

LOS TRANCOS COUNTY WATER DISTRICT  
NOTICE OF PUBLIC MEETING  
Thursday, January 6, 2011 7:30 PM-10:30PM  
Sherman/Friedman Home  
144 Carmel Way  
Portola Valley, CA 94028

Agenda

- 1) Meeting Called to Order.
- 2) Public Comment on Issues Not on the Agenda – please limit comments to 3 minutes per issue.
- 3) Election/affirmation of new president and thanking of old president.
- 4) Approval of Minutes from October, 2010 and review/approval of minutes from November 11, 2010 meeting. Board (30 minutes discussion/decision).
- 5) Discussion/decision regarding the role and responsibilities of Recording Secretary position. Sherman/Krenz (15 minutes)
- 6) Financial Report. Tate (10 minutes discussion/decision).
- 7) Program Updates (45 minutes discussion/decision)
  - A) Fire Safety/Emergency Preparedness- Krenz& Sherman
  - B) Water Movement Control – Smernoff&Uridel
  - C) Lands – Smernoff&Krenz
  - D) Saving Water – Ward

Break (15 minutes)

- 8) Update on contract between Cal Water Services and LTCWD. Ward (15 minutes).
- 9) Discussion regarding LTCWD Mission Statement. Ward (20 minutes).
- 10) Correspondence and communication.
- 11) Scheduling date/time/place of next meeting.



October 11, 2010

**Minutes of the Regular Meeting of  
The Board of Directors  
Los Trancos County Water District  
October 7, 2010**

The meeting was called to order at 7:45 pm at the home of Charlie Krenz, as no access to the reserved room at Corte Madera School was possible.

**In attendance:**

Charlie Krenz, David Smernoff, Tracy Sherman, Tom Uridel, and Mike Ward. Keri Tate (Finance Manager) and Helene Zimmerman (Recording Secretary). No members of the public present.

**Agenda Item 0: Public Comment on Issues Not on the Agenda** – No comments

**Agenda Item 1: Introduction of New Recording Secretary:** Tom Uridel introduced Helene Zimmerman

**Agenda Item 2: Approval of Minutes** from 09-09-2010

- Keri Tate asked to be referred to as Financial Manager versus Treasurer. Approved.
- Ward: a valid reporting but added clarification on Cal Water discussion.
  - Additional 10 cents per unit added for 1 year, then eliminated
- Uridel: Why did this happen? – Because under Cal Water, they raised the rates for the Bear Gulch district, and we were no longer able to set our own water rates
- Ward: Clarified
- Smernoff: made grammar corrections; clarified on lands issue re plants; locals interested in ways to incentivise
- Ward: Cal Water Contract – 2% fees were small. \$200 would be split between reporting and account credits
- August's minutes still in draft form on web site
- This year's budget not yet on web site – plan to add

Smernoff made motion to accept. Ward seconded, all in favor.

**Agenda Item 3: Financials: Approval of Financial Report**

- Tate: finally received a copy of last years San Mateo Secured Tax systems. It went up a little.
  - Received \$137.29 July 2010, will be recorded as this year
  - Payments have been made on the following accounts: Emergency Preparedness, Lands, Contract services (09/10 audit), Operations (stamps, etc), and other (Insurance in last months also as check was lost; Lands = lake liability) and DNO (Director and Officer's Insurance).
  - Need to determine when payment is due on Directors and Officers Insurance
  - Tate will be out of town until Nov. 2. Will need some help from Finance Committee. Financials won't be received until Nov. 1.

Ward made motion to accept. Uridel seconded, all in favor.

#### **Agenda Item 4: Final plan for presentation/dissemination of District Survey results**

- Sherman: Asked if everyone was good with the layout and wording.
- Smernoff: In response to his addition of a “General Response,” felt that the survey responses indicated a need for clarification on a number of issues that didn’t necessarily fall into the program categories. Used “General Response” section as an opportunity to address these issues.
- Ward: Per ‘General Response’ section, commented that District cannot reduce the tax rate under any circumstances. Wording was amended to clarify.
- Uridel: Confused why there is both a letter and general survey response. Questioned if both have to be sent to the community?
- Sherman & Ward: Said one is a cover/thank you letter, while the other is mission related.
- Uridel: Wants the signature line to be more professional. To be signed: Sincerely, The Los Trancos County Water District & **NOT** “Your Water Board”
- Krenz: We never called ourselves “The Water Board”
  - We should be formal
  - Response will be posted on the website as well as mailed
- Ward: Mail is push communication: the Web is pull communication
  - Wants to include one graph from the survey on the back of the cover letter along with a few facts about the survey. Will work with Jack Loftis on this.
  - Wants the document to look classy
  - This is the feedback: we’re letting the community know we are responsive to their needs

Letter and General Survey Response Edits: All edits requested were captured by Sherman and entered directly into the document.

- Ward: Go ahead was given to fax and publish. Ward will do.

#### **Agenda Item 5: Program Updates - All**

- **Fire Safety/Emergency Preparedness**
- Sherman: There were more requests for roof and gutter cleaning than slots available. It was a successful new pilot program.
  - We are doing a second cleaning on Sunday. Oct. 9
  - Much appreciation for efforts
  - Very responsive crew
  - About 10% of the homes (29 in total) participated in this new program
- Krenz & Sherman – Regarding process required for homeowners to secure fire safety incentive monies:
  - Some people have a barrier about having a Fire Marshal coming to their home
  - Does there need to be an impartial person to perform this duty or can Charlie and Tracy perform the inspections
- Uridel: Need to be able to take out “Neighbors and friends” out of the interaction
  - Objective criteria should be drawn up
- Ward: We’ve always been a volunteer based community. Krenz, Ward, & Sherman have taken several classes/workshops on how to prioritize defensible space clearing around homes. They have the skills to make relevant suggestions to homeowners but conceded it’s not arms length, as we do know the people.
- Smernoff: Suggested we perhaps look into **hiring an outside person to conduct the inspections**, similar to the WaterWise consultants who did water use audits.
  - Denise may have people to help implement/do this
- Ward: He has prepared a list of what has to be done
  - Are we concerned about criticism of Firewise Committee Workshops?
- Uridel: This is not meant to be a program that we administer
  - Need to take it out of the personal – as points made previously

## 5a. Fire Safety/Emergency Preparedness<sub>2</sub> (continued)

- Uridel: Over time, I would like to establish benefits to the community and have the capability to meet them. We are obligated to use public money for broadly beneficial purposes. In going to individuals, we have to be careful to provide benefits in ways that are fair & serve a legitimate public purpose.
- Ward: We need to have objective criteria; otherwise we'll be criticized for handing out funds.
- Krenz: Will meet with homeowners personally regarding fire safety inspections, and see how that goes
- Smernoff: Are the programs oversubscribed – No
  - Is there a formalization for eligibility – Yes. There may be a point when program funds are maxed out...will need to establish a clear priority system.
- Krenz: He understands the concern; suggested using a consultant – but that's a barrier
- Smernoff: Let's try again. If there's a problem, we will change again
- Krenz: We'll try again, and give it 6 months (follow up April 2011)

Motion: No formal motion made.

## 5b. Water Movement Control

- Smernoff: Meeting set for Oct. 22nd with Joe Lo Coco, Director of Public Works & Anne Stillman
  - They reviewed the Phase 1 report and are receptive to general District goals.
  - It's not just to push and help Ramona, but to make improvements overall
  - The district wants to create homeowner incentives to fix culverts, etc.
  - Homeowner's need to see value in day-to-day work
  - Uridel and he have budgeted for water quality testing
  - More to report next month
  - Waiting to get County's comments and will post it on the web site when available.
- Ward: Wants to set objectives for this year
- Uridel: Said we already have them; they're on the website
  - The budget (4 – 5 items) needs to be posted
  - Post 2 plans – water quality and testing
  - Deliverables to come
  - Contract with BAGG Engineering
- Ward: Appreciates your work
- Uridel: Get to meet with county people
  - The gutter cleaning/roof-blowing will be in the newsletter

## 5c. Lands

- Krenz/Smernoff: Received OK from Portola Valley to do the work. After receiving the OK to proceed, we received a letter telling us to obtain encroachment permit from San Mateo County.
  - Will speak with homeowners to finalize design elements.
  - We're redesigning the parking to accommodate a turnaround
- Ward: Looks like we're giving up ownership of 1/3 of the turnaround
  - We're dropped vehicle maintenance sign
  - There are 3 parking spots on their property
  - This accomplishes the public safety goals
  - Because there is a "No Parking" sign we have to get Diana Shu to endorse/support the plan
  - Denise Enea (WFPD) said we can put a "Fire Lane" sign and we don't have to ask permission to do this. There is no parking in fire lanes. People will suffer the consequences if they park in a fire lane. Will drop other signs
  - We need to get the buy off from gate to chain, as long as public safety goals are met
  - Have stumps and coyote brush been treated along Los Trancos Road corridor? Yes
- Smernoff: Has ordered native plants for existing restoration sites

## 5d. Saving Water

- Ward: There will be a public relations campaign in the spring

## Agenda Item 6: Possible modification of contractual relationship between LTCWD and the California Water Services Company

- Uridel: No copy received
- Ward: Had a conversation with Sandy. They're not done yet
  - A PDF of the contract to be put on website
  - Has been retyped, edited out harmful language
  - And not to refund monies to homeowners
- Uridel: No language about rebating of property taxes
  - Do a simple press release of services
  - Go to Cal Water because of need to revise agreement with them
  - Easy termination – change 3 months to 1 month
  - No language to not terminate
  - No obligation to us – obligates them to serve us
- Misc. Board. With the current contract in place for 15 years, and terms for an additional 2, 3 or 5 year extensions, we have to get rid of the current agreement and replace it with a “purchase of services” only statement, and remove the mention/practice of rebates of property taxes through the use of reimbursements through the water bill.
  - We're not obligated
  - I think we'll get what we want
  - Will speak to Sandy: Will take ideas, put them into a contract for the November meeting
  - Spending a little
  - Replace contract, don't amend\Talked to Tony @ Bear Gulch = receptive
  - How long to review? Maybe 2 -3 months
  - Let the contract start Jan. 3, 2010
  - Next time there's an annual review, want the document to say not we're not giving back monies (from Martha)
  - Smernoff to see before the meeting/no action needed – work in progress

## Agenda Item 7: Review of proposed LTCWD policies and procedures

- Ward: Handed out clean copies with changes and comments visible
  - Received lots of changes from Smernoff and Uridel
  - Building it – says this is it
  - Wants changed Mission Statement
- Uridel: Wants original Mission Statement
- Ward: Will change it
- Smernoff: - Who has the listing of resolutions?
  - Sandy had asked for copies of resolutions – Mary didn't keep them
  - Tom: Asked who has physical custody?
  - Smernoff has some; Recording Secretary to keep from now on
  - Recording Secretary to check for signed resolutions at \$40 an hour rate
  - Put page numbers on the packet pages for ease of reference & on agenda
  - Ward: He redid section 4A
  - Recording Secretary to get to know attorney's and insurance person
- Uridel: Sandy thinks there should be talk about the Brown Act, contracts, etc., at the November/December meeting(s)

### **Agenda Item 7: Review of proposed LTCWD policies and procedures, continued**

- Uridel: Cost to have her attend is \$500.00 or less. She doesn't have to stay for the full meeting.
- Re President's procedures and the Agenda: 2 people develop the agenda, although they can get input from others. (The President and VP can work together to develop the agenda for each meeting). Ultimately it's the President's prerogative to set agenda
- Misc. Board: Ultimately, only 2 people decide = 1 way communication
- Ward: If we get Sandy for November, we'll be able to ask her questions
- Do we want information about the Brown Act, and legal memo's in the Policies and Procedures manual? Do it as a reference section, or could be on the internal part of the web site.
- Board meeting notices: 72 hours advance notice for a regular meeting and 24 hours for a special meeting
- Uridel: Let's entertain a motion

### **Motion:**

Smernoff: "To adapt the Policies and Procedures as presented at this meeting and make it a living document, subject to further review, revisions and additions and updates as needed." Krenz seconds:

- Uridel: As we're adopting the mission statement, Mike will re-insert the old version
  - There has been back and forth on Policies and Procedures eg. Section 4 procedures for implementing – Ward will change
  - The security questions should be blanked out
- Krenz: Is time to change the password. Will change

### **Agenda Item 8: Correspondence and Communications**

- Uridel: Needs to answer questions for an application form for California Special Districts Association. Who should be listed as the main contact person with their contact information?
- Krenz: Re district phone phone: thinks Google has something whereby you're contacted via the Internet if you have a message waiting
- Board. Do we get mail? Yes, from the county
- Who is the main contact for the organization?
- Uridel: Better to centralize information with Recording Secretary or Financial Manager
  - Mary set up the current President
  - Needs a procedure
- Tate: Received a letter from the United States Liability Insurance Company. She believes they are "agreeable to renewing the policy."
  - However, it is from a different organization than the one she was previously in touch with.
  - Recording Secretary to confirm we have insurance.

### **Agenda Item 9: Next Meeting:**

**Special Meeting  
Thursday, November 11th, 7:30pm  
Corte Madera School**

Meeting adjourned: 10:15pm



**Nov. 21, 2010**

**DRAFT**  
Minutes of the Special Public Meeting of  
The Board of Directors  
Los Trancos County Water District  
November 11, 2010

The meeting was called to order at 7:40pm at the Toyon Cabin, 179 Los Trancos Circle.

**In attendance:**

Charlie Krenz, David Smernoff, Tracy Sherman, Tom Uridel, Mike Ward, Keri Tate (Finance Manager), and Helene Zimmerman (Recording Secretary)

**Community Members:**

Joanne Dolan & Autumn Stanley

**0) Public Comment on Issues NOT on the Agenda:**

Possible purchase of the Toyon Cabin: In July, Autumn Stanley sent an email to Tom Uridel about the idea of purchasing the Toyon Cabin for use as a Community Center. She thought it could serve a variety of functions, but didn't know what people would think about the idea. She said she was counting on the Water Board's help, and had originally thought about buying the whole property, but realized that although that might not be possible, it was still worth considering if we could buy just the lot the house was on.

Krenz was concerned about what the debt service would be if the house was purchased. Uridel suggested that if we were interested in exploring the idea, we should pull 2-3 people to look into financing arrangements, as we can't pay even a modest mortgage. He talked about doing it through fundraising & naming the center after the lead donor. He said Armin offered to dismantle the house, and then talked about the house and its attributes: It's a mid 1920's home with clear heart redwood paneling, a unique structure. It can accommodate 25 – 30 people and one of the rooms could be rented out as office space to a person in the community.

Smernoff was very supportive of the idea, and said we need facts and options, and to determine level of interest.

Dolan said the value would have to be determined, and that maybe we could move the building, although permits would have to be obtained.

Uridel went on to talk about being a public agency and using public land, and that if we're interested, an analysis would have to be done.

## **Public Comment on Issues NOT on the Agenda, continued.**

Ward didn't know how this proposal would proceed. He said it's very community oriented, and suggested that maybe the LTCWD could do a land swap with Armin. Ward also questioned the District's ability to get a loan if needed.

He went on to say that Pony Tracks would probably be available for community picnics for the next 16 years, at the pleasure of the Littlefield family members.

Sherman was concerned about what the neighbors would think about the idea, and if they would be pleased to have a community center next door.

Stanley talked about how peacocks used to be on the property.

Uridel commented on how thoughtful Autumn's email had been, and that he would send it to the board.

Smernoff talked about the need to speak to the community and the board.

No volunteers stepped forward to take on further study.

### **1. Approval of Minutes from October 7, 2010**

It was decided to table the review of the minutes until the next meeting, and to keep the "yellow" highlights for action items needing to be done.

### **2) Financials**

#### **a) Approval of financial report:**

Tate related how two checks from the county will show up in the November bank statement. She went on to say how she now knew when the bigger county checks would be coming.

Smernoff stated that the new system where Tate directly deposits the checks seemed better.

Ward went on to discuss fire safety expenditures, and observed they were meeting their forecasts, while others categories were behind.

Tate said that Cal Water hadn't cashed their check and Ward said that he had talked to Tony Carroscio and that he knew about the check, and would remind their finance dept. to cash it.

Motion to approve – Krenz, Uridel seconded

### **3) Status Update on Dissemination of District Survey Results**

Ward took all inputs from the last meeting and published them for the entire community; via US mail. He worked with Jack Loftis to condense the analysis and make it easier to understand. This was put on the back of the cover letter. The document went to the printer and took about 10 days to print. It was put in the mail yesterday, and everyone will receive their copy by Saturday.

Sherman said the signature block had been changed as requested.

### 3) Status Update on Dissemination of District Survey Results, continued

Uridel said the going had been rough & contentious but the survey and results will be helpful. He questioned how the conclusions should be incorporated into the District's activities.

He commented on the County's influence over the District. They're unable to make us go away. As the survey showed, the community doesn't want us to dissolve, they approve of our community projects. So it's difficult for LAFCo to close us down.

### 4) Program Updates

#### a) Fire Safety:

**Brush removal/replanting:** Sherman stated that she, and Krenz met with the clearing crews and did an extensive tour, and that approvals need to be obtained from homeowners along the base of Ramona, Vista Verde and OST. The question is, how should the home owners best be approached?

While the work around the frog pond north of the down hill end of Old Spanish Trail is mostly completed, other work that needs to be done is clearing 20ft of brush downside & some on Ramona and Joaquin, as well as on Vista Verde from Ken's to here (Toyon Cabin).

Ward requested that a map be drawn up to indicate the areas where work was needed.

Uridel envisions sharing the dollars between the home owners and the District. Sherman & Krenz indicated that these projects fell under escape route integrity, benefiting the broader community and would be paid for out of the fire safety budget.

Ward stated that the whole community benefits from the fire safety program, and that some people want intense privacy, so a replanting program to replace the removed fire material works.

Vicky McLaughlin's home is a good example of a privacy screening installation by the District after the defensible space clearing in the corridor compromised her privacy. The plantings are fire and deer resistant. Some broom is being kept until the Wax Myrtle grows.

Krenz stated that 2 sets of broom pulls will probably be scheduled for February.

**New laminated map for escape route:** Sherman & Tate brought up the emergency escape route & their desire to develop a laminated map to be distributed to the community so people would know where to go.

Ward said that Pony Tracks is still OK as a safe haven, and that Bill Tagg and Steve Friedman manage this on behalf of the community. He went on to say that we cannot require an evacuation, only a sheriff can. Bill Nahmens (Pony Tracks Ranch Foreman) is the only person who can give permission to use the ranch road as an escape route to Page Mill Road.

Ward asked if we want something different to describe the safe haven than what is currently is in the VVCA directory? David, Scott and Alison Littlefield, representing the Pony Tracks Ranch Trust, are the people who give us permission to use the ranch during an emergency, and to keep our supplies and equipment on site.

### **New laminated map for escape route, continued**

Uridel asked if it's OK to use the map as is? Ward said he felt it was; although it might benefit from some professional redrawing.

Smernoff asked about the Fogarty route, if it should also be on the map, and how can we do it. It was observed that the Fogarty route is already included on the map in the directory.

Uridel responded that people don't look at the directory, and that Karen Tate has a PDF for a separate laminated map. He went on to ask if there was a locked gate at the top and how it worked. Krenz said bolt cutters could be used.

Ward asked if it was walkable.

Uridel asked if they had a clear plan to move forward. Sherman said yes, and Ward said **maybe the map could be improved by February, before the fire season.**

### **4 b) Water Movement Control**

#### **Roadside culverts:**

Smernoff and Uridel met with San Mateo county staff, Ann Stillman & Joe Lo Coco. It was a productive and friendly meeting. The Department of Public Works (DPW) has legal concerns about the District's authority to engage in the projects described in the Phase I report. District Counsel Sandy Sloan will discuss her legal opinion with the lawyer for the Department of Public Works. There is progress, and Smernoff and Uridel were not surprised by the County concerns.

DPW staff went on to say that the culvert work is valuable, is well thought out and would reduce long-term maintenance. They understood the value in replacing under-performing culverts to County standards, and that conforming culverts do not need a building permit.

Ward responded favorably, also. He said the larger aspects need to wait until the legal issue is out of the way, and that progress has been made. Sandy will try to meet with them soon.

Uridel is encouraged by the culvert repair and replacement program, and said that maybe they'll wave the permit cost and expedite it for us. Currently the District is constrained by the legal issues. As we accomplish small, intermediate goals it will improve the working relationship with the DPW. While they acknowledge responsibility for the system within the County right of way, they do not have authority or resources to engage in solutions on private property. The District can play an important role in this regard.

Uridel noted that the DPW recognizes the value in the District working with homeowners. District revenue should be used for activities permitted under the water code, and water movement control clearly falls within that purview. Because dissolution requires a vote of the constituents and is unlikely, we are responsible for using tax revenue for public purposes.

Smernoff & Uridel said that BAGG Engineering and their geology consultant are doing the culvert inspections, and that a camera inspection of the Ramona Road culvert is being planned. The DPW is likely to approve such an inspection, and is in favor of determining how well the

### **Road side culverts, continued**

system is functioning and to determine what remedies may be possible. However, they recognize that the road may fail, and suggested that a narrower road would be adequate.

The District will also initiate a round of water quality testing in each of the 2 creeks as an initial data point. Additional testing will be evaluated based on the first set of results.

The District will not target individual properties, but rather obtain a general sense of the overall community impact on water quality.

Phase 2 will include improved mapping, and other specific tasks, A time line will be given at a subsequent meeting.

Uridel suggested a very rough draft may be ready for the next meeting.

Ward suggested adding the WMCI incentives in the upcoming coupon book PR piece that Sherman and Ward are creating.

Uridel said that we'd need a permit. It's a county right of way, and as an encroachment has been given, you're responsible for repairs.

Smernoff would like to get a contractor to look at all the culverts to be conforming and to do all the work in order to make it easier for people.

Uridel said that there's a problem with the road by Mike Ward's. The road is owned by Pony Tracks, the other houses along the road past Garsh have right of access.

Dolan said the county is not willing to spend money on Ramona, yet they built the retaining wall on Vista Verde.

Uridel said they are moving forward cautiously and have to be careful regarding commitments to repairs and other activities outside their normal operating budget. Getting to know people goes across better—people take more interest; it's easier to get attention and for them to be more concerned.

They're critical of the drainage system on Vista Verde, and long term, there's lots that needs to be done. Uridel is convinced that they are sincere and worthy partners.

Smernoff met with the geologists by the landslide area, and is going to get bids to find out what needs to get fixed. He wants to be proactive and said we've designed and engineered the project and have the capacity to bring money to bear on the problems.

Uride reflected and said we got the OK on the culverts, and that the DPW will give us an encroachment permit to see if the project has any potential exposure to them. They did allow us to do a recon – relative to the damage when they previously said they wouldn't do anything about Ramona.

### **Road side culverts, continued**

Ward asked if he had bids. Smernoff said they are in the process of identifying locations and will then get bids from several contractors..

Uridel said the cost would be \$1,000 a day for camera work, about \$1,000 for an engineer and traffic control..

Smernoff said although we are in Phase II work now, we have not yet finalized a formal contract, but are working on various elements based on DPW ability to approve pieces of the project.

Uridel said that we're moving ahead with what is in the report. We've budgeted \$140,000 for the incentive program, a grant writer and engineer analysis, etc. There is public concern about spending money unless the road fails. It is still worth it?

Smernoff: Absolutely. He supports going ahead with the project.

Uridel said that for this to work long term, we need to enter into a partnership. We need good relationships for the right of way.

### **4C. Lands**

Smernoff has ordered about 160 native plants, for the sites along Lake Road and at the viewing area and trail head. He's getting the work days set up, and will put the full plant list up on the web site. He will also put signs up about the project in general (for an educational component), and add the plant's common and Latin names.

Krenz met with the neighbors at the end of Lake Road. They're working out the details for the split rail fence and other project elements. The gate has been removed, and Portola Valley has approved it, along with the map line. He went on to say that the County won't get in the way, and where the parking was modified it may have to go before the Board of Supervisors upon recommendation by Diana Shu from the DPW.

Smernoff wants to find the pipe near the lake to either use it or abandon it, so as not to flood the lake.

Ward said it was once a boat ramp.

### **4D. Saving Water: No change**

### **5. Adoption of new contract between LTCWD and the California Water Services Company**

Ward talked with Sandy by phone regarding the rewrite of the Cal Water service contract (where they apply approved discounts to water saving homes on our –LTCWD behalf). Revision of the contract included removing all of the words about rebates; and the contract is now for 3 years, not 10 years, with a 90-day escape clause. It has been sent to Tony Carroso. This came at an opportune time as the PUC asked all water companies to review their water billing contracts. They will come back with some revisions to our proposed contract that includes fair costing for their services to us; currently set at 2% of the monies passing through their accounting as water

**Adoption of new contract between LTCWD and the California Water Services Company, contd.**  
saving discounts. We want to change by the first of 2011. They felt they could accommodate that schedule.

Uridel has 1 additional suggestion, he wants to change “Under **xxx**” to “whereas the District.” *Info to come*

Krenz is surprised as the Certificate of Insurance has been sent, although Mike Ward said they haven't asked for it. Uridel said it's standard language in contracts and we need to be properly insured. Krenz said they're insuring us.

Ward said they'd agreed to have a meeting if we want, and Smernoff said it's great to have things worked out.

Sherman wanted to add language to separate out the 2 types of fees:

- 1) Billing    1) Variable based on dollar amounts
- 2) Reports    2) fixed monthly fee

Tate said the total annual fee was **about** \$600 and breaking it into smaller amounts would not be cost effective. Ward and Sherman concurred.

Smernoff discussed tabling the incentive program.

Ward said that in Resolution 202, there is a 3 year sunset clause, the incentives will not run forever.

Krenz said he never wants reports without billing. Ward mentioned that the water usage reports by customer are helpful in the conservation marketing efforts; to figure out who the best targets are for water saving education, and help with assistance programs.

Uridel asked what the cost for a connection fee was, and stated that there is \$30,000 in the budget, and that next month we'll have to do something. *Additional information to come on this.*

Smernoff spoke about the proper repair/replacement of culverts around the road right-of-way.

In any road right-of-way, 2 or more culverts are outlets (drainage channels) that follow gravity. Blue Oaks is an example where we've done significant replacement to change culverting speed and flow of water. We've worked with property owners to improve the fall of water across their land.

Ward spoke about storm water retention. At the last Water Management Conference with East Bay Mud, PG&E, where at a restoration project at Fort Baker to protect the old buildings they moved water away and returned it to the surface up through a flat drain – where the water could return back into the land. He recommended that we look at the agenda for the next PG&E conference for storm water movement topics. It was very inspiring.

Smernoff reported that the Geologist said we don't want to super saturate land areas.

Ward said that everyone should think about the initiative, and that he sees it as the start of a neighborhood incentive program, and that the engineer said the culverts were a no brainer – they're a first step. We should think what we want to replace – dry wells, impermeable parking spots, etc.

## **7. Consideration of Proposed Staff Salary Adjustment**

Uridel suggested equalizing salaries of recording secretary with that of finance manager. Smernoff indicated support for this along with evaluating time spent per month per position. Evaluation scheduled for April 2011.

Ward disagreed and said that nothing has changed since the prior meetings discussion and vote to raise the contract fees for both the secretary and the finance manager to the current levels.

Uridel talked about increasing expectations, and that everything used to be a lot simpler.

Ward felt that there were many differences in the jobs & that they merited a difference in pay; in every business he had experience with, finance personnel are on a higher scale than admin – both are important, but there is a difference in duties and responsibilities.

Uridel said that there is a difference in dimension and knows more why now she (Mary) left. He doesn't believe we want to go below \$500.

Smernoff suggested equalizing the salary, and seeing what time put in (hours), and what other agencies might charge. Are you/we comfortable with doing this?

Ward said they'd previously revised both salaries.

Sherman was OK with going ahead.

**Resolution:** Krenz made motion to go to \$500 for Recording Secretary in parity with Finance Manager. Sherman seconded. Ward opposed. Amendment added: Staff to record time spent on District work. This will be reviewed for the next budget cycle in April.

## **8. Correspondence and Communication**

Smernoff talked about the election for a new supervisor. Rich Gordon will now hold the 21st Assembly District seat, succeeding Ira Ruskin. Don Horsley will take his place. He said it's in the best interests of the District that we send a note to him as we'll be working with him in the future. Ward suggested we meet with him.

Smernoff said he will write the note, and mention the District survey in the note, as LTCWD will be within his County District..

Uridel asked who would take Gordon's seat on LAFCo once he leaves? If not Horsely, we should send whomever it is our information on water movement and a copy of our procedures.

Sherman suggested sending the entire program overview as was sent out with the community survey. Others suggested that it was a lot of pages and might not get read.

Sherman/General said we should only send 2 -3 pages only – the contact list, program description and 1 page on the survey showing the 87% response.

Tate said that Dave Dennis, Amador County, General Service Administration offered to help us streamline our finances, but given our size this seems unnecessary.

**9) Set Date, Time and Place of Next Meeting**

Uridel said there will be no meeting in December. **The next meeting will be Thursday, January 6 at 7:30.**

Blue Oaks will be contacted about using their meeting place, Domanique Ferre (spelling?), or perhaps Blue Oaks Homeowners' Association Tim Mills, Chairperson (650) 279-1000.

Meeting adjourned at 10:50pm.

8:30 PM

01/03/11

Accrual Basis

**Los Trancos County Water District**  
**Balance Sheet**  
As of December 31, 2010

	<u>Dec 31, 10</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of California - Checking	8,921.58
LAIF Mutual fund	236,047.81
Total Checking/Savings	<u>244,969.39</u>
Total Current Assets	<u>244,969.39</u>
<b>TOTAL ASSETS</b>	<b><u>244,969.39</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
30000 · Opening Balance Equity	175,649.69
32000 · Unrestricted Net Assets	32,546.28
Net Income	36,773.42
Total Equity	<u>244,969.39</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>244,969.39</u></b>

**Los Trancos County Water District**  
**Income Statement: Actual vs Budget by Account**  
 November through December 2010

	Nov - Dec 10	Budget	Jul - Dec 10	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
43400 · Direct Public Support					
43405 · Property Tax Revenue	113,310.88	107,795.75	113,485.51	108,765.50	259,837.80
<b>Total 43400 · Direct Public Support</b>	<b>113,310.88</b>	<b>107,795.75</b>	<b>113,485.51</b>	<b>108,765.50</b>	<b>259,837.80</b>
45000 · Investments					
45030 · Interest-Savings, Short-term CD	0.00		234.84	1,000.00	2,000.00
45000 · Investments - Other	0.00		317.10		
<b>Total 45000 · Investments</b>	<b>0.00</b>		<b>551.94</b>	<b>1,000.00</b>	<b>2,000.00</b>
<b>Total Income</b>	<b>113,310.88</b>	<b>107,795.75</b>	<b>114,037.45</b>	<b>109,765.50</b>	<b>261,837.80</b>
<b>Expense</b>					
61100 · Water Use Efficiency					
60904 · WUE Rebate - Exterior	224.62	3,958.34	476.99	11,875.02	23,750.00
61102 · WUE Rebate - Interior	0.00	830.00	300.00	2,490.00	4,980.00
<b>Total 61100 · Water Use Efficiency</b>	<b>224.62</b>	<b>4,788.34</b>	<b>776.99</b>	<b>14,365.02</b>	<b>28,730.00</b>
61200 · Emergency Preparedness					
61205 · Fire Safety Escape Routes	2,700.00	5,833.32	2,803.87	17,500.04	35,000.00
61207 · Fire Safety Community Buffer	1,700.00	2,500.00	13,450.00	7,500.00	15,000.00
61208 · Fire Safety Residential Program	3,500.00	8,833.32	10,862.50	26,500.04	53,000.00
<b>Total 61200 · Emergency Preparedness</b>	<b>7,900.00</b>	<b>17,166.64</b>	<b>27,116.37</b>	<b>51,500.08</b>	<b>103,000.00</b>
61900 · Offset Program					
61901 · Offset	9,800.00	15,680.00	23,520.00	29,400.00	29,400.00
61905 · Offset admin fee	200.00	320.00	2,160.00	600.00	600.00
<b>Total 61900 · Offset Program</b>	<b>10,000.00</b>	<b>16,000.00</b>	<b>25,680.00</b>	<b>30,000.00</b>	<b>30,000.00</b>
62800 · Lands					
62801 · Restrtn Supls, Plants Irrrgtn	0.00	500.00	0.00	1,500.00	3,000.00
62802 · Fuel load reduction/SOD treatme	0.00	333.32	0.00	1,000.04	2,000.00
62803 · Maintenance	0.00	1,333.32	2,588.28	4,000.04	8,000.00
62804 · Environmental review, document	0.00	333.32	0.00	1,000.04	2,000.00
62840 · Capital Projects	375.00	1,333.32	375.00	4,000.04	8,000.00
62850 · Contingency	0.00	166.66	0.00	500.02	1,000.00
62890 · Utilities - Water	0.00	166.66	103.00	500.02	1,000.00
<b>Total 62800 · Lands</b>	<b>375.00</b>	<b>4,166.60</b>	<b>3,066.28</b>	<b>12,500.20</b>	<b>25,000.00</b>
62900 · Water Movement Control					
62901 · Mapping, Drafting, Engineering	2,400.00	8,333.34	3,028.22	25,000.01	50,000.00
62903 · Water testing	0.00	3,666.66	0.00	11,000.02	22,000.00
62904 · Ramona Road Study	0.00	6,666.66	0.00	20,000.02	40,000.00
62905 · Residential Incentive Program	0.00	5,000.00	0.00	15,000.00	30,000.00
<b>Total 62900 · Water Movement Control</b>	<b>2,400.00</b>	<b>23,666.66</b>	<b>3,028.22</b>	<b>71,000.05</b>	<b>142,000.00</b>

**Los Trancos County Water District**  
**Income Statement: Actual vs Budget by Account**  
 November through December 2010

	Nov - Dec 10	Budget	Jul - Dec 10	YTD Budget	Annual Budget
<b>64800 · Contract Services</b>					
64801 · Recording Secretary	800.00	866.66	2,160.00	2,600.02	5,200.00
64805 · Bookkeeping	1,100.00	1,050.00	3,200.00	3,150.00	6,300.00
64810 · Accounting Fees	0.00		4,725.00		4,500.00
64840 · Legal Fees	416.25	666.66	1,485.00	2,000.02	4,000.00
<b>Total 64800 · Contract Services</b>	<b>2,316.25</b>	<b>2,583.32</b>	<b>11,570.00</b>	<b>7,750.04</b>	<b>20,000.00</b>
<b>65000 · Operations</b>					
65020 · Postage, Mailing Service	0.00	4.50	44.00	13.50	26.97
65030 · Printing and Copying	0.00	383.34	0.00	1,149.98	2,300.00
65040 · Supplies	368.15	150.00	503.88	450.00	900.00
65050 · Telephone, Telecommunications	0.00	42.34	0.00	126.98	254.00
65060 · Technology	159.00		471.50		
<b>Total 65000 · Operations</b>	<b>527.15</b>	<b>580.18</b>	<b>1,019.38</b>	<b>1,740.46</b>	<b>3,480.97</b>
<b>65100 · Other Types of Expenses</b>					
65105 · Insurance, Liability	0.00		2,936.94	2,936.26	2,936.26
65120 · Insurance - D and O	1,195.00	1,195.00	1,195.00	1,195.00	1,195.00
65150 · Memberships and Dues	644.00		644.00		
65160 · Other Costs	4.00	16.66	37.00	50.02	100.00
65180 · LAFCO	0.00	130.00	136.00	130.00	130.00
<b>Total 65100 · Other Types of Expenses</b>	<b>1,843.00</b>	<b>1,341.66</b>	<b>4,948.94</b>	<b>4,311.28</b>	<b>4,361.26</b>
<b>68300 · Travel and Meetings</b>					
68320 · Travel	0.00	416.66	57.85	1,250.02	2,500.00
<b>Total 68300 · Travel and Meetings</b>	<b>0.00</b>	<b>416.66</b>	<b>57.85</b>	<b>1,250.02</b>	<b>2,500.00</b>
<b>Total Expense</b>	<b>25,586.02</b>	<b>70,710.06</b>	<b>77,264.03</b>	<b>194,417.15</b>	<b>359,072.23</b>
<b>Net Ordinary Income</b>	<b>87,724.86</b>	<b>37,085.69</b>	<b>36,773.42</b>	<b>-84,651.65</b>	<b>-97,234.43</b>
<b>Net Income</b>	<b>87,724.86</b>	<b>37,085.69</b>	<b>36,773.42</b>	<b>-84,651.65</b>	<b>-97,234.43</b>

**Los Trancos County Water District**  
**Income Statement: Actual vs Budget by Account**  
 November through December 2010

	Nov - Dec 10	Budget	Jul - Dec 10	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
43400 · Direct Public Support	113,310.88	107,795.75	113,485.51	108,765.50	259,837.80
45000 · Investments	0.00		551.94	1,000.00	2,000.00
<b>Total Income</b>	<u>113,310.88</u>	<u>107,795.75</u>	<u>114,037.45</u>	<u>109,765.50</u>	<u>261,837.80</u>
<b>Expense</b>					
61100 · Water Use Efficiency	224.62	4,788.34	776.99	14,365.02	28,730.00
61200 · Emergency Preparedness	7,900.00	17,166.64	27,116.37	51,500.08	103,000.00
61900 · Offset Program	10,000.00	16,000.00	25,680.00	30,000.00	30,000.00
62800 · Lands	375.00	4,166.60	3,066.28	12,500.20	25,000.00
62900 · Water Movement Control	2,400.00	23,666.66	3,028.22	71,000.05	142,000.00
64800 · Contract Services	2,316.25	2,583.32	11,570.00	7,750.04	20,000.00
65000 · Operations	527.15	580.18	1,019.38	1,740.46	3,480.97
65100 · Other Types of Expenses	1,843.00	1,341.66	4,948.94	4,311.28	4,361.26
68300 · Travel and Meetings	0.00	416.66	57.85	1,250.02	2,500.00
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## **Water Movement Control Initiative – Status Report January 6, 2011**

### **1. Working with SM County:**

A. Email from Alan O’Driscoll of BAGG Engineering to Ann Stillman and Joe Lo CoCo, San Mateo County Dept. of Public Works, regarding the meeting of Oct. 22<sup>nd</sup> 2010. Reflects the positive outcome of the meeting and highlights the value that Mr. O’Driscoll brings to the project.

Ann & Joe,

Thank you for the opportunity to introduce you to Tom and David from LTCWD earlier today.

I would not have asked you to meet with Tom and David if I did not believe that their intentions and actions to date with BAGG Engineers were not honest and well meaning for both their constituents and the County of San Mateo.

Both entities working together can bring about a lot of good to the residents in Los Trancos Woods and to the County of San Mateo.

Recognizing the benefits of working together, I hope, is the basis to developing a long term working relationship.

While not entirely what David and Tom wanted to hear, I thought both of you stated the County’s position clearly and concisely in a manner that had been well thought out... with a basis for moving forward, once details are resolved. I know that they respect the County’s position.

Both David and Tom have put in a lot of volunteer time and effort and have done a lot of good to organize the citizens in Los Trancos Woods through the Water District.

I thought your offer to help them work on some simple driveway culvert repairs (with homeowners) while other details are being worked out, was not only generous, but important to their continued success with the residents in Los Trancos Woods/Vista Verde.

It is an intelligent choice to help organized, well intentioned people succeed, rather than go back to dealing with a bunch of residents with many random issues.

Thanks again for the opportunity to meet.

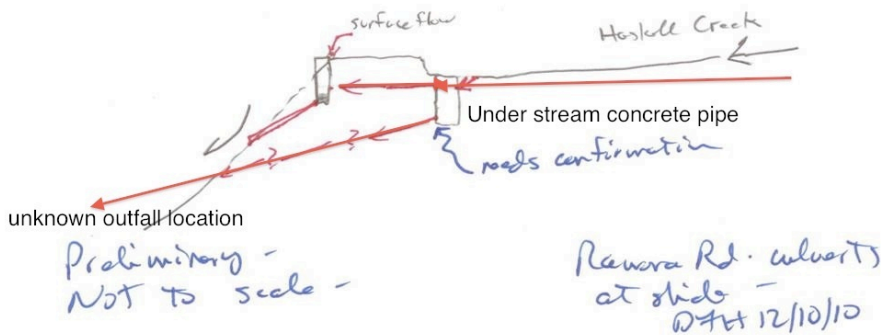
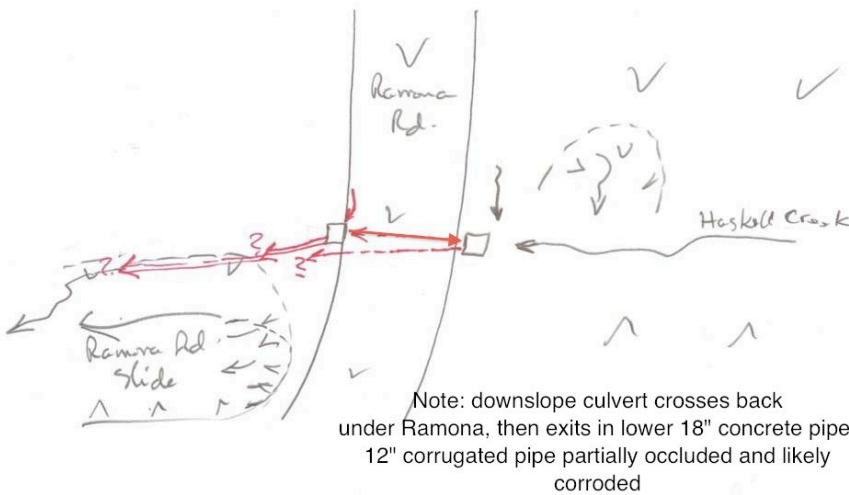
Sincerely, Alan

B. Continuing dialog between Sandy Sloan and DPW legal counsel regarding resolution of legal concerns.

C. Continuing positive interaction with County staff regarding culvert replacement and evaluation of Ramona Road.

**2. Ramona Road:** BAGG Engineering and Smernoff/Uridel met at the site to evaluate conditions and move forward on defining the scope of the problem and potential solutions. Subsequent investigations have led to a more detailed understanding of the intended functioning of the system. The County is willing to issue an encroachment permit to have LTCWD/BAGG conduct a remote camera survey of the pipe leading downslope to determine the outfall location and to enable further analysis of potential improvements. A number of preliminary improvements have been identified and the WMCI will solicit bids from several firms for engineering analysis of the system, proposed improvements and cost estimates for the work. If acceptable and appropriate permits are in place work could occur in this Spring.

The attached sketch shows the current understanding of the system:



**3. Culvert Replacement Program:** Uridel and Hoexter have continued surveying all under-performing culverts and are preparing a map and detailed list. When complete, several contractors will be asked to provide estimates for conforming culvert replacements. We will then work with individual property owners to implement the program, including mutual hold harmless agreements and cost sharing arrangements. County administrative and field staff have all expressed strong support for this part of the program, indicating that it will substantially improve the drainage system and reduce County operation and maintenance costs.

**4. Water quality testing:** Discussion about locations and protocols continuing.

**5. Phase II:** Continuation of on-going evaluation of system conditions. Current focus is in County-approved areas of work, specifically Ramona Road and culvert replacement, each part of which is specifically contracted for on a case by case basis. Improvements to the mapping effort – no action to report.



## Lands Committee Update – January 6<sup>th</sup>, 2011

- 1. Native Plantings:** In December, 165 native plants were planted along Lake Road, at the viewing area and in the trailhead entrance area. The plantings included Valley Oaks and Madrones to replace eucalyptus trees removed by the fire safety program earlier this year. Lands and Fire cost-shared in purchase of these trees. Many other species were selected based on what has grown well in these locations from prior plantings, and species that attract pollinators and thus increase local biodiversity. During the same workdays, invasive species were removed and eucalyptus stump sprouts were cut and treated to prevent regrowth. Flags were placed at many of the planting locations since many of the plants are small. Residents are asked to avoid trampling the young plants and to avoid crossing the swale at the corner of Lake and Los Trancos Circle. The flags will be removed after the plants are well-established (sometime this summer). A list of plants planted over the last several years has been posted on the District website ([www.ltcwd.org/districtlands.html](http://www.ltcwd.org/districtlands.html)). Later in the year the District plans on putting small signs on representative plants.
- 2. Pipe System Evaluation:** In December, Underground Location Services worked to refine analysis of the location of the pipe system at the lake. They were able to identify two pipes at the lake shore, one is probably the inlet to the lake and the other the outlet to the 6" pipe. The next step in the process will be to identify a contractor who can construct a temporary dam at the inlet to prevent outflow while the pipe is evaluated. After evaluation we will either permanently block the pipe, or install a new valve and gravity-fed fire hydrant.
- 3. End of Lake Road:** Work continues to get all parties fully agreed to the current plans. Currently Portola Valley, Woodside Fire Protection District and LTCWD are OK with the plans. It is expected San Mateo County will be OK if all others parties are in agreement.

Update 2.1 on replacing the LTCWD and Cal Water contract January 6<sup>th</sup>; 2011.

Director Ward has had a further telephone conversations with Mr. Anthony Carrasco, District Manager of Bear Gulch District in December, 2010 and again on Jan 5<sup>th</sup> 2011.

In our first conversation, his response to our proposed contract is very positive. He also said it was quite timely for them, since the California Public Utilities commission has asked water delivery companies to review their billing contracts (which is what our is in their domain) – to make sure that they are correctly priced so that other customers are not paying for work being done for districts like LTCWD.

They are also wish to change some of the language so that it all reads California Water Service Company, and will use our proposed Word document as a basis (in this month's packet).

In our second conversation, we determined that they will propose that the payment fee for the billing – running the programs, quality checks etc be billed at near their costs of \$500 per month. However, as a courtesy to us, they would only bill us \$350 per month representing 'less than fully loaded' costs for these operations.

There will be no % fee on the amount passing through their books.

The monthly usage reports will continue to be provided at no charge. These are necessary for the Saving Water program (conservation) as data for targeted marketing efforts.

In the Jan 2011 conversation; Mr. Carrasco indicated that the revision to the agreement looked good with the changes reflecting our Dec conversation. He would review it with staff and send us comments before our meeting on January 6<sup>th</sup> 2011.

This structure represents an annual cost of \$4,200, or about 14% of our annual water cost offset funds; a considerable increase from the 2% now being paid.

Please note that LTCWD Resolution 202, passed in June 2010, put a 3 year sunset clause in the water saving incentive which expires in June 2013. Therefore this change will have an impact of approximately \$10,150 over the next two and a half years.

T. Michael Ward

## Los Trancos County Water District Service Agreement

This Service Agreement ("**Agreement**") is entered into as of ~~January-February 3rd-1st~~ 2011, between Los Trancos County Water District, a county water district ("**District**") and CWS Utility Services, a California corporation ("**Utility Services**"), a wholly owned subsidiary of the California Water Service Group and affiliate of the California Water Service Company ("**Cal Water**"). This agreement supersedes and replaces in its entirety the agreement dated September 14th 2005 between the same parties.

### RECITALS

WHEREAS, pursuant to the Asset Purchase Agreement, dated December 18<sup>th</sup>, 2003, Cal Water acquired all District water system assets on April 27<sup>th</sup>, 2005, and assumed system operations to provide water services to all former District customers. Cal Water received California Public Utilities Commission (the "**Commission**") approval to expand its certificated service area to incorporate District's service area (the "**Service Area**"). Former District customers will receive utility water service from Cal Water and pay Cal Water Bear Gulch tariff rates for water service;

WHEREAS, District continues to receive revenues in the form of property taxes from residents who occupy properties within the Service Area upon which property taxes are paid;

WHEREAS, District has passed Resolution #202 (attached hereto as Exhibit "A" and incorporated by this reference into this Agreement) which authorizes an incentive equivalent to the basic connection fee for qualifying water saving customers who occupy properties within the Service Area upon which property taxes are paid; and

WHEREAS, District desires Utility Services to apply credit to the bills of District customers who occupy properties within the service area upon which property taxes are paid in accordance with its Resolution #202 and Utility Services desires to provide such service for the period and upon the other terms and conditions set forth herein;

### AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing recitals, and in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, District and Utility Services hereby agree as follows:

#### **Section 1. Agreement to Provide Services**

Utility Services hereby agrees to provide billing services ("Services") as set forth herein to District, and the District hereby agrees to engage Utility Services and accept such Services for the Term (as hereinafter defined) and in accordance with the provisions of

this Agreement. It is specifically recognized and intended by the parties to this Agreement that Utility Services acts as District's agent solely to apply credit to its customers in accordance with District's Resolution #202, and such credits shall not be considered to alter, amend or modify Cal Water's tariff rates for service as approved by the Commission. By virtue of its execution of this Agreement and the performance of its obligations hereunder, Utility Services shall provide the Services set forth herein, subject to District's rights, remedies and control, pursuant to the provisions of this Agreement. Utility Services specifically does not dedicate itself or any of its properties to the District, but rather agrees to faithfully perform its obligations as set forth in the provisions of this Agreement.

## **Section 2. Term of Agreement**

2.1 The term of this Agreement ("Term") shall be ~~ten (10)~~three (3) years and may be extended for three successive terms of five (5) years each (individually an "Extended Term") if mutually agreed, upon the expiration of each prior Term, the Term shall be automatically extended for an additional Extended Term commencing immediately upon the expiration of such prior Term, unless not less than three months prior to the expiration of the then current Term, either party gives the other party written notice of its desire that this Agreement terminate at the end of the then current Term.

2.2 Notwithstanding any of the provisions of this Agreement, District may terminate this Agreement for any reason whatsoever, but the District shall notify Utility Services of its decision to terminate this Agreement not less than sixty (60) days prior to the effective date of such termination.

## **Section 3. General Obligations**

Subject to the provisions of this Agreement, Utility Services shall credit District customers in accordance with District's applicable operational rules and guidelines as set forth in Section 4.0 herein which are in effect from time to time during the Term.

## **Section 4. Deposit with Utility Services, District's Payments and Credits to Customers**

### **4.1 Customer Credits**

During the Term, on behalf of District, Utility Services shall credit monthly to customers designated by the District a an amount in accordance with District Resolution 202 however, in no event shall Utility Services be obligated to credit to customers in excess of funds District has deposited with Utility Services. Utility Services shall only refund customers, which the District designates in writing as entitled to a credit (the "Qualified Customer Listing") By resolution, District may from time to time direct in writing Utility Services to change the credit amount. District may also amend, modify or append the Refund Listing;

however, Utility Services shall not be responsible to implement changes without a minimum of one (1) month's prior notice.

#### **4.2 Special Conditions**

4.2.1 Annually, by May 30th, Cal Water will furnish all information on new services in the Los Trancos Service Area to District. Cal Water will make every effort to communicate to District when new services in the Los Trancos area are established.

4.2.2 Annually, by June 15th, District will:

- a. After receiving the new service information, identify all new properties that qualify for the credit and convey this information to Cal Water.
- b. Notify Cal Water of any customers to be placed on Water Use Efficiency hold – deleting their credit until they qualify through installation of minimum Water Saving equipment.

4.2.4 District will deposit with Cal Water the amount equivalent to at least 6 months of credits, in \$10,000.00 increments.

4.2.5 The accounts to which this unregulated credits apply will be coded with the Tax Code "Los Trancos"

4.2.6 Cal Water will provide a monthly balance statement to District which will include a report showing the initial District deposit on balance, amount paid to customers as a credit, amount of fees paid to Cal Water pursuant to Section 4.3 of this Agreement, and an ending balance.

4.2.7 Monthly, Cal Water will provide a report with total water consumption by customer address and total credit, if any, to each account.

4.2.8 This credit applied only to domestic services and not to fire or irrigation services.

#### **4.3 District's Deposit with Utility Services**

On a semiannual basis, District shall deposit in advance with Cal Water Utility Service's affiliate, sufficient funds to cover all estimated credits to customers and payments to Utility Services for their services for the next six-month period ("***District's Deposit***"). District shall be sole responsible to replenish on a timely basis to provide sufficient funds for Utility Services to apply customer credits. If funds are not available, Utility Services is under no obligation to apply credit to customers.

#### **4.4 Payment to Utility Services**

In consideration for the services provided for the preceding month by Utility Services as the District's contractor, the District shall pay Utility Services a monthly fee of ~~two percent (2%) of the monthly refund amount~~ \$350 for the services described in 4.1., which Utility Services may deduct from District's Deposit on a monthly basis or less frequently with no forfeiture of Utility Services' rights to payment. Utility services will provide the reports in 4.2.7 (Monthly usage reports) at no charge.

#### **4.5 Excess Deposit**

Utility Services shall not be entitled to keep or retain as its property any of District's Deposit funds upon termination of this Agreement. On a periodic basis, but no less than monthly, Utility Services shall provide District with reports to show all disbursement of funds from the District's Deposit and the balance of District's Deposit funds and customer usage data. Notwithstanding, Utility Services is not responsible for determining customer's eligibility for credits, amounts of credits, or accounting for credits.

### **Section 5. Insurance**

#### **5.1 Utility Services Indemnification and Insurance**

(a) The Utility Services will indemnify, hold harmless and assume the defense of, District, its offices, employees, agents and boards from damages and losses resulting from Utility Service's operations or from any persons directly or indirectly employed by, or acting as agent for Utility Services, arising from negligence or willful misconduct or omissions. This indemnification shall extend to claims, losses, damages, injury and liability for injuries occurring during Utility Services' performance under this Agreement and for such time thereafter as any claim may be legally asserted. This indemnification clause shall apply to all damages or claims for damages suffered by District regardless if any insurance is applicable or not.

(b) Utility Services shall procure and maintain during the Term of the Agreement comprehensive general liability insurance and errors and omission insurance, with limits of not less than one million dollars (\$1,000,000) per occurrence, and Utility Services shall furnish with a certificate(s) of insurance evidencing such insurance.

#### **5.2 District Indemnification**

The District will indemnify, hold harmless and assume the defense of, Utility Services, its officers, employees, agents and boards from damages and losses resulting from District's operations or from any persons directly or indirectly employed by, or acting as agent for District, arising from negligence or willful misconduct or omissions. This indemnification shall extend to claims, losses, damages, injury and liability for injuries occurring during District's performance under this Agreement and for such time thereafter as any claim may be legally

asserted. This indemnification clause shall apply to all damages or claims for damages suffered by Utility regardless if any insurance is applicable or not.

## **Section 6. District's Representation, Warranties and Covenants**

### **6.1 Right to Enter**

District represents and warrants to Utility Services that District has all necessary power and authority to execute, deliver and perform this Agreement. District has received all requisite consents and approvals with respect to its execution, delivery and performance of this Agreement. This Agreement constitutes a legal, valid and binding obligation of District enforceable in accordance with its terms, except as limited by bankruptcy and insolvency laws and by other laws affecting the rights of creditors generally. The execution, delivery and performance of this Agreement by District does not conflict with or result in a breach of or a default under any contract or other document executed by District or affecting District or any of District's properties or under any law, statute, rule, regulation or ordinance applicable to District or any of District's properties.

### **6.2 Cooperation**

District shall cooperate with Utility Services by responding in a timely and reasonable manner to its requests for meetings, reviews, negotiations, approvals and authorizations.

## **Section 7. Utility Services' Representations, Warranties and Covenants**

### **7.1 Right to Enter into Agreement**

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### **7.2 Cooperation**

Utility Services shall cooperate with District by responding in a timely and reasonable manner to its requests for meetings, reviews, negotiation, approvals and authorizations.

## **Section 8. Opportunity to Cure; Limitations on Remedies; Arbitration**

### **8.1 Opportunity to Cure Defaults**

(a) In the event that either party shall fail to make any payment required under this Agreement as when due, or obtain and maintain any insurance required by this Agreement, there shall be no default under or breach of this Agreement until such failure has continued for ten (10) days following receipt of notice from the other party specifying such failure.

(b) In the event that either party shall fail to perform any of its other covenants or agreements contained in this Agreement, there shall be no default under or breach of this Agreement until such failure has continued for thirty (30) days following receipt of written notice from the other party specifying such failure.

(c) Notwithstanding subsection (b) above, in the event a failure to perform cannot be reasonably cured within such thirty (30) day period, there shall be no default under or breach of this Agreement unless such party shall fail to commence and diligently proceed toward full performance of the cure within thirty (30) days following receipt of written notice from the other party specifying such failure or such party shall fail to complete the performance of such cure within a reasonable period of time.

### **8.2 Remedies**

In the event of a default under or breach of this Agreement, the injured party may pursue a claim for monetary damages against the other party in the manner set forth in Section 8.3. District may seek to terminate this Agreement, consistent with the terms set forth in Section 2.2 of this Agreement.

### **8.3 Dispute Resolution**

#### **8.3.1 Intent**

(a) Utility Services and District desire and intend to resolve all disputes or other matters arising out of or in connection with this Agreement through reasonable, business-like dispute resolution procedures without resort to litigation.

(b) Accordingly, any services related disputes shall be resolved in accordance with this section, and any construction related disputes shall be resolved in accordance with the requirements of Public Contract Code section 20104 et seq.

### **8.3.2 Initial Meeting**

(a) As a first step, either party may call a special meeting to initially resolve a dispute.

(b) The initial meeting shall be held within three (3) working days after delivery of a written request for such a meeting.

(c) The written request shall contain a statement of the nature of the dispute.

(d) The meeting shall be attended by authorized representatives or designated consultants of Utility Services, District and any consultants.

### **8.3.3 Mediation**

(a) If the dispute has not been resolved within five (5) working days after the conclusion of the initial meeting, either party may initiate mediation by written notice to the other.

(b) All parties shall attend and participate in the mediation that shall be non-binding and without prejudice.

(c) Unless all parties agree otherwise, the mediation shall be conducted by an independent mediator from the offices of the American Arbitration Association (AAA) in San Francisco within 30 days after notice.

(d) Cost of mediation shall be borne equally by District and Utility Services.

### **8.3.4 Failure of Mediation**

(a) If mediation fails to resolve the dispute, the parties will agree either to submit to binding arbitration or to litigate.

(b) If binding arbitration is selected by the parties, arbitration will be conducted under the rules of the American Arbitration Association with three arbitrators selected from the San Francisco offices of AAA within thirty (30) days after the agreement to arbitrate.

## **Section 9. Records**

### **9.1 Audit**

Authorized representatives of the District, state and/or the federal government may inspect and/or audit Utility Services performance, place of business and/or records pertaining to this Agreement during normal business hours after a reasonable notice.

### **9.2 Confidentiality**

Throughout the Term, Utility Services shall maintain all of District's information on a confidential basis, subject to required disclosures pursuant to applicable law.

### **9.3 Return of District's Deposit**

After the expiration or termination of the Term of this Agreement, Utility Services shall deliver to District all District's Deposit funds remaining.

## **Section 10. Miscellaneous**

### **10.1 Notices**

Notices of communication with respect to technical matters and the routine performance and administration of services shall be given by such means as are appropriate to ensure adequate communication. All other notices necessary for the performance of this Agreement shall be given in writing by personal delivery or by prepaid first-class mail addressed as follows:

DISTRICT

Los Trancos County Water District  
162 Los Trancos Circle  
Portola Valley, CA  
94028

UTILITY SERVICES

CWS Utility Services  
1720 North First Street  
San Jose, CA  
95112-4598

If notice is given by personal delivery, notice is effective as of the date of personal delivery. If notice is given by mail, notice is effective as of the day following the date of mailing or the date of delivery reflected upon a return receipt, whichever occurs first.

### **10.2 Paragraph Headings**

Paragraph headings in this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

### **10.3 Governing Law**

This Agreement and its interpretation shall be governed by the laws of the State of California and the County of San Mateo. Venue shall be in the County of San Mateo.

### **10.4 Waiver of Default**

The failure of any party to enforce against other provisions of this Agreement, shall not constitute a waiver of that party's right to enforce any provisions at a later time, and shall not serve to vary the terms of this Agreement.

### **10.5 Subcontractor and Assignment**

Utility Services shall not subcontract work under this Agreement nor assign this Agreement without the prior written consent of the District; provided, however, that the

District's consent shall not be required in connection with any assignment by Utility Services of all its rights and obligations hereunder to an affiliated company which is controlled by, controls, or under common control with, Utility Services.

### **10.6 Binding Effect**

The rights and obligation of this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their permitted successors and assigns.

### **10.7 Attorney's Fees**

If legal action or other proceeding is commenced to enforce or interpret any provisions of, or is otherwise relating to, this Agreement, the losing party shall pay the prevailing party's attorney's fees and expenses. The phrase "prevailing party" shall mean the party who is determined in the proceeding to have prevailed or who prevails by dismissal, default, settlement, or otherwise.

### **10.8 Merger and Modification**

This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other oral or written provisions. This Agreement may be modified or terminated only by a written document signed by all the parties.

### **10.9 Severability**

If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than the person as to whom it is held invalid or unenforceable shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

### **17.10 Execution**

This Agreement is effective upon full execution. It is the product of negotiation and therefore shall not be construed against any party.

[Ward](#)

IN WITNESS WHEREOF, the parties thereto have executed this Agreement on the day and year first above written.

Los Trancos County Water District

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

Title:  
President Board of Directors

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

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

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

CWS UTILITY SERVICES

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

Title: President and CEO

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

Title: Vice President

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

## **Los Trancos County Water District Service Agreement**

This Service Agreement ("**Agreement**") is entered into as of January 3rd 2011, between Los Trancos County Water District, a county water district ("**District**") and CWS Utility Services, a California corporation ("**Utility Services**"), a wholly owned subsidiary of the California Water Service Group and affiliate of the California Water Service Company ("**Cal Water**"). This agreement supersedes and replaces in its entirety the agreement dated September 14th 2005 between the same parties.

### RECITALS

WHEREAS, pursuant to the Asset Purchase Agreement, dated December 18<sup>th</sup>, 2003, Cal Water acquired all District water system assets on April 27th, 2005, and assumed system operations to provide water services to all former District customers. Cal Water received California Public Utilities Commission (the "**Commission**") approval to expand its certificated service area to incorporate District's service area (the "**Service Area**"). Former District customers will receive utility water service from Cal Water and pay Cal Water Bear Gulch tariff rates for water service;

WHEREAS, District continues to receive revenues in the form of property taxes from residents who occupy properties within the Service Area upon which property taxes are paid;

WHEREAS, District has passed Resolution #202 (attached hereto as Exhibit "A" and incorporated by this reference into this Agreement) which authorizes an incentive equivalent to the basic connection fee for qualifying water saving customers who occupy properties within the Service Area upon which property taxes are paid; and

WHEREAS, District desires Utility Services to apply credit to the bills of to District customers who occupy properties within the service area upon which property taxes are paid in accordance with its Resolution #202 and Utility Services desires to provide such service for the period and upon the other terms and conditions set forth herein;

### AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing recitals, and in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, District and Utility Services hereby agree as follows:

#### **Section 1. Agreement to Provide Services**

Utility Services hereby agrees to provide billing services ("Services") as set forth herein to District, and the District hereby agrees to engage Utility Services and accept such Services for the Term (as hereinafter defined) and in accordance with the provisions of

this Agreement. It is specifically recognized and intended by the parties to this Agreement that Utility Services acts as District's agent solely to apply credit to its customers in accordance with District's Resolution #202, and such credits shall not be considered to alter, amend or modify Cal Water's tariff rates for service as approved by the Commission. By virtue of its execution of this Agreement and the performance of its obligations hereunder, Utility Services shall provide the Services set forth herein, subject to District's rights, remedies and control, pursuant to the provisions of this Agreement. Utility Services specifically does not dedicate itself or any of its properties to the District, but rather agrees to faithfully perform its obligations as set forth in the provisions of this Agreement.

## **Section 2. Term of Agreement**

2.1 The term of this Agreement ("Term") shall be ~~ten (10)~~three (3) years and may be extended for three successive terms of ~~five (5)~~ three (3) years each (individually an "Extended Term") if mutually agreed, upon the expiration of each prior Term, the Term shall be automatically extended for an additional Extended Term commencing immediately upon the expiration of such prior Term, unless not less than three months prior to the expiration of the then current Term, either party gives the other party written notice of its desire that this Agreement terminate at the end of the then current Term.

2.2 Notwithstanding any of the provisions of this Agreement, District may terminate this Agreement for any reason whatsoever, but the District shall notify Utility Services of its decision to terminate this Agreement not less than sixty (60) days prior to the effective date of such termination.

## **Section 3. General Obligations**

Subject to the provisions of this Agreement, Utility Services shall credit District customers in accordance with District's applicable operational rules and guidelines as set forth in Section 4.0 herein which are in effect from time to time during the Term.

## **Section 4. Deposit with Utility Services, District's Payments and Credits to Customers**

### **4.1 Customer Credits**

During the Term, on behalf of District, Utility Services shall credit monthly to customers designated by the District an amount in accordance with District Resolution 202 however, in no event shall Utility Services be obligated to credit to customers in excess of funds District has deposited with Utility Services. Utility Services shall only refund customers, which the District designates in writing as entitled to a credit (the "Qualified Customer Listing") By resolution, District may from time to time direct in writing Utility Services to change the credit amount. District may also amend, modify or append the Refund Listing;

however, Utility Services shall not be responsible to implement changes without a minimum of one (1) month's prior notice.

## **4.2 Special Conditions**

4.2.1 Annually, by May 30th, Cal Water will furnish all information on new services in the Los Trancos Service Area to District. Cal Water will make every effort to communicate to District when new services in the Los Trancos area are established.

4.2.2 Annually, by June 15th, District will:

- a. After receiving the new service information, identify all new properties that qualify for the credit and convey this information to Cal Water.
- b. Notify Cal Water of any customers to be placed on Water Use Efficiency hold – deleting their credit until they qualify through installation of minimum Water Saving equipment.

4.2.4 District will deposit with Cal Water the amount equivalent to at least 6 months of credits, in \$10,000.00 increments.

4.2.5 The accounts to which this unregulated credits apply will be coded with the Tax Code "Los Trancos"

4.2.6 Cal Water will provide a monthly balance statement to District which will include a report showing the initial District deposit on balance, amount paid to customers as a credit, amount of fees paid to Cal Water pursuant to Section 4.3 of this Agreement, and an ending balance.

4.2.7 Monthly, Cal Water will provide a report with total water consumption by customer address and total credit, if any, to each account.

4.2.8 This credit applied only to domestic services and not to fire or irrigation services.

## **4.3 District's Deposit with Utility Services**

On a semiannual basis, District shall deposit in advance with Cal Water Utility Service's affiliate, sufficient funds to cover all estimated credits to customers and payments to Utility Services for their services for the next six-month period ("***District's Deposit***"). District shall be sole<sup>y</sup> responsible to replenish on a timely basis to provide sufficient funds for Utility Services to apply customer credits. If funds are not available, Utility Services is under no obligation to apply credit to customers.

#### **4.4 Payment to Utility Services**

In consideration for the services provided for the preceding month by Utility Services as the District's contractor, the District shall pay Utility Services a monthly fee of two percent (2%) of the monthly refund amount, which Utility Services may deduct from District's Deposit on a monthly basis or less frequently with no forfeiture of Utility Services' rights to payment.

#### **4.5 Excess Deposit**

Utility Services shall not be entitled to keep or retain as its property any of District's Deposit funds upon termination of this Agreement. On a periodic basis, but no less than monthly, Utility Services shall provide District with reports to show all disbursement of funds from the District's Deposit and the balance of District's Deposit funds and customer usage data. Notwithstanding, Utility Services is not responsible for determining customer's eligibility for credits, amounts of credits, or accounting for credits.

### **Section 5. Insurance**

#### **5.1 Utility Services Indemnification and Insurance**

(a) The Utility Services will indemnify, hold harmless and assume the defense of, District, its offices, employees, agents and boards from damages and losses resulting from Utility Service's operations or from any persons directly or indirectly employed by, or acting as agent for Utility Services, arising from negligence or willful misconduct or omissions. This indemnification shall extend to claims, losses, damages, injury and liability for injuries occurring during Utility Services' performance under this Agreement and for such time thereafter as any claim may be legally ~~asserted~~ asserted. This indemnification clause shall apply to all damages or claims for damages suffered by District regardless if any insurance is applicable or not.

(b) Utility Services shall procure and maintain during the Term of the Agreement comprehensive general liability insurance and errors and omission insurance, with limits of not less than one million dollars (\$1,000,000) per occurrence, and Utility Services shall furnish with a certificate(s) of insurance evidencing such insurance.

#### **5.2 District Indemnification**

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asserted. This indemnification clause shall apply to all damages or claims for damages suffered by Utility regardless if any insurance is applicable or not.

## **Section 6. District's Representation, Warranties and Covenants**

### **6.1 Right to Enter**

District represents and warrants to Utility Services that District has all necessary power and authority to execute, deliver and perform this Agreement. District has received all requisite consents and approvals with respect to its execution, delivery and performance of this Agreement. This Agreement constitutes a legal, valid and binding obligation of District enforceable in accordance with its terms, except as limited by bankruptcy and insolvency laws and by other laws affecting the rights of creditors generally. The execution, delivery and performance of this Agreement by District does not conflict with or result in a breach of or a default under any contract or other document executed by District or affecting District or any of District's properties or under any law, statute, rule, regulation or ordinance applicable to District or any of District's properties.

### **6.2 Cooperation**

District shall cooperate with Utility Services by responding in a timely and reasonable manner to its requests for meetings, reviews, negotiations, approvals and authorizations.

## **Section 7. Utility Services' Representations, Warranties and Covenants**

### **7.1 Right to Enter into Agreement**

Utility Services represents and warrants to District that Utility Services has all necessary power and authority to execute, deliver and perform this Agreement. Utility Services has received all requisite consents and approvals with respect to its execution, delivery and performance of this Agreement. This Agreement constitutes a legal, valid and binding obligation of Utility Services enforceable in accordance with its terms, except as limited by bankruptcy and insolvency laws and by other laws affecting the rights of creditors generally. The execution, delivery and performance of this Agreement by Utility Services does not conflict with or result in a breach of or default under any contract or other document executed by Utility Services or affecting Utility Services or any of Utility Services' properties or under any law, statute, rule, regulation or ordinance applicable to Utility Services or any of Utility Services' properties.

|

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### **8.1 Opportunity to Cure Defaults**

(a) In the event that either party shall fail to make any payment required under this Agreement as when due, or obtain and maintain any insurance required by this Agreement, there shall be no default under or breach of this Agreement until such failure has continued for ten (10) days following receipt of notice from the other party specifying such failure.

(b) In the event that either party shall fail to perform any of its other covenants or agreements contained in this Agreement, there shall be no default under or breach of this Agreement until such failure has continued for thirty (30) days following receipt of written notice from the other party specifying such failure.

(c) Notwithstanding subsection (b) above, in the event a failure to perform cannot be reasonably cured within such thirty (30) day period, there shall be no default under or breach of this Agreement unless such party shall fail to commence and diligently proceed toward full performance of the cure within thirty (30) days following receipt of written notice from the other party specifying such failure or such party shall fail to complete the performance of such cure within a reasonable period of time.

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In the event of a default under or breach of this Agreement, the injured party may pursue a claim for monetary damages against the other party in the manner set forth in Section 8.3. District may seek to terminate this Agreement, consistent with the terms set forth in Section 2.2 of this Agreement.

### **8.3 Dispute Resolution**

#### **8.3.1 Intent**

(a) Utility Services and District desire and intend to resolve all disputes or other matters arising out of or in connection with this Agreement through reasonable, business-like dispute resolution procedures without resort to litigation.

(b) Accordingly, any services related disputes shall be resolved in accordance with this section, and any construction related disputes shall be resolved in accordance with the requirements of Public Contract Code section 20104 et seq.

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Los Trancos County Water District  
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CWS Utility Services  
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This Agreement and its interpretation shall be governed by the laws of the State of California and the County of San Mateo. Venue shall be in the County of San Mateo.

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The failure of any party to enforce against other provisions of this Agreement, shall not constitute a waiver of that party's right to enforce any provisions at a later time, and shall not serve to vary the terms of this Agreement.

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#### **17.10 Execution**

This Agreement is effective upon full execution. It is the product of negotiation and therefore shall not be construed against any party.

IN WITNESS WHEREOF, the parties thereto have executed this Agreement on the day and year first above written.

Los Trancos County Water District

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

Title:  
President Board of Directors

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

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

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

CWS UTILITY SERVICES

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

Title: President and CEO

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

Title: Vice President

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



# Mission *[draft]*

The Los Trancos County Water District provides services of value to our constituents under the California State Water Code in the following areas:

- Promote and support efficient water usage
- Ensure water movement-related public safety, health, and environmental quality
- Maintain and improve District land as open space
- Support Fire Safety and Emergency preparedness activities

In fulfilling these services, the District:

- Seeks cooperation with other agencies
- Responsibly manages long term debt

*87 % of 2006 survey respondents support continuation of the District*

*85 % of 2010 survey respondents support continuation of the District*