



SOUTH FEATHER WATER & POWER AGENCY

AGENDA

**Regular Meeting of the Board of Directors of the
South Feather Water & Power Agency
Board Room, 2310 Oro-Quincy Highway, Oroville, California
Tuesday; August 23, 2022; 2:00 P.M.**

Remote participation is available via Zoom by logging into:

<https://us02web.zoom.us/j/81384471898>

Meeting ID: 813 8447 1898

One tap mobile: +16694449171,,81384471898# US

For attendees calling by phone use *9 to raise hand

In person participation is subject to limited attendance to maintain adequate distancing.

A. Roll Call

B. Approval of Minutes – Regular Meeting on July 26, 2022 (Tab 1)

C. Approval of Checks/Warrants (Tab 2)

D. Business Item

PARS Post-Employment Benefits Trust Program (Tab 3)
Requesting approval of Resolution No. 22-08-01.

E. Staff Reports (Tab 4)

F. Public Comment – *Public comment for Directors can be submitted anytime via e-mail. However, in order to be read into the record during the meeting it must be submitted to PublicRelations@southfeather.com by 12:00 P.M. Tuesday August 23, 2022. Individuals will be given an opportunity to address the Board regarding matters within the Agency's jurisdiction that are not scheduled on the agenda, although the Board cannot take action on any matter not on the agenda. Comments will be limited to 5 minutes per speaker. An opportunity for comments on agenda items will be provided at the time they are discussed by the Board. Comments will be limited to five minutes per speaker per agenda item.*

G. Directors' Reports

Directors may make brief announcements or reports for the purpose of providing information to the public or staff, or to schedule a matter for a future meeting. The Board cannot take action on any matter not on the agenda and will refrain from entering into discussion that would constitute action, direction or policy, until the matter is placed on the agenda of a properly publicized and convened Board meeting.

H. Closed Session (Tab 5)

Conference with Legal Counsel – Existing Litigation
(Paragraph (1) of subdivision (d) of Government Code section 54956.9)

A. Name of Case: North Yuba Water District v. South Feather Water & Power Agency et al., Sutter County Superior Court Case No. CVCS21-0001857

B. Name of Case: South Feather Water & Power Agency v. North Yuba Water District et al., Sutter County Superior Court Case No. CVCS21-0002073

Conference with Labor Negotiator (Government Code §54957.6(a)):
Agency-designated representatives: Rath Moseley and Steve Wong.
Employee Organizations: Management & Professional Employees Unit
MOU Negotiations

Conference with Labor Negotiator (Government Code §54957.6(a)):
Agency-designated representatives: Rath Moseley and Steve Wong.
Finance Manager Recruitment – Wage and Benefits

I. Open Session

Report of closed session actions.

J. Adjournment

The Board of Directors is committed to making its meetings accessible to all citizens. Any persons requiring special accommodation to participate should contact the Agency's secretary at 530-533-2412, preferably at least 48 hours in advance of the meeting.

MINUTES of the REGULAR MEETING of the BOARD of DIRECTORS of SOUTH FEATHER WATER & POWER AGENCY

**Tuesday, July 26, 2022, 2:00 P.M.,
Agency Board Room, 2310 Oro-Quincy Hwy., Oroville, California**

In Compliance with the State of California Governor's Office Executive Order N-29-20, SFWPA will limit "in-person" attendance for the July 26, 2022 Board Meeting.

DIRECTORS PRESENT (In Person): John Starr, Tod Hickman, Rick Wulbern, Dennis Moreland

DIRECTORS PRESENT (Remote): None

DIRECTORS ABSENT: Ruth Wright

STAFF PRESENT (In Person): Rath Moseley, General Manager; Jaymie Perrin, EH&S Manager; Art Martinez, Manager Information Systems; Dan Leon, Power Division Manager; Steve Wong, Finance Manager; Cheri Richter, Accountant

STAFF PRESENT (By Zoom): None

OTHERS PRESENT (Via Zoom): Christopher Brown, John Brueggeman, Gretchen Floher, Mark Grover, 530-218-7136, Leona Harris, Alton Wright, 530-755-4084, Kyler Rayden, Charles Sharp, Greg's Ipad

OTHERS PRESENT (In Person): Roger Bailey, Ron Fink, Marieke Furnee, Donna Corson, Craig and Janna Henderson

CALL TO ORDER

President Hickman called the meeting to order at 2:00 p.m. and led the Pledge of Allegiance.

APPROVAL OF MINUTES

M/S: (Wulbern/Starr) approving the Minutes of the regular meetings of July 26, 2022.

Ayes: Moreland, Hickman

Absent: Wright

Public Comment: None

APPROVAL OF CHECKS AND WARRANTS

M/S (Wulbern/Starr)

Ayes: Moreland, Hickman

Absent: Wright

Approving the total General Fund and Joint Facilities operating fund expenditures for the month of June, 2022 in the amount of \$1,253,689.62 and authorize the transfer of \$1,400,000.00 from the TCB General Fund to the TCB Accounts Payable and Payroll Fund for the payment of regular operating expenses.

Public Comment: None

BUSINESS ITEMS

Annual Financial Report with Independent Auditors Report

Acceptance of the Independent Auditor's Report and Financial Statements the year ending December 31, 2021.

Chris Brown – Fedak & Brown LLP presented the 2021 audit results, answered questions and stated that the audit was late primarily due to internal staffing and not a result from SF staff providing information and support.

M/S: (Moreland/Starr)

Ayes: Hickman, Wulbern

Absent: Wright

Public Comment: Mr. Bailey commented that the 2021 performed looked good.

Addition of Delinquent Accounts to County Tax Roll

Adoption of Resolution 22-7-1 to collect on delinquent water accounts by placing them on the 2022 - 2023 Butte County Tax Rolls.

M/S: (Hickman/Moreland)

Ayes: Wulbern/Starr

Absent: Wright
Public Comment: None

INFORMATION ITEMS

The General Manager shared North Yuba Water District and Somach Simmons & Dunn Communications to YWA and SFWPA on Water Conveyance Support and claimed breach of contract of timing on the 2021 Independent Auditors Report.

FINANCE MANAGER'S REPORT

The Finance Manager communicated the following:

2022-23 Workers' Compensation program

Notification has been received from ACWA JPIA that the 2022-23 Workers' Compensation program was successfully renewed with no change in rates. ACWA JPIA goes on to comment that member risk reduction efforts have led to favorable claims experience resulting in this renewal with no change in rates.

CalPERS investment return

CalPERS has announced a preliminary investment return of -6.1% for the 2021-22 fiscal year. With the CalPERS discount rate set at 6.8% and this year's preliminary return of -6.1%, the estimated overall funded status stands at 72%. Last year, the CalPERS investment returns for 2020-21 were 21.3%.

Section 115 trust for OPEB and pension liabilities

Paperwork has been received for the creation of a section 115 trust for the funding of Other Post-Employment Benefits (OPEB) and pension liabilities. It is anticipated this item and a resolution will be presented to the Board at its August Board meeting for discussion and adoption. Administration of the trust, funding and investment policies are among the issues to be discussed.

Supplemental Appropriation/Budget Modification 2022-4

Supplemental Appropriation/Budget Modification 2022-4 is attached documenting new funding for a trailer for the new Bobcat to be acquired in the Water Division, defer the bulk filling water station and adjusting the budget to more closely match actual expenditure experience at this point in the fiscal year. The net result of these actions is a decrease in General Fund appropriations of \$32,000 and an increase in Joint Facilities Operating Fund appropriations of \$56,000.

Finance Division Manager Recruitment

Resumes have been received and interviews have been conducted and are continuing with select applicants.

POWER DIVISION MANAGER'S REPORT

The Power Division Manager communicated the following:

South Fork tunnel average flow was 37 CFS. Slate Creek tunnel was open for 7 days. At month's end, Little Grass Valley and Sly Creek Reservoirs combined storage was 135 kAF.

DWR Bulletin 120 observed conditions and reports will resume in the 2023 water season.

MAINTENANCE

Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule.
 - Clean and service plant ventilation heat exchanger
 - Diagnose cooling water system
- Forbestown Powerhouse. Status: In service, normal dispatch schedule.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule.
 - Annual maintenance outage scheduled for October 3 thru 14
 - Repair bathroom plumbing leak
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule.
 - Annual maintenance outage scheduled for November 1 thru 12

Project Facilities and Assets

- LGV Res – Inspect boat docks and patrol area
- SFDD – Upgrade gate controls, remove debris from dam u/s
- Lost Creek Dam – Clear debris from roadway to d/s station, remove logs from SPH afterbay

- Sly Creek Dam – Annually inspect and maintain spillway drains, clear brush, repair log booms
- MRC – Clean trash racks, apply herbicide, fabricate + install personnel crossing at Station 5
- MRR – Apply herbicide on dam face and spillway
- Station 8 – Reseal bridge decking
- Stations 2 + 8 – Clean trash racks
- Remote Stations – Inspect sites, test standby generators, service thermo generators
- Sunset Comm Site – Inspect electrical power system
- Fleet Vehicle and Mech Equip – Perform service and maintenance
- Power Div office – finish remodel

REGULATORY COMPLIANCE

FERC Part 12 Safety Inspection

Staff continue to work with the Independent Consulting team conducting the Part 12D Safety Inspection services. During the week of July 18-22, staff participated in the Potential Failure Modes Analysis Workshop with the IC team, FERC and DSOD engineers. The group did an extensive review of the existing Potential Failure Modes (PFMs) for Little Grass, Sly Creek, Lost, Ponderosa and Miners Ranch dams. Drawing upon historic construction data, performance to date, and the June 2022 field inspections of existing conditions, additional PFMs were developed to enhance monitoring and instrumentation. Next steps in the Part 12D process will include updates to the Supplemental Technical Information Documents for each dam, as well as generation of the Dam Safety Surveillance Monitoring Report for 2022. All components of the inspections, analysis and report updating will culminate in the completion of the final Part 12D inspection report due the FERC on December 1, 2022.

PERSONNEL

Recruitment – Electrical Machinist, Journey Level

The Agency is recruiting for an Electrical Machinist, Journey Level, in preparation for future staff retirement.

Recruitment – Civil Engineer

The Agency is recruiting for a Civil Engineer, to perform engineering for the upgrade, repair and maintenance of Agency water and power facilities and assets.

Recruitment – Project Engineer

The Agency is recruiting for a Project Engineer, to perform project management for the upgrade, repair and maintenance of Agency water and power facilities and assets.

GENERAL MANAGER'S REPORT

The General Manager communicated the following:

Domestic Water Treatment Operations

The total Miners Ranch Treatment Plant (MRTP) treated water production for the month of June totaled 213.27 million gallons.

The total Bangor Treatment Plant (BTP) treated water production for the month of June totaled 1.175 million gallons. The Red Hawk Ranch Pump Station raw water total flow for June totaled 800,852 gallons.

Irrigation Water Operations

All canals and ditches are in full operation

District Wide Water Operations

General work this month included service leak repairs primarily within the areas of aging infrastructure, flow tests and project preparation for Palermo. Meter accuracy testing is identifying a large population of meters that are in need of replacement. Funding and multi-year plan will be a discussion as 2023 budgets are prepared.

Patch paving was performed throughout the district in areas of past water line repairs.

Leland, Morrissey and Knowles L.L.P.

A letter was received from Sara Knowles representing Leroy Christophersen in regards to post - employment benefits. As discussed prior in closed session, Mr. Christophersen "retired" from SFWPA but failed to do so in the CalPERS system as he started employment with the City of Chico and is in the CalPERS system with his current

employer. Mr. Christophersen is attempting to leverage language in the CSEU Memorandum of Understanding to circumvent the CalPERS system. As further information becomes available, the board will be updated on status.

Bills of Interest

SB1188 (Laird) Safe Drinking Water State Revolving Fund (SRF). This bill deletes the requirement that a water system serve a severely disadvantaged community in order to be eligible for up to 100% grant funding or principal forgiveness and instead would authorize providing such benefits to all water systems broadly.

DWR Goat Grazing Project

Over the past few months Goat Grazing has been taking place around and near SF property and infrastructure. In cooperation with DWR, SF allowed access to areas around the Kelly Ridge Powerhouse.

One of the benefits to South Feather at no cost was grazing around the penstock that travels to the KPH.

Butte County General Election

SFWPA has four director seats up for general election on November 8, 2022.

Critical timelines for those seeking re-election or a member of the public pursuing an opportunity to be on the ballot for a SFWPA director opportunity are as follows:

July 18 to August 12 –

- Candidate Intention Statement (Form 501)
- Candidate Filing Period
 - Candidate Statement of Qualifications
 - Statements of Economic Interest
 - Campaign Disclosure Statement

September 1

- Certified List of Candidates

November 8

- Election Day

PUBLIC COMMENT

Public comment for Directors can be submitted anytime via e-mail. However, in order to be read into the record during the meeting it must be submitted to PublicRelations@southfeather.com by 12:00 P.M. Tuesday July 26, 2022.

Craig Henderson addressed the board in regards to requesting irrigation service off the Forbestown ditch which is a direct path to his 117 acre property. SF staff had previously communicated that no water was available for a new account and Mr. Henderson is challenging this because of the proximity of the ditch to his property. He plans to add a vineyard to his property and there is substantial water in the ditch. Wants to know why water is not available? There was discussion around status of property requiring SF to allow water and to better explain the water conveyance situation.

Marieke Furnee addressed the board as an Oregon House/ NYWD customer. She stated that she feels for the first public comment speaker. Addressed the letter the Somach's attorney offering to sell water outside the district. Stated this is bad faith and communicated a quote from Shakespeare.

Ron Fink provided the GM Oroleve Creek water diversion documents from the years of 1969 – 1989 and years 1990 – 2001 demonstrating that the average AF per year from Oroleve decreased by two thirds. In addition documents were provided that ranged from water rights to deposition testimony, transfers and ditch responsibility in the past. Mr. Fink continued to state that Oroleve Creek is a significant water source and what happened in 2005 to give up those rights and water. Concerned about the law firm and what happened to give up SF's rights and water with the 2005 agreement. Expects SF to add more water customers to irrigation when possible.

Charles Sharp thanked SF for trying to help us with water. If you want to know about water you need to go to the water rights permit.

Roger Bailey echoed what Mr. Fink had to say. Agency should dig in and go back to the 2005 agreement. The board believes in the water storage program so they should put the reason down on paper. No agenda item in the past agreeing to a reservoir. Jumped ahead of ourselves.

Donna Corson introduced herself as an irrigation customer of North Yuba. Thanked SF for our efforts.

Karen Ligit (spelling?) communicated that SF needs to mind their own business and not get in the business of North Yuba.

DIRECTORS' REPORTS

Director Starr: Complimented staff on the operation of Little Grass Valley Reservoir.

Director Moreland: Thanked staff on audit results.

Director Wulbern: No report for the month of July.
Director Hickman: No report for the month of July.
Director Wright: Absent.

RECESS (3:53)

President Hickman offered opportunity for public comment on closed session items.

CLOSED SESSION (convened at 4:05 p.m.)

Conference with Legal Counsel – Existing Litigation

(Paragraph (1) of subdivision (d) of Government Code section 54956.9)

- A. Name of Case: North Yuba Water District v. South Feather Water & Power Agency et al., Sutter County Superior Court Case No. CVCS21-0001857
- B. Name of Case: South Feather Water & Power Agency v. North Yuba Water District et al., Butte County Superior Court Case No. 21CV00815

OPEN SESSION (reconvened at 5:03 p.m.) – President Hickman announced that legal counsel was given direction during the closed session.

ADJOURNMENT (5:04 p.m.)

Rath T. Moseley, Secretary

Tod Hickman, President



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors
FROM: Steve Wong, Finance Division Manager
DATE: August 8, 2022
RE: Approval of Warrants and Checks
Agenda Item for 8/23/22 Board of Directors Meeting

July, 2022 expenditures are summarized as follows:

Checks:	<u>62547</u> to <u>62727</u>	\$ <u>3,855,937.23</u>
Electronic Fund Transfers:	<u>220701</u> to <u>220712</u>	\$ <u>869,972.69</u>
Payroll Expenses:		\$ <u>721,153.03</u>
TOTAL EXPENDITURES FOR JULY, 2022		\$ <u>5,447,062.95</u>

At July 31, 2022, the authorized balance available was (\$3,825,047.67).

Action to approve all expenditures:

"I move approval of expenditures for the month of July, 2022 in the amount of \$5,447,062.95 and authorize the transfer of \$6,000,000.00 from the TCB General Fund to the TCB Accounts Payable and Payroll Fund for the payment of regular operating expenses."

South Feather Water and Power Agency
Checks Paid, July, 2022

Date	Check #	Vendor Name	Account	Description	Amount
07/01/2022	62549	Alpine Portable Toilet Service	07-63-63171	Port. Toilet/Sink Rental & Clean Service at KRPH 6/21-7/18/22	290.12
07/01/2022	62550	Batteries Plus Bulbs	07-68-68100	3.6V Litium Battery	258.90
07/01/2022	62551	Capital One	07-64-64100	Bottled Water	51.96
07/01/2022	62552	Dan's Electrical Supply	07-66-66370	Electrical Wire, Switch Plates, Receptacles	34.02
07/01/2022	62553	Fastenal Company	07-66-66100	Bolts, Washers & Nuts	34.61
07/01/2022	62554	Grimes Heating & Air Inc.	07-63-63201	Service Labor & Diagnostic Trip To Repair WPH A/C Unit	215.00
07/01/2022	62555	Home Depot Credit Service	07-66-66370	Paint, Caulking, Brushes, Tray Liners, Ant Bait	181.78
07/01/2022	62556	Interstate Battery Sacramento Valley	07-64-64100	Deep Cycle Batteries	751.64
07/01/2022	62557	Jimmy P Tools LLC	07-66-66270	Basic Fuel Injection Test Kit	229.48
07/01/2022	62558	McMaster Carr Supply Co.	07-63-63100	Grinder, Cutoff Wheels, Sanding Discs, Screws, Nuts, Washers	365.72
07/01/2022	62559	Oroville Cable & Equipment Co.	07-63-63100	Nitrogen	123.40
07/01/2022	62560	Oroville Ford	07-66-66150	Sensor	54.70
07/01/2022	62561	Ramos Oil Co.	07-66-66160	Fuel, Diesel	10,522.11
07/01/2022	62562	Ray's General Hardware	07-64-64260	Paint, Hose, Fittings, Sprayers, Plywood, Bolts, Saw Blades	355.90
07/01/2022	62563	SGS North America, Inc.	07-63-63201	Test Oil Samples For KPH	68.25
07/01/2022	62564	STAPLES CREDIT PLAN	07-63-63106	Dustoff Air, Glass cleaner, Office Supplies, Ink Cartridges	364.83
07/01/2022	62565	Tehama Tire Service, Inc.	07-66-66150	New Tires For T#116	1,291.66
07/05/2022	62547	Butte LAFCo	01-50-50501	Sphere of Influence Fee, 274 acres/ Annex Fee-Palermo	30,400.00
07/05/2022	62548	Critical Infrastructure Group, LLC	01-54-54104	ABB 400A ZTG Series Automatic Transfer Switch	6,103.60
07/06/2022	62566	Empower Retirement/MassMutual	01-00-22908	PR 7/1/22 Employee 457 Contribution	100.00
07/06/2022	62567	Mission Square Retirement	01-00-22908	PR 7/1/22 Employee 457 Contribution	1,465.50
07/06/2022	62568	Nationwide Retirement	01-00-22908	PR 7/1/22 Employee 457 Contribution	2,129.78
07/06/2022	62569	Reliance Standard Life	01-50-50402	Employee Life Insurance July 2022	966.48
07/06/2022	62570	Standard Insurance	01-50-50403	Employee Disability Insurance July 2022	3,265.30
07/06/2022	220701	Cal PERS	01-50-50400	Employee/Retiree Health Insurance, July 2022	185,271.22
07/06/2022	220702	CalPERS	01-50-50413	PR 7/1/22 Employee /Employer/Retirement Contribution	46,944.93
07/06/2022	220703	CalPERS 457 Plan	01-00-22908	PR 7/1/22 Employee 457 Contribution	2,617.90
07/06/2022	220704	Lincoln Financial Group	01-00-22908	PR 7/1/22 Employee 457 Contribution	2,418.12
07/07/2022	220712	CA Dept of Tax & Fee Administration	01-00-11180/2022-0216	Air Comp, Const. Equip. Hats, LidLaunch.com, Security Cameras	1,400.00
07/08/2022	62571	AT&T	07-60-60251	Equip/Router Circuit Billing & Energy Comm. Service 5-6/18/22	828.03
07/08/2022	62572	AT&T Long Distance	07-60-60251	May 23rd - June 24th 2022 Service	390.59
07/08/2022	62573	AT&T Mobility	01-58-58251	May 19th-June 18th 2022 Cell & Tablet Service	353.31
07/08/2022	62574	Badger Meter	01-00-22300	15 3/4" Meter, PO 8404/2" Meter w/Ert Connector	5,148.00
07/08/2022	62575	Better Deal Exchange	01-56-56370	Light Bulbs, Seal Tape, Roof Sealant, Drain Snake, Sponge	115.04
07/08/2022	62576	Capital One	01-53-53260	Cleaning & Kitchen Supplies, Cups, Bottled Water	279.74
07/08/2022	62577	Comcast	01-53-53251	Phone/Circuit Service July 2022	2,544.13
07/08/2022	62578	Dan's Electrical Supply	01-53-53260	Drill Bits, Receptacles, 4 square boxes, Connectors, Plugs	244.65
07/08/2022	62579	Fastenal Company	01-53-53260	Nuts & Bolts	11.91
07/08/2022	62580	Grainger Inc.	01-52-52102	Altair Replacement Sensors LEL Resolution	464.74
07/08/2022	62581	Home Depot Credit Service	01-54-54270	Cordless Vac & Sockets, Pipe Fittings, Pruners, Valve Boxes	229.08
07/08/2022	62582	K-Gas, Inc.	01-56-56160	Propane For Forklift	11.29

South Feather Water and Power Agency
Checks Paid, July, 2022

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
07/08/2022	62583	Ashlee Long	01-55-55394	Health Benefit Reimbursement June 2022	60.00
07/08/2022	62584	M J B Welding Supply	01-56-56274	Gouging Tip	49.37
07/08/2022	62585	NALCO Company	01-53-53102	Nalclear 8170 PULV .04-55 lb sacks	3,387.54
07/08/2022	62586	Napa Auto Parts	01-56-56150	2 Batteries, Rotors, Gloves, Oil Filters, Antifreeze, Axle Seal	928.76
07/08/2022	62587	Cory Nevers	07-66-66394	Health Benefit Reimbursement June 2022	60.00
07/08/2022	62588	Northgate Petroleum Co.	01-53-53260	Oil	456.03
07/08/2022	62589	O'Reilly Auto Parts	01-56-56150	Wiper Motor, Cleaner, Plastic Bonder, Threadlock	150.01
07/08/2022	62590	P G & E	01-54-54250	Service 5/3/22-6/22/22	9,260.76
07/08/2022	62591	Parcel Quest	01-58-58360	Annual Subscription	1,799.00
07/08/2022	62592	Powerplan - OIB	01-56-56150	Strut Spring, U Joint, Alarm, Hydarulic Kit, Tools, Seals	1,934.68
07/08/2022	62593	Seepex Inc.	01-53-53260	Seal/Casing For Solids Transfer Pump	2,620.86
07/08/2022	62594	Valley Iron Inc. Oroville	01-54-54295	30" Galv 16ga Corrugated Pipe	961.45
07/08/2022	62595	Vista Net, Inc.	07-60-60250	Fiber Internet Users Taz, On Site Back Up, Wildcard SSL 2022	3,069.20
07/08/2022	62596	Back-Street Surveillance, Inc.	07-00-11180/2022-0994	Security Camera/8 Channel NVR/2T Hard Dr/Long Range Cam.	7,662.00
07/08/2022	62597	Better Deal Exchange	07-63-63100	Galvanized Pipe	514.12
07/08/2022	62598	Comcast Business	07-63-63251	CAISO Meters 7/3/22-8/2/22 For SPH & PH's	136.80
07/08/2022	62599	Enloe Medical Center	07-62-62226	Pre-Employment Screening, Hearing Test	300.00
07/08/2022	62600	Grainger Inc.	07-64-64260	Environmental Meter, Panel Box/board, Valve/Fittings	1,027.62
07/08/2022	62601	Home Depot Credit Service	07-66-66370	Window Blinds, Door Stops	244.58
07/08/2022	62602	McMaster Carr Supply Co.	07-63-63260	C-Clamps, Drill Bits	216.41
07/08/2022	62603	Napa Auto Parts	07-66-66150	DEF Fluid, Hand Cleaner	71.36
07/08/2022	62604	Orkin Pest Control	07-64-64201	Squirrel Suppression, Replacement of 12 Bait Stations	1,050.00
07/08/2022	62605	P G & E - Sacramento	07-63-63501	Gen. Interconnection Agr. 6/2022	7,010.37
07/08/2022	62606	Ray's General Hardware	07-63-63260	Switches, Cord, Drill Bits, Spray Paint, Saw Blade, Nail Set	81.55
07/08/2022	62607	Trimark Associates, Inc.	07-63-63201	Finalize CAISO Meter Documentation For PH's/SPH	18,665.00
07/08/2022	62608	Western Renewable Energy Gen. Inf. Sys.	01-61-61201	WREGIS For 7/2022	65.72
07/13/2022	62609	The Trailer Specialist	01-00-11183/2022-0222	Bobcat Trailer Order #62117	28,305.30
07/14/2022	62637	A D P, Inc.	01-50-50201	July 2022 Payroll Processing	1,524.85
07/14/2022	62638	ACWA-JPIA	01-50-50400	August 2022 Employee/Retiree Vision and Dental	9,889.06
07/14/2022	62639	ACWA-JPIA	01-50-50393	April-June 2022 Workers Compensation	28,052.89
07/14/2022	62640	AFLAC	01-00-22915	Employee Supplemental-Disability/Life-PR 7/1/22 & 7/15/22	1,286.16
07/14/2022	62641	Empower Retirement/MassMutual	01-00-22908	PR 7/15/22 Employee 457 Contribution	100.00
07/14/2022	62642	Mission Square Retirement	01-00-22908	PR 7/15/22 Employee 457 Contribution	3,818.30
07/14/2022	62643	Nationwide Retirement	01-00-22908	PR 7/15/22 Employee 457 Contribution	1,807.30
07/14/2022	220705	CalPERS	01-50-50413	PR 7/15/22 Employee /Employer/Retirement Contribution	45,898.83
07/14/2022	220706	CalPERS 457 Plan	01-00-22908	PR 7/15/22 Employee 457 Contribution	2,585.20
07/14/2022	220707	Lincoln Financial Group	01-00-22908	PR 7/15/22 Employee 457 Contribution	2,331.02
07/15/2022	62610	Allied Electronics & Automation	07-68-68100	Butan Torch & Refill Cylinder	68.50
07/15/2022	62611	CA Dept of Tax & Fee Administration	01-53-53250	2022 2nd Qt. Elec. Energy Surcharge-Water/Power	62.79
07/15/2022	62612	Jimmy P Tools LLC	07-66-66270	Leak Attack PRO, E-Vac Smoke Tester For Vehicles	1,721.16
07/15/2022	62613	Mt. Shasta Spring Water	07-66-66100	Bottled Water	175.75

South Feather Water and Power Agency
Checks Paid, July, 2022

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
07/15/2022	62614	Oroville Cable & Equipment Co.	07-66-66171	Tank Rent For June 2022	233.75
07/15/2022	62615	Slate Geotechnical Consultants	07-67-67201	FERC Part 12D Consultant Service 6/2022	35,574.08
07/15/2022	62616	Frank Belser	01-00-22200	Refund UB 3181	1,081.00
07/15/2022	62617	Access Information Management	01-50-50201	May/June 2022 Shred Service	436.74
07/15/2022	62618	Accularm Security Systems	01-50-50201	Alarm/Fire/Burg Monitoring/Email Notifications July 2022	197.00
07/15/2022	62619	Advanced Document Concepts	01-50-50380	Printer/Copier Maintenance Contract June, MRTP May and June	438.42
07/15/2022	62620	AT&T	01-50-50251	Local Calls Service 7/10-8/9/22	3,199.93
07/15/2022	62621	AT&T	07-68-68251	Firewall 7/5-8/4/22	672.10
07/15/2022	62622	AT&T Long Distance	01-53-53251	6/2/22-7/1/22 Service	2.40
07/15/2022	62623	AT&T Mobility	07-68-68251	7/3-8/2/22 Cell Phone/Router Service	629.41
07/15/2022	62624	C.O.M.P.	01-52-52226	DOT Physical for One Employee	125.00
07/15/2022	62625	Dawn Cook	01-56-56394	Health Benefit Reimbursement For April, May, & June	150.00
07/15/2022	62626	Fedak & Brown, LLP	01-50-50216	Professional Services June 2022 For 2021 Audit	2,540.00
07/15/2022	62627	Jeff's Truck Service	01-56-56150	New Trailer Wheel 16x6 E-128	204.85
07/15/2022	62628	Lake Oroville Area PUD	01-53-53250	Sewer Service - MRTP 4/1/22-6/30/22	132.18
07/15/2022	62629	Office Depot, Inc.	01-50-50106	2 Toner Cartridges	170.23
07/15/2022	62630	Oroville Cable & Equipment Co.	01-56-56150	Fine Floor Sweep	50.36
07/15/2022	62631	Oroville Ford	01-56-56150	Oil Filters	53.50
07/15/2022	62632	Pace Analytical Services, LLC	07-65-65100	Total Coliform/E. Coli Quantitray Testing	191.14
07/15/2022	62633	Ramos Oil Co.	01-56-56160	Bulk Gasoline	2,062.70
07/15/2022	62634	Recology Butte Colusa Counties	01-56-56250	Garbage Service June 2022	999.12
07/15/2022	62635	U.S. Bank	01-56-56150	Final Drive W/Motor For Bobcat, PVC Pipe, Starlink Hardware	2,409.83
07/15/2022	62636	Van Ness Feldman, LLP	07-60-60208	Professional Services Through June 2022	525.00
07/22/2022	62644	AT&T	07-66-66251	Local Calls 7/10-8/9/22 for SPH, FPH, Hq	1,393.26
07/22/2022	62645	AT&T	07-60-60251	For Circuits 7/10-8/9/22	348.41
07/22/2022	62646	AT&T	07-60-60251	For KPH Fiber Optic Connections for 7/2022	1,146.14
07/22/2022	62647	B & G Smog	07-66-66201	Smog Test T#103/T#97/T#109	98.25
07/22/2022	62648	Bank of America - Bank Card	07-64-64100	Safety Vest, Ads, Staf Gages, Safety Course, Fuse Holder	1,329.49
07/22/2022	62649	Capital One	07-66-66370	Bottled Water, Cleaning Supplies	124.03
07/22/2022	62650	Cox Glass Co	07-66-66150	Replacement Windshield For T109	323.16
07/22/2022	62651	Grainger Inc.	07-64-64260	Air Regulator For Compressor, Impact Drover Meter	309.42
07/22/2022	62652	Kristen McKillop	07-67-67350	Food For Meals Durning PFMA Meetings 7/18-22/22	472.46
07/22/2022	62653	McMaster Carr Supply Co.	07-66-66100	Galvanizing Zinc Coating Paint	213.43
07/22/2022	62654	Mendes Supply Company	07-66-66100	Toilet Paper, Paper Towels	229.96
07/22/2022	62655	Napa Auto Parts	07-66-66150	Cabin Filters For Trucks	48.02
07/22/2022	62656	Oroville Safe & Lock	07-66-66100	Key Made	11.10
07/22/2022	62657	P G & E	07-66-66250	Electric Service For Hq 5/26-6/26/22 - PH's 5/3-6/3/22	5,827.38
07/22/2022	62658	P G & E - Sacramento	07-63-63501	Gen. Interconnection Agr. 7/2022	7,010.37
07/22/2022	62659	Ray's General Hardware	07-66-66100	Saw Blade	42.86
07/22/2022	62660	Recology Yuba-Sutter	07-65-65250	Garbage Service For Sly/Strawberry Campgrounds July 2022	2,092.27
07/22/2022	62661	Tehama Tire Service, Inc.	07-66-66150	Tires For T#97	881.18

South Feather Water and Power Agency
Checks Paid, July, 2022

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
07/22/2022	62662	AT&T	01-53-53251	M RTP Internet Connection 7/14/22-8/13/22	74.90
07/22/2022	62663	Better Deal Exchange	01-00-15213	PVC Caps, Elbows, Caulkgun, Silicone	98.52
07/22/2022	62664	Core & Main LP	01-00-22300	Valves, Sewer Pipe, Ballcorp Stop, Poly Tube & Insert	3,823.18
07/22/2022	62665	Cox Glass Co	01-56-56150	Replacement Rear Window For T318/Front For T317	1,352.89
07/22/2022	62666	Cresco Equipment Rentals	01-54-54170	Equipment Trailer & Gas Roller Rental	290.40
07/22/2022	62667	Dan's Electrical Supply	01-54-54104	THHN Wire, 2 Hole Lugs	372.35
07/22/2022	62668	Home Depot Credit Service	01-53-53260	Hole Saw, Drill Bit, Sockets, Cable Ties, Lumber, Cleaner	305.98
07/22/2022	62669	InfoSend, Inc.	01-55-55114	June 2022 Cycles 1-10 Billing	3,940.42
07/22/2022	62670	Jeff's Truck Service	01-56-56150	2 Wheels/Rims E-128	354.53
07/22/2022	62671	Jimmy P Tools LLC	01-56-56274	Impact, Battery, Driver Kit, Battery Charger	834.16
07/22/2022	62672	Knife River Construction	01-54-54104	Asphalt	2,149.34
07/22/2022	62673	Minasian, Meith, Soares	01-50-50208	June 2022 Professional Services	26,247.45
07/22/2022	62674	Napa Auto Parts	01-56-56150	Air & Oil Filters, Shock Absorbers, Brake Cleaner, Battery	885.31
07/22/2022	62675	O'Reilly Auto Parts	01-56-56150	Gear Oil	119.02
07/22/2022	62676	Oroville Ford	01-56-56150	Air Filters, Hose Assembly, Gasket Rear Axle Shaft	124.46
07/22/2022	62677	Diane Post	01-52-52395	Reimburse Leak Repair 7/11/22 UB 6276	79.00
07/22/2022	62678	Southern Computer Warehouse	01-58-58100	2 Mini PC's, 2 16GB RAM, 2 27" LED Monitor's, Dual Monitor	2,439.93
07/22/2022	62679	Thomas Hydraulic & Hardware	01-56-56150	Bolts, Fittings, Adapters	37.24
07/22/2022	62680	Verizon Wireless	01-53-53251	Cell Phone Service 6/11-7/10/22	136.70
07/22/2022	62681	Vista Net, Inc.	01-58-58201	Email Spam Service	668.74
07/22/2022	62682	Weimer and Sons	01-54-54104	Asphalt, Utility Sand, Pea Gravel	2,083.29
07/22/2022	62683	YSI Incorporated	07-00-11140	Antenna With Pole Mount	1,073.43
07/26/2022	220708	Cal PERS	01-00-14409	Annual Unfunded Accrued Liability	530,601.00
07/26/2022	220709	CalPERS	01-50-50413	PR 7/29/22 Employee/Employer/Retirement Contribution	45,841.20
07/26/2022	220710	CalPERS 457 Plan	01-00-22908	PR 7/29/22 Employee 457 Contribution	2,578.52
07/26/2022	220711	Lincoln Financial Group	01-00-22908	PR 7/29/22 Employee 457 Contribution	1,484.75
07/27/2022	62684	North Yuba Water District	07-69-69991	2021 Joint Facilities Operating Fund Net Revenues, 50% Dist.	3,269,900.00
07/28/2022	62728	AFLAC	01-00-22915	Employee Supplemental-Disability/Life Insurance-PR 7/29/22	643.08
07/28/2022	62729	Empower Retirement/MassMutual	01-00-22908	PR 7/29/22 Employee 457 Contribution	100.00
07/28/2022	62730	IBEW #1245	01-00-25207	July 2022 Member Dues	9,329.19
07/28/2022	62731	Mission Square Retirement	01-00-22908	PR 7/29/22 Employee 457 Contribution	2,788.95
07/28/2022	62732	Nationwide Retirement	01-00-22908	PR 7/29/22 Employee 457 Contribution	1,706.12
07/28/2022	62733	Standard Insurance	01-50-50403	Employee Disability Insurance August 2022	3,266.74
07/29/2022	62685	Alpine Portable Toilet Service	07-63-63171	Port. Toilet/Sink Rental & Clean Service at KPH 7/19-8/15/22	290.12
07/29/2022	62686	F.E.R.C.	07-64-64501	Hydropower Annual Administrative Charge For 2022	170,757.15
07/29/2022	62687	Geotech Environmental Equipment, Inc.	07-64-64260	Transducers, Cable, Strain Relief	5,714.90
07/29/2022	62688	North Yuba Water District	07-66-66250	Water Svc At Hq 5/19/22-7/20/22	60.25
07/29/2022	62689	Northern Safety Co., Inc.	07-62-62102	Safety Glasses	144.66
07/29/2022	62690	Open Systems International, Inc.	07-00-11185/2022-0987	50% Payment, Items For SCADA System	24,458.13
07/29/2022	62691	Oroville Cable & Equipment Co.	07-66-66150	Air Fittings	34.53
07/29/2022	62692	Powerplan - OIB	07-66-66150	Air, Oil, Fuel & Cabin Filters	574.37

South Feather Water and Power Agency
Checks Paid, July, 2022

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
07/29/2022	62693	Ramos Oil Co.	07-66-66160	Fuel, Diesel	4,564.08
07/29/2022	62694	Ray's General Hardware	07-65-65260	Pipe Fittings, Hose Washers, Ball Valve, PVC Cement	47.84
07/29/2022	62695	STAPLES CREDIT PLAN	07-60-60224	Batteries, Annual Plus Membership, Clip Boards, Ink, Supplies	220.80
07/29/2022	62696	Marcus Teer	07-62-62226	DMV Physical	100.00
07/29/2022	62697	Thomas Hydraulic & Hardware	07-66-66150	Hydraulic Cylinder Seal Kit, Pliers	131.13
07/29/2022	62698	UTC Membership Department	07-68-68224	Utilities Technology Council Annual Membeship For 2023	996.91
07/29/2022	62699	Valley Iron Inc. Oroville	07-64-64260	Flat Bar Metal	127.31
07/29/2022	62700	Gladys Coleman	01-00-22200	Refund UB 13452	22.78
07/29/2022	62701	Todd Quigley	01-00-22200	Refund UB 15745	25.26
07/29/2022	62702	Fred Reith	01-00-22200	Refund UB 13530	25.26
07/29/2022	62703	Stephan Yard Revocable Living Trust	01-00-22200	Refund UB 6642	23.04
07/29/2022	62704	RK & Sons	01-00-22200	Refund UB 20192	255.73
07/29/2022	62705	Sigfrid Family Revocable Trust	01-00-22200	Refund UB 653	33.00
07/29/2022	62706	Gary Stempel	01-00-22200	Refund UB 4014	27.89
07/29/2022	62707	Michael or Judy Wong	01-00-22200	Refund UB 6622	52.60
07/29/2022	62708	AT&T	07-68-68251	June 2022 Energy Communication Service	80.88
07/29/2022	62709	AT&T Mobility	01-58-58251	6/19/22-7/18/22 Tablet and Cell Phone Service	353.80
07/29/2022	62710	Backflow Distributors, Inc.	01-55-55201	Calibrated Backflow Testing Machine	272.27
07/29/2022	62711	Better Deal Exchange	01-54-54104	Drain Opener, Wrench, Screwdriver, Adapters, Cleaner	147.74
07/29/2022	62712	Butte Co. Dept. of Public Health	01-52-52501	Annual CUPA Fees	6,694.00
07/29/2022	62713	Capital One	01-56-56100	Coffee, Creamer, Light Bulbs, Plasticware, Dog Treats, Cups	125.34
07/29/2022	62714	Dish Network	01-50-50251	Satellite Service 8/8/22-9/7/22	144.81
07/29/2022	62715	Industrial Power Products-Oroville	01-56-56150	Weed Eater Line	30.68
07/29/2022	62716	Jimmy P Tools LLC	01-56-56274	Ratchet - T307, Impact Extension/Adapter, Socket Sets	402.70
07/29/2022	62717	Mendes Supply Company	01-56-56370	Paper Towels	109.24
07/29/2022	62718	Office Depot, Inc.	01-50-50106	Copy Paper	242.39
07/29/2022	62719	Orkin Pest Control	01-53-53201	Pest Control Service July 2022	95.00
07/29/2022	62720	Oroville Cable & Equipment Co.	01-56-56150	Air Fittings, Break Air Line, Nuts, Pins	139.16
07/29/2022	62721	William Paul	07-00-11150/2022-0984	Reimburse Hitch For New Trailer	113.55
07/29/2022	62722	Ramos Oil Co.	01-56-56160	Fuel, Diesel	10,056.74
07/29/2022	62723	Tehama Tire Service, Inc.	01-56-56150	1 New Tire - T#177	373.42
07/29/2022	62724	Tractor Supply Credit Plan	01-54-54103	Rubber Boots, Studded T-Posts, Exchanged Studded T-Posts	196.94
07/29/2022	62725	Valley-Wide Fasteners	01-56-56150	Lock Nuts	12.87
07/29/2022	62726	Vista Net, Inc.	01-00-11170/2022-0220	Workstation, ShoreTel Phones, HP tech Care, Security Update	7,496.84
07/29/2022	62727	Oroville, City of	01-00-22907	June 2022 City Utility Tax	2,115.37
				TOTAL JULY, 2022 CHECKS	4,725,909.92

**SOUTH FEATHER WATER AND POWER AGENCY
PAYROLL
JULY, 2022**

PAYROLL STATE & FED TAXES	\$	246,814.62
PAYROLL NET		474,338.41
TOTAL JULY, 2022		\$ 721,153.03

**CREDIT CARD DETAIL
JULY 2022 PAYMENTS**

<u>Check #</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
62635	7/15/2022	U.S. Bank	
		Final Drive W/Motor For 331D Bobcat	\$ 2,000.00
		4" PVC Pipe 20'	117.96
		Satellite Communications	110.00
		Starlink Mounting Hardware	107.17
		Certified Mail Const Meter Accts	59.04
		Conferencing Service Zoom Through Dec 2022	15.66
			\$ 2,409.83
62648	7/22/2022	Bank of America	
		Staff Gages	\$ 463.96
		Batteries For Hand Held Radios	351.18
		Coffee Pot	139.41
		Terminals, Connectors, Fuse Holders For Radios	109.03
		Employment opportunity ads	209.31
		Safety Vest	31.61
		Boating Safety Course Exams	20.00
		Plumas National Forest Map	4.99
			\$ 1,329.49



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: August 16, 2022

RE: Agenda Item for 8/23/22 Board of Directors Meeting

Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the General Manager as the Agency's Plan Administrator, and authorizing the General Manager to execute the documents to implement the Program.

Background:

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires that governmental employers that sponsor Defined Benefit plans (i.e., CalPERS) must recognize a net pension liability (unfunded accrued liability) on their balance sheet. This is the difference between the Agency's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 became effective for fiscal years starting after June 15, 2014.

In 2015, the Government Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires the Agency to report costs and obligations for post-employment healthcare and other post-employment benefits (called "OPEBs") similar to the accounting requirement to report pension obligations. Similar to GASB 68, the Agency must also report its net OPEB liability (difference between the total OPEB liability and assets accumulated in an irrevocable trust) on its Financial Statements. GASB 75 (which replaced the requirements of GASB 45) became effective for fiscal years beginning after June 15, 2017.

In an effort to help public agencies address and manage their GASB 68 and 75 liabilities, PARS has sought and received approval from the IRS in the form of a Private Letter Ruling on its Post-Employment Benefits Trust Program. PARS has assembled leading professionals to provide the Agency with the necessary services required under one program to pre-fund both pension and retiree health care liabilities. This would provide the Agency with an alternative to CalPERS that will allow for greater local control over assets, investment by a professional fund management team selected and monitored by the Agency, with contributions and distributions from the trust determined at the discretion of the Agency.

The program has been established as a multiple employer trust so that public agencies regardless of size can join the program to receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. To properly offset OPEB liabilities, funds must be set aside in an exclusive benefit,

irrevocable trust that cannot be accessed by creditors in order to be accounted for as assets to reduce the liabilities on the Agency's financial statements. The trust permits the Agency, under federal and state law, to invest in a more diversified array of investments to maximize investment returns long term and reduce the Agency's liabilities.

To date, more than 480 public agencies have adopted programs through PARS to reduce their OPEB and pension liabilities including local agencies such as the City of Oroville and the Housing Authority of the County of Butte.

Expected benefits offered by the PARS Post-Employment Benefits Trust Program to the Agency include:

- Contributions placed in an exclusive benefit trust could address the Agency's unfunded liabilities
- Investment flexibility with Section 115 Trust compared to restrictions on general fund investments
- Increased risk diversification of plan assets through different asset management than CalPERS
- Investments can be tailored to the Agency's unique demographics
- Oversight and control of fund management selection, monitoring of performance and ability to replace fund management based on performance criteria
- Increased flexibility on use of trust assets (i.e., trust assets can be accessed at any time as long as the assets are used to fund the Agency's pension and OPEB obligations and defray reasonable expenses associated therewith)
- Lower investment management and administrative expenses compared to CalPERS Pension Program
- Potential for positive rating agency and investor consideration.

PARS has partnered with US Bank to serve as trustee and High Mark Capital to provide investment management services for the program.

Recommendation:

It is recommended that the Agency Board approve the Agency's establishment of the PARS Post-Employment Benefits Trust Program and adopt Resolution No. 22-08-01. It is also recommended that the Agency Board authorize the General Manager, subject to the review and approval of the Agency's legal counsel, to sign all necessary documents.

RESOLUTION NO. 22-08-01

RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS
OF THE SOUTH FEATHER WATER AND POWER AGENCY
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS, the South Feather Water and Power Agency ("Agency") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the Agency's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the Agency's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the Agency reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Governing Board of Directors hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective September 1, 2022; and
2. The Governing Board hereby appoints the General Manager, or his/her successor or his/her designee as the Agency's Plan Administrator for the Program; and
3. The Agency's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Agency and to take whatever additional actions are necessary to maintain the Agency's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Agency's Program.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA

COUNTY OF BUTTE

Rath Moseley, the Secretary of the Governing Board of Directors of the South Feather Water and Power Agency, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said Agency at a regular meeting thereof held on August 23, 2022.⁸

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2022.

Secretary of the Board of Directors

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement (“Agreement”) is made this ____ day of _____, 2022, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter “PARS”) and the [Agency Name] (“Agency”).

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or Other Post-Employment Benefits (“OPEB”) obligations (“Plan”) and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as “Exhibit 1A” (“Services”) in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as “Exhibit 1B”.
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS’ standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as “Exhibit 1C” (“Data”). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2022 and ending _____, 2025 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust (“Trustee”), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$1	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: August 17, 2022

RE: General Information (regarding matters not scheduled on the agenda)
8/23/22 Board of Directors Meeting

Health plans

Open enrollment for the 2023 health plans will be from September 19 through October 14, 2022. The same four plans available to employees in 2022 will again be available in 2023. A fifth plan is being considered but has not yet been authorized by CalPERS for Butte County.

CalPERS UAL

Each year CalPERS allows its public agency business partners to prepay the annual unfunded accrued liability for the coming year. This year the Agency exercised the option to prepay this liability realizing a 3.325% savings on its \$548,858 obligation for the 7/1/2022-6/30/2023 period.

CalPERS actuarial valuation

The CalPERS actuarial valuations setting retirement contribution rates for July 1, 2023 through June 30, 2024 have been released. The Agency's employer contribution rate for its classic employees will be 16.44%, a significant increase from the 2022-23 rate of 14.53%. For comparison, the 2021-22 and 2020-21 rates were 14.54% and 14.729% respectively. The PEPRA employer contribution rate (applies to employees entering the CalPERS system after January 1, 2013) will be 7.68%, an increase from the 2022-23 rate of 7.47%. And for comparison, the 2021-22 and 2020-21 rates were 7.59%, and 7.732% respectively. For PEPRA employees, the employee contribution rate will increase to 7.75% from the present rate of 6.75%, effective July 1, 2023. At June 30, 2021, the Agency's funded ratio, the Plan's market value of assets divided into the Agency's accrued liability, was 90.7% compared with 79.5%, 80.5% and 80.3% for the prior three years. The SFWPA PEPRA plan is actually overfunded, with a June 30, 2021 funded ratio of 105.0%. As of June 30, 2021, the total unfunded accrued liability (UAL) for CalPERS pensions was \$3,414,930, less than half of the prior year UAL of \$6,992,005. The complete annual actuarial valuation reports will be available to the public on the CalPERS website at <http://www.calpers.ca.gov>.

Supplemental Appropriation/Budget Modification 2022-5

A \$10,500 supplemental appropriation has been prepared for the acquisition of Eclipse Mapping and GIS equipment (07-00-11185-0 / 2022-0998) for the Power Division. Similar equipment for Water Division purposes was approved in the 2022 Annual Budget. The system uses portable, hand-held devices capable of identifying geo coordinates in the field. Also, 2022 estimated revenue and appropriations for the Palermo Clean Water Project are established (2022-0219).

Budget Calendar

A preliminary budget calendar leading to adoption of a 2023 annual budget is attached. A finance committee meeting is scheduled for Thursday, November 10 allowing for a presentation to the full Board at its regularly scheduled November 22 meeting.

SOUTH FEATHER WATER AND POWER AGENCY
BUDGET CALENDAR
2023 ANNUAL BUDGET

7/26/22 Financial Report to Board includes current year estimates.

Wk of 9/12/22 2022 Capital Budget Review. Budget forms available.

Wk of 10/10/22 Revenue projections completed.

10/14/22 Requested budgets transmitted to Finance Division Manager.

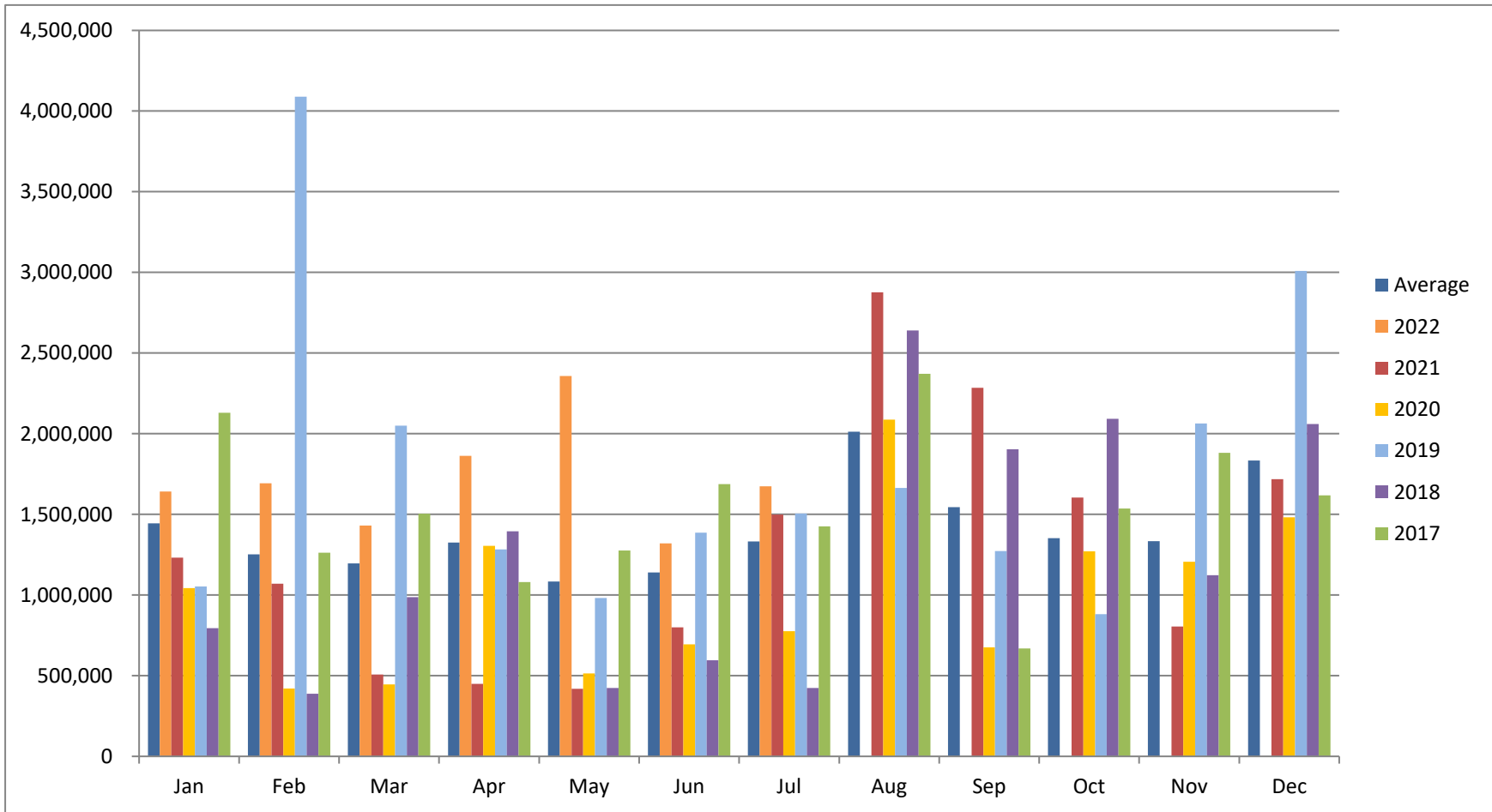
10/27/22 GM and FDM meet with departments.

11/2/22 Proposed Budget presented to Division Managers.

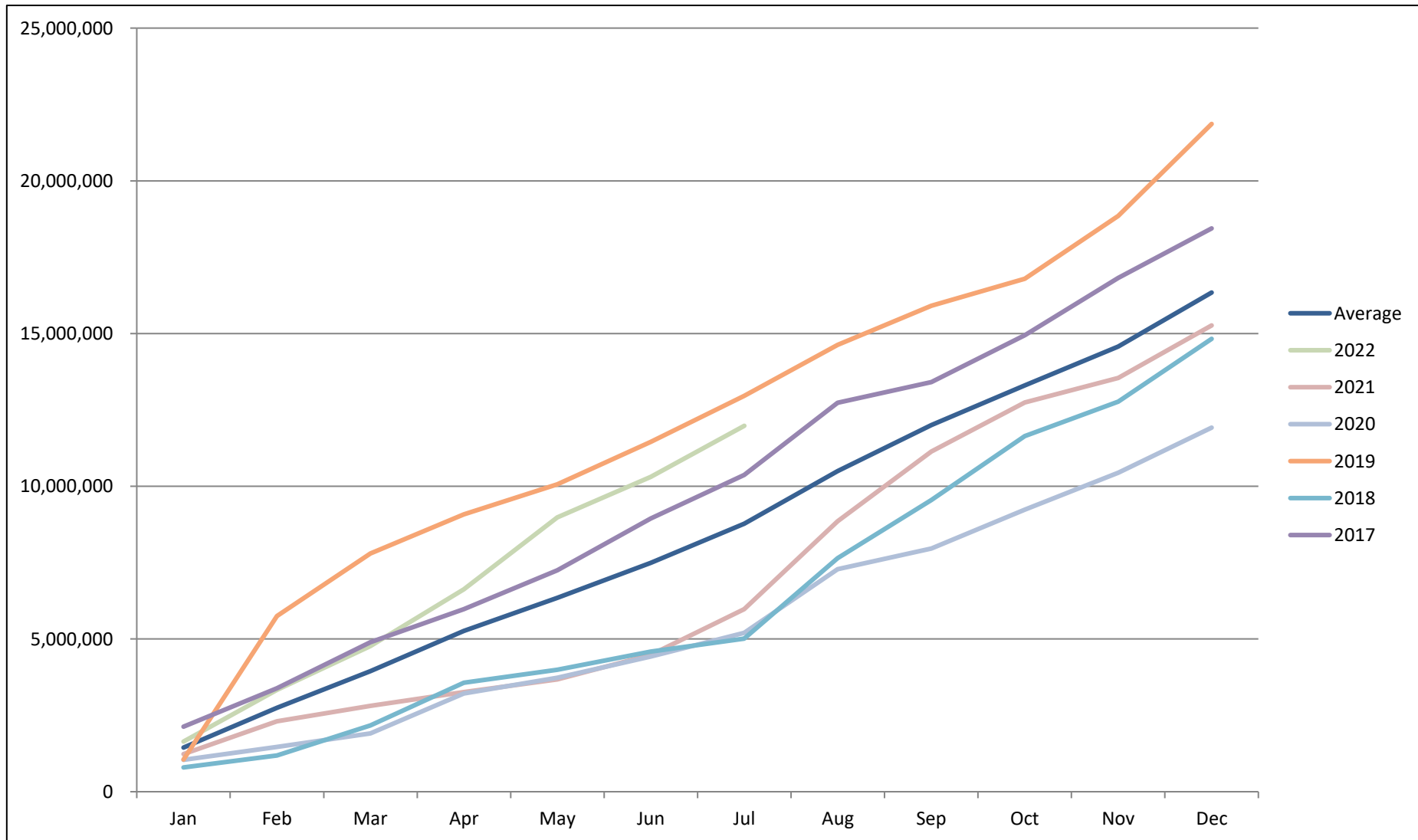
11/10/22 Finance Committee reviews Proposed Budget.

11/22/22 Board Meeting. 2023 Annual Budget presented to Board.

South Feather Water and Power Agency Power Sold By Month



South Feather Water and Power Agency
Cumulative Power Purchases
All Powerhouses



South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 BUDGET</u>	<u>2022 ESTIMATED</u>	<u>2022 ACTUAL Thru 7/31/2022</u>	<u>% of Budget</u>
REVENUE:								
41150	Sale of Electricity	19,631,871	10,640,356	17,375,993	18,350,000	18,750,000	10,784,878	59%
41502	Water Sales	0	0	5,600,000	0	37,500	0	0%
42306	Current Service Charges	15,512	12,131	54,207	17,500	17,500	16,588	95%
42331	Concession Income	0	0	0	0	0	0	0%
49250	Interest Income	665,557	427,042	(21,957)	60,000	50,000	0	0%
49321	State of CA, DWR	0	0	0	0	0	0	0%
49405	Insurance Reimbursement	601,929	80,452	67,865	75,000	80,181	80,181	107%
49521	JFOF FEMA	0	443,135	108,611	0	1,251	1,251	0%
49522	JFOF CalOES	0	114,763	58,876	0	0	0	0%
49929	Miscellaneous Income	9,306	0	2,700	3,000	1,000	1,000	33%
	Total Revenue	20,924,175	11,717,879	23,246,295	18,505,500	18,937,432	10,883,898	59%
OPERATING EXPENSES:								
	JFOF Administration, 7-60	1,784,397	1,553,895	1,297,318	1,254,049	1,254,049	694,318	55%
	JFOF Environ Health & Safety, 7-62	249,927	301,601	318,482	361,805	391,805	59,735	17%
	JFOF Power Plant Operations, 7-63	2,598,221	3,064,477	2,336,258	3,253,205	3,253,205	1,531,943	47%
	JFOF Water Collection, 7-64	1,407,771	1,360,772	1,094,383	1,213,804	1,213,804	819,025	67%
	JFOF Campgrounds, 7-65	63,417	68,420	9,252	114,381	114,381	33,035	29%
	JFOF Plant & Shop, 7-66	631,973	610,160	803,366	819,779	839,029	422,708	52%
	JFOF Regulatory Compliance, 7-67	366,331	301,879	274,360	991,085	991,085	241,801	24%
	JFOF Communications & IT, 7-68	203,186	196,466	387,077	557,992	557,992	172,682	31%
	TOTAL OPERATING EXPENSES	7,305,223	7,457,670	6,520,496	8,566,100	8,615,350	3,975,247	46%
	SUB-TOTAL, REVENUES OVER OPER EXP	13,618,952	4,260,209	16,725,799	9,939,400	10,322,082	6,908,651	
Other Non-Operating Expenses:								
	North Yuba Water District	(709,000)	(709,000)	(709,000)	(709,000)	(709,000)	(177,250)	25%
	2019 Install Purch Agmt Principal	(773,548)	(1,476,613)	(1,547,584)	0	(4,304,278)	(4,304,278)	0%
	Interest Expense	(399,896)	(308,393)	(254,956)	(99,804)	(99,804)	(99,804)	100%
	Pension Expense	(434,687)	0	0	(1,617,500)	(1,617,500)	0	0%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 BUDGET</u>	<u>2022 ESTIMATED</u>	<u>2022 ACTUAL Thru 7/31/2022</u>	<u>% of Budget</u>
	Capitla Outlay							
2010-0828	LCD Crest Modification			51,245	50,000	50,000	16,307	0%
2018-0944	JFOF PP-KPH TSV 2019			2,130	10,000	2,130	0	0%
2019-0960	KPH Septic System Repair / Replacement			0	10,000	10,000	0	0%
2020-0970	CO-CAISO meter installation			54,924	7,500	4,000	3,643	49%
2021-0971	CO-SCADA upgrade			167,109	7,500	1,000	(261)	-3%
2021-0972	FPH New Sump Oil Skimmer (Abanaki model SM8C02-F)			7,316				
2021-0973	Vehicle replacement-F350 utility worker truck w/utility bed, T-117			53,728				
2021-0974	WC-South Fork Div Dam Safety Buoys and Log Booms			8,949				0%
2021-0975	CO-SCADA master install			30,249	10,000	10,000	0	0%
2021-0976	PP-FPH Guide Bearing Oil Coolers			65,986				0%
2021-0977	JS-Truck Replacement for Comm Tech, replace T-101, 2004 Ford Expedition			38,855				0%
2021-0978	WC-STA 8 Bridge Deck Replacement			8,538				0%
2021-0979	CO-Backup generator, pad and appurtenances			31,256				0%
2021-0980	PP-Forbestown Div Dam SF-17 Access. Repl Stairs, Bridge, Trail			8,336				0%
2021-0981	CO-Generator Building at Sunset Hill Main Comm Site			12,302				0%
2021-0982	JS-Concrete aprons and approach, welding shop and hazmat			7,184	10,000	10,000	1,859	19%
2021-0983	JS-Truck Replacement for Roving Operator, replace 2005 Chevy			0	0	0	0	0%
2022-0984	WC-1 ton diesel truck, standard cab, single rear wheel				81,000	81,000	81,006	0%
2022-0985	Boom Truck with basket				230,000	230,000	227,436	0%
2022-0986	SCADA Historian server				18,000	18,000	12,935	0%
2022-0987	DAC 2 Rack Server for Scada System				50,000	50,000	24,458	0%
2022-0988	Shop Press				7,500	7,500	7,240	0%
2022-0989	Welding Shop Cabinets				35,000	35,003	35,003	0%
2022-0990	Dump truck- 2014 Peterbilt				150,000	140,000	134,368	0%
2022-0991	FPH TSV Seal Kit				55,000	55,000	0	0%
2022-0992	Storage System (SAN) replacement				30,000	30,000	0	0%
2022-0993	(3) Data Loggers: Black Rock and Kenzie Ravine. HS22+ with GOES Transmitter				27,000	27,000	1,073	0%
2022-0994	Security Cameras for Front Gates and Transformers, WPH, FPH, KPH				22,500	22,500	7,147	0%
2022-0995	Mini Excavator				85,000	85,000	0	0%
2022-0996	Bobcat Skid Steer with Power Broom Attachment				50,000	50,000	0	0%
2022-0997	Pewag Loader and Grader Snow Chains (3 Sets)				22,000	22,000	18,186	0%
2022-0998	GPS Equipment				11,000	11,000	0	0%
2022-0999	Truck Replace for Roving Operator, replace 2007 Chevy, T-112 - Broken Frame				45,000	45,000	0	0%
2021-63p / Capital	PP-HART Communicator				7,500	7,500	0	0%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 BUDGET</u>	<u>2022 ESTIMATED</u>	<u>2022 ACTUAL Thru 7/31/2022</u>	<u>% of Budget</u>
Capital Outlay (con't)								
2022-63a / Capital	FPH Cooling Water Strainer System, engineering and design proposed				25,000	25,000	0	0%
2022-63b / Capital	FPH Repaint Generator Housing, Circuit Breaker, and Transformer				150,000	150,000	0	0%
2022-63c / Capital	WPH Repaint Generator Housing and TWD System				130,000	130,000	0	0%
2022-63f / Capital	FPH Tailrace Underwater Concrete Repair				50,000	50,000	0	0%
2022-63g / Capital	FPH Penstock Recoat 60 Feet				45,000	45,000	0	0%
2022-63j / Capital	FPH Oil Level Device Upgrade				18,000	18,000	0	0%
2022-63k / Capital	WPH Oil Level Device Upgrade				18,000	18,000	0	0%
Capital Outlay (con't)								
2022-63l / Capital	KPH Sump Pump and motor				14,000	14,000	0	0%
2022-63r / Capital	FPH Gen and Exciter House Ozone Scrubber				7,500	7,500	0	0%
2022-63s / Capital	HART Field Instrument Communicator				7,100	7,100	0	0%
2022-64b / Capital	SPH PSV & penstock recoating, engineering only				12,000	12,000	0	0%
2022-64c / Capital	MRC repair, panel 210, 50'				160,000	160,000	0	0%
2022-64d / Capital	MRC Bin Wall Materials				100,000	100,000	0	0%
2022-64e / Capital	LGV Res Penstock Drain Valve Replacement				60,000	60,000	0	0%
2022-64g / Capital	LGV Res Fish Flow Valve Replacement				20,000	20,000	0	0%
2022-64j / Capital	Replace SF10 Walkway, SCDD				15,000	15,000	0	0%
2022-64k / Capital	Bangor Canal at SF 25 Shotcrete				10,000	10,000	0	0%
2022-64m / Capital	RTU Water Logger HS522+ GOES Xmitter Forbestown Ditch				7,500	7,500	0	0%
2022-66f / Capital	F150 Extra Cab with camper shell- replace T97- elect tech truck				55,000	55,000	0	0%
2022-66g / Capital	PDHQ 41KW Propane Generator with 200 amp XFER Switch				50,000	50,000	0	0%
2022-66j / Capital	F150 Crew Cab- carpool vehicle				45,000	45,000	0	0%
2022-66o / Capital	Welding Shop 3-Ph Propane Generator				35,000	35,000	0	0%
2022-67b / Capital	Sly Spillway Rockfall Mitigation (Ext)				120,000	120,000	0	0%
2022-67g / Capital	Excavate sedimentation at SCDD weir				15,000	15,000	0	0%
2022-68c / Capital	CAISO meter installations, 4 powerhouses - Outside Services				35,000	35,000	0	0%
2022-68e / Capital	WPH PSV Valve Trip System				30,000	30,000	0	0%
2022-68j / Capital	(1) GE MX RTU Processor - Spare				6,000	6,000	0	0%
2021-68it1 / Capital	Replacement Server				13,000	13,000	0	0%
2021-68it5 / Capital	Phone System Upgrade				14,000	14,000	0	0%
Total Capital Outlay		(3,573,487)	(2,157,078)	(548,107)	(2,298,600)	(1,835,239)	(570,400)	25%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 BUDGET</u>	<u>2022 ESTIMATED</u>	<u>2022 ACTUAL Thru 7/31/2022</u>	<u>% of Budget</u>
Transfers In:								
	Power Division Legacy Fund	1,096,094	0	0	0	0	0	0%
	Retiree Benefit Trust	0	1,617,546	0	0	0	0	0%
Transfers Out:								
	General Fund-Minimum Payment	(709,000)	(709,000)	(709,000)	(709,000)	(709,000)	(177,250)	25%
	General Fund-Overhead	(621,688)	(480,058)	(613,367)	(500,000)	(367,675)	(367,675)	74%
	Retiree Benefit Trust	(201,179)	0	0	0	0	0	0%
Net Non-operating, Capital Outlay and Transfers		(7,422,485)	(4,222,596)	(4,382,014)	(5,933,904)	(9,642,496)	(5,696,657)	
NET REVENUE OVER EXPENSES		6,196,467	37,613	12,343,785	4,005,496	679,586	1,211,994	
Beginning Balance		18,569,773	24,457,330	24,494,943	36,838,728	36,838,728	36,838,728	
NYWD-Additional Payment		0	0	0	(2,000,000)	(3,269,900)	(3,269,900)	
General Fund-Additional Payment		0	0	0	(2,000,000)	(3,269,900)	(3,269,900)	
Reserve for PG&E Standby		0	0	0	0	0	0	
Loan Payable to PG&E		(308,910)	0	0	0	0	0	
Ending Balance		24,457,330	24,494,943	36,838,728	36,844,224	30,978,514	31,510,922	

NOTES: (1) Per NYWD agreement, 15% working capital reserve of \$1,416,570, and \$18,783,662 contingency reserve is required, total of \$20,200,232.
 (2) Ending 12/31/20 balance includes designated reserves of \$1,617,546 for retiree benefits.

South Feather Water and Power Agency
 General Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019</u> <u>ACTUAL</u>	<u>2020</u> <u>ACTUAL</u>	<u>2021</u> <u>ACTUAL</u>	<u>2022</u> <u>BUDGET</u>	<u>2022</u> <u>ESTIMATED</u>	<u>2022</u> <u>ACTUAL</u> <u>Thru 7/31/22</u>	<u>% of</u> <u>BUDGET</u>
REVENUE:								
Water Sales Rev								
	41100 Domestic Water	2,138,729	2,674,305	2,607,133	2,500,000	2,500,000	1,282,148	51%
	41400 Irrigation Water	218,507	263,727	282,060	300,000	300,000	148,950	50%
	41420 Water Sales, NYWD to Yuba City	190,388	195,300	199,215	200,000	200,000	0	0%
	Sub-Total Water Sales Rev	2,547,624	3,133,332	3,088,408	3,000,000	3,000,000	1,431,098	48%
Power Revenue								
	41305 Sly Cr Pwr Generation	2,128,918	1,297,452	1,816,122	1,850,000	1,850,000	1,194,045	65%
	41306 Surplus Wtr	87,360	25,164	156,026	50,000	50,000	0	0%
	Sub-Total Power Rev	2,216,278	1,322,616	1,972,148	1,900,000	1,900,000	1,194,045	63%
Water Serv Chgs								
	42301 Sundry Billing (Job Orders)	173,718	57,108	265,038	75,000	100,000	91,167	122%
	42321 Annexation Fees	0	0	26,239	0	26,500	26,422	100%
	42341 System Capacity Charges	NA	69,801	61,082	50,000	130,000	122,141	244%
	Other Water Serv Charges	132,685	29,249	54,799	50,000	50,000	20,282	41%
	Sub-Total Water Serv Chgs	306,403	156,158	407,158	175,000	306,500	260,012	149%
Non-Oper Revenue								
	49250 Interest Earnings	85,264	108,903	1,070	1,000	1,000	131,450	13145%
	49311 Property Taxes	663,748	681,269	718,188	710,000	710,000	339,787	48%
	49405 ACWA/JPIA RPA	82,631	103,294	40,381	50,000	45,377	45,377	91%
	49625 Back Flow Installation	14,021	9,400	5,385	10,000	5,000	4,110	41%
	49630 Back Flow Inspection	123,738	127,236	130,550	140,000	135,000	79,023	56%
	Cal-Fire grant for wood chipper	0	0	0	32,716	32,716	0	0%
	Fed/State/County Palermo clean water	0	0	0	539,000	539,000	0	0%
	Other Non-Oper Rev	4,413	31,455	2,672	2,500	2,500	66	3%
	Sub-Total Non-Oper Rev	973,815	1,061,557	898,246	1,485,216	1,470,593	599,813	40%
	TOTAL GENERAL FUND REVENUE	6,044,120	5,673,663	6,365,960	6,560,216	6,677,093	3,484,968	53%

South Feather Water and Power Agency
 General Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	2019	2020	2021	2022	2022	2022	% of
		<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>ACTUAL</u> <u>Thru 7/31/22</u>	
OPERATING EXPENSES:								
General Admin, 1-50		1,182,674	977,703	1,658,116	1,027,411	1,027,411	500,789	49%
Water Source, 1-51		17,468	16,117	14,888	15,000	17,500	16,536	110%
Environmental Health & Safety, 1-52		213,741	239,863	231,412	259,075	259,075	63,803	25%
Water Treatment, 1-53		1,662,849	1,923,429	1,779,710	2,295,263	2,295,263	1,146,584	50%
Transmission & Distribution, 1-54		2,277,469	2,528,134	2,106,846	2,922,561	2,922,561	1,210,260	41%
Customer Accounts, 1-55		869,709	990,535	960,561	1,461,631	1,461,631	644,674	44%
General Plant & Shop, 1-56		682,711	698,537	552,787	751,371	781,371	402,175	54%
Sundry, 1-57		67,263	49,859	104,853	46,000	90,000	55,865	121%
Information Systems, 1-58		420,975	499,957	381,048	552,153	552,153	183,968	33%
Sly Creek Power Plant, 1-61		498,384	438,309	393,843	447,577	452,077	199,376	45%
TOTAL OPERATING EXPENSES		7,893,243	8,362,443	8,184,064	9,778,042	9,859,042	4,424,030	45%
SUB-TOTAL, REVENUES OVER OPER EXP		(1,849,123)	(2,688,780)	(1,818,104)	(3,217,826)	(3,181,949)	(939,062)	29%
Other Non-Operating Expenses								
	Supplies & Services	1,100	3,600	3,400	3,250	3,400	0	0%
	Interest	844,634	826,793	808,521	793,950	812,839	404,112	51%
	Principal	580,000	600,000	615,000	635,000	635,000	635,000	100%
	Pension Expense	349,513	0	0	1,977,000	1,977,000	0	0%
Other Non-Operating Expenses:								
CAPITAL OUTLAY:								
2019-0192	TD-Distribution System Remote Monitoring			9,551	10,000	10,000	5,438	54%
2020-0198	Community Line, Foothill Blvd./Oro Bangor Hwy to Grange			68,058				
2020-0200	Oro-Bangor Hwy/BTP to Avacado			48,097	500	500	394	79%
2020-0970	SPH-CAISO meter installation			26,094	2,500	2,500	1,214	49%
2021-0204	MRTP #2 raw water pump replacement			64,907				
2021-0205	Hwy 162 / Arbol			129,559				
2021-0206	IT-MRTP SAN replacement			23,185				
2021-0207	CA-Meter reader communications			1,750	0	4,560	4,557	100%
2021-0208	Replace 1998 Bobcat mini excavator, E-123			0	70,000	70,000	0	0%
2021-0209	IT-Fiber optic and switches replacement			0	18,500	18,500	0	0%
2021-0210	Replace 2009 Ford F-350, T-82			0	60,000	60,000	0	0%
2021-0971	SPH-SCADA upgrade			55,638	2,500	2,500	0	0%

South Feather Water and Power Agency
 General Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	2019	2020	2021	2022	2022	2022	% of
		<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>Thru 7/31/22</u>	<u>BUDGET</u>
CAPITAL OUTLAY (Con't)								
2022-0212	Vacuum, portable, towable				30,000	30,000	29,706	99%
2022-0213	Shotcrete Pinecrest (pipe)				60,000	60,000	22,304	37%
2022-0214	Streaming Current Analyzer with Organics module				22,000	22,000	21,742	99%
2022-0215	Ditchtender vehicle, 2021 Ford Ranger, T-318				43,000	43,000	42,785	100%
2022-0216	SPH station air compressor				10,500	11,000	10,997	105%
2022-0217	Meter Service Technician vehicle, 2022 Ford F250				70,000	70,000	69,682	100%
2022-0218	Storage System (SAN) replacement				30,000	33,000	32,743	109%
2022-0219	Palermo clean water 2022				539,000	539,000	30,802	0%
2022-0220	MRTP security cameras upgrade				15,000	15,000	7,896	53%
2022-0221	SPH security cameras for front gate and transformer				7,500	7,500	2,437	0%
2022-0222	Trailer for Bobcat (see 2021-0208)				30,000	30,000	28,305	0%
2022-0223	GPS Equipment				10,000	8,200	0	0%
2022-0224	Wood chipper				52,716	40,000	0	0%
2022-53b / Capital	MRTP metal storage building				40,000	40,000	0	0%
2022-53c / Capital	Portable, towable generator for BTP/Shop				25,000	25,000	0	0%
2022-53f / Capital	Replacement truck for T177				35,000	35,000	0	0%
2022-53k / Capital	Solar field inverter replacement				115,000	115,000	0	0%
2022-53l / Capital	Filter NTU meters replacement, 4				20,000	20,000	0	0%
2022-54k / Capital	Miller Hill Gauging Station				12,000	12,000	0	0%
2022-54l / Capital	Oro Pond Service Lines and Meters replacement				22,000	22,000	0	0%
2022-54o / Capital	Coventry Interloop				50,000	50,000	0	0%
2022-54p / Capital	South Villa Raw Water Pipe Replacement				75,000	75,000	0	0%
2022-54q / Capital	Oakvale Palermo Canal 900' Shotcrete				37,000	37,000	0	0%
2022-54r / Capital	Oro Bangor - Malengo Domestic Pipe Replacement 600'				36,000	36,000	0	0%
2022-54s / Capital	Culvert Replacement Ridgeway				20,000	20,000	0	0%
2022-54t / Capital	North Ditch Lincoln to Messina irrigation - Engineering Study for design				18,000	18,000	0	0%
2022-54u / Capital	Meter tester, 2				9,600	9,600	0	0%
2022-56c / Capital	Bulk filling water station				0	0	0	0%
2022-56d / Capital	Replace 1990 Ford F700 diesel/flatbed dump, T-132				100,000	100,000	0	0%
2022-56e / Capital	Replace 2012 Ford F150 4x4, T-304				45,000	45,000	0	0%
2022-56f / Capital	Replace 10 yd dump truck, 1983, T-59				0	0	0	0%
2022-58g / Capital	Phone System Upgrade				18,500	18,500	0	0%
2022-61c / Capital	SPH PSV Roof Replacement and Rockfall Protection				75,000	75,000	0	0%
2022-61d / Capital	SPH Bearing Cooling Water Flow Device Upgrade				20,000	20,000	0	0%
2022-61e / Capital	SPH oil flow device upgrade				20,000	20,000	0	0%
2022-61h / Capital	SPH Bitronics line-side metering xducer				8,000	8,000	0	0%
Total Capital Outlay		239,171	307,591	426,839	1,884,816	1,878,360	311,002	17%

South Feather Water and Power Agency
 General Fund Financial Report
 August 23, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 BUDGET</u>	<u>2022 ESTIMATED</u>	<u>2022 ACTUAL Thru 7/31/22</u>	<u>% of BUDGET</u>
Transfers:								
	SFPP Jt Facil Oper Fd-Minimum Payment	709,000	709,000	709,000	709,000	709,000	177,250	25%
	SFPP Jt Facil Oper Fd-Additional Payment	0	0	0	5,374,000	3,269,900	3,269,900	61%
	SFPP Jt Facil Oper Fd-Overhead	621,688	480,058	613,367	675,000	367,675	367,675	54%
	System Capacity Fund	0	194,946	0	0	0	0	0%
	Retiree Benefit Trust Fund	(320,821)	1,977,001	0	0	0	0	0%
Net Non-operating, Capital Outlay and Transfers		(1,004,551)	1,623,021	(531,393)	1,463,984	(960,024)	2,464,711	168%
NET REVENUE OVER EXPENSES		(2,853,674)	(1,065,759)	(2,349,497)	(1,753,842)	(4,141,973)	1,525,649	
Beginning Balance		9,558,641	6,704,967	5,639,208	3,289,712	3,289,712	3,289,712	
Ending Balance		<u>6,704,967</u>	<u>5,639,208</u>	<u>3,289,712</u>	<u>1,535,869</u>	<u>(852,262)</u>	<u>4,815,360</u>	

NOTE: Ending 12/31/20 balance includes designated reserves of \$1,977,001 for retiree benefits.

South Feather Water & Power Agency
 Irrigation Water Accounting
 For The Period Of 1/1/2022 - 7/31/2022

<u>ACCT CODE</u>	<u>DESCRIPTION</u>	<u>REVENUE</u>	<u>EXPENSES</u>
2022-0504	Palermo Canal	\$ 53,087	\$ 191,558
2022-0505	Bangor Canal	\$ 71,887	\$ 158,020
2022-0506	Forbestown Canal	\$ 8,421	\$ 134,551
2022-0507	Community Line	\$ 15,555	\$ 21,046
	Totals	<hr/> \$ 148,950	<hr/> \$ 505,175

SOUTH FEATHER WATER AND POWER AGENCY
SCHEDULE OF CASH AND INVESTMENTS
31-Jul-22

General Fund Cash and Savings Account	\$ 1,561,291
LAIF	23,873,646
CalTrust	1,382,688
Five Star Bank	1,112,288

<u>Fixed Income portfolio</u>	<u>Rate</u>	<u>Purch Date</u>	<u>Purch Price</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Mkt Value</u>	<u>Est Ann Income</u>
Cash						262,584	\$ -
Bank Hapoalim CD	0.250%	8/26/2020	245,000	245,000	8/26/2022	244,620	613
Wells Fargo Bank CD	1.850%	9/18/2019	245,000	245,000	9/19/2022	244,848	4,533
Safra Natl Bank CD	0.250%	12/9/2021	245,000	245,000	12/8/2022	243,023	613
Goldman Sachs CD	1.850%	12/12/2019	60,000	60,000	12/12/2022	59,858	1,110
Morgan Stanley Private Bank CD	1.850%	12/19/2019	50,000	50,000	12/19/2022	49,872	925
First Heritage Bank CD	0.250%	6/23/2020	140,000	140,000	12/19/2022	138,775	350
Cache Valley Bank CD	1.650%	1/15/2020	203,000	203,000	1/17/2023	202,123	3,350
Wells Fargo Natl Bank West CD	1.900%	1/17/2020	245,000	245,000	1/17/2023	244,226	4,655
Sandy Spring Bank CD	0.650%	2/18/2022	245,000	245,000	2/17/2023	242,273	1,593
People First Bank CD	1.350%	3/6/2020	134,000	134,000	3/6/2023	132,931	1,809
American Express Natl Bank CD	1.450%	1/31/2020	245,000	245,000	3/31/2023	242,915	3,553
JP Morgan Chase Bank CD	1.500%	4/19/2022	245,000	245,000	4/19/2023	242,773	3,675
Bank of China CD	2.100%	6/15/2022	240,000	240,000	6/15/2023	238,246	5,040
Bmo Harris Bk CD	2.800%	7/1/2022	245,000	245,000	7/14/2023	244,478	6,860
Luana Savings Bank CD	0.200%	8/14/2020	245,000	245,000	8/14/2023	234,804	490
John Marshall Bancorp CD	0.400%	12/31/2021	245,000	245,000	8/31/2023	237,946	980
Synchrony Bank CD	0.400%	9/30/2021	245,000	245,000	9/29/2023	237,209	980
Medallion Bank CD	0.250%	10/26/2020	135,000	135,000	10/27/2023	130,240	338
New York Community Bank CD	0.300%	11/9/2020	245,000	245,000	11/9/2023	236,276	735
Beal Bank CD	0.600%	12/20/2021	245,000	245,000	12/20/2023	236,364	1,470
Federal Home Loan Bond	0.190%	12/29/2020	249,777	250,000	12/22/2023	240,190	475
US Treasury Note	0.881%	1/18/2022	258,479	262,000	3/15/2024	250,834	2,308
Bankunited Bank CD	0.350%	3/15/2021	245,000	245,008	3/19/2024	233,666	858
Ally Bank CD	1.700%	3/25/2022	245,000	245,000	3/25/2024	238,895	4,165
Comenity Capital Bank CD	2.250%	4/14/2022	245,000	245,000	4/15/2024	240,845	5,513
Web Bank CD	0.400%	5/11/2021	245,000	245,000	5/17/2024	232,652	980
UBS Bank CD	0.350%	6/23/2021	245,000	245,000	6/24/2024	231,569	858
Texas Exchange Bank CD	0.500%	7/9/2021	105,000	105,000	7/9/2024	99,397	525
Toyota Finl Svgs Bank CD	0.550%	8/5/2021	245,000	245,000	8/5/2024	231,704	1,348
BMW Bank CD	1.700%	3/4/2022	245,000	245,000	9/4/2024	236,805	4,165
State Bank of Dallas CD	0.700%	12/31/2021	245,000	245,000	10/1/2024	231,312	1,715
Institution for Svg in Newburyport CD	0.700%	10/28/2021	245,000	245,000	10/28/2024	230,819	1,715
Merrick Bank CD	0.800%	11/19/2021	245,000	245,000	11/19/2024	230,979	1,960
Live Oak Banking CD	0.850%	12/29/2021	245,000	245,000	12/30/2024	230,538	2,083

SOUTH FEATHER WATER AND POWER AGENCY
 SCHEDULE OF CASH AND INVESTMENTS
 31-Jul-22

General Fund Cash and Savings Account	\$ 1,561,291
LAIF	23,873,646
CalTrust	1,382,688
Five Star Bank	1,112,288

<u>Fixed Income portfolio</u>	<u>Rate</u>	<u>Purch Date</u>	<u>Purch Price</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Mkt Value</u>	<u>Est Ann Income</u>
Federal Home Loan Bond	1.250%	1/28/2022	250,000	250,000	1/28/2025	238,575	3,125
Federal Home Loan Bond	1.550%	2/18/2022	249,781	250,000	2/18/2025	240,035	3,875
Capital One Natl Assn	3.100%	6/16/2022	246,000	246,000	6/16/2025	243,725	7,626
Capital One Bank USA CD	0.900%	11/17/2021	245,000	245,000	11/17/2025	225,513	2,205
Federal Home Loan Bond	0.680%	12/15/2021	243,905	250,000	2/24/2026	230,463	1,700
State Bank of India CD	1.000%	6/10/2021	245,000	245,000	6/10/2026	223,053	2,450
Total Fixed Income Portfolio						8,907,953	\$ 93,315
							1.05%
TOTAL CASH & INVESTMENTS AT 7/31/22						\$ 36,837,866	

Unrealized Gains and Losses 01-00-49250-2 (328,568)

I certify that all investment actions have been made in full compliance with Policy #470- Investments, and that South Feather Water and Power Agency will meet its expenditure obligations for the next six months.

Submitted by: Steve Wong, Finance Division Manager 8/16/22

Investment Transactions July, 2022
 \$245,000 CD purchased 7/1/2022 from BMO Harris Bank, 2.800%, maturing 7/14/2023 with funds from TCB General Fund.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors
FROM: Dan Leon, Power Division Manager
DATE: August 18, 2022
RE: General Information (regarding matters not scheduled on agenda)
August 23, 2022 Board of Directors Meeting

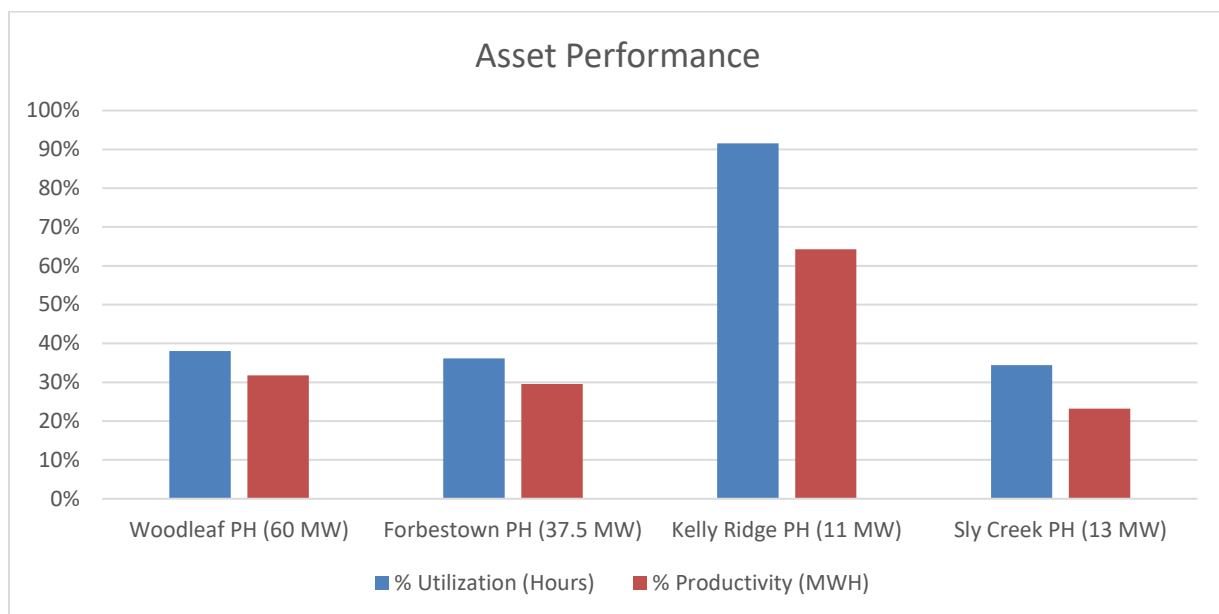
OPERATIONS

Power Division Summary, Reservoir Storage, and Precipitation Reports for July 2022 are attached.

South Fork tunnel average flow was 25 CFS. Slate Creek tunnel was closed for the month. Little Grass Valley and Sly Creek Reservoirs combined storage was 123 kAF at month's end.

DWR Bulletin 120 observed conditions and reports will resume in the 2023 water season.

Asset performance and availability for July 2022 summarized in the following tables:



Asset Availability				
a. Powerhouse	b. Capacity MW	c. Available for Generation Hrs	d. Generation Dispatched above 50% Output Hrs	e. Generation Dispatch Potential Output Hrs
Woodleaf	60.0	744	255	489
Forbestown	37.5	744	239	505
Kelly Ridge	11.0	744	416	328
Sly Creek	13.0	743	209	534

MAINTENANCE

Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for February 6 thru 18, 2023.
- Forbestown Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for March 5 thru 18, 2023. Inspect and repair stop log gates. Replace transfer switch for 208V standby generator.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for October 3 thru 14, 2022.
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for November 1 thru 12, 2022.

Project Facilities and Assets

- Repair trash rack at South Fork Diversion Dam
- Perform annual PMs at Slate Creek Div Dam
- Plan repairs for Sly Creek Dam valve chamber
- Perform annual PMs at Sly Creek Dam
- Inspect mid-level valves at Lost Creek Dam, remove log debris
- Perform maintenance on Forbestown Div Dam valve controls
- Perform inspections along MRC, clean trash racks, plan for maintenance of siphons
- Fabricate MRC personnel crossings
- Inspect and maintain project roads, remove fallen trees and debris
- Design replacement Powerhouse Gen sync systems
- Install security cameras at various project locations
- Perform maintenance of Scada and control system
- Perform vehicle fleet and equipment maintenance
- Replace grader snow plow cylinders

REGULATORY COMPLIANCE

No new update.

PERSONNEL

No new update.

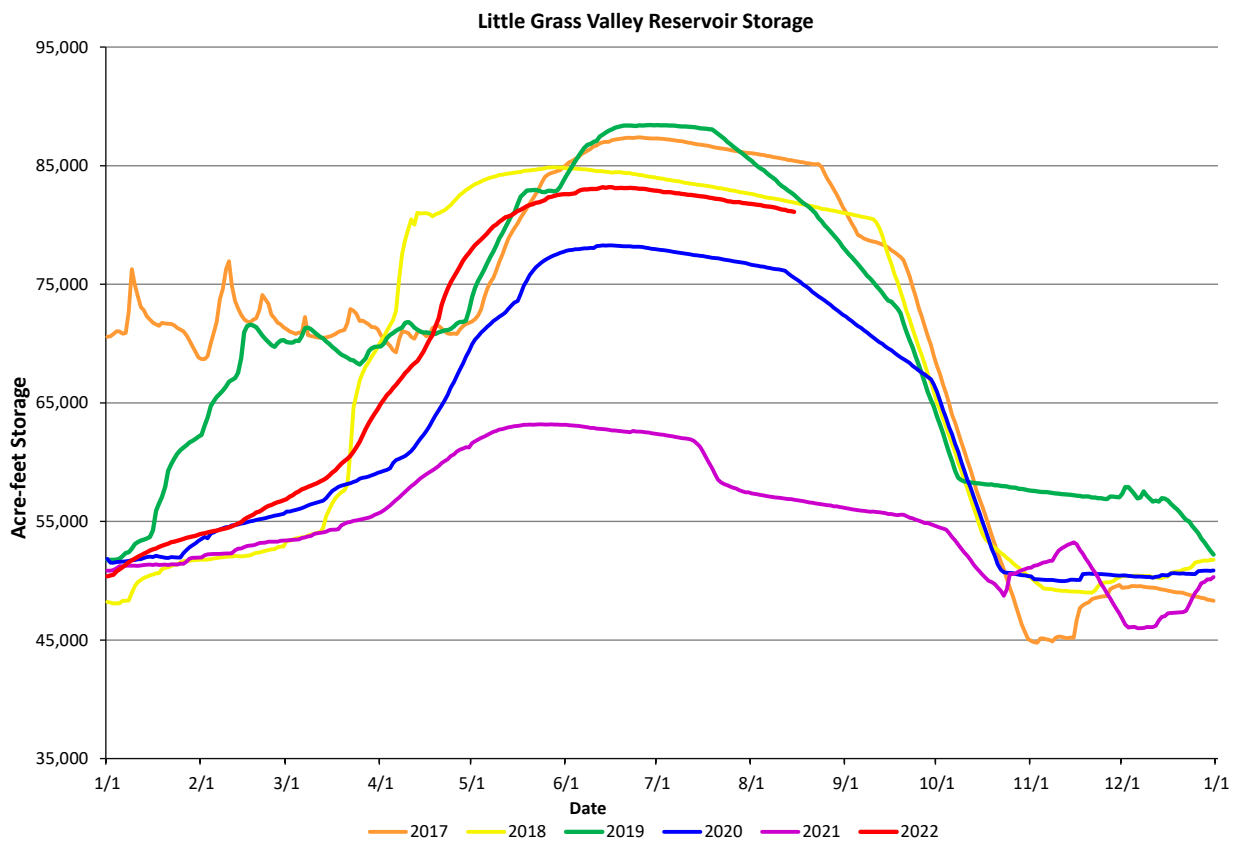
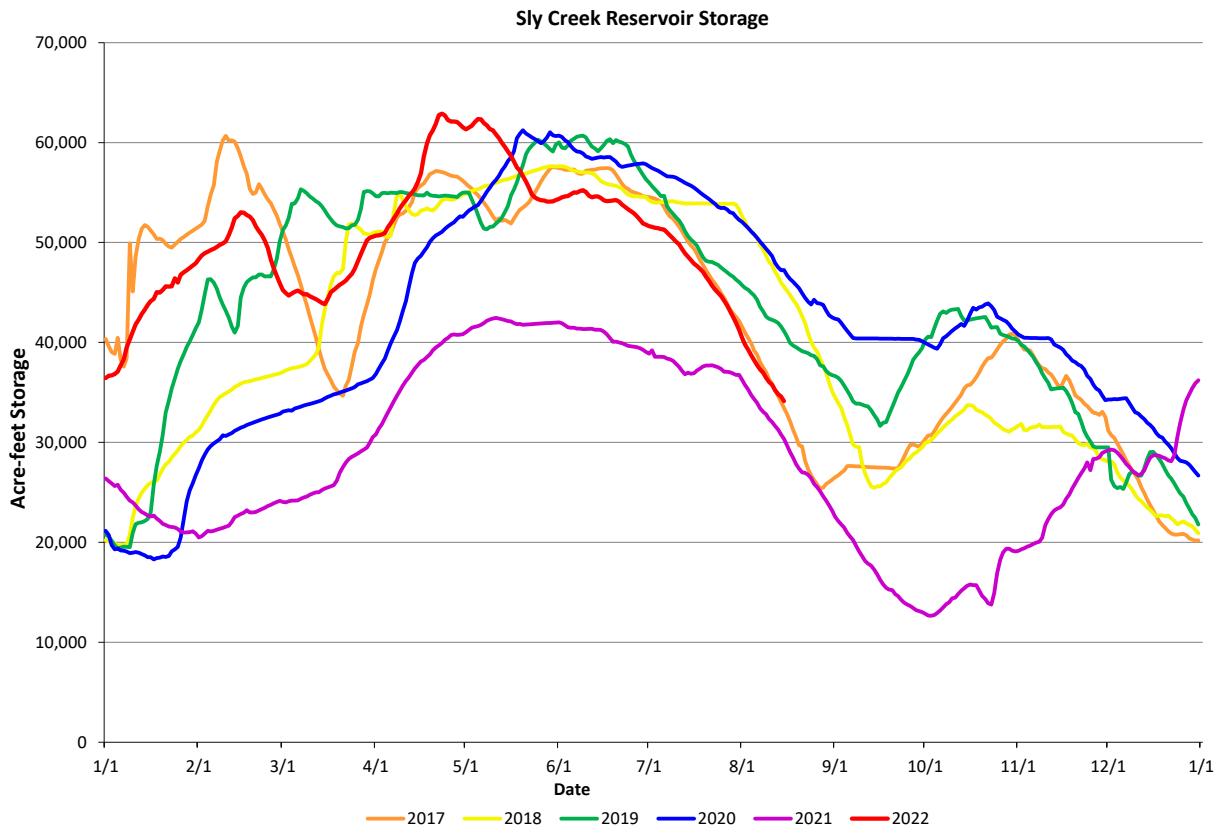
**SOUTH FEATHER WATER AND POWER
SOUTH FEATHER POWER PROJECT
2022
Reservoir and Stream Operations**

	RESERVOIR ELEVATIONS				MONTHLY AVERAGE STREAM RELEASES			
	Little Grass Valley		Sly Creek		Release to SFFR at LGV Dam	Release to SFFR at Forbestown Div.	Release at Lost Creek Dam	Release at Slate Creek Div.
Maximum Elevation End of Month Conditions	5,046.50	Feet	3,530.00	Feet				
January	5,021.62	Feet	3,503.78	Feet	9.02	8.73	6.26	27.50
February	5,024.00	Feet	3,500.10	Feet	8.98	8.88	6.05	58.00
March	5,029.98	Feet	3,508.61	Feet	9.10	130.00	6.23	56.40
April	5,039.24	Feet	3,526.74	Feet	9.62	8.54	9.47	98.20
May	5,042.45	Feet	3,514.98	Feet	12.00	11.00	8.77	16.00
June	5,042.65	Feet	3,510.75	Feet	12.00	11.00	8.56	40.40
July	5,041.94	Feet	3,490.81	Feet	12.00	11.50	8.65	14.30
August		Feet		Feet	0.00	0.00	0.00	0.00
September		Feet		Feet	0.00	0.00	0.00	0.00
October		Feet		Feet	0.00	0.00	0.00	0.00
November		Feet		Feet	0.00	0.00	0.00	0.00
December		Feet		Feet	0.00	0.00	0.00	0.00

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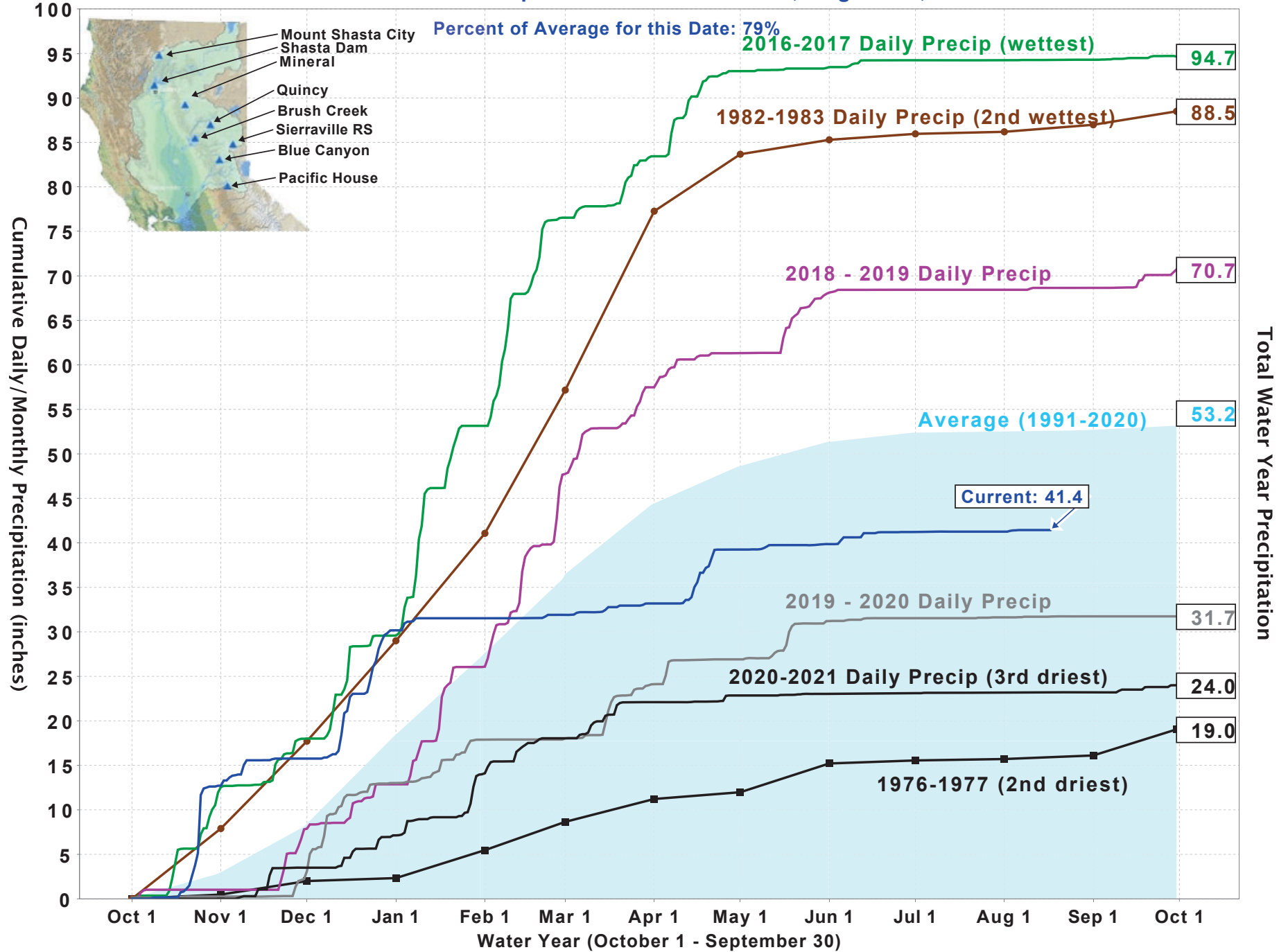
Powerhouse Operations

	Sly Creek	Woodleaf	Forbestown	Kelly Ridge	Energy Revenue
January	910.68 MWH	9,297.13 MWH	7,999.08 MWH	7,278.25 MWH	\$1,641,696.41
February	2,910.21 MWH	18,852.06 MWH	11,815.69 MWH	4,440.01 MWH	\$1,692,562.10
March	1,728.43 MWH	14,205.95 MWH	3,751.40 MWH	6,486.46 MWH	\$1,430,669.02
April	2,740.50 MWH	17,263.57 MWH	11,188.58 MWH	802.41 MWH	\$1,862,903.13
May	3,872.83 MWH	22,907.00 MWH	13,925.16 MWH	5,838.52 MWH	\$2,357,259.91
June	970.41 MWH	5,148.21 MWH	3,419.48 MWH	2,962.69 MWH	\$1,319,935.00
July	2,244.27 MWH	14,198.19 MWH	8,245.23 MWH	5,260.71 MWH	\$1,673,911.24
August	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
September	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
October	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
November	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
December	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
	<u>15,377.33</u> MWH	<u>101,872.11</u> MWH	<u>60,344.63</u> MWH	<u>33,069.05</u> MWH	<u>\$11,978,936.81</u>



Northern Sierra Precipitation: 8-Station Index, August 17, 2022

6





SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Rath Moseley, General Manager

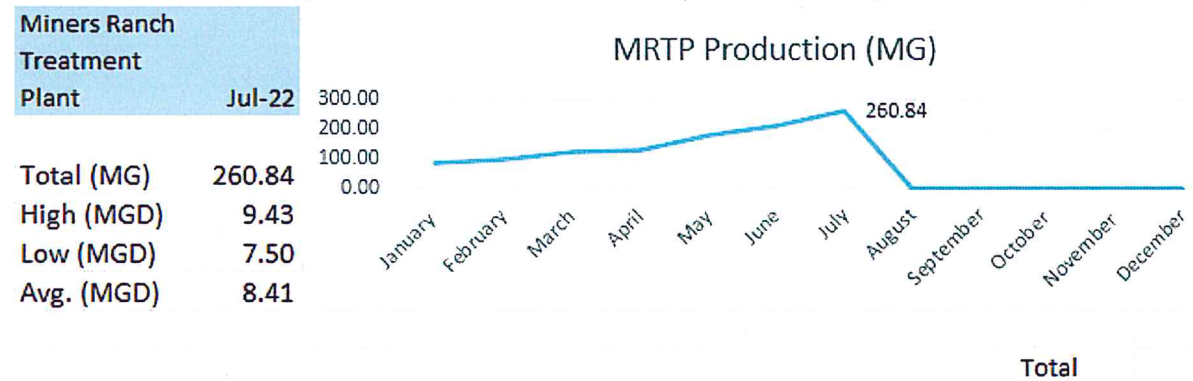
DATE: August 16, 2022

RE: General Information (regarding matters not scheduled on the agenda)
8/23/22 Board of Directors Meeting

Domestic Water Treatment Operations

The total Miners Ranch Treatment Plant (MRTP) treated water production for the month of July totaled 260.84 million gallons.

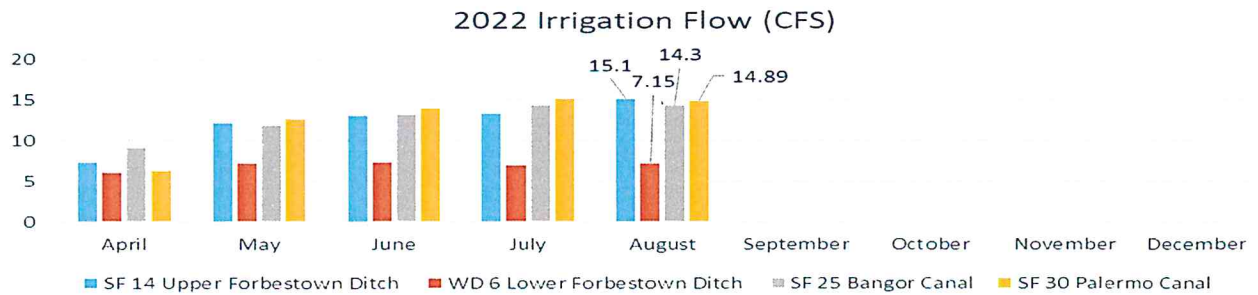
The total Bangor Treatment Plant (BTP) treated water production for the month of July totaled 1.29 million gallons. The Red Hawk Ranch Pump Station raw water total flow for July totaled 739,168 gallons.



All bacteriological requirements were in compliance for the MRTP& BTP. Miners Ranch production was 94% of average over the past 5 years. Bangor's production was 100% of average over the past 5 years.

Irrigation Water Operations

All canals and ditches are in full operation. Maintenance emphasis on Palermo Canal, Miller Hill and South Ditch.



District Wide Water Operations

Preparation for Palermo water extension and water accounting/conservation were a focus during the month.

Aug-22	Install Meter/ Backflows	Locate Main	Weed Abatement Lake Wyandotte	Test Meters / Backflows District Wide	Hydrant Flow Tests Valley View	Leak Repair Brookdale Ct.	Replace Angle Stop Highlands Blvd.	Ditch Maintenance Palermo Canal
	Plumas Dr.	Irwin Ave.						
	Whitney Ct.	Ludlum				Meadowview	Oakpark Way	Miller Hill
	Blazeford					La Mirada		South Ditch
	Foothill					Canal Dr.		

Palermo Water Consolidation Project

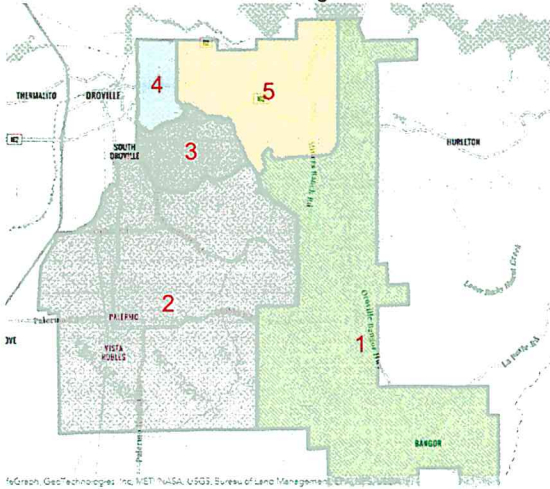
Annexation of the project area will be on the September LAFCO Board Agenda. Assuming approval with little community opposition the first phase of work will begin in October.

Material has been ordered and staff is identifying “sub-phases” to begin mainline extensions. Meter to dwelling connections will not begin until 2023 based on supply chain and grant funding.

Butte County General Election

The candidate filing period ended August 12th.

SFWPA Division seats seeking election are as follows.



Division 1

- Tod Hickman – Incumbent
- Brad Hemstalk – Retired Firefighter

Division 3

- Mark Grover – County Water Commissioner

Division 4 – Short Term

- Ruth Duncan – Appointed Incumbent

Division 5

- John Starr – Incumbent

State Water Supply Strategy

A California Water Supply Strategy published by the State titled "Adapting to a hotter, Drier Future" was introduced in August. Of particular note is section 3.1: Urban Conservation and the development of short-term efficiency based conservation targets. The impacts that could be imposed on a rural supplier like South Feather should be carefully examined. SF's first focus with the state will be that conservations efforts and targets should apply to all water districts regardless of the quantity of domestic customers. There are a large number of small districts and regionalization could be the mechanism for increased water storage management, delivery/reporting improvements and financial efficiency gains for tax payers in the state.

Gov. Gavin Newsom Releases 19-Page California Water Supply Strategy Plan

Strategy.

This plan directs state agencies to accelerate permits and provide more funding to cities and local water districts to embark on necessary water infrastructure projects.

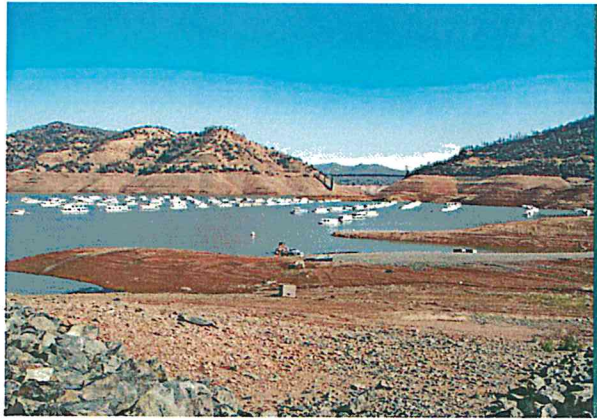
These projects include building new reservoirs, desalination plants and recycled water projects.

"So much of the water conversation in this state has been about conservation, a scarcity mindset," Newsom said, reported The Mercury News. "But that's a relatively small component of the overall strategy we are introducing here today. What we are focusing on is creating more supply. We are focusing on creating more water."

The strategy includes:

- Creating storage space for up to 4 million acre-feet of water by capitalizing on big storms and storing water for dry periods;
- Recycling and reusing at least 800,000 acre-feet of water per year by 2030 enabling safer use of wastewater currently discharged to the ocean;
- Freeing up 500,000 acre-feet of water through more efficient water use and conservation; And
- Making new water available for use by capturing storm water and desalinating ocean water and salty water in groundwater basins.

The document in its entirety is included on the following pages for review. Staff will monitor status and update the board and district and district customers as momentum progresses.



AUG 2022 CALIFORNIA'S WATER SUPPLY STRATEGY
Adapting to a Hotter, Drier Future



Introduction

Our climate has changed. We are experiencing extreme, sustained drought conditions in California and across the American West caused by hotter, drier weather. Our warming climate means that a greater share of the rain and snowfall we receive will be absorbed by dry soils, consumed by thirsty plants, and evaporated into the air. This leaves less water to meet our needs.

This is our new climate reality, and we must adapt.

During his first months in office, Governor Newsom issued an **executive order** calling on State Agencies to create a comprehensive **Water Resilience Portfolio**. The Portfolio prioritized 10 key actions to secure California's water future. *Over the last two years we've **made major progress** that includes:* bringing our groundwater basins into balance; updating infrastructure to move water throughout the state; restoring river systems, including the nation's largest dam removal effort on the Klamath River; and improving water management through new voluntary agreements and technology improvements.

California is investing billions of dollars into these actions to secure the future of California's water supply.

Over the last three years, **state leaders have earmarked more than \$8 billion to modernize water infrastructure and management.** The historic three-year, \$5.2 billion investment in California water systems enacted in 2021-22 has enabled emergency drought response, improved water conservation to stretch water supplies, and scores of projects by local water suppliers to become more resilient to current and future droughts. The 2022-23 budget includes an *additional* \$2.8 billion for drought relief to hard-hit communities, water conservation, environmental protection for fish and wildlife, and long-term projects to permanently strengthen drought resilience.

Over the last two years, scientists and water managers have been alarmed by the accelerating impacts of the warming climate on our water supply. **We now know that hotter and drier weather could diminish our existing water supply by up to 10% by 2040.** So we are *taking action*.

We have invested billions in securing the future of California's water supply and this focused *Water Supply Strategy* updates state priorities based on new data and accelerating climate change.

To ensure California has the water needed for generations to come, this Strategy includes:

- **Create storage space for up to 4 million acre-feet of water**, allowing us to capitalize on big storms when they do occur and store water for dry periods
- **Recycle and reuse at least 800,000 acre-feet of water per year by 2030**, enabling better and safer use of wastewater currently discharged to the ocean
- Free up 500,000 acre-feet of water for new purposes each year by **permanently eliminating water waste** and using water more efficiently
- Make new water available for use by **capturing stormwater and desalinating ocean water and salty water in groundwater basins**, diversifying supplies and making the most of high flows during storm events

To match the pace of climate change, California must move smarter and faster to update our water systems. **The modernization of our water systems will help replenish the water California will lose due to hotter, drier weather, and generate enough water for more than 8.4 million households.**

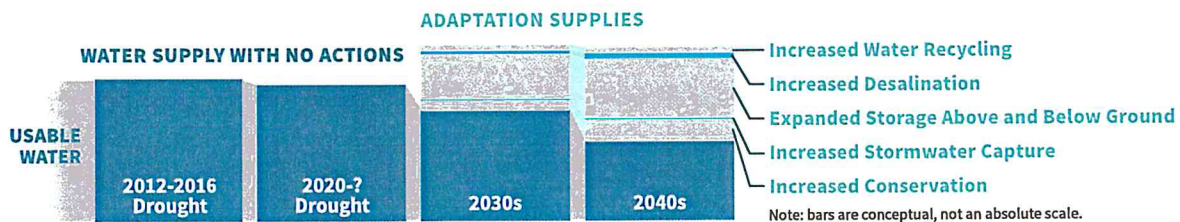
CALIFORNIA'S WATER SUPPLY STRATEGY

Adapting to a Hotter, Drier Future

This document outlines California's strategy and priority actions to adapt and protect water supplies in an era of rising temperatures.

Over the next 20 years, California could lose 10 percent¹ of its water supplies.

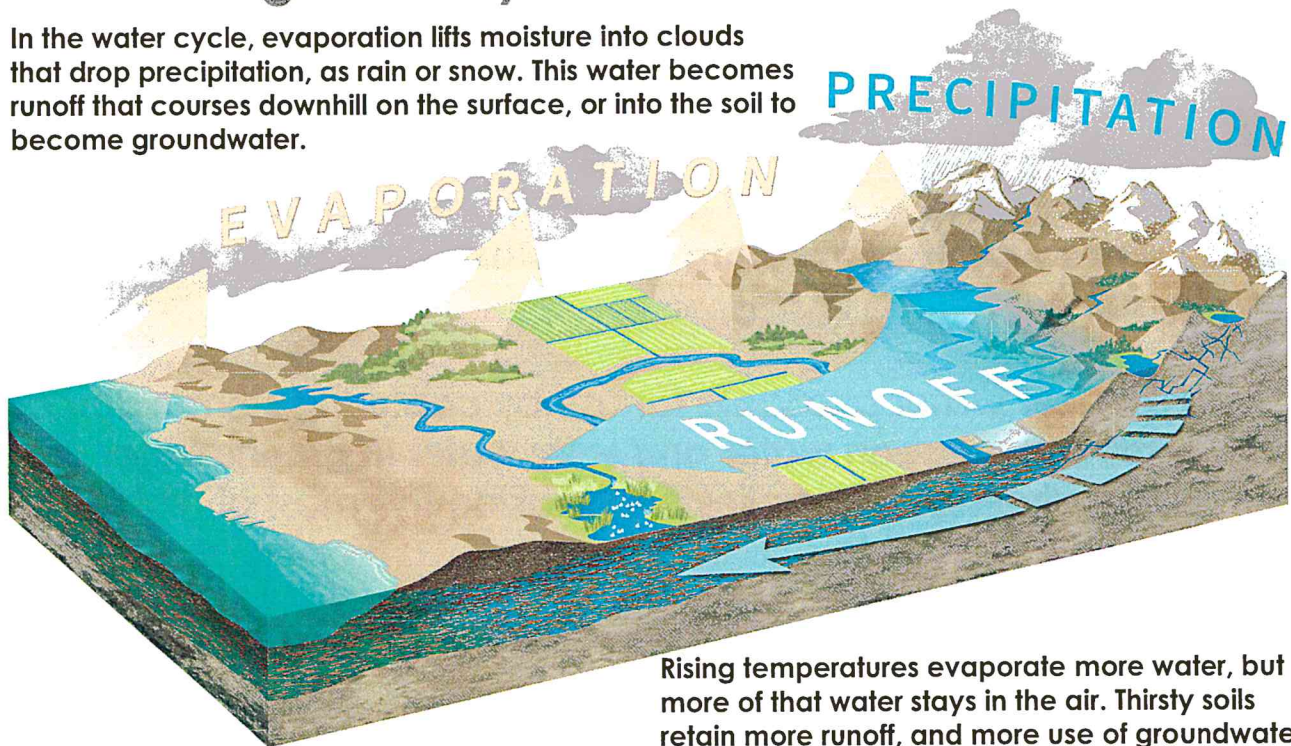
Our climate has changed, and the West continues to get hotter and drier. As it does, we will see on average less snowfall, more evaporation, and greater consumption of water by vegetation, soil, and the atmosphere itself.



In previous droughts the ratio of precipitation to evaporation to runoff has been similar. However, as temperatures rise, evaporation increases, with the consequence of a fall in runoff. As average temperatures continue to increase, the increase in evaporation will continue, with a concurrent drop in runoff.

The coming water cycle: the air claims more

In the water cycle, evaporation lifts moisture into clouds that drop precipitation, as rain or snow. This water becomes runoff that courses downhill on the surface, or into the soil to become groundwater.



Rising temperatures evaporate more water, but more of that water stays in the air. Thirsty soils retain more runoff, and more use of groundwater requires more water for recharging watertables.

¹ DWR estimates a 10% reduction in water supply by 2040 is a planning scenario that considers increased temperatures and decreased runoff due to a thirstier atmosphere, plants, and soils. According to the California Water Plan Update, California's managed water supply ranges from 60-90 MAF per year so the effect of a dryer climate results in a disappearance of about 6-9 MAF of water supply.

California's precipitation always has swung between drought and flood. Those swings are becoming more severe. Regardless of drought or flood, in this changed climate there will be less water available for people to use than there would have been in a cooler climate because of the way plants, soils, and the atmosphere use water as temperatures rise.

The volume of water used by people in California for agriculture, urban, and environmental purposes ranges from 60 million acre-feet per year to 90 million acre-feet per year. A loss of 10 percent of that volume to hotter, drier conditions could mean the disappearance of about six million acre-feet to nine million acre-feet of water supply. For comparison's sake, California's largest reservoir – Shasta – holds 4.5 million acre-feet.

Water underpins much of what we care about as Californians. To thrive and grow as a state, we will have to make up for a loss of supply. We must innovate, conserve, store, reuse, and repurpose water.

This document outlines four sets of actions the State will pursue to prepare California for its new climate reality.

These targeted actions aim to secure supplies for people, so that homes, schools, and businesses do not suffer disruptions, and the state's agricultural economy continues to thrive.

In concert with these actions, the State is working to protect fish and wildlife populations by removing stream barriers, restoring aquatic habitat, bolstering stream flows at ecologically important times, and expanding floodplains and wetlands.

The State also continues to make progress extending clean, safe drinking water to all Californians; in the last three years, the number of people impacted by failing water systems has fallen from 1.6 million to 934,000, and the state has delivered emergency drinking water assistance to 9,456 households and 150 water systems in this drought.

The actions in this strategy aim primarily to support the urban and suburban water systems that serve most Californians and to stabilize water supplies for agriculture. But benefits from these actions will extend to environmental protection and fulfillment of the right of every Californian to safe drinking water, and the State continues to advance those efforts apart from this strategy.

How California is taking action to protect community water supplies

The Water Resilience Portfolio has guided State water policy since July 2020 and will continue to do so. It is a comprehensive suite of actions that support local water resilience. However, the record-breaking temperatures and aridity of the 2012-16 drought, followed so closely by another stretch of similar conditions beginning in the winter of 2020-21, send a strong climate signal that we must heed. These new, more extreme conditions make clear that to secure water supplies, we must double down on a set of actions within the Water Resilience Portfolio, with haste.

Executing this strategy will require coordination with local, tribal, and federal partners to:

- 1) Develop new water through recycling and desalination.

- 2) Capture and save more stormwater, above ground and below ground.
- 3) Reduce use of water in cities and on farms.
- 4) Improve all water management actions with better data, forecasting, conveyance, and administration of water rights.

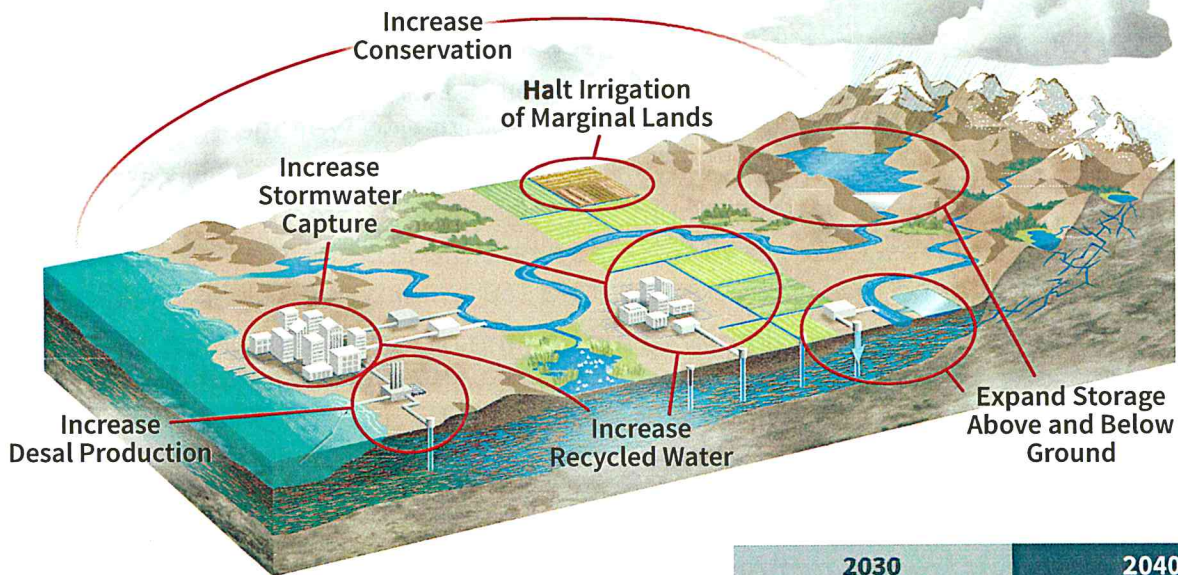
1. Develop New Water Supplies

With investments in technology, wastewater and saltwater can help drought-proof communities.

1.1 Reuse at least 800,000 acre-feet of water per year by 2030 and 1.8 million acre-feet by 2040, with most of that additional recycling involving direct wastewater discharges that are now going to the ocean.

Closing the evaporative gap

To offset increased evaporation tied to warmer average temperatures, California must capture, recycle, de-salt, and conserve more water.



	2030		2040	
Increase Recycled Water	.8 MAF	About 5 MAF	1.819 MAF	About 7 MAF
Increase Desal Production	44,000 AF		84,000 AF	
Increase Stormwater Capture	.25 MAF		.5 MAF	
Increase Conservation	.5 MAF		.5 MAF	
SUBTOTAL FOR RECYCLED, DESAL, STORMWATER AND CONSERVATION	1.1 MAF		2.9 MAF	
Expand Storage Above and Below Ground*	3.7 MAF		4 MAF	
Total	4.8 MAF		6.9 MAF	

*Additional storage capacity does not equate to a similar volume of new water supply. MAF – million acre-feet.

Currently, recycled water offsets about nine percent of the state's water demand, about 728,000 acre-feet per year. The State Water Resources Control Board (State Water Board) has invested a total of \$1.8 billion in recycled water projects statewide over the last five years that are in various stages of development. Once completed, those projects will generate an additional 124,000 acre-feet of new water supply.

Approximately 1.5 million acre-feet per year of treated wastewater is currently discharged to California's ocean waters. Not all of this can be recycled, as some water is needed to discharge brine, and wastewater in some places provides critical streamflow for fish and wildlife. But in many places, communities can tap this resource to build water supply resilience.

Current regulations enable communities to use recycled water for drinking via a reservoir or aquifer, and in 2023, the State Water Board will establish direct potable reuse regulations that allow suppliers to distribute recycled water without first putting it into a reservoir or aquifer.

Implementation Steps:

- The State will consider greater investments and leverage federal dollars where possible to build on the \$3.2 billion in financing for water recycling projects that the State Water Board has provided to 94 projects since 2012. At roughly \$15,000 an acre-foot, it would require a state, local, and federal investment of approximately \$10 billion to achieve the 2030 goal and \$27 billion to achieve the 2040 goal of recycling an additional 1.8 million acre-feet of water.
- By January 1, 2024, the State Water Board will work with local water and sanitation agencies to identify recycled water projects that hold the potential to be operational by 2030 and by no later than 2040.
- The State Water board will formalize a process currently underway by convening a strike team to identify and resolve permitting and funding obstacles.
- The State Water Board will track the permitting and funding status of recycled water projects with a public, digital dashboard.
- The State will support local water sustainability plans that include water recycling, including (but not limited to):
 - Operation NEXT/Hyperion 2035 (city of Los Angeles)
 - Pure Water San Diego (city of San Diego)
 - Integrated Water Resources Plan and Climate Action Plan (Metropolitan Water District of Southern California)
 - Water Supply Management Program 2040 (East Bay Municipal Utility District)
- The State Water Board will act on direct potable reuse regulations by December 2023.

1.2 Expand brackish groundwater desalination production by 28,000 acre-feet per year by 2030 and 84,000 acre-feet per year by 2040 and help guide location of seawater desalination projects where they are cost effective and environmentally appropriate.

There are 14 seawater desalination plants across the state, with a combined production capacity of approximately 89,000 acre-feet per year. Some are not operating at full capacity and could be positioned to generate additional water supplies in drought, much as “peaker” power plants operate in short bursts to support electricity reliability at times of peak demand. Another 23 brackish groundwater desalination plants have a combined production capacity of 139,627 acre-feet per year. Brackish groundwater requires significantly less energy to treat than seawater.

Proposals to build desalination projects along the coast must be approved under the Coastal Act, in addition to other regulatory requirements. As California becomes hotter and drier, we must become more resourceful with the strategic opportunity that 840 miles of ocean coastline offer to build water resilience.

Implementation Steps:

- By January 1, 2024, the Department of Water Resources (DWR) and the State Water Board, in coordination with local agencies, will identify the brackish desalination projects that have the potential to be operational by 2030 and by no later than 2040. The State will consider investing in grants to local agencies for planning and building desalination projects.
- By January 1, 2024, the State Water Board will review groundwater basins impaired by salts and nutrients and determine the volume of water available for brackish groundwater desalination.
- As the State's representative on the U.S. Department of Energy's five-year, \$100 million desalination innovation hub, DWR will continue to guide research investments towards technological breakthroughs that solve California desalination challenges.
- The State will help streamline and expedite permitting to provide better clarity and certainty to further desalination projects. To this end, by June 30, 2023, the State Water Board, Coastal Commission, DWR and other State entities (e.g. State Lands Commission) will develop criteria for siting of desalination facilities along the coast and recommend new standards to facilitate approval.
- Within the following year, these agencies will identify potential available mitigation sites to facilitate the expedited approval of desalination facilities. The State Water Board will consider amendments to the Desalination Policy in its Ocean Plan to streamline permits that meet the recommended siting and design standards for projects located in the identified priority areas.

2. Expand water storage capacity above and below ground by four million acre-feet.

While creating more space to store water in reservoirs and aquifers does not create more precipitation, and whether enough rain and snow fall to fill storage space is out of our control, we need diversion infrastructure, more places to park runoff, and the conveyance to eventually move the water to where it is needed to take advantage of fast-moving storms. Expanding storage capacity improves the ability to capture runoff

when diversions cause the least harm to the environment. Furthermore, apart from a hotter and drier climate, capturing water runoff is needed to help correct decades of over-pumping of groundwater basins.

2.1 Expand average annual groundwater recharge by at least 500,000 acre-feet.

Vast capacity to store water exists underground in California. Intentional, directed recharge of groundwater is one of the fastest, most economical, and widely available ways to harness the bounty of wet years to cope with dry years. It has the additional advantage of helping to halt or prevent land surface collapse due to over-pumping, which can damage roads, canals, and bridges. Expanding groundwater recharge requires adherence to laws, so that the environment and water users upstream and downstream are not harmed when streamflow is directed underground. With the multi-faceted suite of actions below, the State intends to help local water agencies to accelerate the pace and scale of groundwater recharge. These actions center on helping local agencies understand the best locations for recharge, analyze the impact of their recharge proposals on the environment and other water users, and expeditiously permit their projects.

Local agencies are developing groundwater recharge projects around the state. By the end of next year, the State cumulatively will have invested \$350 million in local assistance for recharge projects. In planning documents, local agencies have proposed more than 340 new recharge projects that, if built, could result in as much as 2.2 million acre-feet of additional stored water in a single wet year by 2030. Until those projects are permitted, it is unclear how much water those projects will have the capacity to divert to underground storage; multiple proposals may rely on the same sources of unappropriated water. But an additional 500,000 acre-feet is a reasonable estimate of the additional average annual recharge volume that may be obtained after these projects are vetted, permitted, and constructed.

California must be ready to respond to future wet winters. Fortunately, several processes already are in place that could be used to divert water from high-flow events to underground storage. Additional outreach, education, and technical assistance will be critical for preparing diverters for a potentially wet winter so that permits can be put in place before the start of the rainy season.

Should local actions become too fragmented or inefficient to maximize recharge opportunities, the state should consider a coordinated, state-level approach to provide for orderly, efficient disbursement of rights to high winter flows.

Implementation Steps: To help achieve this target, DWR and the State Water Board will continue to provide regulatory and technical assistance to local agencies that have received State funds to ensure that groundwater recharge project proponents can successfully navigate the regulatory processes. The State will weigh the following actions. Some would require additional investments and, possibly, regulatory changes.

• Outreach:

- DWR and the State Water Board will conduct a series of outreach activities to highlight temporary permitting pathways in advance of winter, to assess the status of

proposed recharge projects, and to better align state and local agencies to advance groundwater recharge. The outreach would focus on the use of an existing 180-day temporary permit process and would note that permit applications should be received no later than October 1 to be ready for diversions in January.

- By December 2022, DWR will evaluate a process whereby it files for 180-day temporary permits in certain watersheds on behalf of local agencies, in order to advance the development of the permit terms and conditions. DWR also would pay the filing fee, which could help facilitate local willingness to participate.

Technical Assistance:

- DWR will provide outreach and assistance to help connect potential diverters with State Water Board permitting staff to answer specific questions and provide information that enables effective permit applications.
- By October 2022, the State Water Board water right permitting staff will prioritize groundwater recharge permits.

Incentives:

- The State will weigh immediate and long-term incentives for recharge project applicants to pursue the State Water Board's streamlined recharge permitting pathway. Incentives could include:
 - Waiving of application costs partially or fully for a two-year period.
 - Connecting infrastructure funding to applications that use the State Water Board's streamlined underground storage permitting approach.
 - Prioritization of State funding for groundwater recharge projects that target high-flow events, which raise fewer concerns about the environment and other water right holders than projects that seek to capture water in "shoulder" seasons of spring, summer, and fall.
- DWR will expand its watershed modeling tools to better assess water available for recharge on a watershed basis.

Regulatory Streamlining:

- The State will streamline water right permits for recharge projects receiving DWR grants or conducted under DWR's Flood-Managed Aquifer Recharge Program.
- The State Water Board will develop permanent regulations for water availability analyses that specify methodologies, data, and alternatives for conducting such analyses.
- The Administration will pursue legislation to revise the water right application process to deliver decisions more quickly.

State Administration of Potential Recharge Flows:

- DWR and the State Water Board will develop a mechanism to create a more consistent, economical, and equitable approach for allocation of water rights for groundwater recharge. The initial proposal would focus on the State securing all reasonably available future flood flows in the Central Valley, allowing the State to

then allocate the available water in an orderly, holistic, equitable, and integrated approach. The process would:

- Level the playing field for local agencies, especially those that lack the resources to navigate the water right process.
- Set clear water availability metrics for every potential applicant, allowing for fair comparisons among applicants.
- Address equity concerns, including, for example, the need to protect domestic wells or abate subsidence.
- Leverage other funding opportunities.
- Spur tight coordination between the State Water Board and DWR in the allocation of water rights.

2.2 Work with local proponents to complete the seven Proposition 1-supported storage projects and consider funding other viable surface storage projects.

Seven locally-driven projects are underway to increase the state's overall capacity to store water by 2.77 million acre-feet – nearly three times the capacity of Folsom Lake. The seven projects are on track to receive a combined \$2.7 billion in state funding from Proposition 1, the 2014 water bond, once they meet the requirements imposed in the bond law. Four of the projects involve groundwater storage and three involve creation of a new or expanded reservoir. Two of these seven projects are likely to begin construction next year, with the other five expected to begin construction in 2024 or 2025. Project proponents are working now to obtain permits, arrange financing, finalize environmental documents, and negotiate contracts with state agencies for the delivery of public benefits from the projects, including environmental flows.

Implementation Steps:

- To formalize, streamline and continue existing efforts, the California Natural Resources Agency and the California Environmental Protection Agency will establish an interagency strike team to facilitate state permitting and support completion of these projects.
- Water Commission staff will continue to monitor development of the seven Proposition 1 projects closely.
- Permit teams from the California Department of Fish and Wildlife (CDFW) and the State Water Board will continue working with applicants and with other state agencies inform and advance the development of contracts for administration of public benefits.
- Water Commission, DWR, CDFW, and State Water Board teams will continue robust coordination. and working with applicants to draft and execute contracts for administration of public benefits.

2.3 Expand San Luis Reservoir by 135,000 acre-feet.

The federal government is proposing to expand San Luis Reservoir in Merced County to capture more winter storm runoff. In extremely wet years like 2017, San Luis fills and

California misses an opportunity to capture and store even more water for use during subsequent dry years. The project would expand the capacity of the two-million acre-foot reservoir by 130,000 acre-feet -- enough to supply nearly 400,000 homes a year. DWR is working with the U.S. Bureau of Reclamation (Reclamation) on this proposed project and sees it as an important part of a set of inter-related joint projects to benefit the Central Valley Project and State Water Project, which include upgrading the San Luis Reservoir dam for earthquake safety, modernizing conveyance of water through the Sacramento-San Joaquin Delta, and restoring capacity lost due to subsidence at major Central Valley canals.

Implementation Steps:

- In December 2019, Reclamation and DWR announced a partnership to move forward on the seismic upgrade. Reclamation and DWR celebrated the groundbreaking of the project in June 2022. Construction is expected to finish in 2028. DWR will continue to work with Reclamation to complete the seismic upgrade and expansion.

2.4 Rehabilitate dams to regain storage capacity.

As of May, 112 California dams are rated "less than satisfactory" by State dam inspectors, and the reservoirs behind 41 of those dams cannot be filled beyond a certain level in order to protect public safety. The loss of storage is about 350,000 acre-feet per year. Accelerating dam safety repairs would help local water districts regain lost storage capacity and improve public safety. While this has historically been a federal or local obligation, the Legislature and Administration enacted additional funding to support dam owners faced with costly repairs.

Implementation Steps:

- DWR will administer the \$100 million in the 2022-23 budget for local dam safety projects and flood management.

2.5 Support local stormwater capture projects in cities and towns with the goal to increase annual supply capacity by at least 250,000 acre-feet by 2030 and 500,000 acre-feet by 2040.

Over the last 30 years, an average of approximately 324,000 acre-feet of stormwater a year has been captured and recharged in communities in the South Coast alone. While this value varies from year to year, during the exceptionally wet winter of 2004-05 over 900,000 acre-feet of runoff was captured and infiltrated into the local groundwater basins.

The size, cost, and feasibility of stormwater capture projects vary greatly by location. It is extremely difficult for stormwater agencies to accurately measure stormwater capture volume and to predict potential due to uncertainties with annual precipitation.

Implementation Steps:

- Through permitting and funding, the State will incentivize local agencies to develop stormwater capture projects and help offset the cost of completing these projects, including through stormwater crediting systems to encourage public-private partnerships.

- The State Water Board will hire a contractor to provide an estimate of current stormwater capture and use statewide and then re-evaluate every five years progress towards the 2030 and 2040 goals.

3. Reduce Demand

3.1 Build upon the conservation achievements of the last two decades to reduce annual water demand in towns and cities by at least half a million acre-feet by 2030.

During the 2012-2016 drought, Californians did their part to conserve water, with many taking permanent actions that continue to yield benefits; per capita residential water use statewide declined 21 percent between the years 2013 and 2016 and has remained on average 16 percent below 2013 levels as of 2020. Californians are stepping up again in this current drought. The State set a target of 15 percent for statewide conservation. Californians have made progress toward that goal in the summer of 2022, but more is needed to cope with the intense drought at hand and for the long term.

California enacted laws in 2018 to set new efficiency standards for how people use water in homes and businesses in ways that make sense in each region. These standards will drive fully-efficient water use in communities and eliminate water waste, even as communities continue to grow. The 2018 legislation calls for these standards to be met by 2030. The State Water Board is on track to set those new standards, informed by extensive data collection and analysis and recommendations from DWR. The recommended standards for indoor and outdoor water use for residential, commercial, industrial, and institutional water use could save 450,000 acre-feet per year starting in 2030. This amount of water would support 1.35 million homes, and the savings would prevent urban water use from rising as much as it would otherwise as population grows and more housing is built. These new standards would not apply to individual Californians, but local water suppliers must ensure the standards are met.

Given the acute need to conserve water in a potentially fourth dry year, the State Water Board will develop emergency conservation measures that expedite implementation of conservation in a way that is already mandated through the 2018 laws. If drought conditions persist, the new short-term requirements could take effect no later than spring 2023. The new requirements would consider the relative efficiency of each supplier. These new efficiency targets would therefore work as a bridge to take California from voluntary measures to efficiency-based, water-use budgets that account for differences in climate zones, landscape area, population, and other factors.

In addition, the Administration sponsors a robust campaign to motivate urban Californians to save water and is working to accelerate the transition of turf to landscapes that use less water. To this end, the State will partner with local agencies to convert 500 million square feet of ornamental turf by 2030, with corresponding investments in programs and policies that incentivize turf conversion. Removal of 500 million square feet of turf could generate 66,000 acre-feet of water savings each year at an estimated cost of \$1 billion.

Implementation Steps:

- The State Water Board will develop short-term efficiency-based conservation targets for every urban retail water supplier based on their unique characteristics like climate zone, water demand, residential landscape area, and population. The Board will compare water suppliers' actual use to their estimated efficient use target and assign them a percent reduction, with a higher reduction target for suppliers whose actual use is further from their efficient use target.
- DWR and the State Water Board will target grants to help local water districts achieve efficiency targets, using funding recently approved by the Legislature.
- The State-run Save Our Water campaign will continue to educate Californians about the severity of the current drought and the need to make water conservation a permanent, daily practice.
- DWR will establish a grant program to support local efforts to replace ornamental turf with drought-tolerant landscaping and—where schools and parks require turf—to make turf irrigation and maintenance more efficient, with a focus on disadvantaged communities.
- The State Water Board will advance adoption of new long-term water use efficiency standards, per existing statute (2018).
 - Once DWR provides its formal recommendations, the State Water Board will begin the process for enacting the regulation to ensure the rule will be in effect by January 1, 2024.

3.2 Help stabilize groundwater supplies for all groundwater users, including a more drought-resilient agricultural economy.

California irrigated agricultural acreage declined by 1 million acres between 2002 and 2017. The approximately eight million acres of irrigated farm and ranchland will shrink by at least an estimated additional 500,000 acres to one million acres between now and 2040 as local agencies transition to groundwater use that is sustainable over coming decades. The conserved water should support a more drought-resilient agricultural economy that retains its vitality.

Implementation Steps:

The State will:

- Continue to implement the Sustainable Groundwater Management Act (SGMA) to protect communities, agriculture, and the environment against prolonged dry periods and climate change, preserving water supplies for existing and potential beneficial use.
- Support local water demand management that includes changes to cropping patterns and fallowing by building upon this year's investment of \$40 million in grants to regional organizations working to reduce groundwater reliance and create local environmental and economic opportunities through land-use changes.
- Continue to support conservation and water efficiency practices by agricultural producers.
- Support flexibility in local land use decisions to protect beneficial uses and users.

- Continue direct investment and technical assistance in drought relief for agriculture with dedicated funding to assist socially disadvantaged and underserved populations.

4. Improve Forecasting, Data, and Management, including Water Rights Modernization

Crucial to achieving the water supply actions described here is a common, readily-available set of facts about water supply and use, better forecasting, and integrated use of data and technology. Water rights modernization and reform is a critical component of ensuring we can efficiently and effectively adapt to a changing climate.

4.1 Improve data collection and modernize forecasts for a changed climate.

Sierra snowpack provides about a third of the water people use in California, yet the existing approach to forecasting snowmelt runoff dates to the 1950s.

To account for climate change, we must simulate the physics of interactions among the atmosphere, water as rain or snow, and the land surface – and we need to do this for individual watersheds, incorporating site-specific features like slope orientation and depth of soil. This requires timely data collection.

Implementation Steps:

The State will:

- Continue to invest in the human and technical resources needed to improve predictions and forecasting for water supply planning.
- Advance a multi-agency effort to install 430 new stream gages and upgrade or reactivate 200 more across the state. These gages provide real-time surface water data for enhanced drought management and flood response.
- Work with the U.S. Army Corps of Engineers leadership to accelerate the pace at which the manuals guiding reservoir operations are updated to reflect a changed climate.

4.2 Improve the flexibility of current water systems to move water throughout the state.

California depends upon aging, damaged, or increasingly risk-prone infrastructure to transport water between different areas of the state. Modern infrastructure and tighter coordination between the state's two major water projects would expand capacity to move water when it is available.

The state and federal water projects are fed by levee-lined channels in the Sacramento-San Joaquin Delta. This Delta infrastructure faces serious threat of failure due to storm surge, sea level rise, and earthquakes that could collapse levees. Loss of this water supply for any amount of time poses significant risk to farms, businesses, and most California homes. South of the Delta, major canals have been damaged by subsidence caused by the over-pumping of groundwater, restricting the capacity to move water when it is available.

DWR proposes to modernize State Water Project (SWP) conveyance in the Delta. Had the proposed project been operational in 2021, the project could have captured and

moved an additional 236,000 acre-feet of water into San Luis Reservoir during that winter's few large storms.

Administrative hurdles also limit flexibility to move water. Every year for the last 10 years, the federal and state water projects have applied to the State Water Board for temporary flexibility in the locations where water diverted by either project may be used. These "consolidations of the authorized places of use" of the SWP and the Central Valley Project last only a year and require repetitive work by all parties involved. A permanent change to allow for consolidated place of use among the projects would make water transfers easier and lay the groundwork for discussions about future operation of the two projects.

Implementation Steps:

- DWR will advance the design of and the draft environmental impact report for the proposed Delta conveyance project, which would construct new intakes along the Sacramento River and a tunnel under the Delta to safeguard SWP deliveries and ensure that the SWP can make the most of big but infrequent storm events.
- DWR will disburse \$100 million included in the 2022-23 state budget to support costs of repairing four major San Joaquin Valley canals damaged by subsidence.
- DWR and the State Water Board will chart a work plan to address the resources needed for preparation, submittal, and consideration of a joint place of use petition from the federal and state water projects.

4.3 Modernize water rights administration for equity, access, flexibility, and transparency.

The foundation of how California manages water rights dates to the Gold Rush and has not evolved in step with changing public values and management needs. The State Water Board is challenged to provide timely, useful, and meaningful information to guide state and local water management decisions, which are especially vital during periods of drought.

Other western states including Washington, Oregon, Nevada, and Idaho manage water diversions much more nimbly than California, which puts them in better position to adjust to what many call "aridification" – the transition to a drier climate. The ability to adjust diversions quickly also is crucial to protecting fish and wildlife, other water right holders, and public health. To make a century-old water right system work in this new era, the State Water Board needs accurate and timely data, modern data infrastructure, and increased capacity to halt water diversions when the flows in streams diminish. These improvements are a necessary predicate to modernize our water rights system in a manner that respects water right priorities and aligns with current public values and needs.

Implementation Steps:

The State Water Board will:

- Continue to build upon efforts started last summer with the investment of \$30 million to digitize existing paper records and rebuild the state's water right data management system.

- Develop pilot projects in two or three watersheds over the next five years to collect real-time diversion data and integrate the data into the State Water Board's water rights data system, with lessons learned and outcomes used to inform statewide tools needed for administering an efficient and effective water rights system.
- Develop data and analytical tools for implementing the water right priority system for an estimated 10 to 15 watersheds.
- Support modeling staff to develop more robust supply/demand models for the Delta watershed.
- Consider adopting regulations that would allow for curtailments of water rights in years when there is not a declared drought emergency. The State currently lacks the authority in most years to implement the priority water rights system without a declared drought emergency.
- Support enforcement staff to help address illegal and unauthorized diversions during dry conditions.
- Consider regulations, legislation, and pursuing resources needed to streamline and modernize the water right system, clarify senior water rights, and establish more equitable fees.

Why target these actions?

The last three years of record-breaking drought made painfully real the hotter, drier pressures on water systems. These four major sets of actions would put to use water that would otherwise be unusable, stretch supplies with efficiency, and expand our capacity to bank water from big storms for dry times. They are designed, in other words, for a climate prone to weather whiplash.

These actions alone will not eliminate local water supply risk. The variability of rain and snow is too great, as is the uncertainty about which projects local agencies will implement. These actions aim to spur local agency adaptation to a new reality and change the way the State does business in order to better support local and regional water management efforts.

Who will carry out this strategy?

The state and federal governments each operate large water delivery systems in California, but local water districts and counties have primary responsibility for getting supplies to homes and businesses. Thousands of local and regional entities play a role in water management. Implementation of this strategy will require decisive state action. It will also require partnerships, as local agency leaders, federal partners, farmers, other business owners, and individual Californians are essential actors in carrying out this plan. To ensure successful implementation in such a decentralized system, the State must lead, set goals, provide incentives, and be prepared to exert greater authority when necessary.

The State will prioritize its funds and human resources to support local projects that satisfy state planning and permitting requirements to protect natural resources and help us

collectively reach the targets outlined above. The State will invest in forecasting and data and water right administration – including real-time tracking of water use – to improve all water management actions by state, local, federal, and private entities. The State will also ensure that California's response advances equity and takes into account communities that are most at risk from climate change and that have experienced environmental injustices.

Water affordability is key to ensuring the human right to water – established in California law -- in the face of a hotter, drier state. The State has made strides in promoting affordability through provision of low-interest loans and grants to support infrastructure and planning for water systems, and by addressing pandemic-related water debt. However, the increased investments in infrastructure necessary to meet our future water supply needs will put additional pressure on affordability. The State will identify how best to support low-income households and address community affordability of water systems. Electric and communication utilities have programs to ease cost burdens on low-income members of the community, and it is important to address this in the water utility sector in a way that is workable and sustainable from a state budget perspective. Where local agencies fail to build water resilience, the State will exert greater regulatory authority or work with the Legislature to gain authority to do so.

Moving Smarter and Faster

Climate change uniquely affects California's regions. This document articulates statewide targets for certain water management strategies, but achieving those overarching goals requires solutions at the local level, where the opportunities and challenges of each watershed vary tremendously. To encourage collaboration across watersheds that leads to greater statewide water resilience, the State will work with stakeholders and the Legislature to create:

- A funding program that incentivizes water users to develop regional targets for recycling, desalination, storage, efficiency, and other water management strategies.
- An expedited permitting path for water projects that help regions achieve those targets.

In order to deliver the pace and scale of projects necessary to meet this unprecedented climate challenge, we must modernize regulatory structures and expand staff capacity so that State agencies can assess, permit, fund and implement projects at the pace this climate emergency warrants.

The Administration will work with the Legislature and stakeholders to pursue the following:

- A more expeditious process for completing, reviewing and finalizing California Environmental Quality Act (CEQA) reviews and Water Code proceedings for critical water infrastructure projects to build drought and flood resilience.
- A voluntary permitting process for water infrastructure projects administered by the Governor's Office of Planning and Research (OPR). State agencies would retain authority to review, identify, and address environmental impacts, but the OPR would expedite the collective permitting process. This proposed process would not be an

option for water projects already under environmental review. The Administration would work with the Legislature to determine eligibility criteria for this voluntary process.

- Legislation, where appropriate, and regulations that would allow for curtailments of water rights in years when there is not a declared drought emergency. The State currently lacks the authority in most years to implement the priority water rights system without a declared drought emergency.

The Administration will:

- Develop water availability analysis guidelines for water right applications that account for high-flow periods on fully appropriated streams and the way climate change is shifting the seasonality and intensity of runoff. Develop permanent State Water Board regulations that specify the data and methodologies to be used for conducting such analyses in order to remove the current ambiguity about regulatory requirements.
- Establish a State Water Board, DWR and the California Department of Food and Agriculture "Groundwater Recharge Coordinating Committee" to jointly implement the groundwater recharge initiatives.
- Establish programmatic permitting for projects of a similar nature (such as water recycling or habitat restoration) in order to lower costs, simplify process, and speed permit approval.
- Institutionalize early alignment and regular internal coordination across state agencies on the permitting of water supply adaptation projects.

Conclusion

The world is getting hotter. The increased heat will intensify the natural swings in California's climate and shrink water supplies. Targeted state funds and focus will support local efforts to conserve, capture, recycle, and de-salt enough water to allow California communities to prosper in a hotter, drier climate.





SOUTH FEATHER WATER & POWER AGENCY

TO: Public Recipients of Agenda Information

FROM: Rath Moseley, General Manager

DATE: August 15, 2022

**RE: Real Property Negotiations, and Anticipated and Existing Litigation
Closed Session Agenda Item for 8/23/22 Board of Directors Meeting**

The information provided to directors for this agenda item is not available to the public. The purpose for this item is to give the Board an opportunity to confer with legal counsel about litigation in which the Agency is already involved or is anticipating. The Board is permitted by law (Brown Act) to confidentially discuss information that might prejudice its legal position, to have a confidential and candid discussion about meet-and-confer issues. Such discussions are exempt from the Brown Act's requirement that matters before the Board be discussed in public. Attendance during the closed-session will be limited to directors, together with such support staff and legal counsel as determined necessary by directors for each subject under discussion.