

Yolo County Flood Control & Water Conservation District

Board Meeting
34274 State Highway 16
Woodland, CA 95695
Tuesday, May 1, 2018
7:00 P.M.

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Christina Cobey at (530) 662-0265 or ccobey@ycfcwcd.org. Requests should be made as early as possible, and at least one full business day before the start of the meeting.

AGENDA

- 7:00 1. Consideration: Adoption of the April 3, 2018 Regular Board Meeting Minutes
- 7:02 2. Open forum (Limited to five minutes): Guest introductions, unscheduled appearances, opportunity for public comment on non-agenda items
- 7:07 3. Consideration: Adding Items to the Posted Agenda
In order to add an item to the agenda, it must fit one of the following categories:
a) A majority determination that an emergency (as defined by the Brown Act) exists; or
b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:10 4. Consideration: Power Purchase Agreement with Valley Clean Energy Alliance for Selling Power at Indian Valley Reservoir
- 7:25 5. Consideration: Adoption of Fiscal Year 2018/2019 District Budget
- 7:45 6. Presentation: Report on Preparations for Replacing the Moore Siphon
- 8:00 7. Directors' Reports: Report on meetings and conferences attended during the prior month on behalf of the District

- 8:05 8. Attorney's Report: Report on legal matters of concern to the District
- 8:10 9. General Manager's Report: Report regarding current general activities and projects of the District
- a) Operations, Maintenance, and Water Conditions
 - b) Financial Report
 - c) General Activities
 - d) Upcoming Events
- 8:22 10. General Discussion: Opportunity for clarification or additional information request
- 8:25 11. Consideration: Consider the approval and the payment of bills
- 8:30 12. Adjourn

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the Board's jurisdiction is welcome, subject to reasonable time limits for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Times listed for consideration of agenda items are approximate only. The Board may consider any agenda item at any time during the Board meeting.

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control and Water Conservation District, 34274 State Highway 16, Woodland, CA on April 27, 2018.

By: _____
Christina Cobey, Administrative Assistant

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: May 1, 2018

ITEM #: 1

SUBJECT: Consideration: Adoption of the April 3, 2018 Regular Board Meeting Minutes

INITIATED OR BOARD

COORDINATED OR

REQUESTED BY: STAFF

APPROVED BY: Tim O'Halloran

OTHER _____

ATTACHMENT YES NO

INFORMATION

DIRECTION

ACTION: MOTION

RESOLUTION

BACKGROUND:

Pursuant to Section 54957.5 of the Brown Act, copies of the draft minutes are available to the public at the Board meeting prior to their approval.

Staff request the Directors call the Yolo County Flood Control and Water Conservation District (District) office if a correction is needed to be made to the draft minutes to clarify a substantial point or to correct content. Staff will then have time to make the appropriate change(s) and submit the revised draft for review to the Board and the public at the Board meeting.

RECOMMENDATION:

District staff recommend the adoption of the attached minutes with any corrections.



Y O L O C O U N T Y

**FLOOD CONTROL &
WATER CONSERVATION
DISTRICT**

BOARD MEETING MINUTES

Tuesday, April 3, 2018, 7:00 PM

YCFCWCD Offices

34274 State Highway 16

Woodland, CA 95695

The regular meeting of the Board of Directors of the Yolo County Flood Control and Water Conservation District (District) was held at 7:00 p.m. on Tuesday, April 3, 2018, at its regular place of business, 34274 State Highway 16, Woodland, California. Chair Kimball convened the meeting. The following people were in attendance:

District Board

Mary Kimball, Chair

Tom Barth

Ann Brice

Bruce Rominger

Erik Vink

District Staff

Max Stevenson, Assistant General Manager

Kristin Sicke, Assistant General Manager

Members of the Public

Keith Ahart

John McKean

Dave Pratt

Don Rominger

Rob Roscoe

Andy Sells

Kathy Tiegs

1. CONSIDERATION: Approval of Minutes

M/S/C approved the minutes of the March 6, 2018 regular Board meeting as submitted.

Ayes: Directors Brice, Kimball, and Rominger

Noes: None

Absent: Directors Barth and Vink

Abstain: None

2. OPEN FORUM

Association of California Water Agencies Joint Powers Insurance Authority's (ACWA/JPIA) Andy Sells addressed the Board and requested a few minutes to present the District's insurance refund for the year. The District participates in ACWA/JPIA's Liability, Property, and Workers' Compensation Insurance Programs, and received a refund of \$42,959 from the Rate Stabilization Fund. Sells also introduced Kathy Tiegs, a Board member of ACWA/JPIA, and previous ACWA President.

3. CONSIDERATION: Adding Items to the Posted Agenda

There were no changes made to the agenda.

4. CONSIDERATION: Implementing Labor Compliance Provisions on Certain Public Works Contracts

Assistant General Manager Stevenson informed the Board that the District has been and is currently paying prevailing wage on all contracted projects. Stevenson reported that the provisions of the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) require an additional labor compliance provision: the establishment of a Labor Compliance Program (LCP) to monitor the prevailing wage and apprenticeship requirements on any project using Proposition 84 funding.

The District has received Proposition 84 funding and will be using the funding to install a new groundwater well. Stevenson noted that the District needs to have an adopted LCP that is approved by the California Department of Industrial Relations as part of the contracting process. The District hired a professional consultant to help develop an LCP to ensure compliance with additional reporting requirements under Proposition 84, which resulted in an unbudgeted expense of \$4,500.

District staff recommended adopting Resolution 18.02 Adopting and Implementing Labor Compliance Provisions on Certain Public Works Contracts.

M/S/C adopting Resolution 18.02 Adopting and Implementing Labor Compliance Provisions on Certain Public Works Contracts.

Ayes: Directors Barth, Brice, Kimball, and Rominger

Noes: None

Absent: Director Vink

Abstain: None

5. PRESENTATION: Power Purchase Agreement with Valley Clean Energy Alliance for Selling Power at Indian Valley Reservoir

Assistant General Manager Stevenson reported on the District's history of power production at the Indian Valley Reservoir hydroelectric facility. The District has sold power to PG&E for the past 20 years and is currently operating under a Power Purchase Agreement at a rate of \$0.032 per kWh. Over the past year, District staff have researched alternative options for selling hydropower at a better rate. Details the District has had to consider include rates, scheduling fees, and resource allocation factors.

Since January, the District has been working with the Valley Clean Energy Alliance (VCEA) to determine whether the District could sell power to VCEA. VCEA provided a preliminary term sheet to begin the negotiation process, and in response, the District requested a counter offer. If VCEA and the District come to a favorable arrangement, the contract would start June 1, 2018 and last for two years. After two years the District can decide if VCEA is a good fit or whether other options need to be considered.

6. PRESENTATION: 2018 Irrigation Season Operations Update

Assistant General Manager Stevenson reviewed the reservoir levels at Clear Lake and Indian Valley, which had approximately 26,000 and 240,000 acre-feet, respectively. Thankfully, the recent rains provided the District with enough entitlement water in Clear Lake to declare an unallocated irrigation season and to not impose a waiting list. The District's 2018 irrigation water rate is set at \$34 per acre-feet based on the April 1, 2018 total available water of 266,569 acre-feet.

Assistant General Manager Sicke gave a quick update on the status of the Moore Siphon Replacement Project, informing the Board that the geotechnical borings started earlier in the week and would be completed by the end of the week (weather permitting).

7. DIRECTORS' REPORTS

During the Directors' Reports, District staff took the opportunity to recognize Director Ann Brice's 16 years of service and to announce the April meeting as her final Board meeting. Director Brice started on the Board in 2002 and provided the District with exceptional thoughtfulness and guidance during her tenure. As of March 19, 2018, Director Brice is serving as the Environmental Representative on the Yolo Subbasin Groundwater Agency's (YSGA) Board of Directors.

Director Brice relayed her appreciation for serving on the Board the past 16 years: she has learned so much about water and farming and thoroughly enjoyed being on the Board.

8. ATTORNEY'S REPORTS

Legal Counsel was not in attendance as there was nothing to report.

9. GENERAL MANAGER'S REPORT

Assistant General Manager Stevenson provided reports on the following:

- a) Operations, Maintenance, and Water Conditions – The Water Conditions Report and hydrographs of real-time groundwater monitoring wells were reviewed.
- b) Financial Report Summary – Highlights from the March 31, 2018 financial statements report were reviewed and the actual FY 2017/2018 Budget was compared to the projected FY 2017/2018 Budget.
- c) General Activities – A list of outreach activities and projects both in-house and coordinating with other agencies was reviewed.
- d) The following upcoming events were announced:
 1. April 4: Anne Schneider Lecture: Surface and Groundwater Interaction, Sacramento
 2. April 5: Water Resources Association of Yolo County (WRA) Technical Committee Meeting, District Boardroom
 3. April 16: The Nature Conservancy's Reception to Celebrate the Groundwater Resource Hub, Sacramento
 4. April 24: Yolo County Board of Supervisors' Meeting: Water Conditions Update, Woodland
 5. April 26: WRA and YSGA Executive Committee Meetings, District Boardroom
 6. May 8-11: ACWA Spring Conference, Sacramento
 7. May 24: NCWA's Northern California Water Leaders Program, District Boardroom
 8. June 6-7: Groundwater Resources Association of California (GRA) 1st Annual Groundwater Sustainability Agency (GSA) Summit, Sacramento

10. GENERAL DISCUSSION

Director Rominger urged District staff to be better prepared in future irrigation seasons so that water is in the canals as soon as the rainy season is over. He would like for District staff to complete capital jobs sooner so that there is no delay in the start of the irrigation season.

11. CONSIDERATION: Payment of Bills

M/S/C approved the following claims for payment – Yolo County Flood Control and Water Conservation District Checks # 055334 – 055353.

Ayes: Directors Barth, Brice, Kimball, Rominger, and Vink

Noes: None

Absent: None

Abstain: None

12. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

Mary Kimball, Chair

ATTEST:

Kristin Sicke, Assistant Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 1, 2018

ITEM #: 4

SUBJECT: Consideration: Power Purchase Agreement (PPA) with Valley Clean Energy Alliance for Selling Power at Indian Valley Reservoir

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Max Stevenson
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

At the January 9, 2018 Board meeting, General Manager Mitch Sears gave a presentation on the Valley Clean Energy Program and the opportunities available to the District for selling power to the Valley Clean Energy Alliance (VCEA). At the April 3, 2018 Board meeting, Assistant General Manager Stevenson gave a presentation on proposed terms for a Power Purchase Agreement (PPA).

The District and VCEA have discussed a possible arrangement for selling power from Indian Valley Reservoir's hydroelectric facility starting June 1, 2018 under a two-year trial PPA. VCEA has provided a draft PPA with terms, which will offer a 15% to 25% increase in income for the summer of 2018 over the current PG&E PPA. Increase in income for the next two seasons will depend on water release patterns and storage conditions. The draft PPA is attached for review.

RECOMMENDATION:

Staff recommend that General Manager O'Halloran be given authority to contract with the VCEA for a PPA from June 1, 2018 to May 31, 2020.

INDIAN VALLEY HYDRO PROJECT
SHORT TERM RENEWABLE POWER PURCHASE AGREEMENT
BETWEEN
SACRAMENTO MUNICIPAL UTILITY DISTRICT

AND
YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

This SHORT TERM RENEWABLE POWER PURCHASE AGREEMENT (the "Agreement") is made and entered into _____, 2018 ("Effective Date") by and between the Sacramento Municipal Utility District ("Buyer"), and Yolo County Flood Control and Water Conservation District ("Seller"), a California Special District. Buyer and Seller are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

A. Seller is a flood control and irrigation district in the business of providing water for agricultural irrigation customers within the county of Yolo, California.

B. Buyer is a municipal utility engaged in the business of generation, transmission, and distribution of electric power and other related businesses.

C. Seller owns a 2.9 MW (net) renewable small hydroelectric generation facility that is a CEC Certified Eligible Renewable Energy Resource located at the dam on the Indian Valley reservoir in Lake County, which is interconnected to the CAISO Balancing Authority (the "Project"), and associated with Seller's water supply operations.

D. Buyer wishes to purchase and secure a reliable short-term source of renewable power (Energy and Green Attributes) to fulfill a portion of the renewable energy and Capacity needs of Valley Clean Energy Alliance, a Community Choice Aggregator for which Buyer is providing Wholesale Energy Services.

E. Seller desires to sell, and Buyer desires to purchase all Unit Contingent Firm Power (as defined herein) that is produced from the Project during the Term (as defined herein), in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and of other good and valuable consideration, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

In addition to definitions of other terms appearing elsewhere in this Agreement, the following terms, when used herein, whether in the singular or in the plural, shall have the meanings specified:

Agreement. This term shall have the meaning given to it in the preamble of this Agreement.

Attestation and Bill of Sale. This term shall mean documentation acceptable to Buyer which identifies the transfer of RECs from Seller to Buyer.

Business Day. This term means any Monday through Friday, inclusive, but excluding Days that are observed as business holidays by either Party or that are NERC Holidays.

CAISO. This term means the California Independent System Operator Corporation or its successor.

CAISO Balancing Authority Area. This term shall mean the system of transmission lines and associated facilities that is operated by the CAISO and for which the CAISO has operational control and responsibility for system reliability.

CAISO Revenue Meter. This term shall mean that meter used by the CAISO to determine the amount of Energy produced by the Project for which the CAISO shall give credit toward the delivery of any generation Schedules from the Project or toward payment for positive Imbalance Energy.

California RPS. This term means "Renewable Portfolio Standard," which is the standard adopted by the State of California pursuant to Senate Bill 1038 (SB 1038, Chapter 515, Statutes 2002, Sher), Senate Bill 1078 (SB1078, Chapter 516, Statutes of 2002, Sher), Senate Bill 67 (SB 67, Chapter 731, Statutes of 2003, Bowen), and Senate Bill 183, Chapter 666, Statutes of 2003, Sher), codified in Public Utilities Code (PUC) Sections 381, 399.11 through 399.16, and 445, and Public Resources Code (PRC) Sections 25740 through 25751, as may be amended from time to time, setting minimum renewable energy targets for entities under the legal jurisdiction of the California Public Utilities Commission.

(CPUC). This term means the California Public Utilities Commission, or successor entity.

Capacity. This term shall mean the ability of a generator at any given time to produce Energy at a specified rate ("Real Power") as measured in megawatts ("MW") or kilowatts ("kW"), and any reporting rights associated with such.

Capacity Attributes. This term means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project, intended to value any aspect of the Capacity of the Project to produce energy or ancillary services, including, but not limited to, any accounting construct so that the full output of the Project may be counted toward a Resource Adequacy Capacity requirement or any other measure by an entity invested with the authority under federal or state law, to require Load Serving Entities to procure, resource adequacy or other such products.

Capitalized terms used in this definition that are not otherwise defined in this Agreement shall have the meaning ascribed to them in the relevant CAISO tariff, as modified or amended from time to time.

CEC. This term means the California Energy Resources Conservation and Development Commission, also known as the California Energy Commission, or its successor agency.

CEC Certification(ied). This term means that the CEC has certified that the Project is an ERR for purposes of the California Renewable Portfolio Standard and that Energy produced by the Project qualifies as generation from an ERR consistent with CEC standards and protocols.

DA PNode LMP. This term shall mean the Day-ahead LMP applicable to the PNode at the Delivery Point for the relevant hour. The Project PNode is INDIANV_7_B1.

Day. This term shall mean a period of 24 consecutive hours beginning at 00:00 hours Pacific Prevailing Time on any calendar day and ending at 24:00 hours Pacific Prevailing Time (PPT) on the same calendar day.

Day-Ahead. The twenty-four hour time period prior to the Delivery Day.

Day Ahead Schedules. This term means schedules placed and accepted by the CAISO in its Day Ahead Scheduling process (also known as the IFM).

Delivery-Day. This term means any Day during which Energy is delivered or made available.

Delivery Point. This term means the Project interconnection to the CAISO Balancing Authority Area at the Project's [REDACTED] substation in Clearlake Oaks, CA or the nearest CAISO pricing node, as mutually agreed by the Parties.

Delivery Term. This term shall have the meaning set forth in Section 2.1 of this Agreement.

Distribution Service. This term shall mean service provided by the Host Electric Utility that utilizes the Host Electric Utility's Distribution System, either to deliver power to retail electric customers, or to transmit power from the Project to the Host Electric Utility's high voltage Transmission System.

Distribution System. This term shall mean the relatively low voltage wires, transformers and related equipment generally used by an electric utility to deliver electric power to retail customers (as opposed to using it to move bulk quantities of power between different electric utilities or from large electric generators to a Distribution System).

Effective Date. The date set forth in the preamble of this Agreement governing the commencement of certain future Seller delivery obligations and Buyer payment obligations.

Eligible Renewable Energy Resource ("ERR"). This term shall have the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25471, as either code may be amended or supplemented from time to time.

Energy. This term shall mean the unit-contingent firm electrical energy generated by the Project and delivered to Buyer, with the voltage and quality required by the applicable transmission service provider, and measured in megawatt hours ("MWh") based on an integrated hour.

Energy Delivery. The unit-contingent firm Energy provided by Seller to Buyer, according to the scheduling protocols contained in Section 6 herein, quantified in MWhs.

Energy Price. This term shall mean the price, specified in Exhibit A, for any and all Energy, and Green Attributes, provided by Seller under this Agreement.

FERC. This term shall mean the Federal Energy Regulatory Commission or any successor agency thereto.

Final Schedule(s). This term shall have the meaning set forth in Section 6.5 of this Agreement.

Forced Outage. This term shall mean any outage or reduction in the Capacity of the Project that is not due to a Planned Outage.

Force Majeure: Has the meaning set forth in Section P.

Green Attributes. This term means any and all credits, benefits, emissions reductions, environmental air quality credits, offsets, and allowances, howsoever entitled, directly attributable to the generation from the Project and its displacement of conventional energy generation, whether existing now or arising in the future. Green Attributes include but are not limited to: Renewable Energy Credits, as well as (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tags are accumulated on kWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy. Green Attributes do not include (i) any Energy, Capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, grants, reductions, or non-GHG allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by Seller for the destruction of particular pre-existing pollutants or the promotion of local environmental or green benefits, or (iv) emission reduction credits encumbered, used or created by the Project for compliance with or sale under local, state, or federal operating and/or air quality permits or programs. If Seller receives any tradable Green Attributes or RECs based on the GHG reduction benefits attributed to its fuel usage for the Project, then it shall provide Buyer with at least enough Green Attributes to ensure that there are zero net emissions associated with the production of electricity from such facility, and further provide to Buyer any RECs or Green Attributes received in excess of zero net emissions. The term Green Attributes includes any other green credits or benefits recognized in the future and

attributable to Energy generated by the Project during the Term, unless otherwise excluded herein. Any Green Attributes provided under this Agreement shall be documented by Renewable Energy Credits, or any other needed future representation of the environmental benefits of the Project output, the monthly cumulative total of which shall be provided to Buyer by way of WREGIS, Seller's Renewable Energy Credit Attestation and Bill of Sale, or other required future attestations.

Green Tag Purchaser. This term shall mean Buyer or any entity to which Buyer sells the Green Tag Reporting Rights associated with this Agreement.

Green Tag Reporting Rights(s). This term shall mean the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Said rights are transferred and delivered to Buyer each month as part of the REC Attestation and Bill of Sale, if applicable.

Host Electric Utility. This term shall mean an electric utility, which provides, at the general location of the Project, any of the following: electric transmission service, distribution service and/or retail electricity sales.

Hour Ahead. This term shall mean the period in any given day in advance of when Hour Ahead Schedules can be placed with the CAISO for any given trading hour.

Hour Ahead Schedule(s). Schedules placed with the CAISO in its Hour-Ahead Scheduling Process (HASP), the process conducted by the CAISO beginning at seventy-five (75) minutes prior to the trading hour.

IFM. This term shall mean the Integrated Forward Market as defined by the CAISO. This term is synonymous with "Day Ahead Market." Prices from the IFM are called "Day Ahead" prices.

Imbalance Energy. This term shall have the meaning in the CAISO Tariff, but with regard to the Project, is the difference in the Final Schedule and the sum of the Day Ahead Schedule and Hour Ahead Schedule for the Project and which can be either positive (generation greater than Scheduled) or negative (generation less than Scheduled).

Interconnection Facilities. This term shall mean all facilities and equipment between the Project and the Delivery Point, including any modifications, additions or upgrades that are necessary to physically interconnect the Project to the Delivery Point.

Interest Rate. This term means the daily federal funds rate as published by the Federal Reserve Bank of the United States of America.

Inter SC Transaction. This term shall mean a transaction between Scheduling Coordinators of Energy, Ancillary Services, or IFM Load Uplift Obligation in accordance with the CAISO Tariff.

Locational Marginal Price ("LMP"). This term shall have the meaning given to it by the CAISO.

Monthly Energy Charge. This term shall mean the monthly payment obligation from Buyer to Seller for Energy delivered.

MRTU. This term shall mean the set of market rules and technology upgrades implemented by the CAISO, which included implementation of Locational Marginal Pricing.

MW. This term shall mean a unit of electricity measurement equal to 1,000 kilowatts.

NERC. This term shall mean the North American Electric Reliability Corporation or any successor organization.

NERC Holiday. This term shall have the meaning set forth in Exhibit A attached hereto.

Off-Peak Hours. This term shall mean those hours, which are not On-Peak Hours.

On-Peak Hours. This term shall mean the hours as specified in Exhibit A.

Operating Reserves. This term shall have the meaning given to it by the WECC.

Pacific Prevailing Time (or "PPT"). This term shall mean the prevailing time of the Day in question in the pacific time zone (i.e., pacific standard time or pacific daylight time, as applicable).

Planned Outage. This term shall mean any outage causing reduction in Project Capacity that Seller plans for substantially in advance of when the outage is taken, such as periodic outages for regularly scheduled maintenance, major overhauls, and planned equipment replacement.

PNode. This term shall mean the Pricing Node (as defined in the CAISO Tariff).

Preschedule. This term shall mean an hourly Energy Schedule submitted during the applicable Prescheduling Day.

Prescheduling. This term shall mean the act of producing, or relating to the production of, a Preschedule.

Prescheduling Day. This term shall mean the Day accepted and established as the Prescheduling Day for delivering power in a particular subsequent Day in the WECC according to the most current WECC scheduling timelines.

Project. This term shall mean the Indian Valley Hydro Project, FERC Project No. 4066, located on the Indian Valley Reservoir in Lake County, California at 4237 Access Road, Clearlake Oaks, CA 95423, from which the Energy, Capacity, Green Attributes, and Capacity Attributes delivered hereunder shall be generated and Scheduled as applicable. The Project is certified by the CEC as an Eligible Renewable Energy Resource as a small hydroelectric project, CEC Renewable Project No.60161A. The Project's WREGIS registration number is W607.

Project Energy. This term shall mean Energy generated by the Project.

Prudent Electrical Practices. This term shall mean those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States, similar to the Project, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability, and safety. Seller acknowledges that the use of Prudent Electrical Practices by Seller does not exempt Seller from any obligations set forth in this Agreement.

Prudent Electrical Practices include, at a minimum, those professionally responsible practices, methods and acts described in the preceding paragraph that comply with manufacturers' warranties, restrictions in this Agreement, and the requirements of governmental authorities, WECC standards, the CAISO and applicable laws.

Prudent Electrical Practices also includes taking reasonable steps to ensure that:

- a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Project's needs;
- b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Project properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Project and emergencies whether caused by events on or off the Project Site;
- c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation of the Project, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
- e) Equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the transmission provider's electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and equipment and components designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Project Site and under both normal and emergency conditions.

Reactive Power. This term shall mean imaginary power which does not result in real work and which can be present in alternating current systems as a result of a component of the electrical current which is 90 degrees out of phase with the applicable electrical potential or voltage.

Reactive Power can be measured in megavolt amperes reactive ("MVAR") or kilovolt amperes reactive ("kVAR").

Real Power. This Term shall mean Energy produced at a specified rate and which can be measured in megawatts ("MW") or kilowatts ("kW").

Renewable Energy Credit ("REC"). This Term means a certificate of proof that one unit of electricity was generated by an Eligible Renewable Energy Resource, as defined in Decision 08-08-028 of the CPUC, or as defined by the CPUC or applicable California law. The REC shall represent all renewable, environmental, and Green Attributes associated with electricity production by an Eligible Renewable Energy Resource. RECs are accumulated on a MWh basis and one REC represents the Green Attributes made available by the generation of 1,000 kWh from the Project. For purposes of this Agreement, the term REC shall be synonymous with the term green tag, green ticket, tradable renewable certificates, WREGIS certificate or any other term used to describe the documentation that evidences the renewable, environmental, and Green Attributes associated with electricity production by an Eligible Renewable Energy Resource.

REC Attestation and Bill of Sale. This Term means the forms through which Seller documents and makes certain declarations with respect to the monthly total of RECs transferred to Buyer under this Agreement.

REC Value. This term shall mean \$16.50/MWh.

Resource Adequacy Capacity. This shall have the meaning set forth in the Tariff.

Revenue Meter. This term shall mean the revenue quality meter used by either the CAISO or applicable Host Electric Utility to measure the Energy at the Delivery Point, which is generated by the Project for settlement and billing purposes.

RPS-Certification. This term means a finding by the CEC that the Project qualifies as an ERR for the purposes of the California RPS, and that all Energy produced by the Project qualifies as generation from an ERR, as is currently documented by WREGIS.

Schedule. This term shall mean any schedule for the delivery, production or use of Energy, Capacity, and/or transmission which complies with NERC scheduling (NERC tagging) requirements and the scheduling timelines specified in this Agreement, and if required for submission to the CAISO, meet the requirements for a CAISO Schedule.

Scheduled Energy. This term shall mean Energy intended for delivery, or to be, delivered, according to Scheduling Coordinator to Scheduling Coordinator procedures where the Schedule for such Energy was properly created using the applicable industry standard Scheduling practices and protocols.

Scheduling. This term shall mean the act of producing, or relating to the production of a Schedule.

Scheduling Coordinator ("SC"). This term shall mean an entity authorized to submit to the CAISO a balanced generation or demand schedule on behalf of one or more generators, and one or more end-user customers.

Scheduling Coordination Service. This term shall mean the performance of the duties of a Scheduling Coordinator on another entity's behalf.

Site. This term shall mean the location of the Project.

Tariff. This term shall mean the CAISO Tariff as it may be amended from time to time.

Term. This Term shall have the meaning given to it in Section 2.1.

Transmission Losses. This term shall mean (a) for Energy, any Energy lost in the transmission and/or transformation of either Energy or Reactive Power or otherwise made unavailable for useful purposes at the Delivery Point, (b) for Real Power, any Real Power lost in the transmission and/or transformation of either Real Power or Reactive Power or otherwise made unavailable for useful purposes at the Delivery Point, (c) for Reactive Power, any Reactive Power lost in the transmission and/or transformation of either Real Power or Reactive Power or otherwise made unavailable for useful purposes at the Delivery Point, and (d) for Capacity and ancillary services, a reduction in the ability at any applicable time to provide Real Power, Reactive Power or Energy to the Delivery Point as a result of Transmission Losses as defined for Energy, Real Power and Reactive Power.

Transmission System. This Term shall mean the relatively high voltage wires, transformers and related equipment owned (or controlled by) a particular electric utility (or grid operator) and generally used by that electric utility (or grid operator) to move bulk quantities of power between different electric utilities or from large electric generators to a utility's Distribution System (as opposed to using it to make final delivery of electric power to end-use retail customers).

Unit Contingent Firm Power. This term shall mean Energy, Capacity, Green Attributes, and Capacity Attributes of the Project and/or any reporting rights associated with any of the foregoing.

Valley Clean Energy Alliance (VCEA). This means Valley Clean Energy Alliance, a CPUC registered Community Choice Aggregator, formed as a joint powers authority (JPA) within the State of California organized under Section 6500 et seq. of the California Government Code

WECC. This term means the Western Electricity Coordinating Council or its successor.

Work. This term means (a) work or operations performed by a Party or on a Party's behalf, and (b) materials, parts or equipment furnished in connection with such work or, operations, including (i) warranties or representations made at any time with respect to the' fitness, quality, durability, performance or use of "a Party's work," and (ii) the providing of or failure to provide warnings or instructions.

WREGIS. This term means the Western Renewable Energy Generation Information System, or any successor renewable energy tracking system for implementing the California RPS.

WREGIS Certificate. This term means the certificate created by the WREGIS system as such term is defined in the WREGIS account holder agreement, or successor agreement setting forth the terms and conditions of service by WREGIS.

2. TERM AND TERMINATION

2.1 Term and Termination. This Agreement shall be effective on the Effective Date covering deliveries from the Project from Seller to Buyer to occur during the Delivery Term starting June 1, 2018, and extending through May 31, 2020. Obligations remaining following Termination, related to settlement and delivery of RECs, for settlement adjustments from the CAISO related to Energy delivered, and other covenants and conditions specified in this Agreement shall remain until satisfied.

3. PURCHASE AND SALE OF UNIT CONTINGENT FIRM POWER

3.1 Purchase and Sale of Baseload Unit Contingent Firm Power. Seller shall sell and Buyer shall purchase all power generated and delivered from the Project pursuant to the terms of this Agreement. Green Attributes, as are currently evidenced by RECs, shall be delivered in an amount equal to the Energy actually produced by the Project and delivered to Buyer at the Delivery Point. Seller shall supply the Unit Contingent Firm Power only from the Project. Further, Seller shall supply Unit Contingent Firm Power from the Project whenever available consistent with Prudent Electrical Practices, and use commercially reasonable efforts to maximize availability of the Project.

3.1.1 Renewable Generation. Seller shall generate all Project Energy sold to Buyer under this Agreement utilizing water supplied from Indian Valley Reservoir. Buyer shall not be obligated to purchase and pay Seller for any Project Energy that is not generated utilizing water supplied from Indian Valley Reservoir.

3.1.2 Delivery Point. All Energy sold to Buyer under this Agreement shall be delivered to Buyer at the Delivery Point, or at any other point(s) as the Parties may agree in writing from time to time.

3.1.3 Energy Delivery. To the extent that transmission service is necessary for Seller to make required deliveries of Energy to the Delivery Point, Seller shall reserve and utilize, at its own expense, Firm transmission service from the Project to the Delivery Point in the amount necessary for delivery of all Project Energy sold to Buyer under this Agreement. To the extent that transmission service is necessary for Buyer to take receipt of Energy as required at the Delivery Point, Buyer shall arrange and be responsible for transmission service from the Delivery Point. Title to and risk of loss associated with the Energy shall pass from Seller to Buyer at the Delivery Point, in accordance with the Scheduling procedures set forth in this Agreement.

3.1.4 Transmission Losses. Except as specifically stated otherwise, all Capacity and Energy amounts specified herein are amounts as provided at the Delivery Point, without additional reduction by Transmission Losses included by Seller in transmitting, such products to the Delivery Point. Seller shall have considered such factors prior to specifying the amount of net Energy to be made available at the Delivery Point. All

Schedules shall be for amounts to be delivered to Buyer or to be provided on Buyer's behalf at the Delivery Point.

3.1.5 Transmission and Distribution Service. Seller shall maintain a Generation Interconnection Agreement for the interconnection of the Project to the Distribution or Transmission level electric system. If the Delivery Point is not at the high-side of the substation interconnecting the Project to the Transmission level electric system, then the Seller shall be responsible, at Seller's sole cost, for maintaining firm contractual rights and Distribution Service to transmit the Energy to the Delivery Point.

3.2 Purchase and Sale of Green Attributes. Seller shall sell and deliver, and Buyer shall receive and purchase from Seller, all rights, title, and interest in all Green Attributes associated with Energy produced by the Project and delivered to Buyer at the Delivery Point, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Term, except as otherwise excluded herein, provided that Buyer shall not be obligated to purchase and pay Seller for any Green Attributes associated with any amount of Project Energy that is generated by any fuel which is not utilizing water supplied from Indian Valley Reservoir, in violation of this Agreement or for which Seller has failed to comply with any part or subsection of this Section 3.2. Seller's sale of Green Attributes shall be documented by Renewable Energy Credits certified by WREGIS in VCEA's WREGIS account. If other forms of attestation are needed in the future to represent the environmental benefits of the Project output, then Buyer shall provide Seller with such forms of attestations, and Seller shall provide the attestations thereafter in accordance with the revised form. Seller agrees to sell and make all such Green Attributes available to Buyer to the fullest extent allowed by applicable law, in accordance with the terms of this Agreement. Seller warrants that all Green Attributes provided under, this Agreement to Buyer shall be free and clear of all liens, security interests, claims and encumbrances.

3.2.1 Reporting of Ownership of Green Attributes. During the Term, Seller shall not report to any person or entity that the Green Attributes sold and conveyed hereunder to Buyer belong to anyone other than Buyer for the benefit of VCEA or for VCEA directly, and Buyer may report under any such program that such Green Attributes purchased hereunder belong to it for the benefit of VCEA or for for VCEA directly.

3.2.2 Evidence of Green Attributes. Buyer will register the Project into the WREGIS portfolio of VCEA. The creation of WREGIS certified RECs, in VCEA's WREGIS account shall be evidence of Seller's delivery to Buyer of title to Green Attributes in an amount equal to the MWh of Project Energy produced during such month and delivered to Buyer at the delivery Point. At Buyer's request, Seller shall provide evidence to Buyer or to third parties of Buyer's right, title, and interest in such Green Attributes and information with. respect to such Green Attributes.

3.2.2.1 Cost of Compliance with Green Attribute Reporting. Seller shall be responsible for complying, at its own expense, with any requirements imposed by WREGIS for the purpose of verifying Buyer's renewable energy purchases under this Agreement and sales by Buyer of any renewable energy or RECs purchased under this Agreement.

3.2.2.2 Use of WREGIS to Transfer Green Attributes. The Parties agree that Green Attributes, including any associated RECs, shall be created in WREGIS in the form of WREGIS Certificates. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to allow Buyer to register the Project within VCEA's WREGIS account so that all WREGIS Certificates associated with all Green Attributes corresponding to all Energy generated by the Project and delivered to Buyer hereunder are issued and tracked in accordance with the requirements of the California RPS and transferred pursuant to the WREGIS operating rules to Buyer. In the event that WREGIS Certificates do not transfer the full value of the Green Attributes purchased by Buyer pursuant to this Agreement, at Buyer's written request, Seller shall work with Buyer to develop a REC Attestation and Bill of Sale or additional documentation to effect the complete transfer of the Green Attributes transferred hereunder.

3.2.2.4 Buyer WREGIS Account. Buyer shall be responsible for all expenses associated with (A) establishing and maintaining VCEA's WREGIS Account, and (B) subsequently transferring or retiring WREGIS Certificates.

3.2.2.6 If there is any deficit or surplus in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Energy generated by the Project and delivered to Buyer hereunder for the same calendar month, other than for reasons due to the fact that RECs are created in whole MWhs, and not fractional MWhs, the Parties shall cooperate in good faith to cause WREGIS to correct the error or omission resulting in the surplus or deficit (a "WREGIS Certificate Modification"). Any error or omission on the part of WREGIS does not relieve Seller of its obligation to have provided all Green Attributes from the Project to Buyer. If a WREGIS Certificate Modification be required, Seller shall cooperate Buyer with to provide any supporting documentation pertaining to the WREGIS Certificate Modification.

3.2.2.7 Buyer shall make an invoice payment for a given month in accordance with this Agreement. In the event that RECs created for a given month (approximately 90 days following a given month) are less than or greater than Energy delivered for such month, then Buyer shall be entitled to any shortfall in RECs at the REC Value, and any excess RECs shall entitle Seller to a payment of the REC Value for such excess.

3.2.2.8 If WREGIS changes the WREGIS operating rules after the Effective Date or applies the WREGIS operating rules in a manner inconsistent with this Agreement after the Effective Date, then the Parties shall modify this Agreement in a timely manner as reasonably required to cause and enable RECs to be created in Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that is equal to the Energy generated by the Project and delivered to Buyer in the same calendar month.

3.2.3 PCC-1 Classification. Seller warrants that the Energy bundled with the RECs from the Project meets the RPS compliance requirements for Portfolio Content Category 1 as

set forth in the PUC Code 399.16(b)(1)(A) and CPUC Decision 11-12-052 as of the effective date of this Agreement.

3.2.4 CEC Certification. Seller shall maintain RPS-Certification throughout the Term of the Agreement.

4. CHARGES

4.1 Payments by Buyer. During the Term, Buyer shall pay Seller a Monthly Energy Charge for the amount of Energy delivered to the Delivery Point and reflected in the Final Schedules. The Monthly Energy Charge varies depending on the particular hours of delivery, as further specified below. For purpose of the calculation of the Monthly Energy Charge, the Final Schedules shall be as measured by the Seller's CAISO Revenue Meter at the Delivery Point adjusted for any Transmission Losses.

$$\text{Monthly Energy Charge} = (\text{On-Peak Final Schedules} \times \text{On-Peak Hours Energy Price}) + (\text{Off-Peak Final Schedules} \times \text{Off-Peak Hours Energy Price}).$$

4.2 Scheduling Coordination Fee. Seller shall pay Buyer a fee for Scheduling Coordination Service equal to \$4.00 per MWH of Energy generated from the Project each month, subject to a minimum fee of \$15,000 per contract year, capped at \$50,000 per contract year. The minimum assessment will be made at the end of the first 12 months and the second 12 months of the Term of Agreement. The maximum assessment will apply during the first 12 months, and again during the second 12 months of the Term of Agreement. The amount owed by Seller to Buyer under this section for services rendered may be set-off from amounts owed by Buyer to Seller.

4.3 CAISO and Transmission Provider Fees. All charges and costs imposed upon generators or incurred in delivering the Energy to the Delivery Point, which may include Operating Reserves, transmission costs and charges, distribution service charges imposed by the Pacific Gas & Electric Company, and any costs or charges for Transmission Losses, marginal losses and congestion due to the difference in location between the Project and the Delivery Point, shall be borne by Seller.

4.4 Distribution and Interconnection Costs. Seller shall be responsible for all fees, costs, or charges associated with interconnection of the Project with the CAISO Balancing Authority Area or Host Electric Utility distribution system, including, without limitation, any special facilities charges and distribution service charges.

4.6 Imbalance Energy Charges. Seller shall be responsible for any CAISO Imbalance Energy charges, and shall reimburse Buyer for any charges imposed on Buyer by CAISO that are incurred due to imbalances associated with the Project. Notwithstanding the foregoing, Seller shall not be responsible for any Imbalance Energy charges that are a direct result of Buyer's failure to comply with its obligations as a Scheduling Coordinator, as set forth in Section 6.2 of this Agreement.

5. RESOURCE ADEQUACY CAPACITY RIGHTS

5.1 By mutual agreement, the Parties may amend this Agreement to allow for the sale by Seller and Purchase by Buyer of Resource Adequacy Capacity rights within the rules established by the Tariff and the CPUC.

6. SCHEDULING OF ENERGY

6.1 General. The Parties agree that Scheduling hereunder shall follow the procedures established by the WECC and as set forth in this Agreement. Subject to the terms of this Agreement, if there are any differences between WECC procedures and the procedures set forth in this Section 6, this Section 6 shall control. Notwithstanding the foregoing, if the Scheduling provisions in this Section 6 cause Seller or Buyer to violate WECC standards or any terms of its agreements with the CAISO (including CAISO Tariff provisions), then the Parties shall promptly meet to resolve the issue, such that no violation occurs.

6.2 Scheduling Coordination Service. Throughout the Delivery Term, Buyer shall perform Scheduling Coordination Service with respect to the Project's Energy.

6.2.1 Daily Prescheduling. In accordance with this Section 6, Seller shall forecast Project output fourteen (14) Day ahead and submit such Schedule of hourly Project output via email to Buyer on a weekly basis. In advance of 5:00 a.m. each Prescheduling Day, Seller shall notify Buyer of any changes to the previously submitted Schedule on an exception basis, with the prior Schedule controlling if no changes are communicated. Seller shall make available and deliver Energy for each hour of the Preschedule so determined. Seller shall notify Buyer at the time of Prescheduling if Seller is prevented from making Capacity and Energy available for the Day being Prescheduled due to a unforeseen circumstances.

6.2.1.1 Buyer, acting as Sellers' Scheduling Coordinator, shall self-schedule (bid in as a price-taker) the amounts specified in the email into the CAISO's IFM.

6.2.1.2 Buyer, as purchaser of Project output, may use the negative IFM uplift credit provided generators that self-schedule into the CAISO's IFM.

6.2.1.3 Once Energy is Scheduled pursuant to this Agreement, Seller shall deliver such Energy, subject to any hourly adjustments provided for pursuant to this Agreement.

6.2.2 Hour-Ahead Schedules. In accordance with this Section 6, if necessary to comply with applicable law, regulations or CAISO protocol, or to avoid financial penalties, Seller may request Delivery-Day changes to the Preschedule adopted under this Agreement to reflect any changes to the anticipated output of the Project. Seller is responsible for forecasting any Delivery-Day changes to Project output, and to provide any such Delivery-Day changes to Buyer via telephone.

6.2.2.1 Subject to notification at least thirty (30) minutes prior to the earlier of applicable CAISO and NERC scheduling deadlines, Buyer, acting as Seller's

Scheduling Coordinator, shall implement such requests for Delivery-Day changes to the adopted Preschedule by placing revised self-schedules (bid in as a price-taker) into the hour-ahead market that reflect the changes to Project Energy, except in the event of hour-ahead market failures. At the time of this writing, the CAISO scheduling deadline is 1 hour and 15 minutes before beginning of delivery hour thus requiring notification earlier than 1 hour and 45 minutes before the beginning of the delivery hour.

6.2.3 Intra-Hour Scheduling. Except as this Section 6.2.3 might be subsequently modified pursuant to the express provisions of this Agreement, Seller shall have no right to make intra-hour (i.e., after the close of the CAISO's hour-ahead market) Schedule changes.

6.2.4 Scheduling Coordination Pass-through of Charges. Buyer shall pass through to Seller any and all credits or charges from the CAISO directed to the generation owner at the generator PNode for the Project, unless otherwise indicated in this Agreement, including but not limited to;

(a) any charges for energy, congestion, and losses that Buyer receives from the CAISO due to hourly Imbalance Energy associated with Scheduling Energy from the Project;

(b) any charges, penalties, or fees imposed by the CAISO due to the difference between actual Project output and Scheduled Project output in any hour;

(c) any CAISO fees and charges normally assessed to generators, including Grid Management Charges (as such term is defined in the relevant CAISO tariff), and any other CAISO charges or fees which are related to Scheduling of Energy from the Project (including any that come into existence during the Term of this Agreement) but only to the extent that such charges, penalties, or fees are a direct result of CAISO rules as they are applied to the Project individually and not Simply a pro rata share of Buyer's cumulative charges as a Scheduling Coordinator from the CAISO;

(d) any resettlements of past monthly bills implemented by the CAISO; and,

(e) any resettlements of past monthly bills which result from corrections made in response to the discovery of inaccurate meter data; provided however any such cost shall not be passed through to the extent that such costs are a direct result of actions or inactions by Buyer, performing as the Seller's Scheduling Coordinator, that conflict with any directions explicitly provided by Seller.

(f) any shortfall between the hourly DA PNode LMP times the hourly Final Schedule Energy values and the payments for energy received from the CAISO for Day Ahead, Hour Ahead and Real Time energy deliveries. Buyer shall entitled to receive the DA PNode LMP_for Energy delivered to Buyer, including any DA PNode LMP adjustments made by the CAISO.

6.2.4.1 Timing of Pass-Through of Charges. The Parties acknowledge that due to the CAISO settlement timelines, the above-referenced CAISO fees and charges will not be passed through to Seller in the same month that they are incurred. Instead, Buyer shall pass through such fees and charges, as defined in Section 6.2.4, after it receives the settlement invoices from the CAISO.

6.2.4.2 CAISO Adjustments. Seller acknowledges that the CAISO may issue revised settlement statements that change the amount due from Seller for a previous month, and that Buyer will pass through any such charges or credits to Seller. Seller agrees that it is responsible for paying any such additional charges.

6.2.5 LIMITATION OF LIABILITY FOR SCHEDULING COORDINATION SERVICE THE BUYER SCHEDULING COORDINATION SERVICES ARE PROVIDED "AS IS" FOR USE IN AN ELECTRONIC TRADING ENVIRONMENT. BUYER DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, RELATING TO BUYER SCHEDULING COORDINATION SERVICES. INCLUDING ALL WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM ANY CLAIMED COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OR TRADE PRACTICE. BUYER MAKES NO REPRESENTATIONS THAT THE BUYER SCHEDULING COORDINATION SERVICES WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE.

ANY CLAIM ARISING FROM AN ALLEGATION OF BUYER'S NEGLIGENCE, OR FROM AN ALLEGATION OF BREACH OF CONTRACT BY BUYER THAT ARISE OUT OF OR RELATE TO BUYER'S PROVISION OF SCHEDULING COORDINATION SERVICE, SHALL BE SUBJECT TO THE FOLLOWING LIMITATIONS: (i) NO SUCH CLAIM MAY BE BROUGHT FOR BUYER ACTS OR FAILURES TO ACT OCCURING DURING THE FIRST SEVENTY-FIVE (75) DAYS OF THE AGREEMENT; AND (ii) BUYER'S MAXIMUM LIABILITY TO SELLER UNDER THIS AGREEMENT ARISING OUT OF OR RELATED TO BUYER'S PROVISION OF SCHEDULING COORDINATION SERVICE SHALL NOT EXCEED \$50,000 PER CALENDAR YEAR; AND (iii) ANY SUCH CLAIM MUST BE BROUGHT WITHIN SIX (6) MONTHS OF THE EVENT GIVING RISE TO THE CLAIM. IF ANY SUCH CLAIM IS NOT BROUGHT WITHIN SUCH SIX (6) MONTH PERIOD, THE RIGHT TO DO SO SHALL BE DEEMED WAIVED, IRRESPECTIVE OF ANY DIFFERENT TIME LIMIT SET FORTH IN ANY STATUTE OF LIMITATIONS THAT OTHERWISE WOULD APPLY. WITH RESPECT TO CLAIMS THAT ARE SUBJECT TO THE LIMITS SET FORTH IN THIS SECTION, SELLER ACKNOWLEDGES THAT IT MAY HAVE CLAIMS IN ANY GIVEN CALENDAR YEAR THAT INDIVIDUALLY OR COLLECTIVELY INVOLVE MORE THAN \$50,000 AND EXPRESSLY WAIVES ITS RIGHT TO PURSUE ANY SUCH CLAIM TO THE EXTENT THAT IT EXCEEDS SUCH LIMITS.

6.5 Final Schedules. For purposes of calculating monthly settlements and billing, the metered MWH as measured by the Seller's CAISO Revenue Meter at the Delivery Point adjusted for any Transmission Losses shall be considered final schedules (Final Schedules"). Any discrepancies

regarding the Final Schedules shall be resolved by the Parties, in accordance with standard industry practice.

7. OPERATION AND PLANNING

7.1 Access to Meter Data. Seller shall grant Buyer the right and capability of querying the CAISO Revenue Meter. Seller shall grant Buyer the right and capability of querying the PG&E meter.

7.2 Outages. Seller shall report accurate outage information to Buyer as the Scheduling Coordinator in a timely manner to comply with NERC and CAISO outage reporting requirements. Depending upon the outage type reporting shall be as follows:

7.2.1 Planned Outages. Seller shall notify Buyer using the contacts as specified in Exhibit B for Planned Outages.

7.2.2 Forced Outages. Seller shall promptly provide to Buyer a verbal (telephone) report of any Forced Outage of the Project that will change, or has changed, the ability of the Project to generate Energy that has been scheduled with the CAISO. This report shall include the amount of the generation capability of the Project that will not be available because of the Forced Outage, any modifications needed to the hourly Project Energy scheduled with the CAISO during the period of the outage, the time at which the Forced Outage began, and the expected return date and time of such generation capability. Seller shall follow-up the verbal notice with a written Forced Outage notification, which shall include all of the above information and shall also include any update as necessary to advise SMUD of changed circumstances, within four (4) hours. Seller shall provide Buyer with updates on any changes to any of the Forced Outage information from the last, most recent update provided to Buyer, such as changes in Project Capacity expected project Energy output, expected time of return to service, etc.

8. PERMITTING, STANDARD OF CARE, OPERATIONS

8.1 Permitting. Seller shall be responsible for obtaining and maintaining all permits and other governmental approvals for the ownership and operation of the Project. Buyer may cooperate in such permitting efforts to the extent reasonably requested by Seller.

8.2 Standard of Care. Seller shall pay the costs of and be responsible for operating and maintaining the Project in accordance with all applicable laws and regulations, and shall comply with all applicable WECC, Peak, FERC and NERC requirements, and with Prudent Electrical Practices, including applicable interconnection and telemetering requirements set forth in the Interconnection Agreement.

Seller shall ensure that: (a) operation and maintenance of the Project is conducted in a safe manner in accordance with the Interconnection Agreement(s) and Prudent Electrical Practices; and (b) any governmental authorizations and permits required for the construction and operation thereof are maintained. Seller shall ensure that any necessary and commercially reasonable repairs are made with the intent of optimizing the availability of electricity to Buyer.

8.3 Operation of the Project. The Project shall be operated in accordance with Prudent Electrical Practices. Seller has an obligation to maximize availability of the Project in accordance with Prudent Electrical Practices. Seller may interrupt or reduce deliveries only due to Force Majeure, curtailment by the CAISO or any interconnection or transmission service provider, Planned Outages, Forced Outages and Buyer's failure to perform in the capacity of Scheduling Coordinator. Seller shall take all reasonable measures in accordance with Prudent Electrical Practices to minimize the frequency and actual duration of Planned Outages. All Planned Outages shall be scheduled in advance.

8.4 Buyer Performance Excuse. Buyer shall not be obligated to accept or pay for Energy produced by the Project during a Force Majeure event that prevents Buyer's ability to accept Energy from the Project.

9. FORCE MAJEURE

9.1 Effect of Force Majeure. A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement (other than the obligations of a Party to make payment of amounts due under this Agreement) when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate; provided the Party has given a written detailed description of the full particulars of the Force Majeure that are then known to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) calendar days after the initial occurrence of the claimed Force Majeure) (the "Force Majeure Notice"), which notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The Party providing such notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. In no event shall Buyer be obligated to compensate Seller or any other Person for any losses, expenses or liabilities that Seller or such other Person may sustain as a consequence of any Force Majeure.

9.2 Meaning of Force Majeure. The term "Force Majeure" means any act of God, labor disturbance, act of the public enemy or criminal activity, war, insurrection, riot, fire, storm or flood, earthquake, extreme or unusual weather events, explosion not caused by the affected Party, change in law or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any similar event or occurrence (i) which prevents one Party from performing any of its obligations under this Agreement, (ii) which could not reasonably be anticipated and avoided as of the date of this Agreement, (iii) which is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such Affiliate or subcontractor is responsible), and (iv) which by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; provided nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Any Party rendered

unable to fulfill any of its obligations by reason of a Force Majeure shall exercise reasonable efforts to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following (each an “Unexcused Cause”): (1) any requirement to meet a renewable portfolio standard or any change (whether voluntary or mandatory) in any renewable portfolio standard that may affect the value of the Energy purchased hereunder; (2) events arising from the failure by Seller to operate or maintain the Project in accordance with this Agreement, unless such failure was itself caused by an event of Force Majeure; (3) any increase of any kind in any cost; (4) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (5) Seller’s ability to sell any Energy at a price in excess of that provided in this Agreement or Buyer’s ability to purchase any Energy at a price less than that provided in this Agreement; (6) failure of third parties to provide goods and services essential to a Party’s performance, unless such failure was itself caused by an event of Force Majeure; (7) Project or related equipment failure of any kind unless caused by a Force Majeure; (8) any changes in the financial condition of Buyer or Seller or any subcontractor or supplier affecting the affected Party’s ability to perform its obligations under this Agreement; (9) inability of Seller to obtain the necessary governmental approvals to operate the Project; or (10) a determination by either Party’s governing body.

9.3 **Buyer Excuse.** For purposes of this Agreement, a Force Majeure shall be deemed to excuse Buyer from receiving Energy at the Delivery Point if the Force Majeure is not related to the Project, is declared by Buyer, and prevents Buyer from receiving Energy from the Project.

9.4 **Termination Due to Force Majeure Event.** If based on a Force Majeure Notice, the unaffected Party reasonably concludes that a Force Majeure or its impact on the affected Party or the Project will continue (i) for a period of three hundred and sixty-five (365) or more consecutive days or (ii) for an aggregate period of seven hundred and thirty (730) or more non-consecutive days, the unaffected Party shall have the right to terminate this Agreement effective upon notice to the affected Party. Any termination of this Agreement in the circumstances described in this section shall be without prejudice to the rights and remedies of either Party for defaults occurring prior to such termination.

10. EVENTS OF DEFAULT, TERMINATION AND REMEDIES

10.1 **Events of Default.** An “Event of Default” shall mean:

With respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

10.1.1. the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) Business Days after written notice;

10.1.2. any representation or warranty made by such Party herein that is false or misleading in any material respect when made, and such default shall not be cured within thirty (30) calendar days after written notice;

10.1.3 the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure

shall not be cured within thirty (30) calendar days after written notice; provided, however, that if (i) such failure cannot be cured within such thirty (30) calendar day period, (ii) such failure is susceptible of cure within ninety (90) calendar days, (iii) the Defaulting Party is proceeding with diligence and in good faith to cure such failure, and (iv) the Defaulting Party shall have delivered notice to the Non-Defaulting Party describing the details of clauses (i), (ii) and (iii) above and periodic updates regarding its efforts to cure such failure, then such thirty (30) calendar day cure period shall be extended to such date, not to exceed a total of ninety (90) calendar days, as shall be necessary to cure such failure;

10.1.4. the initiation of an involuntary proceeding against such Party under the bankruptcy, insolvency, or dissolution laws, which involuntary proceeding remains undismissed for ninety (90) calendar days, or in the event of the initiation by such Party of a voluntary proceeding under the bankruptcy, insolvency, or dissolution laws; or

With respect to Seller, the occurrence of any of the following:

10.1.5. Seller has not sold or delivered any Energy from the Project to Buyer for a period of three hundred and sixty five (365) consecutive days.

10.1.6 Seller's failure to maintain RPS Certification for the Project, if such failure is not cured within thirty (30) Days after written notice; provided that during any period where Seller has not maintained RPS Certification for the Project, whether before or after written notice, Buyer shall not be obligated to purchase any Energy and Green Attributes from Seller hereunder, but Seller may sell such Energy and Green Attributes to third parties.

10.2 Declaration of an Event of Default. If an Event of Default has occurred and is continuing, the other Party ("Non-Defaulting Party") shall have the right to: (a) send notice, designating a day, no earlier than five calendar days after such notice is deemed to be received and no later than twenty (20) calendar days after such notice is deemed to be received, as an early termination date of this Agreement ("Early Termination Date") unless the Parties have agreed to resolve the circumstances giving rise to the Event of Default; (b) accelerate all amounts owing between the Parties; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date. For all claims, causes of action and damages with respect to an Event of Default, in addition to the right to terminate this Agreement, the Non-Defaulting Party shall be entitled to recover actual damages allowed by law unless otherwise limited by this Agreement. Neither the enumeration of Events of Default in Section 10.1, nor the termination of this Agreement by a Non-Defaulting Party, shall limit the right of a Non-Defaulting Party to rights and remedies available at law, including claims for breach of contract or failure to perform by the other Party and for direct damages incurred by the Non-Defaulting Party as a result of the termination of this Agreement, subject in each case to any limitations in this Agreement.

10.3 Termination Payment Calculation. If an Event of Default occurs, ultimately resulting in termination of the Agreement, a "Termination Payment" shall be determined in accordance with this Section 10.3.

10.3.1 The “Termination Payment” payable by the Defaulting Party to the Non-Defaulting Party shall equal: (i) Non-Defaulting Party’s Loss as calculated under paragraph (a) below and discounted to present value as set forth under paragraph (b) below; plus (ii) Non-Defaulting Party’s Cost as calculated under paragraph (c) below; which will then be aggregated with any amounts owed to the Non-Defaulting Party as of the Early Termination Date and any set-offs to which Defaulting Party is entitled as set forth under paragraph (d) below. If the Termination Payment as so calculated would be less than zero, it shall be deemed to be zero.

(a) The Parties intend that Non-Defaulting Party’s Loss shall be the economic loss (exclusive of Costs), if any, resulting from the termination of the Agreement, determined in a commercially reasonable manner as calculated in accordance with this Section 10.3. The Loss, if any, suffered by Non-Defaulting Party shall be determined by comparing the value of the remaining term and the Energy Price for each year of the remaining term under the Agreement had it not been terminated to the equivalent quantity and each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of CA RPS PCC 1 bundled renewable energy and RECs for the affected period of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either Party fails to provide two quotes then the average of the other Party’s two quotes shall determine the replacement price. For clarity, if Buyer is the Non-Defaulting Party, the Non-Defaulting Party’s Loss equals the amount by which the market price of replacement Energy and Green Attributes exceeds the Energy Price therefor, and if the Seller is the Non-Defaulting Party, the Non-Defaulting Party’s Loss equals the amount by which the Energy Price hereunder exceeds the market price of such Energy and Green Attributes, less the expenses saved by Seller due to Buyer’s default, which includes, but is not limited to, the cost of production of the Energy and Green Attributes. To ascertain the market price of a replacement contract, Non-Defaulting Party may consider, among other valuations, quotations from leading dealers in renewable contracts, and other bona fide third party offers, all adjusted for the length of the remaining term and differences in transmission. It is expressly agreed that Non-Defaulting Party shall not be required to enter into replacement transactions in order to determine the Termination Payment.

(b) The Loss calculated under paragraph (a) shall be discounted to present value using the present value rate of _____ % as of the time of termination (to take into account the period between the time notice of termination was effective and when such amount would have otherwise been due pursuant to this Agreement).

(c) Non-Defaulting Party’s Costs shall be calculated as the sum of the brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating and replacing the Agreement, including, reasonable transmission costs associated with any replacement contract, and reasonable attorneys’ fees, if any, incurred in connection with Non-Defaulting

Party enforcing its rights with regard to the Agreement. Non-Defaulting shall use reasonable efforts to mitigate or eliminate Costs.

(d) Non-Defaulting Party shall add any amounts owed by the Defaulting Party to the Non-Defaulting Party as of the Early Termination Date to, and shall set-off any amounts owing by the Non-Defaulting Party as of the Early Termination Date, against the Termination Payment so that all such amounts are aggregated and/or netted to a single amount. The net amount due shall be paid within thirty (30) Business Days following the effective date of termination, or, if the Parties disagree regarding the calculation of the Termination Payment, the date that the Parties agree on the Termination Payment pursuant to Section 10.3.2 below.

(e) In no event, however, shall the calculation of Loss or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

10.3.2 If the Defaulting Party reasonably disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be resolved in accordance with the Dispute Resolution section in this Agreement.

11. BILLING AND PAYMENTS

11.1 General. Billing and payment for the Energy and all associated Green Attributes sold and purchased under this Agreement and any other amounts due and payable hereunder shall be as set forth in this Agreement, including in Section 11.

11.2 Settlement Statements.

11.2.1 Amounts Owed by Buyer. Within seven (7) Days of the close of each month of the Delivery Term, Buyer shall prepare and electronically forward to Seller, for Seller's review and concurrence, a settlement statement that shows the Monthly Energy Charge as calculated in accordance with Section 4.1. Buyer shall issue an invoice to Seller for the agreed amount contained on the settlement statement (including any agreed corrections). Buyer will pay the invoice within ten (10) Days of such invoice being sent or on the last Business Day of the month, whichever is later. When the due date falls on a Day which is not a Business Day the payment shall be due the following Business Day.

11.2.2 Amounts Owed to Buyer. The settlement statement shall set forth, as applicable, any fees and charges due and owing to Buyer pursuant to this Agreement, which include, but are not limited to: Seller shall pay Buyer monthly, for services rendered for Scheduling Coordination, in the monthly amount set forth in this Agreement; and, Seller shall pay Buyer for any charges that are passed through from the CAISO per this Agreement.

11.3 Form of Settlement Statements. The Parties shall include in each settlement statement and invoice sufficient detail to allow the other Party to verify the charges. Buyer shall send any required settlement related communication under this Agreement to the email address set forth below:

Email: [Insert Seller Email address here.]

Seller shall send the settlements statements and invoices under this Agreement to the Buyer email address or to the facsimile number set forth below:

Email: energysettlements@Smud.org

Facsimile: (916) 732-5554 Attention: Energy Settlements.

11.4 Method of Payment.

Payments to Seller. Buyer shall pay to Seller, by wire transfer of immediately available funds (or electronically through the Automated Clearinghouse (ACH) to the account specified below:

TO ACH into Seller's Account:
[Insert ACH information here]

Payments to Buyer. In the event that the amount owed to Buyer by Seller for any month exceeds the amount owed by Buyer to Seller, Seller shall pay to Buyer, by wire transfer of immediately available funds to the account specified below:

TO WIRE into Buyer's Account:
[Insert WIRE information here]

TO ACH into Buyer's Account:
[Insert ACH information here]

If an amount is due to Buyer, then Buyer will issue an invoice to Seller for the agreed amount contained in the settlement statement. Seller will pay the invoice within ten (10) Days of receipt of such invoice or on the last Business Day of the month, whichever is later. When the due date falls on a Day which is not a Business Day the payment shall be due the following Business Day.

11.5 Disputed Settlement Statements. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to any invoice, rendered under this Agreement or adjust any invoice for any arithmetic, computational, meter data or other error within three (3) months of the date of the invoice, or the date the adjustment to an invoice was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed at the

time payment is due, payment of the disputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Upon resolution of the dispute, any required reimbursement shall be made within seven (7) Business Days of such resolution along with interest accrued at the Interest Rate from and including the date paid.

11.6 Interest on Past Due Amounts. Late payments shall bear interest accrued at the Interest Rate from the date due until paid.

12. AUDIT RIGHTS

Seller and Buyer shall each have the right to audit and examine any relevant information to the extent necessary to verify the accuracy of any invoice, charge, or computation provided for in this Agreement (including the accuracy and supporting documentation for the delivery of Green Attributes under this Agreement). Any such audit shall be performed at the expense of the Party conducting the audit, and shall be undertaken by such Party or its representatives at its sole expense and during normal working hours and in conformance with generally accepted auditing standards. The right of any Party to audit shall continue for a period of one (1) year following receipt of any invoice or, if applicable, REC Attestation and Bill of Sale, which right shall be exercised by a Party delivering written notice to the other Party on or before the close of said one (1) year period that such Party has elected to conduct an audit. All audits shall be performed as soon as reasonably possible after delivery of the written notice that an audit will be conducted. The failure of a Party to timely deliver notice within said one (1) year period shall result in a conclusive and irrefutable presumption that the invoice or, if applicable, REC Attestation and Bill of Sale in question was correct. Each Party shall retain all records and documentation necessary for verification of all invoices, Green Attributes and payments required by this Agreement for the one (1) year period allowed for the giving of notice that an audit will be conducted, and for so long thereafter as necessary to complete any then ongoing audit process and finally resolve any disputes.

13. NOTICES

13.1 General. Except as specifically provided below, any notice or notification required, permitted or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth below or at such other address as a Party may designate for itself from time to time by notice hereunder, and shall be deemed to have been validly served, given or delivered: (i); five (5) Business Days following deposit in the United States mail, with proper first class postage prepaid; (ii) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees; or, (iii) upon receipt of notice given by personal delivery: .

To Seller: [Seller, insert notice information here.]

To Buyer: Manager, Energy Trading & Contracts Sacramento Municipal Utility District
6301 S Street, Mail StopA404 Sacramento, CA 95817-1899 Fax: (916) 732-6002

13.2 Forced Outage Notices. Notices of Forced Outage or other outage notifications made by Seller pursuant to this Agreement shall be made verbally to the appropriate Party at the phone number specified in Exhibit B, followed by written notice via e-mail to the addressee listed in Exhibit B. For events affecting only Delivery-Days not yet Prescheduled, verbal and e-mail notices shall be directed to the Buyer Prescheduling Contacts listed in Exhibit B. For all other events, verbal and e-mail notices shall be directed to the Buyer Real-Time Scheduling Contacts listed in Exhibit B. Notice will be effective at the time verbally given. A Party may change its contact person(s) or contact information specified in Exhibit B by giving notice of the change to the other Party.

14. LIMITATION OF LIABILITY AND INDEMNITY

14.1 **LIMITATION OF LIABILITY. NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON CONTRACT OR TORT (INCLUDING SUCH PARTY'S OWN NEGLIGENCE) AND INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF PURCHASED POWER, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF SELLER OR OF BUYER FOR SUCH DAMAGES. THIS PROVISION IS NOT INTENDED TO LIMIT THE RIGHT OF EITHER PARTY TO OBTAIN COVER DAMAGES FOR BREACH OF THIS AGREEMENT.**

14.2 Indemnities

14.2.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless Buyer, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including reasonable costs and reasonable attorney's fees, resulting from, or arising out of or in any way connected with (i) the Unit Contingent Firm Power delivered under this Agreement to and at the Delivery Point; (ii) Seller's operation and/or maintenance of the Project; or (iii) Seller's actions or inactions with respect to this Agreement, including, without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Buyer, its agents, employees, directors or officers.

14.2.2 Indemnity by Buyer. Buyer shall release, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees resulting from, or arising out of or in any way connected with the Unit Contingent Firm Power delivered by Seller under this Agreement after the Delivery Point, or Buyer's actions or inactions with respect to this Agreement, including, without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Seller, its agents, employees, directors or officers.

15. DISPUTE RESOLUTION

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

If the Parties are unable to resolve a dispute with respect to this Agreement, either Party shall send a notice to the other requesting a meeting at which senior officers or officials of the Parties shall attempt to resolve the dispute. If the Parties are unable to resolve the dispute within ten (10) calendar days after the meeting notice is received by the Party to whom it is directed, or such longer period as the Parties may agree, then either Party may elect to resolve such dispute in the courts of the State of California. The venue shall be the Superior Court in Sacramento County. Each Party shall pay and be responsible for their own attorney fees.

16. REPRESENTATIONS, COVENANTS AND WARRANTIES

16.1 Seller's Representations and Warranties. Seller represents and warrants as follows:

- (a) Seller is duly organized and validly existing and in good standing under the laws of the State of California.
- (b) Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof.
- (c) Seller's management has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
- (d) This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- (e) As of the first date of the Delivery Term (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewable Portfolio Standard.
- (f) The Project meets the criteria of a renewable electricity generation facility as defined in Chapter 8.6 of Division 15 of the California Public Resources Code and as specified by guidelines adopted thereunder, and the Project is not a hybrid system.

16.2 Buyer Representations and Warranties. Buyer represents and warrants as follows:

- (a) Buyer is duly organized, validly existing and in good standing under the laws of the State of California.
- (b) Buyer has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms hereof.
- (c) The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Buyer or any valid order of any court, or any regulatory agency or other body having authority to which Buyer is subject.
- (d) This Agreement is a valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank. moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

17. CONGESTION HEDGING RIGHTS

Seller shall attest to any authorities, as necessary, as to Buyer's exclusive rights to the Unit Contingent Firm Power from the Project, as necessary for Scheduling, transmission service applications, congestion management purposes, or marginal losses management purposes.

18. ASSIGNMENT

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that notwithstanding the foregoing, Buyer, without the consent of Seller (and without relieving itself from liability hereunder), may transfer, sell, pledge, encumber, or assign this Agreement or the accounts, revenues or proceeds hereof to VCEA or its successor entity, and, in connection with any such assignment and upon written request of Buyer, Seller shall execute a Consent and Agreement among Buyer, Seller, and VCEA in a form agreed to by the Parties.

19 MISCELLANEOUS

19.1 Partial Invalidity and Severability. The invalidity, in whole or in part, of any of the articles, sections or paragraphs of this Agreement will not affect the validity of the remainder or such articles, sections or paragraphs. Should any provision of this Agreement be held illegal, such illegality shall not invalidate the whole of this Agreement; instead, the Parties shall use their best efforts to reform the Agreement in order to give effect to the original intention of the Parties and to maintain the balance of the equities of the transaction contemplated by this Agreement in all material respects.

19.2 Amendment. No modification, amendment, or other change to this Agreement will be effective unless consented to in writing by each of the Parties.

19.3 Waiver. Failure, delay or forbearance by any Party to exercise any of its rights or remedies under this Agreement shall not constitute a waiver of such rights or remedies. No Party shall be deemed to have waived or forborne any right or remedy resulting from such failure to perform unless it has made such waiver specifically in writing and signed by an authorized officer of such Party.

19.4 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Facsimile signatures shall have the same effect as original signatures.

19.5 Mutual Cooperation. The Parties shall do and shall perform all such acts and things and shall execute all such deeds, documents and writings and shall give all such further assurances as may be necessary to carry out the intent of this Agreement. In particular, if any governmental or administrative approval, permit, order or other authorization shall be necessary relative to any provision of this Agreement or any transaction contemplated by this Agreement, then each Party shall use all commercially reasonable efforts to assist in the obtaining of such approval, permit, order or other authorization.

19.6 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and this Agreement shall not impart any rights enforceable by any Person that is not a Party.

19.7 Headings. The various headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the provisions. Paragraph numbers are at times not sequentially numbered. This has no effect on the interpretation of the Agreement and was intentional by both parties. Gaps in the paragraph numbering of this Agreement shall not be interpreted to mean that material information or promises have been left out of the Agreement.

19.8 Interpretation: Drafting Construction. Whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural or feminine or body politic or corporate and vice versa, as the context so requires. Whenever the words "include(s)" or "including" are used in this Agreement, they should be interpreted to mean include(s) or including, but not limited to. Because both Parties have participated in the drafting of this Agreement, the rule of contract construction that resolves ambiguities against the drafter shall not apply.

19.9 Entire Agreement. This Agreement (including the attached Exhibits, which are incorporated by this reference) and all amendments to this Agreement contain the complete agreement between Seller and Buyer with respect to the matters contained in this Agreement and supersede all other agreements, whether written or oral, with respect to the matters contained in this Agreement.

19.10 Applicable Law. The validity, interpretation and effect of this Agreement shall be governed exclusively by the laws of the State of California, without reference to any of its laws that would direct the application of the laws of a different jurisdiction.

19.11 No Dedication Of Facilities. Any undertaking by one Party to another Party under any provision of this Agreement shall not constitute the dedication of the electric system, electric

generation facilities, or any portion thereof of the undertaking Party to the public or to the other Party, and it is understood and agreed that any such undertaking under any provision of this Agreement by a Party shall cease upon the termination of such Party's obligations under this Agreement.

19.12 Greenhouse Gas Liability. Seller acknowledges and accepts any and all greenhouse gas liability and costs resulting from federal, state, regional, or local legislation or government rules requiring the Parties to pay taxes or obtain GHG emissions allowances or other rights to emit greenhouse gas (a) for the generation, delivery or sale of (or receipt and purchase of) Project Energy at the Delivery Point pursuant to this Agreement.

(This area is intentionally blank)

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

SACRAMENTO MUNICIPAL UTILITY
DISTRICT

YOLO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

PRICING DETAIL

I. Energy Price For Delivery Term

On-Peak Hours Energy Price: \$44.50/MWh

Off-Peak Hours Energy Price: \$ 54.50/MWh

On Peak Hours	Off Peak Hours
HE 7 – 22 Monday through Saturday except NERC Holidays	All Other Hours (Includes all day on Sundays and NERC Holidays)

Exhibit B

FORCED OUTAGES AND SCHEDULING CONTACTS

Scheduling/ Planned and Forced Outage Contact Information

If to Buyer:

For Pre-Scheduling:

Communication preference is EMAIL.

Phone: 916-732-5669

Email: dayaheadtrading@smud.org

For Real-Time Scheduling:

Communication preference is PHONE or email followed by phone call.

Phone: 916-732-5177

Email: rtt1@smud.org

rtt2@smud.org

dayaheadtrading@smud.org

If to Seller: For Pre-Scheduling:

Communication preference is EMAIL.

Phone:

Fax:

Email:

For Real-Time Scheduling:

Communication preference is PHONE.

Phone:

Fax:

Email:

Contract Contact Information

To Buyer:

Director, Energy Trading & Contracts Sacramento Municipal Utility District

6301 S Street, Mail StopA404 Sacramento, CA 95817-1899Fax: (916) 732-6002

To Seller:

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 1, 2018

ITEM #: 5

SUBJECT: Consideration: Adoption of Fiscal Year 2018/2019 District Budget

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Tim O'Halloran
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Attached is the proposed Budget for Fiscal Year (FY) 2018/2019 as recommended by the Finance Committee. Staff prepared the FY 2018/2019 Budget in coordination with the Board's Finance Committee, and the proposed budget has been reviewed by the Board's Finance Committee.

FY 2018/2019 revenues are projected to be \$7,168,600 while expenses are projected to be \$5,423,673. The Budget projects a positive cash balance of \$1,744,927 at the end of the fiscal year. Although this budget projects a positive cash balance, the District is planning on major capital repairs at the Moore Siphon, Indian Valley spillway and hydroelectric facility, and Cache Creek Dam control structures, and a remodel of District Headquarters. These capital improvements and repairs will require that the District use reserve funds and/or borrow money from a financial institution. Even though this proposed FY 2018/2019 budget anticipates a positive cash balance, there is, and will remain an ongoing need for conservative fiscal management.

General Manager O'Halloran will present the proposed budget to the Board, including a year-end summary of FY 2017/2018 actuals and the key drivers and assumptions used in developing the proposed budget.

RECOMMENDATION:

The Finance Committee and staff recommend adoption of the proposed Operations and Maintenance and Capital Budgets for FY 2018/2019.

PROPOSED OPERATING BUDGET

FISCAL YEAR 2018 - 2019

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
OPERATING REVENUE			
41110 WATER - AG - MEASURED	4,250,000	3,645,000	605,000
41130 WATER - AG - RIPARIAN	8,600	8,500	100
41140 WATER - AG - APPROPRIATED	22,000	0	22,000
41210 WATER - NON-AG - M&I	220,000	200,000	20,000
41230 WATER - NON-AG - GOLF COURSE / TRUCKS / INDUSTRIAL	35,000	40,000	(5,000)
41240 WATER - NON-AG - APPROPRIATED	19,000	500	18,500
42300 CANAL MAINTENANCE	7,000	5,000	2,000
44200 HYDROELECTRIC REVENUES - INDIAN VALLEY	300,000	300,000	0
44400 RECREATION INCOME	8,500	10,000	(1,500)
44500 MERCSA REVENUES	45,000	45,000	0
TOTAL OPERATING REVENUE	\$ 4,915,100	\$ 4,254,000	\$ 661,100
NON-OPERATING REVENUE			
48003 GRANT REVENUE - DWR DROUGHT GRANT CONSTRUCTION REIMB	617,000	750,000	(133,000)
48003 GRANT REVENUE - DWR DROUGHT GRANT ADMINISTRATION	0	65,000	(65,000)
48005 GRANT REVENUE - STORM WATER MANAGEMENT GRANT	68,500	290,000	(221,500)
48200 FEMA / OES REVENUE (CLAYTON FIRE)	112,000	112,000	0
48200 FEMA / OES REVENUE (2017 STORM EVENTS RECOVERY)	0	308,000	(308,000)
48400 REVENUE FROM OTHER SOURCES - YSGA	110,000	0	110,000
48400 REVENUE FROM OTHER SOURCES - SHARED SERVICES / PRIVATE JOBS	40,000	35,000	5,000
48800 CONTRIBUTIONS TO CAPITAL	11,000	0	11,000
49200 INTEREST REVENUES	65,000	35,000	30,000
49300 YOLO COUNTY GENERAL FUND PROPERTY TAX REVENUE	1,230,000	1,130,000	100,000
TOTAL NON-OPERATING REVENUE	\$ 2,253,500	\$ 2,725,000	(471,500)
TOTAL REVENUE	\$ 7,168,600	\$ 6,979,000	\$ 189,600
OPERATING EXPENSES			
<i>BUDGETED PAYROLL EXPENSE (for information only)</i>	<i>1,794,894</i>	<i>1,764,328</i>	<i>30,566</i>
<i>Employee Cash-out Benefits (Health, Retire, FICA, Work Comp)</i>	<i>826,238</i>	<i>832,304</i>	<i>(6,066)</i>
<i>Allocation of Payroll & Benefits to Capital Jobs - Estimate</i>	<i>(276,847)</i>	<i>(277,212)</i>	<i>365</i>
<i>Allocation of Payroll & Benefits to General Expense Accounts</i>	<i>(2,344,285)</i>	<i>(2,319,420)</i>	<i>(24,865)</i>
	0	0	0
SOURCE OF SUPPLY			
51100 SOS - CACHE CREEK DAM	84,692	82,544	2,148
51200 SOS - INDIAN VALLEY DAM & RESERVOIR	540,683	284,971	255,712
51300 SOS - I.V. WATER TREATMENT PLANT	11,067	10,278	789
51400 SOS - I.V. RECREATION	13,385	12,161	1,224
Total	649,827	389,954	259,873
HYDROELECTRIC EXPENSE			
52100 CACHE CREEK DAM HYDRO EXPENSES	4,890	4,375	515
52200 INDIAN VALLEY HYDRO EXPENSES	70,753	63,013	7,740
Total	75,643	67,388	8,255
WATER RESOURCES			
53100 GROUNDWATER LEVEL MONITORING	36,217	37,091	(874)
53200 GROUNDWATER QUALITY MONITORING	3,802	8,462	(4,660)
53300 WATER FLOW MEASUREMENTS	45,998	42,319	3,679
53400 SURFACE WTR QUALITY MONITORING	15,756	15,505	251
53500 STORM WATER MANAGEMENT PLAN	40,597	290,186	(249,589)
58970 SGMA (SUSTAINABLE GROUNDWATER MANAGEMENT ACT)	107,902	53,394	54,508
58971 YSGA (YOLO SUBBASIN GROUNDWATER AGENCY)	110,000	130,000	(20,000)
58973 SCADA	176,778	166,753	10,025
Total	537,050	743,710	(206,660)
55000 ENVIRONMENTAL RESOURCES	100,787	216,325	(115,538)
TRANSMISSION / DISTRIBUTION			
54100 T & D OPERATIONS	359,459	417,859	(58,400)
54200 T & D MAINTENANCE	550,867	440,720	110,147
54280 T & D FLOODING / STORM EVENTS	0	330,000	(330,000)
Total	910,326	1,188,579	(278,253)
54500 MERCSA ACTIVITIES	45,000	45,000	0

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2018 - 2019**

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
<u>ADMINISTRATIVE & GENERAL</u>			
58100 ADMINISTRATIVE SALARIES & BENEFITS	608,057	516,245	91,812
58200 OFFICE EXPENSE	13,000	13,000	0
58300 INSURANCE EXPENSE	65,450	61,194	4,256
58410 EMPLOYEE BENEFITS	523,194	507,508	15,686
58800 INFORMATION TECHNOLOGY SYSTEMS	67,000	67,000	0
58720 COMMUNICATIONS & UTILITIES	44,000	43,000	1,000
58810 ACCOUNTING AND AUDIT	10,800	10,500	300
58820 LEGAL EXPENSE	45,000	45,000	0
58830 ENGINEERING	92,325	99,399	(7,074)
58840 FERC	64,967	60,000	4,967
58910 RENTALS AND LEASES	57,000	53,000	4,000
58950 PUBLIC EDUCATION	5,000	5,000	0
58980 MEMBERSHIPS & DUES	123,000	123,000	0
58980 SYSTEM PLANNING & ADMIN	34,327	26,925	7,402
58990 OTHER GENERAL & ADMIN EXPENSE	5,000	5,000	0
Total	1,758,120	1,635,771	122,349
<u>GENERAL PLANT / FACILITIES MAINTENANCE</u>			
58730 GP - TRANSPORTATION EQUIPMENT	142,249	130,093	12,156
58740 GP - CONSTRUCTION EQUIPMENT	85,216	90,659	(5,443)
58750 GP - SHOP / YARD / BUILDING MAINTENANCE	137,062	142,298	(5,236)
Total	364,527	363,050	1,477
<u>OTHER OPERATING EXPENSES</u>			
59100 DEPRECIATION AND AMORTIZATION	925,000	900,000	25,000
59200 REAL ESTATE TAXES (LAKE COUNTY)	201,000	189,000	12,000
59210 YOLO COUNTY TAXES / ASSESSMENTS	100	100	0
59300 OTHER OPERATING EXPENSES	1,000	1,000	0
59400 EXPENSE CREDITS	(310,000)	(310,000)	0
Total	817,100	780,100	37,000
TOTAL OPERATING EXPENSES	5,258,380	5,429,877	(171,497)
<u>NON-OPERATING EXPENSES</u>			
81000 INTEREST ON LONG-TERM DEBT	76,468	81,325	(4,857)
81500 OTHER INTEREST EXPENSE	500	500	0
84000 COUNTY ADMINISTRATION CHARGE	12,000	13,406	(1,406)
88000 SHARED SERVICES	40,000	0	40,000
75200 DROUGHT GRANT ADMIN COSTS (Labor & Benefits)	36,325	65,000	(28,675)
TOTAL NON-OPERATING EXPENSES	165,293	160,231	5,062
TOTAL EXPENSES	\$ 5,423,673	\$ 5,590,108	\$ (166,435)
NET INCOME / (LOSS)	\$ 1,744,927	\$ 1,388,892	\$ 356,035

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2018 - 2019**

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
--- Supporting Schedules ---			
<u>EXPENSES</u>			
51100	<u>SOS - CACHE CREEK DAM</u>		
51100-10	19,196	21,064	(1,868)
51100-11	9,505	10,330	(825)
51100-20	5,000	5,000	0
51100-21	1,500	1,500	0
51100-30	7,500	7,500	0
51100-31	2,000	2,000	0
51100-40	2,500	800	1,700
51100-61	29,600	28,450	1,150
51100-70	7,891	5,900	1,991
Total	84,692	82,544	2,148
51200	<u>SOS - INDIAN VALLEY</u>		
51200-10	28,147	25,711	2,436
51200-11	11,886	10,960	926
51200-20	10,000	6,000	4,000
51200-21	1,500	1,500	0
51200-30	150,000	10,000	140,000
51200-31	150,000	60,000	90,000
51200-40	2,200	2,200	0
51200-61	68,950	66,250	2,700
51200-70	118,000	102,350	15,650
Total	540,683	284,971	255,712
51300	<u>SOS - IV - WATER TREATMENT</u>		
51300-10	5,076	4,952	124
51300-11	1,691	1,626	65
51300-20	2,000	2,000	0
51300-30	800	500	300
51300-62	1,500	1,200	300
Total	11,067	10,278	789
51400	<u>I.V. RECREATION</u>		
51400-10	6,504	6,346	158
51400-11	1,881	1,815	66
51400-20	3,500	2,500	1,000
51400-30	1,500	1,500	0
Total	13,385	12,161	1,224
52100	<u>CACHE CREEK DAM HYDRO EXPENSES</u>		
52100-20	500	500	0
52100-30	500	500	0
52100-40	3,890	3,375	515
Total	4,890	4,375	515
52200	<u>INDIAN VALLEY HYDRO EXPENSES</u>		
52200-10	10,469	10,508	(39)
52200-11	4,364	4,585	(221)
52200-20	10,000	2,000	8,000
52200-30	35,000	35,000	0
52200-31	10,000	10,000	0
52200-40	920	920	0
Total	70,753	63,013	7,740
53100	<u>GROUNDWATER LEVEL MONITORING</u>		
53100-10	19,791	30,040	(10,249)
53100-11	10,626	15,451	(4,825)
53100-20	1,000	30,000	(29,000)
53100-30	4,800	3,600	1,200
53100-99	0	(42,000)	42,000
53170	0	4,819	(4,819)
Total	36,217	37,091	(874)

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2018 - 2019**

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
53200 <u>GROUNDWATER QUALITY MONITORING</u>			
53200-10 GW QUALITY MON - LABOR	2,196	5,356	(3,160)
53200-11 GW QUALITY MON - BENEFITS	1,106	2,606	(1,500)
53200-20 GW QUALITY MON - SUPPLIES/OTHER	500	500	0
Total	3,802	8,462	(4,660)
53300 <u>WATER FLOW MEASUREMENTS</u>			
53300-10 WATER FLOW MEAS - LABOR	23,444	11,818	11,626
53300-11 WATER FLOW MEAS - BENEFITS	9,454	6,376	3,078
53300-20 WATER FLOW MEAS - SUPPLIES/OTHER	1,000	1,000	0
53300-41 WATER FLOW MEAS - GAUGING & RECORDING	12,100	23,125	(11,025)
Total	45,998	42,319	3,679
53400 <u>SURFACE WTR QUALITY MONITORING</u>			
53400-10 SURF WQ - LABOR	6,602	6,450	152
53400-11 SURF WQ - BENEFITS	3,654	3,555	99
53400-20 SURF WQ - SUPPLIES/OTHER	1,000	1,000	0
53400-30 SURF WQ - OUTSIDE SERVICES	1,000	1,000	0
53400-42 SURF WQ - WATER SAMPLES	3,500	3,500	0
Total	15,756	15,505	251
53500 <u>STORM WATER MANAGEMENT PLAN</u>			
53500-10 STORM WATER MGMT - LABOR	16,055	30,000	(13,945)
53500-11 STORM WATER MGMT - BENEFITS	7,034	0	7,034
53500-30 STORM WATER MGMT - OUTSIDE SERVICES	17,508	260,186	(242,678)
Total	40,597	290,186	(249,589)
56970 <u>SGMA (SUSTAINABLE GROUNDWATER MANAGEMENT ACT)</u>			
56970-10 SGMA - LABOR	78,900	75,356	3,544
56970-11 SGMA - BENEFITS	29,002	28,038	964
56970-99 SGMA - REIMBURSEMENTS (w/ra reimb \$20,000)	0	(50,000)	50,000
Total	107,902	53,394	54,508
56971 <u>YSGA (YOLO SUBBASIN GROUNDWATER AGENCY)</u>			
56971-20 YSGA - DUES / SUPPLIES / OTHER	110,000	130,000	(20,000)
Total	110,000	130,000	(20,000)
56713 <u>SCADA</u>			
56713-10 SCADA - LABOR	84,619	73,963	10,656
56713-11 SCADA - BENEFITS	45,159	45,790	(631)
56713-20 SCADA - SUPPLIES/OTHER	40,000	40,000	0
56713-30 SCADA - OUTSIDE SERVICES	7,000	7,000	0
Total	176,778	166,753	10,025
54500 <u>MERCESA</u>			
54500-10 MERCESA - LABOR	12,333	0	12,333
54500-11 MERCESA - BENEFITS	10,140	0	10,140
54500-20 MERCESA - SUPPLIES/OTHER	22,527	45,000	(22,473)
Total	45,000	45,000	0
55000 <u>ENVIRONMENTAL RESOURCES</u>			
55000-10 ENV RES - LABOR	48,039	121,644	(73,605)
55000-11 ENV RES - BENEFITS	37,748	80,131	(42,383)
55000-20 ENV RES - SUPPLIES/OTHER	10,000	10,000	0
55100-30 ENV RES - CACHE CREEK (Conservancy)	1,200	1,200	0
55200-30 ENV RES - LAKE COUNTY	1,800	1,500	300
55300-30 ENV RES - YOLO COUNTY	1,800	1,650	150
55500-30 ENV RES - AG-WAIVER (Farm Bureau)	200	200	0
Total	100,787	216,325	(115,538)

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2018 - 2019**

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
54100 T & D OPERATIONS			
54100-10 T&D - OP - LABOR	162,908	205,539	(42,631)
54100-11 T&D - OP - BENEFITS	106,551	135,320	(28,769)
54100-20 T&D - OP - SUPPLIES	4,000	12,000	(8,000)
54100-22 T&D - OP - CHEMICALS	70,000	50,000	20,000
54100-40 T&D - OP - UTILITIES (new Cottonwood Street Well)	1,000	0	1,000
54170 T&D - OP - PESTICIDE MONITORING	15,000	15,000	0
Total	359,459	417,859	(58,400)
54200 T & D MAINTENANCE			
54200-10 T&D - MAINT - LABOR	199,847	133,207	66,640
54200-11 T&D - MAINT - BENEFITS	131,320	87,813	43,507
54200-20 T&D - MAINT - SUPPLIES	102,000	100,500	1,500
54200-22 T&D - MAINT - CHEMICALS	83,000	85,000	(2,000)
54200-24 T&D - MAINT - WORK CREW	10,000	10,000	0
54200-30 T&D - MAINT - OUTSIDE SERVICES	20,000	20,000	0
54200-40 T&D - MAINT - UTILITIES	4,700	4,200	500
Total	550,867	440,720	110,147
54280 T & D FLOODING/EMERGENCY RESPONSE			
54280-30 T&D - FLOOD/EMERGENCY - OUTSIDE SERVICES	0	330,000	(330,000)
Total	0	330,000	(330,000)
56100 ADMINISTRATIVE SALARIES/BENEFITS			
56100-10 ADMIN. LABOR	410,000	342,297	67,703
56100-11 ADMIN. BENEFITS	193,057	163,948	29,109
56100-30 ADMIN. LABOR - OUTSIDE SERVICES	5,000	10,000	(5,000)
Total	608,057	516,245	91,812
56300 INSURANCE EXPENSE			
56310 AUTO & GENERAL LIABILITY INS	49,000	45,000	4,000
56320 PROPERTY INSURANCE	15,500	15,500	0
56340 PUBLIC EMPLOYEE BLANKET BOND	950	694	256
Total	65,450	61,194	4,256
56400 EMPLOYEE BENEFITS			
MISC BENEFIT ALLOCATION (benefit % applicable to vac, sick, not pay)	140,154	134,785	5,369
56412 HOLIDAY PAY	82,415	80,166	2,249
56413 VACATION PAY	130,678	123,166	7,512
56414 SICK LEAVE	70,000	70,000	0
56415 OVERTIME PREMIUM	10,000	10,000	0
56419 CLASS A PAY DIFFERENTIAL	9,600	9,600	0
56510 EMPLOYEE DEVELOP / EDUCATION / ACWA	30,000	30,000	0
56520 EMPLOYEE PHYSICALS/LICENSES	2,000	2,000	0
56530-10 SAFETY PROGRAM - LABOR & BENEFITS	42,247	41,691	556
56530-20 SAFETY PROGRAM - SUPPLIES/OTHER	4,500	4,500	0
56530-30 SAFETY PROGRAM - OUTSIDE SERVICES	1,600	1,600	0
Cash-Out Benefits:			
56421 MEDICAL/DENTAL/LIFE INSURANCE	423,740	410,290	13,450
56422 RETIREMENT INSURANCE	123,298	121,954	1,344
56423 EMPLOYER'S FICA INSURANCE	133,872	132,797	1,075
56424 UNEMPLOYMENT INSURANCE	8,000	8,051	(51)
56425 WORKERS COMP INSURANCE	58,826	81,708	(22,882)
56426 DISABILITY INSURANCE	26,259	25,838	421
56427 DEF COMP - EMPLOYR 2:1 MATCH	52,243	51,666	577
56429 EXP CR - EMPLOYEE BENEFIT ALLOCATION (to cost centers)	(826,238)	(832,304)	6,066
Total	523,194	507,508	15,686
56600 INFORMATION TECHNOLOGY			
56600-20 INFO TECH - SUPPLIES/OTHER	7,000	7,000	0
56600-30 INFO TECH - OUTSIDE SERVICES	60,000	60,000	0
Total	67,000	67,000	0
56700 COMMUNICATIONS & UTILITIES			
56714-60 TELEPHONE	26,000	26,000	0
56720-40 UTILITIES	18,000	17,000	1,000
Total	44,000	43,000	1,000

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2018 - 2019**

May 1 - April 30

	Proposed Budget Fiscal Year 2018-2019	Prior Budget Fiscal Year 2017-2018	Difference
58730 <u>GP - TRANSPORTATION EQUIP.</u>			
58730-10 TRAN EQ - LABOR	15,704	10,508	5,196
58730-11 TRAN EQ - BENEFITS	6,545	4,585	1,960
58730-20 TRAN EQ - SUPPLIES/OTHER	40,000	35,000	5,000
58730-21 TRAN EQ - FUEL	85,000	85,000	0
58730-30 TRAN EQ - OUTSIDE SERV/REPAIRS	15,000	15,000	0
Total	142,249	130,093	12,156
58740 <u>GP - CONSTRUCTION EQUIP.</u>			
58740-10 CONS EQ - LABOR	17,798	17,884	(86)
58740-11 CONS EQ - BENEFITS	7,418	7,795	(377)
58740-20 CONS EQ - SUPPLIES/OTHER	25,000	25,000	0
58740-21 CONS EQ - FUEL	25,000	30,000	(5,000)
58740-30 CONS EQ - OUTSIDE SERV/REPAIRS	10,000	10,000	0
Total	85,216	90,659	(5,443)
58750 <u>GP - SHOP / YARD / BUILDING MAINTENANCE</u>			
58750-10 GEN PLANT - LABOR	49,579	53,933	(4,354)
58750-11 GEN PLANT - BENEFITS	40,483	41,385	(882)
58750-20 GEN PLANT - SUPPLIES/OTHER	25,000	25,000	0
58750-30 GEN PLANT - OUTSIDE SERVICES	22,000	22,000	0
Total	137,062	142,298	(5,236)
58820 <u>LEGAL EXPENSE</u>			
58820-32 LEGAL - GENERAL	40,000	40,000	0
58821-32 LEGAL - DELTA ISSUES	2,000	2,000	0
58823-32 LEGAL - PERSONNEL	500	500	0
58824-32 LEGAL - CLEAR LAKE	2,500	2,500	0
Total	45,000	45,000	0
58830 <u>ENGINEERING</u>			
58830-10 ENGINEERING - LABOR	22,477	30,614	(8,137)
58830-11 ENGINEERING - BENEFITS	9,848	13,785	(3,937)
58830-31 ENGINEERING - OUTSIDE SERVICES	55,000	55,000	0
58839 ENGINEERING - TEMPORARY DIVERSION PERMIT	5,000	0	5,000
Total	92,325	99,399	(7,074)
58840 <u>FERC</u>			
58840-10 FERC - LABOR	3,488	0	3,488
58840-11 FERC - BENEFITS	1,479	0	1,479
58840-30 FERC - OUTSIDE SERVICES / OTHER	80,000	80,000	0
Total	84,967	80,000	4,967
58850 <u>PUBLIC EDUCATION</u>			
58850-20 PUBLIC ED - SUPPLIES/OTHER	5,000	5,000	0
Total	5,000	5,000	0
58860 <u>MEMBERSHIPS & DUES</u>			
ACWA DUES	11,030	11,030	0
NCWA DUES	103,520	103,520	0
YSGA - Included under YSGA (G/L #56971)	0	0	0
OTHER	8,450	8,450	0
Total	123,000	123,000	0
58880 <u>SYSTEM PLANNING & ADMIN</u>			
58881-10 SYS PLN - MAPPING - LABOR & BENEFITS	8,258	15,925	(7,669)
58881-20 SYS PLN - MAPPING - SUPPLIES/OTHER	16,071	1,000	15,071
58881-30 SYS PLN - MAPPING - OUTSIDE SERVICES	10,000	10,000	0
Total	34,327	26,925	7,402
58990 <u>OTHER GENERAL & ADMIN EXPENSE</u>			
58992 OTHER G&A - FALL BBQ	4,500	4,500	0
58995 OTHER G&A - MISC.	500	500	0
Total	5,000	5,000	0
59400 <u>EXPENSE CREDITS</u>			
59410 EXP CR - INDIRECT LABOR (charged to Private & Capital Jobs)	(70,000)	(70,000)	0
59420 EXP CR - OVERHEAD (charged to Capital Jobs)	(190,000)	(190,000)	0
59430 EXP CR - EQUIPMENT CHARGES (charged to Capital Jobs)	(50,000)	(50,000)	0
Total	(310,000)	(310,000)	0

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

**ESTIMATED EFFECT OF BUDGET ON CASH
FOR PERIOD 5/1/2018 TO 4/30/2019**

	TOTAL
ESTIMATED Cash and Investments, April 30, 2018	\$ 5,425,000
NET INCOME/(LOSS) FROM OPERATING BUDGET	\$ 1,744,927
 <u>CASH IN (OTHER - not included in Operating Budget):</u>	
ACCOUNTS RECEIVABLE FROM APRIL 30, 2018:	
Drought Grant Invoice Jan-Mar 2018 (less 5% retention) - Estimated	\$ 120,000
Stormwater Grant Invoice Jan-Mar 2018 - Estimated	\$ 56,000
	\$ 176,000
 <u>CASH OUT (OTHER):</u>	
Capital Projects and Purchases (use depreciation included in budget)	n/a
Accounts Payable Due as of April 30, 2018 - Estimated	\$ (150,000)
SWRCB Loan Principal Payment (use depreciation included in budget)	n/a
Drought Grant Capital Construction Expenditures Expected	\$ (617,000)
	\$ (767,000)
 Net Increase (Decrease) in Cash	 \$ 1,153,927
 ESTIMATED Cash and Investments, April 30, 2019	 \$ 6,578,927

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 1, 2018

ITEM #: 6

SUBJECT: Presentation: Report on Preparations for Replacing the Moore Siphon

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Kristin Sicke
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

As the Board is aware, the Moore Siphon (Siphon), an approximately 700-foot-long, 66-inch diameter, corrugated metal pipe (CMP) failed in early July 2017. An emergency was declared, and the District was able to temporarily repair the section of pipe that failed and to continue irrigation deliveries to that stem of the irrigation distribution system that is served by the Moore Canal and sub-laterals (approximately 13,000 acres or 16% of the Districts service area).

Immediately after last year's failure, District staff, aided by consultants, began to prepare for replacing the Siphon following standard engineering processes (i.e. project design, evaluation of alternatives, environmental permitting, hydrogeologic investigations, identification and procurement of preferred construction material, construction techniques, and real estate and ingress issues). At the same time, the District also began planning an emergency action response in case the Siphon were to fail during the 2018 irrigation season.

Staff will report on the status of both the normal engineering process (no failure) and the development of an emergency response plan in the case of in-season failure.

RECOMMENDATION:

This agenda item is for informational purposes only. No action is required.