EXECUTIVE COMMITTEE MEETING | Agenda

FEBRUARY 10, 2020
9:00 AM (CLOSED SESSION)
11:30 (OPEN SESSION)
VISALIA CONVENTION CENTER
SEQUOIA ROOM (2ND FLOOR)
300 SOUTH COURT, VISALIA, CA 93291

At the discretion of the Board of Directors, all items appearing on this agenda, whether or not expressly listed for action may be subject to action by the Board. The order of agenda items is subject to change.

1. CALL TO ORDER/ROLL CALL – (TANTAU)
2. APPROVAL OF THE AGENDA – (TANTAU)
3. PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)
4. ADJOURN TO CLOSED SESSION

   Closed Session Items (150 min)

5. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
   (Government Code section 54956.9(d)(1))
   NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-01658-JAM-GGH

6. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
   (Government Code section 54956.9(d)(2)
   Significant Exposure to Litigation: Three potential matters.

7. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION
   (Government Code section 54956.9(d)(4))
   Initiation of Litigation: Two potential cases.

8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
   (Government Code section 54956.8)
   Property: Friant-Kern Canal facilities and right-of-way
   Agency negotiator: CEO, COO, General Counsel
   Negotiating parties: United States (Bureau of Reclamation)
   Under negotiation: OM&R Transfer Agreement (price and terms of payment)

9. RECONVENE INTO OPEN SESSION (11:30 am)
   Announce reportable action taken during closed session.
10. **PUBLIC COMMENT / PUBLIC PRESENTATIONS – (TANTAU)**

Public comment is welcome at this time on any matter within the jurisdiction of the Board that is not on the agenda. Under the State's open meeting law - the Brown Act - no action may be taken on any item not on the agenda. Public comment on items on the agenda will be allowed at the time the Board considers the item.

11. **ACTION ITEMS (2 MINUTES)**

   a. Approval of the Minutes –Executive Committee meeting of October 14, 2019.

12. **BOARD RECOMMENDATIONS (5 MINUTES)**

   a. Approval of Master Professional Services Agreement with MBK Engineers and Task Orders 1 & 2 for Monthly Tracking of Water Project Operations and On-Call Water Supply Strategic Assessments. (DeFlitch/Davis)

13. **DISCUSSION/DIRECTION (90 MINUTES)**

   a. FKC Middle Reach Capacity Correction Project Update. (DeFlitch/Davis)
   b. Title Transfer Update. (Bezdek)
   c. San Joaquin Valley Blueprint Update. (Ewell/Phillips)
   d. External Affairs Update. (Amaral/Biering/Villines)
   e. CVP and Friant Division Water Supply Allocations. (DeFlitch/Phillips)
   f. CEO Report. (Phillips)

14. **ADJOURNMENT**

**Public Participation Information**

Agenda reports and other disclosable public records related to each Open Session agenda item are available on FWA's website under "Calendar" at Friantwater.org and at FWA's main office, 854 N. Harvard Ave., Lindsay, CA 93247, during regular business hours. Under the Americans with Disabilities Act, if you require a disability-related modification or accommodation to participate in this meeting, including auxiliary aides or services, please contact Toni Marie at 559-562-6305 at least 48 hours prior to the meeting.
EXECUTIVE COMMITTEE MEETING | Minutes

OCTOBER 14, 2019, 9:00 AM
FRIANT WATER AUTHORITY- CONFERENCE ROOM
854 N. HARVARD AVE, LINDSAY, CA

1. CALL TO ORDER/ROLL CALL – Chair Chris Tantau called the meeting to order at 9:00 a.m. Committee members present: Tantau, Kisling, Erickson, Stephens; Staff present: DeFlitch, Marie, Biering, Willard, Phillips, Davis, Payne, Amaral. Others: Collup, Dalke, Muhar, Wallace, Fukuda, Larsen, Geivet, Morrissey, Barcellos, Vanden Heuvel; Committee Members Absent: Borges, Camp

2. APPROVAL OF THE AGENDA – The agenda was approved. (Erickson/Loeffler); approved unanimously - Ayes – Tantau, Loeffler, Erickson, Stephens, Kisling; Nays – none; Absent – Borges, Camp

3. PUBLIC COMMENT / PUBLIC PRESENTATIONS – Tom Barcellos expressed Lower-Tule River I.D.’s excitement at rejoining the Friant Water Authority.

4. ACTION ITEMS
   A. Approval of the Minutes – Executive Committee meeting of September 16, 2019. The minutes were approved. (Kisling/Stephens); approved unanimously - Ayes – Tantau, Loeffler, Erickson, Stephens, Kisling; Nays – none; Absent – Borges, Camp
   B. Approve the 2020 Executive Committee Meeting Dates. The 2020 Executive Committee meeting dates were approved. (Loeffler/Erickson); approved unanimously - Ayes – Tantau, Loeffler, Erickson, Stephens, Kisling; Nays – none; Absent – Borges, Camp

5. BOARD RECOMMENDATIONS
   A. Requests to Become FWA Members: Tea Pot Dome Water District (TPWD) and Lower Tule River Irrigation District (LTRID) - CEO Phillips and General Counsel Davis reported that Tea Pot Dome Water District and Lower Tule River Irrigation District have requested to become members of the Friant Water Authority as outlined in the agenda report. Additionally, both Districts have also requested that membership dues begin on January 1, 2019 due to timing of joining the FWA. The EC approved a recommendation to the Board of the Directors that they approve TPWD and LTRID to join the FWA as a General Member and O&M Project Member. (Stephens/Loeffler); approved unanimously - Ayes – Tantau, Loeffler, Erickson, Stephens, Kisling; Nays – none; Absent – Borges, Camp

6. DISCUSSION/DIRECTION
   A. FKC Middle Reach Capacity Correction Project Update – CEO Phillips and COO DeFlitch reported on the current activities of the FKC Middle Reach Capacity Correction Project as outlined in the agenda report. CEO Phillips reported that a meeting held on October 9th with Reclamation resulted in actions that would expediate the Feasibility process; a Design, Estimating and Construction Review (DEC) to be held in Denver during the week of November 4th; and a final feasibility report prepared based on DEC review recommendations for the Commissioner and Secretary’s approval. Friant is encouraged by the acceleration of the schedule to get to the construction award phase in December 2020.
B. Title Transfer Update – Special Counsel Bezdek gave an update on Title Transfer as outlined in the report. He reported that discussions are being held with Reclamation for the MOU process which will identify tasks and responsibilities for each party and will also identify a schedule for completion of activities. It is hoped that Reclamation and Friant can address remaining concerns such as water quality, and existing easements and rights-of-way. He also discussed on-going efforts with Dennis Keller to work on a joint effort to address Title Transfer concerns.

C. San Joaquin Valley Blueprint (SJVB) Update – CEO Phillips gave an update on SJVB activities as outlined in the agenda report.

D. External Affairs Update – GAC Biering and CEA Amaral gave an update on External Affairs activities as outlined in the agenda report. This included a letter from the Governor explaining why Senate Bill 1 was not signed which is attached to the agenda report.

E. CEO Report – CEO Phillips gave an update on recent activities. He also informed the Committee that he will be sitting on the Mid-Pacific Users Conference Planning Committee for 2019.

CLOSED SESSION ITEMS

7. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
   (Government Code section 54956.9(d)(1))
   NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-01658-JAM-GGH.

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9. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION
   (Government Code section 54956.9(d)(4))
   Initiation of Litigation: Two potential cases.

10. RECONVENE INTO OPEN SESSION
   There was no reportable action taken during closed session.

11. ADJOURNMENT
   The Executive Committee adjourned the meeting at 11:38 a.m.
EXECUTIVE COMMITTEE AGENDA REPORT  NO. 12.A

DATE: February 10, 2020

TO: Executive Committee

FROM Donald M. Davis, General Counsel

SUBJECT: Approval of Master Professional Services Agreement with MBK Engineers and Task Orders 1 & 2 for Monthly Tracking of Water Project Operations and On-Call Water Supply Strategic Assessments

SUMMARY:

Staff has prepared and executed a Master Professional Services Agreement (MPSA) with MBK Engineers, one of the California’s most respected engineering and consulting services firms in the areas of water rights and water resource planning. MBK’s staff of professional engineers are highly experienced and well qualified to perform analyses in hydrology, hydraulics, planning, and operations. The MPSA will allow FWA to request services from MBK as needed. Each specific project will be assigned a Task Order and corresponding budget. The initial Task Orders are for monthly tracking of water project operations and on-call water supply strategic assessments.

RECOMMENDED ACTION:

That the Committee recommend to the Board of Directors the ratification of the approval of a Master Professional Services Agreement with MBK Engineers and Task Orders No. 1 and 2 under such Agreement.

SUGGESTED MOTION:

I move that the Committee recommend to the Board of Directors the ratification of the approval of a Master Professional Services Agreement with MBK Engineers and Task Orders No. 1 and 2 under such Agreement.

DISCUSSION:

Understanding and monitoring water project operations and associated water supply issues is critical to FWA. FWA had historically been contracting these services out to Stantec, which was overseen by the Director of Water Policy, who at the beginning of 2020 has left, leading to the hiring of a Water Resources Manager (Ian Buck-Macleod). Coupled with the staffing change, FWA has since decreased the contract with Stantec for monitoring of operations and has selected MBK Engineers. They have extensive knowledge and familiarity not only with overall CVP operations, but also with the Friant Division. Walter Bourez and Ron Milligan are the key MBK representatives for these initial Task Orders. Walter Bourez is a Principal at MBK Engineers, where he has worked for two decades. Bourez specializes in Technical Modeling. Ron Milligan recently joined MBK Engineers after retiring as the Central Valley Operations (CVO) operations manager at the United States Bureau of Reclamation.
Task Order No. 1 involves weekly tracking and reporting on current water project operations, including a general assessment of CVP allocations and overall risk to annual supplies.

Task Order No. 2 is designed to allow for specific strategic assessments, as needed.

**BUDGET IMPACT:**

The net change in the FY 2020 budget is a reduction of ~$25K as a result of:
- Departure of the Director of Water Policy and hiring of the Water Resources Manager +$38K
- The modification to the Stantec MSA to reduce certain services +$39K
- The addition of the MBK Task Order No.1 -$52K.

**ATTACHMENTS:**

1. Master Professional Services Agreement
2. Task Order No. 1
3. Task Order No. 2
FRIANT WATER AUTHORITY
MASTER PROFESSIONAL SERVICES AGREEMENT

With

MBK Engineers

Effective Date: January 22, 2020
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EXHIBIT A – SCOPE OF SERVICES ........................................................................................................ A
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MASTER PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is effective as of January 22, 2020 ("Effective Date"), and is between the Friant Water Authority, a California joint powers authority ("Friant") and MBK Engineers, a California corporation ("Consultant").

Section 1. Term of Agreement.

Subject to the provisions of Section 20 ("Termination of Agreement"), the term of this Agreement will be for a period commencing on the Effective Date and will terminate upon the completion of Consultant's services.

Section 2. Scope and Performance of Services.

2.1 Consultant agrees to perform the services set forth in Exhibit A ("Scope of Services"), which is made a part of this Agreement, including all services set forth in each applicable "Task Order" pursuant to Exhibit A. The parties agree that each Task Order incorporates the terms and conditions of this Agreement and that upon execution by the parties, a Task Order will be deemed incorporated into this Agreement. In case of any conflict among the terms and conditions in this Agreement and a fully executed Task Order, the terms and conditions of this Agreement will control.

2.2 Consultant will furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculations, and all other means, except as otherwise expressly specified in this Agreement, necessary to perform the services required of Consultant under this Agreement.

2.3 Consultant's designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are listed in Exhibit B ("Key Personnel & Compensation"), which is made a part of this Agreement, or in an individual Task Order. Consultant must make every reasonable effort to maintain the stability and continuity of Consultant's key personnel and subcontractors, if any, listed in Exhibit B or in an individual Task Order to perform the services required under this Agreement. Consultant must notify Friant and obtain Friant's written approval with respect to any changes in key personnel prior to the performance of any services by replacement personnel.

2.5 Consultant must obtain Friant's prior written approval before utilizing any subcontractors to perform any services under this Agreement. This written approval must include the identity of the subcontractor and the terms of compensation.

2.6 Consultant represents that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant will at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in this Agreement. In meeting its obligations under this Agreement, Consultant must employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement. Friant may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. Acceptance of any of Consultant's work by Friant will not constitute a waiver of any of the
provisions of this Agreement. The Consultant must maintain any work site on Friant property in a safe condition, free of hazards to persons and property resulting from Consultant’s services and operations.

2.9 The parties expressly agree that time is of the essence in the performance of this Agreement.

Section 3. Additional Services and Changes in Services.

3.1 Consultant will not be compensated for any services rendered in connection with its performance of this Agreement that are in addition to or outside of those set forth in the each Task Order or otherwise required by this Agreement, unless such additional services are authorized in advance and in writing by Friant.

3.2 If Consultant believes that additional services are needed to complete the services in a Task Order, Consultant will provide Friant with written notification describing the proposed additional services, the reasons for such services, and a detailed proposal regarding cost.

3.3 Friant may order changes to the services under a Task Order, consisting of additions, deletions, or other revisions, and the compensation to be paid Consultant will be adjusted accordingly. All such changes must be authorized in writing, and executed by Consultant and Friant. The cost or credit to Friant resulting from changes in the services will be determined by the written agreement between the parties.

Section 4. Familiarity with Services and Site.

4.1 By executing this Agreement, Consultant represents that Consultant:

(a) has thoroughly investigated and considered the services to be performed;

(b) has carefully considered how the services should be performed;

(c) understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement; and

(d) possesses all licenses required under local, state or federal law to perform the services contemplated by this Agreement, and will maintain all required licenses during the performance of this Agreement.

4.2 If services involve work upon any site, Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing its services. Should Consultant discover any latent or unknown conditions that may materially affect the performance of services, Consultant will immediately inform Friant of such fact and will not proceed except at Consultant’s own risk until written instructions are received from Friant.

Section 5. Compensation and Payment.

5.1 Subject to any limitations set forth in this Agreement, Friant agrees to pay Consultant the amounts specified in each applicable Task Order. The total compensation, including reimbursement for actual expenses, may not exceed the amount set forth in Exhibit B, unless additional compensation is approved in writing by Friant.
5.2 The use of subconsultants will be considered a direct expense and not a reimbursable expense, and such costs must be included in the approved budgeted amount for each Task Order.

5.3 Each month during the term of this Agreement, Consultant must furnish Friant with an original invoice for all services performed and expenses incurred during the preceding month in accordance with the fee schedule set forth in Exhibit B. The invoice must detail charges by the following categories, as applicable: labor (by subcategory), reimbursable costs, subcontractor contracts and miscellaneous expenses. The invoice must list, as applicable, the hours worked and hourly rates for each personnel category, the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, and the total cost of the services. If applicable, the invoice must also provide a budget summary including the total amounts previously invoiced and paid, the current invoice amount and the budget remaining.

5.4 Friant will review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with this Agreement. In the event that no charges or expenses are disputed, the invoice will be approved and paid. In the event any charges or expenses are disputed by Friant, the invoice will be returned by Friant to Consultant for correction and resubmission.

5.5 Except as to any charges for work performed or expenses incurred by Consultant that are disputed by Friant, Friant will cause Consultant to be paid within 30 days of receipt of Consultant's invoice.

5.6 Payment to Consultant for services performed under this Agreement may not be deemed to waive any defects in the services performed by Consultant, even if such defects were known to Friant at the time of payment.

Section 6. Required Documentation Prior to Performance

6.1 Consultant may not perform any services under this Agreement until:

(a) Consultant furnishes proof of insurance as required under Exhibit C;

(b) Consultant provides Friant with a Taxpayer Identification Number;

(c) Friant gives Consultant a written notice to proceed.

6.2 Friant will have no obligation to pay for any services rendered by Consultant in advance of receiving written authorization to proceed, and Consultant acknowledges that any such services are at Consultant's own risk.

Section 7. Time of Performance; Excusable Delays; Extensions

7.1 Consultant must adhere to all schedules and deadlines set forth in this Agreement and in each Task Order, subject to the exercise of the generally accepted standard of care for performance of such services.

7.2 Consultant will not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Consultant. Such causes include, but are not limited to, acts of God, acts of terrorism, acts of federal, state or
local governments, acts of Friant, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather.

7.3 If Consultant is delayed by any cause beyond Consultant’s control, Friant may grant, but is not required to, a time extension for the completion of services. If delay occurs, Consultant must notify Friant within 48 hours, in writing, of the cause and the extent of the delay and how such delay interferes with Consultant’s performance of services.

Section 8. Cooperation by Friant.

All public information, data, reports, records, and maps (“information and data”) as are existing and available to Friant as public records, and which are necessary for carrying out the services will be furnished to Consultant in every reasonable way to facilitate, without undue delay, the services to be performed under this Agreement.

Section 9. Project Documents.

9.1 Upon full payment of all monies owed to Consultant under this Agreement, all original computer programs, data, designs, drawings, files, maps, memoranda, models, notes, photographs, reports, studies, surveys and other documents (collectively, “Project Documents”) prepared, developed or discovered by Consultant in the course of providing services under this Agreement will become the sole property of Friant and may be used, reused or otherwise disposed of by Friant without the permission of Consultant. Consultant will take such steps as are necessary to perfect or protect the ownership interest of Friant in such Project Documents. Upon completion, expiration or termination of this Agreement or upon request by Friant, Consultant must turn over to Friant all such original Project Documents in its possession; provided, however, that Consultant may retain copies of Project Documents. Friant acknowledges and agrees that use of Consultant’s completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at Friant’s own risk. If necessary, Consultant agrees to execute all appropriate documents to assign to Friant the copyright or intellectual property rights to the Project Documents created pursuant to this Agreement.

9.2 Except as necessary for the performance of services under this Agreement, no Project Documents prepared under this Agreement, will be released by Consultant to any other person or entity without Friant’s prior written approval.

Section 10. Confidential Information; Release of Information.

10.1 All information gained or work product produced by Consultant in performance of this Agreement will be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant may not release or disclose any such information or work product to persons or entities other than Friant without prior written authorization from Friant, except as may be required by law.

10.2 Consultant, its officers, employees, or agents, may not, without prior written authorization from Friant or unless requested by Friant’s general counsel or attorneys, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the services performed under this Agreement. Response to a subpoena or court order will not be considered “voluntary” provided Consultant gives Friant notice of such court order or subpoena.
10.3 If Consultant, or any officer, employee, or agent of Consultant, provides any information or work product (including Project Documents) in violation of this Agreement, then Friant will have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, to the extent caused by or incurred as a result of Consultant’s conduct.

10.4 Unless specifically precluded by the terms of an applicable order, Consultant must promptly notify Friant should Consultant, its officers, employees, or agents be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed under this Agreement. Friant retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Friant and to provide Friant with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by Friant to control, direct, or rewrite such response.

10.5 All media and press releases, including graphic display information, must be approved and distributed solely by Friant, unless otherwise agreed to in writing by Friant. All media interviews regarding the performance of services under this Agreement are prohibited unless expressly authorized by Friant.


11.1 Consultant must maintain all documents and records demonstrating or relating to Consultant’s performance of services under this Agreement, including ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to Friant under this Agreement. All financial documents or records must be maintained in accordance with generally accepted accounting principles and all other documents must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. All such documents or records must be maintained for at least three years following the final payment under this Agreement.

11.2 Any and all records or documents required to be maintained by this section must be made available for inspection, audit and copying, at any time during regular business hours, upon written request by Friant or its designated representative. Copies of such documents or records must be provided directly to Friant for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records must be made available at Consultant’s address indicated for receipt of notices in this Agreement.

11.3 Where Friant has reason to believe that any of the documents or records required to be maintained by this section may be lost or discarded due to dissolution or termination of Consultant’s business, Friant may, by written request, require that custody of such documents or records be given to a person or entity mutually agreed upon and that such documents and records thereafter be maintained by such person or entity at Consultant’s expense. Access to such documents and records must be granted to Friant, as well as to its successors-in-interest and authorized representatives.

12.1 Consultant is and will at all times remain a wholly independent contractor and not an officer or employee of Friant. Consultant has no authority to bind Friant in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against Friant, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by Friant.

12.2 The personnel performing the services under this Agreement on behalf of Consultant will at all times be under Consultant’s exclusive direction and control. Neither Friant, nor any elected or appointed boards, officers, officials, employees or agents of Friant, will have control over the conduct of Consultant or any of Consultant’s officers, employees or agents, except as provided in this Agreement. Consultant agrees that it will not at any time or in any manner represent that Consultant or any of Consultant’s officers, employees or agents are in any manner officials, officers, or employees of Friant.

12.3 Neither Consultant, nor any of Consultant’s officers, employees or agents, will obtain any rights to retirement, health care or any other benefits which may otherwise accrue to Friant’s employees. Consultant expressly waives any claim to any such rights or benefits.

Section 13. Compliance with Applicable Laws.

13.1 In General. Consultant must use the standard of care in its profession to keep itself informed of and comply with all federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement that apply to the services performed by Consultant.

13.2 Professional Licenses and Approvals. Consultant agrees that it will, at its sole cost and expense, obtain and maintain in effect at all times during the term of this Agreement any licenses, permits, insurance and approvals that are legally required for Consultant to practice its profession.

13.3 Employment Laws. Consultant agrees to comply with all applicable federal and state employment laws including those that relate to minimum hours and wages, occupational health and safety, and workers compensation insurance. Consultant further represents that it is an equal opportunity employer and in performing services under this Agreement agrees to comply with all applicable federal and state laws governing equal opportunity employment, and further agrees that it will not discriminate in the employment of persons to perform services under this Agreement on the basis of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, or sexual orientation of any such person, except as may be permitted by California Government Code section 12940.

Section 14. Unauthorized Aliens.

Consultant agrees to comply with all of the applicable provisions of the Federal Immigration and Nationality Act (8 U.S.C. § 1101 et seq.), as it may be amended, and further agrees not to employ unauthorized aliens as defined under the Act. Should Consultant employ any unauthorized aliens for the performance of any work or services covered by this Agreement, and should any liability or sanctions be imposed against Friant for the use of unauthorized aliens, Consultant agrees to reimburse Friant for the amount of all such liabilities or sanctions imposed, together with any and all related costs, including attorneys’ fees, incurred by Friant.
Section 15. Conflicts of Interest; Anti-Corruption Practices.

15.1 Consultant covenants that neither Consultant, nor any officer, principal or employee of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the interests of Friant or that would in any way hinder Consultant's performance of services under this Agreement. Consultant's attention is directed to the conflict of interest rules applicable to governmental decision-making contained in the Political Reform Act (California Government Code Section 87100 and following) and its implementing regulations (California Code of Regulations, Title 2, Section 18700 and following), and California Government Code section 1090.

15.2 Consultant covenants that neither Consultant, nor any officer, principal or employee of its firm will make, participate in the making, or in any way attempt to use the position of Consultant to influence any decision of Friant in which Consultant knows or has reason to know that Consultant, or any officer, principal or employee of Consultant has any of the financial interests listed in Government Code section 87103.

15.3 If Consultant discovers that it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant must promptly disclose the relationship to Friant and take such action as Friant may direct to remedy the conflict.

15.4 Friant understands and acknowledges that Consultant is, as of the Effective Date, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant represents that, except as otherwise disclosed to Friant, it is unaware of any stated position of Friant relative to these projects. Any future position of Friant on these projects will not be considered a conflict of interest for purposes of this section.

15.5 Consultant represents and warrants that Consultant, its subcontractor(s) and their respective employees providing services pursuant to the Agreement are (a) in good standing; (b) have not been previously convicted, or debarred for fraudulent or corrupt activities; (c) will not participate in fraudulent or corrupt activities, and (d) will take steps to ensure that its employees and subcontractor(s) employees do not participate in any fraudulent or corrupt activities. Consultant acknowledges and agrees further that it has a duty to and will report to Friant any information or incidents about possible fraudulent or corrupt activities Consultant may discover, and will cooperate in any fraud or corruption investigation conducted, with respect to Consultant's service provided pursuant to this Agreement.

Section 16. Indemnification.

16.1 The parties agree that Friant should, to the fullest extent permitted by law, be indemnified, and held harmless from Services Claims and Operations Claims (each defined below) related to the performance by Consultant of this Agreement as provided in this section. Accordingly, the provisions of this section are intended by the parties to be interpreted and construed to provide Friant with the fullest protection possible under the law. Consultant acknowledges that Friant would not enter into this Agreement in the absence of Consultant's commitment to indemnify, and hold harmless Friant as set forth in this section.

16.2 For the purposes of this section, “Friant” includes Friant's officers, officials, and employees, and “Consultant” includes Consultant’s officers, officials, employees, agents and subcontractors and any other persons for whom Consultant is legally responsible.
16.3 With respect to the performance of professional services under this Agreement where the law establishes a professional standard of care for such services, Consultant agrees to indemnify, and hold harmless Friant from and against all liabilities, damages, losses, and costs, including but not limited to reimbursement of reasonable attorney’s fees and all other reasonable external costs of defense, to the extent caused by the negligence, recklessness, or willful misconduct of Consultant (collectively, “Services Claims”).

16.4 With respect to the acts and operations of Consultant under this Agreement other than the performance of professional services, Consultant agrees to defend, indemnify, and hold harmless Friant from and against any and all claims, liabilities, damages, losses, and costs, including but not limited to reasonable attorney’s fees and all other costs of defense, to the extent caused, in whole or in part, by the negligence, recklessness, or willful misconduct of Consultant, and excepting only those claims, damages, liabilities, losses, and costs caused by Friant’s sole negligence or willful misconduct (collectively, “Operations Claims”).

16.5 Consultant must notify Friant within five days of receipt of notice of any Operations Claims or Services Claims made or legal action initiated that arises out of or pertains to Consultant’s performance of services under this Agreement.

16.6 Consultant’s duty to defend Operations Claims is a separate and distinct obligation from Consultant’s duty to indemnify Friant for any Services Claims. Consultant is obligated to defend Friant in all legal, equitable, administrative, or special proceedings, with counsel approved by Friant, immediately upon tender to Consultant of an Operations Claim in any form or at any stage of an action or proceeding, whether or not liability is established.

16.7 Consultant agrees that settlement of any Operations or Services Claim against Friant requires the consent of Friant. Friant agrees that its consent will not be unreasonably withheld provided that Consultant is financially able (based on demonstrated assets including insurance) to fulfill its obligation to indemnify Friant for the costs of any such settlement as required under this Agreement.

16.8 The insurance required to be maintained by Consultant under this Agreement is intended to ensure Consultant’s obligations under this section, but the limits of such insurance do not limit the liability of Consultant.

16.9 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required, Consultant will be fully responsible for all obligations under this section. Friant’s failure to monitor compliance with this requirement imposes no additional obligations on Friant and will in no way act as a waiver of any rights under this Agreement.

16.10 The parties acknowledge and agree that design professionals are required to defend and indemnify the Friant only to the extent permitted by Civil Code section 2782.8, which limits claims to those that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. The term “design professional,” is defined in Section 2782.8, and includes licensed architects, licensed landscape architects, registered professional engineers, professional land surveyors and the business entities that offer such services in accordance with the applicable provisions of the Business and Professions Code. The parties further acknowledge and agree that the provisions of this Section 16 are to be interpreted and applied to the fullest extent permitted by Civil Code section 2782.8.
16.11 The provisions of this section will survive the expiration or earlier termination of this Agreement in accordance with the applicable provisions of Exhibit C ("Insurance").

Section 17. **Insurance.**

Consultant agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance coverages listed in Exhibit C ("Insurance"), which is made a part of this Agreement. All insurance policies are subject to approval by Friant as to form and content. These requirements are subject to amendment or waiver if so approved in writing by Friant.

Section 18. **Assignment.**

The expertise and experience of Consultant are material considerations for this Agreement. Friant has an interest in the qualifications of and capability of the persons and entities that will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant may not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant’s duties or obligations under this Agreement without the prior written consent of Friant, which may be withheld in Friant’s sole discretion. Any attempted assignment will be null and void, and will constitute a material breach of this Agreement entitling Friant to any and all remedies at law or in equity, including summary termination of this Agreement.

Section 19. **Default; Limitations on Liability.**

19.1 In the event that Consultant is in default under the terms of this Agreement, Friant will have no obligation or duty to continue compensating Consultant for any services performed after Friant provides written notice to Consultant of such default.

19.2 Consultant agrees that no Friant official, officer, employee or agent will be personally liable to Consultant in the event of any default or breach of Friant, or for any amount which may become due to Consultant, or for any obligations directly or indirectly incurred under this Agreement.

19.3 Friant’s liability under this Agreement is limited to payment of Consultant in accordance with the terms of this Agreement and excludes any liability whatsoever for consequential or indirect damages even if such damages are foreseeable.

Section 20. **Termination of Agreement.**

20.1 Friant may terminate this Agreement, with or without cause, at any time by written notice of termination to Consultant. In the event such notice is given, Consultant must cease immediately all work and services in progress.

20.2 Consultant may terminate this Agreement at any time upon 30 days’ prior written notice of termination to Friant.

20.3 Upon termination of this Agreement by either Consultant or Friant, all property belonging to Friant that is in Consultant’s possession must be returned to Friant. Consultant must promptly deliver to Friant a final invoice for all outstanding services performed and expenses incurred by Consultant as of the date of termination. Compensation for work in progress not based on an hourly rate will be prorated based on the percentage of work completed as of the date of termination.
20.4 Consultant acknowledges Friant’s rights to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might otherwise arise from Friant’s termination of this Agreement.

Section 21. Notices

21.1 All written notices required or permitted to be given under this Agreement will be deemed made when received by the other party at its respective address as follows:

To Friant:  
Friant Water Authority  
854 N. Harvard Ave.  
Lindsay, CA 93247  
Attention: Douglas DeFlitch

(Tel.) 559-562-6305  
(Fax) 559-562-3496  
(Email) ddeflitch@friantwater.org

To Consultant:  
MBK Engineers  
455 University Avenue, Suite 100  
Sacramento, CA 95825-6579  
Attention: Walter Bourez

(Tel.) 916-456-4400  
(Fax) 916-456-0253  
(Cell) 916-873-7762  
(Email) Bourez@mbkengineers.com

21.2 Notice will be deemed effective on the date personally delivered or electronically transmitted by facsimile. If the notice is mailed, notice will be deemed given three days after deposit of the same in the custody of the United States Postal Service, postage prepaid, for first class delivery, or upon delivery if using a major courier service with tracking capabilities.

21.3 Any party may change its notice information by giving notice to the other party in compliance with this section.

Section 22. General Provisions

22.1 Authority to Execute; Counterparts. Each party represents and warrants that all necessary action has been taken by such party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder. This Agreement may be executed in several counterparts, each of which will constitute one and the same instrument and will become binding upon the parties when at least one copy has been signed by both parties.

22.2 Entire Agreement. This Agreement, including the attached Exhibits A through C, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed in this Agreement and supersedes all other agreements or understandings, whether oral or written, between Consultant and Friant prior to the execution of this Agreement.
22.3 **Binding Effect.** This Agreement is binding upon the heirs, executors, administrators, successors and assigns of the parties.

22.4 **Modification of Agreement.** No amendment to or modification of this Agreement or any Task Order will be valid unless made in writing and approved by Consultant and by the Friant Board of Directors or Friant CEO or COO, as applicable. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver will be void.

22.5 **Electronic Signatures.** This Agreement and any amendment or Task Order will be considered executed when the signature page of a party is delivered by electronic transmission. Such electronic signatures will have the same effect as an original signature.

22.6 **Waiver.** Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement will not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement will not constitute a waiver of any other provision, or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by Friant of any services by Consultant will not constitute a waiver of any of the provisions of this Agreement.

22.7 **Interpretation.** This Agreement will be interpreted, construed and governed according to the laws of the State of California. Each party has had the opportunity to review this Agreement with legal counsel. The Agreement will be construed simply, as a whole, and in accordance with its fair meaning. It will not be interpreted strictly for or against either party.

22.8 **Severability.** If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement will not be affected and the Agreement will be read and construed without the invalid, void or unenforceable provision.

22.9 **Venue.** In the event of litigation between the parties, venue in will be exclusively in a state court in the County of Tulare, California.

22.10 **Audit.** Consultant acknowledges and agrees that under Government Code section 8546.7, this Agreement is subject to the examination and audit of the California State Auditor, at the request of Friant or as part of any audit of Friant, for a period of three years after final payment under this Agreement.

[Signatures on the following page.]
THE UNDERSIGNED AUTHORIZED REPRESENTATIVES OF the parties hereby execute this Agreement as follows:

FRIANT WATER AUTHORITY

[Signature]
Douglas DeFlitch, Chief Operating Officer

[Signature]
Don Willard, Chief Financial Officer

APPROVED AS TO FORM:

[Signature]
Donald M. Davis, General Counsel

CONSULTANT:

MBK Engineers, a California corporation

[Signature]
Name: Walter W. Bourez
Title: Principal Engineer

[Signature]
Name:
Title:
EXHIBIT A

SCOPE OF SERVICES

The services performed under this Agreement will consist of the individual projects defined by Task Orders entered into by the parties during the term of this Agreement. Each Task Order will be numbered sequentially and will be similar in format to the attached Exhibit A-1, entitled “Task Order Format.” Each Task Order will specifically define the scope of services for each specific project or task on which Friant desires to retain Consultant’s services. Each Task Order will also specify (1) the date on which the work covered by the Task Order is to begin; (2) the date on which the work covered by the Task Order is to be completed; (3) the maximum charges that Friant can expect to pay to Consultant for Consultant’s services pursuant to such Task Order; and (4) the names of the persons who will be Friant’s and Consultants’ respective principal representatives for the management and performance of the specific services covered by the Task Order.

The specific services covered by each separate Task Order will be undertaken by Consultant only upon receipt of a Task Order signed by an authorized representative of Friant and accepted by an authorized representative of Consultant.

Consultant will commence performing the services specified by each Task Order on the commencement date specified in the Task Order, and will complete such services within the time and monetary limitations specified in the Task Order. If Consultant, in the course of performing its services under any given Task Order, determines it will be unable to complete the services within the time schedule or authorized limit of charges specified in the Task Order, it will promptly so notify Friant of such determination. Within 14 calendar days of such notification, Friant will inform Consultant as to how Friant chooses to proceed.
EXHIBIT A-1

TASK ORDER FORMAT

FRIANT WATER AUTHORITY

MASTER PROFESSIONAL SERVICE AGREEMENT DATED __________, 20__

Task Order No.: ____________

Date: ______________

Friant Water Authority
854 N. Harvard Ave.
Lindsay, CA 93247
Attn:

DESCRIPTION OF SERVICES:

KEY PERSONNEL:

NOT TO EXCEED COST;

FEE SCHEDULE:

DATE TO COMMENCE SERVICES:

ESTIMATED COMPLETION DATE:

FRIANT’S REPRESENTATIVE:

CONSULTANT’S REPRESENTATIVE: ________________________________

ACCEPTED:     ACCEPTED:

CONSULTANT     FRIANT WATER AUTHORITY

By: ___________________________ By: __________________________

Title: ___________________________ Title: __________________________
EXHIBIT B

KEY PERSONNEL & COMPENSATION

1. Consultant’s designated representative(s) who are authorized to act on its behalf and to make all decisions in connection with the performance of services under this Agreement are: **Walter Bourez and Ron Milligan**. Additional Consultant representatives may be designated on each applicable Task Order.

2. Key personnel will be identified on each Task Order

3. Total compensation under this Agreement, including reimbursement for actual expenses, may not exceed the amount budgeted under each Task Order.

FEE SCHEDULE

*(See Fee Schedule attached to each Task Order)*
EXHIBIT C

INSURANCE

1. **Required Insurance.** Before commencing any services, Consultant must procure and maintain in full force and effect during the term of this Agreement the following types of insurance with at least the minimum coverage listed and subject to the applicable additional requirements set forth below:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Limits (combined single)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial General Liability</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Business Automobile Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>Statutory Requirements</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

2. **Insurance Rating.** All insurance required to be maintained by Consultant must be issued by companies licensed by or admitted to conduct insurance business in the State of California by the California Department of Insurance and have a rating of A- or better and Financial Size Category Class VII or better by the latest edition of A.M. Best’s Key Rating Guide, unless otherwise approved by the Friant’s legal counsel.

3. **Commercial General Liability Insurance.** The commercial general liability insurance must meet or exceed the requirements of Insurance Services Office (ISO) form CG 00 01, and must be in an amount not less than $2,000,000 per occurrence for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. The insurance must be on an “occurrence” not a “claims made” basis. There must be no cross-liability exclusion for claims or suits by one insured against another. The insurance must include a waiver of subrogation applicable to the insurance or self-insurance, a primary and non-contributory endorsement, and an additional insured endorsement, all in favor of the Friant, its officers, agents, employees and volunteers.

4. **Business Automobile Insurance.** The business automobile insurance coverage must be at least as broad as ISO Business Auto Coverage form CA 00 01, covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident. Such insurance must include both a waiver of subrogation applicable to the insurance or self-insurance, and a primary and non-contributory endorsement, both in favor of the Friant, its officers, agents, employees and volunteers.

5. **Workers’ Compensation.** Consultant must maintain workers’ compensation insurance (statutory limits) and employer’s liability insurance (with limits of at least $1,000,000). Such insurance must include a waiver of subrogation endorsement in favor of Friant, its officers, agents, employees and volunteers.

6. **Professional Liability (Errors & Omissions) Insurance.** The professional liability insurance must cover the services to be performed under this Agreement and must be in an amount not less than $2,000,000. The coverage must be provided on a “claims made” basis. Consultant must maintain continuous coverage through a period not less than three years after the completion of the services required under this Agreement.

7. **Additional Insureds.** Each Commercial General Liability Insurance policy and Business Auto Insurance policy must provide that the Friant, its officials, officers, employees, and agents are “additional insureds” under the terms of the policy, and must provide that an act or omission of one the insureds will not reduce or avoid coverage to the other insureds.
8. **Umbrella or Excess Liability Insurance.** If an excess or umbrella liability policy is used to meet minimum limit requirements, the insurance must provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella or excess liability policy must include a “drop-down provision” requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason. Coverage must be provided on a “pay-on-behalf” basis. There may be no cross-liability exclusion precluding coverage for claims or suits by one insured against another. The policy must “follow form” to the underlying primary policy. Coverage must be applicable to all insureds under the primary policies. The scope of coverage provided is subject to approval of Friant following receipt of the required proof of insurance. Limits are subject to review, but in no event may be less than $4,000,000 per occurrence and aggregate.

9. **Deductibles and Self-Insured Retention.** Any deductibles or self-insured retentions applicable to the insurance policies required under this Agreement must be declared to and approved by Friant. In no event may any required insurance policy have a deductible, self-insured retention or other similar policy provision in excess of $50,000 without prior written approval by Friant in its sole discretion. At the option of Friant, either the insurer will reduce or eliminate such deductibles or self-insured retentions with respect to the Friant’s additional insureds or Consultant will procure a bond guaranteeing payment of any losses, damages, expenses, costs or settlements up to the amount of such deductibles or self-insured retentions.

10. **Certificates of Insurance and Endorsements; Notice of Termination or Changes to Policies.** Prior to commencing any services under this Agreement, Consultant must file with the Friant certificates of insurance and endorsements evidencing the existence of all insurance required by this Agreement, along with such other evidence of insurance as may reasonably be required by Friant. These certificates of insurance and endorsements must be in a form approved by the Friant’s legal counsel. Consultant must maintain current certificates and endorsements on file with Friant during the term of this Agreement reflecting the existence of all required insurance. Each of the certificates must expressly provide that no material change in the policy, or termination or cancellation of the required coverage, will be effective except upon 30 days’ prior written notice to Friant by certified mail, return receipt requested. The delivery to Friant of any certificates of insurance or endorsements that do not comply with the requirements of this Agreement will not waive the Friant’s right to require compliance. In the event that Consultant’s policies are materially changed, Consultant must provide the Friant with at least 30 days’ prior written notice of the applicable changes.

11. **Failure to Maintain Required Insurance.** If Consultant, for any reason, fails to have in place at all times during the term of this Agreement all of the required insurance coverage, the Friant may, but is not obligated to, obtain such coverage at Consultant’s expense and deduct the cost from the sums due Consultant. Alternatively, Friant may terminate the Agreement.

12. **Effect of Coverage.** The existence of the required insurance coverage under this Agreement will not be deemed to satisfy or limit Consultant’s indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limits required. Should any coverage carried by the Consultant or any subcontractor of any tier have limits of liability that exceed the limits or have broader coverage than required in this Agreement, those higher limits and that broader coverage are deemed to apply for the benefit of any person or organization included as an additional insured and those limits and broader coverage will become the required minimum limits and insurance coverage in all sections of this Agreement. Any insurance proceeds available to Friant in excess of the limits and coverages required by this Agreement, and which is applicable to a given loss, must be made available to Friant to compensate it for such losses.
13. **Right to Revise Insurance Specifications.** Friant reserves the right to change the amounts and types of insurance required by giving Consultant at least 90 days’ advance written notice of such change. If such change results in substantial additional cost to Consultant, the parties may renegotiate Consultant’s compensation.

14. **Timely Notice of Claims.** Consultant must give Friant prompt notice of claims made of lawsuits initiated that arise out of or result from Consultant’s performance under this Agreement, and that involve or may involve coverage under any of the required liability insurance policies.

15. **Subcontractor Insurance.** Should the Consultant subcontract out any of the work or services required under this Agreement, it must include all subcontractors as insured’s under its policies or maintain separate certificates and endorsements for each subcontractor. As an alternative, the Contractor may require all subcontractors to provide at their own expense evidence of all the required coverages listed in this Exhibit C. If this option is exercised, both Friant and Consultant must be named as additional insured under the subcontractor’s general liability policy. All coverages for subcontractors will be subject to all the requirements of this Exhibit C. Friant reserves the right to perform an insurance audit during the term of this Agreement to verify compliance with requirements.
FRIANT WATER AUTHORITY
MASTER PROFESSIONAL SERVICE AGREEMENT DATED January 22, 2020

Task Order No.: 1
Date: 1/22/2020

Friant Water Authority
854 N. Harvard Ave.
Lindsay, CA 93247
Attn: Douglas DeFlitch

DESCRIPTION OF SERVICES: See Attached Exhibit A
(Weekly Tracking of Water Project Operations)

KEY PERSONNEL: Walter Bourez, Lee Bergfeld, Ron Milligan, Shankar Parvathinathan, Dan Easton, Wes Walker

NOT TO EXCEED COST: $6500/month

FEE SCHEDULE: See Attached Exhibit A – MBK 2020 Schedule of Fees

DATE TO COMMENCE SERVICES: January 22, 2020

ESTIMATED COMPLETION DATE: On-going.

FRIANT’S REPRESENTATIVE: Douglas DeFlitch, COO & Ian Buck-Macleod

CONSULTANT’S REPRESENTATIVE: Walter Bourez & Ron Milligan

ACCEPTED: MBK Engineers

By: Walter W. Bourez III
Title: Principal Engineer

ACCEPTED: FRIANT WATER AUTHORITY

By: COO
Title: COO

4649-2699-5890 v1
Consultant will provide the following services:

MBK Engineers will perform weekly tracking of current water project operations with a fixed monthly budget during the Friant fiscal year (ending September 30).

Weekly tracking of current water project operations
Effort under this task will include tracking changes and trends in water operations and will identify key factors driving operations that may affect water allocations. The factors considered will include hydrologic conditions, regulatory triggers and policy decisions.

Briefing documents will be prepared that include periodic data assessments and updates on CVP and SWP operations, including Friant Division operations and San Joaquin River Settlement flows. These briefings will include a general assessment of CVP allocations and the overall risk to annual supplies for San Joaquin River Exchange Contractors (SJRECs), Friant Division contractors and Cross Valley Contractors (CVCs). Briefings may include weekly near-term outlooks, monthly data summaries, or seasonal reviews (Fall, Winter-Early Spring, Late Spring-Summer).

The following data will be tracked under this effort:
- Precipitation Forecasts
- River Flows
- Snow Pack and Runoff Forecasts
- Reservoir Storage Levels
- Potential Flood Operations
- In-Basin Usage
- Delta Conditions
- Fish Monitoring and Salvage
- Water supply forecasts

Tracking will include the following regulatory requirements, operations agreements and fishery actions:
- Weekly Operations Calls with CVO
- Review of monthly CVP operations forecasts
- COA Accounting, including new addendum terms
- Delta Pumping Levels and Sharing
- Fishery Coordination Team Recommendations
- Cross Valley Canal supply from the Delta
- Federal/State Agency Coordination Team Decisions
- Sacramento River Temperature Task Group
- Biological Opinion Actions
- State Board Actions
- Allocation Announcements

Weekly briefing will vary in detail depending on issues that may affect the Friant Division or Exchange Contractor water supplies. It is expected that briefings during spring months, when forecasts of CVP water supply allocations are being made, will contain greater detail while other times of the year briefings will contain less detail. Briefings will be in the form of emails to a designated Friant manager and follow up phone conversations or meetings will occur as needed.

The level of effort to prepare the Weekly Outlooks and Monthly Summaries will vary depending on the degree of effort devoted to tracking changing conditions and data, and the time devoted to staying abreast of pending agency-level decisions and regulatory triggers.
FRIANT WATER AUTHORITY

MASTER PROFESSIONAL SERVICE AGREEMENT DATED January 22, 2020

Task Order No.: 2
Date: 1/22/2020

Friant Water Authority
854 N. Harvard Ave.
Lindsay, CA 93247
Attn: Douglas DeFlitch

DESCRIPTION OF SERVICES: See Attached Exhibit A (As-Needed Strategic Assessments)

KEY PERSONNEL: Walter Bourez, Lee Bergfeld, Ron Milligan, Shankar Parvathinathan, Dan Easton, Wes Walker

NOT TO EXCEED COST: Time & Materials to be determined per assignment

FEE SCHEDULE: See Attached Exhibit A

DATE TO COMMENCE SERVICES: January 22, 2020

ESTIMATED COMPLETION DATE: On-going

FRIANT’S REPRESENTATIVE: Douglas DeFlitch, COO & Ian Buck-Macleod

CONSULTANT’S REPRESENTATIVE: Walter Bourez & Ron Milligan

ACCEPTED:
MBK Engineers

By: ____________________________
Walter W. Bourez III
Title: Principal Engineer

ACCEPTED:
FRIANT WATER AUTHORITY

By: ____________________________
Title: COO
Consultant will provide the following services:

As-Needed Strategic Assessments

Preparation of focused assessments on specific issues, as needed. May include attendance at additional meetings and coordination with other water operators and modelers, as appropriate. All work performed under Task 2 will be under specific direction of the Friant management team. MBK will provide rough cost estimate for each work effort requested by the Friant.

Potential assessments could include the following:

- Detailed Evaluation of Monthly Allocation Forecasts across multiple scenarios
- Evaluation of San Joaquin River Settlement Flow Schedules and Accounting of Recovered Water across multiple scenarios
- Focused Risk Analysis of supply to SJRECs, Friant Division contractors and CVCs across multiple scenarios
- Comprehensive Evaluation of COA Addendum on overall annual operations
- Evaluation of Seasonal Water Costs of new Biological Opinions
DATE: February 10, 2020

TO: Executive Committee

THROUGH: Douglas DeFlitch, Chief Operating Officer

FROM: Janet Atkinson and Bill Swanson, Stantec

SUBJECT: Friant-Kern Canal Capacity Correction Project Update

BACKGROUND:
The FKC Capacity Correction Project (Project) is to correct the conveyance capacity problems caused by subsidence and original canal design deficiencies from MP 88 (Fifth Avenue Check) to MP121.5 (Lake Woollomes Check).

DISCUSSION/UPDATE: The following is a summary of the work completed since the last BOD update:

Reclamation Schedule Update and Coordination Meetings – Several working group meetings were conducted (Environmental, Right-of-Way, Design, and Project Management). Provided below is the current milestone implementation schedule.

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOI/NOP Published</td>
<td>December 2, 2019</td>
</tr>
<tr>
<td>Feasibility Report provided to OMB</td>
<td>late January/early February (see below)</td>
</tr>
<tr>
<td>30-Percent Design Report - Final</td>
<td>February, 2020</td>
</tr>
<tr>
<td>NOA/Draft EIS/EIR Published</td>
<td>May 01, 2020</td>
</tr>
<tr>
<td>Biological Opinion Issued</td>
<td>May 7, 2020</td>
</tr>
<tr>
<td>Project Section 106 Complete</td>
<td>May 28, 2020</td>
</tr>
<tr>
<td>100-Percent Bid Issue Design Completion</td>
<td>October 21, 2020</td>
</tr>
<tr>
<td>NOA/NOD/FEIS/EIR Published</td>
<td>September 11, 2020</td>
</tr>
<tr>
<td>NOD Published</td>
<td>September 25, 2020</td>
</tr>
<tr>
<td>ROD Approval/Signature</td>
<td>October 21, 2020</td>
</tr>
</tbody>
</table>
The above is a fairly aggressive schedule, and it is estimated that a construction contract award would most likely occur in the first half of FY 2021.

**Feasibility Report** - Stantec responded to comments received from the Commissioner’s office and provided the 2nd Administrative Draft Feasibility Report to Reclamation again on January 16th. Additional comments were received and responded to the week of January 20th. **Reclamation submitted the Administrative Draft Feasibility Report to OMB on January 28th.** This represents a significant milestone in the Project’s implementation schedule.

**Environmental Compliance, Cultural Resources and Permitting:** Following is a description of NEPA/CEQA compliance and permitting activities for the Project.

- Submitted the Admin Draft EIS/EIR to Reclamation for review on January 27th.
- Completed draft wetland delineation and submitted to FWA and Reclamation for review, then updated per comments received.
- Conducted a meeting with the United States Army Corps of Engineers (USACE) regarding permitting and their involvement as a cooperating agency.
- Submitted wetland delineation to USACE for their review.
- The Biological Resource Assessment (BRA) was submitted to Reclamation and FWA for review.
- The preliminary draft cultural resources report (Section 106 report) was submitted to Reclamation on January 13th. Work is ongoing to complete report for draft submittal.

**Engineering and Design**

- Continued to progress incorporation of Reclamation comments into the 30-percent Design Report. Prepared draft document regarding subsidence phasing criteria.
- Continued developing turnout drawings, check structures, conceptual construction staging area needs, and utility relocation concepts.
- Continued to update utility tracking logs, updated mapping files with utility information and coordinated with utility owners, Tulare County, Kern County and Caltrans.
- Completed legal descriptions and exhibit plats and submitted to Reclamation for review. Received approvals for approximately one-third of the descriptions.
- Completed the geotechnical field investigations at Deer Creek and White River. Continued preparation of the Geotechnical Data Report, Road Crossing Siphons Report, and Geotechnical Interpretive Report.

**Land Acquisition**

- Continued to review and annotate the Project title reports in preparation of the purchase agreements.
- Legal descriptions for 23 parcels proposed for acquisition have been approved by Reclamation. Reclamation’s turnaround time has been excellent.
• The BRI appraisal team continues to work with the federal Appraisal Valuation Services Office (AVSO) to get approval of Statements of Work (SOW), which initiate the formal appraisal process. 14 SOWs have been submitted.
• Work continued on the ASTM 1527-13 Phase 1 Environmental Site Assessments (Phase 1 ESA).
• Prepared and coordinated the delivery schedule for the appraisals.

Landowner Coordination and Right-of-Entry (ROE) Support –
• Continued to provide landowner coordination as needed.
• Thirty-two of 36 Right-of-Entry Agreements have been executed or returned signed by the landowner. Anticipate the remaining Agreements will be executed early February.

RECOMMENDED ACTION:
None; information only.

SUGGESTED MOTION:
None.
DATE:    February 10, 2020
TO:      Executive Committee
FROM    Austin Ewell
SUBJECT: Water Blueprint for the SJV

SUMMARY:

The Water Blueprint for the San Joaquin Valley (Group) will hold its next Large Group meeting on February 20th. The Group is made up of approximately 70 participants that include directors of Farm Bureaus, Water Authorities, Districts, Growers, Trade Associations, Fresno State, GSAs and white land interests. The Group is continuing to develop a comprehensive and collaborative plan that the San Joaquin Valley (broad coalition) can support and advocate for that focuses on solutions in coordination with key stakeholders. The Group is working with state representatives to include the Blueprint into the Governor’s Water Resiliency Plan (WRP). The Group submitted a comment Brochure for the Governor’s Water Resiliency Portfolio on September 27th and submitted comments to the Draft WRP on the February 7th deadline.

The Project Manager (Tal Eslick) has been coordinating and focusing on the completion of the Socio Economic Impact Analysis (EIA) Report Phase I and will be reengaging the Steering Committee for Phase II. The Group and the following committees listed below are reviewing the WRP submittal, looking for funding opportunities, determining how best to pursue the goals of the Blueprint, and work in conjunction with other stakeholders.

Socio-Economic Impact Analysis: Up to 1,000,000 acres may be fallowed in the San Joaquin Valley over a period of 2-3 decades as a result of reduced ground and surface water availability. Approximately $1 billion of tax revenue will be lost in the SJV. Roughly 20% of farms will be eliminated in the SJV. The revenue loss associated with this fallowing would be up to $7.2 billion per year, and the lost net income to farmers would be up to $1.9 billion per year. A roll out plan which includes engagement with media, elected, stakeholders and key figures in the administration is being implemented. Congressman Costa, Assemblyman Gray and 7 other state and federal elected met with the Governor’s COS and 4 cabinet secretaries and 2 deputies to review the current results of the EIA. There was acknowledgement that these impacts are critical and need to be addressed.

Project Implementation Status: Blueprint will require several activities to be executed in a coordinated fashion over the next 20 years. The next phases of activities will require Planning and Engineering services to support the development, evaluation, and selection of activities that will be pursued with the support of the Blueprint entity, including: Implementation of SGMA in the San Joaquin Valley, Development of a water supply plan to minimize loss of working lands, degradation of groundwater quality, loss or jobs, and other regional economic impacts, Development of an environmental plan to manage land use changes for agricultural lands that unavoidably must come out of production, and Develop safe, clean affordable water supplies for disadvantaged communities.
**Water Resiliency Portfolio**: The Draft WRP was circulated the first week of January and was commented on by the Blueprint. Several sections provide some optimism and others raise some concern. Overall the Blueprint requested focus on addressing SGMA in the Valley and planning for the impacts associated with land conversion. There remains a focus on reiterating the need for the Blueprint and real solutions to the crisis before us as highlighted by the EIA Report.

The Committees are working on the following matters:

1) **Regional Representation & Technical Support**: The EIA Report is being coordinated by Eslick and the Blueprint Steering Committee with assistance from technical experts Stantec and MBK. Technical Committee continues to meet and discuss the project list and related matters. The Group is looking to circulate a solicitation to GSAs for their involvement. Blueprint is looking for additional technical funding sources through BOR and DWR.

2) **Engagement and Outreach** (i.e. Disadvantaged Communities, Environmental Organizations & Urbans). The committee is continuing to set up meetings with eNGOs, State and Federal Representatives and Brattle Group to go over the Socio-economic Study. It continues to meet with organizations and entities to educate them and pursue their engagement in the Blueprint.

3) **Funding, Finance & Governance**: Blueprint will be connecting with Counties and GSAs for participation and funding based upon water supply and the related projects. An updated draft budget has been prepared for 2020 to reflect the governance structure, project management, the economic report as well as related services.

4) **Advocacy & Public Relations**: A communications plan is being established and the members will meet regularly with advocacy assets to discuss priorities, which include the WRP, Governor’s budget, Bonds and additional support. Blueprint and Committee members have met with elected in Sacramento and key Administration officials about the details and implementation of the Blueprint. It will continue to work with other key stakeholders and the administration to fold the Water Blueprint into the governor’s Water Resiliency Plan and possible Bonds and funding.

**RECOMMENDED ACTION:**

There is no recommended action at this time. The Board gave initial direction to pursue this collective effort and report back on its status.

**BUDGET IMPACT:**

None

**ATTACHMENTS:**

None
DATE: February 10, 2020

TO: Executive Committee

FROM Alex Biering, Government Affairs and Communications Manager
Johnny Amaral, Chief of External Affairs

SUBJECT: External Affairs Update

SUMMARY:
Update on State and Federal legislation and communications activities.

RECOMMENDED ACTION:
None; informational only.

SUGGESTED MOTION:
None; informational only.

DISCUSSION:
State Legislative Affairs

The California Legislature returned to session Jan. 6. New bills can be introduced until Feb. 21.

The Newsom Administration released their version of the 2020 natural resources and climate resiliency bond (attached) on Feb. 1. Total spending in the bond is $4.75 B, with $2.952 B dedicated to water-related projects and programs, including:

- $1 B for projects and competitive grants or loans to support regional and inter-regional water resilience programs and projects including conveyance.
- $395 M for competitive grants for projects that support sustainable groundwater management implementation specifically for critically overdrafted groundwater basins.
- $360 M for competitive grants for clean drinking water projects.
- $610 M to DWR for State-Federal flood control projects or multibenefit flood projects in the Central Valley and Delta.
- $220 M to the CNRA for Salton Sea restoration.
- $200 M for projects and competitive grants for “healthy soils, water efficiency, nutrient management, habitat restoration and other conservation practices on farms and ranches.” Priority given to “small and medium” sized farms and ranches and projects that benefit DACs.
- $140 M for “projects and competitive grants for projects that enhance or restore native fish species habitat.”
Federal Legislative Affairs

On Feb. 4 the U.S. Bureau of Reclamation released its Fiscal Year 2020 Distribution of Additional Funding plan. The plan details how BOR will spend funds appropriated by Congress in the Further Consolidated Appropriations Act, 2020 (Public Law 116-94), and it includes $11 million for subsidence repair work on the Friant-Kern Canal. This is in addition to $2.35 million that Congress designated to fix the canal's sinking and leaking sections.

Jason Phillips provided testimony on Jan. 28 before House Subcommittee on Water, Oceans, and Wildlife on the Valley’s water balance, the Friant-Kern Canal’s capacity limitations, and the benefits of HR. 5316 by Rep. TJ Cox. Video is available at https://www.youtube.com/watch?v=sj2XevruRoA&feature=youtu.be and his written testimony is attached.

Communications and Recent News

The eWaterline was distributed to email list on Jan 29. If you aren’t getting these, or want to add others to the email list, please contact any member of the FWA team or email information@friantwater.org.


Other Activities

FWA submitted a comment letter to the Newsom Administration on its Draft Water Resilience Portfolio on Feb. 7, 2020 (not yet available as of the distribution time for this meeting packet). FWA is preparing a comment letter to submit to Reclamation on the CVPIA True-up and Business Practice.

BUDGET IMPACT:

None.

ATTACHMENTS:

Newsom Administration’s proposed language for the “Safe Drinking Water, Wildlife Prevention, and Natural Resources Protection Bond Act of 2020” (Feb. 1, 2020); Testimony from Jason Phillips on HR 5316 (Jan. 28, 2020).
THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Division 47 (Commencing with Section 80200) is added to the Public Resources Code, to read:

DIVISION 47.

SAFE DRINKING WATER, WILDFIRE PREVENTION, AND NATURAL RESOURCES PROTECTION BOND ACT OF 2020


80200. This division shall be known, and may be cited, as the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

80201. The people of California find and declare the following:

(a) California’s changing climate creates increased risks of drought, floods, catastrophic wildfire, severe heat events, intense rain events, and sea level rise that will affect California’s residents, agriculture, water supply, water quality, and the health of our forests, watersheds, fish and wildlife, biodiversity, and economy.

(b) Climate change threatens and undermines the state’s ability to provide access to clean, safe, and reliable drinking water.

(c) These risks and impacts vary by region and can overwhelm the resources of local governments and communities that must cope with changing conditions and severe climate change-related events.

(d) Dedicated funding is needed to provide disadvantaged and vulnerable communities benefit from adaptation and resilience investments.

(e) Reducing vulnerability to fire, flood, drought, and other climate change-related events requires investments to save lives and increase the climate resilience of communities and natural systems.

(f) An integrated statewide investment that increases resilience to climate change impacts will save Californians billions of dollars by preventing or reducing the amount of damage that would otherwise occur.

(g) The investment of public funds pursuant to this division will result in public benefits that will address the most critical statewide climate resilience needs and priorities for public funding while saving billions of dollars.

80202. (a) In the appropriation and expenditure of funding authorized by this division, priority shall be given to projects that reduce the impacts of climate change to people, nature, and built infrastructure; leverage private, federal, and local funding; and/or achieve multiple benefits.

(b) To the extent practicable, a state agency allocating funds available pursuant to this division shall prioritize projects that advance the state’s resilience principles, as
established by the State of California’s Integrated Climate Adaptation and Resiliency Program, which include:

(1) Prioritize integrated climate actions, those that both reduce greenhouse gas emissions and build resilience to climate impacts, as well as actions that provide multiple benefits.

(2) Prioritize actions that promote equity, foster community resilience, and protect the most vulnerable. Explicitly include communities that are disproportionately vulnerable to climate impacts.

(3) Prioritize natural and green infrastructure solutions to enhance and protect natural resources, as well as urban environments. Preserve and restore ecological systems (or engineered systems that use ecological processes) that enhance natural system functions, services, and quality and that reduce risk, including but not limited to actions that improve water and food security, habitat for fish and wildlife, coastal resources, human health, recreation and jobs.

(4) Avoid maladaptation by making decisions that do not worsen the situation or transfer the challenge from one area, sector, or social group to another. Identify and take all opportunities to prepare for climate change in all planning and investment decisions.

(5) Base all planning, policy, and investment decisions on the best-available science, including local and traditional knowledge, including consideration of future climate conditions out to 2050 and 2100, and beyond.

(6) Employ adaptive and flexible governance approaches by utilizing collaborative partnership across scales and between sectors to accelerate effective problem solving. Promote mitigation and adaptation actions at the regional and landscape scales.

(7) Take immediate actions to reduce present and near future (within 20 years) climate change risks for all Californians; do so while also thinking in the long term and responding to continual changes in climate, ecology, and economics using adaptive management that incorporates regular monitoring.

(c) Administering agencies shall be guided by the following implementation principles:

(1) Invest in actions that, to the extent practicable, advance the state’s resilience principles pursuant to section 80202 (b).

(2) Reduce administrative complexity of bond-funded programs; utilize and align existing programs and mechanisms where possible to achieve existing state goals.

(3) Build regional resilience recognizing that climate threats differ widely across the state.

(4) Leverage other funding through use of bond proceeds; require funding matches where appropriate to attract important federal, local and philanthropic resources.
(5) Increase collaboration among administering agencies by organizing funds around the type or types of risks and requiring where possible multi-agency development, review and selection of projects.

(d) To the extent practicable, a project that receives funding pursuant to this division may include signage informing the public that the project received funding from the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

80203. For the purposes of this division, the following definitions apply:

(a) "Committee" means the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Finance Committee created pursuant to Section 80282.

(b) “Council” is the California Strategic Growth Council established pursuant to Public Resource Code Section 75121.

(c) “Disadvantaged Community”, unless otherwise specified, means a community with a median household income less than 80 percent of the statewide average.

(d) “Fund” means the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Fund created pursuant to Section 80214.

(e) “Local coastal program” has the same meaning as in Public Resources Code Section 30108.6.

(f) “Local hazard mitigation plan” means the plan adopted in accordance with the federal Disaster Mitigation Act of 2000 (P.L. 106-390) as part of the safety element of a city, county, or city and county’s general plan.

(g) “General plan” has the same meaning as in Government Code Section 65302.

(h) “Natural infrastructure” means using natural ecological systems or processes to reduce vulnerability to climate change related hazards, or other related climate change effects, while increasing the long-term adaptive capacity of coastal and inland areas by perpetuating or restoring ecosystem services. This includes, but is not limited to, the conservation, preservation, or sustainable management of any form of aquatic or terrestrial vegetated open space, such as beaches, dunes, tidal marshes, reefs, seagrass, parks, rain gardens, and urban tree canopies. It also includes systems and practices that use or mimic natural processes, such as permeable pavements, bioswales, and other engineered systems, such as levees that are combined with restored natural systems, to provide clean water, conserve ecosystem values and functions, and provide a wide array of benefits to people and wildlife.

(i) “Protection” means those actions necessary to prevent harm or damage to persons, property, or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation, and interpretation, as defined by Public Resources Code Section 75005.
(j) (1) “Restoration” means the improvement of physical structures or facilities, and, in the case of natural systems and landscape features, includes, but is not limited to, any of the following:

(A) The control of erosion.
(B) Stormwater capture, treatment, reuse and storage, or to otherwise reduce stormwater pollution.
(C) The control and elimination of invasive species and harmful algal blooms.
(D) The planting of native species.
(E) The removal of waste and debris.
(F) Fuel hazard reduction.
(G) Fencing out threats to existing or restored natural resources.
(H) Improving instream, riparian, or wetland habitat conditions.
(I) Other plant and wildlife habitat improvement to increase the natural system value of the property, or coastal or ocean resources.
(J) Activities described in subdivision (b) of Section 79737 of the Water Code.

(2) “Restoration” also includes activities, such as the planning, permitting, monitoring, and reporting that are necessary to ensure successful implementation of the restoration objectives.

(k) “Water Board” means the State Water Resources Control Board.

(l) “Socially disadvantaged farmer or rancher” means as defined in Food and Agricultural Code Section 512.

(m) “Tribe” means a federally recognized Native American Tribe or a nonfederally recognized Native American Tribe listed on the California Tribal Consultation List maintained by the Native American Heritage Commission located in California.

(n) “Vulnerable Communities” means communities that experience heightened risk and increased sensitivity to climate change and have less capacity and fewer resources to cope with, adapt to, or recover from climate impacts. These disproportionate effects are caused by physical (built and environmental), social, political, and/or economic factors, which are exacerbated by climate impacts.

80204. An amount not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

80205.(a) Except as provided in subdivision (b), up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under the program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Planning
may include studies. Monitoring may include monitoring of climate risk reduction and resilience measures associated with program expenditures under this division to ensure successful implementation of such measures.

(b) Funds used for planning and monitoring of programs that benefit disadvantaged communities or socially disadvantaged farmers or ranchers may exceed 10 percent of the funds allocated if the state agency administering the moneys determines that there is a need for the additional funding.

(c) At least 35 percent of the funds available pursuant to this division shall be allocated for projects benefiting disadvantaged communities or socially disadvantaged farmers or ranchers.

80206. (a) Administering agencies may provide funding pursuant to this division through programs that match or leverage federal funding.

(b) A state agency administering funds pursuant to this division may make a grant to a federal agency if the state agency determines a grant is the most efficient way to implement the intent of this division on federally managed lands.

80207. Subject to section 11019 of the Government Code, for grants awarded for projects that serve a disadvantaged community or socially disadvantaged farmers or ranchers, the administering entity may provide advanced payments up to 25 percent of the grant award to the recipient to initiate the project in a timely manner. If the administering entity provides advanced payments, it shall adopt additional requirements regarding the distribution and use of advanced payments to ensure that the moneys are used properly for grant-funded work, including repayment if the funds are not used.

80208. Up to 10 percent of the funds available pursuant to each chapter of this division may be allocated for technical assistance for disadvantaged communities or socially disadvantaged farmers or ranchers.

80209. Unless otherwise specified, eligibility for funding under this division shall be determined by the administering agencies in the guideline development process specified in Section 80211.

80210. (a) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(b) Tribes are eligible recipients of funds available pursuant to this division.

80211 (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a competitive grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar
amount of grants or loans to be awarded. An agency may use or modify existing program guidelines to be consistent with this division.

(b) Prior to adopting guidelines, the state agency shall conduct public meetings and consider public comments. The state agency shall publish the draft guidelines on its internet web site at least 30 days before the public meetings.

(c) Prior to approving grant guidelines, the state agency shall make the following finding in a report to the Council:

Grant guidelines developed by the administering entity, to the extent practicable, advance the resilience principles pursuant to Section 80202(b) and the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 objectives pursuant to Section 80214(a).

(d) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this division.

(e) Division 13 of the Public Resources Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this division.

(f) The Council will work in collaboration with all departments and agencies that administer expenditures under this division to develop overarching guidance on bond expenditures.

80212. (a) Nothing in this division determines or alters water rights or water right priorities.

(b) Nothing in this division is a limitation on the authority of the Natural Resources Agency, the Water Board, entities under the Natural Resources Agency, or the Department of Finance under any other law, including any authority to transfer an appropriation of funds made available by this division to another state department or entity for use by the department or entity if doing so will be administratively efficient and consistent with both this division and the code section from which they were allocated.

(c) Funds provided by this division shall not be used to acquire land via eminent domain.

80213. (a) The Department of Finance shall provide for an independent audit, as it determines necessary, of any entity receiving funds pursuant to this division. The audit shall determine the entity’s compliance with this division, including fiscal activities and performance metrics or deliverables. Such audit may be provided for through contracting with other entities. The Secretary of the Natural Resources Agency shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on an Internet Web site in a downloadable spreadsheet format. The publication shall include:

(1) Information about the location of each funded project, the project’s objectives, the status of the project, anticipated outcomes, any matching moneys provided for the
project by the grant recipient, and the applicable chapter of this division pursuant to which the grant recipient received moneys.

(2) Information identifying that the administering entity made one or more of the following findings for each grant program:

(A) The expenditure is anticipated to reduce the risk of flood, drought, wildfire, sea level rise, extreme heat, or other danger that is associated with, or exacerbated by, climate change.

(B) The expenditure will increase the resilience of a community’s residents, workers, visitors, businesses, built infrastructure, and/or a natural system to the risks of flood, drought, wildfire, sea level rise, extreme heat, or other danger that is associated with or exacerbated by climate change.

(C) The expenditure will help a community recover from the impacts of flood, drought, wildfire, sea level rise, extreme heat, or other climate-related events, or help restore a natural system, natural infrastructure, from the impacts of flooding, drought, wildfire, extreme heat, or other climate-related events.

(D) The expenditure will help improve the resilience of a community’s water supplies or provide safe drinking water or clean water benefits in light of California’s changing climate.

(b) The state agency issuing any grant with funding authorized by this division shall provide oversight of the grant funding and shall require periodic reporting of the grant expenditures and progress of the grant deliverables.

(c) Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state’s bond accountability Internet Website.

(d) Notwithstanding any provision of this division, the full costs associated with the publications, audits, statewide bond tracking, cash management, and related oversight activities provided for in this section shall be funded from this division. These costs shall be shared proportionally by each program through this division. Actual costs incurred to administer non-grant programs authorized by this division shall be paid from the funds authorized in this division. The provisions of Section 10295 and Sections 10335 to 10381, inclusive, of the Public Contract Code shall not apply to agreements entered into by the Department of Finance in connection with the provision of an independent audit pursuant to this section.

80214. (a) The proceeds of bonds issued and sold pursuant to this division, exclusive of refunding bonds issued and sold pursuant to Section 80293, shall be deposited in the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Fund, which is hereby created in the State Treasury. Moneys in the fund are available upon appropriation by the Legislature.
(b) Proceeds of bonds issued and sold pursuant to this division shall be allocated according to the following schedule:

1. Two billion nine hundred twenty-five million dollars ($2,925,000,000) for Chapter 2 (Commencing with Section 80220).
2. Seven hundred fifty million dollars ($750,000,000) for Chapter 3 (commencing with Section 80230).
3. Five hundred million dollars ($500,000,000) for Chapter 4 (commencing with Section 80240).
4. Three hundred twenty-five million dollars ($325,000,000) for Chapter 5 (commencing with Section 80250).
5. Two hundred fifty million dollars ($250,000,000) for Chapter 6 (commencing with Section 80260).

80215. The Legislature may enact legislation necessary to implement programs funded by this division.

CHAPTER 2. Supporting Safe Drinking Water and Resilience to Flood and Drought

80220. (a) The sum of two billion nine hundred twenty-five million dollars ($2,925,000,000) shall be available, upon appropriation by the Legislature, for providing safe and clean drinking water and resilience to flood and drought.

(b) Projects funded pursuant to this chapter may use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code.

(c) Funds provided by this chapter shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

80221. Of the funds made available by Section 80220, one billion dollars ($1,000,000,000) shall be available, upon appropriation by the Legislature, to the Department of Water Resources and the Water Board, for projects and competitive grants or loans to support regional and inter-regional water resilience programs and projects. Funding allocated pursuant to this section shall support the regional approach identified in the Water Resilience Portfolio. This funding will support various water management programs and projects with a focus on regional and inter-regional water projects, including but not limited to: Integrated Regional Water Management; multi-benefit stormwater management; wastewater treatment; water reuse and recycling; drinking water treatment and distribution; water use efficiency and water conservation; water storage; water conveyance; watershed protection, restoration, and management; and water quality.
80222. Of the funds made available by Section 80220, three hundred ninety-five million dollars ($395,000,000) shall be available to the Department of Water Resources in collaboration with the Water Board, upon appropriation by the Legislature, for competitive grants for projects that support sustainable groundwater management implementation. These funds are dedicated to supporting local groundwater sustainability agencies implementing projects and programs related to the groundwater sustainability plans for critically overdrafted basins.

80223. Of the funds made available by Section 80220, three hundred sixty million dollars ($360,000,000) shall be available to the Water Board, upon appropriation by the Legislature, for competitive grants or loans for the purposes described in Chapter 5 (commencing with Section 79720) of Division 26.7 of the Water Code to help provide clean, safe and reliable drinking water to all Californians.

80224. Of the funds made available by Section 80220, three hundred forty million dollars ($340,000,000) shall be available, upon appropriation by the Legislature, to the Department of Water Resources for flood infrastructure projects. These funds will support flood risk reduction and provide the state cost share for priority United States Army Corps of Engineers projects.

80225. Of the funds made available by Section 80220, two hundred seventy million dollars ($270,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Water Resources for Central Valley and Sacramento-San Joaquin Delta multi-benefit flood control projects. These funds shall support multi-benefit flood risk reduction and ecosystem restoration efforts.

80226. Of the funds made available by Section 80220, two hundred twenty million dollars ($220,000,000) shall be made available, upon appropriation by the Legislature, to the Natural Resources Agency for restoration activities identified in the Salton Sea Management Program Phase I: 10 Year Plan, dated March 2017, the final management plan report, and restoration activities identified in any subsequent revisions to this plan.

80227. (a) Of the funds made available by Section 80220, two hundred million dollars ($200,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Food and Agriculture for projects and competitive grants to support environmental farming projects. The Environmental Farming Incentive Program would fund grants for incentives, demonstration projects and technical assistance to enhance agricultural lands for soil health, water quality and efficiency, biodiversity, resiliency and habitat benefits. Eligible projects include, but are not limited to, healthy soils, water efficiency, nutrient management, habitat restoration and other conservation practices on farms and ranches.

(1) For the purposes of this section, a minimum of 35 percent of funds shall go to projects that benefit socially disadvantaged farmers or ranchers or disadvantaged communities. “Disadvantaged Community” means a community identified pursuant to Health and Safety Code Section 39711 or 39713.

(2) Priority shall be given to small and medium sized farms.
80228. Of the funds made available by Section 80220, one hundred forty million dollars ($140,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Fish and Wildlife for projects and competitive grants for projects that enhance or restore native fish species habitat. Projects include, but are not limited to enhanced stream flows, improved fish passage, reconnection of riverine and floodplain habitat, and other actions to help fish adapt to climate change.

CHAPTER 3. Wildfire Resilience Through Forest Health and Community Preparedness

80230. The sum of seven hundred fifty million dollars ($750,000,000) shall be available, upon appropriation by the Legislature, for wildfire resilience.

80231. Of the funds made available by Section 80230, two hundred fifty million dollars ($250,000,000) shall be available for the Department of Forestry and Fire Protection, upon appropriation by the Legislature, for competitive grants for projects that reduce the risk of wildfire and provide long-term forest health benefits, including, but not limited to reforestation; activities that promote long-term carbon storage; and upper watershed, riparian, mountain meadow and inland wetland restoration.

80232. (a) Of the funds made available by Section 80230, five hundred million dollars ($500,000,000) shall be made to the Office of Emergency Services to be managed in coordination with the California Natural Resources Agency and the Department of Forestry and Fire Protection, upon appropriation by the Legislature, for competitive grants for hardening critical community infrastructure.

(b) These funds shall be allocated for projects that make critical infrastructure and facilities more resistant to wildfires and cascading climate impacts aligned with the State of California Hazard Mitigation Plan. This funding allocation may serve as matching funds for other non-state funding sources where allowable to support project implementation. Projects can include, but are not limited to, hardening of drinking/waste water infrastructure, emergency shelters, communication and warning systems, evacuation routes, emergency power and public medical facilities.

80233. Notwithstanding Section 80210, investor-owned utilities are not eligible to receive funds allocated in Sections 80231 and 80232.

CHAPTER 4. Minimizing Threats Posed to Coastal Resources and Communities from Sea Level Rise and Changing Ocean Conditions

80240. The sum of five hundred million dollars ($500,000,000) shall be available, upon appropriation by the Legislature, for competitive grants to the Ocean Protection Council for adapting to sea level rise and protecting coastal resources and communities from changing ocean conditions such as increasing ocean temperatures and acidification.

80241. Of the funds made available by Section 80240, three hundred twenty million dollars ($320,000,000) shall be available, upon appropriation by the Legislature, for projects and for competitive grants for projects that restore coastal wetlands.
80242. Of the funds made available by Section 80240, one hundred thirty million dollars ($130,000,000) shall be available, upon appropriation by the Legislature, for competitive grants for projects that use nature-based solutions to address climate change impacts to California’s ocean ecosystems, including, but not limited to, kelp forests, seagrass habitat, eelgrass beds, and marine protected areas.

80243. Of the funds made available by Section 80240, fifty million dollars ($50,000,000) shall be available, upon appropriation by the Legislature, for competitive grants for demonstration projects protecting critical infrastructure that is vulnerable to sea level rise and flooding, including, but not limited to, roads, railways, ports, sewage treatment plants, and power plants.

CHAPTER 5. Mitigating Extreme Heat

80250. The sum of three hundred twenty-five million dollars ($325,000,000) shall be available, upon appropriation by the Legislature, for mitigating extreme heat impacts.

80251. Of the funds made available by Section 80250, two hundred million dollars ($200,000,000) shall be available, upon appropriation by the Legislature, to the Natural Resources Agency for competitive grants for urban greening and forestry projects. These funds will support projects that mitigate urban heat island impacts. Eligible projects may include, but are not limited to, investments that support urban forestry projects and an expanded urban greening program that supports the creation of green recreational parks in park poor communities.

80252. (a) Of the funds made available by Section 80250, one hundred twenty-five million dollars ($125,000,000) shall be available, upon appropriation by the Legislature, to the Council in collaboration with the Department of Transportation for competitive grants to support projects that provide for cool surface materials. This includes but is not limited to:

(1) Projects that support the installation of cool surfaces, including building, roofing and active transportation/roadway surfaces, at affordable housing developments, public spaces, and transit stations.

(2) Projects that support the installation of innovative pavement materials and pavement treatments on roadways and parking lots to mitigate heat island impacts.

(b) Notwithstanding subdivision (c) of section 80203, for the purpose of the allocation and use of funds available under this section, “Disadvantaged Community” means a community identified pursuant to Health and Safety Code Section 39711 or 39713.

CHAPTER 6. Supporting Community Resilience

80260. (a) The sum of two hundred fifty million dollars ($250,000,000) shall be available, upon appropriation by the Legislature, to the Council for community resilience.

(b) In the implementation of the programs included in this chapter, the Council shall collaborate with all relevant agencies to develop grant guidelines.
80261. Of the funds made available by Section 80260, two hundred twenty-five million dollars ($225,000,000) shall be available, upon appropriation by the Legislature, to the Council for competitive grants for the development of community resilience centers, including but not limited to those on fairgrounds.

80262. (a) Of the funds made available by Section 80260, twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the Council for competitive grants that support community resilience planning efforts.

(b) In the implementation of this section, the Council shall:

(1) Develop guidelines to award funds to advance local adaptation planning, specifically focused on preparing local community infrastructure and natural systems to the impacts of climate change;

(2) Support the updating of local plans, including General Plans consistent with Government Code Section 65032, Local Coastal Programs, Local Hazard Mitigation Plans, and other local planning efforts.


80280. (a) Bonds in the total amount of four billion seven hundred fifty million dollars ($4,750,000,000), not including the amount of any refunding bonds issued in accordance with Section 80293, or so much as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall cause the issuance and sell the bonds authorized by subdivision (a) and in the amount determined by the committee to be necessary or desirable pursuant to this section. The bonds shall be issued and sold upon the terms and conditions specified in one or more resolutions to be adopted by the committee pursuant to Section 16731 of the Government Code.

80281. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, and all of the provisions of that law, except subdivisions (a) and (b) of Section 16727 of the Government Code apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division.

80282. (a) Solely for the purpose of authorizing the issuance and sale of the bonds authorized by this division, pursuant to the Safe Drinking Water, Wildfire Prevention, and
Natural Resources Protection Bond Act of 2020 Finance Committee is hereby created. For purposes of this division, the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Finance Committee is the “committee” as that term is used in this division and in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other law, any member may designate a representative to act as that member in that member’s place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as the chairperson of the committee.

(d) A majority of the committee may act for the committee.

80283. The committee shall determine by resolution whether or not it is necessary or desirable to issue and sell bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

80284. For purposes of this division and the State General Obligation Bond Law, “board,” as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

80285. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due and payable each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

80286. Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the General Fund in the State Treasury, for the purposes of this division, and without regard to fiscal years an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 80289.

80287. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80292, less any amount loaned and not
yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 80289 and not yet returned. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

80288. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the earnings and the investment of earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

80289. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80292, less any amount loaned pursuant to Section 80287 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this division. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

80290. All moneys deposited in the fund that are derived from premiums and accrued interest on bonds sold pursuant to this division, in excess of any amount of premium used to pay the costs of issuing the bonds, shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premiums may be reserved and used to pay the cost of bond issuance before any transfer to the General Fund.

80291. Pursuant to the State General Obligation Bond Law, the cost of bond issuance shall be paid or reimbursed out of the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be allocated proportionally to each program funded through this division by the applicable bond sale.

80292. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General
Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance, sale or exchange of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

80293. The proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. If any provision of this act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

SEC. 3. Section 1 of this act shall take effect upon approval by the voters of the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

SEC. 4. Section 1 of this act shall be submitted to the voters at the November 3, 2020 statewide general election in accordance with the provisions of the Government Code and Elections Code governing the submission of a statewide measure to the voters.

SEC 5. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.
My name is Jason Phillips, and I am the Chief Executive Officer of the Friant Water Authority in California. The Friant Water Authority (Authority or Friant) is a public agency formed under California law in part to operate and maintain the Friant-Kern Canal, a component of the Central Valley Project (CVP) owned by the Bureau of Reclamation (Reclamation).

Thank you to Congressman Cox, Chairman Huffman, and Ranking Member McClintock for inviting me to speak. Friant is particularly well positioned to comment on the “Move Water Now Act,” H.R. 5316, the topic of this hearing, given: (1) our role as the local operator and responsible agency for the Friant-Kern Canal, and (2) the significant water-related challenges Friant and others face in the San Joaquin Valley (Valley) and elsewhere in California. The Friant Division footprint also includes more than 50 disadvantaged communities who will be disproportionately affected by future reductions in water supply without an aggressive and coordinated effort at the local, state, and federal levels.

My testimony will discuss our experiences maintaining the Friant-Kern Canal and its relationship to the Valley’s water imbalance, how H.R. 5316 will facilitate completion of urgent repairs to this federal facility, and what the Valley’s future might look like without action.

Background on the Friant Division

The 152-mile-long Friant-Kern Canal and the 36-mile-long Madera Canal, together with Friant Dam and Millerton Lake on the San Joaquin River, form the Friant Division of the CVP. On average, the Division delivers 1.2 million acre-feet of irrigation water annually to more than 15,000 farms on over a million acres of the most productive farmland in the world. Friant Division deliveries also are vital to meeting the domestic water needs of many small communities in the San Joaquin Valley, as well as larger metropolitan areas, including the City of Fresno – California’s fifth-largest city.

Built between 1945 and 1951, the Friant-Kern Canal (Canal) carries water south from Millerton Lake along the foothills of the Sierra Nevada Mountains on the eastern edge of the San Joaquin Valley to its terminus at the Kern River, four miles west of Bakersfield. The canal is lined by concrete for most of its length and has an initial capacity of 5,300 cubic feet per second (cfs) at the San Joaquin River that gradually decreases to 2,500 cfs at the Kern River; although, as I will later explain, a significant amount of this capacity has been lost. The width of the Canal ranges from 128 feet where it starts to 64 feet at its lower end.

The 32-mile Madera Canal carries water north from Millerton Lake on the San Joaquin River to the Chowchilla River. Completed in 1945, the Madera Canal has an initial capacity of 1,275 cfs that decreases to
750 cfs at its terminus.

The Friant Division was designed and is operated as a conjunctive use project, meaning it conveys surface water in wetter years for direct beneficial uses, such as irrigation and municipal supplies, to help recharge groundwater basins for use in drier years. Relative to the amount of water runoff into Millerton Reservoir, which is about 1.8 million acre-feet per year, the operational surface storage capacity of Friant Dam is minimal – only about 385,000 acre-feet.

The ability to move significant water through the Friant Division’s canals in wetter years to store in groundwater recharge basins is critically important for the project to work as intended. The system delivers two classes of water: Class 1, which is the first 800,000 acre-feet of “firm” supply; and Class 2, which is up to an additional 1.4 million acre-feet of supply available only during wetter years. Historically, the Friant Division has received a combination of Class 1 and Class 2 water totaling about 1.2 million acre-feet annually. A majority of the Class 2 water is directed to groundwater basins which are the primary source of drinking water for nearly all cities, towns, and rural communities on the Valley’s East side.

San Joaquin Valley Water Imbalance and Groundwater Sustainability

The San Joaquin Valley is home to about 5 million acres of productive, irrigated farmland and includes four of the top five agriculture-producing counties in the United States. More than half of all produce and nuts grown in the United States come from the Valley. The Valley’s economy is largely centered around agriculture.

For the past one hundred years, the San Joaquin Valley has relied on more groundwater than is replenished every year, and as a result has seen massive declines in its groundwater reserves. It is for this reason that projects such as the Friant Division were constructed in the mid-1900s to help replenish these groundwater reserves. However, all of the projects envisioned to offset this deficit were not completed, and over the past 30 years, increasingly stringent environmental regulations have redirected water away from the Valley in an attempt to aid struggling fish populations dependent on the Sacramento-San Joaquin River Delta (Delta). This has resulted in a continued persistent overdraft condition in the Valley, and as water exports through the Delta declined, even more San Joaquin Valley water users have increased reliance on groundwater supplies to maintain economic viability for their communities. Until recently, California has not regulated groundwater uses, meaning there were no regulations in place to control the overuse of groundwater and the impacts that causes. This changed in 2014, when the State of California imposed new groundwater regulations – the Sustainable Groundwater Management Act (SGMA) – that will severely restrict future use of this supply, including during droughts.

This week, California is hitting a critical milestone for SGMA implementation. January 31, 2020 is the deadline for all local groundwater sustainability agencies in the state’s most overdrafted basins, the majority of which are in the Central Valley, to submit their groundwater sustainability plans to the state for review. By 2040, the entire Valley is required to achieve groundwater sustainability, meaning that less groundwater is extracted from aquifers than is replaced, either naturally or through groundwater recharge projects that are supplied by facilities like the Friant-Kern Canal.

Collectively, we estimate that these factors will lead to water demand by the Valley’s residents and businesses outstripping available supply by about 2.5 million acre-feet per year.
Effects of Water Imbalance on Communities

In a region of water scarcity, the most direct way to achieve a water balance is to reduce water demand. This means that, left unaddressed, the water imbalance is likely to lead to large-scale falling of the most productive agricultural land in the world, cause severe economic hardships, and impact drinking water supplies for some of California's most vulnerable and disadvantaged communities.

The resulting human impacts looming on the horizon are nothing short of catastrophic. A forthcoming study by Dr. David Sunding, Thomas J. Graff Professor in the College of Natural Resources at the University of California, Berkeley, estimates that the Valley's water imbalance will result in retirement of up to 1 million acres of currently productive farmland. As a result, the state is poised lose 85,000 jobs annually, with 45,000 of those losses occurring to Valley farmworkers, farm managers, and people in the agricultural service sector. This is equivalent to an increase in the regional unemployment rate of about 4% per year. The associated annual wage loss is estimated at $2.1 billion. Annual farm revenue losses are estimated at $7.2 billion. Dr. Sunding estimates these impacts will be disproportionately large in the Valley's lowest-income communities. This bears repeating: these impacts will occur every single year in perpetuity to Californians in an area of our state that cannot afford it.

Effects of Water Imbalance on Infrastructure

Unlike the human effects, the physical effects of the Valley water imbalance aren't just projections for the future; they've already permanently degraded both our infrastructure and our ability to achieve long-term sustainability.

From 2012-2015, the Valley's water imbalance problem was compounded as California weathered its worst drought on record, and many farms and communities faced severe cutbacks to their available surface water supplies. This left the San Joaquin Valley in a state of extreme groundwater overdraft, which occurs when groundwater is extracted faster than it is replenished over the long term.

The effect of overdraft in the Valley during the 2010s has been to cause the land elevations to drop dramatically—in some areas by a foot or more per year. This phenomenon, called subsidence, has reduced conveyance capacity of three major canals serving the Valley: the Friant-Kern and Delta- Mendota canals, which are both part of the CVP, and the California Aqueduct, which is part of the State Water Project. The reduced deliveries mean that less surface water is delivered to the farms and communities who rely on it.

In the case of the Friant-Kern Canal, a portion of the facility sunk more than three feet from 2013 through 2017 due to land subsidence, and we've now lost 60% of our ability to deliver water past this point. The canal is a gravity-fed facility and does not rely on pumps to move water, which means small changes in elevation can have major impacts for water delivery. Subsidence has caused parts of the canal to sink in relationship to other parts. As a result, the canal must be operated at a lower flow-stage to ensure that water doesn't overflow its banks or wash out several bridge crossings.

In 2017, this subsidence prevented 300,000 acre-feet of water from being delivered through the southernmost third of the canal. Most, if not all, of this would have been used to support groundwater recharge—a desperately needed and critical function the canal was designed to achieve. It's also an equivalent amount of water to what could support 50,000-100,000 acres of crop production. Finally, by

reducing the canal’s ability to deliver water to aquifers in the south Valley, the conveyance constriction will also worsen existing water supply and water quality problems in dozens of rural and disadvantaged communities who rely entirely on groundwater. While these losses are recoverable if the canal is repaired, time is of the essence.

The overdraft situation in the Valley is entering a crisis stage and action must be taken now to ensure greater access to surface water through the Friant-Kern Canal and other conveyance facilities. For more than three years, we have worked on the planning, design, and permitting for a project to restore the conveyance capacity of the most-severely affected portion of the canal. Current engineering cost estimates are in the range of $350 million simply to address only this problem; addressing other, less-critical conveyance restrictions in the canal could cost another $200 million. But since the canal plays an important role in supplying recharge water and thus mitigating the severe human effects from SGMA and other regulations, not repairing the canal isn’t an option. And, compared to the human and economic costs estimated by Dr. Sunding, this seems like a relatively reasonable investment to make in the Valley and its people.

Funding Challenges for the Friant-Kern Canal and the Role of H.R. 5316

At nearly 70 years old, the Friant-Kern Canal is among Reclamation’s oldest facilities in California. Since taking over the responsibility for the operation and maintenance of the canal in 1986, Friant Water Authority has taken an aggressively proactive approach to maintenance and repairs and we are very proud of our track record. Despite those efforts, however, the water-carrying capacity of the canal has gradually diminished over time, partly because of natural “settling” but mostly because of land subsidence resulting from over-pumping of the groundwater in the Valley, as described above.

Under our “transferred work” contract with Reclamation, the Federal government retains ownership of the canal and its appurtenant works, and Reclamation administers the contracts governing the purchase and delivery of CVP water in the Friant Division. The Authority is responsible for all aspects of the Canal’s operation, maintenance and replacement (OM&R) as well as all costs related to those activities. The Friant Division contractors have paid these costs, and also have paid off the initial federal construction loan for the full cost of the canal.

The Friant-Kern Canal is a unique facility: it is locally-funded, federally-owned, and used to support state policies and requirements for clean drinking water and groundwater sustainability. But the shared responsibility and interest introduces difficulties for funding and financing repairs.

Friant Water Authority supports H.R. 5316, the “Move Water Now Act,” which, if passed and funded, would represent a significant step in helping to prevent some of the severe economic hardships and human suffering that could result from the Valley’s water imbalance. It would dedicate $200 million in cost-shared federal funding toward repairing water conveyance facilities at Reclamation’s transferred works that have lost more than 50% of their conveyance capacity and supply water for groundwater recharge purposes, such as the Friant-Kern Canal does. It also requires a 50% non-federal cost-share component, and we are actively working with local agencies in the Valley and the State of California to develop a source for the non-federal cost-share for the project, should federal funding authorized by H.R. 5316 become available.

Additionally, H.R. 5316 authorizes the federal government to make important investments toward implementing the San Joaquin River Restoration Program (SJRRP) and achieving the goals of the stipulation of settlement in NRDC vs. Rodgers. The San Joaquin River Restoration Settlement Act (PL 111-11) recognized the link between achieving the settlement’s Water Management Goal and restoring the
capacity of the Friant-Kern Canal, and authorized the Secretary to implement such a project if it’s found to be feasible.

The effort to support the Valley’s communities and ecosystems must not end with H.R. 5316. We urge the Members of this Subcommittee and your colleagues to support an appropriation of funds to ensure the support you’ve shown in this bill becomes a reality.

Even with H.R. 5316 and the infrastructure improvements and programs it supports, more must be done. The Friant-Kern Canal represents only a small fraction of the overall solution to this larger crisis in the Valley. But, in order to reach a more lasting, comprehensive solution for the water woes that are plaguing the San Joaquin Valley, it will require bigger, bolder, and broader thinking.

A Strategic Path Forward

Since early 2019, a large and diverse group of stakeholders, made up water districts, agricultural groups, elected officials, representatives of disadvantaged communities, and academia, have been working together to establish the size of the Valleys water supply deficit, and identify a suite of solutions to close the gap. The Water Blueprint for the San Joaquin Valley, as the group and effort is known, presents a comprehensive and strategic plan that, if implemented among partners, would result in a long-term water balance in the San Joaquin Valley in a way that minimizes retirement of agricultural lands and allows the region’s communities and economy to thrive in the future.

Foundational to the Blueprint is the development of a set of projects and associated operations that would bring the San Joaquin Valley into balance while avoiding as much land retirement as possible. This plan includes a comprehensive look at local, regional, and statewide activities and investments that, collectively, aim to resolve 2.5 million acre-feet per year or more of regional overdraft. Given the magnitude of the problem being addressed, this plan looks ambitiously beyond the range of projects that have previously been contemplated for the region.

Without an effort of this nature, the San Joaquin Valley will unfortunately never really be able to balance its water usage without drastically impacting the economy, jobs, and water quality for communities that depend on both surface water and groundwater for their residents.

Attached to this testimony are informational brochures on the Friant-Kern Canal’s subsidence and the Water Blueprint for the San Joaquin Valley for the hearing record.

Thank you again for this Subcommittee’s support for H.R. 5316 and for the opportunity to provide our perspective and thoughts on this critical topic.

Jason Phillips, Chief Executive Officer
Friant Water Authority
## Agenda Item No. 13.E

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