of agreement with Stantec Consulting Services, Inc. for engineering services for WWTRF Phase I improvements for an amount not to exceed \$xxx,xxx and authorizing the General Manager to execute and administer the agreement. - The item was continued to September 8, 2023 Special Meeting at 10:30 am.
- 7. RECOMMENDATION AND DIRECTION TO ISSUE A REQUEST FOR PROPOSALS FOR AN OPERATIONS CONTRACT FOR LISWA FACILITIES – Consider approval to issue the draft request for proposals for the operations contract work. - Motion to approve by Director Holmes, Second by Director Andreatta, Approved 4-0
- 8. LEGAL REPORT – Counsel provided a verbal report regarding development of policies and Brown Act as relates to LiSWA.
- 9. DIRECTOR'S COMMENTS -There were no Director's comments.

ADJOURNMENT Meeting was adjourned at 10:33 am



Lincoln-SMD1 Wastewater Authority

Memorandum

To: Board of Directors
From: George Barber, General Manager
Date: 10/13/23 Regular Board Meeting

Agenda Item #2

SUBJECT: Consent Items

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.

2.1 Change of the November Regular Meeting of the Board of Directors date and time to November 17, 2023, at 10:00 am.

The regular meeting in November falls on Veterans Day, a state and federally recognized Holiday. As established in Resolution No. 2023-01 adopted by the Board, the regular meeting will be held on the following Friday at the same time.

While the change does not necessarily require Board action, this action will ensure all Board members are available or an opportunity to change to a special meeting at another date and time if necessary.

Action Requested:

“Approval to move the November 2023 Board Meeting to November 17, 2023, as established in Resolution No. 2023-01, to accommodate the Veterans Day Holiday.”

Lincoln-SMD 1 Wastewater Authority
Resolution No. 2023-1
Resolution of the Board of Directors
Setting the Date, Time, and Place of Regular Meetings
of the Board of Directors

The Ralph M. Brown Act, California Government Code § 54954, requires each legislative body of a local agency, as defined, to adopt a resolution specifying the time and place of regular meetings.

The Lincoln-SMD 1 Wastewater Authority ("**Authority**") is a local agency, and pursuant to its Joint Powers Agreement and the Brown Act, the Board of Directors ("**Board**") must establish by resolution the date, time, and place of its regular meetings.

The Authority intends by this Resolution to specify the date, time, and place of its regular meetings.

The Board of Directors of the Lincoln-SMD 1 Wastewater Authority therefore resolves as follows:

Section 1. Regular meetings of the Board of Directors of the Lincoln-SMD 1 Wastewater Authority will be held on the second Friday of every month at 10:00 am., at Lincoln City Hall, 600 6th St, Lincoln, CA 95648.

Section 2. Regular meetings that would otherwise occur on a state holiday, as set forth in California Government Code section 6700, will be held at 10:00 am on the following Friday.

Section 3. This Resolution is effective upon its adoption, and may be amended from time to time by the Board of Directors.

Regularly passed and adopted on March 3, 2023, by the following vote:

Ayes: Dan Karleskindt, Jim Holmes, Holly Andreatta, and Shanti Landon

Noes:

Absent:

George M. Barber

Attest
Secretary

Dan Karleskindt

Chair, Lincoln-SMD 1 Wastewater Authority



Lincoln-SMD1 Wastewater Authority

Memorandum

To: Board of Directors
From: George Barber, General Manager
Date: 10/13/23 Regular Board Meeting

Agenda Item #3

SUBJECT: General Manager's Report

- I am working on managing the Operations RFQ process.
- The Mandatory Pre-Submission Conference will be held Thursday October 12th. West Yost staff will join and assist me at the conference.
- I will be leaving on vacation after the Board Meeting. Jim Mulligan will be available if needed and I will continue to have email access. I will review and process bills as they come through.
- I have started the development of the connection fee analysis and once the initial process thoughts are developed, I will work with the TAG and the Treasurer to seek input on the analysis.
- We are in the process of reviewing proposals for Municipal Financial Advisor Services. I will let the Board know the review team's recommendation at the meeting and expect to have a contract for your consideration at the November meeting.
- Working with Attorney Wes Miliband on the Policy and Procedure Manual.
- Received a new copy of the approval from the California Department of Tax and Fee Administration to facilitate the vehicle transfers.
- Our draft bill form is being reviewed and finalized by the County.
- I am in regular communication with Gary about operations.
- The PGE accounts have been transferred and the PGE loan for the Oxidation Ditch Project is has been executed. I have an email out to PGE on the status.
- The timeline for the Operations RFQ is shown below as the process continues.

Item	Status	Working with	Notes- Green Complete Yellow New
Current Projects			
Pipelines	In process	Lincoln PW	Psomas and County Surveyor resolving final issues
Vehicles	In process	Lincoln PW	Received form, DMV next..
Reclaimed Water Cost Study			
Connection Fee Analysis	In process		Discussed w/ TAG, developing
Operations RFQ	In process		Mandatory Site Meeting next
Phase I Improvements	In process		Engineering in process
Website	In process		Getting .gov approval
Board Compensation Policy	In process		Draft at legal
Procurement Policy	In process		Draft at legal
Investment Policy	In process		Draft at legal
Reserve Policy	In process		Draft at legal
Financial			
Develop and Approve Budget	Completed	Lincoln Finance	Next Fiscal year on Agenda
Develop process for paying bills with Placer County Treasurer/Auditor	Completed	Placer	Payables are being processed and vendors being added
Set Charge per WWTRU	Completed	Lincoln/Placer	Approved
Transfer Funds to County	Completed	Lincoln /Placer	Completed
West Yost Billing approval process	Completed		Approved through County Process
Select Municipal Financial Advisor	Completed		Bond Assistance on Agenda
Obtain Insurance	Completed		Delivery of Information ongoing
Property Transfers			
Wastewater Treatment Plant	Completed	Lincoln Admin/County Counsel	
Conservation Easement	Completed	Lincoln Admin/County Counsel	Agreement executed
Business Property	Completed	Lincoln Admin	Inventory list and Bill of Sale
Equipment	Completed	Lincoln PW	Inventory list and Bill of Sale
Fixtures	Completed	Lincoln PW	Inventory list and Bill of Sale
Supplies	Completed	Lincoln PW	Inventory list and Bill of Sale
Operations Transfers			
Stantec Operations Agreement	Completed	Lincoln Admin	
NPDES Permit	Completed		New Permit requirements in Place

Solar Star Power Purchase Agreement	Completed	Lincoln Admin/County Counsel	
Solar Star Site Lease Agreement	Completed	Lincoln Admin/County Counsel	
Machado Recycled Water Agreement	Completed	Lincoln Admin/County Counsel	
Farm Management of Effluent Disposal Lands Auburn Ravine Ranch	Completed	Lincoln Admin/County Counsel	
Western Placer Waste Management Authority Agreement	Completed	Lincoln Admin/County Counsel	
Radmall Lease	Completed	Lincoln Admin/County Counsel	
Utility Services	Completed	Lincoln Admin	
Alarm systems	Completed	Lincoln Admin/County Counsel	
Ensure proper transfer of SMD1 duties	Completed	Stantec/Placer	
Other			
City of Lincoln Admin/IT and Public Works services	Completed		Approved by the Board
Logo, Letterhead, etc.	Completed		
Policies and Procedures			
Debt Management Policy	Completed		Approved
Establish WWTRU Policy	Completed	Lincoln/Placer	Approved

Placer FIN Balance Sheet

Company: CO260 Lincoln Sewer Maintenance District 1 Wastewater Authority
 Ledger: Actuals
 Time Period: Current Period YTD
 Period: FY2024 - Jun
 Fund: FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund
 Perform Intercompany Eliminations: No
 Perform Interworktag Eliminations: No

Ledger Account	Fund	Project	Grant	Other	Beginning Balance	Debit Amount	Credit Amount	Ending Balance
10010:Cash in Treasury - Unrestricted	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	GR00726 PG&E PSPS	(Blank)	0.00	1,161.94	1,161.94	0.00
10010:Cash in Treasury - Unrestricted	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	5,215,650.73	7,547,014.39	8,036,359.16	4,726,305.96
10099:Cash - Conversion	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	0.00	4,234,275.50	4,234,275.50	0.00
10330:Investment Interest Receivable	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	16,100.54	0.00	16,100.54	0.00
20020:Vouchers Payable	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	GR00726 PG&E PSPS	(Blank)	0.00	1,161.94	1,161.94	0.00
20020:Vouchers Payable	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	(1,172,991.27)	2,164,990.72	1,657,395.63	(665,396.18)

Placer FIN Balance Sheet

Ledger Account	Fund	Project	Grant	Other	Beginning Balance	Debit Amount	Credit Amount	Ending Balance
30120:Unassigned Fund Balance	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	(4,058,760.00)	0.00	0.00	(4,058,760.00)
30130:Net Change In Current Year Fund Balance	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	GR00726 PG&E PSPS	(Blank)	0.00	1,161.94	1,161.94	0.00
30130:Net Change In Current Year Fund Balance	FD32606 Lincoln Sewer Maintenance District 1 Wastewater Authority Fund	(Blank)	(Blank)	(Blank)	0.00	3,310,589.11	3,312,738.89	(2,149.78)
Total					0.00	17,260,355.54	17,260,355.54	0.00

LiSWA Expense Detail FY 2023/2024						
Vendor	Date	Invoice #	Amount	G/L	G/L BEGINNING BALANCE	G/L ENDING BALANCE
G/L ACCOUNTING 52040: COMMUNICATION SERVICES EXPENSE						
				52040	\$ 12,000.00	\$ 12,000.00
Total G/L 52040: COMMUNICATION SERVICES EXPENSE			\$ -		\$ 12,000.00	\$ 12,000.00
G/L ACCOUNTING 52080: INSURANCE						
Alliant Insurance Services	07/03/23	2353180	\$ 169.22	52080	\$ 330,000.00	\$ 329,830.78
Total G/L 52080: INSURANCE			\$ 169.22		\$ 330,000.00	\$ 329,830.78
G/L ACCOUNTING 52160: FLEET MAINTENANCE						
City of Lincoln				52160	\$ 20,000.00	\$ 20,000.00
Total G/L 52160: FLEET MAINTENANCE			\$ -		\$ 20,000.00	\$ 20,000.00
G/L ACCOUNTING 52170: FUEL AND LUBRICANTS						
City of Lincoln - Supplemental June 2023 Invoice	09/06/23	650344	\$ 1,288.85	52170	\$ 18,000.00	\$ 16,711.15
Total City of Lincoln			\$ 1,288.85			
Total G/L 52170: FUEL AND LUBRICANTS			\$ 1,288.85		\$ 18,000.00	\$ 16,711.15
G/L ACCOUNTING 52240: MEMBERSHIP DUES						
				52240	\$ 1,000.00	\$ 1,000.00
Total G/L 52240: MEMBERSHIP DUES			\$ -		\$ 1,000.00	\$ 1,000.00
G/L ACCOUNTING 52360: PROFESSIONAL AND SPECIAL SERVICES - GENERAL (SC2940)						
Atkinson, Andelson, Loya, Ruud & Romo	07/31/23	688821	\$ 18,589.44	52360	\$ 100,000.00	\$ 81,410.56
	08/31/23	691987	\$ 14,032.72	52360		\$ 67,377.84
Total Atkinson, Andelson, Loya, Ruud & Romo (SC2940)			\$ 32,622.16			
Fieldman, Rolapp & Associates	08/04/23	28541	\$ 1,047.00	52360	\$ 531,000.00	\$ 597,330.84
Total Fieldman, Rolapp & Associates (SC2940)			\$ 1,047.00			
West Yost Associates				52360		\$ 597,330.84
	06/30/23	2054509	\$ 36,879.89	52360		\$ 560,450.95
	07/31/23	2054801	\$ 1,793.00	52360		\$ 558,657.95
	07/31/23	2054802	\$ 35,968.23	52360		\$ 522,689.72
Total West Yost Associates (SC2940)			\$ 74,641.12			
Placer County				52360	\$ 50,000.00	\$ 50,000.00
Total Placer County			\$ -			
City of Lincoln - Supplemental June 2023 Invoice	09/06/23	650344	\$ 10,835.00	52360	\$ 50,000.00	\$ 561,854.72
City of Lincoln				52360		

Total City of Lincoln			\$ 10,835.00			
Sonitrol	07/01/23	5239949	\$ 19.96		\$ 20,000.00	\$ 19,980.04
Sonitrol	08/01/23	5241860	\$ 1,161.94			\$ 18,818.10
Total Sonitrol (SC3010) \$1,200 per month \$5,600 Maint/Repairs			\$ 1,181.90			
Total G/L 52360: PROFESSIONAL AND SPECIAL SERVICES - GENERAL (SC2940)			\$ 120,327.18		\$ 681,000.00	\$ 561,854.72
G/L ACCOUNTING 52370 - LEGAL FEES						
					\$ 100,000.00	\$ 100,000.00
						\$ 100,000.00
						\$ 100,000.00
Total G/L 52370: LEGAL FEES			\$ -		\$ 100,000.00	\$ 100,000.00
G/L ACCOUNTING 52380 - PROFESSIONAL AND SPECIAL SERVICES TECHNICAL, ENGINEERING & ENVIRONMENTAL (SC3310)						
City of Lincoln				52380	\$ 100,000.00	\$ 100,000.00
City of Lincoln				52380		
Total Engineering			\$ -			
Stantec	07/21/23	2108384	\$ 237,102.00	52380	\$ 5,496,263.00	\$ 5,359,161.00
Stantec	07/21/23	2108385	\$ 186,513.63			\$ 5,172,647.37
Stantec	08/27/23	2122422	\$ 234,651.00			\$ 4,937,996.37
Stantec	08/27/23	2122423	\$ 209,474.16	52380		\$ 4,728,522.21
Stantec	09/19/23	2132066	\$ 286,865.00			\$ 4,441,657.21
Stantec	09/19/23	2132067	\$ 203,791.27			\$ 4,237,865.94
Total Stantec			\$ 1,358,397.06			
Total G/L 52380: PROFESSIONAL AND SPECIAL SERVICES TECHNICAL, ENGINEERING &			\$ 1,358,397.06		\$ 5,596,263.00	\$ 4,237,865.94
G/L ACCOUNTING 52400 - PROFESSIONAL AND SPECIAL SERVICES - I/T						
					\$ 100,000.00	\$ 100,000.00
						\$ 100,000.00
Total G/L 52400 - PROFESSIONAL AND SPECIAL SERVICES - I/T			\$ -		\$ 100,000.00	\$ 100,000.00
G/L ACCOUNTING 52450 - SHORT TERM RENTS & LEASES						
Western Placer WMA	07/01/23	C124294	\$ 4,978.13		\$ 57,400.00	\$ 52,421.87
Western Placer WMA	08/01/23	C124883	\$ 4,978.13			\$ 47,443.74
Total G/L 52450 - Short Term Rents & Leases			\$ 9,956.26		\$ 57,400.00	\$ 47,443.74
G/L ACCOUNTING 52510: JPA BOARD MEMBERS (\$200/MEMBER/MTG/MO)						
					\$ 9,600.00	\$ 9,600.00

Total G/L 52510: JPA BOARD MEMBERS (\$200/MEMBER/MTG/MO)			\$ -		\$ 9,600.00	\$ 9,600.00
G/L ACCOUNTING 52570: ADVERTISING/OUTREACH						
					\$ 7,500.00	\$ 7,500.00
Total G/L 52570: ADVERTISING/OUTREACH			\$ -		\$ 7,500.00	\$ 7,500.00
G/L ACCOUNTING 52800 (SC4340) - UTILITIES						
PG&E	08/03/23	2023-08-03	\$ 488.78		\$ 1,745,000.00	\$ 1,744,511.22
PG&E	09/01/23	2023-09-01	\$ 459.26			\$ 1,744,051.96
Total PG&E			\$ 948.04			
City of Lincoln	08/08/23	2023-07-31_IRR	\$ 286.83			\$ 1,743,765.13
City of Lincoln	08/08/23	2023-07-31_Main	\$ 2,008.43			\$ 1,741,756.70
City of Lincoln	09/08/23	2023-08-31_IRR	\$ 331.86			\$ 1,741,424.84
City of Lincoln	09/08/23	2023-08-31_Main	\$ 2,117.78			\$ 1,739,307.06
City of Lincoln - Supplemental June 2023 Invoice	09/06/23	650344	\$ 162,616.06			\$ 1,576,691.00
Total City of Lincoln			\$ 167,360.96			
Total Cyber Security/VPN					\$ 10,500.00	\$ 1,749,807.06
						\$ 1,749,807.06
Total G/L 52800 - UTILITIES (SC4340)			\$ 168,309.00		\$ 1,755,500.00	\$ 1,587,191.00
G/L ACCOUNTING 53190 - TAXES AND ASSESSMENTS						
California Air Resources Board	07/21/23	P-05686-072123	\$ 110.00	53190	\$ 90,000.00	\$ 89,890.00
Lincoln Solar Star LLC - (**Pd through GL journal entry)	07/01/23	860-001-997-000	\$ 5,697.00	53190		\$ 84,193.00
Total G/L 53190: TAXES AND ASSESSMENTS			\$ 5,807.00		\$ 90,000.00	\$ 84,193.00
GRAND TOTAL			\$ 1,664,254.57		\$ 8,778,263.00	\$ 7,114,008.43

RFQ Development

LiSWA WWTRF Project Phase I

George Barber

7/14/2023

Project start date: 07/14/23

Milestone description	Assigned to	Progress	Start	Days
Project development				
Develop RFQ		100%	7/14/2023	23
Draft RFQ for Board Input		100%	8/11/2023	1
Finalize RFQ		100%	9/1/2024	20
Final RFQ for Board Approval		100%	9/8/2023	1

RFQ Evaluation Period

LiSWA WWTRF Project Phase I

George Barber and Selection Team TBD

Project start date: 11/22/23

Milestone description	Assigned to	Progress	Start	Days
RFQ Response Period				
Issue RFQ		0%	9/18/2023	32
RFQ Response due date			11/22/2023	1
Evaluate RFQ Responses		0%	11/22/2023	30
Selection Committee Meets		0%	1/11/2024	1
Interview Top 2		0%	2/8/2024	2
Update Presented to Board		0%	2/9/2024	1

Contract Finalize & Execute

LiSWA WWTRF Project Phase I

Wes Miliband/ George Barber

Project start date: 02/12/24

Milestone description	Assigned to	Progress	Start	Days
Negotiate and Finalize				
Negotiate Contract		0%	2/12/2024	21
Contract Presented to Board			3/8/2024	1
Crossover Period if Needed		0%	3/8/2024	115

September 2023 WWTRF Operations Report

10-13-23

Highlights

- 133.822 Million Gallons (MG) of influent, 115.578 MG sent to reclamation and no flow was sent to Auburn Ravine.
- Oxidation Ditch #3 anoxic basin grit removal was completed and the ditch has been brought on-line in anticipation of cooler weather and higher flows. (Photos 1&2)
- The drive repair on Clarifier #2 was completed and is currently on-line. Senior Operator Bo Smith reapplied protective coatings on the skimmer arm (see photo 3).
- MCC 200 transformer was repaired and oil was changed. Oil analysis results of all transformers is expected soon.
- Two of the three original AC units failed this summer on the UV Disinfection system. Replacement of all three units was completed the last week of September.
- New Rexa UV diversion gate failed due to a bad solenoid. No discharge violation. Repairs were completed in a couple days with spare solenoids for the shelf.
- We found the Outfall flow meter had failed when we started sending flow to Auburn Ravine on October 1st. Working on finding a replacement.

Compliance

No compliance issues.

Major Equipment Out of Service						
Equipment	Failure Date	Redundancy	Problem	Solution	Estimated Repair Cost	Estimated Return to Service Date
Influent pump 1B	4/5/2023	1 of 6	Motor winding problem.	Pump is at H&M getting repaired.	\$38,000	11/30/2023
Maturation Pond #1 Outlet Gate Actuator	9/28/2023	1 of 1	Temporary gate position sensor within the actuator failed.	New actuators shipped on 9/29/23.	\$55,000	9/21/2023
Outfall Flow Meter	10/1/2023	1 of 1	Magmeter coil failed	Replace with new.	\$15,000	10/31/2023

Photo 1: Lowering Bobcat into Ditch #3 for grit removal.



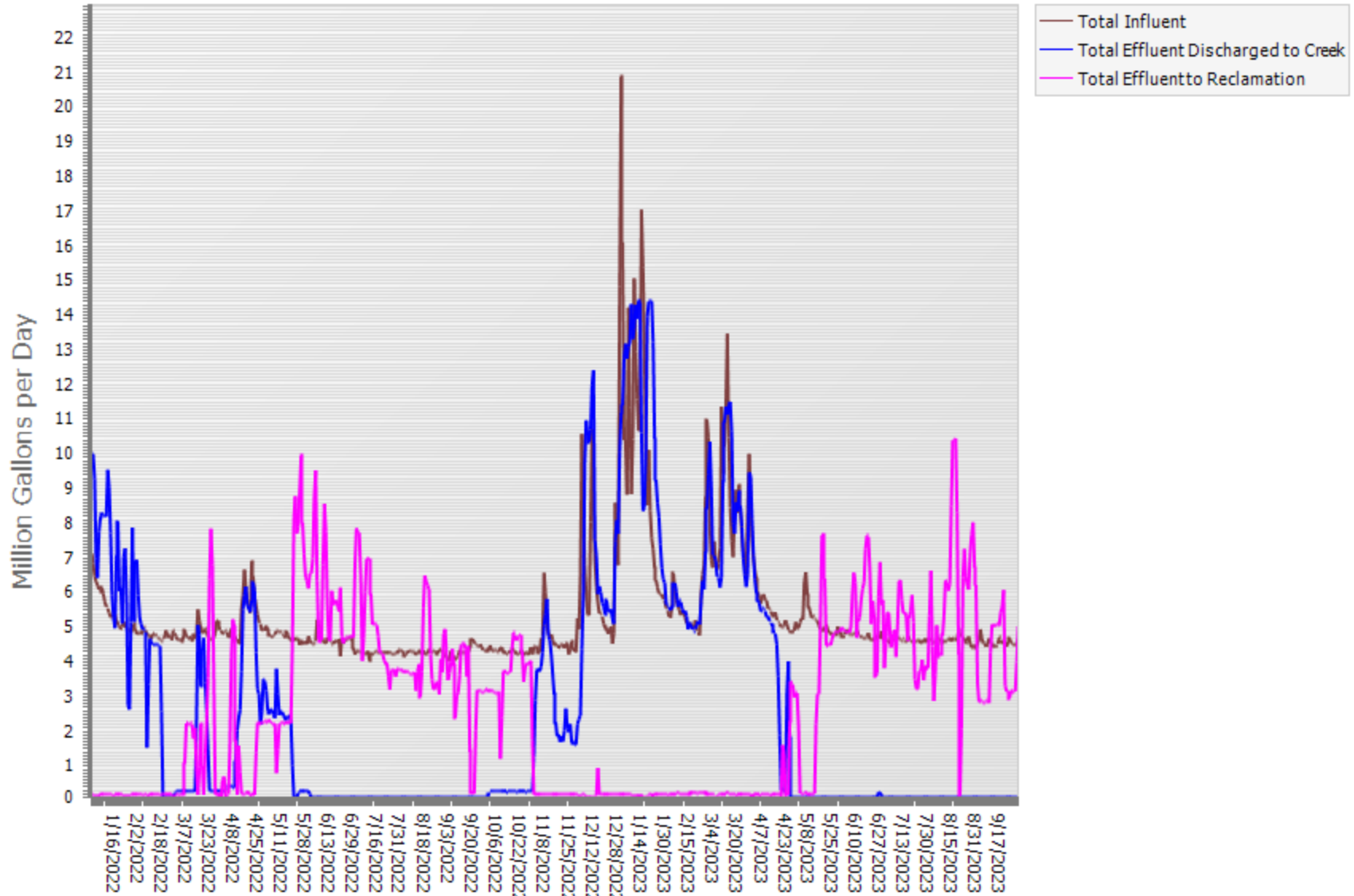
Photo 2: Ditch #3 Grit removal



Photo 3: Clarifier #2 Skimmer Arm Coating



Total Treatment Plant Flow





Lincoln-SMD1 Wastewater Authority

Memorandum

To: Board of Directors
From: George Barber, General Manager
Date: 10/13/23 Regular Board Meeting

Agenda Item #5

SUBJECT: Consider the establishment of an Ad Hoc Committee consisting of two Board Members, the General Manager, Legal Counsel, City of Lincoln staff and County of Placer staff and appoint two Board members for the selection process of the contract operator for LiSWA.

An important part of the selection process will be the interviewing of the top candidates. The purpose of the ad hoc committee is to have Board representation during this key item. The current plan is to have the Transition Advisory Group (TAG) review the proposals from the RFQ and select the top candidates to move forward to an interview. The Board members appointed to the committee would be responsible to review the proposals of the top candidates and participate in the interview process with the TAG. The committee along with the TAG would make a recommendation to the full board of the firm selected to begin contract negotiations with. The schedule provided for in the RFQ is as follows:

Activity	Date
Issue RFQ	September 18, 2023
Submit Intent to Attend Pre-Submission Conference by 4:00 PM	October 6, 2023
Mandatory Pre-Submission Conference at 10:00 AM	October 12, 2023
Submit any Questions over Solicitation by 4:00 PM	October 31, 2023
Provide answers to Questions from Contractors by 4:00 PM	November 9, 2023
Receive proposals from Contractors by 4:00 PM	November 22, 2023
Evaluation of submittals complete	January 12, 2024
Interview top candidates	February 8, 2024
Initiate contract negotiations with most qualified Contractor	February 12, 2024
Award contract	March 8, 2024
Contract Start Date	July 1, 2024

The date of the interviews is set for February 8, 2024. It will be important for those members accepting the appointment be available for most all the day.

Staff Recommendation:

“Approval of the creation of the Operations Contract Ad Hoc committee and appointment of Directors _____ and _____.”



Lincoln-SMD1 Wastewater Authority

Memorandum

To: Board of Directors
From: George Barber, General Manager
Date: 10/13/23 Regular Board Meeting

Agenda Item #7

SUBJECT: Consider a change of address from 600 Sixth Street Lincoln, CA (Lincoln City Hall) to 1245 Fiddymont Road Lincoln, CA (Wastewater Treatment and Reclamation Facility).

To reduce extra efforts of Lincoln City Staff and reduce confusion of vendors and the public, I have pursued starting mail service at the WWTRF. The purpose of this memo and the attached resolution is to make the change of address official.

Staff Recommendation:

“Approval of Resolution No. 2023-06, a resolution changing the mailing address of the Authority.”

RESOLUTION NO. 2023-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LINCOLN-SMD 1 WASTEWATER AUTHORITY CHANGING THE MAILING ADDRESS OF THE AUTHORITY

WHEREAS, the Lincoln-SMD 1 Wastewater Authority (“LiSWA” or “Authority”) is a joint powers agency duly organized and operating pursuant to the provisions of the Constitution and the laws of the State of California (“State”); and

WHEREAS, the LiSWA was established pursuant to a Joint Powers Agreement (“JPA”) entered into by and between the City of Lincoln (“City”) and the County of Placer (“County” and collectively with the City, the “Member Agencies” and each a “Member Agency”); and

WHEREAS, at the time of officially creating the LiSWA to the present, mail has not been directed to the Wastewater Treatment and Reclamation Facility (“WWTRF”) now owned by the LiSWA but instead LiSWA mail has been sent to the City at City Hall; and

WHEREAS, the LiSWA staff worked with the United States Postal Service to establish a mailbox and mail service for LiSWA at the WWTRF, which is now available at the WWTRF; and

WHEREAS, the LiSWA staff, specifically the General Manager, seek authorization from the LiSWA Board of Directors to take necessary and appropriate actions to transfer the official address of the LiSWA to the mailing address where the WWTRF is physical located.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LINCOLN-SMD 1 WASTEWATER AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are each true and correct and are incorporated herein.

Section 2. Authorization. Pursuant to California law and the powers provided to the Board of Directors (“Board”), the Board hereby authorizes the General Manager or the General Manger’s designee(s) to:

(a) take necessary and appropriate actions, on behalf of the Authority and the Board, to establish mail services at 1245 Fiddymment Road in the City of Lincoln, California with zip code 95648.

Section 3. LiSWA Official Address. The official mailing address of the Authority, effective immediately, shall be:
1245 Fiddymment Road Lincoln, CA 95648.

Section 4. Other Actions. The General Manager and other Authority officers and staff and the Authority's consultants are hereby authorized and directed to take all necessary and appropriate actions as may be required or desirable to carry out the findings and directives of this Resolution.

Section 5. Effective Date. This Resolution shall be effective immediately upon adoption by the Board.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 13th day of October, 2023.

THE BOARD OF DIRECTORS OF THE
LINCOLN-SMD 1 WASTEWATER AUTHORITY

By: _____
Chair of the Board of Directors of the
Lincoln-SMD 1 Wastewater Authority

ATTEST:

By: _____
Clerk of the Board of Directors of the
Lincoln-SMD 1 Wastewater Authority



Lincoln-SMD1 Wastewater Authority

Memorandum

To: Board of Directors
From: George Barber, General Manager
Date: 10/13/23 Regular Board Meeting

Agenda Item #8

SUBJECT: Discussion Item Only – Draft Policy and Procedure Manual

As the Policy and Procedure Manual is developed, Wes and I felt it important to have opportunities for the Board to review and discuss the draft as it is being developed.

The purpose of this agenda item is to make that happen, no action will be taken at this meeting on the document.



Policies and Procedures Manual

Draft- xxx, 2023

Policies and Procedures Manual

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- Chapter 1 – General Provisions
- Chapter 2 – Board Member Code of Conduct
- Chapter 3 – Bylaws
- Chapter 4 – Debt Management Policy
- Chapter 5 – Disclosure Policy
- Chapter 6 – Contract Policies and Procedures
- Chapter 7 – Alternative Delivery Project Conflict of Interest Policy
- Chapter 8 – Real Estate Policies
- Chapter 9 – Conflict of Interest Code
- Chapter 10 – Board Compensation Policy

CHAPTER 1

GENERAL PROVISIONS

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Section 1 General Provisions

1.1 Introduction.

The Lincoln-SMD 1 Wastewater Authority (“LiSWA”) is governed pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500, et seq.), a Joint Powers Agreement effective on November 30, 2022 (“JPA Agreement”) between the City of Lincoln and the County of Placer (“Member Agencies”), and such other applicable laws, regulations and customs and practices common to a California joint powers authority. The JPA Agreement is fully incorporated by reference and attached hereto as **Exhibit A**. The Board of Directors of the Authority (“Board”) is composed of Directors representing each Member Agency. The purpose of the LiSWA is to own, acquire, expand, manage, maintain, operate, and control facilities for the collection and transmission, treatment, reclamation, recycling, reuse, sale and disposal of water, wastewater, and recycled water.

The LiSWA is authorized to exercise the powers common to the Member Agencies, powers otherwise permitted under the Joint Exercise of Powers Act, and powers necessary to accomplish the purposes of the JPA Agreement. The LiSWA is further authorized to do all acts necessary, convenient and appropriate for the exercise of its powers as further described in the JPA Agreement.

1.2 Purpose.

The purpose of this Policies and Procedures Manual is to set forth the major policies and procedures by which the functions of the LiSWA are carried out. Other procedures may be set forth in specific laws or regulations, the JPA Agreement, resolutions, or motions of the LiSWA’s Board of Directors, whether or not included as part of this Policies and Procedures Manual.

1.3 Severability.

It is hereby declared to be the intention of the Board that the sections, paragraphs, sentences, clauses, and phrases of this Policies and Procedures Manual are severable; and if any phrase, clause, sentence, paragraph, or section of this Policies and Procedures Manual shall be declared unconstitutional or otherwise invalid by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any remaining phrases, clauses, sentences, paragraphs, and section of this Policies and Procedures Manual. Likewise, if a court of competent jurisdiction determines, for any reason, that any provision or requirement of this Policies and Procedures Manual is invalid or unenforceable as applied to a specific person or entity, such determination shall not affect the applicability of such provision or requirement to other persons or entities.

1.4 Amendments.

This Policies and Procedures Manual and any of its provisions may be amended, supplemented, or repealed from time to time. Such amendment, supplement, or repeal shall be accomplished by adoption of an regulation or resolution of the Board at a duly constituted meeting. The regulation or resolution will provide for the insertion, amendment, or removal of language in the Policies and Procedures Manual. Upon the effective date of the regulation or resolution, the revised or new sections

shall be inserted in this Policies and Procedures Manual and those for which they are substituted shall be removed.

1.5 Definitions.

Except as otherwise provided in specific chapters or sections of this Policies and Procedures Manual, the following words shall have the following meanings:

General Manager means: (a) the General Manager or interim General Manager of the LiSWA as described in the JPA Agreement; or (b) a management level employee designated by the General Manager to perform certain functions on behalf of the LiSWA.

LiSWA, Authority or JPA means the Lincoln-SMD 1 Wastewater Authority, which was established by the JPA Agreement.

Board or Board of Directors means the Board of Directors of the LiSWA.

JPA Agreement means that certain Joint Exercise of Powers Agreement effective November 30, 2022, between the City of Lincoln and the County of Placer under which the LiSWA was established.

1.6 Posting or Publication of Regulations.

Regulations adopted by the Board shall be published or posted in accordance with Section 36933 of the California Government Code.

CHAPTER 2

BOARD MEMBER CODE OF CONDUCT

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Section 1 General.

This Code of Conduct is intended to describe the manner in which Board members shall treat one another, LiSWA and member agency staff, and others they come into contact with in their representative capacity on behalf of LiSWA. The primary purpose of this Code of Conduct is to entrench with LiSWA's policies a working respect by and between Board members.

The proper operation of LiSWA requires that decisions and policy be made using the proper channels, that the powers held by Board members are not used for personal gain, and that Board members remain objective and responsive to the needs of the public they serve. Accordingly, it is the policy of LiSWA that Board members and LiSWA staff will maintain the highest standard of personal honesty and fairness in carrying out their duties. This Code of Conduct sets forth the basic ethical standards to be followed by the Board of Directors of LiSWA. The objectives of this Code of Conduct are to: (1) provide guidance to Board members in dealing with ethical issues; (2) heighten awareness of ethics and values as critical elements in Board members' conduct; and (3) improve ethical decision-making and values-based management.

Section 2 Rules of Procedure.

In order to maintain a professional and efficiently controlled environment during all Regular and Special Meetings of the Board, the Board shall generally adhere to Rosenberg's Rules of Order.

Section 3 Proper Use and Safeguarding of Authority Property and Resources.

Except as otherwise authorized, Board members shall not use or permit the use of Authority-owned vehicles, equipment, telephones, materials or property for personal benefit or profit. Board members shall not ask or require LiSWA staff to perform services for the personal benefit or profit of a board member or other staff. Each Board member must protect and properly use any LiSWA asset within his or her control, including information recorded on paper or in electronic form. Board members shall safeguard LiSWA property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Section 4 Use of Confidential Information.

A Director is not authorized, without approval of the Board, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that: (1) has been received for, or during, a closed session meeting of the Board; (2) is protected from disclosure under the attorney-client or other evidentiary privilege; or (3) is not required to be disclosed under the California Public Records Act and/or the federal Freedom of Information Act. It is within the Board's discretion to allow a Director who serves a member agency of LiSWA to disclose information obtained in a closed session that has a direct financial or liability implication for that member agency, to the following individuals: (1) legal counsel of that member agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member agency; or (2) other members of that member agency that are present in a closed session of that member agency.

This section does not prohibit any of the following: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Authority; (2) expressing an opinion concerning the propriety or legality of actions taken by the Authority in closed session, including disclosure of the nature and extent of the allegedly illegal action; or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member must first bring the matter to the attention of either the Chair of the Board or the full Board, to provide the Board with an opportunity to cure an alleged violation.

A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code Section 1098.

Section 5 **Conflicts of Interest.**

All Board members are subject to LiSWA's Conflict of Interest Code, as set forth in Chapter 9 of this Policy Manual.

Section 6 **Soliciting Political Contributions.**

Board members are prohibited from soliciting political funds for any reason whatsoever or contributions at LiSWA facilities, or from LiSWA staff. A Board member will not accept, solicit or direct a political contribution from: (a) LiSWA employees, officers, consultants or contractors; or (b) vendors or consultants who have a material financial interest in a contract or other matter while that contract or other matter is pending before the Authority. A Director will not use LiSWA's logo or any other indicia of the Authority's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law.

Section 7 **Incompatible Offices.**

A Board member shall not serve as an appointed or elected official for another public entity, the duties of which may require action contradictory or inconsistent with Board action. Serving on the Board of Directors of any member agency of LiSWA is not incompatible with serving on the Board of Directors for LiSWA.

Section 8 **Improper Activities and the Reporting of Such Activities.**

The Board has the primary responsibility for: (1) ensuring compliance with the Authority's Policy Manual and ensuring that Board members and staff do not engage in improper activities; (2) investigating allegations of improper activities; and (3) taking appropriate corrective and disciplinary actions. Board members are encouraged to fulfill their obligations to the public and

to LiSWA by disclosing to the Board to the extent not expressly prohibited by law, improper activities within their knowledge. Individual Board members will not interfere with the Chair's responsibilities in identifying, investigating and correcting improper activities.

A Board member shall not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the Board any information that, if true, would constitute: a work-related violation by a Board member or LiSWA employee of any law or regulation; gross waste of LiSWA funds; gross abuse of authority; a specified and substantial danger to public health or safety due to an act or omission of a LiSWA official or employee; use of an Authority office or position or of Authority resources for personal gain; or a conflict of interest of an Authority Board member or employee.

A Board member will not use or threaten to use any official authority or influence to effect any action as a reprisal against an Authority Board member or employee who reports or otherwise brings to the attention of the Board any information regarding the subjects described in this section.

Section 9 **Compliance with the Brown Act.**

The members of the Board of Directors, and persons appointed but who have not yet assumed office as members of the Board, will fully comply with the provisions of the Brown Act.

CHAPTER 3
BYLAWS OF THE
LINCOLN-SMD 1 WASTEWATER AUTHORITY

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Section 1 Introduction

The Lincoln-SMD 1 Wastewater Authority ("LiSWA") was established in November 2022 pursuant to the Joint Exercise of Powers Act, Government Code section 6500 *et seq.*, and a Joint Powers Agreement ("JPA Agreement"). The purpose of the LiSWA is to own, acquire, expand, manage, maintain, operate, and control facilities for the collection and transmission, treatment, reclamation, recycling, reuse, sale and disposal of water, wastewater, and recycled water.

Section 2 Definitions

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified:

JPA Agreement shall mean the Joint Powers Agreement creating Lincoln-SMD 1 Wastewater Authority, effective November 1, 2019, among the parties thereto, as amended from time to time.

Act, Member Agencies, Board, Member, and Directors shall have the respective meanings set forth in the JPA Agreement.

State shall mean the State of California.

Section 3 Offices

3.1 Principal Office.

The principal office of the JPA shall be located at: 1245 Fiddymont Road in the City of Lincoln, California with zip code 95648.

3.2 Additional Offices.

The JPA may also have offices at such other places both within and outside the State, as the Board may from time to time determine or the business of the JPA may require.

Section 4 Board

4.1 Purpose of the Board.

The Board is the legislative body of LiSWA. It operates under the provisions of the Joint Exercise of Powers Act (California Government Code Section 6500, *et seq.*) and all other applicable statutes and laws. It is the power and duty of the Board to manage and conduct the business and affairs of LiSWA pursuant to the JPA Agreement between the Member Agencies.

4.2 Power and Duties of the Board.

The Board shall have the responsibility for the general management of the affairs, property and business of the JPA and may, from time to time, adopt and modify these Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board may exercise and shall be vested with all powers of the JPA insofar as not inconsistent with law, the JPA Agreement or these Bylaws. As provided in Section 2.3 of the JPA Agreement, the Board may, in its discretion, delegate powers with the exception of its legislative powers.

Specifically, the Board shall:

- a) Produce and maintain written policies that ensure high quality of governance and clear roles in decision-making between the Board and LiSWA staff.
- b) Hire, and when necessary discharge, the General Manager, General Counsel, and the Board Secretary and regularly monitor the performance of the General Manager.

- c) Serve as ambassadors for LiSWA and develop relationships with cooperating entities.
- d) Establish policies to guide the General Manager, General Counsel, and staff.
- e) Adopt strategic directives for LiSWA and review them annually.
- f) Adopt the LiSWA budget to meet the financial policies and achieve the strategic directives.
- g) Direct the preparation and issuance of bonds for capital projects as needed.
- h) Adopt an organizational structure and employee policies to support the mission, vision, core values, and goals as identified by the Board.
- i) Hold regular meetings to conduct the business of LiSWA in an open and transparent manner consistent with the applicable open meeting laws, including the Ralph M. Brown Act.
- j) Authorize the General Manager to perform actions, make decisions, and direct staff as needed to accomplish the goals, policies, and directives established by the Board.
- k) Take such other actions as may be required by law and as needed in furtherance of the purposes of the JPA Agreement.

4.3 Directors and Ex Officio Directors.

(A) Directors. Directors of the Board are appointed to serve as Directors of the JPA in accordance with the provisions of Section 2.2 of the JPA Agreement.

(B) Ex Officio Directors. As an intended purchaser of Product Water produced by the Project, Helix Water District may appoint an Ex Officio Director and alternate to serve on the Board. Ex Officio Directors shall participate in meetings as a Director, but shall not be counted toward establishing a quorum, shall not vote, shall not be present during closed sessions of the Board, and shall serve without compensation from the JPA. Helix may designate and appoint, by a formal action of its governing body: one (1) member of its governing body to act as an Ex Officio Director; and one (1) other governing body member or Helix employee to act as an alternate to the Ex Officio Director. The alternate appointed by Helix shall have the authority to attend and participate in meetings when the Ex Officio Director is absent. Each Ex Officio Director and alternate shall serve at the pleasure of Helix's governing body; provided, however, that if an Ex Officio Director or alternate's membership on Helix's governing body ceases, his or her Ex Officio membership on the Board shall also cease. If the Ex Officio alternate is an employee of Helix, and the alternate's employment by Helix ceases, his or her position as an alternate shall also cease.

4.4 Compensation.

Compensation shall be as set forth below in Chapter 10.

4.5 Regular Meetings.

Regular meetings of the JPA shall be held on the second Friday of each month. Regular meetings may be cancelled by the JPA's General Manager upon consultation with the Board or if not feasible then with at least the Board Chair. Regular meetings will be held at the JPA's principle office located at 600 6th Street, Lincoln, CA 95648.

At all Meetings of the Board, including Regular Meetings and Special Meetings, the Board and its members should act in an ethical, businesslike, productive, and lawful manner. Board members will strive to avoid even the appearance of impropriety to ensure and maintain public confidence.

Board members shall review each Board Agenda packet and all accompanying materials, reports, and recommendations prior to the Regular or Special Meeting to allow for focused and efficient discussion.

The Board and its members shall at all times perform their respective duties in accordance with applicable laws, LISWA's Board Member Code of Conduct, and other such codes and policies as the Board may adopt.

4.6 Special and Adjourned Meetings.

Special and adjourned meetings of the Board may be called and held in the manner authorized in the Ralph M. Brown Act, Government Code Section 54950, *et seq.*, as may be amended from time to time.

Unless otherwise specified in the notice of a special or adjourned meeting, all such meetings shall be held in the same location as regular meetings.

4.7 Agenda Planning.

The Board shall conduct its meeting pursuant to agendas established and provided to the public in accordance with applicable laws.

Members of the Board, the General Manager, and his or her designees may place matter on Board agendas in accordance with policy and procedures adopted by the Board.

Items may be placed on the agenda on either the consent calendar or the discussion/action item calendar. An item placed on the consent calendar may be moved from the consent calendar to the discussion/action item calendar at the request of any Board member during a Board meeting prior to the vote to approve the consent calendar.

The General Manager shall regularly prepare, conferring with the Board Chair as needed or as appropriate, and issue an agenda for each meeting of the Board.

4.8 Organization.

Each meeting of the Board shall be presided over by the Chair or, in his or her absence, by the Vice Chair. The Secretary, or in his or her absence, any person designated by the JPA's General Manager, shall act as secretary of the meeting.

4.9 Method of Voting.

Except as otherwise required by law, votes on all questions shall be *viva voce*, orally.

4.10 Ralph M. Brown Act.

All meetings of the Board, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the Ralph M. Brown Act, commencing with Section 54950 of the Government Code.

4.11 Closed Session.

All information received by a Director, or alternate Director attending in the Director's absence, in a closed session related to the information presented to the JPA Board in closed session shall be confidential. However, a Director may disclose information obtained in a closed session that has direct financial or liability implications to his/her Member Agency to the following individuals:

- (A) Legal counsel of that Member Agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Member Agency; and
- (B) Other members of the Member Agency's governing body present in a closed session of that Member Agency held as provided below.

Upon advice of its legal counsel, a Member Agency may conduct a closed session with its legislative body in order to receive, discuss, and take action concerning information obtained in a closed session of the JPA.

4.13-15 Board – GM/GC/Secretary Relationships, Described.

4.16 Delegation of Board Authority to General Manager.

Section 5 Officers

5.1 Appointment and Term of Officers.

The Chair, the Vice Chair, Treasurer, Auditor-Controller, and Secretary of the JPA shall be appointed and serve as set forth in Article 4 of the JPA Agreement.

5.2 Official Bond.

Pursuant to Section 4.7 of the JPA Agreement, the Board shall not require the filing of an official bond by the Treasurer at this time.

Section 6 Resignations

6.1 Voluntary Resignation; Notice of Effectiveness.

Any member of the Board or officer of the JPA may, subject to contrary provision in any applicable contract, resign at any time by giving written notice to the Board or to the Chair or to the Secretary of the JPA. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof; and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

6.2 Involuntary Resignation; Request.

The Board, in the exercise of its discretion, may request the resignation of any officer elected or appointed pursuant to Section 4 of these Bylaws; provided, however, that the Board may not request the resignation of a Secretary, Treasurer or Auditor-Controller employed or contracted by the JPA General Manager. Pursuant to such request, but subject to contrary provisions in any applicable contracts, such officer shall resign by giving written notice to the Board. Any such resignation shall take effect at the time specified in such request.

Section 7 Vacancies Among Officers

If the office of any officer elected or appointed pursuant to Section 4 of these Bylaws becomes vacant at any time by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, such vacancy may be filled at any time by the Board or as otherwise provided in the JPA Agreement.

Section 8 Committees

The Board, by a majority vote, may form committees for any purpose. Such vote shall designate the method for appointing committee members, the scope of the duties and responsibility of the committee, whether the committee is a standing or ad hoc committee, and such other matters as the Board may deem appropriate.

Section 9 Amendments

These Bylaws may be modified, amended or repealed, or new Bylaws may be adopted, by the affirmative vote of the Board at any regular or special meeting of the Board.

CHAPTER 4

DEBT MANAGEMENT POLICY

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Section 1 Debt Policy Background and Purposes

Lincoln SMD-1 Wastewater Authority (“LiSWA”) was established under the provisions of the Joint Exercise of Powers Act, being Chapter 5 of Division 7 of Title1 of the California Government Code (“Government Code”), commencing with Section 6500 (the “Act”) and a Joint Exercise of Powers Agreement entered into by and between the City of Lincoln (“City”) and the County of Placer (“County” and collectively with the City, the “Member Agencies” and each a “Member Agency”) for the establishment of the LiSWA (the “Agreement”) and setting forth the powers of LiSWA, which include, but are not limited to:

Own, acquire, expand, manage, maintain, operate, and control facilities for the collection and transmission (as defined in this Agreement), treatment, reclamation, recycling, reuse, sale, and disposal of water, wastewater, and recycled water, and any related byproducts.

This LiSWA Debt Management Policy (“Policy”) is intended to comply with the requirements of Section 8855 of the Government Code and to set forth various matters for LiSWA financing transactions.

Section 2 Findings

2.1 Debt Management

Unless otherwise directed or determined by the Board, this Policy shall govern all debt issued by, or undertaken by, LiSWA.

The LiSWA hereby recognizes that a fiscally prudent Policy is required in order to:

Maintain the LiSWA’s sound financial position.

Ensure the LiSWA has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses and to respond to the needs of its members.

Protect the LiSWA’s credit-worthiness and exposure to financial and legal liabilities.

Ensure that all LiSWA debt is structured in order to protect the interests of LiSWA members and ratepayers.

Help ensure that the LiSWA’s debt is consistent with the LiSWA’s planning goals and objectives, capital improvement programs or budget, as applicable.

2.2 Disclosure

This Policy is intended to establish and implement the practices and procedures necessary to ensure compliance with applicable federal and State of California (“State”) securities laws. The disclosure policies and procedures set forth in this Policy are also to: reduce exposure of the LiSWA and its officials and employees to liability for damages and enforcement actions based on misstatements and omissions in the LiSWA’s disclosure documents; to reduce borrowing costs by promoting good investor relations; and to protect members and ratepayers of the LiSWA and other third parties from misstatements or omissions in LiSWA’s disclosure documents.

Section 3 Purposes of For Which Debt May be Issued

LiSWA will consider debt financing for the construction, acquisition, rehabilitation, replacement, or expansion of physical assets, including real and personal property, equipment, furnishings and improvements, and any other uses, projects and/or capital programs authorized by the Agreement, for the following purposes:

- a. To finance public facilities, services or programs, including but not limited to short-term borrowing needs, budget shortfalls and access to capital for public improvements and infrastructure.
- b. To assist certain private individuals and entities in financing project(s) or program(s) that produces public benefits related to the LiSWA purposes or powers.
- c. To refinance LiSWA outstanding debt in order to (i) produce debt service savings, (ii) to restructure debt for other benefits such as refinancing a bullet payment or a spike in debt service, or (iii) to provide or produce other public benefits
- d. To finance a project or program, consistent with LiSWA's purposes - which are intended to provide public benefits to any local community, including its residents, business, or institutions, including but not limited to promoting economic development.

Section 4 Authorized Types of Debt

The following types of debt m under this Policy:

- a. Conduit revenue bonds or notes;
- b. General obligation bonds;
- c. Bond or grant anticipation notes;
- e. Leases, lease revenue bonds, installment sale or purchase agreements, certificates of participation and lease-purchase transactions;
- f. Revenue bonds;
- g. Tax and revenue anticipation notes;
- h. Land-secured financings, such as special tax revenue bonds issued under the Mello- Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment acts, including PACE financings; and
- i. Any other type of debt permitted under the Agreement and authorized by law.

For purposes of this section, the term "bonds" may include notes, warrants, leases, installment purchase agreements, certificates of participation, financing agreements, loan agreements, lease-lease-back financing transactions or any other evidence of an obligation to pay or repay money.

LiSWA may from time to time find that other types of debt would be beneficial to further its purposes and may approve such debt without an amendment of this Policy.

This Policy includes all debt that must ultimately be approved by the LiSWA Board of Directors ("Board"). This Policy is not intended to address inter-fund borrowing; interagency borrowing; or authorized investment activities of the LiSWA Treasurer ("Treasurer") including, but not limited to, reverse

repurchase agreements and securities lending.

Section 5 Relationship to Capital Improvements Program or Budget, Planning Goals And Objectives

LiSWA's goal is to undertake programs that advance its purpose, and this Policy provides flexibility for LiSWA to obtain financing to provide wastewater treatment and reclamation services including financing programs to further its purpose.

LiSWA is committed to long-term financial planning, maintain appropriate reserve levels and employing prudent practices in governance, financial management and budget administration. LiSWA intends to issue debt for the purposes stated in this Debt Management Policy and to implement policy decisions in the annual operations budget.

It is LiSWA's goal to utilize conservative financing methods and techniques to obtain the highest practical credit ratings and the lowest practical borrowing costs.

LiSWA will comply with state and federal law as it pertains to the maximum term of debt, and any applicable procedures for setting and imposing any related assessments, rates and charges.

Section 6 Debt Administration

Debt management will be the responsibility of General Manager (GM) and the Treasurer as follows:

6.1 Reviewing and recommending debt Financing – GM & Treasurer

The GM and Treasurer will be responsible for reviewing, analyzing and recommending new issue debt financing when appropriate and consistent with these policies. The Board will review and approve proposed debt financing proposals.

6.2 Leading the process of issuance – GM, Treasurer and LiSWA Counsel

Officials will work together to select financial advisors, underwriters, bond counsel, disclosure counsel and other members of a financing team. Officials will prepare bond documentation including official statements and will review them for material errors or omissions before such documents can be deemed final.

6.3 Internal control procedures regarding use of debt proceeds; fiscal agent – Treasurer

Whenever reasonably possible, proceeds of debt used to finance capital improvements will be held by a third-party banking institution (trustee, fiscal agent or similar) and LiSWA will submit written requisitions for such proceeds. The Treasurer will execute each such requisition. The Treasurer will be responsible for selecting the banking institution associated with bond issues. To the extent recommended by bond counsel, the rating agencies or any bond insurer, the Treasurer will serve as

LiSWA's fiscal agent on its debt transactions.

6.4 Continuing Annual Disclosure – Treasurer, Auditor, and GM

The Securities and Exchange Commission (“SEC”) requires that underwriters obtain promises in writing from municipal debt issuers to provide specified financial and operating information on an annual basis for all public offerings. This promise for continuing annual disclosure is set forth in a separate agreement between the issuer and the underwriter who purchases LiSWA's bonds. The GM will oversee the preparation of annual disclosure reports as required under federal law and regulations, and consistent with the continuing disclosure agreement pertaining to that financing. Such reports will be reviewed in the manner of initial official statements. Under continuing disclosure requirements LiSWA is obligated to provide ongoing disclosure of material events, including those that are specifically enumerated in the agreement for its public offerings.

6.5 Arbitrage administration-Treasurer

The Treasurer is charged with responsibility for establishing and maintaining, either directly or through contract, a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebate earnings to the federal government in a timely manner in order to preserve the tax- exempt status of LiSWA's outstanding debt issues.

6.6 Covenant Administration-GM

The GM will establish and maintain a system for monitoring the various covenants and commitments established within the documentation of a bond issue and ensuring that staff or consultants take such actions as required to comply with the various covenants of a financing.

6.7 Small Lease-purchases

LiSWA, or any sub-unit of LiSWA, shall not enter into a lease-purchase contract, or incur other form of indebtedness, of more than \$50,000 without the express approval of the Board.

6.8 Investing Bond Proceeds-Treasurer

The Treasurer is responsible for investing all bond proceeds held by LiSWA and directing the investment of all funds held by the relevant banking institution under the terms of the applicable securities issuance document(s). Such investments shall also be consistent with applicable State and federal law.

Section 7 Debt Structure Considerations

7.1 Rapidity of Debt Repayment

Borrowing by LiSWA should be of a duration that does not exceed the economic life of the improvement that it finances. The debt repayment term should be not be longer than the improvement's projected useful life in an effort to improve LiSWA's credit profile through early retirement of debt, and to recapture debt capacity for future use. LiSWA may choose to structure debt repayment on any particular transaction so as to consolidate or restructure existing obligations or to achieve other financial planning goals.

7.2 Capitalized Interest

LiSWA may include within its borrowings additional funds to pay interest on the obligation during an initial period. Such capitalizing of interest will be most commonly used to secure lease obligations during the project construction period, as generally required under California law, or to secure an improved financing structure for strategic management of cash flow.

7.3 Mello-Roos and Assessment Bonds

The GM will evaluate programs in light of the total tax rate burden.

7.4 Short-term Financing

LiSWA will consider issuing Tax and Revenue Anticipation Notes for annual cash flow purposes or other short-term financing instruments to the extent such securities would reduce expenses, increase revenues and/or expedite the meeting of LiSWA's goals.

7.5 Variable Rate Bond

LiSWA will consider variable rate debt on a case-by-case basis. The general preference of LiSWA is to issue fixed rate debt.

Section 8 Method of Sale

There are generally three ways bonds can be sold, through a competitive, negotiated sale or a private placement. The following outlines the basis by which LiSWA will determine the appropriate method of sale for a given financing.

8.1 Competitive Process

With a competitive sale, any interested underwriter is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. LiSWA, as a matter of policy, will seek to issue its debt obligations

through a competitive process unless it is determined in consultation with the Treasurer that such a sale method will not produce the best results for LiSWA. This type of sale process is also significantly more likely to give LiSWA higher market exposure which creates an awareness of LiSWA credit that increases market interest in future debt issues of LiSWA.

8.2 Negotiated Sale

Under this method of sale, securities are sold through an exclusive arrangement between the issuer and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriters. Negotiated underwriting may be considered if it fits one or more of the following criteria: extremely small issue size; complex financing structure or nature of the project being financed (i.e., variable rate financing, new derivatives, and certain revenues issues, etc.); compromised credit quality of LiSWA or the issue; other issue or market factors which lead the GM and Treasurer to conclude that a competitive sale would not be effective. When determined appropriate by the GM and Treasurer, and approved by the Board, LiSWA may elect to sell its debt obligations through a negotiated sale.

8.3 Private Placement

When determined appropriate, usually in the case of a very small issue, and/or short financing term, LiSWA may elect to sell its debt obligations through a private placement or limited public offering. Selection of a lender or placement agent will be made pursuant to selection procedures developed by the GM and Treasurer.

Section 9 Refunding of LiSWA Indebtedness

The LiSWA GM will monitor LiSWA's existing indebtedness and will initiate the refunding of such obligations if it would generate a reasonable level of savings. The following guidelines will be used in determining whether a refunding would be appropriate.

9.1 Debt Service Savings - Advance Refunding

LiSWA may issue advance refunding bonds (as defined by federal tax law) when advantageous, legally permissible, financially prudent, and net present value savings, expressed as a percentage of the par amount of the refunded bonds, equal or exceed 5 %. The LiSWA Board may approve a lower savings threshold to the extent that such a threshold is appropriate given the specific conditions of the proposed refunding. Under current federal law, advance refundings of tax-exempt securities result in federally taxable refunding securities.

9.2 Debt Service Savings - Current Refunding

LiSWA may issue current refunding bonds (as defined by federal tax law) when advantageous, legally permissible, and financially prudent, and net present value savings equal or exceed 3% of the outstanding amount of refunded bonds.

Section 10 Interpretation, Amendment

This Policy is intended to be interpreted in a manner consistent with LiSWA's existing policies and program guidelines and shall be subject to any contrary provisions thereof. The Board may, by resolution, waive any provision of this Policy, with respect to a particular debt issue.

The Board reserves the power to amend this Policy in the future, by Resolution, as it may determine, from time to time.

Section 11 Disclosure Policies

11.1 Disclosure Coordinator

The Treasurer shall be the disclosure coordinator of the LiSWA (for purposes of this Policy, the "Disclosure Coordinator"). It is the policy of the LiSWA that the Disclosure Coordinator will regularly consult with the GM and LiSWA Counsel with respect to the disclosure matters described in this Policy.

11.2 Outside Professionals

It is the LiSWA's policy to establish continuing working relationships with professional advisors with expertise in the area of public finance and federal securities laws applicable to the issuance of securities by the LiSWA. Subject to the Securities and Exchange Commission's ("SEC") Independent Registered Municipal Advisor Rule ("IRMA"), the LiSWA may hold a contract with one or more independent registered municipal advisor firms.

11.3 Review and Approval of Official Statements

The Disclosure Coordinator shall review any Official Statement prepared in connection with any debt issuance by the LiSWA in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by, or on behalf of, LiSWA.

In connection with its review of any such Official Statement, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the LiSWA, and all members of LiSWA staff, to the extent that the Disclosure Coordinator concludes that they should be consulted so that each such Official Statement will include all "material" information (as defined for purposes of federal securities law).

In connection with its review of the Official Statement, the Disclosure Coordinator shall also consult with representatives of the Member Agencies to the extent necessary.

As part of the review process, and prior to submitting any Official Statements to the Board for approval, the Disclosure Coordinator shall submit all Official Statements to the GM and the LiSWA Counsel for their review.

The GM shall review the Official Statement and shall take primary responsibility for those sections of the Official Statement describing the operations of the LiSWA.

LiSWA Counsel shall review the Official Statement and shall draft for the Official Statement descriptions of (i) any material current, pending or threatened litigation, (ii) any material settlements or court orders and (iii) any other legal issues that are material information for purposes of the Official Statement.

The Treasurer shall review the Official Statement to identify any material difference in presentation of financial information from the LiSWA's financial statements and ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the Treasurer (or the Treasurer's staff) or of relevance to the finances of the LiSWA. In addition, the Treasurer shall determine whether the LiSWA's then-available Financial Statements are appropriate to be included in the Official Statement and whether to seek the consent of the LiSWA's outside auditor to including the Financial Statements in the Official Statement.

The GM is responsible for ensuring that the key LiSWA staff participates in preparation of the Official Statement.

After receiving feedback from the GM, the Treasurer and LiSWA Counsel, the Disclosure Coordinator shall submit an Official Statement to the Board for approval.

The Board shall undertake such review as deemed necessary by the Board, following consultation with the Disclosure Coordinator, to fulfill the Board's responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the LiSWA's disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

The Disclosure Coordinator shall retain a record of the actions taken to prepare, check and approve each Official Statement.

11.4 Continuing Disclosure Filings

Under the continuing disclosure undertakings that the LiSWA has entered into in connection with its debt offerings, the LiSWA is required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the LiSWA's audited financial statements.

If the LiSWA does not have audited financial statements available, the Treasurer shall submit the LiSWA's unaudited financial statements in either draft or final form whichever is available to meet the disclosure deadline. In the event draft or unaudited financial statements are submitted, the Treasurer shall submit final audited financial statements as soon as they are available.

The LiSWA is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention or one or more consultants) by which:

- i. the LiSWA will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and
- ii. the LiSWA will file notices of enumerated events on a timely basis.

In connection with preparation of annual reports and event filings, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the LiSWA, and all members of LiSWA staff, to the extent that the Disclosure Coordinator concludes they should be consulted so the annual report and event filings will include all “material” information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all annual reports and event filings to the GM, the Treasurer and LiSWA Counsel for approval, and shall also consult with representatives of the Member Agencies to the extent appropriate.

The Disclosure Coordinator shall retain a record of the actions taken to prepare, check and approve each continuing disclosure reports and notices.

11.5 Rating Agency Presentations

The Disclosure Coordinator and/or GM shall manage the process of preparing rating agency presentations for a financing in the same manner that he or she does for Official Statements, except that approval by the Board shall not be required.

11.6 Continuing Disclosure Filings

Whenever the LiSWA makes statements or releases information relating to its finances to the public that reasonably expected to reach investors and the trading markets, the LiSWA is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

The LiSWA shall include a disclaimer on the LiSWA website:

“No information on the LiSWA’s website is intended to be the basis of or should be relied upon in making an investment decision. The information on this website is not posted for the purpose of reaching the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community. Because each security issues by the LiSWA or its related entities may involve different sources of payment and security, you should refer for additional information to the official statement and continuing disclosure filings for the particular security, which can be found on the Municipal Security Rulemaking Board’s Electronic Municipal Market Access website: <https://emma.msrb.org/>.”

11.7 Training

The Disclosure Coordinator shall ensure that the members of the LiSWA staff involved in the initial or

continuing disclosure process and the Board of Directors are properly trained to understand and perform their responsibilities. The Executive Director is responsible for ensuring that key LiSWA staff participates in the training.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the LiSWA's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the LiSWA's disclosure obligations under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the LiSWA staff and members of the Board of Directors. Such training sessions may be conducted using a recorded presentation or written communication.

11.8 Updates to Disclosure Procedures

The Disclosure Coordinator shall review the Disclosure's Procedures annually and proposed updates to the Disclosure Procedures to the Program Manager, the GM, the Treasurer and the LiSWA Counsel as needed to address changes, including but not limited to changes in the LiSWA's debt management program, financial reporting processes, or organizational structure. In addition, at any time all officers and employees of the LiSWA are invited and encouraged to make recommendations for changes to these Disclosure Procedures so that they foster better compliance with applicable law, result in better information to investors, or makes the procedures required by these Disclosure Procedures more efficient. Following receipt of any such recommendation, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the LiSWA and members of LiSWA staff, where appropriate, and shall determine whether such recommendation should be submitted as a proposal to Board of Directors.

11.9 Documenting Compliance

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention or one or more consultants) by which compliance with these Disclosure Procedures is documented.

11.10 Waiver of Procedures

The Disclosure Coordinator may, with the approval of the GM, the Treasurer, LiSWA Counsel and the Program Manager, depart from this Disclosure Policy when he or she is in good faith determines that such departure is in the best interests of the LiSWA and is consistent with the duties of the LiSWA under federal and state securities laws.

11.11 Internal Use Only

These Disclosure Procedures are intended for the internal use of the LiSWA only and are not intended to establish any duties in favor of or rights of any person other than LiSWA.

CHAPTER 5

DISCLOSURE POLICY

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Section 1 Purpose of Policy

This Disclosure Policy is intended to ensure that the JPA is in compliance with all applicable federal and state securities laws. Although not required by law, the SEC encourages municipal issuers to adopt such a policy to help avoid disclosure problems. The JPA’s Board of Directors (Board) shall approve this policy. The JPA General Manager shall serve as Disclosure Coordinator for the JPA and is responsible for ensuring adherence to this policy.

Section 2 Review and Approval of Official Statements

The Disclosure Coordinator of the JPA shall review any Official Statement prepared in connection with any debt issuance by the JPA in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the JPA.

In connection with its review of the Official Statement, the Disclosure Coordinator shall consult with any relevant parties to the extent that the Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all “material” information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all Official Statements to the Board for approval. The cover letter used by the Disclosure Coordinator to submit the Official Statements shall be in substantially the form of Exhibit A.

The approval of an Official Statement by the Board shall be agendized as a new business matter and shall not be approved as a consent item. The Board shall undertake such review as deemed necessary by the Board, following consultation with the Disclosure Coordinator, to fulfill the Board’s responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the JPA’s disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

Section 3 Continuing Disclosure Filings

Under the continuing disclosure undertakings that the JPA will enter into in connection with its debt offerings, the JPA will be required each year to file annual reports with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the JPA’s audited financial statements. The JPA is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention of one or more consultants) by which:

- (A) The JPA will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and

- (B) The JPA will file notices of enumerated events on a timely basis.

Section 4 Public Statements Regarding Financial Information

Whenever the JPA makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the JPA is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Section 5 Training

The Disclosure Coordinator shall ensure that those involved in the initial or continuing disclosure process and the Board are properly trained to understand and perform their responsibilities.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the JPA's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the JPA's disclosure obligations under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the JPA's General Manager and members of the Board. Such training sessions may be conducted using a recorded presentation.

CHAPTER 6

CONTRACT POLICIES AND PROCEDURES

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Section 1 Introduction

1.1 Purpose and Title.

(A) The JPA deems it necessary to adopt a regulation to set forth the policies and procedures of the JPA for procurement, award and administration of contracts. This Chapter may be referred to as the “JPA’s Contract Policies and Procedures Regulation”.

(B) The policies and procedures in this Chapter are advisory, not mandatory, and any deviation shall not render any contract of the JPA void or voidable. Any deviation from the policies and procedures in this Chapter shall be authorized by the General Manager.

Section 2 Basic Requirements and Exceptions

2.1 Definitions.

For the purposes of this Chapter, the following words shall have the following meanings

General Manager means: (a) the acting General Manager or interim General Manager of the JPA as described in the JPA Agreement; or (b) a management level employee designated by the General Manager to perform the General Manager’s functions under this Chapter.

JPA means the East County AWP Joint Powers JPA, which is created by the JPA Agreement, comprised of Padre Dam Municipal Water District, San Diego County Sanitation District, and City of El Cajon.

Board or Board of Directors means the Board of Directors which is the governing body of the JPA.

Emergency means a sudden, unexpected occurrence that poses a clear and imminent danger, where a contract is necessary to prevent or mitigate the loss or impairment of life, health, property, or protection of JPA property or essential public services.

Invitation for Bid (IFB) means a procurement process pursuant to which the JPA procures goods or services on a low bid basis.

JPA Agreement means the agreement between Padre Dam Municipal Water District, San Diego County Sanitation District and City of El Cajon under which the JPA is established.

Micro-Purchase means a purchase of supplies and materials and the amount is less than \$10,000.00.

Request for Information or RFI means a formal or informal process to request information and/or ideas from the market.

Request for Proposals or RFP means a procurement process whereby the JPA seeks proposals and enters into a contract for goods, services, construction or related activities (which may or may not be

proceeded by an RFQ or Request for Information). Contracts may be procured on a low bid, best value or method that the JPA deems to be in the best interest of the JPA.

Request for Qualifications or RFQ means a procurement process in which the JPA obtains professional and other services on a qualifications basis that does not consider or considers as only one element, the cost of the services to be provided.

Small Contracts means any contract or other procurement involving expenditures equal to or less than \$200,000.00. Small Contracts are separate and distinct from a Micro-Purchase and can be used for procurements of less than \$10,000.00.

Working Day means any day other than a Saturday, Sunday or holiday for the JPA.

2.2 Fair and Open Competition Requirement.

The underlying premise of this Chapter is to foster fair and open competition and to obtain needed goods and services on a timely basis and in a cost-effective manner. The JPA should follow sound business and public policy principles in the procurement of goods and services so that these actions are performed efficiently and in a manner that serves the best interest of the JPA and the public.

2.3 Use of Non-Competitive Procedures.

Procurement of goods and services without competition is authorized under limited conditions. Procurement of contracts or purchase or equipment and supplies may be made by non-competitive negotiation under the following circumstances:

(A) In case of an Emergency, the Board (acting through the General Manager) may use a non-competitive procedure, as set forth in Section 2.4;

(B) Where the JPA has advertised the contract as required by this Chapter and has undertaken reasonable efforts to solicit potential contractors and has obtained only one bid or proposal or has otherwise determined that competition is inadequate;

(C) When the goods or services are to be provided by a government or other public entity;

(D) Where the JPA wishes to renew or extend the term of the contract and compensation provided pursuant to an existing contract under substantially the same terms and conditions, or the amendment of an existing contract that does not materially alter the terms and conditions of the contract (other than the term of the contract and compensation), provided that such renewal, extension or amendment is authorized or permitted by the contract;

(E) Where, after reasonable investigation, the JPA determines that there is only a single source of supply available, or only one contractor is qualified to provide the service or product;

(F) Where the equipment to be purchased is of a technical nature and the procurement thereof without advertising is necessary in order to assure standardization of equipment and

interchangeability of parts;

(G) Where the item to be purchased is a capital maintenance item that is available only from the original manufacturer or supplier;

(H) Where the contract is for employment services;

(I) Where the contract is one for which only per diem and travel expenses are paid and there is no payment for services rendered;

(J) Where the procurement is a Micro-Purchase involving the purchase of supplies and materials and the amount is less than \$10,000.00;

(K) Where the purchase is pursuant to a joint purchase and similar arrangement whereby another public agency procures goods or services on a bulk basis pursuant to procurement policies and procedures applicable to that agency;

(L) A "sole source" award, provided that in advance of the award, the General Manager certifies in writing the sole source status of the provider: (i) based on (the need to utilize a specified material, provider or methodology in the best interest of the JPA; (ii) which could only be supplied, constructed, or installed by only one contractor or supplier; or (iii) as otherwise allowed by any law; and

(M) When the Board otherwise determines that award of a contract pursuant to competitive procedures identified in this Chapter is either infeasible or would not produce an advantage, which determination shall be supported by written justification.

2.4 Emergency Procedures.

In the case of an Emergency, the Board delegates to the General Manager, the authority to enter into a contract, task orders, change orders and amendments to contracts. The General Manager shall report any action taken pursuant to such authority to the Board at its next meeting, with reasons justifying why the Emergency would not permit a delay resulting from a competitive solicitation for bids specified in this Chapter and justifying why the action taken was necessary to respond to the Emergency.

2.5 Non-Discrimination in Procurement.

Contracts entered into by the JPA shall contain clauses as required by applicable law prohibiting discrimination against any person or group of persons including on account of race, color, religion, creed, national origin, ancestry, physical handicap, medical condition, age, marital status, sex or sexual orientation in the performance of the contract.

2.6 Types of Procurement Methods.

(A) Micro-Purchases. This method, requiring only one quote, may be used for any purchase of supplies or services that does not exceed \$10,000.00.

(B) Small Contracts (up to \$200,000.00). This informal procurement method involves obtaining price or rate quotations from an adequate number of qualified sources (generally three unless

only two qualified vendors exist) in order to determine a fair and reasonable price and make a contract award.

(C) Sealed Bids. A formal competitive sealed bid process involves procurement through an IFB process. Generally, formal bid documents are prepared and advertised and an award is made to the lowest responsive and responsible bidder. This method and related procedures are described in more detail in Section 4.

(D) Competitive Proposals. This competitively negotiated procurement method may be used for purchase of non-professional services (through a Request for Proposal process) or professional services (generally through a Request for Qualifications process). This method and related procedures are described in more detail in Section 5.

(E) Alternative Methods of Procurement. Alternative methods of procurement for progressive or fixed- price design-build or design-build operate/maintain contracts, construction management at-risk contracts and public-private partnerships may be utilized by the JPA in cases where it may be efficient or advantageous for the JPA to enter into contracts that include responsibility for design and/or construction services as well as other services that are not appropriate for sealed bidding and or which the JPA does not wish to use a competitive negotiation procurement process. This method of procurement and related procedures are described in more detail in Section 6.

(F) Non-Competitive Purchases. These are used for the purchase of approved sole source procurements, Emergency procurements, intergovernmental agreements, and other procurements as may be approved by the General Manager or Board of Directors in light of special circumstances that justify this method of procurement as further described and discussed in Section 2.3.

2.7 Purchasing Agent Designation.

The ultimate authority to enter into contracts, execute amendments and change orders to existing contracts and make purchases on behalf of the JPA rests with the Board. The Board delegates this authority to the General Manager as set forth in this Chapter. The General Manager or his or her designee shall act as purchasing agent for and on behalf of the JPA consistent with this Chapter. The General Manager or his or her designee is hereby authorized to approve and execute the following contracts, amendments, and change orders on behalf of the JPA:

(A) Amendments and change orders to Board-approved progressive or fixed price design-build contracts; provided such amendments and change orders do not exceed \$2 million each, and cumulatively do not exceed the Board-approved contingency for the contract.

(B) All other procurements where the contract, amendment or change order (a) is less than \$100,000.00 and is not otherwise consistent with the JPA's approved and current capital expenditure plan / budget; or (b) is less than \$250,000.00 and is consistent with the JPA's approved and current capital expenditure plan / budget.

Except as delegated above or by a separate action of the Board, all other contracts, amendments, and change orders shall be approved by the Board.

2.8 JPA to Issue Requests for Proposals, Requests for Qualifications and Invitations for Bids; Exception for RFP, RFQ or IFB Consistent with Approved Budget.

Requests for Proposals (RFP), Requests for Qualification (RFQ) and Invitations for Bids (IFB) shall be prepared by or under the supervision of JPA's General Manager and shall not be released until approved and authorized for release by the Board. The foregoing notwithstanding, an Invitation for Bid, Request for Proposals or Request for Qualifications may be released without Board approval if the total cost of the goods or services to be procured is estimated by the General Manager or the consultant preparing the IFB, RFQ or RFP to be: (1) less than \$500,000.00; or (2) does not exceed the amount allocated in the JPA's approved and current capital expenditure plan / budget.

2.9 Existing Contracts.

The policies and procedures contained in this Chapter shall not apply to any contract awarded by the JPA prior to the adoption of this Chapter. Any amendments to this Chapter are only applicable to contracts entered into after approval of the amendments.

Section 3 Approval and Award of Contracts

3.1 Requirement of Board Approval.

Except as otherwise provided in this Chapter, all procurements and contracts are subject to approval by the Board.

3.2 Small Contracts and Micro-Purchases.

Award of Small Contracts and Micro-Purchases may be authorized by the General Manager without Board approval, subject to the following:

(A) Where the consideration to be rendered under a contract is other than monetary, such consideration must be valued on a monetary basis for the purpose of determining whether approval of the Board is required.

(B) If it is determined by the General Manager that more than one contract may be awarded to a single contractor in any one fiscal year for work normally considered one undertaking and the total of the contracts exceeds

\$200,000.00, all contracts awarded following such determination, regardless of amount, shall be submitted to the Board for approval; provided that purchases during a single fiscal year shall not be split into multiple contracts for the purpose of evading the Board approval requirement.

3.3 Rejection of Bids and Proposals.

Procedures for review of and rejection or award of contracts procured by IFB, RFP or RFQ are determined by the procurement document for the specific procurement and take precedence over the general provisions below. Where the procurement document does not set forth such procedures, or for procurements other than by IFB, RFP or RFQ, the following rules apply:

(A) The General Manager may reject all bids and proposals received that are determined to be non-responsive or not within the competitive range, including proposals made by proposers who refuse to execute any required representations and certifications.

(B) General Manager may reject for any one or more of the following reasons:

(1) All otherwise acceptable bids or proposals received exceed the funds budgeted and available for the contract or, in the case of contracts for which payment will be made to the JPA, offer inadequate compensation;

(2) The bids or proposals were not independently arrived at in open competition, were collusive or were submitted in bad faith; or

(3) Rejection is otherwise determined to be in the JPA's best interest.

(C) If, after rejecting bids, the General Manager determines and declares that, in his or her opinion, the services, supplies, equipment, or materials may be purchased at a lower price in the open market, the JPA may proceed to purchase these services, supplies, equipment or materials in the open market without further observance of the provisions regarding contracts, bids or advertisements.

3.4 Contracts Containing Extraordinary Provisions.

Except with respect to Small Contracts and Micro-Purchases, notwithstanding any provision of this Chapter to the contrary, any contract containing any of the following provisions shall be subject to approval of the Board:

(A) Any provision whereby the JPA agrees to indemnify or hold harmless any party to the contract or any third person against or on account of, any claim, liability, or matter arising out of, or connected with, the contract, other than reciprocal indemnification clauses whereby the indemnifying party indemnifies the other party against liability incurred by such party arising from the acts or failure to act of the indemnifying party.

(B) Any provision whereby the JPA agrees to assume responsibility for matters beyond its control (e.g., in rental contracts, a promise to assume full responsibility for damage to rented equipment, regardless of the cause of the damage).

(C) Any provision creating a contingent liability against the JPA (e.g., vendors' boilerplate rental contracts frequently contain clauses obligating the user of rented equipment to assume responsibility for contingent liabilities).

(D) Contracts of a hazardous nature or involving the generation, transportation, disposal or other handling of hazardous or toxic wastes (e.g., contracts for grading, dredging, excavating and handling toxic materials).

(E) Contracts for the sale or purchase of real property.

Section 4 Sealed Bids

4.1 Sealed Bids – Generally.

A competitive sealed bid process shall be used for all procurements except as otherwise provided in Sections 2.3 (Use of Non-Competitive Procedures) and 2.4 (Emergency Procedures) of Section 2 (Definitions) or in Section 5 (Competitively Negotiated Contracts Including Professional Services), Section 6 (Alternative Method for Procurement of Contracts Including Construction and Other Services), or Section 11 (Purchase Of Materials, Supplies And Equipment) of this Chapter. A competitive sealed bid process shall be procured through an IFB procurement process.

4.2 Procedures For Sealed Bids.

(A) The notice inviting bids shall be posted at the offices of the JPA, or other place(s) designated by resolution of the Board, and advertised by public posting to the JPA's website and in a newspaper of general circulation within the boundaries of the JPA and other trade publications as deemed appropriate by the General Manager. The notice inviting bids shall set a date for the opening of bids. The first publication or posting of the notice shall be at least 10 days before the date of opening the bids.

(B) The Board may reject any bids presented and re-advertise. If two or more bids are the same and the lowest, the Board may accept the one it chooses. If no bids are received, the Board may utilize the non-competitive procurement procedures set out in this Chapter.

(C) After rejecting bids, the Board may pass a resolution by a majority vote of its members declaring that the project can be performed more economically by day labor, or the materials or supplies furnished at a lower price in the open market. Upon adoption of the resolution, it may have the project done in the manner stated without further complying with this Chapter.

(D) All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder's security: (i) cash; (ii) cashier's check made payable to the JPA; (iii) a certified check made payable to the JPA; or (iv) a bidder's bond executed by an admitted surety insurer, made payable to the JPA. The security shall be in an amount equal to at least 10 percent of the amount bid. A bid shall not be considered unless one of the forms of bidder's security is enclosed with it. If the successful bidder fails to execute the contract, the amount of the bidder's security shall be forfeited to the JPA except as provided in this Chapter.

(E) The Board may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the Board awards the contract to the second lowest bidder, the amount of the lowest bidder's security shall be applied by the JPA to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder if cash or a check is used, or to the surety on the bidder's bond if a bond is used.

Section 5 Competitively Negotiated Contracts Including Professional Services

5.1 Use of Competitively Negotiated Procurement Procedures.

This Section 5 outlines the JPA's procedures for competitively negotiated procurements, also known as a competitive RFP process, or in the case of the procurement of professional services on a qualifications basis, a competitive RFQ process. The procedures used in this Section 5 shall be used for:

(A) Contracts for professional services, consulting services, personnel services, and for other services that the Board has determined are to be competitively negotiated. These services are not limited to but may include architectural, engineering, legal, legislative advocacy, planning, and accounting services;

(B) Purchases of specialized equipment, computers, telecommunications equipment, microwave equipment and other related electronic equipment and apparatus, if the Board has approved the use of the procedures set forth in this Chapter for a particular procurement.

(C) Other contracts that the Board has determined are to be competitively negotiated.

5.2 Solicitation of Proposals – General.

(A) An RFP or RFQ shall be the solicitation used to communicate the JPA's requirements to prospective contractors when the negotiated method of seeking competitive proposals is used. The JPA shall furnish identical information concerning a proposed procurement to all prospective contractors receiving the RFP or RFQ.

(B) In determining sources to solicit, General Manager shall use all means available to ensure that an adequate number of potential qualified proposers receive the solicitation in order to obtain the maximum open and competitive competition. Pre-solicitation announcement notices shall be published on the JPA website or other manner reasonably likely to attract proposers.

5.3 Proposal Evaluation.

(A) The evaluation factors that will be considered in evaluating proposals shall be tailored to each procurement and shall include only those factors that will have an impact on the source selection decision. The evaluation factors that apply to a particular procurement and the relative importance of those factors are within the broad discretion of the General Manager. All factors that are to be considered in an award of a contract must be identified in the RFP or RFQ and must allow for a fair and equitable evaluation of all proposals. Evaluation criteria could include matters such as previous experience providing similar services, qualifications of team members, satisfaction of previous clients, capacity to provide personnel when needed and approach to providing the services.

(B) The General Manager, in his or her discretion, may establish a formal evaluation panel/committee to evaluate proposals in accordance with the stated evaluation criteria. Following evaluation, the General Manager may either recommend a selection to the Board or, if authorized to do so, itself select the recommended source for contract award.

(C) The most qualified or "shortlisted" firms may be asked to further present their qualifications in an interview or similar process. The shortlist of firms will be determined by the General Manager. The evaluators will consider the results of the interviews in making the selection recommendation.

5.4 Selection and Negotiations.

The methods and procedures for selection and negotiation shall be set forth in the RFP or RFQ. The General Manager may adopt any lawful methods and procedures that he or she determines are in the best interest of the JPA. The selection decision is subject to the approval of the Board.

5.5 Special Provisions Applicable To Procurement of Professional Services Contracts.

If the procurement is for professional services listed in California Government Code Section 4525, in addition to meeting the other requirements of this Section 5, the procurement process shall comply with applicable requirements of Government Code Sections 4525 *et seq.* In particular, Government Code Section 4526 states that the procurement procedures for such contracts must:

(A) assure that such services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public;

(B) assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Government Code Section 14837;

(C) specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration; and

(D) specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract that would subject those employees to the prohibition of Government Code Section 87100.

Section 6 Alternative Method for Procurement of Contracts Including Construction and Other Services

6.1 Purpose.

In certain cases, it may be efficient or advantageous for the JPA to enter into contracts that include responsibility for construction services as well as other services that are not appropriate for sealed bidding and for which the JPA does not wish to use a competitive negotiation procurement process. Such contracts could include progressive or fixed- price design-build or design-build operate/maintain contracts (including design services as well as construction services and potentially operations / maintenance), construction management at-risk contracts (including professional services as well as a guarantee of the cost of construction services) and public-private partnerships(which may include professional services, construction services, finance services and/or operation and maintenance services).

6.2 Process.

Procurements under this Section 6 shall be conducted in accordance with the terms, conditions, processes, rules and procedures as stated in the procurement documents. To the extent not covered in the procurement documents (and to the extent covered, not inconsistent therewith), the procurement may include any of the following:

(A) Procurement by RFP or RFQ or through a multi-stage process in which the JPA invites prospective proposers, through a RFI or similar process, to submit statements indicating the potential proposer's approach to the project and interest in proposing;

(B) Prequalification or short listing or a similar process whereby a shortened list of potential proposers are invited to submit proposals;

(C) Final evaluation of proposals based on qualifications and/or best value. For purposes of this section, "best value" means a value determined by objective criteria, including, but not limited to, price, features, functions, life-cycle costs, and other criteria deemed appropriate by the JPA. The JPA shall develop and adopt criteria for making that evaluation prior to evaluation of a proposal.

(D) Negotiations with proposers prior to award.

(E) Requests for best and final offers from proposers.

(F) Acceptance of unsolicited proposals, with issuance of requests for competing proposals. The JPA shall not award a contract to an unsolicited bidder without receiving at least one other responsible bid.

6.3 Evaluation and Award.

To the extent not inconsistent with the provisions of the procurement documents:

(A) When evaluating a proposal submitted by the proposer, the JPA may award a contract on the basis of the proposer's qualifications, the lowest bid or best value.

(B) The proposer shall have the following qualifications:

(1) Evidence that the members of the proposer's team have completed, or have demonstrated the experience, competency, capability, and capacity to complete, a project of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, and a financial statement that ensures that the proposer's team has the capacity to complete the project.

(2) The licenses, registration, and credentials required to design and construct the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(3) Evidence that establishes that members of the proposer's team have the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

6.4 Methods and Criteria.

(A) Use of alternative procurement procedures under this Section 6 requires Board

authorization. The General Manager shall determine the methods, procedures, and criteria for selection. If the Board has authorized the solicitation of such a contract for a particular procurement, the JPA shall follow the procedures set forth in this Section 6 and such other procedures as have been established by the General Manager.

- (B) The procurement documents shall include all of the following:
- (1) A reasonable description of the services to be provided and work to be performed;
 - (2) A description of the format that proposals must follow and the elements they must contain, including the qualifications and relevant experience of the design professional and the contractor;
 - (3) A summary of the criteria that will be used in evaluating the submittals; and
 - (4) The date on which the proposals are due, and the timetable that will be used in reviewing and evaluating the proposals.

6.5 Contracts That Include Professional Services.

If a contract subject to this Section 6 includes professional services of the type listed in Government Code Section 4525, the selection process for such contract shall comply with all applicable requirements of Government Code Sections 4525 *et seq.* as described in Section 5.5 of this Chapter. The statutory requirement to select contractors based on demonstrated competence and qualifications may be satisfied by a shortlisting step that includes evaluation of the design professional's qualifications.

Section 7 Standard Form Contracts

7.1 Preparation of Standard Form Contracts.

For Small Contracts, Micro-Purchases and other procurements where standard specifications for goods or services to be procured are available, the General Manager shall prepare, or cause to be prepared, standard agreements for procurement of goods and services. The standard agreements shall be approved as to form by the JPA's general counsel.

7.2 Criteria for Preparation of Contracts.

Each standard agreement and every other contract entered into by the JPA shall be prepared utilizing the following criteria:

- (A) A clear and accurate identification of the parties.
- (B) A clear and complete statement of the work, services, or product to be performed, rendered, or provided.

(C) A clear expression of the maximum amount to be paid, if any, and the basis upon which payment is to be made.

(D) A statement of the time for performance or completion of the contract.

7.3 Purchase Orders.

In lieu of a standard agreement form, the General Manager may prepare or cause to be prepared a form of purchase order for the purchase of materials, supplies and equipment procured in accordance with Section 11 below.

Section 8 Supporting Documents

8.1 Responses to Solicitations.

Unless the procurement documents make them a part of the contract, bids and proposals received together with documents comprising the solicitation request may, but are not required to, accompany the contract to final approval by the Board.

8.2 Explanation of Failure to Award to Lowest Bidder.

If sealed bidding is provided for in this Chapter and an award is made not to the lowest bidder, a full explanation and justification must accompany the contract for final approval.

8.3 Local Government Entity/Cooperative Agreements.

If deemed necessary or advisable upon consultation with legal counsel, where one of the contracting parties is a county, city, district, or other local public body, the contract shall be accompanied by a copy of the resolution, order, motion, or regulation of the local governing body granting authority to enter into the proposed contract and approving and authorizing execution of the agreement.

8.4 Authorized Signatures.

Authority to execute contracts is limited to the General Manager and members of the Board who have been duly authorized by the Board. The General Manager is duly authorized by the Board to execute on behalf of the JPA and without formal Board approval, those contracts he or she is authorized to approve pursuant to this Chapter under Section 2.7. The JPA will maintain a record for audit purposes of all persons who have been authorized to execute contracts on behalf of the JPA.

8.5 Public Entity Expending JPA Funds Right to Audit.

Every JPA contract wherein a government entity is receiving JPA funds shall require that the government entity place in each of its contracts involving an expenditure of JPA funds in excess of \$250,000.00, a provision which indicates that the contracting parties may be subject to an examination and audit by the JPA or its designee for a period of not less than three years after final payment under the contract.

8.6 Retention of Evaluations.

Unless otherwise provided in the procurement documents, all proposals and any evaluations and rating sheets regarding such proposal, shall be retained for the period required by law or the JPA's record retention schedule. Copies shall be made available to the Board upon request, provided that if such documents would thereby become public information, they shall be redacted as appropriate to maintain confidentiality of any information (such as the names of the evaluators and the identity of references contacted) that would not otherwise be required to be disclosed publicly.

Section 9 Modification or Amendment of Contracts

9.1 Contracts Subject to Board Approval.

Contracts subject to the approval of the Board must also have such approval for a modification or amendment thereto, with the exception of the following which may be approved by the General Manager:

(A) Amendments to contracts limited to an extension of the date of completion of performance for a period of one year or less. A contract may only be amended once under this provision.

(B) Amendments that change the amount of the contract, provided that the amendment does not increase the contract amount by more than 10%. Multiple amendments of a contract that in the aggregate increase the contract amount by more than 25%, shall, upon the aggregate amendments exceeding such amount, be subject to Board approval.

(C) Contracts let or awarded on the basis of any law requiring competitive bidding may be modified or amended only if the contract so provides and if authorized by the law requiring competitive bidding.

(D) Modifications within the scope of the General Manager's authority under Section 2.7.

9.2 Modifications or Amendments Taking Contracts Outside Scope of Exemption.

If an amendment to a contract has the effect of taking the contract as amended outside the scope of an exemption from the approval by the Board, such as an increase in monetary amount, or an agreement by the JPA to indemnify or save harmless any person or entity, the amendment must be approved by the Board.

9.3 Modifications or Amendments Subjecting Contract to Lease/Purchase Analysis Requirements.

If the amendment has the effect of making the contract subject to the lease/purchase analysis requirements contained in Section 10 of this Chapter, the provisions of these policies and procedures related to lease/purchase analysis shall be complied with.

Section 10 Contracts for Lease and Rental of Equipment

10.1 Application of Section.

The provisions of this Section 10 shall apply to all equipment leased or rented by the JPA except automobiles provided under the terms of a separate employment agreement.

10.2 Contract Provisions.

Contracts for lease and rental of equipment must clearly provide that the JPA does not have responsibility for loss or damage to the rented equipment arising from a cause beyond the control of the JPA. Any provision obligating the JPA to return the equipment in good condition, subject to reasonable wear and tear, must also except or exclude loss or damage arising from causes beyond the control of the JPA. The contract must clearly restrict the JPA's liability for damage or loss to that resulting from the negligent act or omission of the JPA or the General Manager's officers, staff, or agents acting within the course and scope of their employment with the General Manager. If the JPA does not elect to maintain the equipment, the contract shall place the obligation on the contractor, as lessor, to keep the equipment in good working order and to make all necessary repairs and adjustments without qualification, with a clear right in the JPA to terminate or cease payment for repairs and adjustments without qualification, to terminate or cease paying rent should the contractor fail to maintain the equipment properly. For this purpose, the contractor's representatives shall be given full and adequate access to the equipment at reasonable times.

10.3 Renewal Options.

For the purpose of determining whether contracts containing renewal options are subject to approval of the Board, the total cost and term of the rental contract shall be computed by including the cost and term of all renewal options included in the contract.

10.4 Purchase Options.

Approval by the Board of the rental agreement does not include approval for the exercise of the option to purchase. The Board must approve any exercise of the option to purchase equipment in advance.

Section 11 Purchase Of Materials, Supplies and Equipment

11.1 Purchase of Materials, Supplies and Equipment with Unit or System Prices up to \$200,000.00.

In lieu of issuing a written request for bids or proposals, and consistent with the definition of a Small Purchase under Section 2.1, the General Manager may obtain a minimum of three oral or telephone quotations from vendors selected by the General Manager, for acquisition of materials, supplies and equipment having a unit or system price of not more than \$200,000.00 and for which there are standard specifications (e.g., certain paper supplies, building materials). The General Manager shall solicit quotations. Written confirmation shall be obtained from each vendor submitting an oral quotation. Purchases may be documented through purchase orders rather than other standard form or customized contracts.

11.2 Purchase of Materials, Supplies and Equipment with Unit or System Prices of more than \$200,000.00.

Purchases of materials, supplies or equipment having a unit or system price of more than \$200,000.00 should be made in accordance with the sealed bidding, competitive negotiations or alternative procurement processes identified in Section 4, 5 and 6 of this Chapter. Purchases may be documented through standard or customized contract forms.

Section 12 Protests

12.1 Right to File Protests.

A person that has indicated an interest in proposing or bidding on a contract, or that has timely submitted a bid or proposal in response to any procurement of the JPA may file, in the case of a protest prior to award of the contract, a protest objecting to the form or content of the RFP, RFQ or IFB within the time periods and in accordance with the procedures outlined in Sections 12.2(A) and (B) below. In the case of a protest filed after award of a contract, the protest shall be filed in accordance with the procedures and within the time periods stated in Section 12.2(C) below. The following procedures apply in the event that the RFP, RFQ or IFB does not contain relevant protest procedures or to the extent that a procedure set forth below is not set forth in the RFP, RFQ or IFB. To the extent that any provision below conflicts or is otherwise inconsistent with a process or procedure set forth in an RFP, RFQ or IFB, the provision in the RFP, RFQ or IFB will prevail. To the extent that a provision of an RFP, RFQ or IFB does not permit protests, that prohibition will prevail over and negate a process permitted below that is inconsistent with that prohibition.

12.2 Requirements for Protests.

(A) For protests filed in advance of submittal of proposals, statements or qualifications or bids, the following procedures shall apply:

(1) Prospective proposers and bidders are encouraged to suggest changes, modifications, and improvements to the RFP, RFQ or IFB. The deadline for submitting suggested changes, modifications, and proposals shall be five Working Days after the pre-proposal conference if any, and if not no later than 20 Working Days prior to the date that submittals are due. Such changes, modifications and proposals shall be made in writing to the JPA representative identified in the RFP, RFQ or IFB.

(2) If a proposed change, modification, or improvement is accepted by the JPA, said change, modification or improvement shall be incorporated into the RFP, RFQ or IFB through an addendum sent to all potential proposers or bidders that have received the RFP, RFQ or IFB.

(3) Protests dealing with restrictive specifications or alleged improprieties in solicitation of proposals or bids must be filed no later than ten Working Days prior to the date for submittal of proposals, statements of qualifications or bids. Protests shall be in writing and addressed to the General Manager.

(4) The protest shall contain a statement describing the reasons for the protest and

any supporting documentation. Additional materials in support of the initial protest will only be considered if filed within the time limit specified above. The protest shall indicate the ruling or relief desired from the General Manager.

(5) Materials submitted by a protester or bidder will not be withheld from any interested party, except to the extent that the withholding of information is permitted or required by law or regulation. If the protest contains proprietary material, a statement advising of this fact may be affixed to the front page of the protest document and the alleged proprietary information must be so identified wherever it appears. Notwithstanding a designation of material as proprietary, the JPA or its designee shall have the discretion to determine whether or not such material should be withheld from the other interested parties and if the JPA or its designee determines that the material should be made available, the protesting potential proposer or bidder waives any claim based on such disclosure.

(B) For protests filed after submittal of proposals, statements or qualifications or bids, but prior to award of the contract, the following procedures shall apply

(1) Except as otherwise provided in this Chapter, proposals will not be opened prior to resolution of the protest, and the General Manager or his or her designee shall follow the review and decision process outline in this Chapter, modified as deemed necessary in the General Manager's sole discretion. Where the protest is filed before award, the Award will not be made prior to resolution of the protest, unless the General Manager determines that:

(a) Items to be procured are urgently needed, or delivery or performance of the contract will be unduly delayed by failure to make Award promptly; or

(b) Failure to make award will cause undue harm to the JPA.

(C) For protests filed after award of a contract, the following procedures shall apply:

(1) The protest shall be filed in writing with the General Manager, by hand delivery, not later than the close of business on the day that is three Working Days after the day on which the Board takes formal action awarding a contract.

(2) The protest shall be filed by an actual bidder or proposer responding to the procurement. No other party has standing to protest.

(3) The protest shall identify the specific procurement involved.

(4) The protest shall identify the specific recommended action or decision being protested.

(5) The protest shall specify in detail the grounds of the protest, the facts supporting the protest and the status of the protester.

(6) The protest shall include all relevant supporting documentation with the protest at the time of submittal.

(D) Except as modified by the procurement documents, if a protest does not comply with the above requirements, the protest will not be considered and will be returned to the protester.

(E) Except with respect to supporting materials the protester asserts contain confidential material or information, the protester shall concurrently file a copy of the detailed statement with the other proposed or, in the case of a protest after award, actual bidders or proposers.

(F) Evidentiary statements, if any, shall be submitted under penalty of perjury. The protester shall have the burden of proving its protest by clear and convincing evidence. Failure to file a protest within the applicable period shall constitute a waiver of the right to protest the determination, authorization or award, as applicable, other than any protest based on facts not reasonably ascertainable as of such date.

12.3 Statements by Other Parties.

Other potential or actual bidders or proposers may file by hand delivery to the JPA statements in support of or in opposition to the protest within five Working Days of the filing of the protest described in Section 12.2. The JPA shall promptly forward copies of any such statements to the protester. Any evidentiary statements shall be submitted under penalty of perjury.

12.4 Resolution of Protest.

(A) The General Manager or his or her designee will respond to protests within five Working Days of receiving the protest, acknowledging receipt of the protest. A conference on the merits of the protest may be held with the protester and the JPA will promptly attempt to resolve a properly filed protest or perform additional fact- finding.

(B) If the General Manager or his or her designee is able to resolve the protest at this stage, a letter confirming resolution shall be sent to the protester.

(C) If the General Manager or his or her designee is unable to resolve the protest within ten Working Days after receipt of the protest, he or she may establish an independent team to evaluate the merits of the protest. The General Manager will determine the timeline for such evaluation.

(D) Within ten Working Days of his or her receipt of a recommendation of the evaluation team, the General Manager or his or her designee will review the recommendation and notify the protester in writing of the decision on the protest.

(E) If at any time during this process, additional information is required by the JPA from the protester, such additional information shall be submitted by the protester as expeditiously as possible, but no later than three Working Days after receipt of a request.

(F) For protests involving award of the contract, if the General Manager's decision is to uphold the protest, a recommendation will be made to the Board to either:

- (1) Reject all proposals or bids, cancel the procurement and solicit new proposals or

bids, or

- (2) Proceed with the procurement consistent with the decision in response to the protest.

CHAPTER 7

REAL ESTATE POLICIES

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Section 1 Acquisition and Acceptance of Real Property Interests

1.1 Acquisition.

The General Manager or his or her designee is authorized to negotiate with property owners for acquisition of real property, including real property rights such as easements on behalf of the Authority. The General Manager or his or her designee shall follow State law regarding the acquisition of real property or for any special considerations relating to real property, such as condemnation proceedings. The General Manager or his or her designee is authorized to approve the establishment of an offer of just compensation based on a qualified appraisal, which the General Manager or his or her designee is also authorized to approve, and consistent with the JPA's approved and current capital expenditure plan / budget. For acquisitions that do not involve potential condemnation proceedings, the General Manager may authorize an alternative method for determining just compensation in lieu of a qualified appraisal. After just compensation is established, the General Manager or his or her designee is authorized to approve and direct payment for acquisition of the property; provided, however that: (1) the payment amount shall not exceed 120 percent of the appraised or estimated value or \$250,000, whichever is greater, or the full satisfaction of court judgments regarding property valuation, notwithstanding the amount; and (2) the amount is consistent with the JPA's approved and current capital expenditure plan / budget. Subject to the limitations in this section and review as to form by legal counsel, the General Manager or his or her designee is authorized to execute, terminate, or amend all real property transfer documents, including but not limited to, rights of entry, licenses, leases, deeds, easements, purchase and sale agreements, possession and use agreements, stipulated judgments in condemnation, escrow instructions, and certificates of acceptance.

Except as otherwise authorized herein, all final agreements related to the acquisition of real property that require the expenditure of money or transfer of other real property by the Authority shall be approved by the Board and executed through a written contract.

1.2 Acceptance.

The General Manager of the Authority is authorized to accept on behalf of the Authority any deed, grant, or other instrument conveying any interest in or easement upon real property to the Authority for public purposes, and the General Manager is authorized to consent to the recordation of any such deed, grant, or other instrument pursuant to Government Code section 27281.

Section 2 Disposal of Surplus Real Property

2.1 Disposal of Surplus Real Property.

For any real property owned in fee simple by the Authority, the Authority may for valuable consideration sell or lease the property upon terms that appear to the Board to be in the best interest of the Authority. The manner of sale or lease shall be approved by the Board, subject to the notifications and procedures set forth in Government Code Section 54220 et seq. and Government Code Section 65402, if applicable. The General Manager may dispose of or exchange real property not owned in fee simple if it is no longer necessary for Authority purposes and is valued at less than \$10,000.

CHAPTER 8

JOINT POWERS AUTHORITY CONFLICT OF INTEREST CODE

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 (attached) and the attached Appendix designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of the East County Advanced Water Purification Joint Powers Authority (the "JPA").

All officials and designated positions, as applicable, of the LiSWA JPA shall file their statements of economic interests with General Manager's Board Secretary as the Filing Officer/Official. The General Manager's Board Secretary shall make and retain a copy of all statements filed by members of the Board of Directors and the General Manager's General Manager, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of Placer. The General Manager's Board Secretary shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

CHAPTER 9

BOARD COMPENSATION POLICY

Section 1 Compensation and Reimbursement Policy.....

Section 1. Compensation and Reimbursement.

The JPA Agreement entitles Directors to compensation for attending each Board of Directors ("Board") meeting, as established by ordinance or resolution of the Board.

The JPA also provides that each Board member may be reimbursed for reasonable and necessary expenses actually incurred in the conduct of the Authority's business.

The Board of Directors finds it appropriate for the Authority to compensate Directors in an amount of _____ for attendance at each regular and special meeting of the full Board, and each regular and special meeting of any Standing Committee, pursuant to _____.

The Board of Directors of the Lincoln-SMD1 Wastewater Authority therefore resolves that a Board member may request compensation and reimbursement as set forth above.