



156 S. Broadway, Ste. 270, Turlock, CA 95380

(209) 668-4142 (phone) (209) 668-5695 (fax)

Special Board Meeting Agenda

May 31, 2018 at 10:00 a.m.

156 S. Broadway, Turlock, CA, Second Floor, Yosemite Conference Room

Vice Chair, Chris Vierra
Director, Bill DeHart
Director, Ken Lane
Director, Gil Esquer

Interim General Manager, Michael Brinton
Interim Legal Counsel, Richard P. Shanahan
Board Secretary, Allison Martin

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Stanislaus Regional Water Authority (SRWA) meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, contact the Board Secretary at the phone number set forth above. The Board is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the Board to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Board on any item appearing on the agenda, including Consent Calendar and Scheduled Matters, before or during the Board's consideration of the item.

AGENDA PACKETS: Prior to the Stanislaus Regional Water Authority Board meeting, a complete Agenda Packet (excluding any closed session materials) is available for review on the SRWA's website at www.stanrwa.org and in the Board Secretary's Office at 156 S. Broadway, Suite 270, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Board after distribution of the Agenda Packet are also available for public inspection in the Board Secretary's Office at the address set forth above. Such documents may be available on the SRWA's website subject to staff's ability to post the documents before the meeting.

1. A. CALL TO ORDER
- B. SALUTE TO THE FLAG
2. RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:
 - A. Appointment: Chair
 - B. Appointment: Vice Chair
3. A. SPECIAL BRIEFINGS: None
- B. STAFF UPDATES
 1. Interim General Manager Updates (*Brinton*)
 2. Finance Director Report (*Lorenzi*)
- C. CONSULTANT UPDATES
 1. West Yost Associates will provide the Board with a Regional Surface Water Supply Project status update. (*Nakano*)
- D. **PUBLIC PARTICIPATION:** This time is set aside for members of the public to address the Board concerning any item that has been described in the notice for the meeting, including Consent Calendar items, before or during consideration of that item. You will be allowed five (5) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Board addresses the matter.

4. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS**

5. **CONSENT CALENDAR:** Information concerning the Consent items listed below has been forwarded to each Board member prior to this meeting for study. Unless the Chair, a Board member, or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Board. The action taken by the Board in approving the Consent items is set forth in the explanation of the individual items.

A. *Motion:* Accept minutes of Special Meeting of May 3, 2018

6. **PUBLIC HEARINGS:** None

7. **SCHEDULED MATTERS**

- A. Request to award a contract to Project Finance Advisory, Ltd. To provide financial evaluation services to the SRWA during the design-build procurement process for the Regional Surface Water Supply Project in concurrence with the Technical Advisory Committee's recommendation in an amount not to exceed \$38,650, plus a 10% contingency of \$3,865 for a grand total of \$42,515 and appropriate \$42,515 to account number 950-53-552.43060_022 "Contract Services - Contractor Financial Evaluation" be funded via contributions from SRWA participating agencies to properly account for the cost of the new contract with Project Finance Advisory, Ltd. (*Brinton*)

Recommended Action:

Motion: Awarding contract to Project Finance Advisory, Ltd. to provide financial evaluation services to the SRWA during the design-build procurement process for the Regional Surface Water Supply Project in concurrence with the Technical Advisory Committee's recommendation in an amount not to exceed \$38,650, plus a 10% contingency of \$3,865 for a grand total of \$42,515

Resolution: Appropriating \$42,515 to account number 950-53-552.43060_022 "Contract Services - Contractor Financial Evaluation" be funded via contributions from SRWA participating agencies to properly account for the cost of the new contract with Project Finance Advisory, Ltd.

8. **MATTERS TOO LATE FOR THE AGENDA**

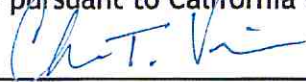
9. **BOARD ITEMS FOR FUTURE CONSIDERATION**

10. **BOARD COMMENTS:** Board members may provide a brief report on notable topics of interest. The Brown Act does not allow discussion or action by the legislative body.

11. **NEXT MEETING DATE:** June 28, 2018 Regular meeting

12. **ADJOURNMENT**

The foregoing meeting is hereby called by Vice Chair Vierra at the above mentioned date and time pursuant to California Government Code § 54956.



Chris Vierra, Vice Chair



To: SRWA Board

From: Michael Brinton, Interim General Manager

Subject: Interim General Manager Report

The members of the Technical Advisory Committee (TAC) have continued to meet with West Yost Associates and their sub-consultants on various items in preparation of the design of the raw water supply infrastructure, water treatment facility, treated water transmission mains and local distribution systems. The items covered since the last SRWA Board meeting includes the following:

- Participated in Executive Technical Advisory Committee (TAC) (5/15) and TAC Meeting (5/10)
- Participated in several conference calls to discuss strategy on responses to comments and water rights issues
- Attended walk-through with construction contractor at infiltration gallery site
- Continued preparation of Final EIR (FEIR) and drafting of responses to public comments on the DEIR
- Submitted request for amendment to Lake and Streambed Alteration Agreement (LSAA) for wet well project
- Prepared information for State Revolving Fund Environmental Package
- Updated environmental schedule, master schedule, and procurement schedule
- Investigated permit requirements and conditions
- Reviewed design criteria for hydraulic transient analysis
- Continued raw water quality sampling and testing
- Prepared draft raw water pump station pre-design Technical Memorandum
- Prepared piping and instrumentation drawings for Raw Water Pump Station
- Prepared pre-design TM for raw and finished water transmission mains
- Finalized draft Operations Technology and Cybersecurity pre-design Technical Memorandum
- Prepared draft technical appendices to Design-Build (DB) Contract
- Continued drafting project alternatives analysis
- Met with potential DB contractors
- Edited draft request for qualifications
- Received and reviewed proposals for financial evaluation services
- Attended onsite Wet Well progress meeting

Mr. Nakano will provide a more in depth review of these items. I will be happy to answer any questions.



To: SRWA Board
From: Marie Lorenzi, Finance Director
Subject: Financial Summary as of May 25, 2018

Attached Financial Documents include:

1 - SRWA financial status as of 5-25-2018 for the 2017-18 fiscal year (Attachment A)

Revenue received from the participating agencies for the year total \$1,201,235.52
Expenses paid total \$1,883,771.92.

2 - SRWA financial status to life to date since December 2015 (Attachment B)

Revenue life to date totals \$4,352,604.07
Expenses life to date total \$4,545,156.10
Expenses over revenue totals (\$192,552.03)

Outstanding invoices for April services total \$57,204.52

3 - Updated cash flow projections for the Authority with actual amounts in red.

On May 25, invoices were sent out to the City of Ceres, City of Turlock, and the Turlock Irrigation District requesting remittance for their share of the deficit as well as for projected cash flow requirements for the wet well construction. The following summarizes the outstanding invoices:

| | Ceres | Turlock | TID |
|------------------------------------|----------------------|----------------------|---------------------|
| Share of Deficit | \$ 134,809.43 | \$ 38,423.11 | \$ 19,319.49 |
| Projected Cash Flow requirement: | 364,100.00 | 401,664.00 | 36,151.00 |
| Total Due | <u>\$ 498,909.43</u> | <u>\$ 440,087.11</u> | <u>\$ 55,470.49</u> |
| | | | |
| Invoice 2018-007 due May 31, 2018 | \$ 150,000.00 | | |
| Invoice 2018-008 due June 25, 2018 | 349,000.00 | 440,500.00 | |
| Invoice 2018-003 due June 25, 2018 | | | 55,600.00 |
| Total Outstanding Invoices | <u>\$ 499,000.00</u> | <u>\$ 440,500.00</u> | <u>\$ 55,600.00</u> |

Stanislaus Regional Water Authority
 For FY 2017-18 (Updated 5-25-2018)

| Account Name | Original Budget | Amendments | Amended Budget 2017-18 | Unaudited Actual 2017-18 |
|---|---------------------|----------------------|------------------------|--------------------------|
| REVENUES | | | | |
| Interest Income | 750.00 | | 750.00 | |
| Agency Contribution - City of Ceres | 530,575.00 | 7,721,159.00 | 8,251,734.00 | 497,328.00 |
| Agency Contribution - City of Turlock | 526,670.00 | 5,342,389.00 | 5,869,059.00 | 650,000.00 |
| Agency Contribution - Turlock Irrigation District | 48,630.00 | 1,869,934.00 | 1,918,564.00 | 53,907.52 |
| Total Revenues | 1,106,625.00 | 14,933,482.00 | 16,040,107.00 | 1,201,235.52 |
| EXPENDITURES | | | | |
| Gov't Relations | 19,850.00 | 19,000.00 | 103,200.00 | 48,203.70 |
| Consultant Audit | 5,750.00 | | 5,750.00 | 1,100.00 |
| Contact Services Program Mgmt | 694,700.00 | 273,255.00 | 6,692,018.00 | 1,375,421.76 |
| | | 5,667,453.00 | | |
| | | 56,610.00 | | |
| Special Legal Counsel | 53,890.00 | (930.00) | 553,920.00 | 66,257.54 |
| | | 500,960.00 | | |
| Environmental Services | 212,000.00 | 129,050.00 | 341,050.00 | 218,173.33 |
| Permitting | 56,000.00 | | 56,000.00 | 6,261.17 |
| Property Acquisition | 30,000.00 | | 30,000.00 | |
| Wet Well Design | 65,000.00 | 34,980.00 | 99,980.00 | 46,705.18 |
| Wet Well Construction | | | | |
| Construction Contract (Overaa) | | 7,297,400.00 | 7,297,400.00 | |
| Construction Management (Infererra) | | 612,691.00 | 612,691.00 | |
| Environmental (Horizon) | | 278,663.00 | 278,663.00 | 7,628.70 |
| Interdepartmental Admin Support | | | | |
| Legal | 22,000.00 | | 22,000.00 | 5,550.00 |
| Clerical | 15,000.00 | | 15,000.00 | 2,007.36 |
| Financial/Accounting | 12,500.00 | | 12,500.00 | 4,948.92 |
| Admin Support - Ceres | 125,000.00 | | 125,000.00 | 97,328.00 |
| Supplies | 500.00 | | 500.00 | 0.00 |
| Photocopies | 250.00 | | 250.00 | 94.66 |
| Postage | 5,000.00 | | 5,000.00 | 813.31 |
| Bank Charges | 100.00 | | 100.00 | |
| Dues | 500.00 | | 500.00 | 750.00 |
| Testing & Recruitment - General Manager | | | 0.00 | 2,426.00 |
| Training | 1,000.00 | | 1,000.00 | 102.29 |
| Total Expenditures | 1,319,040.00 | 14,933,482.00 | 16,252,522.00 | 1,883,771.92 |
| Revenues Over (Under) Expenditures | (212,415.00) | 0.00 | (212,415.00) | (682,536.40) |

Stanislaus Regional Water Authority
 Updated as of 5-25-2018

Agency Contributions

Received from Agencies - 2015-16
 Received from Agencies - 2016-17
 Received from Agencies - 2017-18
 Interest Income

| | 2015-16 | 2016-17 | 2017-18 | Total |
|--|------------|--------------|--------------|--------------|
| | 727,049.00 | | | 727,049.00 |
| | | 2,420,617.85 | | 2,420,617.85 |
| | | | 1,201,235.52 | 1,201,235.52 |
| | 609.16 | 3,092.54 | | 3,701.70 |

Total Agency Contributions

727,658.16 **2,423,710.39** **1,201,235.52** **4,352,604.07**

Expenditures

Government Relations

(54,269.05) (54,269.05) (108,538.10)

Environmental Services (Phase I)

(221,445.13) (221,445.12) (34,528.58) (477,418.83)

Project Management Services

(1,516,645.24) (1,575,168.10) (77,208.44) (3,169,021.78)

Special Legal Expenses

(56,650.64) (56,650.65) (113,301.29) (113,301.29)

Wet Well Design (West Yost)

(133,845.02) (133,845.00) (66,922.50) (334,612.52)

Fees to Stan County-CEQA related to wet well Permitting

(1,136.63) (1,136.62) (2,273.25) (2,273.25)

(6,130.58) (6,130.59) (12,261.17) (12,261.17)

Wet Well Construction

(2,036.86) (4,066.10) (1,525.74) (7,628.70)

Environmental (Phase II)

(7,628.70)

Administrative Support

(6,758.37) (6,758.36) (13,516.73) (13,516.73)

Clerical Services

(9,429.29) (9,429.29) (18,858.58) (18,858.58)

Accounting Services

(20,350.00) (20,350.00) (40,700.00) (40,700.00)

Interim JPA attorney

(117,567.80) (117,567.80) (235,135.60) (235,135.60)

Interim General Manager

(3,250.00) (3,250.00) (6,500.00) (6,500.00)

External Audit

(2,694.77) (2,694.78) (5,389.55) (5,389.55)

Supplies and other Miscellaneous Expenses

(184.51) (1,018.78) (4,186.26) (5,389.55)

Total Expenditures

(2,152,209.38) **(2,212,761.46)** **(180,185.26)** **(4,545,156.10)**

Contributions over (under) Expenditures - project to date

(134,809.43) **(38,423.11)** **(19,319.49)** **(192,552.03)**

Outstanding Invoices

West Yost - PM

West Yost - wet well
 Bartkewicz Kronick & Shanahan
 Horizon Environmental (Phase I)
 Horizon Environmental (Phase II)
 The Gualco Group
 Maze & Associates (audit)

27,099.45 April invoice
 10,633.78 April invoice
 13,971.29 April invoice
 4,500.00 April invoice
 1,000.00 April invoice
 S:\SRW\Utilities's SRWA Files\Summary of Activity for 2017-18.xlsx
 Total by Agency for 6-30-2018

| | | | | |
|--|-------------------|---------------------|---------------------|---------------------|
| | 4,387.50 | 7,121.87 | 2,007.36 | 13,516.73 |
| | 5,827.62 | 8,082.04 | 4,948.92 | 18,858.58 |
| | 12,950.00 | 22,200.00 | 5,550.00 | 40,700.00 |
| | 32,074.00 | 105,733.60 | 97,328.00 | 235,135.60 |
| | | 5,400.00 | 1,100.00 | 6,500.00 |
| | 184.51 | 1,018.78 | 4,186.26 | 5,389.55 |
| | 491,532.47 | 2,169,851.71 | 1,883,771.92 | 4,545,156.10 |
| | 236,125.69 | 253,858.68 | (682,536.40) | (192,552.03) |

0.00

57,204.52

**Stanislaus Regional Water Authority
Projected Cash Flow Requirements**

Actual in RED Actual in RED

| Consultant | Service/ Month | Mar-18 | Apr-18 | May-18 | Jun-18 | Jul-18 | Aug-18 | Sep-18 |
|---|---|-----------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| Related to Wet Well Construction: | | | | | | | | |
| West Yost | Engineering Services During Construction | 3,222.22 | 3,222.22 | 3,222.22 | 3,222.22 | 3,222.22 | 3,222.22 | 3,222.22 |
| Inferrera Const | Construction Management | | 8,987.00 | 12,708.00 | 15,707.00 | 38,692.00 | 52,680.00 | 43,307.00 |
| Horizon (Phase I) | Environmental Monitoring* | 13,974.97 | 10,633.78 | 1,200.00 | 6,490.00 | 12,091.00 | 4,177.00 | 4,177.00 |
| Horizon (Phase I) | | 7,628.70 | 13,971.29 | | | | | |
| Overaa | Construction | | | 25,878.78 | 31,328.78 | 1,108,300.17 | 1,354,299.92 | 405,299.92 |
| Projected Monthly Totals - Wet Well Specifically | | 24,825.89 | 36,814.29 | 43,009.00 | 56,748.00 | 1,162,305.39 | 1,414,379.14 | 456,006.14 |
| Administrative and Project Management: | | | | | | | | |
| Gualco | gov't relations | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 |
| West Yost PM | project mgmt | 288,625.13 | 175,000.00 | 175,000.00 | 175,000.00 | 175,000.00 | 175,000.00 | 175,000.00 |
| Bartkiewicz, Kronick & Shanahan | legal services Interim GM | 21,677.88 | 27,099.45 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 |
| | | included in 5-25-18 actuals | | 8,848.00 | | | | |
| Granberg & Assoc | General Manager Other Admin | | 0.00 | 20,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 |
| | | | 1,000.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 |
| Projected Monthly Totals - Administrative Support/Project Mgmt | | 314,803.01 | 207,599.45 | 230,848.00 | 227,000.00 | 227,000.00 | 227,000.00 | 227,000.00 |
| Total Projected Monthly Cash Outflow | | 339,628.90 | 244,413.74 | 273,857.00 | 283,748.00 | 1,389,305.39 | 1,641,379.14 | 683,006.14 |

* Includes optional water quality monitoring during air purging

ALLOCATION OF ABOVE COSTS TO PARTICIPATING AGENCIES

| | | | | | | | | |
|---|-----------------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Due From Ceres | | | | | | | | |
| Horizon Phase I | | 6,850 | 5,212 | | | | | |
| Rest Specifically from Wet Well | 26.70% | 2,897 | 6,990 | 11,500 | 15,200 | 310,300 | 377,600 | 121,800 |
| Specifically for West Yost PM | (1) | 140,185 | 84,998 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| For other admin costs | 50.00% | 13,089 | 16,300 | 27,900 | 26,000 | 26,000 | 26,000 | 26,000 |
| Total for Ceres | | 163,021 | 113,500 | 124,400 | 126,200 | 421,300 | 488,600 | 232,800 |
| Quarterly Summary | | | | | 364,100 | | | 1,142,700 |
| Due From Turlock | | | | | | | | |
| Horizon Phase I | | 6,850 | 5,212 | | | | | |
| Rest Specifically from Wet Well | 53.30% | 5,784 | 13,954 | 22,900 | 30,200 | 619,500 | 753,900 | 243,100 |
| Specifically for West Yost PM | (1) | 142,494 | 86,398 | 86,400 | 86,400 | 86,400 | 86,400 | 86,400 |
| For other admin costs | 50.00% | 13,089 | 16,300 | 27,900 | 26,000 | 26,000 | 26,000 | 26,000 |
| Total for Turlock | | 168,217 | 121,864 | 137,200 | 142,600 | 731,900 | 866,300 | 355,500 |
| Quarterly Summary | | | | | 401,664 | | | 1,953,700 |
| Due from Turlock Irrigation District | | | | | | | | |
| Horizon Phase I | | 275 | 209 | | | | | |
| Rest Specifically from Wet Well | 20.00% | 2,170 | 5,236 | 8,600 | 11,300 | 232,500 | 282,900 | 91,200 |
| Specifically for West Yost PM | (1) | 5,946 | 3,605 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Total for TID | | 8,391 | 9,051 | 12,200 | 14,900 | 236,100 | 286,500 | 94,800 |
| Quarterly Summary | | | | | 36,151 | | | 617,400 |
| Grand Total | | 339,629 | 244,414 | 273,800 | 283,700 | 1,389,300 | 1,641,400 | 683,100 |
| | <i>rounding differences</i> | 0 | 0 | (57) | (48) | (5) | 21 | 94 |

(1) based on Agency's pro-rata share of unexpended portion of Amendment #5.

| | |
|---------|----------------|
| Turlock | 49.37% |
| Ceres | 48.57% |
| TID | 2.06% |
| | <u>100.00%</u> |



-
1. A. **CALL TO ORDER:** Chair Soiseth called the meeting to order at 10:01 a.m.
PRESENT: Director DeHart, Director Lane, Vice Chair Vierra, Chair Soiseth
ABSENT: None

B. **SALUTE TO THE FLAG**

2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:**

Chair Soiseth announced his resignation as Chair from the SRWA Board due to a conflict of interest, effective May 3, 2018.

Chair Soiseth left the meeting at 10:03 a.m. Vice Chair Vierra conducted the meeting.

Interim Legal Counsel Richard Shanahan stated that Director DeHart should address the Board vacancy at the next Turlock City Council meeting.

3. A. **SPECIAL BRIEFINGS:** None

B. **STAFF UPDATES:**

1. Interim General Manager Michael Brinton provided an update of items discussed at recent Technical Advisory Committee (TAC) meetings, including:
 - Participated in Executive Technical Advisory Committee (TAC) and TAC Meetings
 - Completed Program Management Status Reports
 - Prepared TID Cost Allocation Memos
 - Interviewed General Manager candidates
 - Discussed pinch point with TID and prepared figures
 - Discussed potential fuel line along the BSNF RR ROW with Stanislaus County
 - Reviewed pavement restoration agreement
 - Coordinated with Gary Nazareno on temporary construction easement agreement
 - Prepared Phase 1 ESA effort for potential property acquisition at Santa Fe and Berkeley
 - Held public comment meeting for draft EIR (DEIR) at SRWA Board meeting
 - Began preparation of Final EIR (FEIR) and drafting of responses to public comments on the DEIR
 - Submitted Low Impact Habitat Conservation Plan (HCP) to U.S. Fish and Wildlife Service
 - Received Lake and Streambed Alteration Agreement (LSAA) from CDFW
 - Began drafting amendments to LSAA for wet well project and regional WTP project
 - Began preparing information for SRF Environmental Package
 - Updated environmental schedule, master schedule, and critical path schedule for SRF and Board review
 - Continued raw water quality sampling and testing

- Prepared water quality summary tables and performed data analysis for year-long source water sampling program summary report
 - Prepared draft raw water pump station pre-design Technical Memo
 - Prepared site layout and grading for raw water pump station
 - Pre-designed air purge system
 - Prepared piping and instrumentation drawings
 - Prepared pre-design Technical Memo for finished water transmission mains
 - Reviewed preliminary WTP design criteria, process flow diagrams and site plan
 - Developed design criteria for WTP unit processes and prepared draft design criteria Technical Memo
 - Continued development of hydraulic profile, process flow diagrams and site layout for reference WTP
 - Met with the Division of Drinking Water
 - Created draft technical appendices to Design-Build (DB) Contract
 - Began project alternatives analysis
 - Prepared draft DB Request for Qualifications
 - Met with potential DB contractors
 - Prepared and issued Request for Proposals for financial evaluation services
 - Updated wet well fact sheet
2. Marie Lorenzi, Finance Director, provided a summary of activity for the current fiscal year through May 2, 2018.

C. CONSULTANT UPDATES:

1. Gerry Nakano of West Yost Associates provided a project status update including the following:
- The Technical Advisory Committee (TAC) interviewed potential General Manager candidates and will be making a recommendation to the SRWA Board
 - The TAC issued a notice-to-proceed for Overaa Construction for construction of the wet well. A project pre-construction kick-off meeting was held on April 26, 2018. Construction is anticipated to begin in mid-July.
 - The TAC responded to public comments received on the DEIR for the project
 - The TAC is continuing to move forward on critical path items:
 - Preliminary pre-design of both treated water transmission alignments, and replacement of Aldrich Bridge
 - Coordinating with TID regarding temporary and permanent power
 - Received approval from DDW on our proposed extended water quality monitoring program
 - Discussions with County regarding road restoration
 - Continuing to coordinate with the State on the State Revolving Fund (SRF) loan application
 - Pre-design effort for the water treatment plant
 - Prepared a draft RFQ package, to be sent out late May, to design-build firms interested in providing qualifications for the design-build project
 - Request for Qualifications (RFQ) Overview:
 - First step in design-build procurement process
 - RFQ includes:
 - Project overview/scope of work

- Link to reference materials prepared by the project management team
- Procurement process/schedule
- Statement of Qualifications submittal requirements
- Statement of Qualifications evaluation criteria
- Preliminary Design-Build Contract
- Selection Criteria:
 - Team composition
 - Approach to project delivery
 - Technical qualifications
 - Financial qualifications
 - Safety record, conflicts of interest, and use of skilled and trained workforce (required by design-build governing statute)
 - Willingness to sign the Design-Build Contract (with reasonable changes, if any)
- Procurement Process:
 - Issue RFQ
 - Interested firms submit Statement of Qualifications
 - Statement of Qualifications evaluated and teams interviewed by the TAC
 - The TAC will recommend to the SRWA Board three (3) teams to be pre-qualified
 - Pre-qualified teams will be provided with the RFQ
 - Teams will prepare a fixed-price proposal for design, construction, start-up and testing
 - The TAC will evaluate proposals and interview the teams
 - The TAC will recommend to the SRWA Board to enter into contract negotiations with the preferred proposer
- Pre-Qualification Schedule
 - May 25, 2018 - issue RFQ (pending Board approval at the May 24th SRWA Board meeting)
 - June 6, 2018 - letter of interest due to SRWA prior to pre-statement of qualifications workshop
 - June 7, 2018 - conduct pre-statement of qualifications workshop and site visit
 - July 9, 2018 - statement of qualifications due to the SRWA
 - July 24-25, 2018 - respondent interviews
 - September 2018 - completion of design-build team pre-qualifying (pending SRWA Board approval at a Special Board Meeting in September)
- Other deliverables and key project meetings:
 - Monthly Executive Summary Reports for February and March
 - Completed a fact sheet for the Wet Well Project
 - Quarterly meeting with our SRF team in Sacramento on May 30, 2018

There was discussion regarding the schedule, timeline and contract details for the design-build project.

D. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None (See resignation of Board Chairman Gary Soiseth in Item 2 above.)

5. CONSENT CALENDAR:

Action: Motion by Director DeHart, second by Director Lane, adopting the consent calendar and approving the minutes of the Regular Meeting of February 22, 2018, and the Special Meeting of March 1, 2018. Motion carried by the following vote:

| | | | |
|---------------|-----------------|-------------------|---------------|
| Director Lane | Director DeHart | Vice Chair Vierra | Chair Soiseth |
| Yes | Yes | Yes | Absent |

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

A. Interim General Manager Michael Brinton requested to adopt the Design-Build Conflict of Interest Policy.

Discussion: None

Vice Chair Vierra opened public participation. There being no public response, Vice Chair Vierra closed public participation.

Action: Resolution 2018-005 adopting the Design-Build Conflict of Interest Policy was introduced by Director DeHart, seconded by Director Lane and carried by the following vote:

| | | | |
|---------------|-----------------|-------------------|---------------|
| Director Lane | Director DeHart | Vice Chair Vierra | Chair Soiseth |
| Yes | Yes | Yes | Absent |

B. Interim General Manager Michael Brinton requested to approve an agreement with Granberg & Associates, Inc., for General Manager services for the Regional Surface Water Supply Project and authorize the Board Chairman to execute the agreement, and appropriate \$40,000 to account number 950-53-552.43060_021 "Contract Services - General Manager" to be funded via equal contributions from the Cities of Ceres and Turlock as SRWA participating agencies.

Discussion:

Vice Chair Vierra stated he has worked with Robert Granberg previously and he is a tremendous asset.

Vice Chair Vierra opened public participation.

Citizen Milt Trieweiler inquired about other clientele for Granberg & Associates, Inc.

Robert Granberg, of Granberg & Associates, Inc., stated the SRWA is the only client currently.

Vice Chair Vierra closed public participation.

Action: Motion by Director DeHart, second by Director Lane, approving an agreement with Granberg & Associates, Inc., for General Manager services for the Regional

Surface Water Supply Project and authorizing the Board Chairman to execute the agreement. Motion carried by the following vote:

| | | | |
|---------------|-----------------|-------------------|---------------|
| Director Lane | Director DeHart | Vice Chair Vierra | Chair Soiseth |
| Yes | Yes | Yes | Absent |

Action: Resolution 2018-006 appropriating \$40,000 to account number 950-53-552.43060_021 "Contract Services - General Manager" to be funded via equal contributions from the Cities of Ceres and Turlock as SRWA participating agencies was introduced by Director DeHart, seconded by Director Lane and carried by the following vote:

| | | | |
|---------------|-----------------|-------------------|---------------|
| Director Lane | Director DeHart | Vice Chair Vierra | Chair Soiseth |
| Yes | Yes | Yes | Absent |

8. MATTERS TOO LATE FOR THE AGENDA: None

9. BOARD ITEMS FOR FUTURE CONSIDERATION:

Director DeHart will address the Board vacancy at the next Turlock City Council meeting on May 8, 2018.

10. BOARD COMMENTS: None

11. NEXT MEETING DATE: May 24, 2018 Regular meeting

12. CLOSED SESSION: Adjourned to Closed Session 10:26a.m. The meeting was called back to order at 11:25 a.m.

Nothing to report.

13. ADJOURNMENT: Motion by Director DeHart, second by Director Lane, to adjourn at 11:25 a.m. Motion carried 3/1.

Respectfully submitted,

DRAFT

Allison Martin, Board Secretary



From: Michael Brinton, Interim General Manager and Technical Advisory Committee

Prepared by: Lindsay Smith, West Yost Associates

1. ACTION RECOMMENDED:

Motion: Awarding contract to Project Finance Advisory, Ltd. to provide financial evaluation services to the SRWA during the design-build procurement process for the Regional Surface Water Supply Project in concurrence with the Technical Advisory Committee's recommendation in an amount not to exceed \$38,650, plus a 10% contingency of \$3,865 for a grand total of \$42,515

Resolution: Appropriating \$42,515 to account number 950-53-552.43060_022 "Contract Services – Contractor Financial Evaluation" be funded via contributions from SRWA participating agencies to properly account for the cost of the new contract with Project Finance Advisory, Ltd.

2. DISCUSSION OF ISSUE:

In accordance with the needs of the Regional Surface Water Supply Project (Project), SRWA issued a Financial Services Request for Proposals (Financial Services RFP) to solicit proposals to perform financial evaluation services during the design-build (DB) procurement process. Specifically, SRWA is seeking assistance in evaluating the financial viability of proposing firms seeking to be selected to provide DB services on the Project.

Of the three firms that responded to the Financial Services RFP, Project Finance Advisory, Ltd. (PFAL) offered the strongest qualifications and personnel for performing the financial viability evaluations described in the Financial Services RFP. Based on their qualifications, the Technical Advisory Committee (TAC) tentatively approved PFAL as the preferred firm, subject to subsequent discussions to bring their scope and fee in line with the SRWA budget allowance for the work in question. Those negotiations have been completed to the satisfaction of the TAC.

Some highlights of the financial services scope of work include:

- Development and identification of industry standard financial strength indicators
- Confirmation that Request for Qualifications (RFQ) content is sufficient for soliciting key financial information
- Response to financial-related requests for information from bidders

- Review of Submittals of Qualifications (SOQs), determination that minimum requirements are met and submittal of findings report
- Assistance to SWRA in developing financial-related RFP content
- Response to financial-related requests for information from shortlisted proposers
- Evaluation of financial information in proposals to confirm no change to previous findings
- Submittal of findings and recommendations
- Ten percent contingency to address out-of-scope tasks

All work will be done on a time-and-materials basis with a not-to-exceed amount as identified below. The TAC has reviewed the proposed scope of work and associated budget and recommend that the Board proceed with contract approval.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The Authority's 2017-18 budget does not currently contain a budget appropriation for the services to be performed by PFAL. At this time Staff is requesting a budget appropriation in the amount of \$42,515 to account number 950-53-552.43060_022 "Contract Services – Contractor Financial Evaluation" be funded via contributions from SRWA participating agencies.

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager supports moving forward with the proposed work and approval of the contract to allow the Project to continue to progress on the established schedule and maintain Project momentum.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

The Board may reject the proposed amendment, propose an alternative scope and budget, or request that the TAC further evaluate the scope and budget and bring this item back to the Board for future consideration. This action could cause a delay in the Project schedule.



SRWA
STANISLAUS REGIONAL
WATER AUTHORITY

**AGREEMENT FOR SPECIAL SERVICES
between
STANISLAUS REGIONAL WATER AUTHORITY
and
PROJECT FINANCE ADVISORY LIMITED
for
FINANCIAL SERVICES FOR THE REGIONAL SURFACE WATER SUPPLY PROJECT**

THIS AGREEMENT is made this June 1, 2018, by and between Stanislaus Regional Water Authority, a joint powers authority ("SRWA"), and Project Finance Advisory Limited, a Delaware corporation ("CONSULTANT"), who agree as follows:

1. SCOPE OF WORK: CONSULTANT shall perform the work and render the special services described in the attached Exhibit A (the "Services"). CONSULTANT shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Services. CONSULTANT shall determine the method, details and means of doing the Services.

2. COMPENSATION: SRWA shall pay CONSULTANT on a time-and-materials basis at CONSULTANT's hourly rates as set forth in Exhibit B, subject to a not-to-exceed amount, as full remuneration for performing all Services and furnishing all staffing and materials and for performance by CONSULTANT of all of its duties and obligations under this Agreement. CONSULTANT's hourly rates are subject to reasonable adjustment at the beginning of the calendar year, subject to the approval of CONSULTANT and the General Manager of SRWA. In no event shall the total payment to CONSULTANT under this Agreement exceed \$42,515. CONSULTANT shall be paid in the manner and at the times set forth below:

(a) Invoices: CONSULTANT shall submit dated invoices to SRWA on a monthly basis specifying the date, location and service rendered, and the fee or charge.

(b) Payment:

(1) All payments by SRWA shall be made in arrears, after satisfactory service, as determined and approved by SRWA, has been provided. Payment shall be made by SRWA no more than 30 days from the SRWA's receipt of invoice, subject to availability of funds. SRWA reserves the right to only pay for such services rendered to the satisfaction of SRWA.

(2) If SRWA disputes any item on an invoice for a reasonable cause, which includes, but is not limited to, unsatisfactory service, SRWA may deduct that disputed item from the payment, but shall not delay payment of the undisputed portions. The amounts and reasons for such deletions shall be documented to CONSULTANT within 15 working days after receipt of invoice by SRWA.

(3) If dispute is settled, payment shall be by check payable to and mailed to CONSULTANT within five working days of dispute settlement.

3. INSURANCE: CONSULTANT shall not commence Services under this Agreement until CONSULTANT has obtained SRWA's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall CONSULTANT allow any subcontractor to commence work or services on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. CONSULTANT shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services hereunder by CONSULTANT, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal constitutes a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 for ongoing operations and 20 37 for products/completed operations), to be approved by the SRWA.

(2) Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto).

(3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(4) Errors and Omissions/Professional Liability Insurance.

(b) Minimum Limits of Insurance: CONSULTANT shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(2) Automobile Liability: \$1,000,000 per occurrence for bodily injury and property damage.

(3) Workers' Compensation: as statutorily required by the State of California. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

(4) Errors and Omissions/Professional Liability: \$1,000,000 per claim.

(c) Deductibles and Self-Insured Retentions: Upon request of SRWA, any deductibles or self-insured retentions must be declared to and approved by SRWA. At the option of SRWA, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects SRWA, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) CONSULTANT shall provide a financial guarantee satisfactory to SRWA guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) SRWA, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to CONSULTANT's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, CONSULTANT's insurance coverage shall be primary insurance as respects SRWA and any insurance or self-insurance maintained by SRWA shall be excess of CONSULTANT's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to SRWA under this Agreement, the insurer, broker/producer, or CONSULTANT shall provide SRWA with 30 days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Civil Code Section 2782(b).

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: CONSULTANT shall furnish SRWA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by SRWA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT'S obligation to provide them. SRWA reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(g) Waiver of Subrogation: With the exception of professional liability, CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of SRWA for all work performed by CONSULTANT, its agents, employees, independent contractors and subcontractors. CONSULTANT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(h) Subcontractors: CONSULTANT shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All insurance coverage for subcontractors shall be subject to all of the requirements stated herein.

4. INDEMNIFICATION: CONSULTANT shall indemnify, defend, and hold harmless SRWA and its officers, agents, employees, and volunteers from and against any and all claim, demand, cost, or liability that arises out of, pertains to, or relates to, the negligence, recklessness, or willful misconduct of CONSULTANT or its employees or agents in the performance of services

under this contract, but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence, or willful misconduct of SRWA.

5. INDEPENDENT CONTRACTOR RELATIONSHIP:

(a) All acts of CONSULTANT, its agents, officers, and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as an independent contractor and not as agents, officers, or employees of SRWA. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of SRWA. CONSULTANT has no authority or responsibility to exercise any rights or power vested in the SRWA. No agent, officer, or employee of the SRWA is to be considered an employee or agent of CONSULTANT. It is understood by both CONSULTANT and SRWA that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

(b) CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall be responsible to SRWA only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to SRWA's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. CONSULTANT has control over the manner and means of performing the services under this Agreement. CONSULTANT is permitted to provide services to others during the same period service is provided to SRWA under this Agreement. If necessary, CONSULTANT has the responsibility for employing other persons or firms to assist CONSULTANT in fulfilling the terms and obligations under this Agreement.

(c) As an independent contractor, CONSULTANT shall indemnify and hold SRWA harmless from any and all claims that may be made against SRWA based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement. CONSULTANT shall, to the fullest extent permitted by law, indemnify SRWA, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state agency, or court concerning CONSULTANT's independent contractor status or employment-related liability.

6. TERM; TERMINATION BY SRWA: This Agreement shall become effective June 1, 2018 and terminate upon completion of the Services. However, SRWA may terminate this Agreement at any time without cause or legal excuse by providing 30-days' written notice to CONSULTANT.

7. TERMINATION BY CONSULTANT: Should SRWA materially breach any of its obligations under this Agreement, CONSULTANT may initiate termination of this Agreement by providing 30-days' written notice to SRWA. For the purposes of this section, material breach of this Agreement shall include the failure to timely pay CONSULTANT in accordance with the payment provisions above. If SRWA does not remedy the breach within the 30-day period after CONSULTANT notifies SRWA, then the Agreement will terminate at the end of the 30-day period.

8. POST-TERMINATION. In the event of termination under section 8 or 9, CONSULTANT shall cease all its Services as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. CONSULTANT shall be fairly compensated for all Services performed to the date of termination as calculated by SRWA based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or

demobilization charges, or lost profit associated with the expected completion of the Services or other such similar payments relating to CONSULTANT's claimed benefit of the bargain. If SRWA so requests, and at SRWA's cost, CONSULTANT shall provide sufficient oral or written status reports to make SRWA reasonably aware of the status of CONSULTANT'S work on the Services. Further, if SRWA so requests, and at SRWA's cost, CONSULTANT shall deliver to SRWA any work products whether in draft or final form which have been produced to date.

9. CONFORMANCE WITH FEDERAL AND STATE LAW: CONSULTANT shall perform the Services in compliance with all applicable federal, state and local laws and regulations, including any applicable federal or state safety-related statutes, regulations, and safety orders. CONSULTANT shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Services. CONSULTANT shall comply with all federal, state and local air pollution control laws and regulations applicable to CONSULTANT and the Services (as required by California Code of Regulations title 13, section 2022.1).

10. NONDISCRIMINATION: CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. CONSULTANT also shall comply with applicable federal and state statutes and regulations concerning civil rights and nondiscrimination.

11. TIME: Time is of the essence in this Agreement.

12. ENTIRE AGREEMENT AND MODIFICATION: The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Services. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Services, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.

13. PROFESSIONAL ABILITY OF CONSULTANT: CONSULTANT represents that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities, training, personnel, and other resources necessary to competently perform the Services contemplated by this Agreement. CONSULTANT further represents that it will follow the best current, generally accepted, and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project. SRWA has relied upon CONSULTANT's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Services performed by CONSULTANT shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in CONSULTANT's field.

14. OWNERSHIP OF DOCUMENTS: All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other document or thing prepared, developed or created by CONSULTANT under this Agreement and provided to SRWA ("Work Product") shall be the property of SRWA, and SRWA shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to CONSULTANT or any other party. CONSULTANT may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and

distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that CONSULTANT shall not provide any Work Product to any third party without SRWA's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, CONSULTANT may copyright the same, except that, as to any Work Product that is copyrighted by CONSULTANT, SRWA reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If SRWA reuses or modifies any Work Product for a use or purpose other than that intended by the scope of Services under this Agreement, then SRWA shall hold CONSULTANT harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to SRWA in paper format, upon request by SRWA at any time (including, but not limited to, at or after expiration or termination of this Agreement), CONSULTANT agrees to provide the Work Product to SRWA in a readable, transferable and usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file).

15. NEWS AND INFORMATION RELEASE: CONSULTANT shall not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of the news release from SRWA.

16. INTEREST OF CONSULTANT: CONSULTANT warrants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, that would conflict in any manner or degree with the performance of the Services. CONSULTANT warrants that, in performance of this Agreement, CONSULTANT shall not employ any person having any such financial interest. If so directed in writing by SRWA, CONSULTANT shall file a FPPC Form 700 Statement of Economic Interests with SRWA at the start and end of the Services and annually during the term of the Agreement.

17. AMENDMENTS: It may become desirable or necessary during the execution of this Agreement, for SRWA or CONSULTANT to modify the scope of services provided for under this Agreement or to otherwise amend the Agreement. Any change in the Agreement requires a written amendment approved and signed by both parties. Any Agreement amendment by SRWA requires approval by its Board of Directors. Until an amendment is so approved and signed, SRWA will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

18. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

19. WAIVER: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

20. CONSULTANT RECORDS AND AUDIT: CONSULTANT shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Services and invoice preparation and support for a minimum period of four years (or for any longer period required by law) from the date of final payment to CONSULTANT under this Agreement. SRWA may inspect and audit such books

and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.

21. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

22. ASSIGNMENT: This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by either party without the prior written consent of the other party. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement. SRWA consents to CONSULTANT's use of a subcontractor if that use is described in Exhibit A.

23. NOTICE: Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with confirmed receipt. Such notices, etc. shall be addressed as follows:

| | |
|--|---|
| SRWA: Secretary Stanislaus Regional Water Authority 156 South Broadway, Suite 270 Turlock, CA 95380-5454 AMartin@turlock.ca.us | CONSULTANT: Project Finance Advisory Limited 16A Funston Avenue San Francisco, CA 94129 |
|--|---|

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email from the other party confirming the delivery of the notice, etc. Any party may change its contact information by notifying the other party of the change in the manner provided above.

24. AGENCY CONTRACT ADMINISTRATOR: The SRWA's contract administrator and contact person for this Agreement is:

Robert Granberg
General Manager
Stanislaus Regional Water Authority
156 S. Broadway, Suite 270
Turlock, CA 95380-5456
Telephone: (209) 538-5758
E-mail: granbergassociates@gmail.com

Stanislaus Regional Water Authority

Project Finance Advisory Limited

By: _____
Board Chair

By: _____

Date: _____

Title: _____

Print name: _____

APPROVED AS TO SUFFICIENCY:

Date: _____

By: _____
General Manager

APPROVED AS TO FORM:

By: _____
Richard Shanahan, SRWA Attorney

ATTEST:

By: _____
Allison Martin, Board Secretary

1.4.2 Scope of Services & Approach

The PFAL team is focused on building our reputation as a firm that consistently provides exceptionally high quality, specialized services with a team of experienced experts. We perform our work objectively, accurately, and provide our services on time and within budget. We are solutions-focused, have an excellent track record of performing the work scope sought by SRWA, and we will work to be a valuable and trusted member of the project team at all times.

We have reviewed the terms of the contract included in the Financial Evaluation Services RFP and we have no comments. We are prepared to execute the contract in its current form.

We find the scope of work in the RFP for Financial Evaluation Services to be comprehensive and well-considered.

1. Develop and identify industry standard financial strength indicators

PFAL has developed a list of standard financial strength indicators, including industry benchmarks, for our previous projects and financial evaluation efforts. We also intend to utilize our PFAL Rating Model for this project. As a practical matter, we anticipate that a large number of respondents will not carry external ratings. Our Rating Model, however, will produce outputs that allow us to review, compare, contrast and rank each bidders financial position on an objective and fair basis, and to identify a rating, comparable to ratings that Moodys or S&P would produce for a construction firm.

2. Confirm RFQ content is sufficient for soliciting key financial information

We have reviewed the current draft of the RFQ and regard the information it requests as broadly sufficient, subject to a number of minor modifications we are recommending for clarity and completeness.

We recommend soliciting financial statements from each member of the DB entity, including any guarantors. This will allow us to analyze the capacity of each individual firm within the DB group and the strength of their performance and financial guarantees. We will then be able to assess the financial capacity of each individual firm, the strength of the guarantee, the likelihood that the guarantee would need to be called, and to assess that the guarantee has the required value for SRWA.

The information below is reflective of the fact that the new corporate tax code has a negative impact on the financial condition of firms that are highly leveraged. While we are not tax advisors, we will be able to make informed assessments of the likely available cash flow position of each firm under the new tax code.

In Attachment A - SOQ Submittal Forms, we suggest the following:

In Section 1, the Income Statement should be re-ordered and the other items in bold should be included:

- | | |
|---|-----------------------------|
| • Operating Revenues | • EBIT |
| • Operating Expenses | • Gross Interest |
| • Depreciation / Amortization | • EBT |
| • EBIT / Operating Profit | • Total tax expenses |
| • Interest income | • Net income |
| • Other non-operating income / (expense) | • Bonding Capacity |

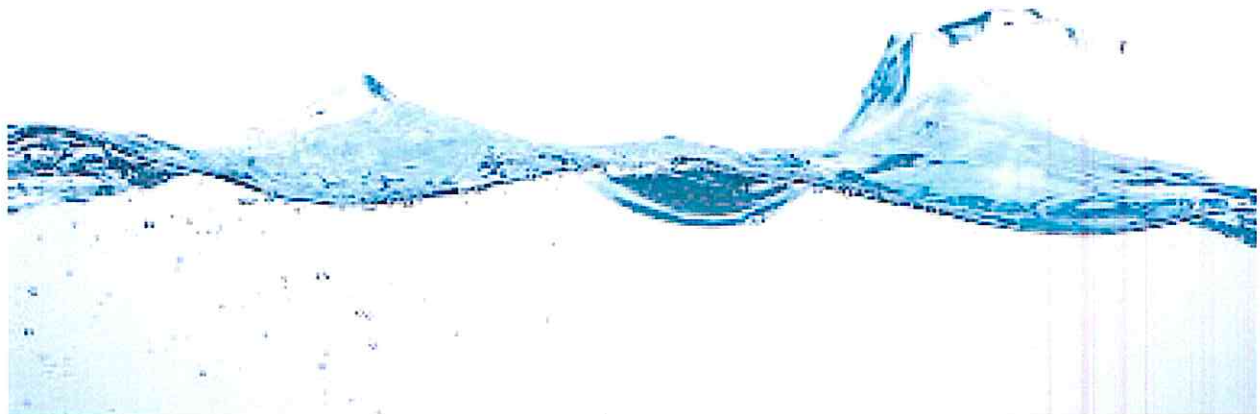
We recommend requesting information on the corporate structure of the bidding teams and the individual firms within them to evaluate relationships between bidding firms and guarantors. Finally, we recommend allowing bidders an opportunity to provide explanations for any deviations in results or any changes to the corporate bodies that have been audited on an annual basis.

In Section III, we recommend making some modifications to the RFQ to provide for general corporate ratings instead of specific issuance ratings to give us a broader view of the rating agencies' perspective on the credit strength of the respondent firm instead of focusing – potentially – on the strength of one specific revenue stream. We also recommend removing Duff & Phelps as a rating agency and allowing for "Others" such as DBRS and Kroll.

Finally, we would recommend some changes to the wording of the financial evaluation criteria, which we can discuss with you should you choose to appoint us.

3. Respond to all financial-related requests for information from bidders

PFAL will respond promptly to questions from bidders and draft responses for review and publication by the SRWA procurement team. We have experience doing this most recently for the Kansas City Airport New Terminal Financing, where we ran the procurement for specialist counsel and service providers and were able to quickly organize questions and provide City-approved responses within 24-48 hours to all bidders.



4. Review SOQs, determine minimum requirements are met, compare bidders, report on findings

Firstly, we will identify the financial information provided for each respondent firm matches the corporate bodies that are bidding. In other instances we have found mismatches between the audited corporate body and the firm being proposed to perform DB work.

The information that is provided in each SOQ will be verified and then used as an input into the PFAL Rating Tool.

Secondly, we will carefully review each bidder’s submission and perform a pass/fail analysis for each of the bidders.

Results of this analysis will be collated into a clear and transparent report to present to the Selection Committee. We will also make a verbal presentation if requested and if there are unusual features, we certainly recommend this approach.

Currently the RFP does not address whether the technical or financial specialists will confirm the information submitted by the DB teams obtain appropriate insurance and bonding. We have assumed that we will perform this work as part of the financial evaluation.

5. Assist SWRA in developing financial-related RFP content

The RFP correctly indicates that the DB RFP will only need to allow for a confirmation of previously submitted information. We will recommend this for inclusion in the RFP and to add any additional information that may be prudent based on the information obtained during the shortlisting evaluation process.



6. Respond to all financial-related requests for information from shortlisted bidders

PFAL will respond promptly to questions from bidders and draft responses for review and publication by the SRWA procurement team.

7. Evaluate financial information in proposals to confirm no change to the previous findings

PFAL will review any new information provided by the bidders and update the SOQ analysis by exception and advise if any matters have changed and the impact of any changes. Examples previously encountered include mergers, acquisitions, profit warnings, credit rating downgrade, pending claims, new litigation or judgements and new quarterly or semi-annual results.

8. Summarize findings and recommendations in a brief Selection Report memo

Our findings will be presented in a clear and concise report format. We also offer to present our findings to the Selection Committee, which we find is particularly important if there are any unusual observations.

9. Participate in negotiations with the most favorable DB entity on an as-needed basis

PFAL will be available to participate in negotiations as called upon. We can add assurance to the process by reviewing and commenting on forms of security for example. For the time being, since this is an as-needed element, we have not included this work in our pricing, but we are more than capable and willing to assist.

10. Additional Services - as needed

We note that Section 1 – Background of the RFP states that *“The procurement statute requires SRWA to evaluate and consider the price and life-cycle costs of the different proposals over 15 or more years in making its selection.”* The Financial Evaluation Services RFP does not include the scope quoted above, which PFAL would be extremely competent to assist with should it be needed by SRWA. We have, for multiple clients and project types, modeled long term financing, capital, and life-cycle costs of specific projects based on specific risk allocations, and we would be happy to assist with this work if required.



STANISLAUS REGIONAL WATER AUTHORITY

FINANCIAL EVALUATION SERVICES - FEES

May 2018



1.9 Fees

Financial Evaluation Services Work - Number of Hours

| | Victoria Taylor, Project Director | Steven Leeming, Project Manager | James Littlefair, Deputy Project Manager | Richard Kerrigan, Technical Expert | Greg Tseng, Water Sector Expert |
|--|--|--|---|---|--|
| 1 Develop Indicators | 1 | 2 | 1 | 1 | 1 |
| 2 Confirm RFQ | 2 | 2 | 2 | 2 | 4 |
| 3 Respond to RFIs | 2 | 2 | 2 | 2 | 6 |
| 4 Review 6 SOQs | 2 | 4 | 2 | 4 | 10 |
| 5 Financial Data Request | 2 | 2 | 2 | 2 | 6 |
| 6 Respond to comments | 2 | 4 | 2 | 2 | 6 |
| 7 Evaluate 3 proposals | 2 | 4 | 4 | 4 | 6 |
| 8 Findings Report/Presentations | 2 | 4 | 4 | 2 | 12 |
| 9 Participate in Negotiations | Not priced - as needed service | | | | |
| 10 Lifecycle Costing | Not priced - as needed service | | | | |

| | Victoria Taylor, Project Director | Steven Leeming, Project Manager | James Littlefair, Deputy Project Manager | Richard Kerrigan, Technical Expert | Greg Tseng, Water Sector Expert |
|--|--------------------------------------|------------------------------------|---|---------------------------------------|------------------------------------|
| 20% Discounted Hourly Rate | \$375 | \$350 | \$325 | \$300 | \$250 |
| 1 Develop Indicators | \$375 | \$700 | \$325 | \$300 | \$250 |
| 2 Confirm RFQ | \$750 | \$700 | \$650 | \$600 | \$1,000 |
| 3 Respond to RFIs | \$750 | \$700 | \$650 | \$600 | \$1,500 |
| 4 Review 6 SOQs | \$750 | \$1,400 | \$650 | \$1,200 | \$2,500 |
| 5 Financial Data Request | \$750 | \$700 | \$650 | \$600 | \$1,500 |
| 6 Respond to comments | \$750 | \$1,400 | \$650 | \$600 | \$1,500 |
| 7 Evaluate 3 proposals | \$750 | \$1,400 | \$1,300 | \$1,200 | \$1,500 |
| 8 Findings Report/Presentations | \$750 | \$1,400 | \$1,300 | \$600 | \$3,000 |
| Individual Totals | \$5,625 | \$8,400 | \$6,175 | \$5,700 | \$12,750 |
| Grand Total | \$38,650 | | | | |
| 9 Participate in Negotiations | Not priced - as needed service | | | | |
| 10 Lifecycle Costing | Not priced - as needed service | | | | |

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EXHIBIT B

**Project Finance Advisory Limited
Professional Staff Billing Rates (2018)**

| | |
|--|----------------|
| Victoria Taylor, Project Director | \$375 per hour |
| Steven Leeming, Project Manager | \$350 per hour |
| James Littlefair, Deputy Project Manager | \$325 per hour |
| Richard Kerrigan, Technical Expert | \$300 per hour |
| Greg Tseng, Water Sector Expert | \$250 per hour |



BEFORE THE BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY

**IN THE MATTER OF APPROPRIATING
\$42,515 TO ACCOUNT NUMBER
950-53-552.43060_022 "CONTRACT
SERVICES - CONTRACTOR FINANCIAL
EVALUATION" TO BE FUNDED VIA
CONTRIBUTIONS FROM SRWA
PARTICIPATING AGENCIES TO PROPERLY
ACCOUNT FOR THE COST OF THE NEW
CONTRACT WITH THE PROJECT FINANCE
ADVISORY LTD.**

RESOLUTION NO. 2018-

WHEREAS, a request for proposal was solicited from companies to assist the SRWA in evaluating the financial viability of proposing firms seeking to be selected to provide design-build services for the Regional Surface Water Supply Project; and

WHEREAS, three responses were received and evaluated by the Technical Advisory Committee (TAC); and

WHEREAS, Project Finance Advisory, Ltd. (PFAL) offered the strongest qualifications and personnel for performing the financial viability evaluations described in the Financial Services RFP and is recommended to the Board by the TAC as the preferred firm to provide the financial evaluation services; and

WHEREAS, by separate action the Board has approved a contract in an amount not to exceed thirty eight thousand six hundred fifty dollars (\$38,650), plus a 10% contingency of three thousand eight hundred sixty five dollars (\$3,865) for a grand total of forty-two thousand five hundred fifteen dollars (\$42,515); and

WHEREAS, the Authority's 2017-18 budget does not currently contain a budget appropriation for the services to be performed by PFAL.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Stanislaus Regional Water Authority that it does hereby appropriate \$42,515 to account number 950-53-552.43060_022 "Contract Services - Contractor Financial Evaluation" to be funded by contributions from SRWA participating agencies.

PASSED AND ADOPTED at a special meeting of the Board of the Stanislaus Regional Water Authority this 31st day of May 2018, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Allison Martin, Board Secretary