

**AGENDA  
GROUNDWATER BANKING JOINT POWERS AUTHORITY  
SPECIAL FINANCE COMMITTEE MEETING**

September 30, 2020  
1:00 PM

*Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.*

Participation by members of the Committee will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online using the link and information below:

Via Web: <https://zoom.us/j/81845850554>  
Meeting Number (Access Code): 818 4585 0554  
Meeting Password: 309676  
Telephone Dial In: (669) 900-6833

*As courtesy to the other participants, please mute your phone when you are not speaking.*

**PLEASE NOTE:** Participants joining the meeting will be placed into the lobby when the Committee enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will be placed in the waiting room. When the Committee has returned to open session, the participants will be automatically added to the meeting.

**CALL TO ORDER**            1:00 PM

**ROLL CALL**                    Peer Swan, Roy Pierucci, Eric Averett, Cheryl Clary

**PUBLIC COMMENT NOTICE**

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [mmisuraca@rbwsd.com](mailto:mmisuraca@rbwsd.com) before 5:00 pm. on Monday, September 29, 2020.

**ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.**

**1. Consideration of 2020/2021 Budget**

**2. Consideration of Groundwater Banking Authority Financial Policies**

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection by contacting Megan Misuraca at [mmisuraca@rbwsd.com](mailto:mmisuraca@rbwsd.com). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available to the public at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically during the meeting.

Accommodations: Upon request, the Committee will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at the meeting. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [mmisuraca@rbwsd.com](mailto:mmisuraca@rbwsd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Groundwater Banking JPA Finance Committee:

FY 2021 Budget and Funding:

DISCUSSION:

The Groundwater Banking Joint Powers Authority (Authority) became effective on July 1, 2020. The Authority currently has no previously approved budget or funding, other than the initial funding requirement of \$5,000 for each agency identified in the Bylaws of the GBJPA.

Staff has developed an initial proposed budget for the first year of operation Fiscal Year (FY) 2021 of the GBJPA. The proposed budget amount, excluding land acquisition, is \$1.236 million. The proposed budget details are attached as Exhibit "A" and are organized into four components:

- Project Administration
- Program Development (Consultants)
- Engineering, Design and Construction
- Land Acquisition

The proposed budget for Project Administration is \$233,000, Project Development is \$484,000 and the Engineering, Design and Construction budget proposal is \$518,000. In addition, land acquisition is budgeted at \$38.2M.

The goal of the budgeting process is to appropriately fund the resources required to build and operate the groundwater banking facility. Funding of the entire FY budget is not required upon Board approval of the budget. In order to preserve the cash resources of each individual agency, staff is recommending that funding for the Project Management and Consultants be made on a quarterly basis in advance of the projected timing of expenditures. Staff's recommendation is to initiate a cash call equal to 25% of the budget less the land acquisition. It is anticipated that reconciliation of prior costs shall occur prior to December 31, 2020 and that subsequent cash calls to address Project development will be considered at that time. Staff may request additional funding for the Engineering, Design and Construction as contracts are negotiated, and funding is necessary to pay the expenditures.

In addition, staff will prepare a reconciliation of expenses related to the Authority paid by each individual agency prior to the effective date of the Authority and through December 31, 2020, at which time the Authority is expected to have the necessary financial and administrative procedures in place to effect the full transition from Rosedale and IRWD to the Authority. It is anticipated that there will be a true up of a net amount due to one agency paid by the other agency. Staff is not recommending that the expenses prior to the formation of the Authority contribute to the funding within the Authority although the

related expenditures will be captured during the accounting process for grant reporting purposes.

**BUDGET:**

The Draft FY 2020-21 Budget is attached as Exhibit "A".

**RECOMMENDATION:**

That the Finance Committee provide input on the proposed FY 2020-21 budget and timing of funding and recommend approval to the Board of Directors.

**LIST OF EXHIBITS:**

Exhibit "A" – FY 2021 Budget

2018-2020 Project Development		PROJECT DEVELOPMENT COSTS
2018 Project Development	\$	125,000.00
2019 Project Development	\$	270,000.00
2020 Project Development	\$	350,000.00
<b>Total Project Development</b>	<b>\$</b>	<b>(745,000)</b>

	Monthly Cash Flow	Project Administration (Staffing)	Project Development (Consultants)	Engineering, Design and Construction	Land Acquisition	TOTAL including Land
<b>Quarter 1</b>						
Month						
Jul-20	\$ 56,698	\$ 21,032	\$ 24,386	\$ 11,280	\$ -	\$ 56,698
Aug-20	\$ 103,019	\$ 23,034	\$ 57,360	\$ 22,625	\$ -	\$ 103,019
Sep-20	\$ 99,239	\$ 29,954	\$ 46,660	\$ 22,625	\$ -	\$ 99,239
<b>Total Quarterly Cash Call</b>	<b>\$ 258,955</b>					
<b>RRB/IRWD Cash-Call</b>	<b>\$ 129,478</b>					
<b>Quarter 2</b>						
Oct-20	\$ 226,647	\$ 24,547	\$ 179,475	\$ 22,625	\$ -	\$ 226,647
Nov-20	\$ 106,268	\$ 16,888	\$ 65,255	\$ 24,125	\$ 19,100,000	\$ 19,206,268
Dec-20	\$ 86,213	\$ 16,888	\$ 45,200	\$ 24,125	\$ -	\$ 86,213
<b>Total Quarterly Cash Call</b>	<b>\$ 419,127</b>					
<b>RRB/IRWD Cash-Call</b>	<b>\$ 209,564</b>					
<b>Quarter 3</b>						
Jan-21	\$ 92,402	\$ 18,117	\$ 15,160	\$ 59,125	\$ -	\$ 92,402
Feb-21	\$ 120,394	\$ 16,478	\$ 44,791	\$ 59,125	\$ -	\$ 120,394
Mar-21	\$ 77,103	\$ 16,478	\$ 1,500	\$ 59,125	\$ -	\$ 77,103
<b>Total Quarterly Cash Call</b>	<b>\$ 289,899</b>					
<b>RRB/IRWD Cash-Call</b>	<b>\$ 144,949</b>					
<b>Quarter 4</b>						
Apr-21	\$ 97,513	\$ 16,888	\$ 1,500	\$ 79,125	\$ -	\$ 97,513
May-21	\$ 85,103	\$ 16,478	\$ 1,500	\$ 67,125	\$ -	\$ 85,103
Jun-21	\$ 85,103	\$ 16,478	\$ 1,500	\$ 67,125	\$ 19,100,000	\$ 19,185,103
<b>Total Quarterly Cash Call</b>	<b>\$ 267,719</b>					
<b>RRB/IRWD Cash-Call</b>	<b>\$ 133,859</b>					
<b>Sub-Total</b>	<b>\$ 1,235,700</b>	<b>\$ 233,258</b>	<b>\$ 484,287</b>	<b>\$ 518,155</b>	<b>\$ 38,200,000</b>	<b>\$ 39,435,700</b>

**Notes:**

Prior project development costs to be reconciled

Approval of the Budget authorizes the expenditures up to the amount(s) shown in each category.

Cash Calls shall be approved by the Board prior to invoicing

**Kern Fan Project Management Sub-Team Budget**

		Project Management and Administration										Consultants and Legal						
Total		Project Management	Task 1 Management	Task 2 Administration	Task 3 Environmental Compliance	Task 4 JPA Set-Up	Task 5 JPA Accounting and Financial Reporting	Task 6 JPA Management (GM & Treasurer)	Task 7 Application for Federal Funding	Task 8 State Grant Agmt and Reporting	Consulting and Legal Total	Consulting 1 - MBK Engineers	Consulting 2- MBK Engineers	Consulting 3- M.Cubed	Consulting 3 - ESA	Consulting 4- Cramer Fish	Consulting 5 - Thomas Harder	Consulting 6 - Legal
Jul-20	\$ 45,418	\$ 21,032	\$ 8,897	\$ 3,325	\$ 820	\$ 3,278	\$ 1,844	\$ 2,459		\$ 410	\$ 24,386	\$ 5,000		\$ 16,386				\$ 3,000
Aug-20	\$ 80,394	\$ 23,034	\$ 8,851	\$ 3,325	\$ 1,639	\$ 4,917	\$ 1,844	\$ 2,459			\$ 57,360	\$ 5,000		\$ 41,860				\$ 10,500
Sep-20	\$ 76,614	\$ 29,954	\$ 8,851	\$ 3,325	\$ 1,639	\$ 4,917	\$ 1,844	\$ 2,459	\$ 6,920		\$ 46,660	\$ 5,000		\$ 40,160				\$ 1,500
Oct-20	\$ 204,022	\$ 24,547	\$ 8,851	\$ 3,325	\$ 1,639		\$ 1,844	\$ 2,459	\$ 6,020	\$ 410	\$ 179,475	\$ 2,500	\$ 16,295	\$ 115,180		\$ 35,000		\$ 10,500
Nov-20	\$ 82,143	\$ 16,888	\$ 8,851	\$ 3,325	\$ 410		\$ 1,844	\$ 2,459			\$ 65,255	\$ 2,500	\$ 16,295	\$ 5,000	\$ 33,960			\$ 7,500
Dec-20	\$ 62,088	\$ 16,888	\$ 8,851	\$ 3,325	\$ 410		\$ 1,844	\$ 2,459			\$ 45,200			\$ 35,200	\$ 2,500			\$ 7,500
Jan-21	\$ 33,277	\$ 18,117	\$ 8,851	\$ 3,325	\$ 1,229		\$ 1,844	\$ 2,459		\$ 410	\$ 15,160			\$ 11,160	\$ 2,500			\$ 1,500
Feb-21	\$ 61,269	\$ 16,478	\$ 8,851	\$ 3,325			\$ 1,844	\$ 2,459			\$ 44,791			\$ 38,291	\$ 5,000			\$ 1,500
Mar-21	\$ 17,978	\$ 16,478	\$ 8,851	\$ 3,325			\$ 1,844	\$ 2,459			\$ 1,500							\$ 1,500
Apr-21	\$ 18,388	\$ 16,888	\$ 8,851	\$ 3,325			\$ 1,844	\$ 2,459		\$ 410	\$ 1,500							\$ 1,500
May-21	\$ 17,978	\$ 16,478	\$ 8,851	\$ 3,325			\$ 1,844	\$ 2,459			\$ 1,500							\$ 1,500
Jun-21	\$ 17,978	\$ 16,478	\$ 8,851	\$ 3,325			\$ 1,844	\$ 2,459			\$ 1,500							\$ 1,500
<b>Total</b>	<b>\$ 717,545</b>	<b>\$ 233,258</b>	<b>\$ 106,253</b>	<b>\$ 39,900</b>	<b>\$ 7,785</b>	<b>\$ 13,112</b>	<b>\$ 22,127</b>	<b>\$ 29,502</b>	<b>\$ 12,940</b>	<b>\$ 1,639</b>	<b>\$ 484,287</b>	<b>\$ 20,000</b>	<b>\$ 32,590</b>	<b>\$ 5,000</b>	<b>\$ 332,197</b>	<b>\$ 10,000</b>	<b>\$ 35,000</b>	<b>\$ 49,500</b>

**Notes**

- Task 1 Sanchez, Welch and Weghorst time regardless of task. Includes project agreements. Also time for consultant project management time
- Task 2 District support staff for project administration assistance, not including grant reporting or JPA set-up
- Task 3 Management of process, CEQA consultant and document review.
- Task 4 All aspects of JPA establishment including development and testing of acctg system & procedures, legal filings and banking.
- Task 5 Monthly JPA accounting processing and financial reporting.
- Task 6 JPA Management - GM and Treasurer
- Task 7 Federal Funding Feasibility Report
- Task 8 Quarterly reporting to CWC

**Notes**

- Consulting 1 - Provide technical and modeling support for DWR/CDFW approval of exchanges and new turnout
- Consulting 2 - Modeling of 215 water for additional federal benefits
- Consulting 3 - Quantification of additional federal benefits
- Consulting 4 - CEQA Plus EIR. Agreement w/ESA for \$359,355. \$27,158 invoiced/paid by IRWD. No cost share with RRB in place.
- Consulting 4 - Support for agreement with CDFW/pulse flows
- Consulting 5 - Well Impact Analysis for environmental document
- Consulting 6- Legal includes support for JPA set-up, bylaws, policies and legal filings, review of DWR/CDFW/CWC agreements and review of environmental documents. Base is \$1500/month for JPA support (5 hr x \$300). Key tasks noted and added.

**Kern Fan Project Construction Subteam Budget**

	Total	Engineering and Administration											Construction									
		Engineering Total	Task 1 Management	Task 2 Administration	Task 3 Environmental	Task 4 Easements	Task 5 Permitting	Task 6 Preliminary Design	Task 7 Design	Task 8 Testing Survey Geotech	Task 9 Legal	Task 10 Construction Management	Task 11 Labor Compliance	Construction Total	Construction Contract 1	Construction Contract 2	Construction Contract 3	Construction Contract 4	Construction Contract 5	Direct Source Materials	PG&E Service	
Jul-20	\$ 11,280	\$ 11,280	\$ 4,500	\$ 780			\$ 6,000						\$ -									
Aug-20	\$ 22,625	\$ 22,625	\$ 9,000	\$ 1,625			\$ 12,000						\$ -									
Sep-20	\$ 22,625	\$ 22,625	\$ 9,000	\$ 1,625			\$ 12,000						\$ -									
Oct-20	\$ 22,625	\$ 22,625	\$ 9,000	\$ 1,625			\$ 12,000						\$ -									
Nov-20	\$ 24,125	\$ 24,125	\$ 9,000	\$ 1,625			\$ 12,000		\$ 1,500				\$ -									
Dec-20	\$ 24,125	\$ 24,125	\$ 9,000	\$ 1,625			\$ 12,000		\$ 1,500				\$ -									
Jan-21	\$ 59,125	\$ 59,125	\$ 9,000	\$ 1,625			\$ 12,000	\$ 30,000	\$ 5,000	\$ 1,500			\$ -									
Feb-21	\$ 59,125	\$ 59,125	\$ 9,000	\$ 1,625			\$ 12,000	\$ 30,000	\$ 5,000	\$ 1,500			\$ -									
Mar-21	\$ 59,125	\$ 59,125	\$ 9,000	\$ 1,625			\$ 12,000	\$ 30,000	\$ 5,000	\$ 1,500			\$ -									
Apr-21	\$ 79,125	\$ 74,125	\$ 9,000	\$ 1,625	\$ 5,000	\$ 5,000	\$ 5,000	\$ 12,000	\$ 30,000	\$ 5,000	\$ 1,500		\$ 5,000								\$ 5,000	
May-21	\$ 67,125	\$ 62,125	\$ 9,000	\$ 1,625	\$ 5,000	\$ 5,000	\$ 5,000		\$ 30,000	\$ 5,000	\$ 1,500		\$ 5,000								\$ 5,000	
Jun-21	\$ 67,125	\$ 62,125	\$ 9,000	\$ 1,625	\$ 5,000	\$ 5,000	\$ 5,000		\$ 30,000	\$ 5,000	\$ 1,500		\$ 5,000								\$ 5,000	
<b>Total</b>	<b>\$ 518,155</b>	<b>\$ 503,155</b>	<b>\$ 103,500</b>	<b>\$ 18,655</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 114,000</b>	<b>\$ 180,000</b>	<b>\$ 30,000</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,000</b>

**Notes**

Task 1 Ray and Dan's time here regardless of task. Also time for consultant project management time  
 Task 2 District support staff for project administration assistance  
 Task 3 CEQA mitigation and monitoring plan implementation. Does NOT include CEQA review or support but implementation of mitigation measures in the field.  
 Task 4 All aspects of easement acquisition such as: appraisals, surveys, offers, documents.  
 Task 5 All aspects of construction related permits such as road crossings, swppp, streambed alteration permits, etc.  
 Task 6 Development of 9-12 Technical Memos to aid in Design process. Does NOT include other project feasibility efforts.  
 Task 7 Design contracts with technical consultants. Does NOT include other project feasibility efforts.  
 Task 8 Is a catch all for various site investigations, design and construction surveys, and materials testing.  
 Task 9 Legal support for construction documents such as bid packages, rfp's, easements docs, etc.  
 Task 10 Construction inspection and management technical services contracts. May include staff time if assigned.  
 Task 11 Labor compliance contracts as required by state and federal grant agreements

**Notes**

Construction Contract 1 ???  
 Construction Contract 2 ???  
 Construction Contract 3 ???  
 Construction Contract 4 ???  
 Construction Contract 5 ???  
 Direct Source Materials includes items acquired outside of construction contracts such as pump station pumps and motors.  
 PG&E Service includes all application fees and PG&E extension, easement, and upgrade costs

Groundwater Banking JPA Finance Committee

Adoption of Financial Policies

DISCUSSION:

On July 1, 2020 the Groundwater Banking Joint Power Authority (GBJPA) became effective. Staff is recommending that initial financial policies be adopted by the Board. The policies are intended to comply with current law and maximize administrative efficiencies while preserving appropriate authority levels, accountability and Board governance. The following policies are submitted for consideration:

- Policy for Expenditure Authorization
- Policy for Competitive Bidding
- Policy for Change Orders and Variances
- Policy for Professional Services
- Policy for Real Property

Financial Policies:

The recommended policies are attached as Exhibits "A- E".

RECOMMENDATION:

That the Finance Committee provide comments and recommend Board approval of the above policies.

LIST OF EXHIBITS:

- Exhibit "A" – Policy for Expenditure Authorization
- Exhibit "B" – Policy for Competitive Bidding
- Exhibit "C" – Policy for Change Orders and Variances
- Exhibit "D" – Policy for Professional Services
- Exhibit "E" – Policy for Real Property



EXHIBIT "A"

GROUNDWATER BANKING JOINT POWERS AUTHORITY

POLICY FOR AUTHORIZATION OF EXPENDITURES

SECTION 1 - General

All purchases made by the Authority shall be made in accordance with this Policy established by the Board of Directors of Groundwater Banking Joint Powers Authority.

The following policies are also applicable to expenditures:

Policy for Competitive Bidding

Policy for Procurement of Professional Services

Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts

The Manager shall establish specific procedures for implementing this Policy and it is intended that this policy is to be liberally construed to effectuate the Board's intent behind the delegations of authority included in this policy.

SECTION 2 - Definitions

As used in this Policy, the following terms shall have the meanings indicated:

- a. Authority-  
shall mean Groundwater Banking Joint Powers Authority.
- b. Board -  
shall mean the Board of Directors of the Authority.
- c. Capital Expenditures -  
shall mean direct costs included in the capital projects budget approved by the Board, including, but not limited to, cost of lands and easements for capital facilities. Capital Expenditures shall not include G&A Costs, or any expenditure related to the issuance or payment of debt service on any bonded indebtedness, which will be shown for information use only.
- d. Change Order -  
shall mean an amendment modifying the terms of an existing Contract other than a Contract for Professional Services.
- e. Committee -

shall mean a standing or ad hoc committee of the Authority.

- f. Construction -  
shall include erection, demolition, alteration, installation, repair and relocation, and, if such work constitutes a public work, maintenance, landscape maintenance, hauling of refuse from a construction site, and warranty work on any of the foregoing.
- g. Consultant -  
shall mean an individual, firm or entity who provides or offers to provide Professional Services.
- h. Contract -  
shall mean a written agreement for Goods, Utility Services, Professional or Non-Professional Services, and Purchase Orders.
- i. Divided Contract -  
shall mean a Contract divided into separate Contracts for Construction and purchase of material, performance of a service or multiple services, or otherwise divided between components or portions of the work.
- j. G&A Costs -  
shall mean General and Administrative project costs consisting of indirect costs (e.g. building electrical and heating costs, office supplies), indirect labor costs (e.g. supervisory and administrative salaries), and employee benefits.
- k. Goods -  
shall mean supplies, materials, equipment, or any other product that is not considered to be a Professional, Non-Professional, or Utility Service.
- l. Manager -  
shall mean the General Manager of the Authority or a person appointed by the Board to act in the capacity of General Manager, or a person authorized by the General Manager to administer this Policy or any portion thereof on their behalf.
- m. Non-Professional Services -  
shall mean services other than Professional Services, and will include construction, repair, and maintenance services.
- n. Notice Inviting Bids -  
shall mean a notice inviting proposals or bids for entering into a Contract based on the terms of all Contract documents incorporated into said notice by reference.

- o. Operational Expenditures -  
shall mean those items included in the Operating Budget approved by the Board, including, but not limited to, any authority expenditure and any other expenditure that is not a Capital Expenditure.
  
- p. Professional Services -  
shall mean (1) services involving the provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering or representation of the Authority before or in dealings with another party, or (2) any other services which require a special skill or expertise of a professional, scientific or technical nature. For purposes of this Policy, design-build Contracts shall not be considered to include Professional Services.
  
- q. Request for Proposal(s) -  
shall mean a written request for the submission of a proposal(s) in accordance with specifications, conditions and other requirements included in the request.
  
- r. Solicitation -  
shall mean an oral request for the submission of a proposal in accordance with verbal conditions and other requirements included in the request.
  
- s. Utility Service -  
shall mean natural gas, electricity, telephone, water, trash collection, postage, or other products or services provided by a governmental agency or its franchise contractor, or an established company governed by the Public Utilities Commission.
  
- t. Variance -  
shall mean an amendment modifying the terms of an existing Contract for Professional Services.

### SECTION 3 - Proposed Budgets

Every year, the Treasurer, after review with the General Manager, shall submit to the Board proposed budgets for the ensuing fiscal year. The proposed budgets shall include all of the then-known proposed Operations Expenditures and Capital Expenditures that may be reasonably expected for the ensuing fiscal year.

### SECTION 4 - Adoption of the Budgets

After reviewing the proposed budgets and making such revisions as it may deem advisable, the Board shall, on or before June 30th, except for adoption of the initial budget, adopt by resolution the Authority's operating and capital budgets for the ensuing fiscal year.

#### SECTION 5 - Authorization for Capital Expenditures (Except Professional Services)

The adoption of the capital projects budget by the Board shall constitute an approval of, and the authorization to make, the Capital Expenditures as set forth within the budget, subject to:

- (i) compliance with requirements respecting the award of Contracts set forth in Section 9;
- (ii) compliance with all applicable legal requirements, including but not limited to the California Environmental Quality Act of 1970 (CEQA) and the Guidelines for implementation thereof promulgated by the Secretary for Natural Resources of the State of California; and
- (iii) satisfaction of all provisions of the “Policy for Competitive Bidding.”

The “approval” accomplished by this section shall not constitute a decision by the Authority within the meaning of CEQA which commits it to a definite course of action with regard to any particular project or projects included in such capital projects budget.

#### SECTION 6 - Authorization for Operational Expenditures (Except Professional Services)

The adoption of the operating budget by the Board shall constitute an approval of the acquisition and expenditures as noted in Section 3 above, contained within the budget, and the authorization to make the Operational Expenditures as set forth within the budget, subject to:

- (i) compliance with procedures comparable to those set for Capital Expenditures in Section 5, if and to the extent an Operational Expenditure is subject to CEQA;
- (ii) compliance with requirements respecting the award of Contracts set forth in Section 9; and
- (iii) satisfaction of all provisions of the “Policy for Competitive Bidding.”

#### SECTION 7 - Authorization for Professional Services

The adoption of the budgets by the Board shall constitute an approval of fees for Professional Services included within any Capital Expenditures and Operational Expenditures and the authorization to contract for such Professional Services as set forth within the budgets, subject to:

- (i) compliance with requirements respecting the award of Contracts set forth in Section 9; and
- (ii) satisfaction of all provisions of the “Policy for Procurement of Professional Services.”

## SECTION 8 - Authorization for Change Orders and Variances

The adoption of the budgets by the Board shall constitute an approval of Change Orders and Variances to existing Contracts within the amounts budgeted for the applicable Capital Expenditure or Operating Expenditure, subject to the satisfaction of all provisions of the “Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts.”

## SECTION 9 - Award and Execution of Contracts

Contracts for all expenditures, including Professional and Non-Professional Services, Goods (whether or not specifically identified in the operating budget) but excluding Utility Services, may be approved based upon the following levels:

### APPROVAL LEVEL

Up to \$50,000

Up to \$100,000

No Limit

### AUTHORIZED APPROVER

- Joint approval by the IRWD Project Manager and RRB Project Manager (or their designees)

- Manager (or designee)

- the Board

Provision shall be made, either through the specifications or as otherwise prescribed in procedures established by the Manager, prior to contract award, for references and financial condition of the proposed vendor to be verified, except for Contracts with government agencies, utility companies, associations, or providers of expendables.

## SECTION 10 - Urgent Necessity Contracts

When a Contract is determined by the Manager to be of urgent necessity for the public health, safety or welfare, or for the protection of Authority property, or as a result of a present, immediate and existing emergency which could not have been reasonably foreseen, the Manager may execute a Contract therefor, provided that the Board shall be informed at its next regular meeting of the action taken and the necessity therefor, if (a) the cost of the Contract necessitates Board approval under Section 9, or (b) sufficient funds for the Contract are not budgeted pursuant to Section 4 or are not available. If the contract is for Professional Services, formal requests for proposals are not required.

## SECTION 11 - Authorized Changes by Manager

The Manager may, at their discretion, reduce, eliminate or postpone any proposed expenditure authorized in the budgets, unless otherwise directed by the Board.

## SECTION 12 - Termination of Appropriation

All Operational Expenditure appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered. Capital Expenditure

appropriations shall continue in effect until depleted or until modified by a subsequent capital projects budget.

#### SECTION 13 - Amended Budgets and Conditioned Approval

The Board may, at any time it deems advisable, amend or supplement the budgets or may condition any previously approved proposed expenditure.

#### SECTION 14 - Availability of Funds

Availability of funds for Contracts are established with the annual budget approved by the Board. For Capital Project expenditures exceeding \$100,000 of the approved budget amount, approval by the Board shall be required prior to expenditure by the Manager. Change Orders and Variances to contracts can be made following the approval process outlined in Section 3 of the Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts, or approved by the Manager as provided for in Section 10 above.

#### SECTION 15 - Controls

The Treasurer shall establish procedures to implement a system of internal controls, which segregate responsibilities in the approval of contracts and processing of expenditures. The procedures shall include defined responsibilities and shall include segregation of duties between the responsibility for inspecting or reviewing Goods, work or services and the responsibility for authorizing the related payment.

The Policy for Authorization of Expenditures shall be reviewed by staff periodically, at least every five years, to determine whether it is necessary or appropriate for the Board to adopt any changes to the Policy.

EXHIBIT "B"

GROUNDWATER BANKING JOINT POWERS AUTHORITY

POLICY FOR COMPETITIVE BIDDING

SECTION 1 - General

All Contracts entered into by the Authority shall be made in accordance with this Policy established by the Board of Directors of the Groundwater Banking Joint Powers Authority.

All Contracts shall be made upon competitive bidding except as provided in Section 3 – Competitive Bids – Exceptions, below.

In addition to this Policy for Competitive Bidding, the following policies are applicable to Contracts:

Policy for Authorization of Expenditures

Policy for Procurement of Professional Services

Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts

The Manager shall establish specific procedures for implementing this Policy and it is intended that this policy is to be liberally construed to effectuate the Board's intent behind the delegations of authority included in this policy.

SECTION 2 - Definitions

The definitions set forth in the "Policy for Authorization of Expenditures" are hereby incorporated into this Policy.

SECTION 3 - Competitive Bids – Exceptions

- a. Contracts with an estimated amount of less than \$35,000.
- b. Contracts deemed to be of urgent necessity, approved as provided in Section 10 of the "Policy for Authorization of Expenditures."
- c. Contracts for articles which are patented, copyrighted or otherwise unique and not for sale by dealers generally, but are available only at a fixed and uniform price from the manufacturer or their agents or assigns, or for unique or specialized services for banking, depository, lobbying, legal, insurance coverage and benefits.

- d. Contracts wherein competitive bidding could not produce an advantage or where it is impracticable to comply with the competitive bidding provisions because of the unique, exploratory, or experimental nature of the work, or where a competitive process is conducted by another contracting party and is passed through a cooperative purchasing agreement to the Authority.
- e. Contracts where, within twelve months previous to the date of execution, advertising for identical articles or articles of the same general character has failed to secure responsive proposals and, in the opinion of the Manager, further advertising will not alter this result.
- f. Contracts with any governmental agency or association, including memberships and sponsorships, or Contracts for Utility Service.
- g. Contracts for the acquisition and disposition of lands, easements, and permits, or agreements with a property owner for reimbursement of the cost to construct Authority facilities.
- h. Contracts for water transactions.
- i. Change Orders and Variances. (See “Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts.”)
- j. Contracts to purchase standard specification items for inventory.
- k. Sole Source Justification Form exceeding \$35,000.

The use of any of the exceptions in sub-paragraphs a through e above shall require approval by the Manager. The Manager shall establish procedures for the exceptions noted above.

#### SECTION 4 - Divided Contracts

Divided Contracts shall not be utilized for the purpose of bringing the cost of one or more of the component Contracts below any specified sum to avoid a requirement in any of the Sections of this Policy or of any Policy incorporated herein. Contracts may be divided only to meet unique scheduling or other needs of a project such as purchase of an item of equipment with a long lead time or spacing of phases of work to accommodate necessary time windows.

#### SECTION 5 - Contract Documents

The Contract documents shall consist of standard form documents approved by the Board, where applicable, and otherwise as the Manager may deem desirable, in addition to those provisions required by law.



## SECTION 6 - Specifications and Drawings

Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done or services required to be performed, the quality and properties of materials, supplies and equipment to be furnished, the results and performance required, and the method of payment.

## SECTION 7 - Notice Inviting Bids

The Notice Inviting Bids shall provide the Authority's right to reject any and all proposals.

## SECTION 8 - Advertising and Posting

No Notice Inviting Bids for any Contract required to be let upon competitive bidding shall be given or posted or advertised unless there is first prepared a complete set of Contract documents detailing the terms of the agreement, the work or services to be performed and the materials, supplies and equipment to be furnished.

a. Non-Professional Services Contracts for Construction:

Competitive bids may be requested from pre-qualified bidders identified in the manner prescribed in procedures established by the Manager.

b. Non-Professional Services Contracts for Repair, Maintenance or Services, Other Than Construction Services, Estimated to Cost More Than \$35,000, and all Goods Contracts:

Competitive bids may be requested from three (3) or more firms in the manner prescribed in procedures established by the Manager. If fewer than three (3) qualified firms submit bids, the Manager may, at their discretion, seek additional bids or proceed with evaluation of the bid(s) submitted if he determines that further inquiries would not be fruitful.

## SECTION 9 - Evaluation

a. Capital Expenditures for Construction:

Unless otherwise directed by the Board, the Manager shall compare all bids received, pursuant to any Notice Inviting Bids or Solicitation, for compliance with the terms set forth therein and shall determine the lowest responsible bid of all those received. When award of Contract is to be made by the Board pursuant to Section 9 of the "Policy For Authorization of Expenditures," the Manager shall make a recommendation as to such award in writing to the Board.

b. Other Contracts Subject to this Policy:

Except for Contracts requiring award to the lowest responsible responsive bidder, the Authority shall use the following criteria, as applicable, to evaluate bids:

1. Specialized experience and technical competence of the bidder and its personnel considering the type of services required and the complexity of the project.
2. Suitability of the bidder's proposed Goods and/or services to meet the Authority's needs.
3. The bidder's familiarity with types of issues applicable to the project.
4. Past record of performance on Contracts with the Authority, other government agencies or public bodies, and with private industry, including such responsibility factors as control of costs, quality of work, and ability to meet schedules.
5. The bidder's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the bidder's current and planned workload.
6. The bidder's financial condition, as indicated by review of the bidder's financial statements.
7. The bidder's documentation of the absence of personal or organizational conflicts of interest prohibited under State or local law.
8. Types of insurance and guarantees or warranties offered by the bidder.
9. Levels of effort and prices.

#### SECTION 10 - Award

Award of any Contract made upon competitive bidding or made pursuant to an exception described in Section 3 shall be made as prescribed in Section 9 of the "Policy for Authorization of Expenditures."

## EXHIBIT “C”

### GROUNDWATER BANKING JOINT POWERS AUTHORITY

#### POLICY FOR APPROVAL/AUTHORIZATION OF CHANGE ORDERS AND VARIANCES TO EXISTING CONTRACTS

##### SECTION 1 - General

All Change Orders and Variances to existing Contracts entered into by the Authority, except those for Utility Services, shall be made in accordance with this Policy.

In addition to this Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts, the following policies are applicable to Change Orders and Variances:

Policy for Authorization of Expenditures

Policy for Competitive Bidding

Policy for Procurement of Professional Services

The Manager shall establish specific procedures for implementing this Policy and it is intended that this policy is to be liberally construed to effectuate the Board’s intent behind the delegations of authority included in this policy.

##### SECTION 2 - Definitions

The definitions set forth in the “Policy for Authorization of Expenditures” are hereby incorporated into this Policy.

##### SECTION 3 - Approval of Change Orders and Variances

For the purposes of this Policy, the value of any Change Order or Variance is the sum total of the absolute value of all line items, including additions and deductions, on the Change Order or Variance.

a. Contracts Other Than Professional Services:

- (1) Jointly, the Project Managers from Irvine Ranch Water District and Rosedale Rio-Bravo Water District shall be authorized to approve a change order to a contract which does not exceed \$50,000 individually or a cumulative total of \$50,000 in any one calendar quarter.
- (2) The Manager shall be authorized to approve any Change Order which does not exceed \$100,000 individually or a cumulative total of \$200,000 in any one calendar year.

- (3) In the event the cost or estimated cost of any single Change Order exceeds \$100,000, or exceeds a cumulative total of \$200,000 in any one calendar year, approval by the Board shall be required prior to execution by the Manager.
- (4) Once the Board has approved a Variance, the delegation levels reset to the cumulative Variance requirement prior to requiring additional Board approval.

b. Contracts for Procurement of Professional Services:

- (1) Jointly, the Project Managers from Irvine Ranch Water District and Rosedale Rio-Bravo Water District shall be authorized to approve a Variance which does not exceed \$50,000.
- (3) The Manager shall be authorized to approve any Variance which does not exceed \$100,000 individually or a cumulative total of \$100,000.
- (4) In the event the cost or estimated cost of any single Variance exceeds \$100,000 individually or exceeds a cumulative total of \$100,000, approval by the Board shall be required prior to the execution by the Manager.

Once the Board has approved a Variance, the delegation levels reset to the cumulative Variance requirement prior to requiring additional Board approval.

c. Delegation of Authority:

The authority provided in subparagraphs a. and b. above shall not be further delegated. The foregoing sentence notwithstanding, any appointment of an acting Project Manager or Manager for a vacation or other leave may, subject to the Manager's discretion, include the full above-authorized authority amounts for the respective position provided in subparagraphs a. and b. above.

## EXHIBIT “D”

### GROUNDWATER BANKING JOINT POWERS AUTHORITY

### POLICY FOR PROCUREMENT OF PROFESSIONAL SERVICES

#### SECTION 1 - General

All Contracts for Professional Services entered into by the Authority shall be made in accordance with this Policy.

In addition to this Policy for Procurement of Professional Services, the following policies are applicable to Contracts for Professional Services:

Policy for Authorization of Expenditures

Policy for Competitive Bidding

Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts

The Manager shall establish specific procedures for implementing this Policy and it is intended that this policy is to be liberally construed to effectuate the Board’s intent behind the delegations of authority included in this policy.

The procedures shall (i) specifically prohibit Authority representatives from participating in the selection process when those employees have a relationship with a person or business entity seeking a Contract under this section which would subject those employees to Government Code Section 87100’s restrictions on making, participating in, or in any way attempting to use the employee’s official position to influence a Authority decision in which the employee knows or has reason to know they have a financial interest, as set forth in the Political Reform Act, unless an express exception applies, and (ii) specifically prohibit the making of a Government Code Section 1090-prohibited Contract resulting from the Authority’s contracting with a person or business entity with which an employee has a relationship or financial interest.

#### SECTION 2 - Definitions

The definitions set forth in the “Policy for Authorization of Expenditures” are hereby incorporated into this Policy.

#### SECTION 3 - Authorization of Professional Fees and Services

Authorization for commitment of funds for Professional Services shall be in accordance with Section 9 of the “Policy for Authorization of Expenditures.”

#### SECTION 4 - Consideration Guidelines

The following criteria may be used to consider Consultants as candidates to provide Professional Services:

- a. Specialized experience and technical competence of the Consultant and its personnel considering the type of services required and the complexity of the project.
- b. The Consultant's familiarity with types of potential issues applicable to the project.
- c. Past record of performance on Contracts with the Authority, other government agencies or public bodies, and with private industry, including such factors as control of costs, quality of work, and ability to meet schedules.
- d. The Consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the Consultant's current and planned workload.
- e. The Consultant's financial condition, as indicated by review of Consultant's financial statements.
- f. The Consultant's documentation of the absence of personal or organizational conflicts of interest prohibited under State or local law.
- g. Amount and types of insurance and guarantees or warranties offered by the Consultant while meeting the minimum criteria.
- h. Estimate of the range of proposed levels of effort and costs.

#### SECTION 5 - Selection of Consultants

Selection shall be carried out in the following sequence:

a. Project Definition:

A description of the proposed project, its purpose, location, and other pertinent facts as required shall be prepared and provided to interested Consultants. The Consultants may be requested to reply with a statement of qualifications.

b. Request for Proposals (RFP):

A list of qualified Consultants shall be prepared, based on statements of qualifications.

A Request for Proposals shall be submitted to the selected Consultants. The Request for Proposals may request more detailed information as outlined in the criteria set forth in Section 4 above. Specific information shall request, but not be limited to, the Consultant's actual and projected workload for the duration of the Authority's project, the Consultant's project team, the Consultant's proposed use of subcontractors, the Consultant's proposed scope of work, level of effort and estimated cost. The Request for Proposals shall also include the Authority's standard form agreement for Professional Services.

Proposed Use of Consultants:

(1) A list of qualified Consultants shall be prepared, based on statements of qualifications if requested.

(2) The number of Consultants to request bid proposals based on the Policy for Competitive Bidding, (not fewer than three (3)) determined to be qualified for the project shall be selected using the criteria set forth in Section 4 above. If fewer than three (3) qualified Consultants respond with a statement of qualifications, or express interest in the event a statement of qualifications is not requested, and f(1) or f(2) below is not applicable, the Manager may, at his discretion, seek additional interested Consultants or proceed with selection among those that responded with interest if he determines that further inquiries would not be fruitful.

c. Interviews:

Interviews may be conducted with each candidate Consultant's proposed project team to assure a mutual understanding and to obtain additional details related to the Consultant's capabilities. The Manager may visit one or more projects completed by each Consultant considered and contact recent clients of each Consultant.

d. Ranking:

After evaluating the written proposals and considering the results of the interviews, recently completed project visits and recent client contacts (if conducted) with respect to the prospective Consultants, the Manager shall rank them in order of preference, taking into account all of the information obtained. In the case of Contracts for architectural, landscape architectural, professional engineering, environmental, land surveying and Construction project management services, services shall be engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices as required by applicable law.

e. Negotiations:

The Manager may attempt to negotiate a Contract with the best qualified Consultant using the proposal as a basis for the Formal Contract. Should the Manager be unable to

negotiate a satisfactory Contract with the Consultant ranked as the most qualified, at a price determined to be fair and reasonable, negotiations with that Consultant shall be formally terminated. The Manager shall then undertake negotiations with the remaining qualified Consultants as needed in order of their ranking established under sub-paragraph d above, until the Manager is able to negotiate a satisfactory Contract.

If the Manager is unable to negotiate a satisfactory Contract with any of the Consultants thus far selected, the Manager shall select additional Consultants in order of their competency and qualification and shall continue negotiations in accordance with this Policy until a satisfactory Contract is reached or until the Board directs that all negotiations shall terminate.

f. Exceptions:

The following are exceptions to the normal bidding and selection process (See Policy for Competitive Bidding).

- (1) Major capital projects where the design is scheduled in phases. Professional Services falling within this exception may be negotiated with the Consultant who performed work for a prior phase with the approval of the Manager, if:
  - (a) The Consultant performed satisfactory work on the prior phase(s) in terms of quality, schedule and estimated costs; and
  - (b) A satisfactory Contract can be negotiated.
- (2) Professional Services deemed to be of urgent necessity, as provided in Section 10 of "Policy for Authorization of Expenditures."
- (3) Professional Services where it is impracticable to comply with the selection provisions because of the unique, exploratory, or experimental nature of the Professional Services.
- (4) Variances. (See "Policy for Approval/Authorization of Change Orders and Variances to Existing Contracts.")

The Manager shall establish procedures for contracting for the exceptions noted above.

SECTION 6 - Contract Documents

The Contract documents shall consist of such documents as the Manager may deem desirable in addition to those required by law. The Authority's standard form agreement for Professional Services and approved by the Board shall be used to the extent practicable, and subject to revisions approved by counsel.



## SECTION 7 - Divided Contracts

Divided Contracts shall not be utilized for the purpose of bringing the cost of one or more of the component Contracts below any specified sum to avoid a requirement in any of the Sections of this Policy. Contracts may be divided only to meet unique scheduling or other needs of a project such as purchase of an item of equipment with a long lead-time or spacing of phases of work to accommodate necessary time windows.

## SECTION 8 - Award

Award of any Contract made pursuant to the selection process described in Section 5 shall be made based on authority levels as prescribed in Section 9 of the "Policy for Authorization of Expenditures."

## EXHIBIT “E”

### GROUNDWATER BANKING JOINT POWERS AUTHORITY

#### REAL PROPERTY POLICY

##### Section 1. General

1.1. Administration. This Real Property Policy sets out the policy of the Groundwater Banking Joint Powers Authority (“**Authority**”) with respect to the acquisition, use and disposal of real property and with respect to the Authority’s interests in real property, including water, water rights, and works (facilities). This Policy will be administered by the General Manager of the Authority or his designee (“**Manager**”) and is intended to be liberally construed to effectuate the Board’s intent behind the delegations of authority included in this policy.

1.2. Acquisitions. The Authority will acquire rights in real property for the construction, operation and maintenance of Authority facilities (“**Operational Property**”) in accordance with Section 2 of this policy.

1.3. Uses. The Authority may enter into agreements to lease certain real properties, when appropriate. The Authority may also enter into entry permits, licenses, rights of way, joint use and similar agreements for Authority purposes and for approved uses of Authority real properties. The Authority’s policy with respect to uses of property are described in Section 3.

1.4. Dispositions. The Authority’s Board of Directors (“**Board**”) shall authorize all dispositions (sales) of real property, pursuant to Section 4.

1.5. California Environmental Quality Act. The Authority shall at all times comply with the California Environmental Quality Act (“**CEQA**”) in entering into any real property transaction. The Authority shall require all third party users of the Authority’s real property to pay all costs relating to CEQA compliance, and to indemnify, defend, and hold the Authority harmless from any and all claims arising out of or relating to CEQA compliance for that third party’s use or proposed use unless there is a justifiable business reason, in the opinion of the Manager, for the Authority to waive such requirements.

##### Section 2. Acquisition of Operational Property

2.1. The Authority may acquire real property and real property rights for Operational Properties through negotiated purchase agreements and eminent domain. The form of acquisition of these rights will generally depend on the type of facilities being acquired or constructed, as follows:

(i) Capital Facilities. “**Capital Facilities**” are facilities that are acquired or constructed by the Authority to facilitate the operations of the Authority. Real property rights for Capital Facilities will be acquired as set forth in Section 2.2.

2.2. Authority Acquisition of Capital Facilities and Real Property; Manager’s Authority. This section governs acquisition of real property and property rights for all Authority

Capital Facilities and other operational uses. The Manager is hereby authorized to acquire real property or real property rights for a negotiated price or other consideration to be provided by the Authority valued at \$100,000 or less. Any acquisition of real property or real property right that will result in the Authority providing consideration in excess of \$100,000, or that is made under threat of eminent domain where the property owner has not requested that the property be acquired under such as threat, shall require Board approval.

(i) Property Interest. The Authority shall acquire the highest property interest normally acquired or appropriate for the type of Authority use or Capital Facility intended to be placed on the property unless there is a justifiable business reason, in the opinion of the Manager, for the Authority to acquire a different property interest. The type of property interest acquired should be guided by the following:

(A) Fee Simple Preferred. The Authority shall acquire a fee simple interest in property if the Authority requires the full use of the surface of the land or the control of access.

(B) Exclusive Easement Alternative. The Authority may acquire an exclusive easement in lieu of a fee simple interest at the Authority's discretion on a case by case basis, based on the anticipated surface and subsurface uses by the Authority and the property owner and/or other considerations.

(C) Non-Exclusive Easement. A non-exclusive easement will be acquired only where compatible surface or subsurface uses can be accommodated or tolerated (generally, pipelines, conveyance, drainage, access).

(D) Temporary Easement or Right-of-Way. The Authority may acquire a temporary easement or right-of-way. Temporary easements will usually be acquired for the construction of Capital Facilities where a work area larger than the project site is needed during construction, or for a temporary facility needed while a permanent Capital Facility is being constructed. Temporary easements acquired by the Authority shall be for a limited term.

(E) License. The Authority may acquire a license to use property if acquiring the license is not inconsistent with the Authority's long-term Operational Uses and Capital Facilities. A license involving the site of a Capital Facility may be acquired if the granting party is a public utility or another public agency.

(ii) Time of Acquisition; Procedure

(A) Capital Facilities

(1) Unless otherwise approved by the Board, all sites and easements for Capital Facilities shall be conveyed to the Authority prior to commencement of construction of the facilities by the Authority.

(2) Easements or fee interests required by the Authority for a Capital Facility may be acquired by negotiation between the Authority and the property owner to establish monetary or other consideration on a case-by-case basis. This may require an appraisal

of the value of the site or easement. The negotiation for a site shall take into consideration the requirements of this section.

(iii) Form of Conveyance

(A) The Authority shall generally use uniform forms of grant deed and easement grants or agreements. A formal contract shall be used. Quitclaim deeds may also be accepted at the Authority's discretion. The Authority shall prepare the legal description and any depiction, which shall be attached as exhibits. The grant deed shall contain standard reservations of mineral interests, if applicable. Changes to this Policy shall not affect instruments incorporating reference to a prior version of this Policy.

(B) Easement purposes shall be indicated by general type and shall include the right to construct, reconstruct, remove and replace, renew, inspect, maintain, repair, improve, upsize, and otherwise use parallel or any other facilities or appurtenances of the same general type and purpose as or functionally related to the originally installed facilities.

(C) In unique circumstances, the Authority's standard forms may not be a suitable conveyance instrument (e.g. when property rights are acquired on lands owned by a public agency or public utility) for the real property conveyance sought by the Authority. The Manager may, as he deems appropriate, use a modified version of the Authority's standard forms or use another conveyance instrument provided the instrument adequately conveys the property interest being acquired by the Authority and protects the Authority's short-term and long-term interests.

2.3. Due Diligence The Authority may require that, at a minimum, a satisfactory Phase I Environmental Site Assessment, or comparable evaluation, be completed prior to acquiring a Capital Facility or other real property interest.

Section 3. Use of Authority's Real Property

(i) Primary Uses of Operational Property. Fee-owned Operational Property will be primarily used for construction and operation of water banking facilities, conveyance structures and facilities functionally related to the foregoing.

(ii) Interim or Ancillary Uses. The Manager is hereby authorized to allow temporary or ancillary third-party uses of the Authority's real property, if the Manager determines that those uses are compatible with and will not unduly interfere with the Authority's primary use and/or future uses of the property, and may include but are not limited to the following:

(A) Communications towers, poles, or other telecommunications equipment, subject to a lease or license;

(B) Storage, by permit;

(C) Construction staging and laydown, by permit;

(D) Testing, surveying, or appraisals, by permit;

(E) Emergency access.

3.2. Granting of Easements and Other Non-Temporary Rights-of-Way Rights. The Manager is hereby delegated the authority to execute an easement or other lesser property right to a third party on an Operational Property if the value of the right being given to the third party is not greater than \$100,000 and if the granting of the easement or other non-temporary right is required for another utility provider to provide a service requested by the Authority to that property.

3.3. Other Permits, Licenses, Temporary Rights of Way, Joint Use and Other Agreements. The Manager is hereby delegated the authority to execute any and all necessary agreements pertaining to the use of the Authority's Operating Property by third parties and not otherwise described above, including, but not limited to, permits, licenses, entry permits, joint use agreements and other forms for permitted uses of Authority real property if he determines that those additional uses are compatible with and will not interfere with the Authority's primary and/or future operational use, and where the total consideration for the term is less than, or equal to, \$100,000. All agreements with a total consideration greater than \$100,000 for the term of the agreement will require Board approval.

#### Section 4. Dispositions (Sales) of Real Property Interests

4.1. Disposition of Real Property. The Authority's Board of Directors shall authorize all dispositions (sales) of real property. If the Board designates a parcel of land owned by the Authority in fee simple as either Surplus Land or Exempt Surplus Land, the Authority may use or dispose of the real property for valuable consideration in accordance with the Surplus Land Act and any other applicable law.

4.2. Easements Replaced Or No Longer Needed. If an easement is no longer necessary for the Authority's purposes or is replaced by a substitute easement, then the Authority will quitclaim that easement to the owner of record upon request or the Authority's initiative. The Manager is hereby authorized to execute a quitclaim deed or equivalent instrument to the owner of record for the purposes of this section, including, without limitation, for the purpose of quitclaiming any portion of an easement to reconfigure areas not fully definable at the time of conveyance.

Exhibit 1  
Form of Acceptance for Grants, Deeds, and Agreements

GROUNDWATER BANKING JOINT POWERS AUTHORITY  
Certificate of Acceptance

This is to certify that the interest in real property conveyed by the deed or grant dated \_\_\_\_\_ from \_\_\_\_\_ to GROUNDWATER BANKING JOINT POWERS AUTHORITY, a California Joint Powers Agency, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 2020-\_\_\_\_ of the Board of Directors, adopted on \_\_\_\_\_, 2020, and the grantee consents to recordation thereof by its duly authorized officer.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary