

NOTICE



Yuba County Water Agency
Regular Meeting - Board of Directors
Tuesday, January 27, 2004
8:30 A.M.
Supervisors Chambers
Courthouse, Marysville, CA 95901

AGENDA ITEMS:

1. Roll Call
2. Opportunity for Public Comment on any items of interest that are within the jurisdiction of the Agency Board. However, no action may be taken on items which do not appear on the posted agenda. **(The public may address the Board on each agenda item during the Board's consideration of the item.)**
3. Consent Items
 - a. Approval of Minutes: November 4, 2003 and November 18, 2003
 - b. Approval of General Fund Claims
 - c. Approval of Operation and Maintenance Fund Withdrawal Request No.1168B
 - d. Approval of GF Hydro Fund Claims
 - e. Adoption of Resolution 2004-6 Re-affirming the Agency's Investment Policy.
4. Consider Approval of contract between YCWA and Wheatland Water District providing for Water Service.
5. Consider (1) Approval of Resolution No. 2004 -7 Approving the Grant Agreement with California Department of Water Resources for New East Side Canal Extension Project. (2) authorize the Chairman to sign the Grant Contract and (3) authorize the General Manager to act as the Grant Recipient Project Director.
6. Consider Approval of \$240,000 increase to RD784's Levee Reconstruction Grant for Site 7 and the Relocation of Pump Station 2.
7. Chairman appointment of committee members.
8. Manager's Report concerning status of Agency Facilities and Operations. Additionally, current event topics may be reported.
9. Directors' Comments and Reports.
10. Closed Session Conference with legal counsel regarding existing litigation under Government Code Sections 54954.5(c) and 54956.9(a) involving Agency v. State Water Resources Control Board (SWRCB Revised Decision 1644).

11. Closed Session Conference with legal counsel and Agency designated labor negotiators regarding contract negotiations under Government Code sections 54954.5(f) and 54957.6 involving employee organization: International Brotherhood of Electrical Workers (IBEW) representing Power System employees.
12. Adjourn.

In compliance with the Americans with Disabilities Act, if you have a disability and you need a disability-related modification or accommodation to participate in this meeting, then please contact Jeanene Upton at 530-741-6278 or 530-741-6541 (fax). Requests must be made as early as possible, and at least one-full business day before the start of the meeting.

YUBA COUNTY WATER AGENCY

MINUTES-REGULAR WORKSHOP-MEETING - BOARD OF DIRECTORS

NOVEMBER 4, 2003

A regular workshop meeting of the Board of Directors of the Yuba County Water Agency was held on the above date, commencing at 1:00 p.m., within the Courthouse, Marysville, California, with a quorum being present as follows: Directors Hal Stocker, Donald Schrader, Dan Carpenter, Bill Simmons, Thomas "Tib" Belza, Dan Logue and Mary Jane Griego. Also present were General Manager Curt Aikens, Assistant Manager-Administration Page Hensley, General Counsel Paul Bartkiewicz and Assistant Secretary Jeanene Upton. Chairman Belza presided.

PUBLIC COMMENTS

No one came forward.

CONSENT AGENDA

None

UPPER YUBA RIVER STUDIES PROGRAM PROGRESS UPDATE

Mr. David Christophel, Biologist/Senior Project Manager, from CH2M Hill gave the Board a progress update on the Upper Yuba River Studies Program. The progress update is attached as Exhibit "A."

Mr. Christophel highlighted the following:

- A collaborative, stakeholder-driven process
- Purpose Statement
- Study Elements
- Upper River Habitat Studies
- Potential Spawning Sites
- Habitat Study Preliminary Conclusions
- Sediment Studies

- Water Quality
- Englebright Lake Sediments
- Mercury (Hg) Bioaccumulation
- Water Supply and Hydropower
- Flood Risk
- Technical Review Panel
- Socio-Economics
- Workgroup Vision Framework
- Next Steps
- Preliminary Timeline and Milestones

NO ACTION
INFO ONLY

Chairman Belza thanked Mr. Christophel for his presentation.

PLUMAS LAKE SPECIFIC PLAN AREA FLOOD CONTROL
LEVEE IMPROVEMENTS

General Manager Curt Aikens reported that on August 12, 2003, the Board authorized a grant of up to \$535,000 to Reclamation District 784 for the Problem Identification Study addressing issues raised in the Department of Water Resources' FEMA Flood Plain Mapping Study. Mr. Aikens advised that monies set aside for the Yuba Basin Levee Improvement Project was the source of funding for the \$535,000 grant. At this same time the grant was authorized, the Board directed the General Manager to seek reimbursement for this grant. Mr. Aikens further advised that the Funding Agreement for the Plumas Lake Specific Plan Area Flood Control Levee Improvements provides the mechanism for the Agency to be reimbursed for the grant and to be reimbursed for its expenses in facilitating the FEMA Fix Project. The agreement also provides for any credit obtained from the U.S. Army Corps of Engineers for the FEMA Fix work to be applied to future Corps projects.

Director Schrader questioned the state and federal responsibilities for the levees.

Mr. Randy Margo, Assistant Administrator for Yuba County, explained the Mello Roos fees associated with this project.

Director Griego asked if the Mello Roos issue would be brought before the Board of Supervisors. Mr. Margo advised the issue would be.

Upon motion of Director Carpenter, seconded by Director Schrader, and unanimously carried, the Board approved authorizing the General Manager to sign the Funding Agreement for the Plumas Lake Specific Plan Area Flood Control Levee Improvement.

APPROVE
FUNDING
AGREEMENT

MORAN ROAD

General Manger Curt Aikens reported that Moran Road was discussed as an agenda item at the September 23, 2003 Board meeting. The Board requested that staff obtain the biological support information used in the U.S. Forest Service Decision Memo for the Moran Road Project and bring the issue back to the Board. Mr. Aikens advised that staff obtained a copy of the July 27, 2003 Biological Assessment completed by the U.S. Forest Service, and the U.S. Fish and Wildlife Service (USFWS) letter concurring with the Biological Assessment. The USFWS letter states that "With the conservation measures proposed, we have determined that the subject action is not likely to adversely affect the bald eagle or the red-legged frogs." Mr. Aikens further advised the conservation measures include "To protect California red-legged frogs, bald eagles, aquatic resources and provide for public safety, a road closure beyond the gate will be implemented from October 15 through May 1." The Biological Assessment is attached as Exhibit "B".

Mr. Aikens stated the proposed letter to FERC requests that the Recreation Plan be amended to allow for construction of the Moran Road improvements and to close the road beyond the high water level gate between October 15 and May 1 of each year.

Mr. Aikens indicated that to be in compliance with the Biological Assessment, the U.S. Forest Service has requested that the Moran Road closure during October 15 through May 1 become effective this year. Power System Manager Steve Onken checked with the U.S. Forest Service to determine if installing the gate on the existing posts was considered a construction activity. The U.S. Forest Service communicated it was not. Thus, installing the gate is not a violation of the Biological Assessment terms prohibiting construction during the closure period.

Director Stocker stated that it is not necessary to close the gate during the October 15-May 1 time frame. He also indicated the U.S. Fish and Wildlife Service did several surveys and did not find any red-legged frogs in the area. Director Stocker suggested having a meeting with Mr. Blackwell, a U.S. Forest Service Supervisor to discuss this issue further.

Director Stocker further stated he sent a fax regarding the red- legged frog to Mr. Ken Sanchez of the U.S. Fish and Wildlife Service but did not get a response.

Director Griego suggested that this issue be brought back on another agenda and concurred

with Director Stocker on setting up a meeting with Mr. Blackwell.

In a response to an inquiry by Director Schrader regarding leaving the road open all year round, Mr. Aikens advised that FERC could order the Agency to close the road.

Under further discussion, Chairman Belza asked if this issue should be put on hold or move forward with the recommendation from the U.S. Forest Service.

Chairman Belza called for a roll call vote. Upon the vote, Directors Simmons, Schrader, Carpenter, Logue and Belza voted to (1) direct the General Manager to send a letter to FERC requesting a revision to YCWA's request for amending the FERC approved Recreation Plan to meet the requirements of the U.S. Forest Service Consultation on red-legged frogs as they relate to Moran Road and (2) close the road at the high water level between October 15 and May 1, effective as soon as practical. Directors Griego and Stocker opposed. Motion Passed.

APPROVE
AMENDING
FERC REC
PLAN -MORAN
RD
2 NO'S
MOTION
PASSED

GENERAL MANAGER'S REPORT

General Manager Curt Aikens reported the following:

- 1. Project Operations:** The project is operating within requirements. New Bullards Bar is at 1,869 feet elevation or about 604,940 acre-feet of storage. Englebright outflow is at about 951 cfs through Narrows 2. New Bullards Bar flood space is 361,163 af, which is 212% of the requirement. The Colgate unit 2 annual outage is scheduled for November 10 to November 22 and the Colgate unit 1 annual outage is scheduled for December 1 to December 13.
- 2. Deadwood:** The runner is scheduled for shipment to YCWA on November 5 and the helicopter is scheduled to fly it to Deadwood on November 12.
- 3. Moran Road:** YCWA employees found a truck in the reservoir at Moran Road just below the proposed gate location. The truck is a late model Ford 150 pickup that the Yuba County Sheriff's Department identified as a stolen vehicle. There is no indication that anyone was hurt. The California Highway Patrol will be removing the vehicle on November 4.
- 4. FERC Flow Variation:** Earlier this year, YCWA filed a report with FERC describing a Marysville Gage flow variation from the instream flow requirements that occurred on December 5 and 6 of 2002. FERC responded back that the incident will not be considered a flow violation because we took immediate action to restore the flows, improved the monitoring systems that provide real time data to our operations and modified operating procedures to avoid future flow violations.
- 5. Lake Francis:** YCWA annually draws down Lake Francis water elevation to meet our PG&E contract terms, prevent spill and control aquatic weeds. The draw down will start on

November 5. The target is to drop the water surface elevation by about 10 feet. As storm runoff fills the reservoir, releases will be made to maintain this 10 foot drawdown through the winter with the target of having a full reservoir in the spring.

6. December 2nd Board Meeting Time Change: Staff has requested and Chairman Tib Belza has concurred that the Board should consider changing the December 2nd Board meeting from 1:00 P.M to 8:30 A.M. This is to accommodate travel to the ACWA conference.

7. Yuba Feather Supplemental Flood Control EIR Questions: At the last Board meeting, Director Schrader asked some questions regarding levees. The first question asked was about levee ownership and maintenance responsibilities. Mr. Herb Greydanus, of Bookman-Edmonston researched the issue through the California Water Code. The U.S. Army Corps of Engineers (Corps), as an owner of the levees, requires that: (1) they are not responsible for acquisition of lands, easements and rights of way for the levees, (2) that the state or a local entity is responsible for operation and maintenance of the levees, and (3) that the Corps is held harmless from legal liability. We are continuing to research the issue of higher velocity next to the levees, when there is dense vegetation in the flood channel.

8. Wild & Scenic River Status: At an earlier Board meeting, a question was raised about whether there was any current action regarding Wild and Scenic River status for any of the branches of the Yuba River. Mr. Aikens checked with Mr. Phil Horning of the U.S. Forest Service who stated that there is no federal action regarding any of the Yuba Rivers.

CLOSED SESSION

Chairman Belza announced that there would be no closed session at this meeting.

ADJOURNMENT

There being no further business to come before the Yuba County Water Agency, the meeting was adjourned at 3:07 p.m. by Chairman Belza.

Chairman

ATTEST: JEANENE UPTON
ASSISTANT SECRETARY

Approved: _____

**Upper Yuba River Studies Program
Progress Update**

Presentation to:

Yuba County Water Agency

November 4, 2003

A collaborative, stakeholder-driven process

Coordination Committee
Ted Frink, Agency Team
Dave Munro, Lake Team
John Regan, River Team

Lake Team
Leader - Dave Munro
Co-Leader -
Jessica Erickson

WORKGROUP

River Team
Leader - John Regan
Co-Leader - Steve Rothert

Technical Committees
Issue Areas:
• Up / Downstream Habitat
• Sediment
• Flood Risk Management
• Water Supply/Hydropower
• Water Quality
• Economics & Social Impacts

Agency Team
Leader - Ted Frink
Co-Leaders -
John Nelson
Julie Tupper

Communications Committee
Team Leaders plus 2
other members from
each team

Upper Yuba River Studies Program



Technical Review Panel

- ❖ TRP Purpose
- ❖ October Meetings
- ❖ Preliminary Comments



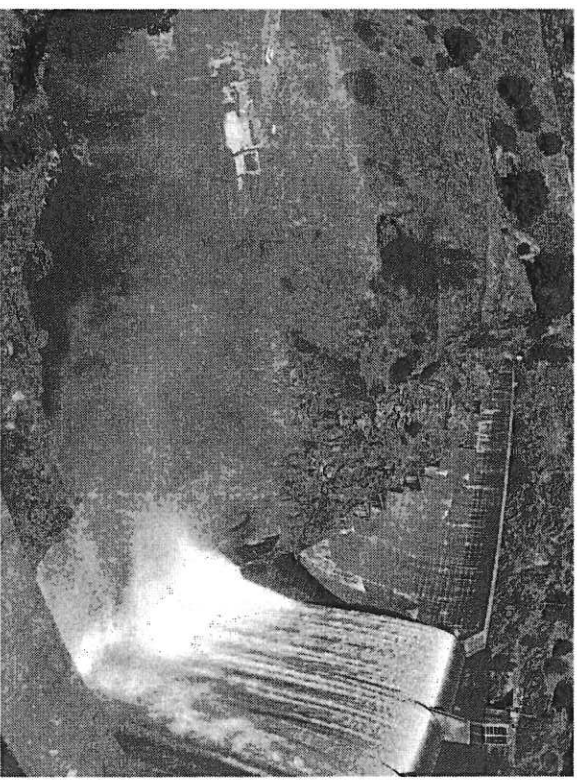
Flood Risk

- ❖ Would fish passage affect flood risk?
- ❖ “no net decrease in level of flood protection”
- ❖ Flood modeling
 - HEC-6T
 - HEC-RAS

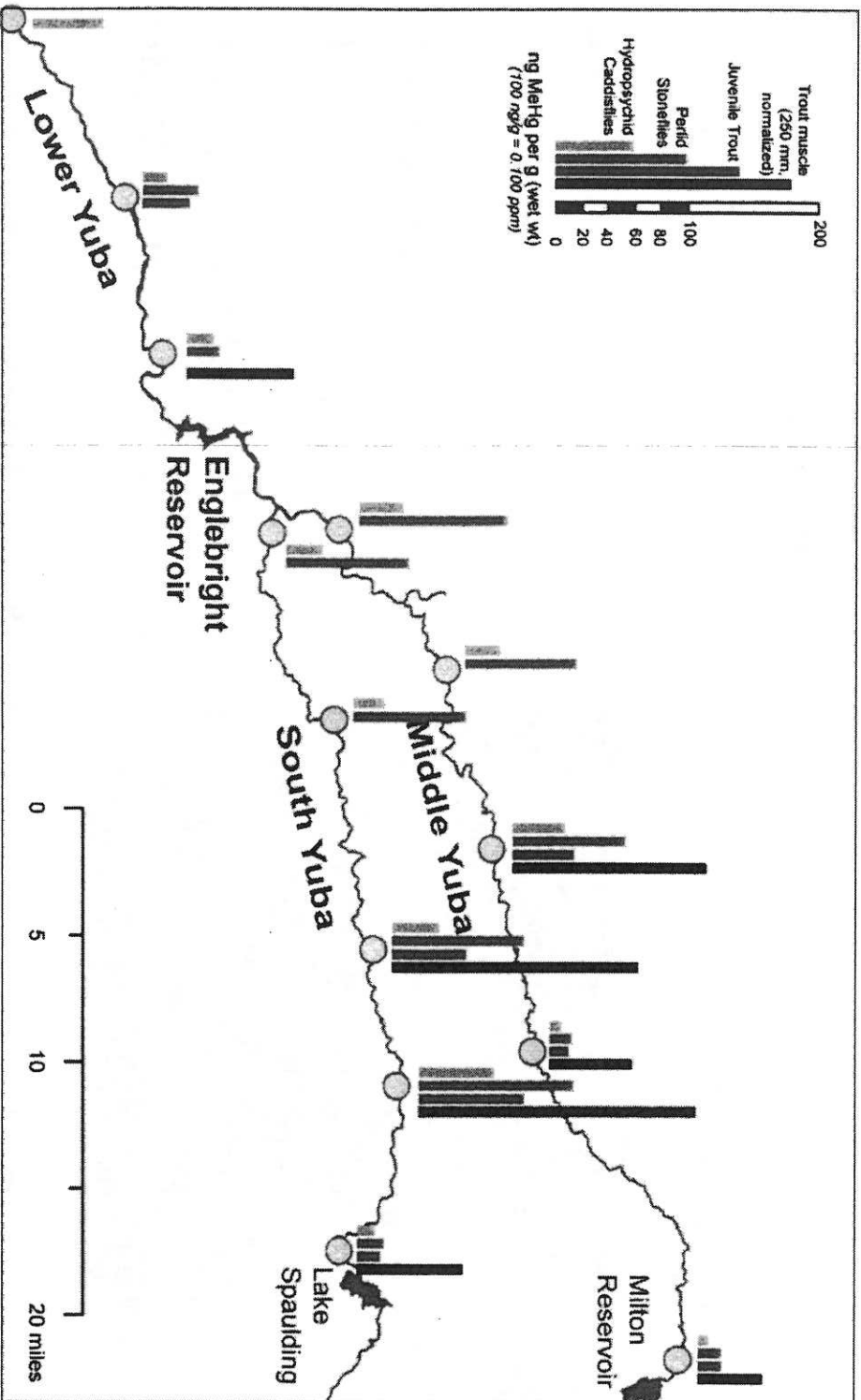


Water Supply and Hydropower

- ❖ *How would changes affect water supply/hydropower?*
- ❖ *Characterize current operations*
- ❖ *Next Steps:*
 - *identify a suitable hydrologic model (such as CALSIM)*
 - *review model assumptions and inputs*
 - *populate the model and ensure the model accurately simulates existing conditions*

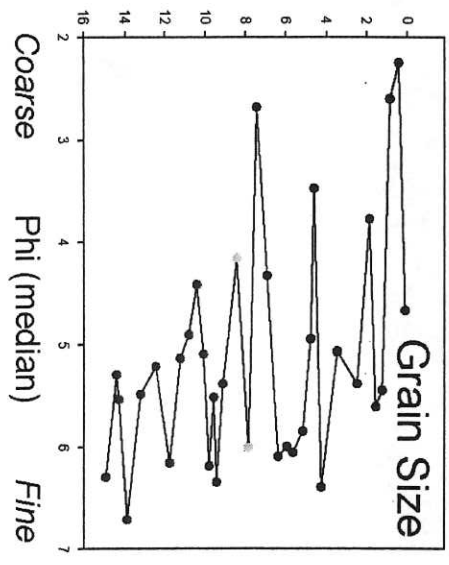
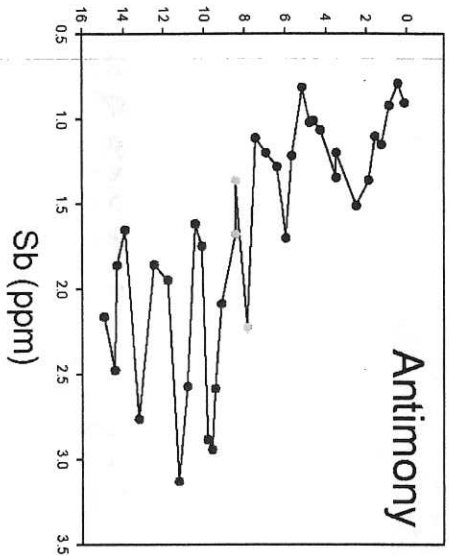
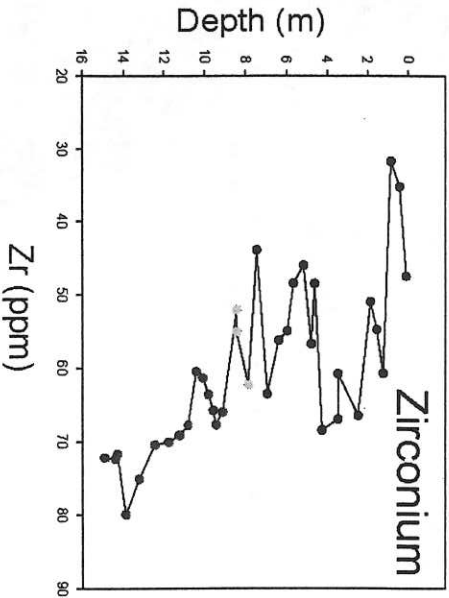
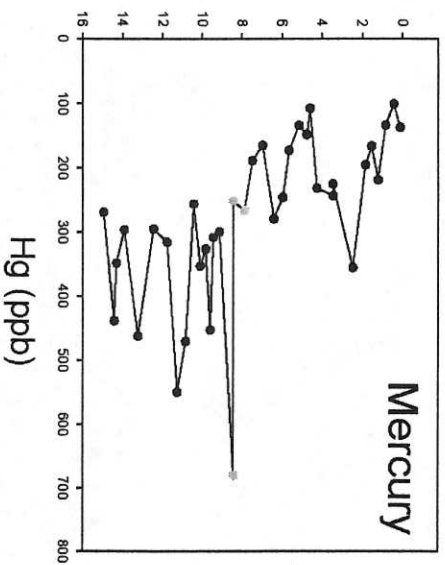
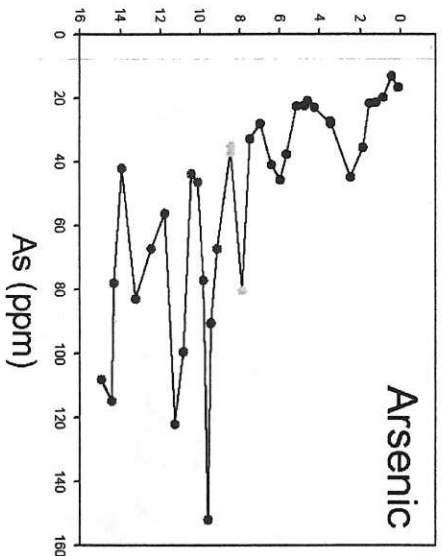
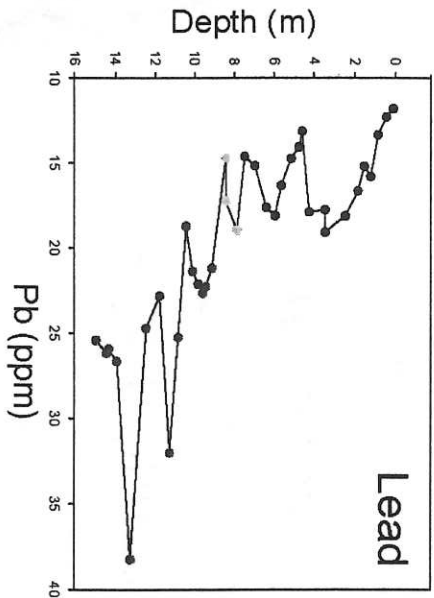


Mercury (Hg) Bioaccumulation



Englebright Lake Sediments

Englebright Lake Sediments, Profile 4Y



Water Quality

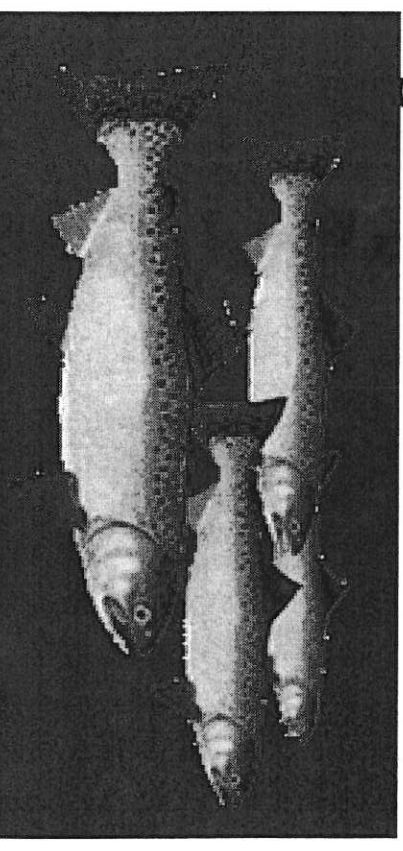
❖ Describe current water quality

- Current surface water quality
- Distribution of Hg compounds in the reservoir
- Role of Englebright Lake in Hg storage and methylation
- Hg levels in fish and invertebrate tissues



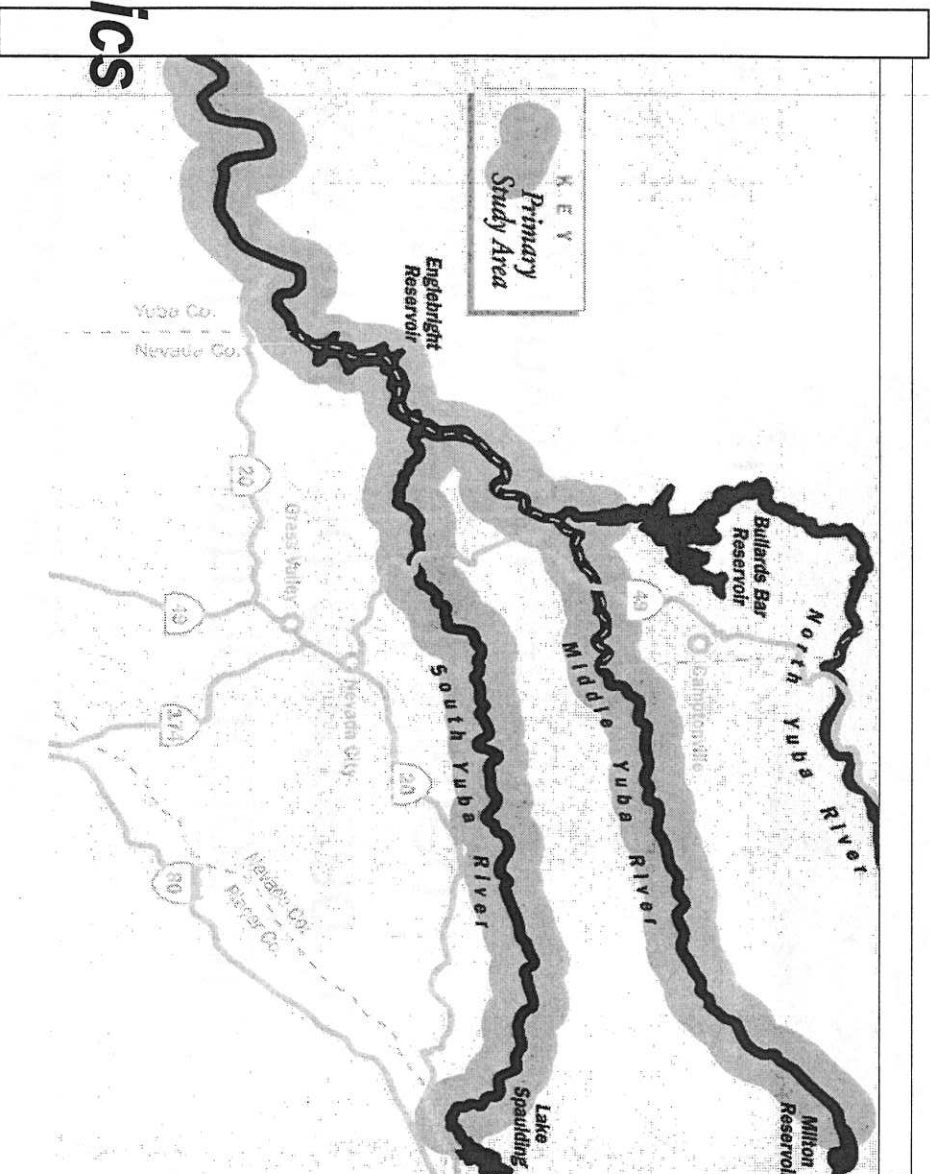
Purpose Statement

“To determine if the introduction of wild chinook salmon and steelhead to the Upper Yuba River watershed is biologically, environmentally, and socio-economically feasible over the long term.”



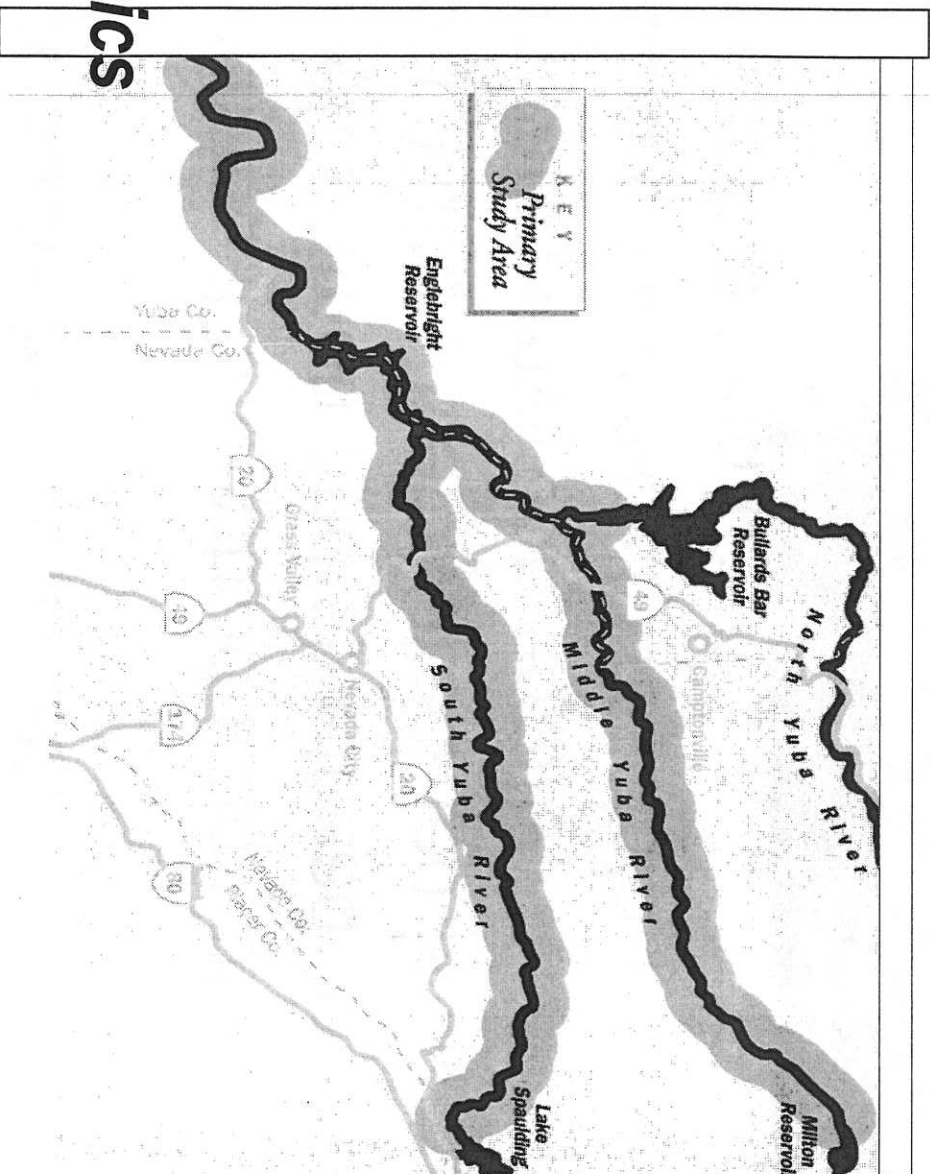
Study Elements

- ❖ **Habitat**
- ❖ **Sediment**
- ❖ **Water Quality**
- ❖ **Water Supply & Hydropower**
- ❖ **Flood Risk**
- ❖ **Socio-Economics**



Study Elements

- ❖ **Habitat**
- ❖ **Sediment**
- ❖ **Water Quality**
- ❖ **Water Supply & Hydropower**
- ❖ **Flood Risk**
- ❖ **Socio-Economics**



Upper River Habitat Studies

- ❖ *How much habitat?*
- ❖ *Study Components*
 - *Fish Passage Barriers*
 - *Holding Pools*
 - *Spawning Habitat*
 - *Rearing Habitat*

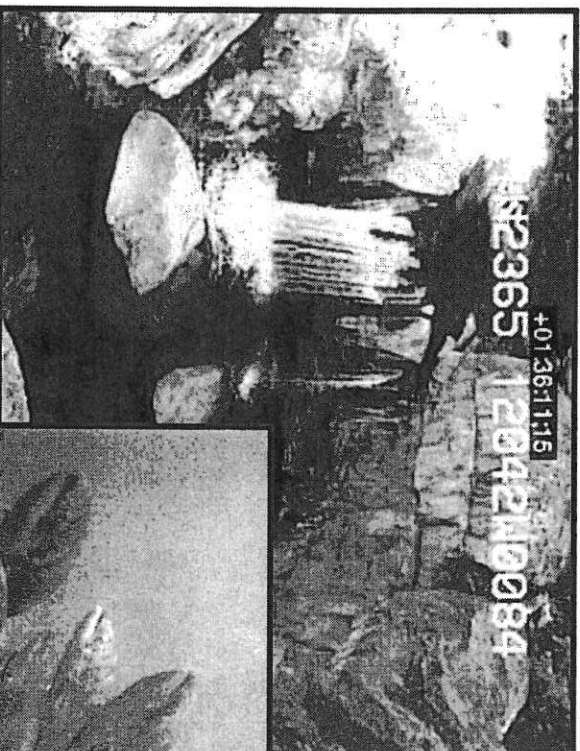
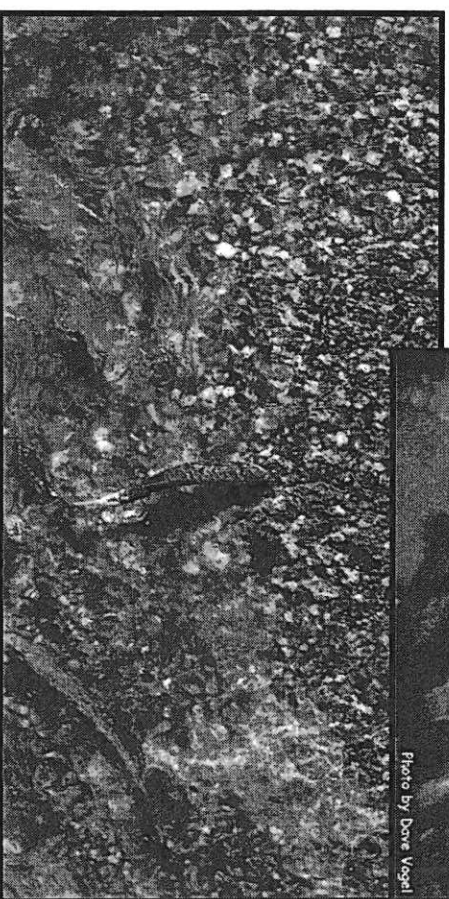
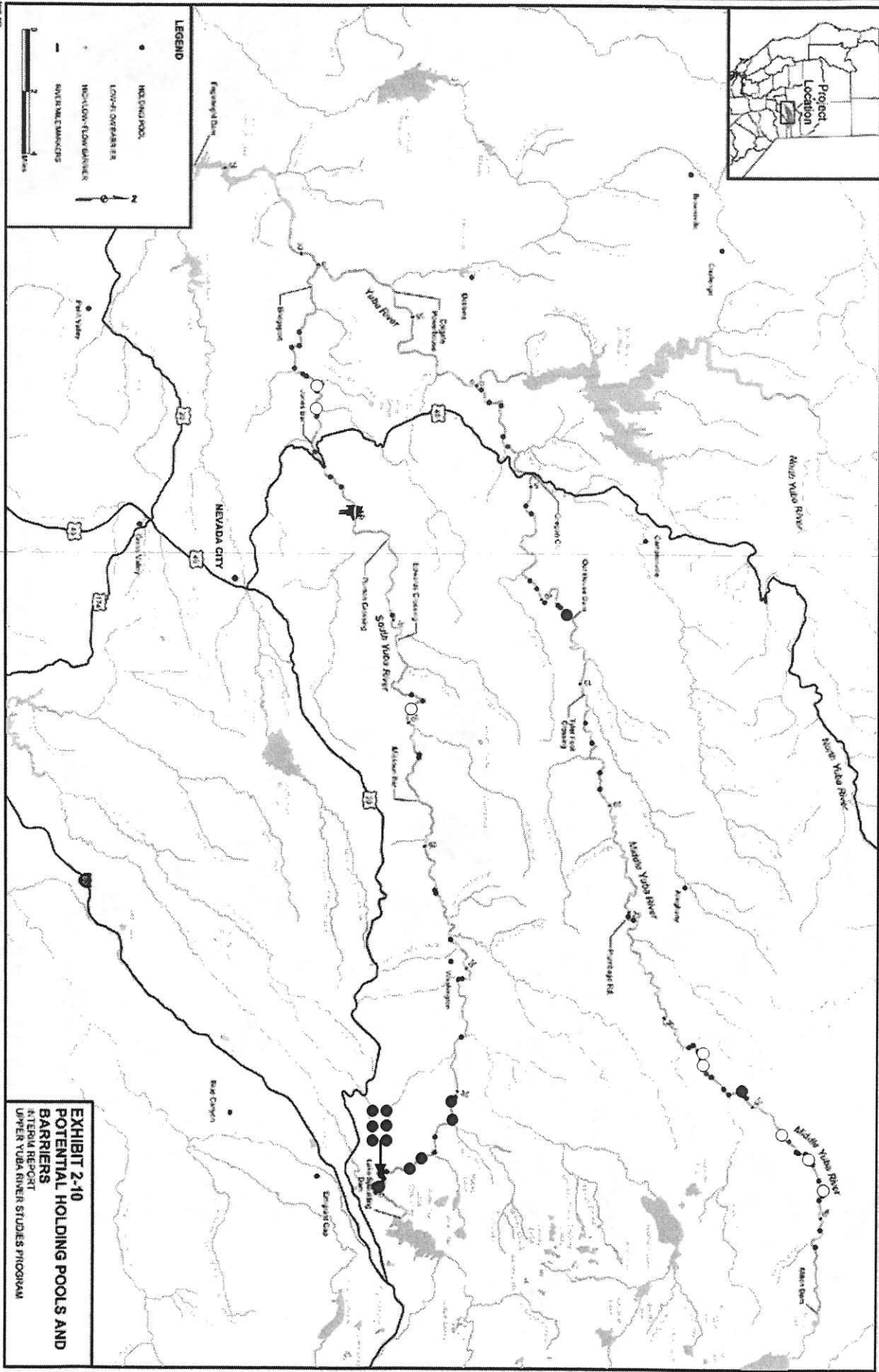
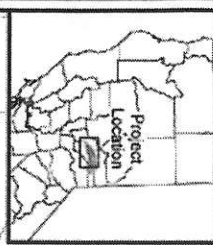


Photo by Dove Vogel





LEGEND

- HOLDING POOL
- LOW-FLOW BARRIERS
- MID-CATCH-BASIN BARRIERS
- AQUIFLECT CHANNELS

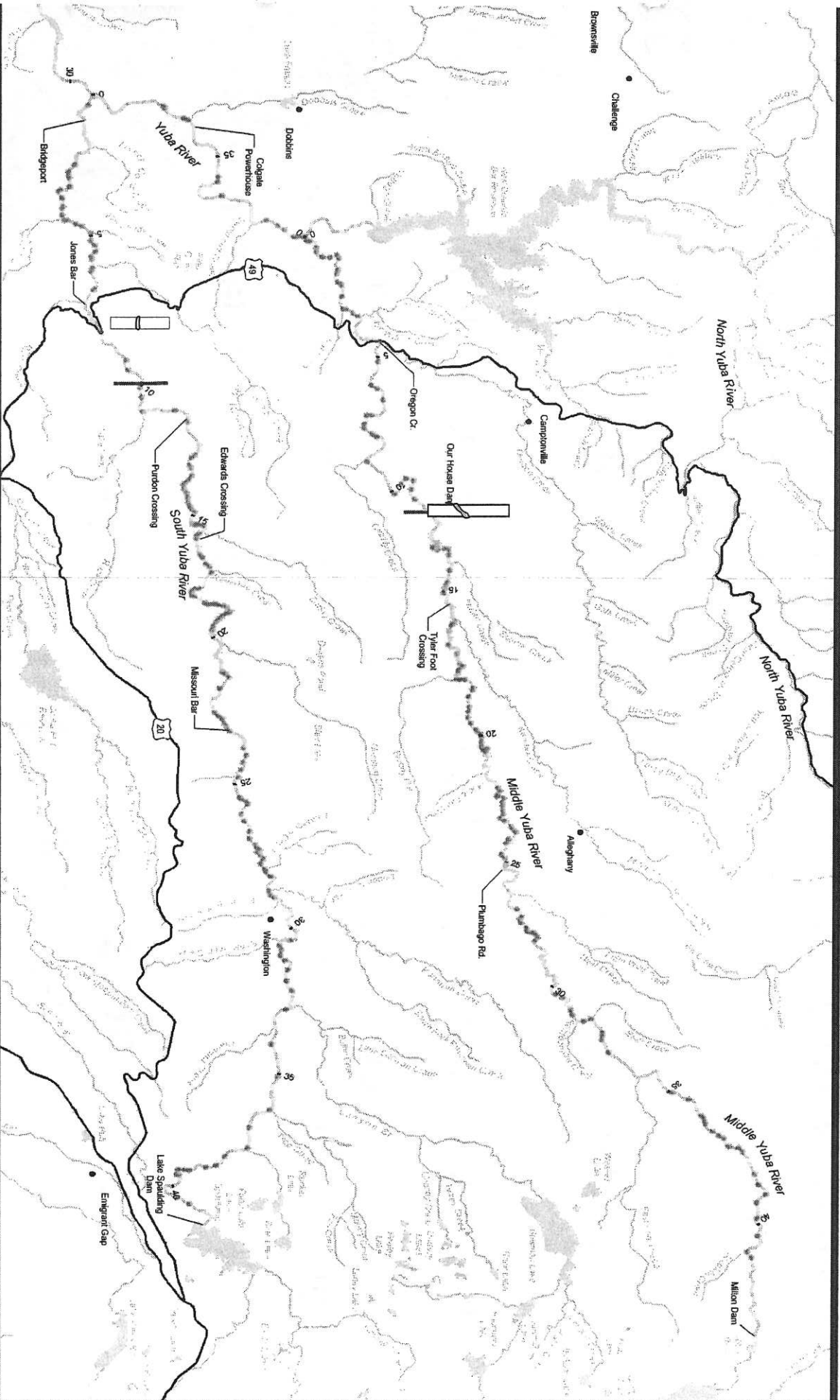
Scale: 0 2 4 Miles

North Arrow

EXHIBIT 2-10
POTENTIAL HOLDING POOLS AND BARRIERS
 INTERIM REPORT
 UPPER YUBA RIVER STUDIES PROGRAM



Potential Spawning Sites



Habitat Study

Preliminary Conclusions

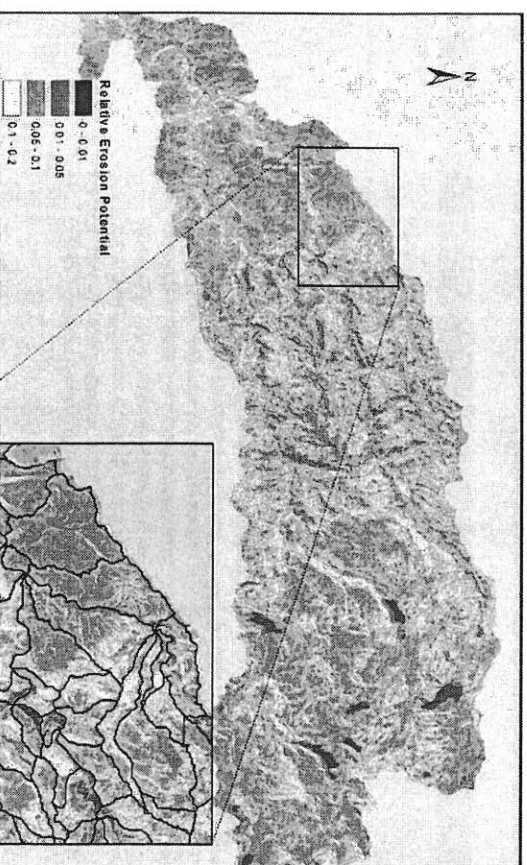
Under current conditions:

- ❖ *Physical habitat characteristics are generally adequate to support salmonids in Middle and South Yuba rivers*
- ❖ *North Yuba River does not appear to support spawning habitat*
- ❖ *Upstream adult passage blocked on Middle Yuba at Our House Dam*
- ❖ *Suitability of accessible habitat in the upper river likely limited by elevated water temperature under current conditions*

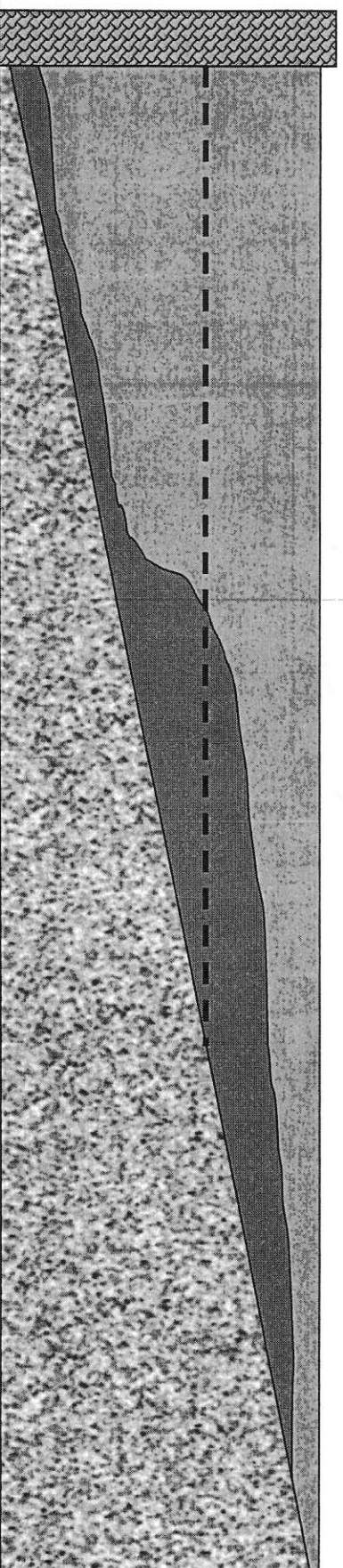


Sediment Studies

- ❖ **Watershed Sediment**
 - characteristics
 - sources and yields
 - modeling (HSPF)

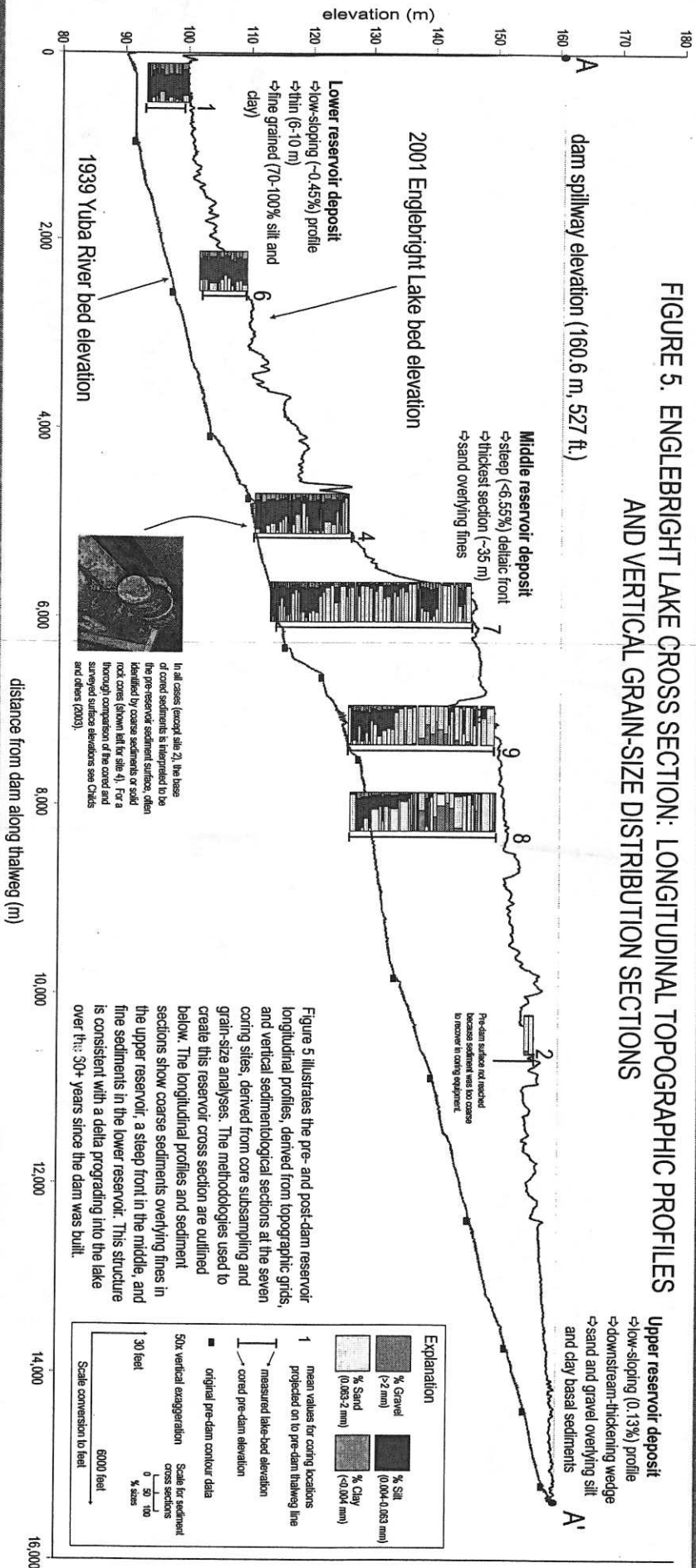


- ❖ **Reservoir Sediments**



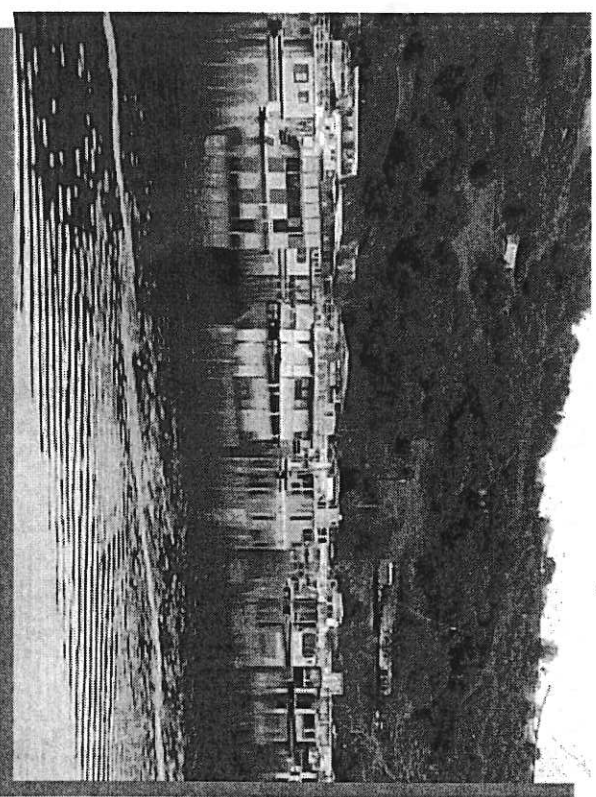
Reservoir Sediment

FIGURE 5. ENGLEBRIGHT LAKE CROSS SECTION: LONGITUDINAL TOPOGRAPHIC PROFILES AND VERTICAL GRAIN-SIZE DISTRIBUTION SECTIONS



Socio-Economics

- ❖ **What are the benefits and costs?**
- ❖ **Estimate changes in:**
 - Regional Economy (jobs, income, goods & services)
 - Property Values
 - Agricultural Costs
 - Water Supply/Hydro
 - Recreation
 - Passive Use Values
- ❖ **Next Steps:**
 - Recreation / Passive Use survey in May- Sept. 2004?
 - Analysis of fish passage options when defined



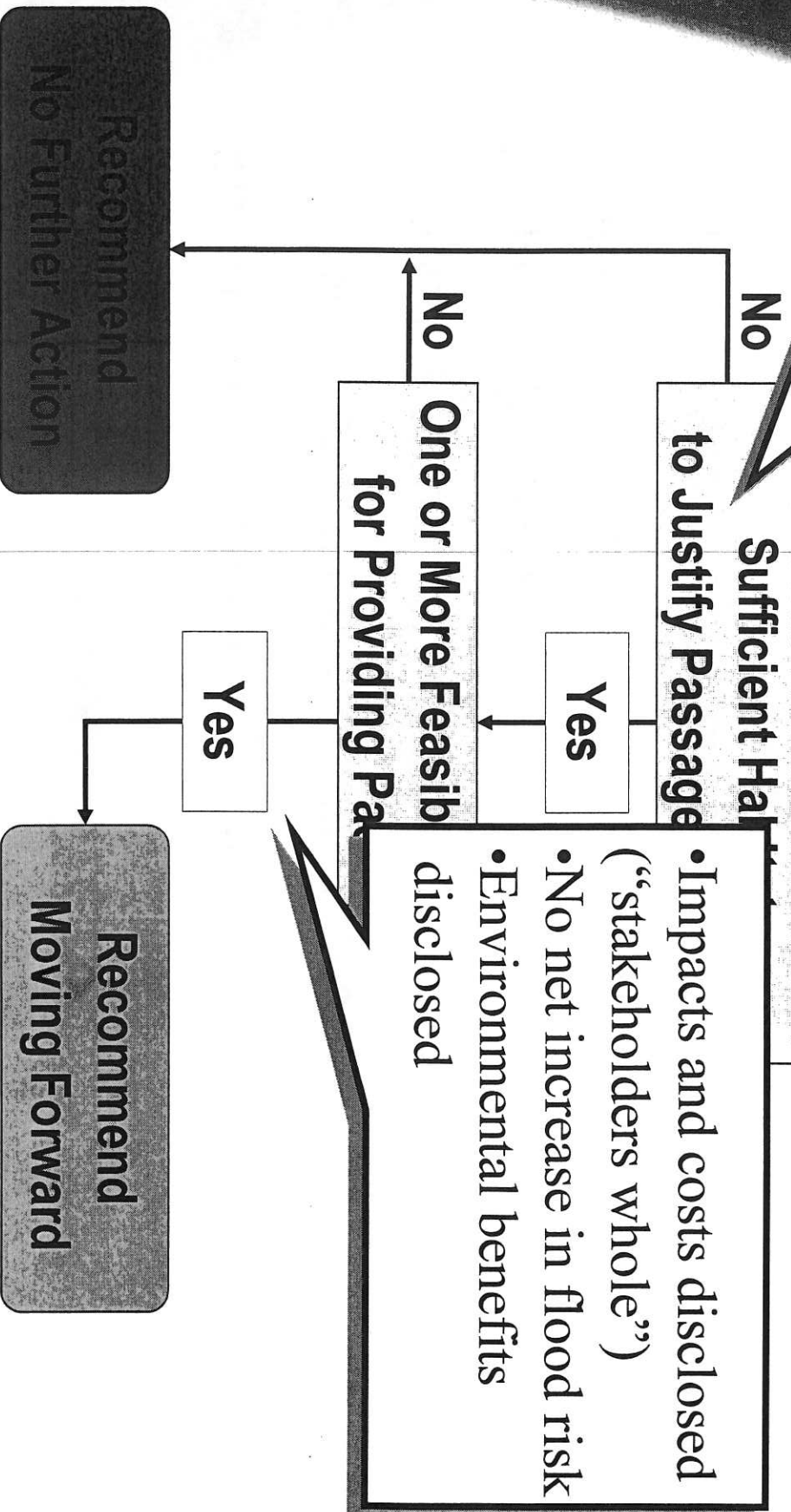
General Remarks by the Panel

- *Individual studies of current conditions appear generally to be well focused and defensible.*
- *Most of the critical, pressing questions yet to be addressed are interdisciplinary, at the interfaces between study groups.*
- *There is a pressing need for integration of Program data and expertise.*
- *This Program is at a critical stage; a framework for making decisions and setting priorities is needed.*
- *The timeframe is overly ambitious. The most challenging work lies ahead.*



Sufficient to support via population of one or more of the target species

Work Group Decision Framework



Next Steps

- ❖ *Resolve the habitat question*
 - *develop and run temperature model*
 - *quantify amount of habitat*
- ❖ *Define path forward*
 - *develop recommendation*
 - *develop analysis scenarios*



Preliminary

Timeline and Milestones

2001

2002

2003

2004

Scope Review
Data Collection/
Field Studies

Tech Panel
Review

Interim
Report

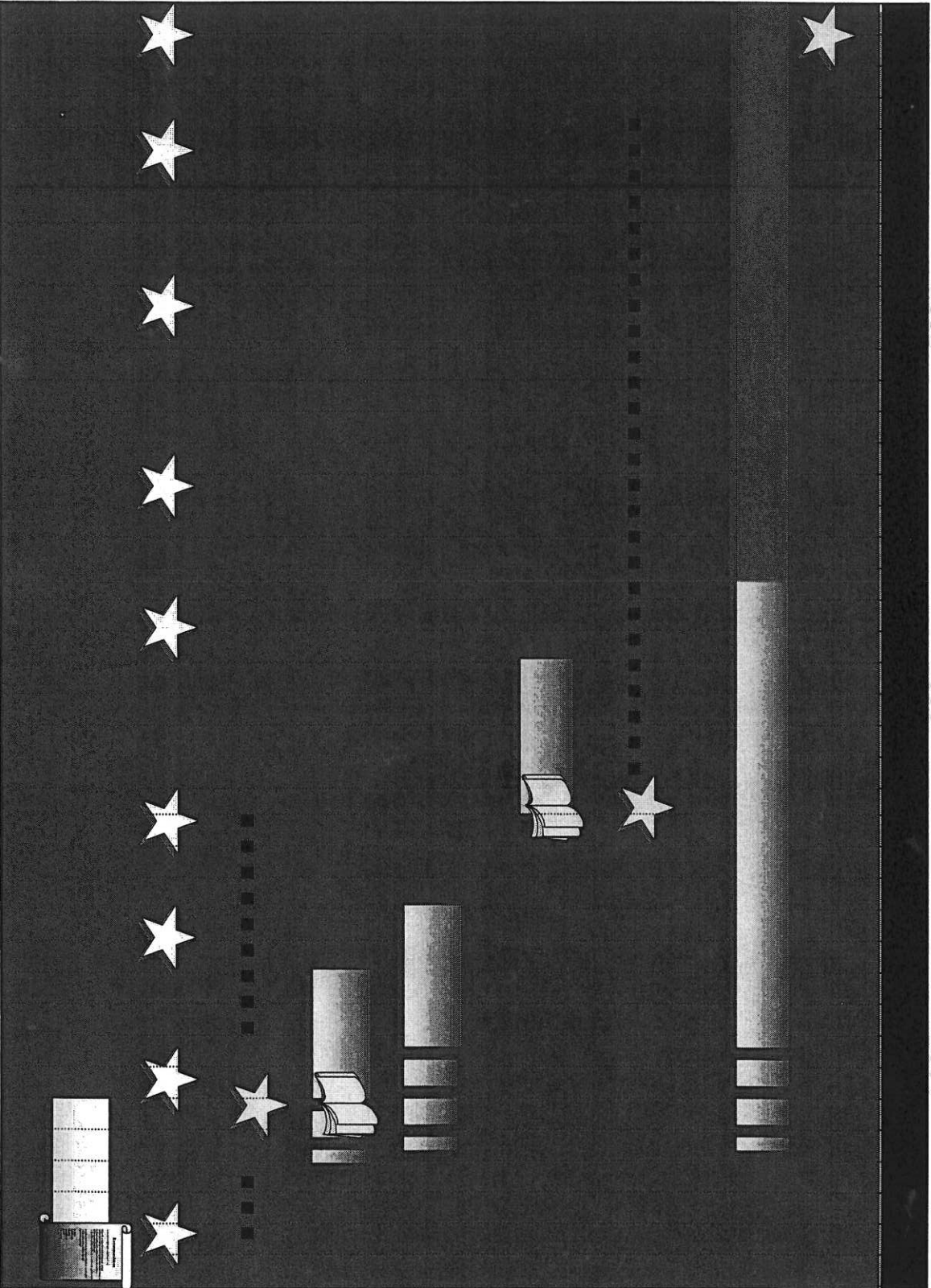
Options
Analysis

Draft Report

Tech Panel
Review

Work Group
Meetings

Work Group
Decision





United States Department of the Interior

FISH AND WILDLIFE SERVICE
 Sacramento Fish and Wildlife Office
 2800 Cottage Way, Room W-2605
 Sacramento, California 95825-1846



OCT 28 2003

In Reply Refer To:
 1-1-03-I-3271

Ms. Jean M. Masquelier
 District Ranger
 Downieville Ranger District
 Tahoe National Forest
 15924 Highway 49
 Camptonville, California 95922-9707

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages ▶ 3

To <i>Jean M. Masquelier</i>	From <i>Ann Bowers</i>
Dept./Agency <i>USFS</i>	Phone # <i>(916) 414-6600</i>
Fax # <i>(530) 288-0727</i>	Fax # <i>(916) 414-6713</i>
NSN 7540-01-217-7388 5099-101 GENERAL SERVICES ADMINISTRATION	

Subject: Request for Concurrence on the Moran Road Project, at Bullards Bar Reservoir, at the Downieville Ranger District, Tahoe National Forest

Dear Ms. Masquelier:

This responds to your August 26, 2003, letter, received August 28, 2003, requesting concurrence that the Moran Road Project, at Bullards Bar Reservoir (Reservoir) is not likely to adversely affect the Lahontan cutthroat trout (*Oncorhynchus clarki henshawi*) (LCT), the bald eagle (*Haliaeetus leucocephalus*), the California red-legged frog (*Rana aurora draytonii*) (frog), and the valley elderberry longhorn beetle (*Desmocerus californicus dimorphus*) (beetle), listed as threatened under the Endangered Species Act of 1973, as amended (Act). The project involves creation of a car top boat launch facility at Moran Cove using the existing road. A site visit was conducted on July 10, 2003, attended by you, Downieville District biologists and recreation staff, representatives of the Yuba County Water Agency, and Ann Bowers and Gary Burton of my staff. We reviewed your August 26, 2003 *Decision Memo* (Memo), and the August 11, 2003, *Biological Assessment for Birds, Amphibians, Fish, Invertebrates, for Moran Road Project, Downieville Ranger District, Tahoe National Forest*, in making our determination.

The Lahontan cutthroat trout and the valley elderberry longhorn beetle are not present in the project area and do not need further consideration in this letter. A pair of breeding eagles has established a nesting territory at the Reservoir since 1989, approximately 2.5 miles northeast of the project area. There is a communal night roost approximately 0.75 from the project area. The Moran Road Project is located at the mouth of Little Oregon Creek, approximately one mile downstream of a breeding population of California red-legged frogs (frogs). U. S. Fish and Wildlife Service (Service) surveys were conducted at the mouth of the cove on May 17, June 30, and July 7, of 2001, and frogs were not detected.

The service is concerned about the potential effects on frogs and bald eagles resulting from reconstruction, use, and maintenance of the proposed car top boat launch. With regard to frogs,

EXHIBIT "B"

Jean M. Masquelier

2

these activities could result in direct adverse effects, in the form of killing or harassment, particularly during the rainy season, when frogs are known to migrate more than two miles over land from their breeding ponds. Indirect adverse effects to frogs could result, in the form of habitat degradation, from reconstruction and use of the road and boat launch facility. With regard to bald eagles, noise generated by these activities could result in the harassment of wintering bald eagles.

The following observations and discussion occurred during the July 10, 2003, site visit. The road proposed for reconstruction does not parallel Little Oregon Creek for most of its length, and only runs adjacent to Little Oregon Creek just before exiting the tree line at the mouth of Moran Cove. There is one side-road that turns off to the right (going towards the Reservoir), before reaching Moran Cove, that provides access to a meadow adjacent to Little Oregon Creek. This access will be gated to prevent vehicles from entering the meadow. At the mouth of Moran Cove, the proposed reconstruction would occur for approximately 200 feet along side the Moran Cove/Little Oregon Creek confluence. The water level in this area lowers gradually throughout the dry season, leaving a clay slope that descends steeply from the high water mark to the current level. At the mouth of the Cove and extending upstream, this slope turns into hardpan as it dries out, and it supports no vegetation. These conditions do not provide favorable frog breeding habitat. The Service determined that reconstruction activities and subsequent use in this area were not likely to adversely affect frogs or eagles as long as a limited operating period (LOP) is imposed that would restrict use of the road during the rainy season for frogs, and the wintering season, for eagles.

Your Memo for the Moran Road Project includes the following conservation measures that address these concerns:

- Implement all applicable Forest Service Best Management Practices.
- Apply a limited operating period for construction activities so that activities do not occur from October 15 through May 1, to protect California red-legged frogs and bald eagles.
- To protect California red-legged frogs, bald eagles, aquatic resources, and provide for public safety, a road closure beyond the gate will be implemented from October 15 through May 1. This closure also applies to annual maintenance activities performed by motorized equipment.
- Equipment will be cleaned to remove noxious weeds and seeds prior to transport to the project site.
- If frogs, turtles, or eagles, are sighted in or near the project area during construction, the occurrence and location will be reported to a Forest Service biologist to determine the need for further review.
- A Forest Service biologist will be available for advice during all phases of project implementation.
- Any changes in the management requirements will be done in coordination with the U.S. Fish and Wildlife Service.

With the conservation measures proposed, we have determined that the subject action is not likely to adversely affect the bald eagle or the red-legged frog. Unless a red-legged frog is

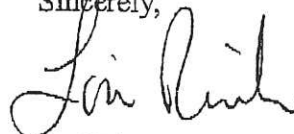
Jean M. Masquelier

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discovered during implementation of the proposed action, or new information reveals effects of the proposed action that may affect bald eagles or frogs in a manner or to an extent not considered, or a new species or critical habitat is designated that may be affected by the proposed action, no further action pursuant to the Act is necessary.

We appreciate your concern for the conservation of listed species. If you have any further questions regarding this action, please contact Ann Bowers, or Roberta Gerson of my staff.

Sincerely,



Lori Rinek

Acting Deputy Assistant Field Supervisor

cc: U. S. Forest Service, Downieville Ranger District, Camptonville, CA (Attn: Marilyn Tierney)



United States
Department of
Agriculture

Forest
Service

Downieville
Ranger
District

15924 Highway 49
Camptonville, CA
95922-9707
530-288-3231
530-288-3656 TDD
530-288-0727 FAX

File Code: 2670

Date: August 26, 2003

Mr. Wayne White
Field Supervisor
USDI Fish and Wildlife Service
2800 Cottage Way, Room W-2605
Sacramento, CA 95825-1846

Dear Mr. White:

The Tahoe National Forest is requesting informal consultation to comply with Section 7 of the Endangered Species Act. To date, Ann Carlson, Tahoe National Forest Fish Biologist and Marilyn Tierney, Downieville District Biologist have been in contact with Ann Bowers of your office on several occasions to incorporate USDI Fish and Wildlife Service recommendations into the project development. A field visit was conducted on July 10, 2003, with Ann Bowers and Gary Burton, District recreation staff, and Yuba County Water Agency representatives. Management requirements have been incorporated into this project as discussed.

We are requesting a Letter of Concurrence on the following determinations:

Bald eagle: "may affect, not likely to adversely affect"
Valley elderberry longhorn beetle: "no effect"
California red-legged frog: "may affect, not likely to adversely affect"
Lahontan cutthroat trout: "no effect"

Please contact Marilyn Tierney, Downieville District Biologist, or myself, if you have any questions on this project or the enclosed document.

Sincerely,

JEAN M. MASQUELIER
District Ranger

Enclosure



OCT 28 2003

BIOLOGICAL ASSESSMENT
BIRDS, AMPHIBIANS, FISH, INVERTEBRATES
MORAN ROAD PROJECT
DOWNIEVILLE RANGER DISTRICT
TAHOE NATIONAL FOREST
July 27, 2003.

PREPARED BY *Ann Carlson*
Ann Carlson, Forest/District Fisheries Biologist

8/11/03
Date

PREPARED BY *Marilyn Tierney*
Marilyn Tierney, District Wildlife Biologist

8/11/03
Date

EXECUTIVE SUMMARY
OF BIOLOGICAL ASSESSMENT FOR MORAN ROAD PROJECT

Date: July 24, 2003

Project Name: Moran Road Project.

Scope of Area Affected: The proposed project is located at Moran Cove located at the mouth of Little Oregon Creek on the west side of New Bullards Bar Reservoir (T18N R7E Sec 11 SW 1/4).

List/Status of Consultation with FWS and FWS Request for Specific Action:

Informal consultation, letter of concurrence requested from FWS, Sacramento Office.

FWS Project Contact: Ann Bowers

Name of Preparer: Ann Carlson and Marilyn Tierney

SPECIES	SPECIES STATUS	PRESENT IN PROJECT AREA: Habitat &/or detections	MANAGEMENT REQUIREMENTS, STANDARDS, GUIDELINES, SPECIES SPECIFIC PROJECT DESIGN STANDARDS	EFFECTS DETERMINATION	RECOMMENDED MITIGATION FOR NO EFFECT
Bald eagle	T	Y	Gate road and no construction or annual maintenance activities Oct 15-May 1 (wintering protection).	May affect, not likely to adversely affect	
California red-legged frog	T	Y	Gate road and no construction or annual maintenance activities Oct 15-May 1 (wet season protection).	May affect not likely to adversely affect	
Valley elderberry longhorn beetle	T	N		No effect	
Lahontan cutthroat trout	T	N		No effect	

I. INTRODUCTION

The purpose of this Biological Assessment is to document analysis of the potential effects of the Moran Road Project on the following federally protected bird, amphibian, invertebrate and fish species and their habitats:

Bald eagle, <i>Haliaeetus leucocephalus</i>	Threatened
California red-legged frog, <i>Rana aurora draytonii</i>	Threatened
Valley elderberry longhorn beetle, <i>Desmocerus californicus dimorphus</i>	Threatened
Lahontan cutthroat trout, <i>Oncorhynchus clarkii henshawi</i>	Threatened

The above list includes United States Department of Interior Fish and Wildlife Service (FWS) threatened, endangered, and proposed species. This assessment does not address USDA Forest Service Region 5 Sensitive Species; they are addressed in a separate Biological Evaluation. This assessment also does not address the following FWS Candidate Species and Species of Concern:

Mount Lyell salamander, *Hydromantes platycephalus*
California horned lizard, *Phrynosoma coronatum frontale*
Northern sagebrush lizard, *Sceloporus graciosus graciosus*
Western spadefoot toad, *Scaphiopus hammondii*
Tricolored blackbird, *Agelaius gentilis*
Sierra Nevada showshoe hare, *Lepus americanus tahoensis*
Pale Townsend's big-eared bat, *Plecotus (Corynorhinus) townsendi pallescens*
Yuma myotis bat, *Myotis yumanensis*
Fringed myotis bat, *Myotis thysanodes*
Greater western mastiff-bat, *Eumops perotis californicus*
Long-eared myotis bat, *Myotis evotis*
Long-legged myotis bat, *Myotis volans*
Small-footed myotis bat, *Myotis ciliolabrum*
Spotted bat, *Euderma maculatum*
Amphibious caddisfly, *Desmona bethula*
Cold Spring caddisfly, *Lepidostoma ermanae*
Lake Tahoe benthic stonefly, *Capnia lacustra*
Sagehen Creek goeracean caddisfly, *Goeracea oregona*
Shirrtail Creek stonefly, *Megaleuctra sierra*
Long-tailed caddisfly, *Farula sp.*
Spiny rhyacophilan caddisfly, *Rhyacophila spinata*
Green sturgeon, *Acipenser medirostris*
Longfin smelt, *Spirinchus thaleichthys*

The Tahoe NF is outside of the range of *Pogonichthys macrolepidotus* (Sacramento splittail), and *Hypomesus transpacificus* (delta smelt). *Oncorhynchus tshawytscha* (Central Valley fall/late fall-run chinook salmon), *Oncorhynchus mykiss* (Central Valley steelhead), *Oncorhynchus tshawytscha* (winter-run chinook salmon), *Oncorhynchus tshawytscha* (fall/late fall-run chinook salmon) and *Oncorhynchus tshawytscha* (spring-run chinook salmon) do not occur on the forest due to dams.

This biological evaluation was prepared in accordance with Forest Service Manual (FSM) direction 2672.42 and meets legal requirements set forth under Section 7 of the Endangered Species Act of 1973, as amended, and implementing regulations [19 U.S.C. 1536 (c), 50 CFR 402.12 (f) and 402.14 (c)].

II. CONSULTATION TO DATE

The FWS is contacted every 90 days to obtain a current list of threatened, endangered, proposed and candidate species that may be present on the Tahoe National Forest (TNF). The most recent list was dated April 15, 2003 (Appendix A). A field trip to the Moran Road Project site was conducted on July 10, 2003 with USFWS Sacramento Office representatives, Ann Bowers and Gary Burton.

Forest plans for national forests that lie within the Sierra Nevada were amended by the Sierra Nevada Forest Plan Amendment (USDA Forest Service, Region 5, 2001). The Regional Forester consulted on this amendment with the California and Nevada Operations Office of the USDI Fish and Wildlife Service. The Biological Opinion is dated January 11, 2001. The determination in the biological opinion is that the selected action is not likely to jeopardize the continued existence of species listed pursuant to the Act (bald eagle, California red-legged frog, valley elderberry longhorn beetle, Lahontan cutthroat trout). No terms or conditions were provided. Conservation recommendations are discussed in the corresponding species portions of this Biological Evaluation/Assessment if they are applicable to TNF species and management activities.

III. CURRENT MANAGEMENT DIRECTION

Current management direction on desired future conditions for Threatened, Endangered and Sensitive species on the TNF can be found in the following documents, filed at the District Office:

- Forest Service Manual and Handbooks (FSM/H 2670)
- National Forest Management Act (NFMA)
- Endangered Species Act (ESA)
- National Environmental Policy Act (NEPA)
- Tahoe National Forest Land and Resource Management Plan as amended by the Sierra Nevada Forest Plan Amendment (January 12, 2001) (LRMP)
- Species-specific Recovery Plans which establish population goals for recovery of those species
- Species management plans
- Species management guides or conservation strategies
- Regional Forester policy and management direction
- Sierra Nevada Forest Plan Amendment (January 12, 2001) (SNFPA)

Species-specific direction is described in Section V of this document. The Tahoe LRMP provides management guidelines that incorporate Regional direction for each species. All Threatened, Endangered and Sensitive species are included in the Tahoe LRMP list of Management Indicator Species. General Forest Service direction for Threatened, Endangered and Sensitive species is summarized below:

FSM 2670.31 THREATENED AND ENDANGERED SPECIES

1. Place top priority on conservation and recovery of endangered, threatened, and proposed species and their habitats through relevant National Forest System, State and Private Forestry, and Research activities and programs.
2. Establish through the Forest planning process objectives for habitat management and/or recovery of populations, in cooperation with States, the FWS, and other Federal agencies.
3. Through the biological evaluation process, review actions and programs authorized, funded, or carried out by the Forest Service to determine their potential for effect on threatened and endangered species and species proposed for listing.
4. Avoid all adverse impacts on threatened and endangered species and their habitat except when it is possible to compensate adverse effect totally through alternatives identified in a biological opinion rendered by the FWS, or when the FWS biological opinion recognizes an incidental taking. Avoid adverse impacts on species proposed for listing during the conference period and while their Federal status is being determined.
5. Initiate consultation or conference with the FWS when the Forest Service determines that proposed activities may have an adverse effect on threatened, endangered, or proposed species or when Forest Service projects are for the specific benefit of a threatened or endangered species.
6. Identify and prescribe measures to prevent adverse modification or destruction of critical habitat and other habitats essential for the conservation of endangered, threatened, and proposed species. Protect individual organisms or populations from harm or harassment as appropriate.

FSM 2670.32 SENSITIVE SPECIES

1. Assist States in achieving their goals for conservation of endemic species.
2. As part of the National Environmental Policy Act process, review programs and activities, through a biological evaluation, to determine their potential effect on sensitive species.
3. Avoid or minimize impacts to species whose viability has been identified as a concern.
4. If impacts cannot be avoided, analyze the significance of potential adverse effects on the population or its habitat within the area of concern and on the species as a whole.
5. Establish management objectives in cooperation with the States when a project on National Forest System lands may have a significant effect on sensitive species population numbers or distribution. Establish objectives for Federal candidate species, in cooperation with the FWS and the States.

IV. DESCRIPTION OF THE PROPOSED PROJECT

The location of this project is on the Feather River Ranger District of the Plumas National Forest. This project will be administered by the Downieville Ranger District of the Tahoe National Forest, in Yuba County, California, on the USGS Challenge, CA 7.5' Quadrangle Map, T18N, R07E, Section 11 SW ¼ (Figure 1)

The Moran Road Project is designed to provide a car top boat launch facility at Moran Cove using the existing road. Moran Road is a county road that pre-dates New Bullards Bar Reservoir. There is a long history of recreational use at this location and the existing road is hazardous. The Tahoe and Plumas National Forests in cooperation with the Yuba County Water Agency developed the Moran Road Project for improved access, parking and sanitation for use in the Moran Cove area. The Moran Road Project will be implemented in two phases.

Phase 1 will be located entirely above the high water line and will include improved control of drainage with placement of one culvert on the Moran Road leading to the new parking area, vegetation trimming along the road for better visibility and improved safety, a new seven space parking area, installation of a seasonal porta-potty type toilet facility and trash receptacles, maintenance service for the toilet and trash (Figure 2). Approximately 25 feet beyond the parking area a gate will be installed (Figure 2). The gate will have a seasonal closure (October 15- May 1). The Yuba County Water Agency would like to implement Phase 1 in August and/or September of 2003. Phase 1 will take approximately 2-3 weeks to complete. The wet season LOP (Oct 15 - May 1) will apply to Phase 1 construction.

Phase 2 will include road reconstruction beginning at the gate and extending beyond the high water line approximately 750 feet. At approximately the 750 mark beyond the high water line the Moran Road would be closed to vehicle travel due to high clay content in the soil that results in dangerous driving conditions even when slightly wet. Phase 2 is mostly below the high water line of the reservoir and is frequently under water (Figure 3). Phase 2 includes development of two turn-around areas (approx. 25' X 25' with boulder barrier on the outside edge of the road), placement of two culverts, and a boulder road closure. Since the Moran Road is frequently underwater, improving the road surface, providing subsurface drainage and annual maintenance will be important for maintaining safer driving conditions. The Yuba County Water Agency will be requesting an amendment to the original Recreation Plan (1993) seeking approval of Phase 2 by the Federal Energy Regulatory Commission (FERC). Yuba County Water Agency would like to implement Phase 2 in September-October of 2004. Phase 2 would take approximately 3 weeks to complete. The wet season LOP (Oct 15 - May 1) will apply to Phase 2 construction.

Annual maintenance of the Moran Road access and parking area would be implemented outside of the California red-legged frog limited operating period (LOP), October 15-May 1 (which includes a November 15 through March 15 limited operating period to protect bald eagle winter foraging habitat).

V. EXISTING ENVIRONMENT

GENERAL

The proposed Moran Road Project is located at Moran Cove near the mouth of Little Oregon Creek on the west side of New Bullards Bar Reservoir (T18N R7E Sec 11 SW 1/4) (Figure 1).

A variety of public and private interests own land around New Bullards Bar Reservoir. The majority of the land is National Forest System Lands, managed by two National Forests, the Tahoe National Forest (TNF) and the Plumas National Forest (PNF). The Yuba County Water Agency (YCWA) owns the majority of the private land around the perimeter of the reservoir, with individual private property owners and residential housing occupying the remainder.

The YCWA is licensed to manage New Bullards Bar Reservoir and provide hydroelectric power, flood control, domestic and agricultural water and recreation. The reservoir is a 966,103 acre-foot water storage facility, covering 4,809 water surface acres at a maximum water surface elevation of 1,956 feet above sea level (YCWA 1993). The reservoir is mostly undeveloped, but offers easy road access and is particularly attractive to those seeking motorized boat oriented recreation in a scenic setting.

Vegetation surrounding the reservoir includes a diversity of vegetation typical of montane hardwood-conifer habitats. The most common tree species are Ponderosa pine (*Pinus ponderosa*), sugar pine (*Pinus lambertiana*), Douglas-fir (*Pseudotsuga menziesii*), incense cedar (*Calocedrus decurrens*), California black oak (*Quercus kelloggii*), tan oak (*Lithocarpus densiflorus*) and Pacific madrone (*Arbutus menziesii*). In October 1999, the Pendola Fire burned through forested stands that surrounded Moran Cove. The north and western side burned the most intensely, and forested cover is below 40%. The south side of the Cove burned lightly, with most trees surviving, and overstory canopy cover was maintained. Cover within these stands exceeds 50%.

BY SPECIES

Applicable information from the Sierra Nevada Forest Plan Amendment (SNFPA) is included in each species description in this section. This information is presented in summary form. Further detail can be found in the Sierra Nevada Forest Plan Amendment Record of Decision and Final Environmental Impact Statement (January 12, 2001).

Bald Eagle

The bald eagle was listed by the FWS as a federally endangered species in 1978. On July 12, 1995, this species was reclassified to Threatened status in the lower 48 states. It was proposed for de-listing on July 6, 1999, but remains protected unless delisting is finalized. Following de-listing, the species would be placed on the Region 5 Regional Forester's Sensitive Species List (USDA Forest Service 1999). The species' status as "Sensitive" in Region 5 would be re-evaluated at the end of the five-year monitoring period that is identified in the U.S. Fish and Wildlife Service's Final Rule for de-listing the species, as published in the Federal Register, or if there is a change in the species' status under the ESA during this period (for example, if the FWS initiated re-listing due to information gathered from monitoring).

Bald eagles will continue to be protected under the Migratory Bird Treaty Act of 1918 and the Bald and Golden Eagle Protection Act. Measures currently being taken to minimize disturbance at nesting sites should be maintained in future management for this species. The FWS is currently preparing a de-listing monitoring plan.

Critical habitat is not currently mapped or proposed for the bald eagle in the Sierra Nevada. Bald eagle habitat (nesting or winter) occurs throughout the Pacific Southwest Region, which includes both the Sierra Nevada and Klamath Provinces. The Tahoe LRMP directs us to manage nesting and wintering habitats for target populations as specified in the species recovery plan. A draft TNF Bald Eagle Management Plan has been written and is currently being updated for review and consultation with FWS. Potential and known nesting and wintering habitat has not been mapped surrounding most reservoirs and lakes on the Forest, and most habitat has been surveyed. The SNFPA provided no new standards and guidelines for bald eagle management.

Nesting territories are normally associated with lakes, reservoirs, rivers or large streams (Lehman 1979). Bald eagle nests are usually located in uneven-aged (multi-storied) stands with old growth components (Anthony et al. 1982). Most nests in California are located in predominantly coniferous stands. Factors such as relative tree height, diameter, species, position on the surrounding topography, distance from water, and distance from disturbance also appear to influence nest site selection (Grubb 1976, Lehman et al. 1980, Anthony and Isaacs 1981).

Trees selected for nesting are characteristically one of the largest in the stand or at least codominant with the overstory. Nest trees usually provide an unobstructed view of the associated water body and are often prominently located on the topography. Live, mature trees with deformed tops are occasionally selected for nesting. Of nest trees identified in California, about 71 percent were ponderosa pine, 16 percent were sugar pine, and 5 percent were incense cedar. The remaining 8 percent were distributed among five other coniferous species. Eagle nests may be located in snags, but most nests are probably constructed when trees were alive (Anthony and Isaacs 1989). Nest tree characteristics in California have been defined by Lehman (1980) as being 41 to 46 inches in diameter at breast height and in excess of 100 feet tall.

In California, 73 percent of the nest sites were within 0.5 mile of a body of water, and 89 percent within 1 mile. No nests were known to be over 2 miles from water. Of 21 nests in Oregon, Anthony and Isaacs (1989) found 85% were within one mile of water. Bald eagles often construct several nests within a territory and alternate between them from year to year. Up to five alternative nests may be constructed within a single territory (U. S. Fish and Wildlife Service 1986).

Snags, trees with exposed lateral limbs, or trees with dead tops are often present in nesting territories and are used for perching or as points of access to and from the nest. Such trees also provide vantage points from which territories can be guarded and defended. Andrew and Mosher (1982) found that successful nests were in denser forest stands farther from human disturbance than were unsuccessful ones. They identify the most important characteristics of bald eagle nesting habitat in the Chesapeake Bay as being close to water and having open mature vegetation structure that allows for easy flight.

Breeding is initiated as early as January 1 via courtship, pair bonding, and territory establishment, and normally ends approximately August 31, as the fledglings are no longer attached to the immediate nest site. This time frame may vary with local conditions and knowledge. Incubation may begin in late February to mid-March, with the nestling period

extending to as late as the end of June. From June through August, the fledglings remain restricted to the nest until they are able to move around within their environment.

Anthony and Isaacs (1985) found negative relationships between eagle productivity and human activities, particularly logging activities. Effective breeding area management should avoid a flight response which is typically induced by disturbance at 200 to 300 m (Grubb et al. 1992). In their study of breeding bald eagle responses to human activities, Grubb et al. (1992) recommend a no activity primary zone of 500 to 600 m (1640 to 1968 feet) from nest sites, followed by a secondary zone of 1000 to 1200 m (3280 to 3936 feet).

Artificial nests are frequently proposed as mitigation where there are management conflicts. Placing artificial nests in new locations does not readily attract bald eagles, but may have application within breeding territories if they replace fallen, recently active nests (Grubb 1995a).

Wintering habitat is associated with open bodies of water, primarily in the Klamath Basin (Detrich 1981, 1982). Smaller concentrations of wintering birds are found at most of the larger lakes, at man-made reservoirs in the mountainous interior of the north half of the state, and at scattered reservoirs in central and southwestern California. Some of the state's breeding birds winter near their nesting territories.

The occurrence of two winter habitat features appears to play a significant role in bald eagle habitat selection during the cold months: diurnal perches and communal night roost areas. Because they are more difficult to locate and may occur some distance from the foraging source, winter roosts are at a greater risk of being removed by logging. Grubb and Kennedy (1982) state that protection of winter roosts are the most important for management considerations (Steenhof 1978 *in*: Grubb and Kennedy 1982) because they are continuously used and may be critical to the physical and behavioral maintenance of a population. They propose that the protection of perches is probably the least critical component of bald eagle wintering habitat, because these sites significantly vary throughout the winter and rarely limit eagle populations. However, they did find that, at reservoirs, the same perches were used more consistently than were perches along rivers.

Diurnal perches are used for foraging and are normally located in close proximity to a food source. They usually have a good view of the surrounding area and are often the highest perch sites available (Stalmaster 1976). In hardwood stands in the Chesapeake Bay, eagles preferred to use dead trees, and they used shoreline segments containing more suitable perch trees, more suitable dead trees, and a greater percent of forest cover (Chandler et al. 1995). There was a correlation with eagles using forest cover where areas were more disturbed by people. Perch trees used were large, with open, spreading form and stout, horizontal limbs. They also found that most eagles foraged within the first 50 meters (200 feet) of the water's edge; 85% used perches within 10 meters (33 feet) of the water. They recommend that management of foraging habitat: (1) create forested shorelines as close to the water as possible, (2) protect trees greater than 20 cm dbh (8 inches), and (3) leave dead trees standing.

In southwestern National Forests, Grubb and Kennedy (1982) found that although live ponderosa pine trees were the most prevalent perch tree available to eagles, they preferred to use snags over

living trees. Use of a perch tree relates to the habitat that surrounds it. Perches were oriented to provide all of the following, but not necessarily all at the same time: (1) a good view of the adjacent water and surrounding area; (2) maximum exposure to the sun, especially during morning hours on cold days; (3) maximum benefit of topography and diurnal wind currents for flight. They found eagles selecting for perches that provide good visibility, and this is influenced by three interrelated characteristics: openness, height of the substrate, and the height of the surrounding vegetation. As foliar density of the surrounding vegetation increased, or the height of the vegetation or hill increased, so did the need for higher perches. Usually eagles chose the largest trees with suitable branches.

Habitat requirements for communal night roosting are different from those for diurnal perching. Communal roosts are invariably near a rich food resource. In forest stands that are uneven-aged, communal roosts have at least a remnant of old-growth forest components (Anthony et al. 1982). Most communal winter roosts used by bald eagles throughout the Pacific recovery areas offer considerably more protection from the weather than diurnal habitat. Of three night roosts studied in southwestern National Forests, all were in ponderosa pine stands several hundred yards to several miles from the daytime water resource (Grubb and Kennedy 1982). Most roost trees were living and well foliated, but with large "windows" in the canopy. In five communal roosts in the Klamath Basin, Keister and Anthony (1983) found that bald eagles used old-growth forest stands as far as 9.6 miles from the food source. Defoliated trees such as snags, spike-topped conifers, and large deciduous trees were especially preferred.

The most common food sources for bald eagle in the Pacific region are fish, waterfowl, jackrabbits, and various types of carrion (USDI Fish and Wildlife Service 1986). In the winter, major prey may include: waterfowl, ungulate carrion, and small mammalian prey (Grubb and Kennedy 1982, Grubb 1995b). The kinds of prey selected changes depending on its availability.

Many studies show that eagles avoid, or are adversely affected by, human disturbance (Stalmaster and Newman 1978, Andrew and Mosher 1982, Fraser 1985, Fraser et al. 1985, Knight and Skagen 1987, Buehler et al. 1991, Grubb and King 1991, Grubb et al. 1992, Chandler et al. 1995, Grubb et al. 1995, Mathisen et al. 1997). Disturbance is most critical during: nest-building, courtship, egg-laying and incubation (Detrich 1990). Grubb et al. (1992) found that eagles are disturbed by most activities that occur within 1500 feet; and they take flight when activities occur within 600 feet. Mathisen et al. (1997) recommend that managers avoid any activities within 500 to 600 meters (1640 to 1968 feet) from a nest. They also recommend that any activities occurring within a secondary zone of 1000 to 1200 meters (3280 to 3936 feet) minimize the duration of the disturbance and avoid causing a flight response.

Eagles are disturbed differently depending on the kind of disturbance, the noise that it creates, the length of time that it lasts, and its location. Eagles are more disturbed as noise levels increase, the source of the disturbance gets closer, and by unusual disturbances not normally occurring in a particular area. Grubb and King (1991) and Grubb et al. (1992) found that pedestrian activities were the most disturbing group of human activities, followed by boats and vehicles. Among aircraft, helicopters elicited the highest disturbance response from eagles, frequently causing them to fly. They recommend permitting only short duration flights within 1100 m (3600 ft) of a nest (Grubb and King 1991), and they found that a greater frequency of

disturbances appeared to have a greater effect on breeding eagles (Grubb et al. 1992). Position is also important, with activities located above an eagle being more disturbing than below.

The draft California Bald Eagle Habitat Management Guidelines recommends that management eliminate human disturbances at nesting areas during the breeding period, and it gives examples of closures that include signs, road closures, floating booms, and prohibition of shoreline moorage (USDA Forest Service 1977, p29). Similar closures have been implemented at other locations in California that include: Shasta Lake, Little Grass Valley Reservoir, Stampede Reservoir.

Potential risk factors to the bald eagle from resource management activities include modification or loss of habitat or habitat components (primarily large trees) and behavioral disturbance to nesting eagles from vegetation treatment, facilities maintenance, recreation, or other associated activities within occupied habitat, which could prevent or inhibit nesting or lead to nest failure (USDA Forest Service 2001).

Conservation recommendations (USDI Fish and Wildlife Service 2001) that may be applicable to national forest management activities include:

1. Assist the U. S. Fish and Wildlife Service in further implementing recovery actions identified within the Recovery Plan for the bald eagle.
2. Conduct systematic surveys across the landscape to detect additional bald eagle nests and communal night roosts.
3. Monitor bald eagle responses to human generated disturbances, including threats and changes to bald eagle habitat. If the data results indicate bald eagles are exposed and negatively impacted by disturbances, consult with the Service on ways to minimize the impacts.
4. Promote public education regarding the importance and successes of conservation and protection of the bald eagle and other listed species. This can be done using signs in occupied habitat, brochures at ranger stations, and other mediums.
5. Within two years of the signing of the Record of Decision, prepare a bald eagle management plan for every basin or site in the analysis area with occupied bald eagle territories. Each bald eagle management plan should be prepared in consultation with the Service. The objective of a bald eagle management plan should be to perpetuate existing habitat conditions in the nesting, foraging, and wintering areas to maintain nesting pairs of bald eagles and to provide for additional nesting territories, based on the habitat suitability and carrying capacity of the area (as measured using Peterson's (1986) bald eagle habitat suitability index model). Each bald eagle management plan should address the effects of recreation, mining, timber management, residential development, hydroelectric power production, fisheries management, and other effects to bald eagles while offering measures to minimize these effects, including:

- A. Seasonal (January 1 to August 31 or 3 weeks after chicks have fledged) road closures within a quarter mile of bald eagle use areas should be implemented on roads, off-highway vehicle routes, or over snow vehicle routes within a quarter mile of bald eagle nesting, roosting, or wintering areas.
- B. Seasonal (January 1 to August 31 or 3 weeks after chicks have fledged) boating restrictions should be implemented within a quarter mile of bald eagle use areas where recreational boating and other water activities pose potential negative impacts to breeding, roosting, or wintering bald eagles.
- C. Seasonal (January 1 to August 31 or 3 weeks after chicks have fledged) trail restrictions should be implemented within 500 feet of a bald eagle nesting, roosting, or wintering area where hiking and bicycling trails pose potential negative impacts to the bald eagle use area.
- D. Non-system and other roads that lead to sensitive bald eagle habitat such as nesting, foraging, or roosting sites should be gated and bermed.
- E. Protection and enhancement of fish habitat in occupied bald eagle use areas through the maintenance of streambank stability by restricting activities such as, but not limited to livestock trampling, OHV use, stream crossings, and recreational use.
- F. Protection and enhancement of waterfowl habitat in occupied bald eagle use areas through the maintenance of riparian and lake shore vegetation (waterfowl nesting habitat) by restricting activities such as, but not limited to livestock trampling and grazing, OHV use, and recreational use.
- G. Seasonal restrictions on logging activities to avoid the bald eagle breeding period (January 1 to August 31 or 3 weeks after chicks have fledged) within one half mile of a nest. This should be increased to one mile for helicopter logging activities. In areas with wintering bald eagles, implement seasonal restrictions on logging activities to avoid the bald eagle wintering period (approximately November 15 to March 15) within one quarter mile of roosts, increase to one half mile for helicopter logging activities.
- H. Seasonal restrictions on prescribed burns. Do not implement prescribed burns within one-quarter mile of a nest during the breeding season (January 1 to August 31 or 3 weeks after chicks have fledged). If the nest is unoccupied or prescribed burns are to take place outside of the breeding season, maintain the fire at a distance of 500 feet from the nest. Fuels within a 500-foot radius of the nest should be hand thinned. In areas within 500 feet of bald eagle roosts and perches, implement seasonal restrictions on prescribed burns to avoid the bald eagle wintering period (approximately November 15 to March 15).

Within the Tahoe National Forest, three breeding territories have been identified in the 1990's-- Stampede, Boca, and Bullards Bar reservoirs—with an additional breeding territory on private land at Milton Reservoir. The Bullards territory is the only one located within the Downieville District. Outside of the Tahoe National Forest, a territory is reported to occur at Collins Reservoir, 10 miles to the southwest, and Little Grass Valley Reservoir in the Plumas National Forest, approximately 7 miles northwest.

For delisting to occur, the Pacific Bald Eagle Recovery Plan identifies four criteria: (1) a minimum of 800 nesting pairs in the Pacific recovery area; (2) average reproductive rate of 1.0 fledged young per pair, with an average success rate per occupied site of not less than 65%; (3) attainment of breeding population goals in at least 80% of the management zones with nesting potential; and (4) stable or increasing wintering populations.

The Plumas and Tahoe National Forests lie within Zone 28 (Sierra-Nevada Mountains) of the Pacific Bald Eagle Recovery Area (USDI Fish and Wildlife Service 1986, p.138). Recovery goals identify a target of three territories at Bullards Bar Reservoir, and one territory each for Stampede, Boca, and Jackson. Considering the previously-mentioned territories in the Tahoe NF (assuming the Milton Reservoir territory substitutes for Jackson because of its close proximity), recovery goals for the numbers of territories have been met at the other three sites; they have not been met at Bullards Bar Reservoir.

Bald eagle habitat, both nesting and wintering, occurs in many areas around Bullards Bar Reservoir. Forest Service recreation personnel regularly report bald eagle activity and potential nesting activity that they observe in the area. Two routes occur within the District that are part of the nationwide annual mid-winter bald eagle survey—one along the North Yuba River for a 14 mile stretch west of the town of Downieville, and the second conducted by boat around the perimeter of Bullards Bar Reservoir. These surveys, conducted since 1990, have produced an occasional individual eagle wintering along the North Yuba River, and a range of 10 to 20 individuals wintering at Bullards Bar Reservoir. This is the largest wintering concentration of eagles identified within the Tahoe National Forest.

Within the Reservoir, wintering habitat generally consists of a 200-foot perimeter along the high water mark, where eagles perch to forage. Winter surveys have identified scattered individual eagles perching along the water's edge, with certain areas used more regularly than others. Bullards dam is a frequently used diurnal area where wintering eagles congregate, and they are often seen foraging and perching in a cove just east of the dam. The west-side of the dam provides fewer perching opportunities because of the Emerald Cove marina and a large boat and motor vehicle parking area 100 feet above it. These developments increase human disturbance and displace vegetative perching structures. The cove on the east-side of the dam is well vegetated with large trees, provides some thermal cover, sturdy perching branches, and visual screening from Marysville Road above it. Eagles are often seen perching in these trees and on rocks at the water's edge, and flying from perches over the water. Other frequently used places around the reservoir include prominent points and the Garden Valley peninsula. Since the removal of the wood debris at Moran Cove, there are reports of eagles perching near Moran Cove during the winter.

A winter communal roost was recently discovered (January 2000) within a sheltered multi-storied stand along the water's edge, approximately 0.75 miles from this project area. At least eight eagles were counted at this roost with eagles frequently vocalizing. Low light conditions around dusk and dawn, multi-layered closed-canopy stands, and cryptic coloring that camouflages immature eagles—all these, make observations of the night roost difficult.

A pair of breeding eagles have had a nesting territory at the Reservoir on the Garden Valley Peninsula (2.5 miles northeast of this project) since 1989. The same nest tree was used through 1999, with young produced in 8 out of 11 of those years. In October of 1999, the Pendola Fire burned intensely through the nest stand, killing the nest tree and surrounding trees. The eagles built a new nest in a stand of green trees approximately 0.25 miles southeast of the original one. Since the discovery of the new nest, Reservoir management has implemented administrative closures during the breeding season within Tractor Cove and the access road to the Garden Valley Peninsula. The nest failed in 2000, but one young fledged in each of 2001 and 2002; two fledged in 2003.

A necessary criteria for recovery identified in the Pacific Bald Eagle Recovery Plan is an average reproductive rate of 1.0 fledged young per pair, with an average success rate per occupied site of not less than 65 percent per 5-year period. The Garden Point pair again meet these goals with a current average of 1.2 fledged and an average 5-year success rate of 80 percent.

In the spring of 2000, a boat survey of the Reservoir was conducted to look for additional breeding territories; none were found. Summer observations do not indicate that more than one breeding pair is present at the Reservoir. Because adult eagles are frequently seen all year within and near the active breeding territory, it is assumed that the breeding pair are year-round residents. Large nests are routinely mapped during the annual mid-winter survey and re-checked later in the season to see if eagles are using them. To date, surveys have identified the presence of one breeding pair at Bullards Reservoir. In 2003, a fourth-year adult was frequenting the Frenchy Point and North Yuba River areas of the Reservoir, and it has been near a second adult eagle. It is not known if the adult is from the existing breeding pair, or if there is a second pair of eagles establishing residence. District personnel, in cooperation with the Yuba County Water Agency, continue to monitor eagle activity at the reservoir, and if eagles establish a new breeding territory, the USDI Fish and Wildlife Service would be notified and any necessary consultation would be re-initiated at that time.

California Red-legged Frog

On June 24, 1996, the California red-legged frog, *Rana aurora draytonii*, was listed as federally threatened (USDI Fish and Wildlife Service 1996). The Final California Red-legged Frog Recovery Plan was released on September 12, 2002 (Federal Register, Vol. 67, No. 177, pgs. 57830-57831) (USDI Fish and Wildlife Service 2002). The recovery objective is to reduce threats and improve the population status of the California red-legged frog sufficiently to warrant delisting. The strategy for recovery includes protecting existing populations by reducing threats, restoring and creating habitat that will be protected and managed in perpetuity, surveying and monitoring populations, conducting research on the biology of the species and threats to the species, and re-establishing populations of the species within the historic range.

The Tahoe National Forest falls within the Sierra Nevada recovery unit (Recovery Unit #1) (USDI Fish and Wildlife Service 2002). The Plumas and Tahoe National Forests share Core Area #2 Yuba River-South Fork Feather River located in Yuba County (USDI Fish and Wildlife Service 2002). This core area includes a portion of the North Yuba River around New Bullards Bar Reservoir. Core areas are locations where recovery actions are expected to be focused. No critical habitat is designated on the Tahoe National Forest (USDI Fish and Wildlife Service 2000) (Federal Register 66 (49): 14626-14758).

The Final California Red-legged Frog Recovery Plan (USDI Fish and Wildlife Service 2002) states that this species occurs from sea level to elevations of about 1,500 meters (5,000 feet). There is no known habitat for California red-legged frogs in aquatic habitats that occur east side of the Sierra Nevada crest and flow to the Great Basin. This species is not native to the Great Basin. On the Tahoe National Forest the Truckee drainage flows to the Great Basin, all other drainages on the forest contain suitable habitats for California red-legged frog.

The following SNFPA direction specific to the California red-legged frog is taken directly from the Record of Decision, ROD Appendix A.

- The Forest Service will implement recovery plans for listed species; maintain and restore habitat to support viable populations of native riparian dependent species; prevent new introductions of invasive species; work cooperatively with appropriate State and Federal wildlife agencies to reduce impacts of invasive species to native populations; manage Riparian Conservation Areas to maintain or restore the structure and function of aquatic ecosystems.
- Riparian conservation areas overlap all land allocations. The standards and guidelines for riparian conservation areas apply in these areas except in cases where the standards and guidelines of the overlapping land allocation place greater restrictions on management activities. The Riparian Conservation Area (RCA) standards and guidelines include:
 - Designate RCA widths:

Perennial Streams	300 feet on each side of the stream, measured from the bank full edge of the stream
Seasonally flowing streams (includes ephemerals with defined stream channel or evidence of scour)	150 feet on each side of the stream, measured from the bank full edge of the stream
Streams in inner gorge (slopes greater than 70% gradient)	Top of inner gorge
Special aquatic features (lakes, meadows, bogs, fens, wetlands, vernal pools, springs) or perennial streams with riparian conditions extending more than 150 feet from edge of streambank or seasonally flowing streams with riparian	300 feet from edge of feature or riparian vegetation, whichever width is greater

conditions extending more than 50 feet from edge of streambank	
Other hydrological or topographic depressions without a defined channel	RCA width and protection measures determined through project level analysis

- Use a peer review process for vegetation treatments or other activities proposed within RCAs that are likely to significantly affect aquatic resources.
- Where a proposed project encompasses a riparian conservation area, conduct a site-specific project area analysis to determine the appropriate level of management within the RCA.
- Determine the type and level of allowable management activities by assessing how proposed activities measure against the riparian conservation objectives and their associate standards and guidelines.
- Implement other related standards and guidelines (S&Gs) appropriate to the project and include them in documentation of meeting riparian conservation objectives (grazing, road management, mining, vegetation management or other forest plan S&Gs).

RIPARIAN CONSERVATION OBJECTIVE #1: Ensure that identified beneficial uses for the water body are adequately protected. Identify the specific beneficial uses for the project area, water quality goals from the Regional Basin Plan, and the manner in which the standards and guidelines will protect the beneficial uses.

Standards and Guidelines Associated with RCO #1:

Implement project appropriate Best Management Practices and monitor their effectiveness following protocols outlined in "Investigating Water Quality in the Pacific Southwest Region: Best Management Practices Evaluation Program" (USDA-FS, PSW Region 1992).

For waters designated as "Water Quality Limited" (Clean Water Act Section 303(d)), implement appropriate State mandates for the water body, such as Total Maximum Daily Load (TMDL) protocols.

Conduct project-specific cumulative watershed effects analysis following Regional procedures or other appropriate scientific methodology to meet NEPA requirements.

Implement soil quality standards for soil loss, detrimental soil compaction, and organic matter retention to minimize the risk of sediment delivery to aquatic systems from management activities. Ensure that management-related activities, including roads, skid trails, landings, trails, or other activities, do not result in detrimental soil compaction on more than 5 percent of the RCA or 10 percent of the area in CARs. Measure compaction using the procedures outlined in Appendix F of the FEIS.

Identify existing and potential sources of sediment delivery to aquatic systems. Implement preventive and restoration measures, such as modifying management activities, increasing ground cover, reducing the extent of compacted surfaces, or revegetating disturbed sites to reduce or eliminate sediment delivery from these sources to aquatic systems.

Evaluate new proposed management activities within CARs and RCAs during environmental analysis to determine consistency with the riparian conservation objectives at the project level and the AMS goals for the landscape. Ensure that appropriate mitigation measures are implemented to (1) minimize the risk of activity-related sediment entering aquatic systems, and (2) minimize impacts to habitat for aquatic- or riparian-dependent plant and animal species.

Identify existing uses and activities in CARs and RCAs during landscape analysis. Evaluate existing management activities to determine consistency with RCAs during project-level analysis. Develop and implement actions needed for consistency with RCOs.

Ensure that management activities do not adversely affect water temperatures necessary for local aquatic- and riparian-dependent species assemblages.

Limit pesticide applications to cases where project level analysis indicates that pesticide applications are consistent with riparian conservation objectives. Prohibit application of pesticides to livestock in RCAs and CARs.

Avoid pesticide applications within 500 feet of known occupied sites for the California red-legged frog, Cascade frog, Yosemite toad, foothill yellow-legged frog, mountain yellow-legged frog, and northern leopard frog unless environmental analysis documents that pesticides are needed to restore or enhance habitat for these amphibian species.

Prohibit storage of fuels and other toxic materials within RCAs and CARs except at designated administrative sites. Prohibit refueling within RCAs and CARs unless there are no other alternatives. Ensure that spill plans are reviewed and up-to-date.

RIPARIAN CONSERVATION OBJECTIVE #2: Maintain or restore: (1) the geomorphic and biological characteristics of special aquatic features, including lakes, meadows, bogs, fens, wetlands, vernal pools, springs; (2) streams, including in stream flows; and (3) hydrologic connectivity both within and between watersheds to provide for the habitat needs of aquatic-dependent species.

Standards and Guidelines Associated with RCO #2:

Maintain and restore the hydrologic connectivity of streams, meadows, wetlands, and other special aquatic features by identifying roads and trails that intercept, divert, or disrupt natural surface and subsurface water flow paths. Implement corrective actions where necessary to restore connectivity.

Ensure that culverts or other stream crossings do not create barriers to upstream or downstream passage for aquatic-dependent species. Locate water drafting sites to avoid adverse effects to in stream flows and depletion of pool habitat. Where possible, maintain and restore the timing, variability, and duration of floodplain inundation and water table elevation in meadows, wetlands, and other special aquatic features.

Prior to activities that could affect streams, determine if relevant geomorphic characteristics, including bank angle, channel bank stability, bank full width-to-depth ratio, embeddedness, channel-floodplain connectivity, residual pool depth, or channel substrate, are within the range of

natural variability for the reference stream type as described in the Pacific Southwest Region Stream Condition Inventory protocol. If properties are outside the range of natural variability, implement restoration actions that will result in an upward trend.

Prevent disturbance to meadow-associated streambanks and natural lake and pond shorelines caused by resource activities (for example, livestock, off-highway vehicles, and dispersed recreation) from exceeding 20 percent of stream reach or 20 percent of natural lake and pond shorelines. Disturbance includes bank sloughing, chiseling, trampling, and other means of exposing bare soil or cutting plant roots. This standard does not apply to developed recreation sites and designated off-highway vehicle routes.

In stream reaches occupied by, or identified as "essential habitat" in the conservation assessment for, the Lahonton and Paiute cutthroat trout and the Little Kern golden trout, limit streambank disturbance from livestock to 10 percent of the occupied or "essential habitat" stream reach. (Conservation assessments are described in the record of decision.) Cooperate with State and Federal agencies to develop streambank disturbance standards for threatened, endangered, and sensitive species. Use the regional streambank assessment protocol. Implement corrective action where disturbance limits have been exceeded.

Determine if the age class, structural diversity, composition, and cover of riparian vegetation are within the range of natural variability for the vegetative community. If outside the range of natural variability, implement restoration actions that will result in an upward trend. Actions could include restoration of aspen or other riparian vegetation where conifer encroachment is identified as a problem.

Cooperate with Federal, Tribal, State and local governments to secure in stream flows needed to maintain, recover, and restore riparian resources, channel conditions, and aquatic habitat. Maintain in stream flows to protect aquatic systems to which species are uniquely adapted. Minimize the effects of stream diversions or other flow modifications from hydroelectric projects on threatened, endangered, and sensitive species and essential habitat as identified in conservation assessments. (Conservation assessments are described in the record of decision.)

During relicensing of Federal Energy Regulatory Commission (FERC) hydroelectric projects, evaluate modifications by the project to the natural hydrograph. Determine and recommend in stream flow requirements and habitat conditions that maintain, enhance, or restore all life stages of native aquatic species, and that maintain or restore riparian resources, channel integrity, and fish passage. Provide written and timely license conditions to FERC. Coordinate relicensing projects with the appropriate State and Federal agencies.

For exempt hydroelectric facilities on national forest lands, ensure that special use permit language provides adequate in stream flow requirements to maintain, restore, or recover favorable ecological conditions for local riparian- and aquatic-dependent species.

RIPARIAN CONSERVATION OBJECTIVE #3: Ensure a renewable supply of large down logs that: (1) can reach the stream channel and (2) provide suitable habitat within and adjacent to the RCA.

Standards and Guidelines Associated with RCO #3:

Determine if the level of coarse large woody debris (CWD) is within the range of natural conditions in terms of frequency and distribution and is sufficient to sustain stream channel physical complexity and stability. If CWD levels are deficient, ensure proposed management activities, when appropriate, contribute to the recruitment of CWD. Burning prescriptions should be designed to retain CWD; however short-term reductions below either the soil quality standards or standards in species management plans may result from prescribed burning within strategically placed treatment areas or the urban wildland intermix zone.

In plantations within RCAs or CARs, determine if the plantation will be able to provide a sufficient supply of standing trees suitable for large wood recruitment. If there is not sufficient wood for recruitment, develop a restoration program that will provide standing trees of the appropriate size in the RCA or CAR. In developing the restoration program, ensure that proposed activities are consistent with the riparian conservation objectives.

RIPARIAN CONSERVATION OBJECTIVE #4: Ensure that management activities, including fuels reduction actions, within RCAs and CARs enhance or maintain physical and biological characteristics associated with aquatic- and riparian-dependent species.

Standards and Guidelines Associated with RCO #4:

Within CARs, in occupied habitat or "essential habitat" as identified in conservation assessments for threatened, endangered, or sensitive species, evaluate the appropriate role, timing, and extent of prescribed fire. Avoid direct lighting within riparian vegetation; prescribed fires may back into riparian vegetation areas. Develop mitigation measures to avoid impacts to these species whenever ground-disturbing equipment is used.

Use screening devices for water drafting pumps. (Fire suppression activities are exempt). Use pumps with low entry velocity to minimize removal of aquatic species, including juvenile fish, amphibian egg masses and tadpoles, from aquatic habitats.

Design prescribed fire treatments to minimize disturbance of ground cover and riparian vegetation in RCAs. In burn plans for project areas that include, or are adjacent to RCAs, identify mitigation measures to minimize the spread of fire into riparian vegetation. In determining which mitigation measures to adopt, weigh the potential harm of mitigation measures, for example fire lines, against the risks and benefits of prescribed fire entering riparian vegetation. Strategies should recognize the role of fire in ecosystem function and identify those instances where fire suppression or fuel management actions could be damaging to habitat or long-term function of the riparian community.

Where catastrophic events, such as drought, fire, flooding, wind, or insect damage, result in degraded stand conditions, allow salvage harvesting and fuelwood cutting in RCAs and CARs consistent with the assessment of the RCOs for the area. Ensure that present and future woody debris needs are met.

Post-wildfire management activities in RCAs and CARs should emphasize enhancing native vegetation cover, stabilizing channels by non-structural means, minimizing adverse effects from the existing road network, and carrying out activities identified in landscape analyses. Post-wildfire operations shall minimize the exposure of bare soil.

Allow mechanical ground disturbing fuels treatments, hazard tree removal, salvage harvest, or commercial fuelwood cutting within RCAs or CARs when the activity is consistent with RCOs. Projects providing for public health and safety, such as the felling of hazard trees or fuel reduction activities within the defense zone of the urban-wildland intermix zones, are permitted. Utilize low ground pressure equipment, helicopters, over the snow logging, or other non-ground disturbing actions to operate off of existing roads when needed to achieve RCOs. Prior to removing trees within RCAs or CARs, determine if existing down wood is sufficient to sustain the stream channel physical complexity and stability required to maintain or enhance the aquatic- and riparian-dependent community. Ensure that existing roads, landings, and skid trails meet Best Management Practices. Minimize the construction of new skid trails or roads for access into RCAs for fuel treatments, salvage harvest, commercial fuelwood cutting, or hazard tree removal.

Prior to implementing ground disturbing activities within suitable habitat for the California red-legged frog, foothill yellow-legged frog, mountain yellow-legged frog, and northern leopard frog:

- Assess and document aquatic conditions using the Pacific Southwest Region Stream Condition Inventory protocol, and
- Develop mitigation measures (such as timing of activities, limited operating seasons, avoidance) to avoid impacting these species.

During fire suppression activities, consider impacts to aquatic- and riparian-dependent resources. Where possible, locate incident bases, camps, helibases, staging areas, helispots, and other centers for incident activities outside of RCAs or CARs. During presuppression planning, determine guidelines for suppression activities, including avoidance of potential adverse effects to aquatic- and riparian-dependent species as a goal.

Assess roads, trails, OHV trails and staging areas, developed recreation sites, dispersed campgrounds, special use permits, grazing permits, and day use sites during landscape analysis. Identify conditions that degrade water quality or habitat for aquatic- and riparian-dependent species. At the project level, determine if use is consistent with other standards and guidelines or desired conditions. If inconsistent, modify the use through redesign, rehabilitation, relocation, closure, or re-directing the use to a more suitable location.

Require solid waste facilities (such as waste rock and tailings dumps) to be located outside riparian conservation areas. Where no reasonable alternative to locating these mine waste facilities in riparian conservation areas exists, locate and design them with the goal of ensuring mine waste facility stability and preventing potentially toxic releases. Ensure the following measures are applied: (1) analyze mine waste material using the best conventional sampling methods and analytical techniques to determine its chemical and physical stability characteristics; (2) locate and design mine waste facilities using best conventional techniques to ensure mass stability and prevent acid or toxic material releases; (3) ensure that reclamation and reclamation bonds are sufficient to ensure long-term chemical and physical stability of mine waste facilities; and (4) monitor mine waste facilities after operations have ceased to ensure that chemical and physical conditions are consistent with aquatic management strategy goals.

Allow saleable mineral activities, such as sand and gravel mining and extraction, in riparian conservation areas only if measures that protect the integrity of aquatic, riparian meadow ecosystems are implemented.

RIPARIAN CONSERVATION OBJECTIVE #5: Preserve, restore, or enhance special aquatic features, such as meadows, lakes, ponds, bogs, fens, and wetlands, to provide the ecological conditions and processes needed to recover or enhance the viability of species that rely on these areas.

Standards and Guidelines Associated with RCO #5:

Assess the hydrologic function of meadow habitats and other special aquatic features during range management analysis. Ensure that characteristics of special features are, at a minimum, at Proper Functioning Condition, as defined in the appropriate Technical Reports: (1) "Process for Assessing PFC" TR 1737-9 (1993), "PFC for Lotic Areas" USDI TR 1737-15 (1998) or (2) "PFC for Lentic Riparian-Wetland Areas" USDI TR 1737-11 (1994).

Prohibit or mitigate ground-disturbing activities that adversely affect hydrologic processes that maintain water flow, water quality, or water temperature critical to sustaining bog and fen ecosystems and plant species that depend on these ecosystems. During project analysis, survey, map, and develop measures to protect bogs and fens from such activities as trampling by livestock, pack stock, humans, and wheeled vehicles. Criteria for defining bogs and fens include, but are not limited to, presence of: (1) sphagnum moss (*Sphagnum spp.*), (2) mosses belonging to the genus *Meesia*, and (3) sundew (*Drosera spp.*) Complete initial plant inventories of bogs and fens within active grazing allotments prior to re-issuing permits.

Locate new facilities for gathering livestock and pack stock outside of meadows and riparian conservation areas. During landscape analysis, evaluate and consider relocating existing livestock facilities outside of meadows and riparian areas (RCA42). Prior to re-issuing grazing permits, assess the compatibility of livestock management facilities located in riparian conservation areas with riparian conservation objectives.

Under season-long grazing:

- For meadows in early seral status: limit livestock utilization of grass and grass-like plants to 30 percent (or minimum 6-inch stubble height).
- For meadows in late seral status: limit livestock utilization of grass and grass-like plants to a maximum of 40 percent (or minimum 4-inch stubble height).

Determine ecological status on all key areas monitored for grazing utilization prior to establishing utilization levels. Use Regional ecological scorecards and range plant list in regional range handbooks to determine ecological status. Analyze meadow ecological status every 3 to 5 years. If meadow ecological status is determined to be moving in a downward trend, modify or suspend grazing. Include ecological status data in a spatially explicit Geographical Information System database.

Under intensive grazing systems (such as rest-rotation and deferred rotation) where meadows are receiving a period of rest, utilization levels can be higher than the levels described above if the meadow is maintained in late seral status and meadow-associated species are not being impacted. Degraded meadows (such as those in early seral status with greater than 10 percent of the meadow area in bare soil and active erosion) require total rest from grazing until they have recovered and have moved to mid- or late seral status.

The grazing standards specified in standard and guideline FW-G04B (above) may be modified to assess the effects of grazing intensity and frequency on willow flycatcher site occupancy or demography. Such modifications must be part of a formal management study developed in cooperation with the Pacific Southwest Research Station.

Limit browsing to no more than 20 percent of the annual leader growth of mature riparian shrubs (including willow and aspen) and no more than 20 percent of individual seedlings. Remove livestock from any area of an allotment when browsing indicates a change in livestock preference from grazing herbaceous vegetation to browsing woody riparian vegetation. Herd sheep away from woody riparian vegetation at all times.

RIPARIAN CONSERVATION OBJECTIVE #6: Identify and implement restoration actions to maintain, restore or enhance water quality and maintain, restore, or enhance habitat for riparian and aquatic species.

Recommend and establish priorities for restoration practices in: (1) areas with compaction in excess of soil quality standards, (2) areas with lowered water tables, or (3) areas that are either actively down cutting or that have historic gullies. Identify other management practices, for example, road building, recreational use, grazing, and timber harvests that may be contributing to the observed degradation.

Reclaim abandoned mine sites that are degrading aquatic riparian and meadow ecosystems. First priority is to reclaim sites with hazardous or toxic substances located within CARs and RCAs.

Critical Aquatic Refuges are small subwatersheds that contain known locations of threatened, endangered or sensitive species. The Tahoe currently has two Critical Aquatic Refuges, Upper Independence Creek and Sierra Buttes, neither of which includes known populations of California red-legged frog. As information is gathered through surveys and landscape analysis, additional Critical Aquatic Refuges may be added to this list.

SPECIES INFORMATION

Historically, the California red-legged frog was found west of the Sierra-Cascade crest at elevations below 5,000 feet (Jennings and Hayes 1994). The California red-legged frog is a highly aquatic species typically found in cold water ponds and stream pools with depths typically exceeding 2 feet and with overhanging vegetation such as willows, as well as emergent and submergent vegetation (Hayes and Jennings 1988). It is generally found in or near water but does disperse away from water after rain storms (Martin 1992). This species of frog breeds along aquatic vegetation in deep, slow water (<2% gradient) environments during the months of November through March in most of its current range (Federal Register, May 23, 1996). Breeding in the Sierra Nevada would occur later due to freezing temperatures from November

thru February. Breeding would likely occur from March thru May at higher elevations (Freel, personal communication, 1997). Permanent or nearly permanent pools are required for tadpole development, and emergent and overhanging vegetation is used as refugia by adult frogs. Ponds with cattails or other emergent vegetation provide good cover (Martin 1992). The amount of time to metamorphosis is highly dependent on temperature (Calef 1973). Tadpole development takes 11 to 20 weeks (Storer 1925, Calef 1973). Water quality is also very important. Adult frogs normally become sexually mature in two (males) to three (females) years and can live as long as ten years or more.

The California red-legged frog requires permanent aquatic habitats for breeding, feeding and shelter. As adults, they may also utilize moist, sheltered, terrestrial habitats near streams. In the proposed ruling to list this species, the United States Fish and Wildlife Service cites Rathbun et al. (1993) in reporting that this frog estivates in small mammal burrows and moist leaf litter up to 85 feet from water in dense riparian vegetation. This behavior occurs where the aquatic habitat is intermittent in nature. During wet periods, especially in the winter and early spring months, California red-legged frogs disperse away from breeding habitat to seek suitable foraging habitat. This dispersal behavior can result in California red-legged frogs ending up in isolated aquatic habitats as far as one mile from their natal pond.

Ideal breeding habitat of California red-legged frogs is characterized by dense, shrubby riparian vegetation associated with deep (≥ 2 feet), still or slow-moving water (Jennings 1988, Hayes and Jennings 1988). The shrubby riparian vegetation that structurally seems to be most suitable for California red-legged frogs is that provided by willow, cattails and bullrushes (Jennings 1988). However, California red-legged frogs have been found in less than ideal habitats and a combination of these factors is more important than an individual habitat component (Hayes and Jennings 1988). Small to medium perennial streams can also provide breeding habitat if the streams are not subjected to scouring flows during egg development. Streams in this category generally have the potential for deep pools and riparian vegetation to provide the habitat requirements for this frog. Permanent or nearly permanent pools that hold water into the summer are required for tadpole development. Emergent and overhanging vegetation is used as a brace for egg deposition and as cover by adult frogs.

While California red-legged frogs are generally found in or near water, during periods of wet weather, starting with the first rains of fall (0.25 inch after October 1), individual frogs may make overland excursions through upland habitats (USDI Fish and Wildlife Service 2002, pg.12). Various studies of California red-legged frog movement suggest that frog movement often occurs up to 1 mile, and one study showed frogs moving up to 2 miles without apparent regard to topography, vegetation type, or riparian corridors (USDI 2002, pgs 12-13). The Tahoe NF considers potential suitable breeding habitat on National Forest lands within 1 mile of a project unit to be a potential source of frogs into the project unit area, therefore these areas are surveyed for presence of frogs if they occur on National Forest land.

Dispersal habitat generally includes moist, shaded areas with vegetation that provides cover, however, individuals may move through areas that could be considered to be unsuitable for frogs. Normally, frogs travel along riparian corridors and can be found adjacent to streams,

meadows or marsh areas. Adults feed primarily on aquatic and terrestrial invertebrates, but large adults will eat small rodents such as deer mice (Jennings, personal communication, 1997).

This species is highly restricted in the Sierra Nevada, and has been eliminated from 75% of its historic range (Jennings 1988). Habitat loss and alteration, the introduction of bullfrogs and other aquatic predators, and historic timber harvest have been implicated in the population decline (Jennings 1988, Moyle 1973).

Potential risk factors to the California red-legged frog from resource management activities include modification or loss of habitat or habitat components, primarily aquatic and adjacent riparian environments used for reproduction, cover, foraging, and aestivation. Egg survival can be impacted by mining and road/trail construction through increases in fine sediments. Livestock grazing directly affects riparian vegetation, emergent vegetation, causes nutrient loading, and also affects channel morphology and hydrology. Timber harvest can result in loss of riparian vegetation and increased erosion and siltation of aquatic habitats (SNFPA 2001).

Conservation Recommendations (FWS 2001) that may be applicable to management activities include:

1. Assist the FWS in implementing recovery actions identified within the Draft Recovery Plan for the red-legged frog, including:
 - A. Working with the FWS and other interested parties in developing a reestablishment program for red-legged frogs on National Forest Land
 - B. Developing a nonnative predator (e.g., bullfrogs and warmwater fish spp.) eradication program
2. Any individuals handling red-legged frogs should be prior-approved by the FWS. All trapping protocol utilized should be prior-approved by the FWS;
3. Prior to activities within Core Areas identified in the California Red-legged Frog Recovery Plan, a Landscape Analysis should be completed and submitted for approval by the Service. The Landscape Analysis should include, but not be limited to:
 - A. Discussions of the management and maintenance in perpetuity of the habitats for red-legged frogs;
 - B. Discussions of runoff control and maintenance of hydrology of the aquatic habitat;
 - C. Provisions for the design and implementation of a bullfrog eradication program for all aquatic areas;

- D. Provisions for management and maintenance of upland habitat within the Core Areas;
 - E. Provisions for a written report to the FWS, and CDFG on the functioning of the Core Areas five years after the completion of the Landscape Analysis. The report should recommend maintenance practices, repairs, *etc.*, (subject to review and approval by the FWS and CDFG) necessary to ensure the continued functioning of Core Areas as red-legged frog habitat.
4. At least 80 percent of natural streambank stability should be maintained at the end of the authorized grazing season in areas that are occupied by red-legged frogs or red-legged frog habitat within CARs. This means that no more than 20 percent of the natural streambank stability could be altered by activities such as, but not limited to: livestock trampling, chiseling and sloughing, OHV use, stream crossings, and recreational use.
 5. Encourage or require the use of appropriate California native species in revegetation and habitat enhancement efforts associated with projects authorized by the Forest Service.

The Tahoe National Forest definition of suitable California red-legged frog breeding habitat includes all ponds, lakes and reservoirs on the westslope of the forests that contain water through July in years with average precipitation, and low gradient stream reaches (< 2%) that do not receive peak runoff flows from snowmelt during May or June. Sites need to provide: suitable water depth for breeding (most years), presence of still or slow moving water, good water temperature for egg laying and larval development, presence of emergent aquatic vegetation or woody debris for egg deposition braces. Habitats are of a higher quality if they are not occupied by non-native predators (bullfrogs, sunfish, etc.).

Tahoe National Forest watershed survey crews regularly note amphibians found in aquatic habitats and annually conduct stream surveys across portions of the forests. Suitable habitat such as marshes, ponds and low gradient streams occur on a number of sites within the historical range of this species on the Tahoe National Forest. Intensive surveys for California red-legged frogs have occurred on the Tahoe National Forest (1996-Present). Within suitable habitat, most of these surveys have followed the FWS California red-legged frog survey protocol (1997). On the Tahoe National Forest, biologists have surveyed approximately 80 sites, however, no populations of California red-legged frogs have been observed.

Two specimens at the Museum of Vertebrate Zoology, University of California at Berkeley, are very near or in the Tahoe National Forest. One of the historic locations is northeast of the town of Dutch Flat (T15N R10E, elevation 3200 feet). California red-legged frogs were collected at this site in 1916 and 1939. It is unknown if the location of this sighting was on private or public land. The other historic sighting is near Michigan Bluff at Byrds Valley (T14N R11E, elevation 3200 feet). This record is from 1964 (J. Dixon). This site is on private land. A recent survey (1997) of this site by USGS NBS biologist noted that there is very little water available and that there was no suitable breeding habitat for frogs at this location.

An additional historic location in Nevada County is evident by the following 1880 account from the *Nevada Tri-weekly Herald*:

“Frog hunting amongst the young sporting fraternity of the community is becoming as popular as a dove or quail hunt. Last Sunday we met several young frog-eater on the outskirts of town armed with poles, on the end of which were iron rods about eight inches long, shaped somewhat similar to that of a fish hook. We inquired of the urchins whither they were going, to which they replied, “frog hunting”. Our curiosity led us, as the boys proceeded on toward the Snow Mountain Ditch, to follow in the rear. It did not take over twenty minutes for the frog hunters to reach the abode of the “croaker”. The first victim speared was what the boys called a “red legger”. He was brought forth at the end of a spear by one of the hunters, wriggling and croaking amid the shouts and yells of those young Sabbath breakers. We learned from the boys that there were several species of frogs, viz: “yellow leggers”, “green leggers”, and “red leggers”. The last named are the larger and better eating than either of the former and consequently were received, when caught, with delight.”

The Brunswick Basin area of Grass Valley used to be a wetland that is likely to be the location noted in this article.

Prior to the flooding of New Bullards Bar Reservoir several wetlands existed that could have supported California red-legged frogs. The recent finding (Sept. 15, 2000) of frogs in Little Oregon Creek (a tributary to New Bullards Bar Reservoir) on the Plumas National Forest could represent a remnant population from the wetlands that are now gone. This population is approximately 1 mile from New Bullards Bar Reservoir. Also to the north of the Tahoe National Forest there is a California red-legged frog population at a pond on a private parcel in the French Creek drainage within Butte County (Barry 1999). This population is more than 10 miles from the Tahoe National Forest.

The Moran Road Project is located at Moran Cove near the mouth of Little Oregon Creek approximately one mile downstream of the Little Oregon Creek breeding population. Because of the close proximity of the breeding habitat, the project site was surveyed to USFWS protocol (1997) for California red-legged frog using the Fellers and Freel (1995) method. Two daytime and two nighttime searches were made in the Moran Cove area including tributary drainages flowing into the cove. Surveys were conducted on May 17, 2001 by Forest Service biologists and on June 30, 2001 and July 7, 2001 by Sean Barry contracted herpetologist. No California red-legged frogs were observed during any of the surveys. There is no breeding habitat for California red-legged frogs at or near the Moran Road site due to steep topography and lack of ponded water. The reservoir is not suitable for red-legged frog breeding in the Moran Cove area because of the rocky/mud substrate and the lack vegetation for egg attachment. In addition, bullfrogs occupy the Moran Cove area. The project area is not within designated critical habitat for this species.

Valley Elderberry Longhorn Beetle

Habitat for the Valley Elderberry Longhorn Beetle is found primarily in moist valley oak woodlands along the margins of rivers and streams in the lower Sacramento River and upper San

Joaquin Valley. They may occur as high as 2500 feet from Redding south to Bakersfield, and from east to west across the valley. Streamside woodlands have been largely developed or converted to agricultural uses, eliminating most of the elderberry necessary for the beetles' survival. Threats to this species include urban development, insecticides, herbicides and fluctuations in stream water levels (Steinhart 1990).

Reproduction of the valley elderberry longhorn beetle is initiated in the spring, when adults feed on elderberry shrubs (*Sambucus* spp.) occurring in riparian areas. Steinhart (1990) described basic development as follows: After hatching, larvae tunnel into the soft core of elderberry stems and excavate passages in the wood as they feed. Larvae may remain in this stage for as long as two years before they emerge into the light of day as adults.

Critical habitat has been designated, but none occurs on National Forest System lands, including the TNF. There is no habitat for this species in the project area. Therefore this project will not affect this species or its habitat, and no further analysis is necessary.

Lahontan Cutthroat Trout

The Lahontan cutthroat trout was listed by the U.S. Fish and Wildlife Service as an endangered species in 1970 (Federal Register Vol. 35, p. 13520). The listing was reclassified to threatened status in 1975 to facilitate recovery and management efforts and authorize regulated angling (Federal Register Vol. 40, p. 29864). Currently, no Critical Habitat has been designated for the Lahontan cutthroat trout (USDI Fish and Wildlife Service 1995). Lahontan cutthroat trout and its habitat are not present within the project watershed. Therefore this project will not affect this species or its habitat, and no further analysis is needed.

VI. EFFECTS OF THE PROPOSED PROJECT AND PROJECT DESIGN RECOMMENDATIONS

This section describes the effects of the proposed project to the various species. Effects are described as either direct, indirect or cumulative. Direct effects as described in this evaluation refer to mortality or disturbance that results in flushing, displacement or harassment of the animal. Indirect effects refer to modification of habitat and/or effects to prey species. Cumulative effects represent "the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions" (National Environmental Policy Act 1986). If the cumulative effects involve a federally listed species, the definition expands to address "those effects of future state or private activities, not involving Federal activities, that are reasonably certain to occur within the action area of the Federal action subject to consultation" (Endangered Species Act, 1973 as amended).

Bald eagle

DIRECT

Operating heavy equipment and machinery could disturb eagles within approximately 0.25 miles from this project, causing them to temporarily avoid the area. If this happened near a nest during breeding season, or at a regularly-frequented foraging site, this could reduce the fitness of individuals or their reproductive capability. To date, no nests have been identified in the vicinity of this project. Annual monitoring at the Reservoir should identify if additional nesting pairs establish territories. Management requirements are included in the proposed action so that construction activities do not occur from October 15 through May 1, to protect riparian-dependent resources. This will also protect bald eagle winter foraging period (November 15 through March 15), and will ensure that disturbances to bald eagles do not occur during critical times or at sensitive places.

INDIRECT

A small amount of vegetation will be removed from the vicinity of the parking area (approximately 0.25 acres). Trees that will be removed do not have prominent or characteristic perching structures that eagles are likely to use, and additional trees and perching structures will remain along the shoreline. The installation of a gate, which will be closed seasonally (October 15 through May 1) will better maintain the integrity of the shoreline by reducing erosion on the road, and it will reduce the potential for human disturbances directly on the shoreline during the winter months, when eagles are most likely to present at this location. This is expected to indirectly benefit bald eagles and their habitat.

CUMULATIVE

Cumulative effects to eagles include: lowered reproduction caused by pesticides, loss of habitat through increased recreation, development of shorelines, logging, and disturbances from human activities. The number of summer recreationists has steadily increased at New Bullards Bar Reservoir since the late 1980's. These uses include: camping, hiking, fishing, boating, picnicking, motorized vehicular use, mountain biking, and reservoir maintenance. Some shoreline development, and maintenance activities have impacted eagles and their habitat at the reservoir through the years. Shoreline camping is permitted along most shorelines.

The Pendola Fire burned 12,000 acres, removing approximately 1600 acres of mixed conifer stands with large trees (greater than 24 inches dbh), that provided potential nest or roosting trees for eagles.

This project is expected to reduce cumulative effects to eagles a small degree, by reducing the potential for human disturbances directly at the shoreline. Additionally, improving the road, culverts, and implementing a seasonal road closure will reduce the existing erosion and sediment runoff presently caused by the existing un-maintained road.

California red-legged frog

DIRECT: There is a very low likelihood that California red-legged frogs would be in the project area at any time of the year. If a frog is present, management requirements including a wet season LOP (October 15 to May 1) for road reconstruction and road use will help to ensure frogs are not directly affected by this project. Improvements of the Moran Cove access may slightly

increase recreational use in the nearby area of Little Oregon Creek. The chances of anyone finding a frog and harming or harassing it are very slight.

INDIRECT: California red-legged frog habitat will not be affected by this project. Drainage improvements on Moran Road could reduce sediment entering the reservoir and the mouth of Little Oregon Creek.

CUMULATIVE: The scope of the Moran Road Project is small both spatially and temporally. The area affected by this project is limited to the existing roadbed, parking area (7 spaces), two small turnarounds and the three culverts. Construction will be completed during the late summer and fall, approximately 2-3 weeks in 2003 and 3 weeks in 2004. The road already exists, the parking area would be new. Activities in this watershed are varied and include logging on private and national forest lands, roads, private homes, and recreation. Cumulative effects from this project are expected to be insignificant due to the limited nature of the project. This project would be limited in time and place due to: 1) low likelihood of this species inhabiting the project area and 2) activities are focused outside of key habitats for which this species is associated. The over-riding impact at this site to habitat quality over-time is the reservoir and its management. Long-term solutions to management of reservoir will be addressed in a management plan for the reservoir, which is a separate document.

VII. DETERMINATION STATEMENTS

Lahontan cutthroat trout and Valley elderberry longhorn beetle:

It is my determination that the Moran Road Project will not affect these species.

Bald Eagle:

It is my determination that the Moran Road Project may affect but is not likely to adversely affect the bald eagle. No critical habitat has been designated.

California red-legged frog:

It is my determination that the Moran Road Project may affect but is not likely to adversely affect the California red-legged frog or its designated critical habitat.

VIII. MANAGEMENT REQUIREMENTS.

This is the list of all management requirements and LRMP Standards/Guidelines which have been incorporated into the project proposal. These actions have been agreed to by the Interdisciplinary Team and Line Officer.

- 1) Implement all applicable Forest Service Best Management Practices (BMPs).
- 2) Apply a limited operating period for project construction activities, so that activities do not occur October 15 through May 1, to protect California red-legged frogs and bald eagles.

- 3) To protect California red-legged frogs, bald eagles, and aquatic resources, implement a road closure beyond the gate from October 15 through May 1. This closure also applies to annual maintenance activities performed by motorized equipment.
- 4) Equipment will be cleaned to remove noxious weeds and seeds prior to transport to the project site.
- 5) If frogs, turtles, or eagles; are sighted in or near the project area during construction, the occurrence and location will be reported to a Forest Service biologist to determine the need for further review.
- 6) A Forest Service biologist will be available for advice during all phases of project implementation.
- 7) Any changes in the management requirements will be done in coordination with the U.S. Fish and Wildlife Service.

IX. FIGURES

FIGURE 1. Moran Road Project Area

FIGURE 2. Phase 1 of the Moran Road Project

FIGURE 3. Phase 2 of the Moran Road Project

Figure 1. Moran Road Project Area.

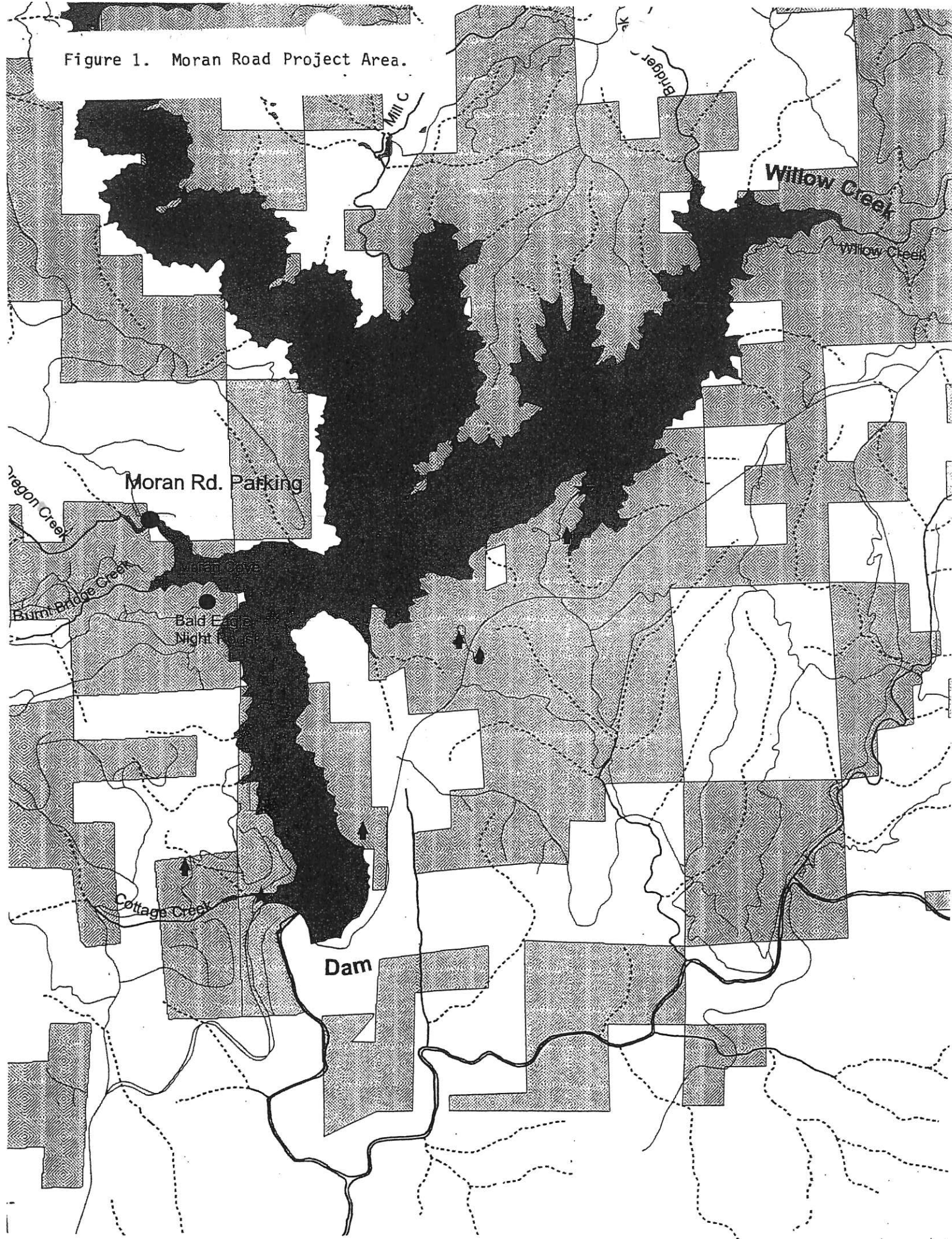


Figure 2: Phase 1 of the Moran Road Project

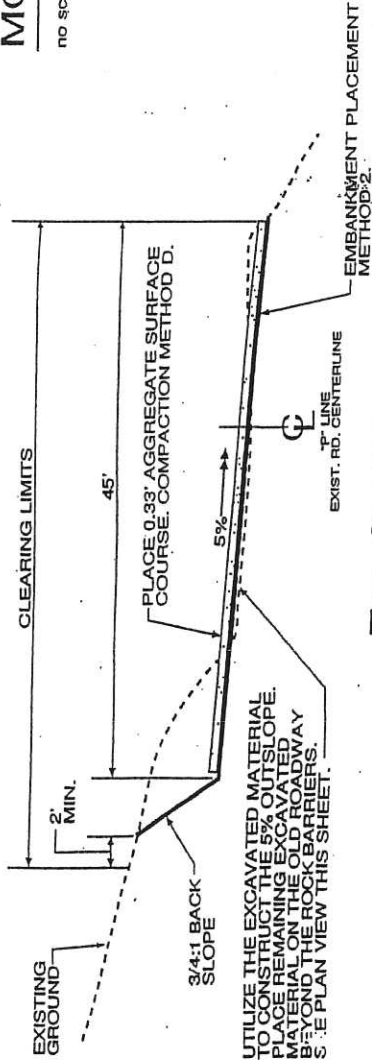
Bullards Bar
MORAN RD. PARKING AREA

July 12, 1999 W.Davis

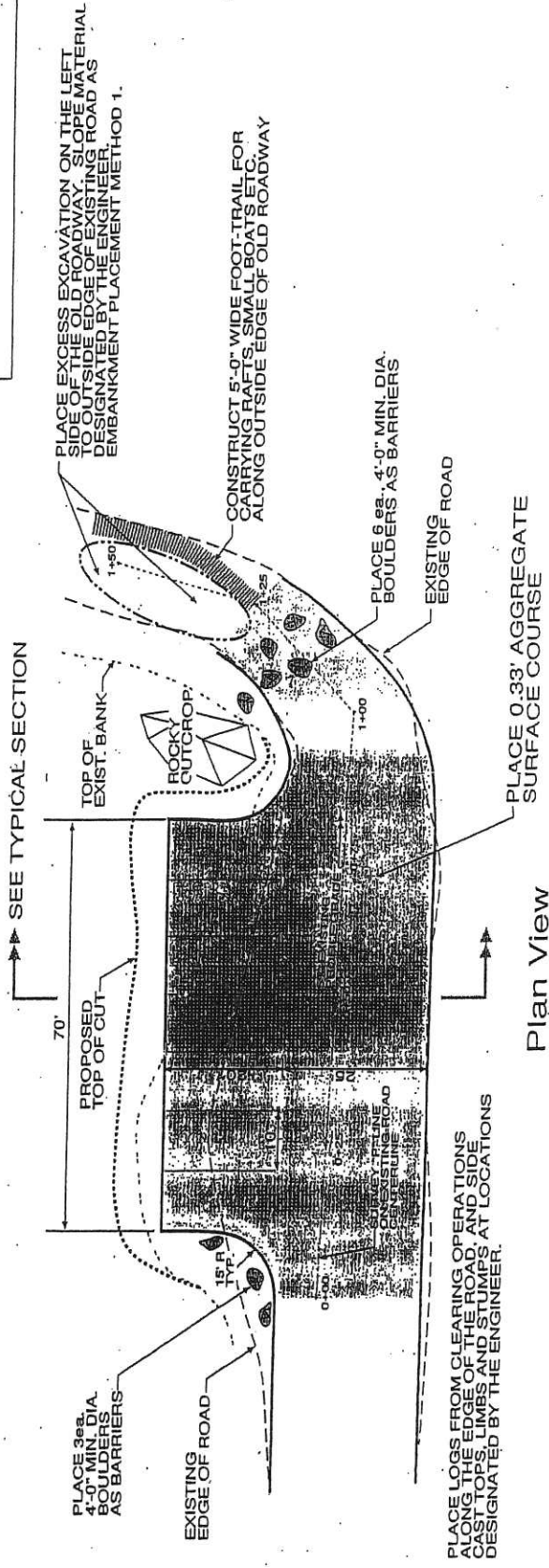


no scale

- Notes:**
1. Parking area will accommodate 7 ea. 10' x 20' vehicles.
 2. Excavation estimate ~150 cy
 3. USFS shall stake parking area in the field.
 4. Aggregate surface course quantity estimate ~103 tons
 5. Bury rock barriers approximately 1/3 their height.
 6. A motor grader finish is required for the sub-base and aggregate surface course at the specified moisture content.

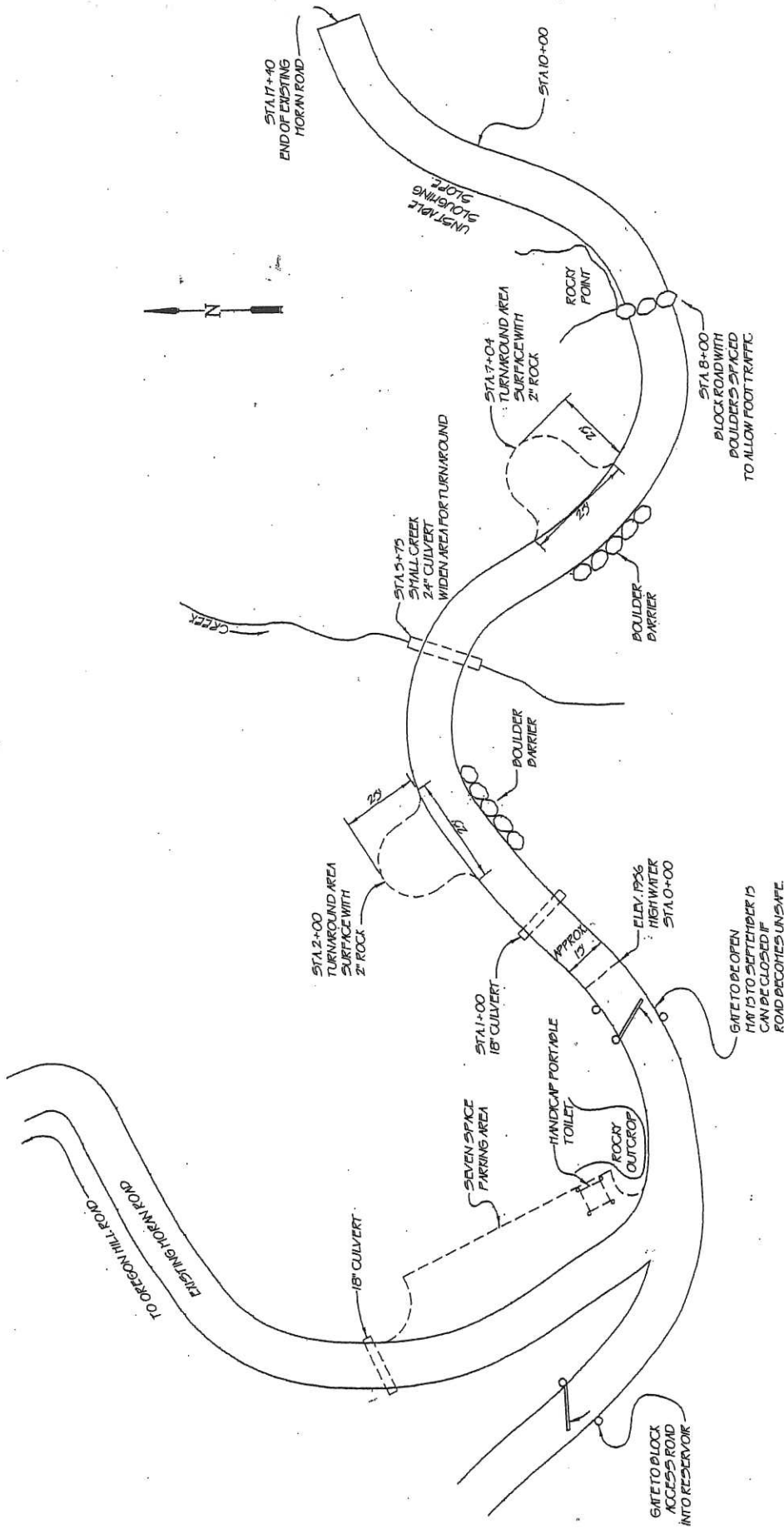


Typ. Section



Plan View

Figure 3: Phase 2 of the Moran Road Project



MORAN ROAD PROJECT	
PROPOSED WORK TO BE DONE	
5	
4	
3	
2	
1	200 100 50

YUBA COUNTY WATER AGENCY
DOBBINS, CA

SCALE: NOT TO SCALE DRAWN BY: RCP

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XI. APPENDIX A. U.S. Fish and Wildlife Service Species List for the Tahoe National Forest

Appendix A

Federal Endangered and Threatened Species that may be affected by Projects in the Tahoe National Forest

Database Last Updated: April 15, 2003

Listed Species

Berberis sonnei - Truckee barberry (proposed for delisting) (E)
Desmocerus californicus dimorphus - valley elderberry longhorn beetle (T)
Haliaeetus leucocephalus - bald eagle (T)
Hypomesus transpacificus - delta smelt (T)
Oncorhynchus (=Salmo) *clarki henshawi* - Lahontan cutthroat trout (T)
Oncorhynchus mykiss - Central Valley steelhead (T) (NMFS)
Oncorhynchus tshawytscha - winter-run chinook salmon (E) (NMFS)
Pogonichthys macrolepidotus - Sacramento splittail (T)
Rana aurora draytonii - California red-legged frog (T)

Candidate Species

Acipenser medirostris - green sturgeon (C)
Oncorhynchus tshawytscha - Central Valley fall/late fall-run chinook salmon (C) (NMFS)
Rana muscosa - mountain yellow-legged frog (C)
Rorippa subumbellata - Tahoe yellow-cress (C)

Species of Concern

Accipiter gentilis - northern goshawk (SC)
Agelaius tricolor - tricolored blackbird (SC)
Arabis constancei - Constance's rock-cress (SC)
Arabis rigidissima var. *demota* - Carson Range rock cress (SC)
Astragalus lemmonii - milk-vetch, Lemmon's (SLC)
Astragalus lentiformis - lens-pod milk-vetch (SC)
Baeolophus inornatus - oak titmouse (SLC)
Capnia lacustra - Lake Tahoe benthic stonefly (SC)
Centrocerus urophasianus - sage grouse (SC)
Cinclus mexicanus - American dipper (SLC)
Clarkia biloba ssp. *brandegeae* - Brandegee's clarkia (SLC)
Clemmys marmorata marmorata - northwestern pond turtle (SC)
Corynorhinus (=Plecotus) *townsendii pallescens* - pale Townsend's big-eared bat (SC)
Cypseloides niger - black swift (SC)
Desmona bethula - amphibious caddisfly (SC)
Empidonax traillii brewsteri - little willow flycatcher (CA)

Eriogonum umbellatum var. *torreyanum* - Donner Pass buckwheat (SC)
Euderma maculatum - spotted bat (SC)
Eumops perotis californicus - greater western mastiff-bat (SC)
Falco peregrinus anatum - American peregrine falcon (D)
Farula praelonga - long-tailed caddisfly (SC)
Fritillaria eastwoodiae - Butte fritillary (SC)
Goeracea oregona - Sagehen Creek goeracean caddisfly (SC)
Grus canadensis tabida - greater sandhill crane (CA)
Gulo gulo luteus - California wolverine (CA)
Histrionicus histrionicus - Harlequin duck (SC)
Hydromantes platycephalus - Mount Lyell salamander (SC)
Ivesia aperta var. *aperta* - Sierra Valley ivesia (SC)
Ivesia aperta var. *canina* - Dog Valley ivesia (SC)
Ivesia sericoleuca - Plumas ivesia (SC)
Ivesia webberi - Webber's ivesia (SC)
Lanius ludovicianus - loggerhead shrike (SC)
Lepidostoma ermanae - Cold Spring caddisfly (SC)
Lepus americanus tahoensis - Sierra Nevada snowshoe hare (SC)
Lewisia cantelowii - Cantelow's lewisia (SC)
Lewisia longipetala - long-petaled lewisia (SC)
Lewisia serrata - saw-toothed lewisia (SC)
Lupinus dalesiae - Quincy lupine (SC)
Martes americana - American (=pine) marten (SC)
Martes pennanti pacifica - Pacific fisher (SC)
Megaleuctra sierra - Shirttail Creek stonefly (SC)
Melanerpes lewis - Lewis' woodpecker (SC)
Myotis ciliolabrum - small-footed myotis bat (SC)
Myotis evotis - long-eared myotis bat (SC)
Myotis thysanodes - fringed myotis bat (SC)
Myotis volans - long-legged myotis bat (SC)
Myotis yumanensis - Yuma myotis bat (SC)
Numenius americanus - long-billed curlew (SC)
Otus flammeolus - flammulated owl (SC)
Penstemon personatus - closed-lip (closed-throated) beardtongue (SC)
Phacelia stebbinsii - Stebbins' phacelia (SC)
Phrynosoma coronatum frontale - California horned lizard (SC)
Picoides albolarvatus - white-headed woodpecker (SC)
Polygonum polygaloides ssp. *esotericum* - Modoc County knotweed (SC)
Rana boylei - foothill yellow-legged frog (SC)
Rhyacophila spinata - spiny rhyacophilan caddisfly (SC)
Riparia riparia - bank swallow (CA)
Sceloporus graciosus graciosus - northern sagebrush lizard (SC)
Selasphorus rufus - rufous hummingbird (SC)
Spea hammondi - western spadefoot toad (SC)
Spirinchus thaleichthys - longfin smelt (SC)
Strix occidentalis occidentalis - California spotted owl (SC)

Toxostoma redivivum - California thrasher (SC)
Viola tomentosa - felt-leaved (=woolly) violet (SLC)
Vulpes vulpes necator - Sierra Nevada red fox (CA)

Species with Critical Habitat Proposed or Designated in this National Forest
None

October 29, 2003

DRAFT

The Secretary
Federal Energy Regulatory Commission
888 North Capitol Street, NE
Washington, D.C. 20426

**RE: Project No. 2246 - CA
FERC Order August 19, 1993
Recreation Plan**

Dear Secretary:

Yuba County Water Agency (YCWA) requested a modification to the Recreation Plan for Project 2246 in its June 6, 2003 letter to the Federal Energy Regulatory Commission (FERC). The modification request was based upon successful consultation with the U.S. Forest Service and the U.S. Fish and Wildlife Service regarding redd-legged frogs. The recently completed consultation produced a slightly different outcome than expected, causing YCWA to make this request to update its June 6th Recreation Plan modification request.

The main difference between this updated request and the original request is that Moran Road would be closed, past the proposed high water level gate, from October 15 through May 1. These new closure dates are based upon the attached Decision Memo from the U.S. Forest Service dated September 5, 2003.

Our updated request is to:

1. Allow YCWA to construct the Moran Road improvements, shown in the plan contained in the attached June 6, 2003 letter, by October 14, 2004. All construction and maintenance work will only be performed between May 2nd and October 14th of each year.
2. Allow ongoing enhanced vehicular public access, beyond the high water level at Moran Road, from May 2nd through October 14th of each year. The high water level gate will be locked from October 15th through May 1st of each year.

If there are any questions or requests for additional information, please contact Steve Onken at 530-692-3400 or me at 530-741-6278.

Sincerely,

Curt Aikens
General Manager

SHARED G/OFFICE/2003

YUBA COUNTY WATER AGENCY

MINUTES-SPECIAL-MEETING - BOARD OF DIRECTORS

NOVEMBER 18, 2003

A special meeting of the Board of Directors of the Yuba County Water Agency was held on the above date, commencing at 8:30 a.m., within the Courthouse, Marysville, California, with a quorum being present as follows: Directors Hal Stocker, Donald Schrader, Dan Carpenter, Bill Simmons, Thomas "Tib" Belza, and Dan Logue. Director Mary Jane Griego was absent. Also present were General Manager Curt Aikens, Assistant Manager-Administration Page Hensley, Assistant Manager for Project Development Tom Johnson, General Counsel Paul Bartkiewicz and Assistant Secretary Jeanene Upton. Chairman Belza presided.

PUBLIC COMMENTS

No one came forward.

CONSENT AGENDA

Upon motion of Director Schrader, seconded by Director Simmons, and carried, with Director Griego being absent, the Board approved the following:

- | | |
|---|----------------------------------|
| 1. <u>General Fund Claims</u> : Approved the General Fund Claims in the total amount of \$199,181.22 | APPROVE
GEN. FUND |
| 2. <u>Operation and Maintenance Fund Claims</u> : Approved the Operation and Maintenance Fund Withdrawal Request No. 1166A in the total amount of \$502,159.26. | APPROVE
O&M FUND
NO. 1166A |
| 3. <u>GF Hydro Fund Claims</u> : Approved the G.F. Hydro Fund Claims in the total amount of \$9,633.52. | APPROVE
G.F. HYDRO |

DWR GRANT APPLICATION FOR NEW BULLARDS BAR
RESERVOIR OUTLET CAPACITY INCREASE PROJECT

Resolution No. 2003-13: Upon motion of Director Schrader, seconded by Director Simmons, and carried, with Director Griego being absent, the Board adopted Resolution No. 2003-13, which is entitled: "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE YUBA COUNTY WATER AGENCY AUTHORIZING DWR DESIGN GRANT APPLICATION FOR NEW BULLARDS BAR RESERVOIR OUTLET CAPACITY INCREASE PROJECT."

ADOPT
RESOLUTION
NO. 2003.13

AMENDMENT TO THE RD 784 PROBLEM IDENTIFICATION STUDY GRANT

General Manager Curt Aikens reported that at the August 12, 2003, Board meeting the Board authorized a grant of up to \$535,000 to Reclamation District 784 for the Problem Identification Study addressing issues raised in the Department of Water Resources FEMA Flood Plain Mapping Study. Mr. Aikens advised that Reclamation District 784 has requested that the grant be increased to cover increases in the cost of the original scope of work and additional cost for survey work needed for the design phase. This survey work would include setting up the ground control and aerial data collection. The concern is that this work can only be performed during clear weather conditions. Inclement weather conditions could delay this data collection, thus causing a delay in the overall project, which is on a very tight schedule. Mr. Aikens further advised that staff will seek other sources of funding before this source of funding is used. Staff will seek confirmation that grant money paid out for this work will be repaid from funds collected through the Funding Agreement for the Plumas Lake Specific Plan Area Flood Control Levee Improvements. The Chairman would be given the authority to sign this agreement upon receiving reasonable assurance that the expenditures for this work will be repaid.

Director Simmons questioned if the additional \$45,000.00 was a grant or a loan. Mr. Aikens advised that the Agency would be reimbursed by advanced money from the developers.

General Counsel Paul Bartkiewicz advised that no matter what we call it, the terms of the contract will control if there is a re-payment obligation.

Director Stocker asked if was too late to call it a no-interest loan.

General Counsel Paul Bartkiewicz advised that this is an amendment to the existing agreement and it is an opportunity to clarify the re-payment provisions.

Upon motion of Director Schrader, seconded by Director Logue, and carried, with Director Griego being absent, the Board authorized the Chairman to sign the amendment to the RD 784 Problem Identification Study Grant, increasing the maximum grant amount from \$535,000 to \$580,000, once receiving reasonable assurances that the additional grant expenditures will be repaid.

APPROVE
ADMEND TO
RD784 GRANT

MANAGER'S REPORT

General Manager Curt Aikens reported the following:

1. Project Operations: The project is operating within requirements. New Bullards Bar water level is at 1,866 feet elevation or about 595,131 acre-feet of storage. There is about 92,000 acre-feet more water stored in New Bullards Bar this year than last year at this time. This is because we filled the reservoir in the spring and transferred a smaller amount of water than in

the past year. Englebright outflow is at about 860 cfs through Narrows 2 and this flow will be continued unless storm runoff calls for a higher flow. New Bullards Bar flood space is 361,163 acre-feet, which is 212% of the requirement. The Colgate unit 2 annual outage started November 10 and will continue through November 22. The Colgate unit 1 annual outage is scheduled for December 1 to December 13.

2. Deadwood: Two small cracks were found in the Deadwood runner after the heat treating stress relief process was performed. These small cracks will be repaired and the runner will be stress relieved one more time. The runner is now scheduled to be received November 24 and then flown in as soon as a helicopter can be scheduled.

3. Bullard's Bar Reservoir Debris: Wood debris from the reservoir was burned on November 14. Each year our employees collect floating debris and boom it off into a cove. The debris is stranded on the shore as the water recedes and then is stacked for burning after the area receives 2 inches of rain. This year we made a significant effort in collecting debris, because this was the first time in four years that the reservoir filled.

4. FERC Flow Variation: The Log Cabin flow release did not meet the flow requirement for a portion of November 8 and 9. The requirement is the lesser of 8 cfs or the natural flow. During the summer time, the Oregon Creek flow into Log Cabin Reservoir typically falls below 8 cfs until it rains and runoff increases. Under some conditions, it takes about a day before the reservoir level increases enough to force 8 cfs out through the fully open flow release valve. This type of situation has occurred in the past and FERC has determined that it is not a violation of our license. We will be filing the necessary information with FERC.

5. Chinook Salmon Run: Preliminary information indicates that so far we have reached a calculated run of about 17,000 fish. The run has been later this year than in the past years but is over the 15, 622 post-New Bullards Bar average.

DIRECTORS' COMMENTS AND REPORTS

No reports or comments were made.

CLOSED SESSION

Director Belza announced that there would be no closed session at this meeting.

ADJOURNMENT

There being no further business to come before the Yuba County Water Agency, the meeting was adjourned at 9:33 a.m. by Chairman Belza.

Chairman

ATTEST: JEANENE UPTON
ASSISTANT SECRETARY

Approved: _____

3. CONSENT ITEMS

A. Approval of General Fund Claims

General Fund	89,781.41
Project Fund	132,075.34
Ground Water Fund	1,012.50
Yuba River Fishery	<u>0.00</u>
Total General Fund Claims	<u><u>222,869.25</u></u>

B. Approval of O&M Fund Claims

Total Amount of Checks	269,933.76
Advance for February Expenses	685,000.00
Less Advance for January Expenses	(810,000.00)
Less Deposits/Voided Checks	<u>(37,732.47)</u>
TOTAL Amount W.R. #	1168B
	<u><u>107,201.29</u></u>

C. Approval of GF Hydro Fund Claims

TOTAL GF Hydro Claims	<u><u>34,526.69</u></u>
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Yuba County Water Agency-General Fund

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
08802	MAN	00021993		NONE	Employer Resouce In	01/27/04		1310	48.51	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Subscription For ERI			0.00		48.51	0.00			
08803	MAN	00021994		NONE	Hyatt Regency	01/27/04		1310	866.25	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		568042032	Hotel-Washington DC			0.00		866.25	0.00			
08804	MAN	00021995		NONE	Jeanene Upton	01/27/04		1310	95.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Domain Registration			0.00		95.00	0.00			
08805	MAN	00021996		NONE	Surefire Computers	01/27/04		1310	968.67	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		121303	Flat Screen Monitor		283	0.00		968.67	0.00			
08806	CPTR	00022004		NONE	American Water Work	01/27/04		1310	190.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		593042	Annual Dues		2000305380	0.00		190.00	0.00			
08807	CPTR	00022005	A5	NONE	Appeal Democrat	01/27/04		1310	144.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5680420803	Notice of Public Meeting		21927	0.00		144.00	0.00			
08808	CPTR	00022006	A1	NONE	Advanced Document C	01/27/04		1310	156.55	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5620702	Copier Usage Maint.		21783	0.00		156.55	0.00			
08809	CPTR	00022007	B2	NONE	Bartkiewicz, Kroni	01/27/04		1310	41053.93	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56803101	Miscellaneous			0.00		3592.64	0.00			
		56803102	General Counsel			0.00		2250.00	0.00			
		568042021	Engineering			0.00		950.00	0.00			
		56803202	Transfers & Projects			0.00		1841.75	0.00			
		56804225	DWR/FEMA Fix Study			0.00		450.00	0.00			
		568042032	Yuba Basin Funding			0.00		168.75	0.00			
		56803208	Wheatland Irrig.Dst			0.00		3736.90	0.00			
		568032031	D1644-Legal			0.00		21647.52	0.00			
		5680430110	Pilot Grant-Engineering			0.00		1012.50	0.00			
		56803205	Yuba Feather Flood Grant			0.00		112.50	0.00			
		56803214	Legal:Levee Setback			0.00		177.35	0.00			
		56803216	South Diversn Fish Scree			0.00		5114.02	0.00			
08810	CPTR	00022008	B5	NONE	Bob's Lock & Key	01/27/04		1310	7.45	0.00	GL.	No

Yuba County Water Agency-General Fund

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
08811	CPTR	00022009		NONE	Day-Timers, Inc.	01/27/04		1310	14.41	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		597108	Keys		9893	0.00		7.45	0.00			
08812	CPTR	00022010		NONE	California Chamber	01/27/04		1310	411.08	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Planner		52062181	0.00		14.41	0.00			
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Labor Law Newsletter		CID617206	0.00		411.08	0.00			
08813	CPTR	00022011	C8	NONE	Corporate Express	01/27/04		1310	8.52	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Binders		83397234	0.00		65.22	0.00			
		56204	Refund Folders		78339498	0.00		-75.85	0.00			
		56204	Binders		83397234	0.00		19.15	0.00			
08814	CPTR	00022012	C1	NONE	California Water Se	01/27/04		1310	52.92	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56206	Utilities		8904266666	0.00		52.92	0.00			
08815	CPTR	00022013		NONE	Comcast	01/27/04		1310	55.96	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56205	Cable TV		8495290200	0.00		55.96	0.00			
08816	CPTR	00022014	F1	NONE	FedEx	01/27/04		1310	53.58	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56204	Mail Package		499567905	0.00		53.58	0.00			
08817	CPTR	00022015		NONE	H & B Machinery Inc	01/27/04		1310	1945.19	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5680420261	Steel		52820	0.00		267.05	0.00			
		5680420261	Repair Fish Strainers		52674	0.00		1678.14	0.00			
08818	CPTR	00022016		NONE	Jiffy Lube	01/27/04		1310	42.79	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56201	Oil Change		2219856	0.00		42.79	0.00			
08819	CPTR	00022017		NONE	Nancy Jones	01/27/04		1310	10.39	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		56209	Services for Nov/Dec			0.00		10.39	0.00			
08820	CPTR	00022018	J1	NONE	Jones & Stokes	01/27/04		1310	390.00	0.00	GL.	No

Yuba County Water Agency-General Fund

1402 D Street
 Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
08821	CPTR	00022019	L3	NONE	Lakeview Petroleum	01/27/04		1310	285.00	0.00	0.00 GL.	No
									105.00	0.00		
									595.79			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5680420507	Yuba Feathr Grnt-Task 7	0017450	0.00		285.00	0.00			
			5680420510	Yuba Feathr Grnt-Task 10	0017450	0.00		105.00	0.00			
08822	CPTR	00022020	O3	NONE	Office Depot	01/27/04		1310	319.41	0.00	0.00 GL.	No
									124.71	0.00		
									292.34			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56201	Fuel	122687	0.00		319.41	0.00			
			5971061	Fuel	122687	0.00		124.71	0.00			
			5971061	Fuel	123574	0.00		159.56	0.00			
			56201	Fuel	123574	0.00		75.47	0.00			
			56201	Fuel	123574	0.00		-83.36	0.00			
08823	CPTR	00022021	P6	NONE	Pitney Bowes	01/27/04		1310	98.41	0.00	0.00 GL.	No
									212.45	0.00		
									281.72			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56204	Supplies	229783995	0.00		98.41	0.00			
			56204	Paper, Tape,Toner	229406890	0.00		212.45	0.00			
			56204	Returned Files	229398512	0.00		-18.52	0.00			
08824	CPTR	00022022	P10	NONE	PacificComm LLC	01/27/04		1310	1443.75	0.00	0.00 GL.	No
									247.50	0.00		
									8972.25			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			568071	Public Information Servc	1185	0.00		1443.75	0.00			
			56804231	South Diversn Fish Scree	1185	0.00		247.50	0.00			
			568042011	SWRCB/D1644-Engineering	1185	0.00		7281.00	0.00			
08825	CPTR	00022023	P3	NONE	Pacific Gas & Elect	01/27/04		1310	368.61	0.00	0.00 GL.	No
									188.53	0.00		
									557.14			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56206	Utilities	2137160579	0.00		368.61	0.00			
			59303	Utilities	2137160579	0.00		188.53	0.00			
08826	CPTR	00022024		NONE	Port of Subs	01/27/04		1310	37.75	0.00	0.00 GL.	No
									37.75			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56201	Cordua Settlement Mtg	4455	0.00		37.75	0.00			
08827	CPTR	00022025		NONE	Sonitrol	01/27/04		1310	99.00	0.00	0.00 GL.	No
									99.00			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5620701	Monthly Security Service	SS00015555	0.00		99.00	0.00			
08829	CPTR	00022026	S6	NONE	Sam's Club	01/27/04		1310	60.00	0.00	0.00 GL.	No
									60.00			
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56204	Membership Fees		0.00		60.00	0.00			

Yuba County Water Agency-General Fund

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
08830	CPTR	00022027		NONE	State Board of Equa	01/27/04		1310	57765.47	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		56803104			Water Rights Fees	94001287	0.00		34770.00	0.00		
		56803104			Water Rights Fees	94012967	0.00		195.47	0.00		
		56803104			Water Rights Fees	94004625	0.00		15420.00	0.00		
		56803104			Water Rights Fees	94004442	0.00		7380.00	0.00		
08831	CPTR	00022028	S1	NONE	Superfast	01/27/04		1310	31.95	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		56204			Quad Book	4660	0.00		31.95	0.00		
08832	CPTR	00022029	S2	NONE	Surface Water Resou	01/27/04		1310	36736.01	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		568042012			SWRCB/D1644-Fish.Consult	2423	0.00		17533.70	0.00		
		568042012			SWRCB/D1644-Fish.Consult	2437	0.00		19202.31	0.00		
08833	CPTR	00022030		NONE	Sutter North Medica	01/27/04		1310	40.00	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		56204			New Hire Drug Screening		0.00		40.00	0.00		
08834	CPTR	00022031	A10	NONE	Verizon Wireless	01/27/04		1310	475.01	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		56202			Communications	1832150846	0.00		475.01	0.00		
08835	CPTR	00022032		NONE	Williams Equipment	01/27/04		1310	1850.00	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		5680420261			Fish Counter Trailer	28510	0.00		1850.00	0.00		
08836	CPTR	00022033		NONE	YCWA-Power System	01/27/04		1310	44900.00	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		568042021			Reimb. Wtr Transfer Fee		0.00		44900.00	0.00		
08837	CPTR	00022034		NONE	YCWA-GF Hydro Fund	01/27/04		1310	784.95	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		593041			Operation-Labor	PR1	0.00		710.20	0.00		
		593082			Lake Francis-Labor	PR1	0.00		74.75	0.00		
08838	CPTR	00022035		NONE	YCWA-Power System	01/27/04		1310	17015.79	0.00	GL.	No
		Acct. No.			Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken		
		561			Salaries	PR1	0.00		9814.43	0.00		
		5680421601			Wheatland Irr.-Engineern	PR1	0.00		847.88	0.00		
		5680420262			Fish Traps-Labor	PR1	0.00		205.79	0.00		
		56804231			South Diversn Fish Scree	PR1	0.00		56.53	0.00		
		564			Employee Benefits/Pensio	PR1	0.00		664.14	0.00		

Yuba County Water Agency-General Fund

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			597101	Salaries	PR1	0.00		2561.60	0.00			
			597102	Benefits	PR1	0.00		233.10	0.00			
			5680420713	Tailwater - Task 13	PR1	0.00		750.00	0.00			
			56804225	DWR/FEMA Fix Study	PR1	0.00		135.36	0.00			
			5680420899	Levee Setback-Applicatio	PR1	0.00		800.00	0.00			
			5680420507	Yuba Feathr Grnt-Task 7	PR1	0.00		101.52	0.00			
			14101	O & M Fund	PR1	0.00		1346.40	0.00			
			49515	Grant Admin.Cost Reimb.	PR1	0.00		-500.96	0.00			
08839	CPTR	00022036		NONE	YCWA-Power System	01/27/04		1310	5129.36	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			561	Salaries	PR1	0.00		4701.52	0.00			
			564	Employee Benefits/Pensio	PR1	0.00		427.84	0.00			
08840	MAN	00022002		NONE	Jeanene Upton	01/27/04		1310	70.00	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			597108	Reimb. Safety Awards		0.00		70.00	0.00			
08841	MAN	00022003		NONE	Julie Highland	01/27/04		1310	40.00	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			56204	Reimb. Safety Awards		0.00		40.00	0.00			
08842	CPTR	00022037	S7	NONE	Sprint Conferencing	01/27/04		1310	619.52	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5680420801	Levee Setback-Task 1	003534969	0.00		209.96	0.00			
			568042011	SWRCB/D1644-Engineering	003534969	0.00		200.09	0.00			
			56804225	DWR/FEMA Fix Study	003534969	0.00		121.74	0.00			
			56804231	South Diversn Fish Scree	003534969	0.00		87.73	0.00			

Yuba County Water Agency-General Fund

1402 D Street
 Marysville, CA 95901

Cash Transaction Journal General Ledger Transfer Summary

Acct. No.	Account Name	Debits	Credits
1310	Cash - Bank of America		222869.25
121303	Office Equipment	968.67	
14101	O & M Fund	1346.40	
49515	Grant Admin.Cost Reimb.		500.96
561	Salaries	14515.95	
56201	Transportation/Travel	392.06	
56202	Communications	475.01	
56204	Supplies	1377.11	
56205	Other-Cable TV	55.96	
56206	Utilities	421.53	
5620701	Miscellaneous	99.00	
5620702	Office Equipment	156.55	
56209	Admin. Temps/Consultants	10.39	
564	Employee Benefits/Pension	1091.98	
56803101	Miscellaneous	3592.64	
56803102	General Counsel	2250.00	
56803104	Water Rights Fees	57765.47	
56803202	Transfers & Projects	1841.75	
568032031	D1644-Legal	21647.52	
56803205	Yuba Feather Flood Grant	112.50	
56803208	Wheatland Irrig.Dst	3736.90	
56803214	Legal:Levee Setback	177.35	
56803216	South Diversn Fish Screen	5114.02	
568042011	SWRCB/D1644-Engineering	7481.09	
568042012	SWRCB/D1644-Fish.Consult.	36736.01	
568042021	Engineering	45850.00	
5680420261	Fish Traps-Matls/Svcs	3795.19	
5680420262	Fish Traps-Labor	205.79	
568042032	Yuba Basin Funding	1035.00	
5680420507	Yuba Feathr Grnt-Task 7	386.52	
5680420510	Yuba Feathr Grnt-Task 10	105.00	
5680420713	Tailwater - Task 13	750.00	
5680420801	Levee Setback-Task 1	209.96	
5680420803	Levee Setback-Task 3	144.00	
5680420899	Levee Setback-Application	800.00	
5680421601	Wheatland Irr.-Engineerng	847.88	
56804225	DWR/FEMA Fix Study	707.10	
56804231	South Diversn Fish Screen	391.76	
5680430110	Pilot Grant-Engineering	1012.50	
568071	Public Information Service	1443.75	
59303	Utilities	188.53	
593041	Operation-Labor	710.20	
593042	Operation-Materials	190.00	
593082	Lake Francis-Labor	74.75	
597101	Salaries	2561.60	
597102	Benefits	233.10	
5971061	Fuel	284.27	
597108	Gaging Equipment/Supplies	77.45	
		223370.21	223370.21

YUBA COUNTY



WATER AGENCY

12700 LAKE FRANCIS RD
P.O. BOX 176
DOBBINS
CALIFORNIA
95935-0176

TELEPHONE:
530.692.3400
FACSIMILE
530.692.2513

January 27, 2004
WITHDRAWAL REQUEST NO. 1168B

US Bank, Corporate Trust Services
Attn: Myrna Presto-Choroski
1 California Street, Suite 400
San Francisco, CA 94111

TRUSTEES FOR THE YUBA RIVER DEVELOPMENT:

Please transfer \$107,201.29 to the Yuba County Water Agency Power System Revolving Fund checking account #00279-80170, Bank of America, Marysville Branch, representing the following claims paid by the Revolving Fund and properly chargeable to the Operations and Maintenance Fund:

Total Checks	269,933.76
Advance for February Expenses	685,000.00
Less Advance for January Expenses	(810,000.00)
Total Deposits	<u>(37,732.47)</u>
TOTAL W.R. NO.1168B	<u><u>\$ 107,201.29</u></u>

YUBA COUNTY WATER AGENCY

M. Page Hensley
Assistant Manager-Administration

APPROVED:

PACIFIC GAS & ELECTRIC COMPANY

BY _____

Estimated February Operating Expenses

Salaries (3)	225,000.00
Benefits	20,000.00
FERC Annual Rent Charges	275,000.00
USGS Stream Gaging	90,000.00
Supplies/Other Expenses	75,000.00
	<hr/>
Total Estimated February Expenses	685,000.00
January 27, 2004 WR#1168B	232,201.29
Less January Advance	<u>(810,000.00)</u>
Remainder of January Advance	(577,798.71)
Total Current Request	<u>107,201.29</u>

Operation & Maintenance Budget

1402 D Street
 Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
13294	MAN	PR1		NONE	Bank of America	01/27/04		135	64955.89	0.00	GL	No

Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken
592601	Retirement & Benefits	PR1	0.00		464.95	0.00
592601	Retirement & Benefits	PR1	0.00		810.57	0.00
24108	Medicare	PR1	0.00		1232.66	0.00
1436	General Fund-Payroll	PR1	0.00		388.93	0.00
24102	Federal Withholding	PR1	0.00		7498.41	0.00
24105	State Withholding	PR1	0.00		2107.79	0.00
24112	SDI Withholdings	PR1	0.00		905.28	0.00
1434	Deadwood Payroll	PR1	0.00		33.09	0.00
592602	Holiday,Vacation/Sick Le	PR1	0.00		425.60	0.00
1434	Deadwood Payroll	PR1	0.00		4514.62	0.00
1435	Fish Release Payroll	PR1	0.00		70.70	0.00
5376203	Labor	PR1	0.00		331.44	0.00
5377202	Maint. of Boats-Labor	PR1	0.00		615.00	0.00
5377203	Labor	PR1	0.00		605.84	0.00
5377210	Our Hse Trash Rack-Labor	PR1	0.00		153.30	0.00
5377211	Log Cabin Trash Rack-Lab	PR1	0.00		807.38	0.00
538602	Labor - Operators	PR1	0.00		759.49	0.00
538604	Labor-Electrical	PR1	0.00		288.58	0.00
538702	Labor-Operators	PR1	0.00		6135.78	0.00
538704	Labor-Electrical	PR1	0.00		76.39	0.00
5398102	Clerical/Misc. Labor	PR1	0.00		5783.27	0.00
5398118	Safety Training/Mtg-Labo	PR1	0.00		102.20	0.00
5398502	Vehicle Maint.-Labor	PR1	0.00		494.40	0.00
5398602	Labor	PR1	0.00		4597.98	0.00
5437202	Normal Maint.-Labor	PR1	0.00		1072.55	0.00
544602	Labor-Electric Crew	PR1	0.00		908.06	0.00
544702	Labor - Electric Crew	PR1	0.00		689.37	0.00
5456102	Labor	PR1	0.00		766.00	0.00
5457102	Labor	PR1	0.00		1438.48	0.00
5458402	Labor	PR1	0.00		102.20	0.00
1436	General Fund-Payroll	PR1	0.00		16268.51	0.00
1436	General Fund-Payroll	PR1	0.00		711.26	0.00
1436	General Fund-Payroll	PR1	0.00		2844.40	0.00
1436	General Fund-Payroll	PR1	0.00		20158.95	0.00
1436	General Fund-Payroll	PR1	0.00		2561.60	0.00
1436	General Fund-Payroll	PR1	0.00		1346.40	0.00
1434	Deadwood Payroll	PR1	0.00		2282.20	0.00
24102	Federal Withholding	PR1	0.00		-7498.41	0.00
24105	State Withholding	PR1	0.00		-2107.79	0.00
24112	SDI Withholdings	PR1	0.00		-905.28	0.00
24108	Medicare	PR1	0.00		-1232.66	0.00
24110	PERS Long Term Care	PR1	0.00		-26.95	0.00
24107	Life Insurance	PR1	0.00		-12.32	0.00
24106	IBEW-Union Dues	PR1	0.00		-705.00	0.00
24104	P.E.R.S.	PR1	0.00		-24.18	0.00
24113	401A Plan	PR1	0.00		-2895.31	0.00
24113	401A Plan	PR1	0.00		-4708.29	0.00
24101	Deferred Income	PR1	0.00		-5317.76	0.00
1436	General Fund-Payroll	PR1	0.00		36.21	0.00

13295	MAN	001/8/04		NONE	ICMA Retirement Cor	01/27/04		135	8943.89	0.00	GL	No
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Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken
592601	Deferred Inc.-457-PS	1804	0.00		2338.34	0.00
1436	Deferred Inc.-457-GF	1804	0.00		1113.20	0.00
1434	Deferred Inc.-457-DW	1804	0.00		174.59	0.00
24101	Deferred Inc.-457-Employe	1804	0.00		5317.76	0.00

Operation & Maintenance Budget

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
13296	MAN	00001804		NONE	ICMA Retirement Cor	01/27/04		135	4902.43	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		592601	Deferred Inc.-401-PS		1804	0.00		1576.82	0.00			
		1436	Deferred Inc.-401-GF		1804	0.00		430.30	0.00			
		24113	Deferred Inc.-401-Employe		1804	0.00		2895.31	0.00			
13297	MAN	00011404		NONE	CalPERS	01/27/04		135	4725.81	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		24114	PERS		11404	0.00		4701.63	0.00			
		24104	PERS		11404	0.00		24.18	0.00			
13298	MAN	00038233		NONE	New Moon Cafe	01/27/04		135	75.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	Service Award			0.00		75.00	0.00			
13299	MAN	00038234		NONE	Employer Resource I	01/27/04		135	98.49	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	Subscription For ERI			0.00		98.49	0.00			
13300	MAN	00038235		NONE	CA Dept Fish & Game	01/27/04		135	1275.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		11332601	N2 Bypass Permits/Constr			0.00		1275.00	0.00			
13301	MAN	00038236		NONE	Jeanene Upton	01/27/04		135	82.95	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	Service Award			0.00		82.95	0.00			
13302	MAN	00038237		NONE	State Water Resourc	01/27/04		135	44900.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		1436	Water Transfer Fees			0.00		44900.00	0.00			
13303	MAN	00038239		NONE	Bonanza Inn	01/27/04		135	75.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	Service Award			0.00		75.00	0.00			
13304	MAN	00038240		NONE	Jacob Robinson	01/27/04		135	660.84	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		24108	Medicare			0.00		-62.73	0.00			
		24102	Federal Withholding			0.00		-75.00	0.00			
		24105	State Withholding			0.00		-11.75	0.00			
		24112	SDI Withholdings			0.00		-9.68	0.00			
		5398102	Clerical/Misc. Labor			0.00		820.00	0.00			
13305	MAN	00038241		NONE	Mim's Bakery	01/27/04		135	112.75	0.00	GL.	No

Operation & Maintenance Budget

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	2004 Safety Kick-Off		0.00		112.75	0.00			
13307	CPTR	00038244		NONE	CalPERS Long-Term C	01/27/04		135	26.95	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			24110	PERS Long Term Care	3165500	0.00		26.95	0.00			
13308	CPTR	00038245		NONE	ACME Toilet Rentals	01/27/04		135	730.00	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5456101	Pump Toilets	26573	0.00		730.00	0.00			
13309	CPTR	00038246		NONE	Appeal-Democrat	01/27/04		135	149.63	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			11332601	N2 Bypass Public Notice		0.00		149.63	0.00			
13310	CPTR	00038247		NONE	Airgas NCN	01/27/04		135	265.24	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398604	Gaging Gases	102099028	0.00		55.06	0.00			
			5398104	Welding Gases	102099028	0.00		210.18	0.00			
13312	CPTR	00038248	A2	NONE	All Metals Supply I	01/27/04		135	206.47	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	Flat Steel	90458	0.00		76.10	0.00			
			5398111	Fabrication Steel	87330	0.00		130.37	0.00			
13313	CPTR	00038249	B2	NONE	Bartkiewicz,Kronick	01/27/04		135	14607.43	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			592808	ESA Section 7 Monitoring		0.00		2582.30	0.00			
			592304	Legal-Bond Payments		0.00		247.50	0.00			
			592811	D1644 Redd Dewatering		0.00		6044.77	0.00			
			11332601	N2 Bypass Permits/Constr		0.00		2464.95	0.00			
			592803	Slate Creek Water Rights		0.00		3267.91	0.00			
13314	CPTR	00038250	B5	NONE	Bob's Lock & Key	01/27/04		135	36.30	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	Keys	8913	0.00		36.30	0.00			
13315	CPTR	00038251		NONE	Branom Instrument C	01/27/04		135	873.03	0.00	GL	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5437201	Carbon Steel Plugs,Plugs	236484	0.00		873.03	0.00			
13316	CPTR	00038252	B6	NONE	Buttes Pipe & Suppl	01/27/04		135	964.97	0.00	GL	No

Operation & Maintenance Budget

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			542801	Facility Painting-Matls	S1163351	0.00		964.97	0.00			
13317	CPTR	00038253		NONE	Dept. of General Sv	01/27/04		135	1823.26	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			540801	Oregon Peak Rents		0.00		1823.26	0.00			
13318	CPTR	00038254		NONE	CA. Dept. Forestry	01/27/04		135	1823.26	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			540801	Oregon Peak Rents		0.00		1823.26	0.00			
13319	CPTR	00038255		NONE	California Industri	01/27/04		135	582.87	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	Overalls, Jackets	Y073355	0.00		582.87	0.00			
13320	CPTR	00038256		NONE	Christensen Associa	01/27/04		135	5955.00	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5377207	BB Spill Gate Analysis	1556	0.00		5955.00	0.00			
13321	CPTR	00038257	C9	NONE	Corporate Express	01/27/04		135	129.56	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398101	Binders	48779565	0.00		43.38	0.00			
			5398101	Batteries, Pads, Stapler	48703648	0.00		86.18	0.00			
13322	CPTR	00038258	C6	NONE	Culligan	01/27/04		135	16.50	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	Purified Water		0.00		16.50	0.00			
13323	CPTR	00038259	D1	NONE	Derco Supply	01/27/04		135	11.77	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398103	Set Screws	88015	0.00		11.77	0.00			
13324	CPTR	00038260	E1	NONE	Elite Universal Sec	01/27/04		135	3450.00	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398706	Dam Security-Services	2004-12574	0.00		1635.00	0.00			
			5398706	Dam Security-Services	2004-12555	0.00		1815.00	0.00			
13325	CPTR	00038261		NONE	Board of Equalizati	01/27/04		135	34.63	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			5398701	Energy Tax		0.00		34.63	0.00			
13326	CPTR	00038262	F2	NONE	Foothill Hardware	01/27/04		135	589.49	0.00	GL.	No

Operation & Maintenance Budget

1402 D Street
Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
13327	CPTR	00038263		NONE	Feather River AQMD	01/27/04		135	325.92	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398108	Ruler Tape	86428	0.00		24.59	0.00				
		5398107	Batteries	86337	0.00		77.20	0.00				
		5398501	Auto Fuse,Plugs,Circuit	86246	0.00		35.64	0.00				
		5398103	Shovels,Spray Paint,	86231	0.00		161.62	0.00				
		5398103	Concrete Readymix	86245	0.00		25.68	0.00				
		5398103	Air Filter	86195	0.00		15.36	0.00				
		5398103	Rope,Shovel,Spray Paint	85717	0.00		98.82	0.00				
		5398103	Coupler,Nipple	85655	0.00		30.79	0.00				
		5398103	Spray Paint	86149	0.00		15.40	0.00				
		5398603	Batteries,Rainsuit	85968	0.00		104.39	0.00				
13328	CPTR	00038264		NONE	FedEX	01/27/04		135	237.75	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398117	Annual Permit Renewal	21005-2004	0.00		325.92	0.00				
13329	CPTR	00038265		NONE	Forestry Suppliers,	01/27/04		135	703.29	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398117	Backpack, Fire Pump	705959-00	0.00		703.29	0.00				
13330	CPTR	00038266	G3	NONE	Gridley Country For	01/27/04		135	959.52	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398501	Auto Maintenance	038723	0.00		501.42	0.00				
		5398501	Towing, Install Chip	64650	0.00		458.10	0.00				
13331	CPTR	00038267		NONE	GE Supply	01/27/04		135	817.23	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5436201	Shafts	775647862	0.00		817.23	0.00				
13332	CPTR	00038268	H1	NONE	The Home Depot BRC/	01/27/04		135	500.41	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398117	Gift Cards	016308	0.00		445.13	0.00				
		5398103	Air Chuck, Tuffbul	031942	0.00		31.85	0.00				
		544704	Screws	031942	0.00		10.70	0.00				
		5398103	Trash Bags	031942	0.00		12.73	0.00				
13333	CPTR	00038269	H5	NONE	Hust Brothers	01/27/04		135	51.80	0.00	GL.	No
		Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken				
		5398501	Fuel Pump	830412	0.00		51.80	0.00				
13334	CPTR	00038270	L4	NONE	Lab Safety Supply	01/27/04		135	129.94	0.00	GL.	No

Operation & Maintenance Budget

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Cash Transaction Journal

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Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
13335	CPTR	00038271	L3	NONE	Lakeview Petroleum	01/27/04		135	129.94	27.72	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398117	Gloves,Economy Chock		1004098798	0.00		129.94	0.00			
13336	CPTR	00038272		NONE	McConnell Chevrolet	01/27/04		135	341.67	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398501	Vehicle Service		CVCS42576	0.00		341.67	0.00			
13337	CPTR	00038273	M4	NONE	McMaster Carr Suppl	01/27/04		135	266.65	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398107	Drill Bits		82122300	0.00		266.65	0.00			
13338	CPTR	00038274	M6	NONE	Mechanics Choice	01/27/04		135	472.43	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	Tape, Wires,Batteries		3112852001	0.00		906.23	0.00			
		5398107	Socket Set		3112852003	0.00		7.49	0.00			
		5398103	Putty Knife		3112884004	0.00		77.19	0.00			
		5398103	Screws		3112852002	0.00		10.39	0.00			
		5398107	Putty Knife		3112884002	0.00		54.61	0.00			
13339	CPTR	00038275	M7	NONE	Meeks	01/27/04		135	3.15	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5437201	Chains		44559	0.00		3.15	0.00			
13340	CPTR	00038276		NONE	Northern California	01/27/04		135	442.95	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398117	Boots		22956	0.00		100.82	0.00			
		5398116	Coveralls, Gloves		22954	0.00		82.58	0.00			
		5398117	Boots		22952	0.00		123.34	0.00			
		5398116	Gloves,Rain Coat,T-Shirt		22952	0.00		136.21	0.00			
13341	CPTR	00038277	P3	NONE	Pacific Gas & Elect	01/27/04		135	6195.87	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398701	Utilites		5678822847	0.00		6195.87	0.00			
13342	CPTR	00038278	R3	NONE	Ray's General Hardw	01/27/04		135	58.99	0.00	0.00 GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		542805	Nails, Wood		4709	0.00		58.99	0.00			
13343	CPTR	00038279		NONE	ReedSmith Crosby He	01/27/04		135	2094.85	0.00	0.00 GL.	No

Operation & Maintenance Budget

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Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		592304	Legal-Bond Payments			0.00		2094.85	0.00			
13344	CPTR	00038280	NONE		Sacramento Truck Ce	01/27/04		135	1758.74	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398501	Repair Freightliner		R09001301	0.00		1758.74	0.00			
13345	CPTR	00038281	S10	NONE	Sam's Club	01/27/04		135	150.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398101	Membership Fees			0.00		150.00	0.00			
13346	CPTR	00038282	NONE		Sierra Control Syst	01/27/04		135	344.55	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398601	PC Boards, Pulley, Belt		107654	0.00		344.55	0.00			
13347	CPTR	00038283	NONE		Sonitrol	01/27/04		135	605.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398702	Monthly Security Monitor		SS00015555	0.00		477.00	0.00			
		5437201	Monthly Security Monitor		SS00015555	0.00		128.00	0.00			
13348	CPTR	00038284	NONE		Southwest Power, In	01/27/04		135	364.65	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398117	Copper, Aluminum Dies		1791D98906	0.00		364.65	0.00			
13349	CPTR	00038285	NONE		Sprint Conferencing	01/27/04		135	276.49	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		592804	PG&E Water Management		003534969	0.00		276.49	0.00			
13350	CPTR	00038286	S13	NONE	Staples Credit Plan	01/27/04		135	197.74	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398101	Clear Tabs			0.00		4.91	0.00			
		5398101	Deskpads, Cell Phone Chrg			0.00		65.38	0.00			
		5398606	Disk Drive			0.00		73.97	0.00			
		5398101	Post it Notes			0.00		53.48	0.00			
13351	CPTR	00038287	NONE		State Board of Equa	01/27/04		135	30964.26	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		592812	Water Rights Fees		94001286	0.00		16138.43	0.00			
		592812	Water Rights Fees		94000589	0.00		4606.05	0.00			
		592812	Water Rights Fees		94000743	0.00		100.00	0.00			
		592812	Water Rights Fees		94001176	0.00		135.00	0.00			
		592812	Water Rights Fees		94002162	0.00		651.57	0.00			
		592812	Water Rights Fees		94002399	0.00		100.00	0.00			
		592812	Water Rights Fees		94004443	0.00		3705.36	0.00			
		592812	Water Rights Fees		94004617	0.00		5527.85	0.00			

Operation & Maintenance Budget

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Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
13352	CPTR	00038288	S6	NONE	Sutter North Medica	01/27/04		135	110.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398103	New Hire Drug Test			0.00		80.00	0.00			
		5398117	Drug Test			0.00		30.00	0.00			
13353	CPTR	00038289		NONE	Sutter Orchard Supp	01/27/04		135	83.16	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5437201	Rain Suit, Saw Hardware		8283	0.00		83.16	0.00			
13354	CPTR	00038290		NONE	TJ/H2b Analytical S	01/27/04		135	420.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		570701	Gas Tests		04105242	0.00		210.00	0.00			
		570701	Gas Analysis		04105171	0.00		210.00	0.00			
13355	CPTR	00038291		NONE	Ultimate Building M	01/27/04		135	550.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398101	Office Cleaning Dec2003		16961	0.00		550.00	0.00			
13356	CPTR	00038292	Y4	NONE	Yuba Sutter Dispos	01/27/04		135	149.48	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398704	Disposal		27288364	0.00		149.48	0.00			
13357	CPTR	00038293		NONE	County of Yuba	01/27/04		135	898.00	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398117	Haz Mat Fees		4851	0.00		524.00	0.00			
		5398117	Haz Mat Fees		OES328	0.00		374.00	0.00			
13358	CPTR	00038294	A11	NONE	Verizon Wireless	01/27/04		135	230.52	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5398703	Telephone		1832150846	0.00		230.52	0.00			
13359	CPTR	00038295		NONE	YCWA-GF Hydro Fund	01/27/04		135	56.07	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		5377103	Lake Clearing-Services		PR1	0.00		56.07	0.00			
13360	CPTR	00038296		NONE	YCWA-General Fund	01/27/04		135	5885.61	0.00	GL.	No
		Acct. No.	Account Name		Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		538701	Supplies (Inc. SCADA)		PR1	0.00		549.15	0.00			
		538706	Temp. Advisory Comm-Labo		PR1	0.00		1309.50	0.00			
		11332601	N2 Bypass Permits/Constr		PR1	0.00		1353.60	0.00			
		11332701	Colg. Penstock Valve Eng		PR1	0.00		406.08	0.00			
		592808	ESA Section 7 Monitoring		PR1	0.00		2267.28	0.00			
13361	MAN	00013160		NONE	McMaster Carr	01/27/04		135	46.41	0.00	GL.	No

Operation & Maintenance Budget

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Cash Transaction Journal

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Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
			<u>Acct. No.</u>	<u>Account Name</u>	<u>Invoice #</u>	<u>Invoice Amt</u>	<u>Reference</u>	<u>Paid Amount</u>	<u>Disc. Taken</u>			
			544601	Reverse Deposit		0.00		46.41	0.00			
13362	MAN	00013161	NONE		Yuba County Treasur	01/27/04		135	7020.00	0.00	GL	No
			<u>Acct. No.</u>	<u>Account Name</u>	<u>Invoice #</u>	<u>Invoice Amt</u>	<u>Reference</u>	<u>Paid Amount</u>	<u>Disc. Taken</u>			
			5398706	Reverse Deposit		0.00		7020.00	0.00			
13363	MAN	00013162	NONE		YCWA-Power System	01/27/04		135	42052.62	0.00	GL	No
			<u>Acct. No.</u>	<u>Account Name</u>	<u>Invoice #</u>	<u>Invoice Amt</u>	<u>Reference</u>	<u>Paid Amount</u>	<u>Disc. Taken</u>			
			1436	Reverse Deposit		0.00		42052.62	0.00			
13364	DEP	00000237	NONE		YCWA-Power System	01/27/04		135	37732.47	0.00	GL	No
			<u>Acct. No.</u>	<u>Account Name</u>	<u>Invoice #</u>	<u>Invoice Amt</u>	<u>Reference</u>	<u>Paid Amount</u>	<u>Disc. Taken</u>			
			1432	General Fund	PR29	0.00		16.98	0.00			
			592601	Retirement & Benefits	PR29	0.00		6.28	0.00			
			1436	General Fund-Payroll	PR29	0.00		5733.03	0.00			
			1436	General Fund-Payroll	PR29	0.00		25732.86	0.00			
			1434	Deadwood Payroll	PR29	0.00		2050.44	0.00			
			592601	Retirement & Benefits	PR29	0.00		483.96	0.00			
			1435	Fish Release Payroll	PR29	0.00		16.97	0.00			
			5398501	Vehicle Maint-Parts/Serv	PR29	0.00		6.29	0.00			
			1434	Deadwood Payroll	PR29	0.00		3685.66	0.00			

Operation & Maintenance Budget

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 Marysville, CA 95901

Cash Transaction Journal General Ledger Transfer Summary

Acct. No.	Account Name	Debits	Credits
135	Cash-Pwr System Revolving		232201.29
11332601	N2 Bypass Permits/Constrc	5353.45	
11332701	Colg. Penstock Valve Eng.	502.14	
1432	General Fund		16.98
1434	Deadwood Payroll	1268.40	
1435	Fish Release Payroll	53.73	
1436	General Fund-Payroll	101346.49	
24102	Federal Withholding		75.00
24105	State Withholding		11.75
24106	IBEW-Union Dues		705.00
24107	Life Insurance		12.32
24108	Medicare		62.73
24112	SDI Withholdings		9.68
24113	401A Plan		4708.29
24114	PERS Pre-Tax	4701.63	
5376203	Labor	331.44	
5377103	Lake Clearing-Services	56.07	
5377202	Maint. of Boats-Labor	615.00	
5377203	Labor	605.84	
5377207	Structural Behavior Repts	5955.00	
5377210	Our Hse Trash Rack-Labor	153.30	
5377211	Log Cabin Trash Rack-Labr	807.38	
538602	Labor - Operators	759.49	
538604	Labor-Electrical	288.58	
538701	Supplies (Inc. SCADA)	549.15	
538702	Labor-Operators	6135.78	
538704	Labor-Electrical	76.39	
538706	Temp. Advisory Comm-Labor	1309.50	
5398101	Office Supplies/Services	953.33	
5398102	Clerical/Misc. Labor	6603.27	
5398103	Miscellaneous Supplies	2633.79	
5398104	Welding Supplies	210.18	
5398107	Misc. Tools, Fixtures	878.38	
5398108	Dues-National Hydro Power	24.59	
5398111	Fabrication Steel	130.37	
5398116	Coveralls	218.79	
5398117	Safety Equip.Shoes/Supply	3121.09	
5398118	Safety Training/Mtg-Labor	102.20	
5398501	Vehicle Maint-Parts/Servs	3141.08	
5398502	Vehicle Maint.-Labor	494.40	
5398505	Fuel-Gasoline/diesel	27.72	
5398601	Instrument Repair/Alignmt	344.55	
5398602	Labor	4597.98	
5398603	Parts	104.39	
5398604	Gases-Gauging Stations	55.06	
5398606	SCADA Maint. & Update	73.97	
5398701	Power-PG&E	6230.50	
5398702	Security	477.00	
5398703	Telephone	230.52	
5398704	Disposal	149.48	
5398706	Dam Security-Services	10470.00	
540801	Oregon Peak Rents	3646.52	
542801	Facility Painting-Matls	964.97	
542805	Building Maint.-Materials	58.99	
5436201	Normal Maint.-Supplies	817.23	
5437201	Normal Maint.-Supplies	1087.34	
5437202	Normal Maint.-Labor	1072.55	
544601	Electrical Parts/Services	46.41	
544602	Labor-Electric Crew	908.06	
544702	Labor - Electric Crew	689.37	
544704	Tools	10.70	
5456101	Mechanical Parts/Material	730.00	
5456102	Labor	766.00	

Operation & Maintenance Budget

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Cash Transaction Journal General Ledger Transfer Summary

<u>Acct. No.</u>	<u>Account Name</u>	<u>Debits</u>	<u>Credits</u>
5457102	Labor	1438.48	
5458402	Labor	102.20	
570701	Parts & Outside Services	420.00	
592304	Legal-Bond Payments	2342.35	
592601	Retirement & Benefits	4700.44	
592602	Holiday, Vacation/Sick Lev	425.60	
592803	Slate Creek Water Rights	3267.91	
592804	Water Rights(Bay Delta)	276.49	
592806	Personnel Issues	31.42	
592808	ESA Section 7 Monitoring	4849.58	
592811	D1644 Redd Dewatering	6044.77	
592812	Water Rights Fees	30964.26	
		<hr/>	<hr/>
		237803.04	237803.04

Yuba County Water Agency-GF Hydro Fund

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Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
02684	MAN	00003499		NONE	Glacier Ice Company	01/27/04		131	75.08	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		54541		100 Pounds Dry Ice		0.00		75.08	0.00			
02685	CPTR	00003500		NONE	All Electric Motors	01/27/04		131	1782.50	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		54441		Bore Pelton Wheel	7617	0.00		1782.50	0.00			
02686	CPTR	00003501		NONE	California Chambers	01/27/04		131	17.87	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		53941		Employee Poster	PSI99253	0.00		17.87	0.00			
02687	CPTR	00003502	B5	NONE	Bob's Lock & Key	01/27/04		131	26.54	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		53944		Keys	9896	0.00		26.54	0.00			
02688	CPTR	00003503		NONE	Climax Portable Mac	01/27/04		131	1731.54	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		54441		Rent Boring Equipment	54974	0.00		92.24	0.00			
		54441		Rent Boring Equipment	54976	0.00		162.09	0.00			
		54441		Rent Boring Equipment	54975	0.00		1477.21	0.00			
02689	CPTR	00003504	L2	NONE	Linda Saw & Mower S	01/27/04		131	66.50	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		53944		Chainsaw Bar	14509	0.00		66.50	0.00			
02690	CPTR	00003505	P3	NONE	Pacific Gas & Elect	01/27/04		131	1088.44	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		53946		Utilities	2137160579	0.00		1088.44	0.00			
02691	CPTR	00003506	P3	NONE	Pacific Gas & Elect	01/27/04		131	702.29	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		53946		Utilities	0006441414	0.00		54.83	0.00			
		53946		Utilities	0006441415	0.00		647.46	0.00			
02692	CPTR	00003507		NONE	Rexel Norcal Valley	01/27/04		131	66.11	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		57041		Cable Repair	106828500	0.00		66.11	0.00			
02693	CPTR	00003508		NONE	Soper Wheeler Co.	01/27/04		131	557.00	0.00	GL.	No
		Acct. No.		Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
		54541		Plow Snow: DW		0.00		557.00	0.00			

Yuba County Water Agency-GF Hydro Fund

1402 D Street
 Marysville, CA 95901

Cash Transaction Journal

Select: TranDate From: 01/01/04 To: 01/31/04

Tran No.	Tran Type	Dep/Chk#	Paid to Code	Paid to Type	Paid to Name	Trans. Date	Reference	Bank Account	Total Amount	Total Discount	Dist Type	Posted
02694	CPTR	00003509	A11	NONE	Verizon Wireless	01/27/04		131	17.99	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			53945	Communications	1832150846	0.00		17.99	0.00			
02695	CPTR	00003510		NONE	YCWA-Power System	01/27/04		131	8444.85	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			53842	Labor	PR1	0.00		131.91	0.00			
			54542	Labor	PR1	0.00		5730.00	0.00			
			5385	Fish Release	PR1	0.00		93.06	0.00			
			1431	Due from General Fund	PR1	0.00		566.10	0.00			
			1432	Due from Oper & Maint Fn	PR1	0.00		41.85	0.00			
			53742	Labor	PR1	0.00		40.20	0.00			
			53842	Labor	PR1	0.00		67.00	0.00			
			53942	Labor-Miscellaneous	PR1	0.00		456.70	0.00			
			54342	Labor	PR1	0.00		26.80	0.00			
			54542	Labor	PR1	0.00		174.20	0.00			
			57042	Labor	PR1	0.00		257.35	0.00			
			92641	Retirement & Benefits	PR1	0.00		207.68	0.00			
			92642	Holiday,Vacation/Sick Le	PR1	0.00		652.00	0.00			
02696	CPTR	00003511		NONE	Canyon Industries I	01/27/04		131	19917.98	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			54543	Pelton Wheel Repair	04-0002	0.00		19917.98	0.00			
02697	CPTR	00003512		NONE	Sonitrol	01/27/04		131	32.00	0.00	GL.	No
			Acct. No.	Account Name	Invoice #	Invoice Amt	Reference	Paid Amount	Disc. Taken			
			53954	Monthly Security Monitor	SS00015555	0.00		32.00	0.00			

Yuba County Water Agency-GF Hydro Fund

1402 D Street
Marysville, CA 95901

Cash Transaction Journal General Ledger Transfer Summary

<u>Acct. No.</u>	<u>Account Name</u>	<u>Debits</u>	<u>Credits</u>
131	Cash With Bank of America		34526.69
1431	Due from General Fund	566.10	
1432	Due from Oper & Maint Fnd	41.85	
53742	Labor	40.20	
53842	Labor	198.91	
5385	Fish Release	93.06	
53941	Office Expense	17.87	
53942	Labor-Miscellaneous	456.70	
53944	Misc. Supplies	93.04	
53945	Communications	17.99	
53946	Utilities	1790.73	
53954	Misc. Supplies/Services	32.00	
54342	Labor	26.80	
54441	Materials & Services	3514.04	
54541	Materials & Services	632.08	
54542	Labor	5904.20	
54543	Pelton Wheel Repair	19917.98	
57041	Materials & Services	66.11	
57042	Labor	257.35	
92641	Retirement & Benefits	207.68	
92642	Holiday,Vacation/Sick Lev	652.00	
		<u>34526.69</u>	<u>34526.69</u>

RESOLUTION NO. 2004-6

A RESOLUTION OF THE BOARD OF DIRECTORS
OF YUBA COUNTY WATER AGENCY
REAFFIRMING THE INVESTMENT POLICY

BE IT RESOLVED by the Board of Directors of Yuba County Water Agency that the Yuba County Water Agency statement of Investment Policy adopted by the Board Of Directors on August 10, 1999 has been reviewed and is hereby reaffirmed.

PASSED AND ADOPTED by the Board of Directors of the Yuba County Water Agency on this 27th day of January, 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chairman, Board of Directors

Attest: Jeanene Upton
 Assistant Secretary

Secretary

YUBA COUNTY WATER AGENCY
STATEMENT OF INVESTMENT POLICY

1. **Background & Purpose.**

- a. Government Code section 53646 requires the Agency to annually prepare and adopt a written statement of investment policy.
- b. Government Code sections 53600 et seq. and 53630 et seq. and other laws authorize the Agency to deposit and invest its money and funds in various institutions and types of investments, subject to limitations.
- c. The purpose of this policy is to provide guidelines to Agency officers and employees with regard to the deposit and investment of Agency monies and funds in accordance with, and subject to the limitations of, applicable laws.

2. **Scope.** This investment policy applies to all monies, funds, and financial assets of the Agency, including its general fund, all enterprise funds, all trust funds, and any and all capital project funds.

3. **Standard of Care & Objectives.**

- a. Deposits and investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Agency officers and employees handling deposits and investments of Agency funds shall act pursuant to a "prudent investor" standard applied in the context of managing the entire portfolio. (See Govt. Code, § 53600.3.)
- b. When depositing, investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing Agency funds, the Agency's primary goals and objectives, in priority order, shall be:
 - i. Safety. To safeguard the principal of the Agency funds. Deposits and investments of Agency funds, monies, and financial assets shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 - ii. Liquidity. To meet the liquidity needs of the Agency. The Agency's

investment portfolio must remain sufficiently liquid to enable the Agency to meet all operating expenses and requirements which might be reasonably anticipated.

- iii. Return on Investment. To achieve a return on the investment of Agency funds. As a final priority, the Agency's investment portfolio shall be designed with the objective of obtaining a fair market rate of return throughout budgetary and economical cycles and consistent with the first two priorities.
4. **Delegation of Authority**. - The Agency delegates to the Agency General Manager principal management responsibility for the deposit and investment of Agency monies, funds, and financial assets pursuant to this statement of investment policy. The Agency authorizes the Agency General Manager to make deposit and investment decisions on behalf of the Agency pursuant and subject to this investment policy, applicable laws, and the prudent investor standard.
5. **Authorized Investments**. Agency funds received from Pacific Gas and Electric Company pursuant to Agency-PGandE contracts shall be deposited with US Bank, Corporate Trust Services, and the funds shall be handled in accordance with applicable trust agreements. All other Agency funds and monies may be deposited and invested in only one or a combination of the following institutions and investment types:
 - a. Yuba County Treasurer investment pool.
 - b. Federal Deposit Insurance Corporation (FDIC) - insured accounts in a bank or savings and loan association.
 - c. Intra-Agency fund loans and transfers with a fair of return from one fund to another specifically authorized and evidenced by an Agency Board of Directors resolution.
6. **Safekeeping & Custody**. All Agency deposits and investments shall have the Yuba County Water Agency named as depositor and registered owner. Any securities purchased or acquired shall be delivered to the Agency by book entry, physical delivery, or by third party custodial agreement as required by Government Code section 53601.
7. **Annual Review & Quarterly Reporting**. The Agency General Manager on a quarterly basis shall make available to the Agency Board of Directors copies of the most recent account statements received by the Agency from US Bank, the Yuba County Treasurer, and other institutions holding Agency funds and financial assets. (Govt. Code: § 53646(e).) The Agency General Manager shall

annually review this statement of investment policy and request the Agency Board of Directors to either make appropriate changes or reaffirm the current policy, (Govt. Code, § 53646(a).)

8. **Amendments.** This statement of investment policy shall take effect only upon adoption by resolution of the Agency Board of Directors. Any subsequent amendments or modifications shall not take effect unless expressly approved by resolution of the Agency Board of Directors.

County of Yuba

STATEMENT OF INVESTMENT POLICY

Under the laws of the State of California, it is the responsibility of the County Treasurer, with the approval of the Board of Supervisors, to secure and protect the public funds of the County, and to establish proper safeguards, controls, and procedures to maintain these funds in a lawful, rational and auspicious manner. Said maintenance shall include the prudent and secure investment of those funds that are not immediately required for daily operations, in a manner anticipated to provide additional benefit to the people of the County of Yuba. In addition, the County Treasurer acts as the Treasurer, cash manager, and investor for a sizable number of public agencies within the County rather than each entity having to locate and hire a knowledgeable person to handle the entity's banking, investments and other financial duties separately. This pooling of public funds eliminates duplication of expenses, but also smoothes out cash flow differences, permits cost savings through higher volume, and attracts more professional service providers.

This Statement of Investment Policy will be provided annually for the review of the Oversight Committee and the approval of the Board of Supervisors after discussion in an open public meeting. Upon request, it will also be provided to participants in the County Investment Pool; to securities dealers, banks and brokers, currently approved for conducting investment transactions with the County Treasurer's office in the ongoing effort to manage the excess cash portfolio; to other involved persons or entities; and to any member of the electorate wishing to review this document. The Treasurer reserves the right to provide these documents on a cost basis.

SCOPE

This Statement of Investment Policy pertains to those temporarily surplus funds under the control of the Treasurer, designated for the daily ongoing operations of the County and pool participants; and concerns the deposit, maintenance, and safekeeping of all such funds, and the investments made with these funds. This Policy does not apply to pension moneys, delayed compensation funds, trustee, and certain other non-operating funds not participating in the County Investment Pool. Percentage limitations noted within this Policy shall apply to all money considered to be within the County Investment Pool. Any investments existing outside the Pool shall be subject to the local agency's individual percentages.

PURPOSE OF POLICY STATEMENT

The purpose of this Statement of Investment Policy is to provide the Board of Supervisors, the Treasury Oversight Committee, those entities invested in the County Investment Pool, those involved in servicing the investment requirements of the County, and any other interested party, a clear understanding of the regulations and internal guidelines that will be observed in maintaining and investing those pooled funds deemed to not be required for immediate cash flow needs.

TREASURY OBJECTIVES

The underlying objective of the Treasurer is to protect the safety of the principal of the Investment Pool through the judicious purchase of those legal investments permitted to local agencies, as defined in the State of California Government Codes, consistent with current conditions and the other dominant objectives pursuant to managing a local agency portfolio, namely:

Safety: It is the primary responsibility of the Treasurer to maintain the safe return of all principal placed in investments by avoiding decisions that might result in losses through either fraud, default, or adverse market conditions. Import is also accorded the protection of accrued interest earned on any investment instrument.

Liquidity: It is imperative that a vast majority of all investments be in items that are immediately negotiable, as the portfolio is a cash management fund. It shall always be assumed that all investments could require immediate liquidation in order to meet unexpected cash calls.

Availability: Due to the nature of a public funds portfolio, it is mandated that moneys be available to meet the monetary requirements inherent to operating a public entity. Thus funds need to be invested in such a manner that money will always be available, without risk of trading loss, to pay normal cash requirements. A vast majority of the moneys invested by the Treasurer should never require the realization of immoderate losses should a unforeseen cash demand require the sale of investments prior to maturity. A sufficient portion of all funds shall be invested in securities providing a high degree of availability, that is, in securities easily sold or converted to cash in a timely manner, with little or no loss of interest earnings.

Yield: While it is considered desirable to obtain a respectable yield, yield shall not be the driving force in determining which investments are to be selected for purchase. Yield is definitely considered to be of much lessor importance than either safety, liquidity or availability.

The Treasurer places investments with the objective of obtaining a respectable rate of return, not attempting to maximize yield at the expense of either safety, liquidity, or availability, yet not totally ignoring those factors within the marketplace that may be indicative of either favorable or hazardous conditions. The portfolio will be managed very conservatively, but actively enough to avert avoidable losses due to adverse market conditions.

PRUDENCE

The Treasurer is subject to the "Prudent Person Rule" whenever making a decision regarding the investment of the County's funds. This rule states, in principle:

"In investing property for the benefit of others, a trustee shall exercise the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence, would exercise in the management of their own affairs - not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable safety of, as well as the probable income from, their capital."

The Treasurer, and those acting for the Treasurer, is considered to have a fiduciary, trustee, relationship with the public for the public funds, and all investment decisions will be made in a manner sustaining this responsibility.

DELEGATION OF AUTHORITY

While the Treasurer has final responsibility for all investment decisions, other Treasury personnel may aid in the day-to-day operations. Those staff members, in addition to the Treasurer, currently authorized to act on behalf of the County, as of the date entered on this Policy, are listed below. This list is subject to change, and those parties newly involved in transactions with the Treasurer's department should always obtain a current Trading Authorization and Agreement form, and be verbally introduced by a known Treasury employee, prior to accepting unconfirmed verbal instructions from any previously unknown Treasury staff member.

Title

Assistant Treasurer and Tax Collector
Accountant /Auditor I/II

Other persons, both inside and outside County employment, may act in the role of assistant or advisor to aid in the timely and proper settlement of investment transactions. While these persons may provide information or aid in the expedient delivery of securities, they may not authorize, approve, or initiate any trading activities. **Only the persons listed on a current *Trading Authorization & Agreement*, and the Treasurer, may initiate trading activity.**

SECURITIES CUSTODY

The Treasurer has established a third party custody and safekeeping account to which all negotiable instruments shall be delivered upon purchase on a payment versus delivery basis. No negotiable, deliverable, securities or investments will be left in the custody of any brokerage firm or issuing party, including any collateral from Repurchase Agreements.

Be an established broker or dealer in New York or its environs, with a history of profitability, that is properly licensed to deal with local agencies in California, that has capital of not less than \$500mm, and does not position securities for their own portfolio, but brokers securities for their established clients consisting primarily of traders for Primary Dealers and/or other major institutional fixed income brokerage operations, issuers and investors.

If meeting the above requirements, a salesperson may apply to become an Authorized Dealer by sending to the Treasurer their most recent annual and interim audited financial statements and a letter furnishing:

- 1) Their reasons for believing they would add value to the present coverage; **and,**
- 2) A general roster of those markets they participate in, and specifics on those types of securities they as a firm, regularly issue or regularly hold dealer trading positions in; [or, a list of those dealers they are able to represent, and the securities they regularly position;] **and,**
- 3) A list of five references, at least three being California local agency treasurers, including telephone numbers that the Treasurer or his representative may contact.

The Treasurer will instigate an investigation of the applying salesperson and the firm through various sources, including the California Department of Corporations and the N.A.S.D., to determine market participation, knowledge, reputation, and financial stability. All salespeople and their supervisors will be expected to have a working knowledge of the appropriate sections of the State of California Government Code, sufficient experience in covering public entities, a willingness to well serve their customers, a complete and total understanding of this Investment Policy, and demonstrate an ongoing ability to work with the Treasurer and staff. The Treasurer will review all new requests at the end of each quarter, and if the decision is made that additional dealers would be beneficial to best service the portfolio's needs, those dealers selected will be informed of their addition to the Authorized Dealer List. All dealers are subject to removal from the Authorized Dealer List at any time, solely at the discretion of the Treasurer.

The Treasurer, or Treasury staff, is prohibited from dealing with a salesman, broker, or account executive from any broker, dealer or bank investment department or bank subsidiary until the Acknowledgment form found on the last page of the Trading Authorization and Agreement is signed by all parties and received by the Treasurer. The Trading Authorization and Agreement is sent out to all approved dealers, and is an integral addition to this Policy Statement for Brokers/ Dealers, etc. doing investment business with the County Treasurer or Treasury staff.

Similar restrictions and forms may be required of those firms doing business with the County through retained financial advisors or managers. Certain selected firms may be chosen or appointed by the Treasurer to render specific services the Treasurer determines they are uniquely qualified to provide, wherein some of the requirements of this section may be waived.

Neither the Treasurer, nor any member of the Treasurer's staff, may accept any gift, honoraria, gratuity or service of value in violation of the regulations set forth by the Fair Political Practices Commission, the Government Code, additional limitations set forth by County ordinance, or internal requirements of the Treasurer. The Treasurer and all members of the Treasury staff are prohibited from conducting any business with any broker, dealer, or securities firm that has made a political contribution within any consecutive 48 month period beginning January 1, 1996, in an amount exceeding the limitation contained in Rule G 37 of the Municipal Securities Rulemaking Board, to the County Treasurer or any member of the Board of Supervisors, or any candidate for these offices.

THE COUNTY TREASURY OVERSIGHT COMMITTEE

Upon the instruction of the County Board of Supervisors, the Treasurer will nominate for approval by the Board, a County Treasury Oversight Committee. This committee will include from three to eleven members, as the Board of Supervisors, in consultation with the County Treasurer, shall determine is appropriate. Government Codes require that this Committee shall include selected persons only from the following categories:

- a) The County Treasurer.
- b) The County Auditor/Auditor-Controller/Finance Director.
- c) An appointed representative of the Board of Supervisors.
- d) The County Superintendent of Schools, or designee.
- e) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts of the County.
- f) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts within the County that are required or authorized to deposit money in the County Investment Pool.

g) One to five bipartisan members of the public that have expertise in public finance and come from diverse economic backgrounds.

Under State law, members of the Committee may not have contributed to the any election campaign for the position of Treasurer or for any candidate to the Board of Supervisors within the past three years. Members may not directly or indirectly raise money for any candidate for local treasurer or a candidate for member of the legislative body of any local agency with money in the County Pool while a member of the Committee, nor may a member secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee, or for one year after leaving the Committee. Members may not accept any gift, honoraria, gratuity or service of value in violation of the regulations set forth by the Fair Political Practices Commission, the Government Code, any additional limitations set forth by County ordinance, or internal requirements of the Treasurer.

The Treasurer will annually provide a copy of the Investment Policy for review and monitoring by the Oversight Committee. The Treasurer will provide a report quarterly to the Board and the Oversight Committee, identifying all investments held in the County Investment Pool, or elsewhere by the Treasurer, or as required by the Board of Supervisors. The Oversight Committee shall, via this report and other appropriate means, monitor the activities of the Treasurer, and cause to be performed an annual audit to determine the Treasurer's compliance with the Investment Policy, and other appropriate regulations.

Committee meetings shall be open to the public and in compliance with the appropriate sections of the Ralph M. Brown Act. By Code, all costs related to the duties of the Oversight Committee will be considered normal charges against earnings of the Investment Pool.

The Oversight Committee shall have no authority to direct the process or daily operation of any portion of the Treasury department, nor shall the Committee play any role in determining which banks, firms or individuals the Treasurer does business with, nor shall the Committee be involved in determining which investments the Treasurer purchases, but shall act only to review the actions of the Treasurer to determine that they are in accordance with the Investment Policy and all other legal requirements or regulations.

TERMS FOR FUNDS INVESTED WITH THE COUNTY INVESTMENT POOL

The Government Code requires the County Treasurer to define the limits and conditions under which local agencies having their money in the Investment Pool may deposit and withdraw their funds. The Government Codes confer upon the Treasurer the final authority as to how funds for which the Treasurer is held responsible for overseeing, are to be invested. The Treasurer must take into consideration the current financial condition of the sum total of the Pool's agencies, the conditions of the market place, as well as the cash flow projections and the potential for changes in the Pool's cash needs. The Treasurer must protect the earnings of each individual local agency in the Pool, and also see that no decision will reward a particular agency or group of agencies within the Pool at the expense of another or others within the Pool. If the Treasurer determines that a request for a withdrawal of funds for a specific or outside investment is not, in the Treasurer's opinion, in the best interest of a particular agency, or is overly detrimental to the pool as a whole, the Treasurer must legally deny the request, or find a means of neutralizing the harm to all others affected.

Any funds deposited in accounts that are consolidated into the County Investment Pool that are not immediately required to meet cash flows of the Pool will be invested by the Treasurer or the Treasurer's staff. All Pool entities agree that by placing funds in such accounts that they agree to proportionately participate in all investments within the Investment Pool.

FUNDS OF AGENCIES REQUIRED TO INVEST WITHIN THE POOL

Funds will be accepted at all times, in the manner prescribed, from those local agencies where the County Treasurer is also the Treasurer for the local agency, or from any agencies that by statute must place their money in the County Pool. Funds will earn interest based on the average daily balance, paid on a quarterly basis.

Should a legislative body of a local agency determine that certain funds will not be required by the local agency for a period of at least two years the local agency may request the County Treasurer to invest that portion of the local agency's excess funds in a specific investment under the control of the County Treasurer. Such a request should state the nature of the funds the legislative body wishes to invest specifically, and the reasons why the legislative body believes a specific investment is a preferable and viable alternative to general Pool participation. Should the Treasurer determine that the request for a specific investment is valid and not counter-productive to the Pool as a whole, the Treasurer will

consult with the local agency's legislative body, or its appointed representative, suggest and determine exactly what investment(s) should be purchased to fulfill the needs of the local agency. The Treasurer will then purchase the specific investment(s) upon receipt of a written request, issued by the legislative body of the local agency, requesting the specific investment. The request must acknowledge that the local agency's legislative body takes full responsibility for the decision to purchase the specific investment(s), and that should conditions change requiring a sale prior to maturity of the specific investment(s), any loss that might be suffered as a result, will be solely that of the local agency, and that this loss shall not be shared by the Pool as a whole, nor by the County.

Under language added to the Government Code in 1995, it is not permissible for local agency legislative bodies, required to have their funds within the Pool, to withdraw funds from the Pool in order to invest outside the County Pool in any manner, at any time, without the specific permission of the Treasurer. Any such investments shall either be terminated and all funds returned to the Pool, or the securities so purchased shall be transferred to the custody of the County Treasurer immediately. Upon receipt of any such securities by the Treasurer, the Treasurer shall at the Treasurer's option, place the investment in the Pool, terminate the investment at the current market value and credit the local agency with the proceeds, or place the security in the name of the local agency as a specific investment.

MONEY VOLUNTARILY INVESTED WITH THE COUNTY INVESTMENT POOL

By Code, the County Treasurer shall set conditions under which money from local agencies, not required to have their funds in the Investment Pool, may deposit and withdraw voluntarily invested funds.

Local agencies from outside the County will not be permitted to deposit funds in the County Pool. Funds from local agencies within the County, voluntarily wishing to participate in the Pool, shall be accepted under the terms existing in this Policy. Voluntary money maybe withdrawn under conditions set forth in Sections 27133 and 27136 of the Government Codes. Specific investments are not normally permitted with voluntary funds, though on a cost recovery basis and under circumstances that dictate such activity, exceptions may be permitted.

APPORTIONING OF COSTS AND INTEREST

All costs related to investing, maintaining and accounting for the investments purchased for the Investment Pool, as authorized by Section 27013, shall be apportioned equally on the average daily balance method quarterly to all participants with funds in the Investment Pool, including those held in specific investments. Interest earning shall be apportioned on the same basis and also distributed quarterly.

REPORTING

The Treasurer will report to the Board of Supervisors and the Oversight Committee on a quarterly basis the holdings, status, and earnings of the portfolio. The Statement of Investment Policy will be provided at the start of each calendar year annually for the approval of the Board of Supervisors and for review by the Oversight Committee. Should circumstances require revision within this Policy during the year, the changes will be presented to the Oversight Committee, and approval obtained from the Board of Supervisors prior to these alterations being adopted.

Addendum

Investment Type	Max. % of Portfolio	Max. Maturity	Quality Requirements
a) Bonds issued by a local agency	None	None	None
b) Treasury obligations	None	None	None
c) State of California Obligations	None	None	None
d) Obligation of Calif. local agency	None	None	None
e) Obligations issued by Federal Agencies, and U.S. and Government sponsored enterprises.	None	None	None
f) Bankers Acceptances	40%	180 days max.	None
g) Commercial Paper	40%	270 days max.	U.S. Corporations with \$500MM in assets
	max. 10% of portfolio per issuer		A or higher long term rating if any, A1/P1/F1 or better C.P. rating by Moody's/S&P/Fitch.
h) Negotiable C.D.s	max. 10% of issuer's program	5 years	None
i) Repurchase Agreements	30%	1 year	Collateral must be a legal investment
Reverse Repurchase Agreements	None	92 days maximum, or to maturity	
j) Medium Term Note	20% of base	5 years	U.S. Corporations, or Banks licensed within any State of the U.S., "A" or better rating by major rating service.
k) Mutual Funds	30%	NA	A defined money market fund; or invest only in a-j, m, n, of this list, as restricted; Highest letter and number ranking of 2 of 3 rating services; or a SEC Registered Advisor with 5 Yrs. experience, managing assets of \$500MM or more; No load. Not contrary to 53635 and other pertinent law.
l) Investments as permitted by provision in agreements of indebtedness	20%, 10% per fund	NA	
m) Asset secured indebtedness	As per bond agreement	NA	
n) Collateralized Mortgage obligations	None	None	As required by 53652
	20%	5 years	Issuer must be rated "A" minimum, security must be "AA" by national rating service.
o) Contracted Non-neg. Time Deposits	None	None	None

These tables are not meant to be a replacement for the Government Code. Involved parties should obtain a valid, updated copy of the pertinent Code sections to fully understand all the details included within these Codes.

Temporary Constraints and Restrictions on Investments

a. **Bonds issued by the County or County Agencies.** The Treasurer may purchase debt issued by the County or its agencies, but any such debt purchased will normally be obtained only directly from the issuing agency and not in the secondary market. The purchase of appropriate issues of local agencies existing within the County, maturing beyond five years, may also be purchased after consultation and the proper approval of the Board of Supervisors. Such issues, along with issues from 'c' and 'd' below, shall not exceed 10% of the total portfolio. LAIF investments shall not be included when calculating this percentage.

b. **U.S. Treasury obligations.** The Treasurer will attempt to purchase U.S. Treasury obligations for the liquidity and availability they provide when investing in issues beyond two years. However, the spread available on issues with less availability or quality may suggest that other issues be substituted. Treasury issues will not be limited in quantity, though the cash flow requirements of the Pool shall be considered when purchasing longer term maturities.

c. **State of California Obligations.** The Treasurer does not currently invest in State obligations, though participation in the Local Agency Investment Fund is part of the overall investment strategy, and the holding of interest bearing State issued warrants, as an investment alternative is permissible under some occasions. State issued obligations, along with issues from 'a' and 'd', shall not exceed 10% of the overall portfolio. LAIF investments shall not be included when calculating this percentage.

d. **Obligations of another California local agency.** The Treasurer does not currently purchase many of these securities when issued by individual agencies due to tax considerations, but may occasionally purchase taxable issues. The total of all such individual local agency issues, along with issues from 'a' and 'c' above, shall not exceed 10% of the overall portfolio. LAIF investments shall not be included when calculating this percentage, nor shall investments in joint power authorities that resemble money market mutual funds such as CAMP. Maximum investments in LAIF shall be governed by the maximum permitted by the State. Investments in joint powers authority investment funds shall not exceed 25% of the Pool's portfolio. Neither of these limits shall include specific investments or individual local agency's investments of bond proceeds not made through the Pool.

e. **Obligations of the various Federal agencies.** The Treasurer currently does not invest in any long term pooled securities issued by GNMA, FHLMC, SBA, or any Federal agency with a maturity based on average life calculations. Due to the frequent concerns for the safety and liquidity levels of many agency obligations, the Treasurer monitors and may restrict the purchase of any particular agency's securities at any time. Agency obligations are expected to yield a reasonable spread over Treasury issues of the same maturity. No single agency will account for more than 20% of the portfolio at this time, nor will the total of all Federal agencies exceed 40% of the portfolio.

f. **Bankers Acceptances.** The Treasurer currently purchases B.A.s from those banks with a proven record of dependability and market participation. Foreign banks shall be headquartered in certain Western European countries, Canada, or Japan. For additional potential restrictions see section 'p' below.

g. **Commercial Paper.** The Treasurer currently does not impose any additional restrictions on commercial paper, though. As a rule will maintain an inverted ratio that results in the percentage of commercial paper in the portfolio decreasing as the weighted average maturity of the commercial paper within the portfolio increases. Under normal market conditions, the percentage in commercial paper will not approach the maximum unless all maturities are under thirty days, nor will the percentage of commercial paper generally exceed 30% of the total portfolio unless the average weighted maturity of commercial paper investments is less than 60 days. See section 'p' below for additional potential restrictions on particular Commercial Paper issues.

m. **Asset backed securities.** The Treasurer buys only asset backed commercial paper with maturities under 180 days.

n. **CMO investments.** Under the terms of the Investment Policy, the Treasurer does not purchase any CMO investments.

o. **Contracted Non-negotiable Time Deposits.** The Treasurer will enter into contracts for Time Deposits of amounts greater than \$98,000, only with those banks that meet the requirements for investment in Negotiable C.D.s, or with those banks headquartered or with a branch within the County, that are rated "A-" or better by Gerry Findley Inc. or an equivalent rating of a similar rating agency. Time Deposits for amounts of \$98,000 or less shall be with California institutions rated "A" or better by Gerry Findley Inc. or a similar rate and rating agency, having assets of at least \$25,000,000 and shall require at least quarterly interest payments. Issuers of all Time Deposits shall agree to early withdrawal, under a bona fide emergency circumstance, with penalties not exceeding an interest adjustment to the level of the yield available to the investor on the original settlement date, for the shorter time period actually held. The maximum maturity on any Time Deposit shall usually not exceed 1 year, nor shall the total of all Time Deposits exceed 10% of the total portfolio. Mandated deposits or investments specifically invested by pool participant's request are not included in this percentage restriction. See section 'p' below for additional potential restrictions.


p. **Exposure Limits.** Presently the total exposure to any one issuer, when totaling all types of securities, shall not exceed 15% of the total portfolio on date of purchase. Possible exceptions to this rule shall include U.S. Treasury issues, Federal Agency issues, local agency issues, and funds in LAIF. Repurchase Agreement collateral shall not be excluded from this calculation unless the Repurchase Agreement is for 5 business days or less. Exposure to the overall credit of individual foreign countries shall be monitored and maintained at prudent levels.

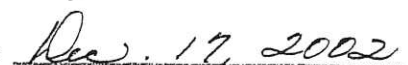
q. **Futures and Options.** Under the terms of the Investment Policy the Treasurer does not invest in futures or options.

r. **Maturities over one year.** Any investment made with a maturity exceeding one year, not made by the Treasurer, shall require prior approval of the Treasurer.

s. **Permitted Percentages.** State law states that all required percentages included within investment related sections of the Government Codes are only binding on the day the investment is made, and that future changes in the size of the portfolio do not require the Treasurer to readjustment the total percentage of each security type within the portfolio to reflect the change in size. Neither is it necessary to sell an investment when changes occur such that the security no longer meets the minimum requirements of the Codes, or the Codes are changed such as to no longer include certain current holdings. The Treasurer shall weigh the change in risk and determine whether or not a security should be sold or retained within the Portfolio after a change in conditions or the Codes result in a particular security no longer meeting existing or new regulations.

The foregoing instrument is a Correct Copy
of the original on file in this office
-TTT- J. TERRY A. HANSEN
Clerk of the Board of Supervisors of the
County of Yuba, State of California







**AGENDA SUPPORT MATERIAL
for January 27, 2004 Y.C.W.A. Board Meeting**

Agenda Item 3e. Consider Adoption of Resolution 2004-6
Re-affirming of Investment Policy.

Issue

Government Code requires the Agency adopt a written statement of investment policy each year. The Agency is also required to deposit and invest its monies with a suitable institution, in this case Yuba County. The financial criteria for the investment policy has not changed since it was last approved by the Board.

Action

Consider approval of Resolution 2004-6, Reaffirming Agency Investment Policy.

Agenda Item 4. Consider Approval of Contract between YCWA
and Wheatland Water District Providing for Water
Service.

Issue

The South County Development Committee recommends Board approval of the Contract Between YCWA and Wheatland Water District Providing for Water Service. Execution of this agreement will represent a major step forward in completing the long contemplated project to bring Yuba River surface water to WWD. This project will bring up to 40,230 acre-feet to the Wheatland area with a total project cost of approximately \$7.55 million. The project follows the past practice in developing other water supply projects and contracts. Project funding includes \$3.15 million from Proposition 13 Water Bond funds administered by the Department of Water Resources, about \$790,000 dollars from Wheatland Water District in the form of a loan from YCWA and the balance of the project is paid for by YCWA. These are estimated costs based on the preliminary design. Final costs will be determined by the actual design and construction. Estimated water cost ranges from about \$14.11 to about \$16.26 per acre foot.

Action

Consider Approval of Contract between YCWA and Wheatland Water District Providing for Water Service.

Agenda Item 5. Consider (1) Approval of Resolution No. 2004 -7 Approving the Grant Agreement with California Department of Water Resources for New East Side Canal Extension Project, (2) authorize the Chairman to sign the Grant Contract and (3) authorize the General Manager to act as the Grant Recipient Project Director. Issue

This Grant from Department of Water Resources is in the amount of \$3.15 million for the construction of the New Eastside Canal Extension to provide water service to Wheatland Water District. The grant requires matching funds from local participants and covers YCWA's application and other past costs. Our legal council advised that the Board should not approve this contract until it approved the contract providing for water service, which is covered in agenda item 4.

Action

Consider (1) Approval of Resolution No. 2004 -7 Approving the Grant Agreement with California Department of Water Resources for New East Side Canal Extension Project, (2) authorize the Chairman to sign the Grant Contract and (3) authorize the General Manager to act as the Grant Recipient Project Director.

Agenda Item 6. Consider Approval of \$240,000 increase to RD784's Levee Reconstruction Grant for Site 7 and the Relocation of Pump Station 2.

Issue

In April of 2002, the Agency granted Reclamation District 784 \$1,136,000 to fund the Local Share and part of the State Share of the Site 7 Extension portion of the Marysville City Area Levee Reconstruction Project. The majority of the Site 7 work is the relocation of Pump Station #2. At the time these monies were granted, it was estimated that the cost of the work would be \$1,036,000 with an additional 10% contingency. Included in this amount was the State's share of \$725,200 (70% of 1,036,000) to be reimbursed at a later date.

In May of 2002 the Agency received an invoice from Sprint for \$149,760.03 for the cost of relocating their fiber optic cable. The work occurred from September 1997 through August 1999 as part of Contracts I & 2 of the Marysville City Area Levee Reconstruction Project. YCWA was the local participant for Contracts I & II, not RD784. This project had been budgeted in the Project Fund through 99/00 (\$761K) but the funding was not carried forward into subsequent years. When the Sprint bill finally arrived in 2002, it

was paid with RD784 Site 7 Grant funds in error. Therefore, staff requests replacement funds for the Site 7 Grant in the amount of \$150K.

The cost of the pump station relocation has increased. The latest estimate is now \$2,775,000. Staff requests additional funds for the Site 7 Grant in the amount of \$90K to cover the additional non-federal share. The funds will be spent on LERRDS, which comprise land and easement purchases and compensation to landowners for damages.

The combination of \$150K replacement funds and \$90K additional funds equals the \$240K requested.

Action

Consider Approval of \$240,000 increase to RD784's Levee Reconstruction Grant for Site 7 and the Relocation of Pump Station 2.

**CONTRACT BETWEEN YUBA COUNTY WATER AGENCY
AND WHEATLAND WATER DISTRICT
PROVIDING FOR WATER SERVICE**

This Agreement is entered into as of this _____ day of _____, 2004, between Yuba County Water Agency (organized and existing under the Yuba County Water Agency Act, "Agency") and Wheatland Water District (a public agency, "District"), who agree as follows:

1. **Recitals.** This Agreement is made with reference to the following recitals:

(a) The Agency has constructed the Yuba River Development Project ("Project") for the diversion, storage, carriage, distribution, and beneficial use of waters of the Yuba River and its tributaries for flood control, irrigation, municipal, domestic and industrial water supply, generation of electrical energy, and other purposes.

(b) The District desires to contract with the Agency for water from the Project ("Project Water") for which the District will make payment to the Agency upon the bases, at the rates and pursuant to the terms and conditions hereinafter set forth.

(c) The District area is shown on the maps marked Figures 2 and 3 of the report entitled, *Wheatland Water District Irrigation Water Supply Proposal*, dated _____, attached hereto as Exhibit A and incorporated herein, which also shows five separate Project Zones within the District. Project Water provided under this Agreement will be made available to serve Project Zones 1, 2, 3, 4 and 5 as shown on Figure 3 of Exhibit A ("District's Service Area"). The gross acreage in the District's Service Area is 11,230 acres (Project Zones 1 and 2 consist of 5,540 acres, Project Zone 3 consists of 3,400 acres, Project Zone 4 consists of 900 acres, and Project Zone 5 consists of 1,390 acres). This Agreement provides for the design, construction and operation of facilities to serve Project Zones 1-3. When the District is prepared to proceed with the design, construction and operation of facilities to serve Project Zones 4-5, the parties will negotiate whether and how to implement service to such additional zones pursuant to an amendment to this Agreement.

(d) The parties acknowledge that the costs of extending facilities to provide Project Water to the District will be financed in part by a Groundwater Storage Construction Grant Contract between the Agency and State Department of Water Resources (Contract No. E90013) (the "DWR Grant Contract") (attached as Exhibit B and incorporated herein) for implementing a conjunctive use program for the District area. The conjunctive use program will enable the Agency to coordinate and integrate its surface water supplies and storage with groundwater supply and storage in order to better provide for the water needs of Agency member districts and other water users. Consequently, this Agreement and the work and facilities necessary to provide Project Water will be structured as a conjunctive use project pursuant to the DWR Grant Contract.

2. Term of Contract - Right of Renewal.

(a) Term. This Agreement shall be effective on the date first above written and shall remain in effect through _____, 2034, unless it is terminated by the written consent and agreement of the Agency and the District before that date, provided that, the provisions of Section 8 shall remain in effect throughout the term of the payment schedule.

(b) Renewal. To the extent allowed by law at the time of renewal, by written notice to the Agency at least one year prior to the expiration of the term of this Agreement, the District may elect to receive continued service under the following conditions, unless otherwise agreed to:

(1) Service of water in annual amounts (providing that it is being used reasonably and beneficially as determined by the Agency) up to and including the District maximum annual entitlement of base and supplemental Project Water supplies under this Agreement as provided in Section 9, except that the District's entitlement to supplemental Project Water shall be subordinate in priority to the entitlement of existing Agency water contractors to receive supplemental Project Water under their respective renewed water service contracts;

(i) The parties acknowledge that the District objects to the junior priority to supplemental water provided by this provision and section 17(c). The parties agree that nothing in this Agreement shall restrict the District's right to negotiate changes to this junior priority policy with the Agency and the other south Yuba County member districts and/or to pursue a lawsuit challenging the legality and enforceability of this junior priority to supplemental water.

(2) Service of Project Water at no greater cost to the District than would have been the case had this Agreement continued in effect, except as provided in subsection (c), below;

(3) Service of Project Water under the same physical conditions of service, including time, place, amount, and rate of delivery, as are provided for hereunder. Other terms and conditions of the continued service shall be reasonable and equitable and shall be mutually agreed upon.

(c) Changes in Land Use. If on the date this Agreement is renewed, substantial changes in land use within the District's Service Area have occurred, which decrease the irrigable acreage that can be served Project Water under this Agreement within the District by more than twenty percent during the previous contract period, then the quantity of water furnished to the District pursuant to the renewal contract shall be reduced proportionately. To the extent of such reduction, the District may convert this Agreement or a renewal contract to a contract for purposes other than agricultural or recreational purposes, upon such terms and conditions as may be negotiated and agreed to by District and Agency. To the extent water is subject to such a contract for other than agricultural purposes, that water shall be considered to be base supply available to the District, and not supplemental supply. This provision shall apply only upon the expiration of this Agreement and the preparation of any renewal contract.

(1) If the Agency decides to provide water for municipal and/or industrial purposes to an entity other than the District for use within the District's Service Area, then the Agency agrees to reduce any payments due by District to Agency under sections 8 and 19. The amount of the

reduction shall be a fraction based on the amount of reduction of water deliveries to the District resulting from or attributable to the alternative municipal/industrial water supply provided by the Agency divided by the District's total base and supplemental water supply.

3. Design of District Delivery System.

(a) Final Design. The Agency shall prepare the final engineering design of the canals, ditches, siphons, meters, pipelines, turnouts, pumping facilities and related facilities and appurtenances necessary to provide Project Water to the District, as generally shown and described in the report attached as Exhibit A. These canals, ditches, siphons, meters, pipelines, turnouts, pumping facilities and related facilities and appurtenances as finally designed and as shown on the final Agency-approved plans and specifications shall be referred to as the "District Delivery System." The District Delivery System shall be designed with facilities sized to provide Project Water to all of the District Service Area (except as provided in subsection (a)(1)). The design and construction shall be undertaken in three phases as described in Section 8(b). The final design, plans and specifications prepared pursuant to this Agreement shall include the first two phases. The third phase design shall be prepared later pursuant to an amendment of this Agreement.

(1) The Agency may oversize the District Delivery System facilities in order to provide capacity for conjunctive use purposes (see section 11) and/or to deliver water to lands other than the District Service Area. If the Agency oversizes the system facilities, then the Agency (1) may use the District Delivery System for such Agency purposes, (2) shall pay 100% of the extra or additional costs attributable to the oversizing as determined by the Agency, in consultation with District, and (3) shall pay a portion of the District Delivery System operation and maintenance costs, based on the Agency's share of the District Delivery System as compared with the District's share.

(b) Point of Delivery. The point of delivery by the Agency of Project Water to the District shall be at the point as shown on Figure 1 of Exhibit A, or as otherwise agreed to by the parties during final design of the District Delivery System (the "Point of Delivery").

4. Acquisition of Easements by District. Except as provided in section 5, the District at its sole cost and expense shall obtain and provide to the Agency all necessary easements in a form acceptable to the Agency over and across the portions of the District Delivery System area located within the District boundaries, including reasonable access, for the purpose of constructing, installing, operating, maintaining, repairing, replacing and rehabilitating the District Delivery System. The easements shall be nonexclusive, in that the Agency and the District shall both have the same right of access to the affected property for the same purposes. If the District has failed or refused to perform the obligations set forth in this section and that failure or refusal constitutes, in the opinion of the Agency, a threat to the continued ability of the District Delivery System to meet design specifications or the requirements of the Agency, then the Agency may perform the necessary work either with its own forces or by contract. The District will reimburse the Agency for 100% of the reasonable costs of performing that work. The Agency shall exercise its power of eminent domain, if necessary, as a cost to be reimbursed by the District, if the District fails to provide to the Agency easements necessary for

construction, installation, operation, maintenance, repair, replacement and rehabilitation of the District Delivery System.

5. Acquisition of Easements and Interests by Agency.

(a) The Agency shall obtain all necessary easements over and across portions of the District Delivery System located outside the District boundaries, including reasonable access, for the purpose of constructing, installing, operating, maintaining, repairing, replacing and rehabilitating the District Delivery System.

(b) In order to implement the delivery of Project Water to the District, the parties acknowledge that it will be necessary to utilize a portion of the existing canal system that is owned and operated by Brophy Water District ("Brophy"). The Agency shall acquire from Brophy an easement, wheeling agreement or other appropriate agreement to allow for use of the Brophy portion of the canal (the "Brophy Section"). Acquisition of the Brophy Section shall be a condition precedent to providing Project Water to the District.

(c) Any costs incurred by the Agency in acquiring easements and other interests pursuant to this section shall be considered capital costs of the District Delivery System.

6. District Reimbursement for Existing System. For the reasons explained in the report attached as Exhibit A, the District shall reimburse to the Agency a portion of the initial capital cost to acquire the existing Agency South Yuba Main Canal System and related facilities used to deliver Project Water from the Yuba River to the Point of Delivery. The amount of this reimbursement shall be \$385,284, and it shall be paid to the Agency as a capital cost under the financing provisions set forth in Section 8.

7. Yuba River Diversion Improvement Costs. The Project Water is diverted by the Agency from the Yuba River at Daguerre Point Dam through an existing cobble fish screen. The parties acknowledge that the State of California is requiring the Agency and two of its other member districts (Brophy and South Yuba Water District) to undertake a study to evaluate and develop plans to reduce fish losses resulting from the diversion of Project Water through the cobble fish screen into the South Yuba Main Canal, and that the State or federal government also may seek to require the Agency and its member districts to replace or improve the diversion and/or fish screen. The costs to the Agency and its member districts to prepare this plan and, if required, to design, acquire, construct and install the diversion and/or fish screen improvements shall be referred to as the "Diversion Improvement Costs." The District shall pay or reimburse to the Agency its pro rata share of the Diversion Improvement Costs as a Project operation and maintenance cost pursuant to Section 19. The District's pro rata share shall be determined by the Agency as it develops a plan to address the fish screen improvements, in consultation with District and the other south Yuba County member districts. The Diversion Improvement Costs shall not be considered a capital cost of the District Delivery System under section 8, and nothing in this Agreement shall obligate the Agency to pay any particular sum toward the Diversion Improvement Costs.

8. Acquisition, Construction, Ownership and Financing.

(a) Construction of District Delivery System. The Agency agrees to construct the District Delivery System to deliver Project Water to the District's Service Area, on and subject to the terms and conditions of this Agreement. Following completion of construction, and subject to the eventual conveyance of a portion of the system pursuant to section 8(f), the Agency shall own the entire District Delivery System, including the portions both within and outside of the District. However, the District shall be responsible for operation, maintenance, repair and replacement of the entire District Delivery System, including, but not necessarily limited to, all portions of the District Delivery System within and outside of the District boundaries, all pumping plants and pipelines, and all water service connections, all of which shall be metered. The Agency also shall obtain all necessary federal and state permits, licenses or entitlements for the construction and operation of the District Delivery System. Permit acquisition costs shall be considered capital costs of the District Delivery System. The Agency agrees to use its best efforts to proceed expeditiously to complete the design and construction of the District Delivery System, and in accordance with the deadlines of the DWR Grant Contract (as may be amended).

(b) Phasing of Construction. The District Delivery System will be constructed in three phases. The first phase will consist of those facilities necessary to provide Project Water to Project Zones 1 and 2 as shown on Figure 3 of Exhibit A. Construction work on Phase 1 will commence after (i) completion of the final design of the District Delivery System, (ii) acquisition of the Brophy Section, (iii) acquisition of all necessary easements and permits, and (iv) compliance with the conditions precedent of the DWR Grant Contract. Phase 2 will consist of those additional facilities necessary to provide Project Water to Project Zone 3. Construction work on Phase 2 will commence sometime after completion of Phase 1 as subsequently agreed to by the parties. Phase 3 will consist of those additional facilities necessary to provide Project Water to Project Zones 4 and 5. Construction work on Phase 3 will be undertaken later pursuant to an amendment of this Agreement. Nothing in this Agreement shall restrict the Agency from dividing a project phase into two or more portions of construction work for purposes of bidding and contracting.

(c) Repayment of Costs. The District shall repay the actual costs of all Agency capital costs of constructing the District Delivery System (including, but not necessarily limited to, the fees and costs for land and rights-of-way acquisition, permitting and environmental review, design and engineering, materials and construction) plus the District's pro rata share of the capital cost of existing Agency facilities (see Section 6), less a contribution from the Agency toward the costs of the District Delivery System ("Agency's Contribution"). The Agency's Contribution shall be (i) one-half of the least-costly option for constructing the District Delivery System, as determined by the Agency in consultation with the District, plus (ii) \$1,683.416, which is one-half of the estimated capitalized cost of pumping operation and maintenance costs, amortized over thirty years at six percent per year interest. The basis for calculation of the Agency's Contribution and the estimated payment due from the District is set forth in Exhibit A. For purposes of repayment of costs, the Agency's capital costs of constructing the District Delivery System shall not include grant funds contributed toward project construction pursuant to the DWR Grant Contract. The District shall make thirty annual payments to the Agency to repay costs described herein commencing on January 1 of the year following the year of completion of the District Delivery System, amortized over thirty years at a variable interest rate that equals the

rate of return on funds held by the Yuba County Treasurer for the prior year ("Agency Interest Rate"). Payments by the District under this Section shall be in addition to payments for operation and maintenance costs by the District under Section 19.

(1) Phasing. Cost repayment under this Agreement will be implemented in two phases. Upon completion of Phase 1 of the District Delivery System, the Agency will calculate the capital repayment amount pursuant to this subsection (c) for the Phase 1 capital improvements and costs. Upon completion of Phase 2, the Agency will recalculate the capital repayment amount to include the Phase 2 capital improvements and costs. Cost repayment for Phase 3 shall be addressed in the amendment of this Agreement to implement that phase.

(2) Five Year Interest Only. For the first five years following completion of Phase 1 of the District Delivery System, the District may make interest-only payments and defer the beginning of repayment of principal until the sixth year. Payment of principal shall be amortized over the remaining 25-year period.

(d) Late Payment. Any payment required by the District under this Agreement that is not received by the due date shall incur a penalty of ten percent and bear interest at the rate of one percent per month until paid in full.

(e) Brophy Contribution. The parties acknowledge that a portion of the District Delivery System will allow for Project Water to be made available to serve additional lands in the Brophy service area and to serve other Brophy lands currently receiving Project Water through pumping more efficiently with gravity flow. Consequently, if Brophy chooses to receive water from the District Delivery System, the Parties agree that Brophy should share in the costs of the District Delivery System. As part of the acquisition of the Brophy Section, the Agency will negotiate and include in the easement or other agreement a commitment by Brophy to pay or contribute its fair share toward the District Delivery System. In determining the Agency capital costs of constructing the District Delivery System for purposes of subsection (c), the amount of the Brophy contribution, if any, will be deducted from the total capital costs.

(f) Transfer of District Delivery System. When the District has fully repaid the amounts set forth in subsection (c), the Agency shall convey to the District clear title to the portions of the District Delivery System located within the District, including any easements or rights-of-way within the District acquired by the Agency under this Agreement. Following such conveyance, the Agency will continue to own the portions of the District Delivery System located outside the District boundaries (subject to the ongoing obligation of the District to operate, maintain, repair and replace the entire District Delivery System). The Agency's conveyance or transfer of any portion of the District Canal System shall be subject to the requirements of the DWR Grant Contract, which may require Department of Water Resources' approval of the conveyance. Notwithstanding conveyance of a portion of the District Delivery System to the District, the Agency will retain the right to deliver water through the District Delivery System for Agency purposes so long as (1) the District Delivery System has sufficient transmission capacity to accommodate the additional water without adversely affecting the District water users, (2) the Agency requires the owners of the additional land to reimburse to the District a pro rata share (based on acreage of additional land to District acreage served by the District Delivery System) of one-half of the capital costs of constructing the District Delivery System plus interest on such

amount calculated in the same manner as subsection (c) (unless previously paid pursuant to section 3(a)(1)), and (3) the Agency requires the owners of the additional land to pay to the District a pro rata share of operation and maintenance expenses calculated in the same manner as for District landowners that receive Project Water (unless operation and maintenance payments have been addressed pursuant to section 3(a)(1)). The District shall not charge any wheeling or capacity charges in addition to or beyond the payment amounts set forth in this subsection.

(g) Rate Covenant. The District agrees that it shall throughout the term of this Agreement fix and collect such charges for water service that, after allowances for contingencies and delinquencies, shall produce sufficient revenues to pay the Agency all payments required in this Agreement.

(h) Local Distribution System. Under this Agreement, the Agency agrees to participate in the design and construction, and share in the costs of, only the District Delivery System as described in Exhibit A and to be shown on the Agency-approved plans and specifications. The District will be solely responsible for the design, construction, operation and maintenance of its local water distribution system beyond the main District Delivery System.

9. Project Water Supply to be Furnished to the District.

(a) Water Deliveries – Phase 1. Upon completion and acceptance by the Agency of Phase 1 of the District Delivery System (or a severable portion of Phase 1), the Agency shall provide Project Water to the District on and subject to the terms of this Agreement. For Phase 1, the maximum base Project Water supply available to the District under this Agreement is 14,310 acre feet per year, which is 2.87 acre feet times ninety percent of the gross acreage within Project Zones 1 and 2 of the District’s Service Area (i.e., 5,540 acres x 90% x 2.87 acre feet/acre). The maximum supplemental Project Water supply available to the District under this Agreement is 10,620 acre feet per year, which is 2.13 acre feet times ninety percent of the gross acreage within Project Zones 1 and 2 of the District’s Service Area (i.e., 5,540 acres x 90% x 2.13 acre feet/acre). Subject to the terms and conditions of this Agreement, the Agency shall deliver and the District shall pay for 14,310 acre-feet of base Project Water supply and 10,620 acre-feet of supplemental Project Water supply annually for application to reasonable and beneficial uses upon the lands within the District’s Service Area, in the amounts, for the months, and subject to the provisions set forth below.

Month	Base Project Water Supply (in acre feet)	Supplemental Water Supply (in acre feet)
January	0	0
February	0	0
March	286	213
April	1,717	1,274
May	2,433	1,806
June	2,719	2,017
July	2,862	2,124
August	2,289	1,699

September	1,574	418
October	430	319
November	0	750
December	0	0
Total	14,310	10,620

(b) Water Deliveries – Phase 2. Upon completion and acceptance by the Agency of Phase 2 of the District Delivery System, the Agency shall provide additional Project Water to the District based on the lands within Project Zone 3. The maximum base Project Water supply available to the District shall be increased by 8,782 acre feet per year, which is 2.87 acre feet times ninety percent of the gross acreage within Project Zone 3 (i.e., 3,400 acres x 90% x 2.87 acre feet/acre). The maximum supplemental Project Water supply available to the District shall be increased by 6,518 acre feet per year, which is 2.13 acre feet times ninety percent of the gross acreage within Project Zone 3 (i.e., 3,400 acres x 90% x 2.13 acre feet/acre). Following acceptance of Phase 2, subject to the terms and conditions of this Agreement, the Agency shall deliver and the District shall pay for a total of 23,092 acre-feet of base Project Water supply and 17,138 acre-feet of supplemental Project Water supply annually for application to reasonable and beneficial uses upon the lands within the District’s Service Area, in the amounts, for the months, and subject to the provisions set forth below. With this additional Project Water for Phase 2, the table of total available water shall be revised as follows:

Month	Base Project Water Supply (in acre feet)	Supplemental Water Supply (in acre feet)
January	0	0
February	0	0
March	730	543
April	2,502	1,857
May	3,658	2,715
June	4,209	3,123
July	4,528	3,362
August	3,695	2,741
September	2,719	1,268
October	1,051	779
November	0	750
December	0	0
Total	23,092	17,138

(c) Water Deliveries – Phase 3. The water delivery quantities and schedule for Phase 3 shall be addressed in the amendment of this Agreement to implement Phase 3.

(d) Maximum Limit. Nothing in this Agreement shall be interpreted or construed as increasing the base or supplemental Project Water supply beyond the established Agency policy described above of 2.87 acre feet and 2.13 acre feet, respectively, or in a manner that would

result in an obligation of the Agency to increase the base or supplemental water supply of any other Agency water contractor.

(e) Rescheduling of Monthly Deliveries. On or before a date to be determined annually by the Agency, the District may request that the Agency reschedule delivery of its base Project Water supply or its supplemental Project Water supply for any month or months during the year, including the months of November through February. If the Pacific Gas and Electric Company or its successor agrees to the rescheduling, the Agency will reschedule delivery (1) to the extent Project Water is available and any contractual commitments of the Agency are not impaired, including commitments under supplemental or surplus water contracts for delivery of water within the Agency's boundaries, as to a request for water rescheduling during the irrigation season, and for delivery of water within or outside the Agency, as to a request for rescheduling outside the irrigation season; (2) if the rescheduling will not adversely affect requirements for streamflow releases or recreation requirements under regulatory agency permits, licenses, agreements, orders, or decisions; and (3) if the rescheduling will not unreasonably affect the Agency's operation and maintenance of the Project and Project facilities. The determination by the Agency that it cannot reschedule a monthly delivery shall not excuse payment for that Project Water under the terms and conditions of this Agreement. If more than one Agency water contractor requests that the Agency reschedule monthly deliveries, and the Agency cannot reasonably accommodate all rescheduling requests for a month, the Agency shall reschedule pursuant to each water contractor's request in proportion to the requesting entity's monthly allocation of Project Water for the month to which the District wishes to reschedule its allocation.

(f) Adjustment of Amounts of Project Water. The parties may at any time by mutual written agreement increase or decrease the amount of Project Water thereafter to be furnished each year to the District by the Agency during the remainder of the term of this Agreement, within the limitations and conditions herein set forth.

(g) Rates of Diversion. Subject to the terms and conditions of this Agreement, the Agency shall deliver the amounts of Project Water provided for in this section at the maximum rates of 91 cubic feet per second for Phase 1 and 140 cubic feet per second for Phases 1 and 2; as measured at the District's Point of Delivery. These maximum rates of delivery are for water to be delivered for phases 1 and 2 (Zones 1-3) of the District only, and do not include or apply to other water deliveries to District for subsequent phases or water delivered through the District Delivery System for delivery to areas and users other than the District. If, however, there is excess system capacity after satisfying the contract requirements of other Agency water contractors under water service contracts dated earlier than this Agreement, higher diversion rates of up to 157 cubic feet per second for Phase 1 and up to 206 cubic feet per second for phases 1 and 2 will be allowed. This additional water delivery amount of 66 cubic feet per second is the estimated maximum delivery rate at the Point of Delivery for subsequent phases and for water to be delivered by Agency to areas and users other than the District.

10. Coordination of Use of Water.

(a) Prior to the commencement of each irrigation season, the District shall provide notice to the Agency of the District's plan of intended diversion of Project Water. The District shall notify the Agency of any changes in its plan of intended diversion of base and supplemental Project Water at least every 30 days during each irrigation season.

(b) The Agency and the District agree that all water diverted by the Agency to or for the District shall be deemed to be Project Water, irrespective of whether it includes surface diversions from the Yuba River, diversion of the underflow of the Yuba River, or groundwater.

11. Conjunctive Use.

(a) The parties acknowledge that the Agency intends to finance a portion of the costs of the District Delivery System, including the Agency's Contribution, from the DWR Grant Contract. The State Department of Water Resources has agreed to fund this project because it allows for future conjunctive use of surface water and groundwater and will provide for the recharge and storage of groundwater for potential use in dry and drought years and to facilitate water transfers.

(b) The Agency, at its sole cost and expense, may utilize the District Delivery System for conjunctive use purposes, including, but not necessarily limited to, the following: installation or acquisition and operation of groundwater wells in and around the District for conjunctive use purposes by utilizing groundwater in lieu of surface water; entering into contracts with the District and/or private well owners for similar purposes; and, installation or acquisition and operation of groundwater recharge/storage ponds or facilities in and around the District, including the right to recover stored water. Project Water provided by the Agency under this Agreement may be either surface water, groundwater or a combination of both.

(c) This Agreement is subject to the DWR Grant Contract, attached as Exhibit B. The implementation of this Agreement, design, construction, operation and maintenance of the District Delivery System, and the use and delivery of Project Water to the District must comply with the DWR Grant Contract. If there are any irreconcilable differences between a provision of this Agreement and a provision of the DWR Grant Contract or a requirement of the Department of Water Resources under the DWR Grant Contract, the DWR Grant Contract shall prevail.

12. Releases.

(a) Required. Except in years when there is a shortage of Project Water available from the Project, and subject to the terms, conditions, and provisions of this Agreement, the Agency agrees to release from the Project each year amounts of water sufficient to satisfy the District's base and supplemental Project Water supplies, other contractual water supply obligations of the Agency, the water rights of diverters located between the Narrows power plants and the mouth of the Yuba River, which are prior in right to the Agency, and to make up evaporation and percolation losses between the Narrows power plants and the Yuba River diversion works on the Yuba River in the vicinity of Daguerre Point Dam.

(b) Inability to Deliver. In the event of losses by the Agency of the water rights necessary for full performance of this Agreement, or in the event that water rights of the Agency or other water diverters are administratively or judicially determined in a manner that adversely affects the Agency's capability of furnishing the water supply which the Agency has agreed to furnish pursuant to this Agreement, the quantity of water to be delivered under this Agreement shall be proportionately reduced with all other water users utilizing Project Water under the water rights of the Agency. Agency adjustments pursuant to this subsection may be applied to base water supply or supplemental water supply, or both.

13. Use of Water Furnished to the District. Project Water furnished to the District pursuant to this Agreement shall not be used by the District for any purpose other than agricultural and recreational uses within the District's Service Area, without written consent of the Agency. Agricultural purposes shall include, but not be restricted to, irrigation of crops, watering of livestock, wildlife enhancement, incidental domestic use, and groundwater replenishment.

14. Place of Use of Water.

(a) District's Service Area. The District will use Project Water only within the District's Service Area. No Project Water shall be sold outside or for use outside the District's Service Area. No increase in the size of the District's Service Area for purposes of this Agreement shall take effect until it has been approved in writing by the Agency.

(b) Water Not Used in Years of Shortage. The District may, with the advance written consent of the Agency, exchange Project Water for beneficial use with any other water contractor within Yuba County that has contracted with the Agency for Project Water. No sale or other disposal by the District for use outside the District's Service Area of any Project Water, or the right of the use thereof, shall be made by the District without first obtaining the written consent of the Agency.

(c) Water Not Used. Any Project Water not used by the District shall automatically be included as surplus water by the Agency in its determination in that year of the availability of surplus water for use by Agency contractors within the Agency's boundaries. The District shall not be relieved of the obligation to pay for such water, except as set forth in subsection (d).

(d) Reimbursement for Surplus Sales. In any year in which the Agency determines there is surplus Project Water available, in addition to the Project Water entitlement of Agency contractors, the District shall be reimbursed to the extent any Project Water not used by the District is made available that year by the Agency as surplus water to other Agency contractors for use within the Agency's boundaries. The reimbursement shall be ninety percent of the amount paid by the District, and the District's water shall be deemed to be sold as surplus water only to the extent that all other Agency surplus water available in that year has been sold first. The District shall not be entitled to reimbursement as a result of the sale of surplus Project Water by the Agency for use outside the Agency's boundaries.

15. Return Flow. The Agency reserves the right to the use of all waste, seepage, and return flow derived either directly or indirectly from water diverted by or for the District under this

Agreement and which escapes or is discharged beyond the District's Service Area. Nothing herein shall be construed as an abandonment or a relinquishment of such water by the Agency. The Agency does not claim any right as waste, seepage or return flow to water being used or reused within the District's Service Area.

16. Responsibility for Diversion, Delivery, and Distribution of Water.

(a) Use of Water. Except as provided herein, the District will, at its own cost, provide for the delivery of water to its customers after it is delivered to the District's Point of Delivery, and will perform all acts required by law or custom in order to assure the reasonable and beneficial use of the water.

(b) Agency Not Liable. Neither the Agency nor its directors, officers, agents, or employees shall have any liability for or on account of:

(1) The control, carriage, handling, use, disposal, or distribution of water outside the facilities operated and maintained by the Agency; and

(2) Claims of damage of any nature whatsoever, including, but not limited to, property loss or damage, personal injury, or death arising out of or connected with the diversion, delivery, control, carriage, handling, use, disposal, or distribution of any water outside of the facilities operated and maintained by the Agency.

(c) Hold Harmless and Indemnification. The District agrees to hold the Agency, its directors, officers, agents and employees, free and harmless from and to indemnify the Agency for expenses, costs, losses, claims or liability that may arise from the acts or omissions of the District, its officers, agents, employees or contractors, arising out of or connected with the diversion, delivery, control, carriage, handling, use, disposal or distribution of any water outside of any facilities operated and maintained by the Agency.

17. Water Reduction, Shortage and Deficiency.

(a) Adverse Water Rights Decision. If any final and binding administrative or judicial decision(s) (1) determines that any of the water diverted by the Agency for the District is not Yuba River water subject to the Agency's water rights, or (2) adversely affects the Agency's ability to provide Project Water under this Agreement, then the quantity of Project Water to be delivered under this Agreement and the water entitlements of other Agency water contractors shall be proportionately reduced, and this Agreement shall be revised accordingly. The Agency shall make the sole determination as to an appropriate reduction in the District's water entitlement under this Agreement and the water entitlement of other Agency water contractors resulting from such a decision. Agency adjustments pursuant to this subsection may be applied to base water supply or supplemental water supply, or both.

(b) Reductions in Base Project Water Supply. The base Project Water supply shall be subject to reduction in dry years as provided below. Such reduction shall be based on the April 1 forecast of unimpaired runoff as published in the California Department of Water Resources ("DWR")

Bulletin 120 for the Yuba River at Smartsville, or, if no longer published, from successor data of at least equal reliability, which forecast shall be effective for determining the reduction for the period beginning May 1 and ending April 30 for each year (the "DWR Forecast"). The schedule of reduction is as follows:

Forecast Stream Flow (percent of normal)	Percentage of Base Project Water Supply Reduction
Above 85%	0%
51% to 84%	15%
40% to 50%	30%
Less than 40%	50%

(c) Reductions in Supplemental Project Water Supply. The Agency will determine and notify the District of the availability of supplemental Project Water each year, in its reasonable discretion, based on the DWR Forecast and other relevant factors and conditions. The District's entitlement to supplemental Project Water shall be subordinate in priority to the entitlement of Agency water contractors existing as of the date of this Agreement to receive supplemental Project Water under their respective water service contracts. Any Agency contracts for supplemental Project Water that may come into existence after the execution of this Agreement shall be subordinate in priority to that of the District. In the event of a dry year under subsection (b), the Agency first shall curtail all supplemental Project Water deliveries before it reduces the base Project Water supply.

(1) The parties acknowledge that the District objects to the junior priority to supplemental water provided by this provision and section 2(b)(1). The parties agree that nothing in this Agreement shall restrict the District's right to negotiate changes to this junior priority policy with the Agency and the other south Yuba County member districts and/or to pursue a lawsuit challenging the legality and enforceability of this junior priority to supplemental water.

(d) Exception to Reduction of Supply. Notwithstanding the provisions of subsections (b) and (c), deficiencies will not be applied to the extent the Agency determines in its reasonable discretion there is an adequate amount of Project Water in storage to meet the requirements of the Agency's water service contracts, including this Agreement, taking into consideration the following factors: (1) water supplies needed for carryover storage; (2) requirements under Project contracts concerning power production, fish and wildlife, recreation, or Project operation; (3) the provisions of regulatory agency permits, licenses, agreements, decisions, and orders; and (4) requirements for prudent operation of the Project. Any contract for transfer of Project Water for use outside the Agency's boundaries shall contain a provision that such transfer is subject to use of Project Water by or for the Agency's water contractors under the provisions of their water service contracts.

(e) Interference by Other Diverters. If (1) diverters other than the Agency divert the waters of the Yuba River or its tributaries above Bullards Bar Dam in such amounts or manner that the

Agency cannot release the amounts of Project Water required to fulfill its commitments under this Agreement and to other Agency contractors, or (2) any diverters other than the Agency divert water released from Bullards Bar Dam and such diversions cause a deficiency in the amounts of Project Water otherwise available to the District under this Agreement and to other Agency contractors, then the Agency shall not be in breach of this Agreement, and the Agency shall make an appropriate reduction in the quantities of Project Water that the District and other Agency contractors are entitled to receive. The Agency agrees to take reasonable measures to protect its water rights and supply as it determines in its reasonable discretion and subject to applicable budget restrictions.

(f) Temporary Discontinuance or Reduction in Delivery. The Agency may temporarily discontinue or reduce the amount or rate of flow of Project Water furnished to the District for the purposes of inspection, maintenance, repair, or replacement as may be necessary of any Project facilities or other facilities used in delivering Project Water to the District. The Agency will give the District notice in advance of any temporary discontinuance or reduction, except in cases of emergency. The Agency will, upon the resumption of service, approximate as nearly as may be feasible and in accordance with the terms and conditions of this Agreement, deliver to the District the quantity of Project Water that would have been delivered to the District in the absence of any temporary discontinuance or reduction in deliveries. The District shall receive a credit against Payments for water under Section 12 to the extent the Agency is unable to make water deliveries to the District under this subsection in the maximum annual amounts it is entitled to receive.

(g) Temporary Changes for Water Management and Environmental Purposes. In order to best manage the Agency's Yuba River water supply, manage and protect the Yuba River fishery, and comply with and implement the federal and state Endangered Species Acts, other environmental laws, and applicable water right permits and conditions, the Agency may temporarily discontinue, reduce or change the amount, rates of flow, and/or timing of deliveries of Project Water furnished to the District as may be determined by the Agency to be necessary or appropriate for these purposes. The Agency will give the District notice in advance of any such change, except in cases of emergency. In implementing this subsection, it is the Agency's intention to treat District and all other south Yuba County member districts similarly and consistently.

(h) Other Reductions in Supply. In any year in which there occurs a shortage of water from any cause other than those referred to in subsections (a) through (g), which affects the amount of Project Water available for delivery to the District and other Agency contractors, the Agency shall (1) determine the quantity of Project Water available after calculating prior rights and other Agency water release commitments, (2) determine each water contractor's proportionate share of the available Project Water supply, and (3) notify each water contractor of the amount of available Project Water to be allocated to each water contractor that year.

(i) No Liability. In no event shall any liability accrue against the Agency or any of its directors, officers, agents, or employees for any damage, direct or indirect, arising from a shortage of water (including both amount and rate of flow) on account of drought, unavoidable natural causes, accidents or emergencies or other reductions in water entitlement authorized under this Agreement. Nor shall the Agency or any of its directors, officers, agents or employees

incur liability from a failure of Agency facilities or errors in operation not caused either intentionally or by the negligence of the Agency or any of its directors, officers, agents, or employees.

18. Water Quality and Water Conservation.

(a) Water Quality. Water provided under this Agreement is raw, untreated and nonpotable. The Agency does not warrant the quality of any water furnished pursuant to this Agreement, assumes no responsibility with respect to the quality of such water, and assumes no obligation as to whether any of such water should be distributed without treatment. The District assumes full responsibility for any use that it may make of such water and shall cause any water distributed by the District to be treated as may be required by law. The District shall not authorize or allow water provided under this Agreement to be used for human consumption unless approved by the Agency in writing.

(b) Water Quality Regulations. The District agrees that it will comply fully with all federal and state water quality control laws and regulations that are applicable to the District.

(c) Water Conservation. The District agrees that it will comply fully with all federal and state water conservation laws and regulations that are applicable to the District.

19. Rate and Method of Payment for Project Water.

(a) Base Project Water Supply. The District shall pay the Agency the sum of \$1.45 per acre-foot for the base Project Water supply that the District agrees to accept and pay for pursuant to this Agreement. This payment shall be made irrespective of whether the District's base Project Water supply is reduced or available, except as provided in Section 17(f).

(b) Supplemental Water Supply Charge. The District shall pay the same rate for its supplemental Project Water supply as it pays for its base water supply, plus \$2.00 per acre-foot, irrespective of whether its supplemental water supply is used, so long as it is available for use.

(c) Adjustment in Charges. The rate of payment for base and supplemental Project Water supplies may be increased (but not decreased), on the same schedule as other Agency water contractors, in the amount of the percentage change of the U.S. Department of Labor Consumer Price Index, California composite, using the most recent index published prior to the date of this Agreement as the base year index, provided that, the \$2.00 payment added to the payment for supplemental water shall not be subject to adjustment by the Consumer Price Index.

(d) Operation and Maintenance Costs. In addition, the District shall pay its pro rata share of the Agency's costs of operation and maintenance of, and any other costs required to utilize, facilities used to deliver Project Water to the District, including the Yuba River fish barrier and diversion works, Diversion Improvement Costs, and the Agency's main canal conveyance facilities from the Yuba River across the Yuba Goldfields to the District's Point of Delivery. The District shall bear all costs of operating and maintaining the District's Delivery System. Agency also may charge the District for its costs and expenses associated with administering the DWR

Grant Contract. Agency's operation and maintenance costs under this subsection shall not include Agency costs to operate and maintain any Agency owned and operated conjunctive use facilities to pump, store or recharge groundwater.

(e) Measurement. The amount of Project Water delivered to the District shall be measured at the District's Point of Delivery.

(f) Monthly Statements. Each month or at such time as the Agency and the District mutually agree upon, the Agency shall render to the District a gauge report covering the amount of water used by the District, which the District has agreed to accept and pay for pursuant to this Agreement. Billing shall be semi-annual on June 1 and October 1 of each year. The statements shall be paid within thirty days of receipt.

(g) Late Payment. Any payment required by the District under this Agreement that is not received by the due date shall incur a penalty of ten percent and bear interest at the rate of one percent per month until paid in full.

(h) Capital Repayment Costs. Payments by the District under this Section shall be in addition to payments for capital costs by the District under Section 8.

20. No Right to Receive Water in Case of Default. The District is obligated to pay to the Agency the charges becoming due as provided in this Agreement notwithstanding any default in the payment to the District by individual District customers or water users of the assessments, tolls, or other charges levied by the District. The Agency may refuse to deliver Project Water during any period in which the District is in arrears in making any payments required of the District or performing any other obligation of the District under this Agreement. The provisions of this section are not exclusive and action taken pursuant hereto shall not prejudice or preclude the Agency from exercising any other remedy to enforce collection of any amounts due under this Agreement.

21. Phase 8 Cooperation. The parties acknowledge that (a) the Agency is participating in Phase 8 of the State Water Resources Control Board's Bay-Delta water rights hearings concerning Bay-Delta water quality conditions and requirements, (b) in order to avoid prolonged litigation concerning the allocation of responsibility to meet Bay-Delta water quality requirements, the Agency is engaged in settlement discussions with the State Board and other affected parties, and (c) any final settlement agreement(s) may require the District to assist and support the Agency with water transfers and other actions necessary to support the Agency's obligations to Bay-Delta water quality requirements as may be agreed to in the settlement agreement(s). The District agrees to cooperate in good faith with the Agency and other south Yuba County member districts in the implementation of any such settlement agreement(s). The District reserves the right to pursue a lawsuit challenging the legality and enforceability of any Phase 8 settlement agreement approved by the Agency and/or the implementation of any such agreement.

22. Remedies. The remedies provided for in this Agreement are cumulative and are in addition to any other remedies in law or equity that may be available to Agency and District.

23. Changes in Organization of the District. The Agency hereby reserves the right to terminate this Agreement in the event there is any change in the District's Service Area (e.g., by exclusion of lands, partial or total consolidation by merger with another entity, proceedings to dissolve), which substantially affects the ability of the District to make the payment of charges accruing under this Agreement.

24. Waiver of Default. The waiver by either party to this Agreement as to any default shall not be construed as a waiver of any other default or as authority of the other party to continue such default.

25. Notices. Until notified otherwise in writing, any notice authorized or required to be given or any payment required shall be deemed to have been given or made when mailed, postage prepaid, or delivered as follows:

General Manager
Yuba County Water Agency
1402 D Street
Marysville, CA 95901

Manager
Wheatland Water District
P.O. Box 404
Wheatland, CA 95692

26. Assignment Prohibited. The provisions of this Agreement shall apply to and bind the successors and assigns of the respective parties, but no assignment, subcontract, or transfer of this Agreement or any part hereof or interest herein by the District shall be valid until and unless approved in writing by the Agency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

YUBA COUNTY WATER AGENCY

WHEATLAND WATER DISTRICT

By: _____
Chair

By: _____
President

Attest:

Attest:

Secretary

Secretary

EXHIBIT A

**WHEATLAND WATER DISTRICT
IRRIGATION WATER SUPPLY PROPOSAL**

Prepared by

Kit R. Burton

For the

Yuba County Water Agency

1-09-2004

EXECUTIVE SUMMARY

This project will bring Yuba River surface water to the Wheatland Water District (WWD), a long term goal of the Yuba County Water Agency (YCWA) and the WWD. One of the primary reasons YCWA was formed was to provide a reliable source of high quality surface water to agricultural lands that have limited water supplies, a depleted groundwater aquifer, and some poor quality water.

This report describes the first two Phases (Zones 1, 2 and 3) of a project that is ultimately expected to serve up to 11,200 acres of land with up to 43,000 acre feet of surface water annually from the Yuba River. Construction of Phases I and II will be funded by the YCWA and by a grant from the California Department of Water Resources. YCWA has traditionally paid the feasibility study cost, one half of the base project cost, one-half of projected pumping costs and financed the water district's share with a 30-year loan. The WWD share will also include reimbursement to the Agency for a portion of original system costs. Total construction cost to be funded by YCWA is expected to be approximately \$5 million, assuming that all irrigable WWD lands in Zones 1, 2 and 3 are utilizing surface water.

Yuba River water will be diverted just upstream of Daguerre Point Dam through the existing south canal cobble fish screen, through the Goldfields, into the YCWA Main Canal and then into a new canal system commencing just south of North Beale Road. The new canal system will include nine miles of main canal, two main pump stations and several distribution systems, some of which will have pump stations. The normal maximum delivery rate to WWD will be 171 cfs for the ultimate project (140 cfs for Phases I & II) with the capability to carry occasional temporary larger flows. Figure 1 shows the existing YCWA main canal system. Figure 2 shows the new WWD canal route, pump stations and approximate distribution system locations.

The ultimate WWD project is proposed to be built in three phases as shown in Figure 3. The first phase, serving Zones 1 and 2, includes building canals and pump stations to bring water down to Dry Creek within the District. Included in Phase I will be distribution systems to serve the portions of the District north and west of South Beale Road (Zone 1) and to the portions of the District west of Jasper Lane and north of Dry Creek (Zone 2). Phase 2 is the distribution system that will serve the area east of Jasper Lane and north of Dry Creek (Zone 3). Phase 3, a future project, will serve the remainder of the District south of Dry Creek (Zones 4 and 5).

This project description will be used to facilitate development and execution of a water supply contract between YCWA and WWD. It will serve as a mechanism to identify estimated project costs, determine financial responsibilities of each party and identify uncertainties in the project.

This project will also benefit some Brophy Water District lands by providing water at more favorable locations and at higher elevations.

BACKGROUND

Proposals to provide Yuba River water to South Yuba County were developed as early as 1954. Wheatland Water District (WWD) at that time held water rights applications for water in the Yuba River and transferred those rights to the Yuba County Water Agency when the Yuba River Development Project was planned. That project initially included a distribution system to the WWD area but the irrigation portion of the project was deleted to allow New Bullards Bar Dam to be constructed with the limited funds available.

In the late 1970s the PL 984 Long Bar Canal Project was proposed. This project was to divert water from the Yuba River into main canals and distribution systems to serve the Wheatland, Brophy, and South Yuba Water Districts at a cost of approximately \$21 million. With this system, water to all areas of the WWD would have been delivered entirely by gravity. After much public discussion this project was not pursued. Instead, in 1983 Brophy and South Yuba began construction of their own canal and distribution systems, taking water from the Yuba River just upstream of Daguerre Point Dam.

In 1991 the Agency reinitiated efforts to bring surface water to South Yuba County through the Brophy and South Yuba system. As part of this effort, YCWA negotiated to purchase the main canal system to facilitate delivery of water to additional south county areas.

Lands to the west of State Route 65, organized as Dry Creek Mutual Water Co., are now being served with surface water from a YCWA sponsored project completed in 1999. Most of these lands were formerly part of the WWD.

Also in 1999 WWD approved the Agency's proposed "Exchange Project" where water to the easterly portions of the District would be provided by water from South Sutter Water District in exchange for Yuba River water delivered to Placer County through the Main Canal system. This proposal was tabled in favor of a non-exchange project because of complexities with Decision 1644 of the State Water Resources Control Board and water rights issues.

In 2001 WWD processed through the Yuba County Local Agency Formation Commission (LAFCO) a major boundary change wherein 19 parcels totaling 2412 gross acres were annexed and 71 parcels totaling 1911 acres were detached. This procedure was conducted in anticipation of the District receiving surface water from the Agency.

The present project, approved in concept by both YCWA and WWD is a result of comparison and evaluation of a number of alternatives to the Exchange Project.

The purpose of this report is to present the relevant information to the Agency and District to facilitate preparation and execution of the contract.

PROJECT DESCRIPTION

Figure 1 shows a portion of the existing Yuba County Water Agency Main Canal (formerly the Brophy / South Yuba Main Canal) and the point at which water is diverted from the Main Canal to serve WWD. The new canal shown on Fig. 1 is called the East Side Canal and will be constructed on lands in Brophy Water District.

Figure 2 shows the Point of Delivery of water from the East Side Canal into the Wheatland Water District.

The District is divided into Zones as shown in Figure 3. Phase I will serve Zones 1 and 2, Phase II will serve Zone 3, and the future Phase III will serve the portion of the District south of Dry Creek, Zones 4, and 5.

Prior to reaching the boundary of WWD, project water will pass through a portion of Brophy Water District. Since the water will be at a higher elevation than water currently being furnished to Brophy Water District, it is anticipated that 2,238 acres of Brophy lands will take water from the new East Side Canal. Of this acreage, 22% is land that is currently not irrigated, while the remaining 78% is presently using Brophy water. The design flow rate to serve the subject Brophy lands is 45 cfs.

Phase I, shown on Figures 1 & 2, is described as follows: Water from the existing Main Canal will be diverted into the new East Side Canal at a point about ¼ mile south of North Beale Road. The Foley/Teichert pumping plant will be capable of lifting approximately 250 cfs about 10 feet; then the water will be conveyed a distance of about 5 miles to a point south of Ostrom Road on the west side of South Beale Road. At this point the South Beale Road pumping plant will be capable of lifting approximately 180 cfs about 10 feet into the new Jasper Lane Canal on the east side of South Beale Road. Jasper Lane Canal then runs southerly and parallel with Jasper Lane for about 4.4 miles, terminating just north of Dry Creek as shown on Figure 2. A distribution system west of South Beale Road (DS 1) will serve parcels in the area delineated as Zone 1 (Fig. 3). A second distribution system running westerly from Jasper Lane (DS 2) serves Zone 2.

The existing YCWA Main Canal crossing of North Beale Road at Reeds Creek is not adequate to satisfactorily convey the proposed WWD demand plus existing

irrigation demands. Modification of this crossing for increased capacity is necessary as part of Phase I.

Phase II, also shown on Fig. 2, consists of a distribution system (DS 3) that runs easterly from Jasper Lane to serve Zone 3.

The future Phase III, not depicted on Fig. 2, will consist of an extension of the Jasper Lane canal south from Dry Creek to Spenceville Road, and distribution systems to serve Zones 4 and 5, the westerly and easterly portions of the District South of Dry Creek. The intent is to construct Phases I and II with existing project funds and to pursue Phase III as additional funding becomes available.

LANDS TO BE SERVED

The District contains approximately 11,230 gross acres and approximately 9,750 irrigable acres. Sizing of the project is for all of the irrigable acres. In addition to these lands in WWD, as much as 2,238 acres of Brophy Water District may also choose to take water from the new East Side Canal since it will provide water at a higher elevation and at a more favorable location than the Main Canal.

ANNUAL WATER DEMAND

Based on information from WWD and on existing crop patterns, the ultimate annual water demand is estimated to be about 42,840 acre feet for WWD and 11,190 acre feet for the Brophy area. Some of the Wheatland Water District irrigable land is currently not irrigated and, for several reasons, may not take water from this project as soon as it is available. To allow an assessment of the effects of such delays in participation, the acreage of presently irrigated vs presently non-irrigated land has been estimated and is summarized below.

	Entire District	Phases I and II (Zones 1, 2, & 3)
Irrigable land presently irrigated	7,112 ac	6,119 ac
Irrigable land not presently irrigated	2,641 ac	1,841 ac
Total irrigable land	9,753 ac	7,990 ac
Water demand (presently irrigated)	30,809 a-f	26,886 a-f
Water demand (not presently irrigated)	12,033 a-f	8,225 a-f
Total water demand	42,842 a-f	35,111 a-f

PROJECT PHASING AND CONSTRUCTION STAGING

The project is defined in Phases to be consistent with the DWR grant application. As described previously, Phase I serves Zones 1 and 2 as shown on Fig. 3. Phase II serves Zone 3. Because Phase I is very large, it may be separated into parts for ease of construction. First to be constructed (Part 1) is the East-Side Canal from the Agency's Main Canal to the Point of Delivery to the WWD at Ostrom Road, the District boundary. Part 2 is the Jasper Lane Canal from Ostrom Road to Jasper Lane and south along Jasper Lane to Dry Creek. Parts 3 and 4 are the distribution systems west of South Beale Road and west of Jasper Lane. Parts 1 and 2 should be constructed in sequence because that will allow water to be used by properties adjacent to each canal segment as soon as it is finished. Parts 3 and 4 are small by comparison and can be constructed to coincide with water being available.

Phase II is small and can be completed without subdivision. It too can be scheduled for construction to coincide with the availability of water.

Phase III is the system to take water under Dry Creek and to deliver it to lands south of Dry Creek, both to the east and to the west of Jasper Lane. Construction sequencing for Phase III has not yet been planned.

CONSTRUCTION COST

The following tables show estimated construction costs for each project Phase (as defined above) with the initial acreage and also with the ultimate irrigated acreage being served. For Phases I and II, the construction cost estimate is summarized below. The tables also indicate the estimated land area that will be served. It is important to realize that there will be an estimated \$2,600,000 of DWR grant funds available to offset these construction costs.

In this report, all construction cost figures are estimates, since no construction has yet commenced. Loan repayment and other aspects of the contract between YCWA and WWD that depend on actual construction costs, obviously cannot be determined at this time, and are estimated using the estimated construction costs. Actual construction costs will be known at the conclusion of the project when final figures will be determined.

Construction costs for serving only the existing irrigated acreage are less than construction costs for serving the ultimate acreage because of the pumping plant costs. Pumping plant construction cost is estimated at \$1,700 per HP so that when less water is to be pumped the cost is less. In constructing the pumping plants it would not be prudent to size them only for the initial use, nor would it be prudent to install all the pumps initially if the initial demand is small. Therefore,

the difference in the cost estimates between initial acres and ultimate acres can be interpreted as deferring installation of all pumps until they are actually needed.

These costs are estimates based on experience with similar projects in Yuba County. Details of the cost estimates can be found in the Appendix. The assumptions on which the cost estimates are based are also in the Appendix.

Phase I (Serving Zones 1 & 2)

Segment	Constr Cost Initial Acres	Initial Volume (a-f)	Constr Cost Ult Acres	Ult Volume (a-f)
East Side Canal & DS 1	\$4,320,000	3,695	\$4,460,000	6,030
Jasper Lane Canal & DS 2	\$1,930,000	13,383	\$2,070,000	16,780
Totals	\$6,250,000	17,078	\$6,530,000	22,810

Phase II (Serving Zone 3)

Segment	Constr Cost Initial Acres	Initial Volume (a-f)	Constr Cost Ult Acres	Ult Volume (a-f)
DS 3	\$911,000	9,808	\$1,030,000	12,301

Phases I & II Combined (Serving Zones 1,2 & 3)

Segment	Constr Cost Initial Acres	Initial Volume (a-f)	Constr Cost Ult Acres	Ult Volume (a-f)
Phases I & II	\$7,161,000	26,886	\$7,559,000	35,111

Because of the DWR grant, an estimated \$2,600,000 will be applied to the project so that the estimated net construction cost to be funded by YCWA is approximately \$4,959,000.

AGENCY REIMBURSEMENT FOR EXISTING SYSTEM

When the Agency negotiated to purchase the Main Canal System from Brophy and South Yuba Water Districts the intent was that when portions of the south county built their systems they would pay back to the Agency their share of the

cost of the system. The share was to be determined on the acreage each portion was of the whole.

The originally proposed "Existing System" reimbursement was based on WWD's use of the entire Main Canal System from the Yuba River diversion all the way down to State Highway 65. Since the new project utilizes only a portion of the Main Canal, the reimbursement should be less. The Existing System cost is in three parts: the Goldfields, Brophy and South Yuba. WWD will utilize its share of all of the Goldfields portion, none of the South Yuba portion, and 4.17 miles of the 7 mile Brophy portion. This reduces the Existing System reimbursement to \$385,284.

Another cost reimbursable to the Agency was the cost for upgrading the Main Canal. In early estimates, the required capacity of the conveyance system to serve all foreseeable future districts exceeded the capacity of the Main Canal as designed and also exceeded the capacity of the river diversion works as designed. Reimbursements were based on each district's share of the estimated upgrade costs. A later study using new criteria for water needs showed that the existing system, without upgrading, was capable of serving all districts. Therefore, the previously expected Main Canal upgrade reimbursement is no longer needed.

For the above reasons it is now proposed that the following amounts be reimbursed to the Agency by WWD:

Existing System	\$385,284
S.Y. Siphon	\$0 (not used by WWD)
Main Canal Upgrade	\$0 (no longer necessary)

BASIS FOR AGENCY CONTRIBUTION

In 1993 a program for financing irrigation projects to bring Yuba River water to organized lands in south Yuba County was formulated. The basis of that plan was the general agreement that the Agency would finance one-half of the least cost system to deliver water to each area. The least cost system was identified as "Plan B" shown in Ref. 1. If the local district decided to construct a more expensive system than the least cost system then the difference in cost would be made up by the district.

The 1993 Plan B project differed from the existing project in several ways. Distribution systems to serve the areas south of Dry Creek were not included in the original Plan B whereas these areas are part of the area that WWD wishes to serve. Because of potential problems with the exchange process, and through no fault of the WWD, the previously approved "exchange project" that would have provided gravity water to the area south of Dry Creek was scrapped. Also, the

previous project for a "high-line" canal that would have eliminated the Foley/Teichert Pumping Plant was rejected because it would have required acquisition of additional land from Beale AFB. Furthermore, the DWR grant application defined a specific project.

For the above reasons, a new "Plan B" project has been defined as the project delineated in the DWR grant application and does not include any construction beyond Phases I and II. The new Plan B includes canals capable of serving all irrigable lands in the District but contains no transport or distribution facilities to serve Zones 4 and 5 (as shown on Fig. 3).

One half of the construction cost for the new Plan B, plus one half of the capitalized pumping costs for Phase I and II of the project was used as the Agency contribution in the following analysis of total project cost. These calculations are included in the Appendix.

The following table itemizes these costs. Capitalized pumping costs are based on 30 years at 6%.

TOTAL COSTS TO WHEATLAND WATER DISTRICT

Total costs are a combination of construction costs, annual costs, agency reimbursements and are reduced by agency contributions. Construction costs were listed previously. Because of annual pumping energy and operation and maintenance costs of both pumps and canals, annual costs are extremely important in determining project feasibility. Annual costs also enter into the calculation for determining Agency contribution. A simple way to evaluate the alternatives is to compare the costs per acre-foot of water delivered. These figures include the annual costs for water, loan repayment, energy, and o & m; they do not include any assessments that may be levied from time to time by WWD in order to cover routine administrative costs. Since annual costs are expected to increase with time, these "per acre-foot" costs are estimates of the first year cost.

As stated previously, all construction costs in this report are estimated costs since no construction has yet commenced. Actual costs to the YCWA and to WWD will be based on actual construction costs and will be known after all construction is complete.

Included in the Appendix is the cost estimate upon which the "per acre-foot" figure for the "ultimate acres" is based.

In addition, a cost analysis of each option was further broken down into costs that would occur if all irrigable lands take water and costs if only presently irrigated lands take water. The "presently irrigated lands" analysis illustrates the costs expected for water delivery to presently irrigated lands only.

Following is a summary of the results of the cost estimate for the ultimate acreage, stated in terms of the (first year) total annual cost per acre foot of water used.

Project	Ultimate Acres	Presently Irrigated Acres
Phases I and II	\$14.11 / ac-ft	\$16.26 / ac-ft

CONCLUSIONS

It is expected that when the District plans to serve lands south of Dry Creek, this report and the Agreement between the Agency and the District, will be modified to include the new portions of the project south of Dry Creek and a corresponding modification to Plan B. This will lead to a change in the Agency's contribution and in the costs to both parties of the Agreement.

Actual costs to both YCWA and WWD will depend on the actual construction costs and the total amount of water utilized by WWD.

APPENDIX

ASSUMPTIONS

The following assumptions have been used in the preliminary designs and cost estimates for this project. They are not listed in any particular order.

1. Energy cost is \$0.20 per acre-foot per foot of lift. This is for PG&E rate AG-5 and is approximately equivalent to \$0.12/kW-hr and an overall efficiency of 60%. Final design will evaluate alternate energy sources and pumping systems. The least cost system will be used for all cost calculations.
2. Easements are free except for those within Brophy Water District where they are assumed to cost \$2,000 per acre but costs could vary substantially.
3. Brophy water users will pay their own pumping costs.
4. Construction cost for pumping plants is \$1,700 / HP.
5. Water demand is 1.2 x average flow rate during the maximum month of the year, figured with water flowing at the same constant rate for the entire month. This results in the water demand flow rate (in cfs) being 0.004 times the annual water demand volume (in acre-feet).
6. Overall efficiency for pumps with electric motors is 60%
7. Capitalization of annual pumping energy and o&m costs is figured for 30 years at 6% (=13.76483115 x annual cost).
8. Canal O&M annual cost is \$0.10 per acre-foot per mile.
9. Pump O&M annual cost is 5% of construction cost of pumping plant or \$85 per HP.
10. Annual water use:

Rice and Pasture	5.00 acre feet per acre
Orchard	3.50 acre feet per acre
11. Peak month in % of annual total

Rice	July	20%
Orchard	July	20%
Pasture	July	18%
12. Present cropping pattern, totals of presently irrigated acreage, and total irrigable acreage (somewhat less than 90% of gross acreage) is as determined by Eco-Analysts land use calculations and by consultation with WWD.
13. Future crop use was estimated by applying the existing percentages of the three crops to the undeveloped irrigable lands.
14. Earthwork shrink factor: 1.5
15. Earthwork cost (per cubic yard of earth excavated)

Excavate and spoil	\$1.00
Spread and compact	\$2.00
Haul (< ½ mile)	0
Haul (1 mile)	\$1.00
Haul (2 miles)	\$2.00
Haul (3 miles)	\$3.00

- Haul (4 miles) \$4.00
16. Total earthwork – East Side Canal
 - Cut 205,750 c.y.
 - Fill 142,722 c.y.
 - Cost \$900,000
 17. Total earthwork – Jasper Lane Canal
 - Cut 164,512 c.y.
 - Fill 39,464 c.y.
 - Cost \$400,000
 18. East Side Canal Structures Cost: \$1,230,000.
 19. Jasper Lane Structures Cost: \$1,100,000.
 20. Fencing is not required except at pipe inlet structures and pumping plants.
 21. DWR has granted \$3,150,000 for this project. Of this grant amount, it is anticipated that \$2,600,000 will be available to offset construction costs.
 22. Contract base and supplemental water supply is 40,230 a-f for Phases I and II.
 23. Annual water demand used to estimate project (Phases I and II) costs is 35,111 a-f for total water demand and 26,886 a-f for presently irrigated lands.

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COST ESTIMATE - ZONES 1, 2 & 3

Wheatland Water District Proposal (Zones 1, 2 and 3)
Ultimate Irrigated Lands Including Annexations (35,111 a-f)
 (\$0.20 per a-f per foot)

Total Gross Acreage	11230	Entire District
Total Net Acreage	7990	Zones 1, 2 & 3
Annual Water Use (ac-ft)	35111	Zones 1, 2 & 3

Pumping Plant No. 1 (Foley/Teichert)

Net Area Served (acres)	10228	
Annual Volume Pumped (ac-ft)	46301	
Q (cfs)	185.2	
Lift (77.7 to 88.0) +0.7' friction	11	
Required HP (@60%)	385.2	
Estimated Construction Cost		\$654,881

Pumping Plant No. 2 (South Beale Road)

Net Area Served (acres)	7990	
Annual Volume Pumped (ac-ft)	35111	
Q (cfs)	140.4	
Lift (82.7 to 93.0) + 0.7' friction	11	
Required HP (@60%)	292.1	
Estimated Construction Cost		\$496,610

Pumping Plant No. 3 (Jasper Lane at Rancho Boundary)

Net area Served (acres)	3094	
Annual Volume Pumped (ac-ft)	12301	
Q (cfs)	49.2	
Lift (91.3 to 105.0) + 17.3' friction	31	
Required HP (@ 60%)	288.4	
Estimated Construction Cost		\$490,322

Total Pumping Plant Construction Cost \$1,641,814

Pipeline No. 3 (East Along Rancho Boundary)

Pipe Size	36	
Length	5300	
Pipe Cost Per Foot	60	
Installed Cost		\$318,000
Services & appurtenances		\$50,000

Total Pipeline Construction Cost \$368,000

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Pump Station & Pipeline Total			\$2,009,814
North Beale Road Crossing			\$500,000
R/W (Brophy WD)	65.8 ac	\$2,000	\$131,600
New East Side Canal Earthwork (Q=161.2 cfs)			\$900,000
New East Side Canal Structures			\$1,230,000
New Jasper Lane Canal Earthwork (Q=140.8 - 20.0 cfs)			\$400,000
New Jasper Lane Canal Structures			\$720,000
Canal turnouts	16	\$13,000	\$208,000
Sub-Mains in Zones 1 and 2			\$200,000

Sub Total \$6,299,414

Engineering, Legal, and Contingencies at 20% \$1,259,883

Total Estimated Construction Cost \$7,559,296

DWR Grant (\$2,600,000)

Construction balance to be financed by YCWA/WWD \$4,959,296

ANNUAL COSTS

	Energy	O&M	
Pump No. 1	\$77,244	\$32,744	\$109,988
Pump No. 2	\$77,244	\$24,830	\$102,075
Pump No. 3	\$76,266	\$24,516	\$100,782
	<u>\$230,755</u>	<u>\$82,091</u>	

Total Pump Annual Costs \$312,845

Annual O&M Cost for Canals

	ac-ft	miles	Cost
Exist Main Canal	35111	0.34	\$1,194
Bechtel Lateral	35111	0.66	\$2,317
East Canal	35111	4.74	\$16,643
Jasper Lane Canal	29081	3.5	\$10,178
Total Canal O&M Cost			<u>\$30,332</u>

Total Annual Cost \$343,177

New Plan B Construction Cost	\$4,959,296	
WWD Share of Exist System	<u>\$385,284</u>	
New Plan B Total Cost	\$5,344,580	
YCWA Project Contribution		\$2,672,290
Capitalized Pumping Costs	\$4,306,262	
YCWA Pumping Contribution		<u>\$2,153,131</u>
Total YCWA Contribution		\$4,825,421

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Construction Cost	\$4,959,296
WWD Share of Exist System	\$385,284
Less YCWA Contributions	<u>(\$4,825,421)</u>
Loan Amount	\$519,159

Annual Loan Payment (30 yrs at 6%) \$37,716

ANNUAL COST PER ACRE FOOT (first year, 2005)

Loan Repayment	\$1.07	for 35,111 a-f
Water Cost	\$3.26	for 35,111 a-f
Canal O&M	\$0.86	for 35,111 a-f
Pump O&M	\$2.34	for 35,111 a-f
Pump Energy	<u>\$6.57</u>	for 35,111 a-f
Total	\$14.11	

2005 water cost is base + supplemental + WW transport fee
Base cost is \$1.60/a-f x 23,092 a-f
Supplemental cost is \$3.81/a-f x 17,138 a-f
WW transport fee is \$0.35/a-f

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COST ESTIMATE - ZONES 1, 2 & 3

Wheatland Water District Proposal (Zones 1, 2 and 3)
Initially Irrigated Lands Including Annexations (26,886 a-f)
 (\$0.20 per a-f per foot)

Total Gross Acreage	11230	Entire District
Total Net Acreage	6149	Zones 1, 2 & 3
Annual Water Use (ac-ft)	26886	Zones 1, 2 & 3

Pumping Plant No. 1 (Foley/Teichert)		
Net Area Served (acres)	8387	
Annual Volume Pumped (ac-ft)	38076	
Q (cfs)	152.3	
Lift (77.7 to 88.0) +0.7' friction	11	
Required HP (@60%)	316.8	
Estimated Construction Cost		\$538,547

Pumping Plant No. 2 (South Beale Road)		
Net Area Served (acres)	6149	
Annual Volume Pumped (ac-ft)	26886	
Q (cfs)	107.5	
Lift (82.7 to 93.0) + 0.7' friction	11	
Required HP (@60%)	223.7	
Estimated Construction Cost		\$380,276

Pumping Plant No. 3 (Jasper Lane at Rancho Boundary)		
Net area Served (acres)	2467	
Annual Volume Pumped (ac-ft)	9808	
Q (cfs)	39.2	
Lift (91.3 to 105.0) + 17.3' friction	31	
Required HP (@ 60%)	230.0	
Estimated Construction Cost		<u>\$390,950</u>

Total Pumping Plant Construction Cost \$1,309,773

Pipeline No. 3 (East Along Rancho Boundary)		
Pipe Size	36	
Length	5300	
Pipe Cost Per Foot	60	
Installed Cost		\$318,000
Services & appurtenances		<u>\$50,000</u>

Total Pipeline Construction Cost \$368,000

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Pump Station & Pipeline Total				\$1,677,773
North Beale Road Crossing				\$500,000
R/W (Brophy WD)	65.8 ac		\$2,000	\$131,600
New East Side Canal Earthwork				\$900,000
New East Side Canal Structures				\$1,230,000
New Jasper Lane Canal Earthwork				\$400,000
New Jasper Lane Canal Structures				\$720,000
Canal turnouts	16	\$13,000		\$208,000
Sub-Mains in Zones 1 and 2				\$200,000

Sub Total \$5,967,373

Engineering, Legal, and Contingencies at 20% \$1,193,475

Total Estimated Construction Cost \$7,160,848

DWR Grant (\$2,600,000)

Construction balance to be financed by YCWA/WWD \$4,560,848

ANNUAL COSTS

	Energy	O&M	
Pump No. 1	\$59,149	\$26,927	\$86,077
Pump No. 2	\$59,149	\$19,014	\$78,163
Pump No. 3	\$60,810	\$19,548	\$80,357
	<u>\$179,108</u>	<u>\$65,489</u>	

Total Pump Annual Costs \$244,597

Annual O&M Cost for Canals

	ac-ft	miles	Cost
Exist Main Canal	26886	0.34	\$914
Bechtel Lateral	26886	0.66	\$1,774
East Canal	26886	4.74	\$12,744
Jasper Lane Canal	23191	3.5	\$8,117
Total Canal O&M Cost			<u>\$23,549</u>

Total Annual Cost \$268,146

New Plan B Construction Cost	\$4,560,848	
WWD Share of Exist System	<u>\$385,284</u>	
New Plan B Total Cost	\$4,946,132	
YCWA Project Contribution		\$2,473,066
Capitalized Pumping Costs	\$3,366,832	
YCWA Pumping Contribution		<u>\$1,683,416</u>
Total YCWA Contribution		\$4,156,482

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Construction Cost	\$4,560,848
WWD Share of Exist System	\$385,284
Less YCWA Contributions	<u>(\$4,156,482)</u>
Loan Amount	\$789,650
Annual Loan Payment (30 yrs @ 6%)	\$57,367

ANNUAL COST PER ACRE FOOT (first year, 2005)

Loan Repayment	\$2.13	for 26,886 a-f
Water Cost	\$4.15	for 26,886 a-f
Canal O&M	\$0.88	for 26,886 a-f
Pump O&M	\$2.44	for 26,886 a-f
Pump Energy	<u>\$6.66</u>	for 26,886 a-f
Total	\$16.26	

2005 water cost is base + supplemental + WW transport fee
Base cost is \$1.60/a-f x 23,092 a-f
Supplemental cost is \$3.81/a-f x 17, 138 a-f
WW transport fee is \$0.35/a-f

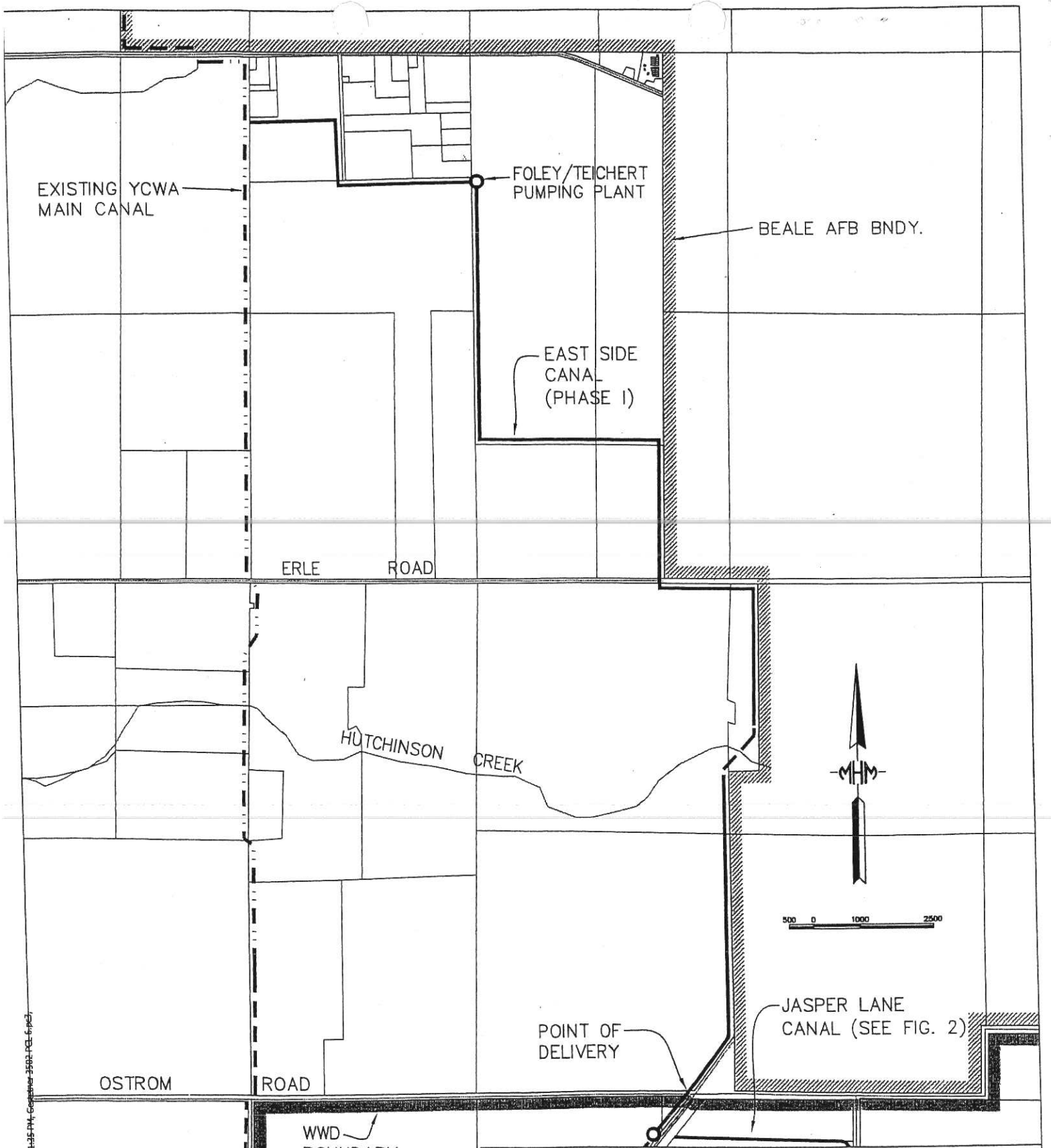


FIGURE 1
WHEATLAND WATER DISTRICT

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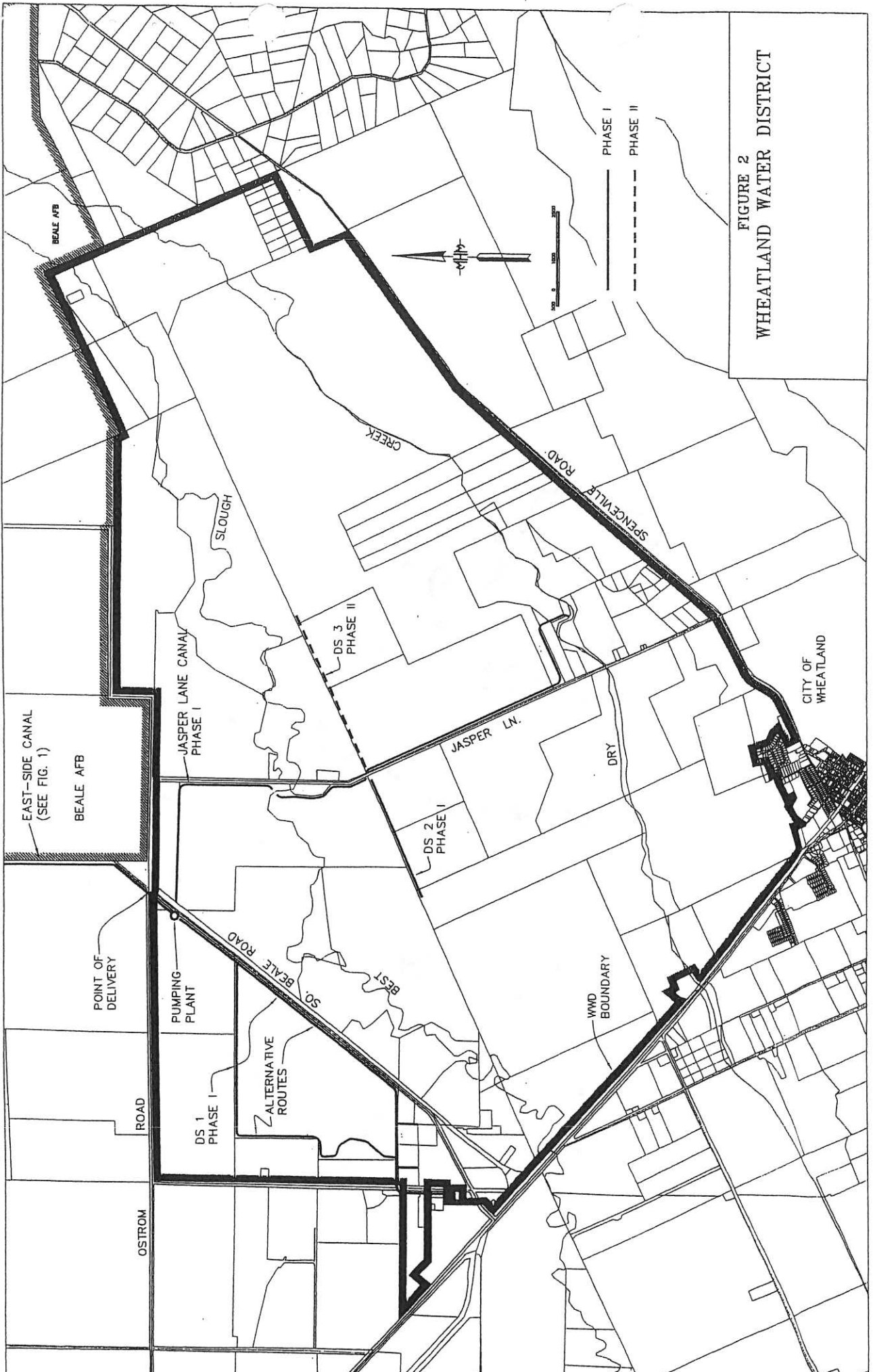


FIGURE 2
WHEATLAND WATER DISTRICT

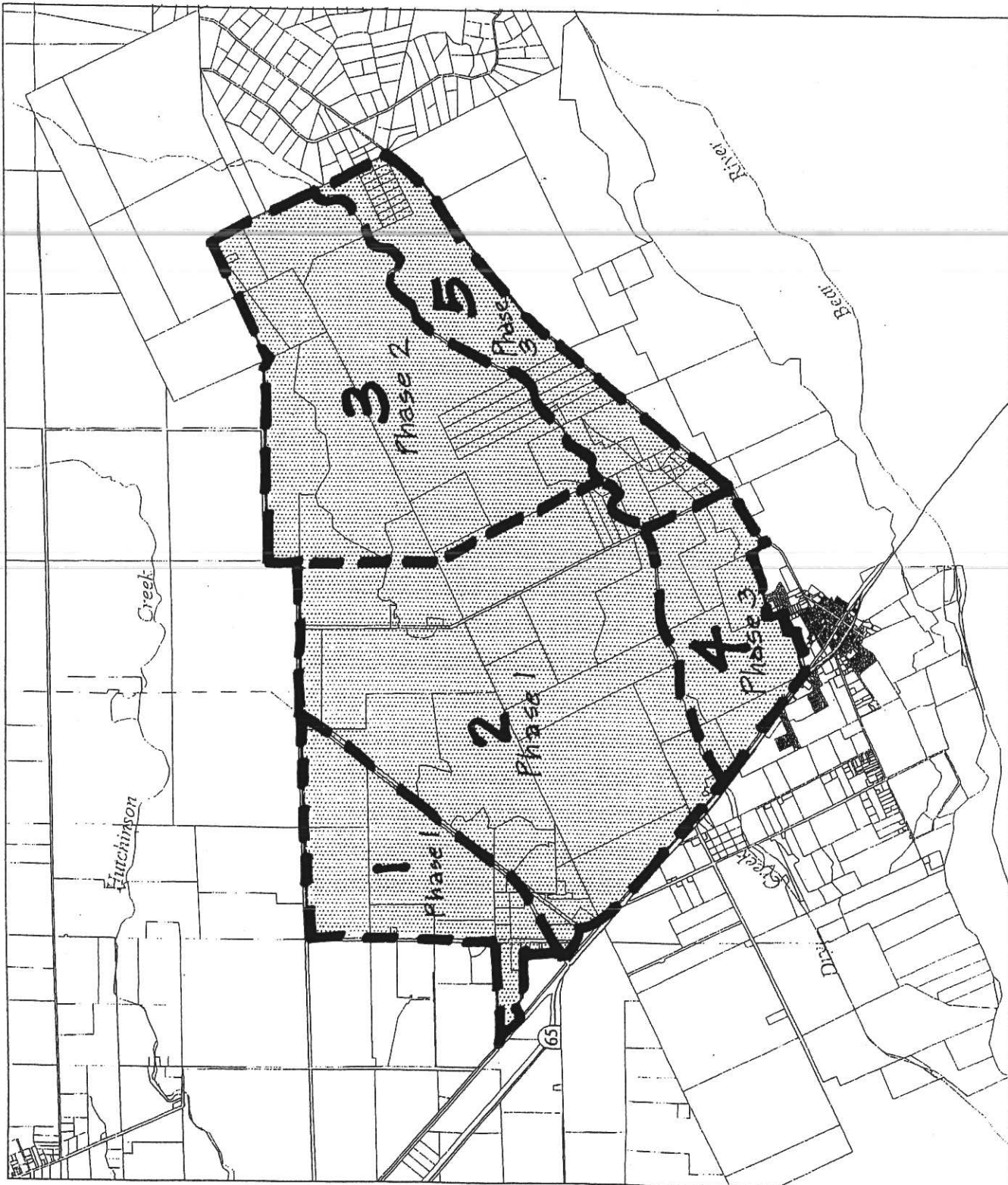


Fig. 3

Wheatland Water District
Irrigation Water Supply Proposal

PROJECT ZONES

RESOLUTION NO. 2004-7

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE YUBA COUNTY WATER AGENCY
APPROVING GRANT AGREEMENT WITH
CALIFORNIA DEPARTMENT OF WATER RESOURCES
FOR NEW EAST SIDE CANAL EXTENSION PROJECT**

BE IT RESOLVED by the Board of Directors of the Yuba County Water Agency that the Groundwater Storage Construction Grant Contract between the Agency and California Department of Water Resources (DWR No. E90013) for the Wheatland Water District/New East Side Canal Extension Project, which is on file in the office of the Agency General Manager and incorporated herein by this reference, is hereby approved and accepted by the Agency, that General Manager Curt Aikens is hereby authorized and directed to sign the Grant Contract on behalf of the Agency, and that the General Manager is hereby authorized to approve and sign requests for disbursements under the Grant Contract.

PASSED AND ADOPTED by the Board of Directors of the Yuba County Water Agency on the 27th day of January 2004, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

By: _____
Chairman

Attest: Jeanene Upton
Assistant Secretary

Contract No. E90013

Groundwater Storage
Construction Grant
E90013

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

YUBA COUNTY WATER AGENCY

FOR A GROUNDWATER STORAGE CONSTRUCTION GRANT UNDER THE
CALIFORNIA SAFE DRINKING WATER, CLEAN WATER, WATERSHED
PROTECTION, AND FLOOD PROTECTION ACT

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PROJECT DESCRIPTION

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND

YUBA COUNTY WATER AGENCY

UNDER THE CALIFORNIA SAFE DRINKING WATER, CLEAN WATER,
WATERSHED PROTECTION, AND FLOOD PROTECTION ACT
GROUNDWATER STORAGE PROGRAM
(Water Code Section 79170 et. seq.)

THIS CONTRACT, entered into by and between the State of California, acting by and through the Department of Water Resources, herein referred to as the "State" and the Yuba County Water Agency, a public agency, in the County of Yuba, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grant Recipient", which parties do hereby agree as follows:

CONTRACT SPECIAL PROVISIONS

SECTION 1. PURPOSE OF GRANT

This Grant is made by the State to the Grant Recipient to assist in financing a Groundwater Storage Project pursuant to Chapter 9 (commencing with Section 79170) of Division 26 of the California Water Code. Grant funds may be used only as provided in this contract for Eligible Project costs as included in the Project Description, a copy of which is incorporated herein and attached as Exhibit C, approved by the State and revisions thereof.

SECTION 2. INCORPORATION OF STANDARD CONDITIONS, SECURITY REQUIREMENTS, AND GRANT RECIPIENT COMMITMENTS

This Contract incorporates Exhibit A, "Grant Contract Standard Conditions" (hereinafter referred to as "Standard Conditions"); Exhibit B, "Grant Contract Security Requirements"; Exhibit C "Project Description"; and any attachments thereto. The Grant Recipient accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Contract, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grant Recipient in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act financing.

SECTION 3. ESTIMATE OF PROJECT COST

The reasonable cost of the Project is estimated to be \$6,300,000.

SECTION 4. GRANT AMOUNT

Pursuant to the California Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act and subject to the availability of funds, the State will provide to the Grant Recipient in accordance with the terms of this Contract an amount not to exceed \$3,150,000.

SECTION 5. GRANT RECIPIENT'S COST

The Grant Recipient agrees to fund the difference, if any, between the estimate of the Project Cost (Section 3) and the Grant Amount (Section 4). Said Grant Recipient's costs are estimated to be \$3,150,000.

SECTION 6. REQUIREMENTS FOR DISBURSEMENT

The Grant Recipient shall by September 30, 2005, meet all conditions precedent to the disbursement of money under this Contract, including Basic Conditions Precedent under Article A-3 of the Standard Conditions. Failure by Grant Recipient to comply by this date may, at the option of the State, result in termination of the Contract under Article A-5 of the Standard Conditions.

SECTION 7. OPERATION AND MAINTENANCE OF PROJECT

For a period of 50 years after completion, which is the reasonable life expectancy of the Project, in consideration of the Grant made by the State, the Grant Recipient agrees to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the same; and shall cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Grant Recipient to operate and maintain the project in accordance with this provision may, at the option of the State, be considered a material breach of Contract and may be treated as default under Article B-2 of Exhibit B.

SECTION 8. RELATIONSHIP OF PARTIES HERETO

The Grant Recipient, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Contract shall act in an independent capacity and not as officers, employees, or agents of the State.

The Grant Recipient is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of Grant funds by the State and shall not be deemed to relieve or restrict the Grant Recipient's responsibility.

SECTION 9. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS

The Grant Recipient shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Contract, including those necessary to commence design, construction, or operation of the Project. The Grant Recipient shall be responsible for observing and complying with any applicable federal, state and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement and safety laws, rules, regulations, and ordinances.

SECTION 10. GRANT RECIPIENT'S RESPONSIBILITY FOR WORK REQUIRED UNDER THE CONTRACT AND SUBMISSION OF PROGRESS REPORTS

The Grant Recipient shall submit quarterly progress reports on the status of the project to the Department of Water Resources. The submittal of these reports is a requirement for continued disbursement of State funds. Progress reports shall summarize the work completed during the reporting period, include a statement of construction progress compared to the project schedule, and provide a comparison of costs to date compared to the approved scope of work and project budget.

The Grant Recipient shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The Grant Recipient shall give personal supervision to any work required under this Contract or employ a competent representative, satisfactory to the State, with the authority to act for the Grant Recipient. The Grant Recipient or its authorized representative shall be present while work is in progress. The Grant Recipient shall give attention to fulfillment of the Contract and completion of the Project, and shall keep work under control.

The Grant Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grant Recipient's contractors and subcontractors. The State will not mediate disputes between the Grant Recipient and any other entity concerning responsibility for performance of work.

SECTION 11. PROJECT OFFICIALS AND NOTICES

The State Project Manager shall be the Chief, Division of Planning and Local Assistance, Department of Water Resources. The State Project Manager shall be the State's representative and shall have the authority to make determination and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under the Contract. Disputes shall be resolved in accordance with Article 28 of Exhibit A.

The Grant Recipient Project Director shall be General Manager, Yuba County Water Agency. The Grant Recipient Project Director shall be the Agency's representative for the administration of the Contract and shall have full authority to act on behalf of the Agency, including authority to execute all payment requests. All communications given to the Project Director shall be as binding as if given to the Grant Recipient.

Either party may change its Project Manager or Director upon written notice to the other party.

Notices required to be given to the State in writing by the Grant Recipient under this Contract shall generally be sent to:

State of California
Department of Water Resources
Division of Planning and Local Assistance
Attention: Program Manager
Water Conservation Bond Law Programs
Post Office Box 942836
Sacramento, California 94236-0001

Notices required to be given to the Grant Recipient in writing by the State under this Contract shall be sent to:

General Manager
(Representative)
Yuba County Water Agency
(Grant Recipient Name)
1402 D Street
(Mailing Address)
Marysville, CA 95901-4426
(City, State, Zip Code)

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a U.S. Post Office for delivery by registered or certified mail.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Chief Counsel
Department of Water Resources

By _____
Chief, Division of Planning and Local Assistance
Department of Water Resources

Yuba County Water Agency
GRANT RECIPIENT

By _____
Signature

Printed Name

Title

1402 D Street
Address

Marysville, CA 95901-4426
City, State, Zip

EXHIBIT A

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

GRANT CONTRACT STANDARD CONDITIONS

ARTICLE A-1. DEFINITIONS

Whenever in this Contract the following terms are used, their meaning shall be as follows:

Contract: The Contract to which these Grant Contract Standard Conditions are appended and shall be considered a promissory note for the purpose of meeting the Grant Security Requirements of Exhibit B.

Days: Calendar days unless otherwise expressly indicated,

Months: Calendar month unless otherwise expressly indicated.

Years: Calendar years unless otherwise expressly indicated.

Grant Recipient: Any city, county, city and county, district, joint powers authority, or other political subdivision of the State, or an incorporated mutual water company involved in water management.

Project: All work and facilities, not including construction equipment, for the construction of a Groundwater Storage project proposed by the Grant Recipient pursuant to the plans and specifications which describe the plan of the project as submitted to the State and all addenda and changes to the foregoing documents approved by the State.

Eligible Project: A project for the construction of a Groundwater Storage project under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, Groundwater Storage Program.

Eligible Project Costs: Reasonable and necessary costs associated with an eligible project including, but not limited to, the engineering, legal and administrative fees, land and easement acquisition, environmental documentation, environmental mitigation, and construction costs associated with the Project. Eligible costs may also include those reasonable and necessary costs incurred by the applicant to prepare the application and establish eligibility prior to or after the effective date of this Contract. Examples of ineligible costs include, but may not be limited to, the following:

- (a) Operation and maintenance costs.
- (b) Costs for purchase of movable equipment not an integral part of the project.
- (c) Payment of principal or interest of existing indebtedness or any interest payment unless:
 - (1) The State agrees in writing to the eligibility of the costs of reimbursement before the debt is incurred; and
 - (2) The purposes for which the debt is incurred are otherwise Eligible Project Costs.
- (d) Establishing a reserve fund.
- (e) Purchase of water supply for the project.

Grant Commitment: The maximum sum of money, which the State agrees to provide to the Grant Recipient under this Contract that shall not exceed \$50,000,000.

ARTICLE A-2. TERM OF CONTRACT

Subject to the provisions of Article A-3, this Contract shall become effective as of the date set forth in the contract and shall remain in effect until the Project is determined to be complete by the State.

ARTICLE A-3. BASIC CONDITIONS PRECEDENT

The State shall have no obligation to disburse money under this Contract unless and until the Grant Recipient has satisfied to the State that the disbursement is in accordance with requirements of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act which include:

- (a) The Grant Recipient provides a copy of a resolution adopted by its governing body, accepting the Grant and designating a representative to execute the Contract and to sign the requests for disbursement.
- (b) The Grant Recipient demonstrates to the State's satisfaction the proposed Project financing has the support of a majority of the affected community by holding either an election or a widely publicized public meeting; or by any other suitable, lawful method of determining community support, at which public comments and questions are received and answered. If the Grant Recipient determines that an election is not required by law prior to the Grant Recipient's execution of this grant Contract, it shall transmit to the State an acceptable legal opinion from the Grant Recipient's counsel stating that no election is legally required, and stating the legal basis for the Grant Recipient's determination.
- (c) The Grant Recipient demonstrates to the State's satisfaction that the Grant Recipient has sufficient water available at all times and a right to use the water required to operate the Project.
- (d) The Grant Recipient demonstrates the availability of sufficient funds to complete the Project.
- (e) The Grant Recipient submits an initial budget of Eligible Project Costs on a form provided by and approved by the State. The Grant Recipient shall obtain written approval of changes to the budget from the State before any substantive changes are made, and shall thereafter provide to the State a copy of the revised budget.
- (f) The Grant Recipient submits to the State final plans and specifications certified by a California Registered Civil Engineer as to compliance with the approved Project as defined in Section 1.
- (g) The Grant Recipient submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies as specified in Section 9 of this Contract.
- (h) The Grant Recipient demonstrates that it has complied with all applicable requirements of the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, and environmental permits as may be required prior to beginning construction.
- (i) The Grant Recipient submits timely periodic progress reports as required by Section 10 of this Contract.

ARTICLE A-4. GRANT DISBURSEMENTS BY STATE

(a) Cost Statements:

After the Basic Conditions Precedent in Article A-3 are met, the State will disburse the whole or portions of the Grant commitment to the Grant Recipient following receipt from the Grant Recipient of a statement or statements of incurred Eligible Project Costs, reviewed and signed by Registered Civil Engineer,

on forms provided by the State, and timely progress reports as required by Section 10 of this Contract. Requests for Grant funds shall be filed monthly or for such longer periods as the State and the Grant Recipient may mutually agree. The Grant Recipient shall provide the following information:

- (1) A statement of the incurred Eligible Project Costs for work performed in constructing the Project under a construction contract or constructions contracts during the period identified in the particular statement.
- (2) A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the construction, operation, or maintenance of the Project.
- (3) A statement of other Eligible Project Costs which have been incurred for the Project during the period identified in the particular statement, including, but not limited to, legal, engineering, administrative fees associated with construction, preparation of the application, and establishing eligibility.

After the Project has been completed or terminated, the Grant Recipient shall furnish to the State, within sixty (60) days, a final statement of incurred Eligible Project Costs.

Periodic cost statements and the final statement of Project Costs shall clearly delineate those costs claimed for reimbursement from the Grant Amount, Section 4 of this Contract, and those costs that represent the Grant Recipient's Cost, Section 5 of this Contract.

(b) Disbursement:

Following the review of each statement of costs, the State will disburse to the Grant Recipient the amount approved, subject to the availability of funds. Funds will be disbursed by the State in response to each approved statement of costs on a pro rata basis in accordance with the relative payment obligations of the Grant Recipient, Section 5 of this Contract, and the State, Section 4 of this Contract for the Total Project Cost, Section 2 of this Contract. Any and all money disbursed to the Grant Recipient under this Contract and any and all interest earned by the Grant Recipient on such money shall be used solely to pay Eligible Project Costs.

(c) Withholding of Grant Disbursement by Grant Recipient:

The Grant Recipient shall hold retention of not less than ten percent (10.0%) from any contract or combination of contracts until the Project or any component contract is determined to be completed pursuant to Article A-6.

ARTICLE A-5. WITHHOLDING OF GRANT DISBURSEMENT BY STATE

(a) Conditions for Withholding:

The State shall withhold ten percent (10.0%) of the funds requested by the Grant Recipient for reimbursement of eligible project costs until the Project is completed and the certification of a Registered Civil Engineer, required by Article A-6(e) of this Contract, is accepted by the State.

(b) Additional Conditions for Withholding:

If the State determines that the Project is not being constructed substantially in accordance with the provisions of this Contract, or that the Grant Recipient has failed in any other respect to comply substantially with the provisions of this Contract, and if the Grant Recipient does not remedy any such failure to the State's satisfaction, the State may withhold from the Grant Recipient all or any portion of the Grant Commitment and take any other action that it deems necessary to protect its interests.

(c) Withholding Entire Grant Commitment:

If the State notifies the Grant Recipient of its decision to withhold all of the Grant Commitment from the Grant Recipient pursuant to Subdivision (b) of this Article, this Contract shall terminate upon receipt of such notice by the Grant Recipient and shall no longer be binding on either party.

(d) Withholding Balance of Grant Commitment:

Where a portion of the Grant Commitment has been disbursed to the Grant Recipient and the State notifies the Grant Recipient of its decision to withhold the balance of the Grant Commitment pursuant to Subdivision (b) of this Article, the portion that has been disbursed shall thereafter be repaid immediately with interest, as directed by the State. Refusal of the Grant Recipient to so repay may, at the option of the State, be considered a material breach of contract and may be treated as default under Article B-2 of Exhibit B.

ARTICLE A-6. TIMING AND MANNER OF PROJECT UNDERTAKING

(a) Project Completion Date:

The Grant Recipient shall expeditiously undertake construction of the Project and shall complete it not later than December 31, 2006.

(b) Project Undertaking Pursuant to Contract:

The project shall be undertaken in strict accordance with this Contract.

(c) Determination of Project Completion:

For the purposes of this Contract, the Project shall be considered to be completed or to be terminated when so determined by the State.

(d) Competitive Bidding of Contracts and Procurements:

Any contract let for the construction of the Project, or any part thereof, which is in excess of \$20,000, or which is greater than any small amount for which competitive bids are required under the enabling authority of the Grant Recipient, shall be let by competitive bid procedures which assure award of the contract to the lowest responsible bidder, except as may be otherwise authorized in writing by the State. Requests for approval of waiver of competitive bidding, for award of contract to other than the low bidder, or for an agency to proceed on the basis of force account or day labor, or for any other procedure which deviates from the principle of competitive bidding shall be submitted to the State before the procedure is implemented. The State's approval of the procedure will be based on compliance with applicable laws and policies. The State expressly reserves the right to approve or disapprove of such requests.

Procurement of necessary supplies or equipment shall also be undertaken in such a manner as to encourage fair and competitive treatment of potential suppliers.

(e) Final Inspection and Certification of Registered Civil Engineer:

Upon completion of the Project the Grant Recipient shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Contract. The Grant Recipient shall notify the Division of Planning and Local Assistance of the Department of Water Resources of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

(f) Sign Referring to Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act Financing:

During construction of the Project, the Grant Recipient shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, Water Conservation and Groundwater Recharge Grant Program, administered by the State of California, Department of Water Resources. The sign shall be erected before Grant funds are disbursed. The Grant Recipient shall notify the State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

(g) Audit Requirement:

Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the

examination and audit of the State for a period of three years after final payment under this Contract with respect of all matters connected with this Contract, including but not limited to, the cost of administering this Contract. All records of the Grant Recipient or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion.

ARTICLE A-7. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT

(a) Separate Accounting of Grant Disbursement and Interest Records:

The Grant Recipient shall account for the money disbursed pursuant to this Contract separately from all other Grant Recipient funds. The Grant Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grant Recipient shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grant Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

(b) Disposition of Money Disbursed:

All money disbursed pursuant to this Contract shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpected Funds:

The Grant Recipient, within a period of thirty (30) days from the final disbursement from the State to the Grant Recipient of grant funds, shall remit to the State any unexpected funds that were disbursed to the Grant Recipient under this Contract and were not needed to pay Eligible Project Costs.

(d) Interim and Final Audits:

The State reserves the right to conduct an audit at any time between the execution of this Contract and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grant Recipient to conduct a final audit, at the Grant Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by the Grant Recipient to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may elect to pursue any remedies provided in Article A-5 or take any other action it deems necessary to protect its interests.

ARTICLE A-8. REPORTS ON EXPENDITURE AND PROJECT CONSTRUCTION

During the planning and construction phases, the Grant Recipient agrees to provide to the State an annual summary of the information required by Articles A-4 and A-7. Within sixty (60) days of project completion, the Grant Recipient shall submit a final progress report on project construction and expenditures for the State's review and comment. The report shall be modified to incorporate the State's comments, if any, and resubmitted within sixty (60) days of the Grant Recipient's receipt of the State's comments.

ARTICLE A-9. INSPECTIONS OF PROJECT BY STATE

The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Contract. This right shall extend to any subcontracts, and the Grant Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Contract with the State.

ARTICLE A-10. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION

The Grant Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grant Recipient's service of water, without prior permission of the State. The Grant Recipient shall not take any action, including but not limited to actions relating to user

fees, charges, and assessments that could adversely affect the ability of the Grant Recipient to make timely payments or to otherwise meet its obligations under this Contract, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Grant Recipient's indebtedness under this Contract.

ARTICLE A-11. NONDISCRIMINATION CLAUSE

During the performance of this contract, the Grant Recipient, its contractors and subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Grant Recipient shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Grant Recipient, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated there under (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

The Grant Recipient, its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grant Recipient shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Contract.

The Grant Recipient's signature on this Contract shall constitute a certification under the penalty of perjury under the laws of the State of California that the Grant Recipient has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

ARTICLE A-12. WORKERS' COMPENSATION CLAUSE

The Grant Recipient affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Grant Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Contract and will make its contractors and subcontractors aware of this provision.

ARTICLE A-13. SUCCESSORS AND ASSIGNS

This Contract and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Contract or any part thereof, rights hereunder, or interest herein by the Grant Recipient shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

ARTICLE A-14. STATE TO BE HELD HARMLESS

The Grant Recipient agrees to indemnify the State and its officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the Project.

ARTICLE A-15. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Contract is not exclusive and shall not deprive the party using such remedy of, or limits the application of, any other remedy provided by law.

ARTICLE A-16. AMENDMENTS

This Contract may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grant Recipient for amendments must be in writing stating the amendment request and the reason for the request.

ARTICLE A-17. OPINIONS AND DETERMINATIONS

Where the terms of this Contract provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

ARTICLE A-18. CONTRACTING OFFICER OF THE STATE

The contracting officer of the State shall be the Director of the Department of Water Resources of the State of California and his successors, or their duly authorized representatives. The contracting officer shall be responsible for all discretionary acts, opinions, judgments, approvals, reviews, and determinations required by the State under the terms of this Contract.

ARTICLE A-19. WAIVER OF RIGHTS

None of the provisions of this Contract shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Contract unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Contract shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

ARTICLE A-20. NOTICES

All notices that are required either expressly or by implications to be given by one party to the other under this Contract shall be signed for the State by its contracting officer and for the Grant Recipient by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a U.S. Post Office for delivery by registered or certified mail.

ARTICLE A-21. INSPECTION OF BOOKS, RECORDS, AND REPORTS

During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Contract or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Contract. Failure or refusal by the Grant Recipient to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may withhold disbursements to the Grant Recipient or take any other action it deems necessary to protect its interests, as provided in Article B-2.

ARTICLE A-22. SUIT ON CONTRACT

Each of the parties hereto may sue and be sued with respect to this Contract.

ARTICLE A-23. CLAIMS DISPUTE CLAUSE

Any claim that the Grant Recipient may have regarding the performance of this agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) days of the Grant Recipient's knowledge of the claim. If this attempt fails, the next step shall be resolution of the claim through nonbinding mediation. If this second step fails, both parties shall have the opportunity to exercise their rights under Article A-22 of this Contract.

ARTICLE A-24. DOCUMENTATION OF PROJECT BENEFITS AND COSTS

After project completion, within ninety (90) days after the first operational year has elapsed, the Grant Recipient shall submit a summary of the operations for the Project. This report shall include a description of the operation of the project; its effectiveness; data on the sources and amounts of water recharged and extracted (project yield). The Grant Recipient shall also report any additional costs and/or benefits deriving from the Project. This record keeping and reporting process shall be repeated annually for a total of 5 operational years. These reports shall be submitted to the Department of Water Resources, Division of Planning and Local Assistance.

ARTICLE A-25. DRUG-FREE WORKPLACE CERTIFICATION

(a) Certification of Compliance:

By signing this Contract, the Grant Recipient, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).
- (2) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors or subcontractors about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The Grant Recipient's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation, and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.
- (3) Provide as required by Government Code Sections 8355(c), that every employee, contractor and/or subcontractor who works under this Contract:
 - (a) Will receive a copy of the Grant Recipient's drug-free policy statement, and
 - (b) Will agree to abide by terms of the Grant Recipient's condition of employment, contract or subcontract.

(b) Suspension of Payments:

This contract or grant may be subject to suspension of payments or termination, or both, and the Grant Recipient may be subject to debarment if the Department determines that:

- (1) The Grant Recipient, its contractors or subcontractors have made a false certification, or,
- (2) The Grant Recipient, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

ARTICLE A-26. AMERICANS WITH DISABILITIES ACT

By signing this Contract, contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

ARTICLE A-27. CONFLICT OF INTEREST

(a) Current State Employees:

- (1) No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or

funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.

(2) No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(b) Former State Employee

(1) For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.

(2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

ARTICLE A-28. NO THIRD PARTY RIGHTS

The parties to this Contract do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Contract, or of any duty, covenant, obligation or undertaking established herein.

ARTICLE A-29. SEVERABILITY

Should any portion of this Contract be determined to be void or unenforceable, such shall be severed from the whole and the Contract shall continue as modified.

ARTICLE A-30. TERMINATION

The State may terminate this Contract under Article B-2 of Exhibit B.

ARTICLE A-31. UNION ORGANIZING

The Grant Recipient, by signing this Contract, hereby acknowledges the applicability of Government Code 16645 through 16649 to this agreement. Furthermore, Grant Recipient, by signing this agreement, hereby certifies that:

- (a) No State funds disbursed by this grant will be used to assist, promote, or deter union organizing.
- (b) Grant Recipient shall account for State funds disbursed for a specific expenditure by this grant to show those funds were allocated to that expenditure.
- (c) Grant Recipient shall, where State funds are not designated as described in (b) above, allocate, on a prorata basis, all disbursements that support the grant program.
- (d) If Grant Recipient makes expenditures to assist, promote, or deter union organizing, Grant Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Grant Recipient shall provide those records to the Attorney General upon request

EXHIBIT B

GRANT CONTRACT SECURITY REQUIREMENTS

ARTICLE B-1. PERFORMANCE AND ASSURANCES

Grant Recipient agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Contract and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. In the event the State finds it necessary to enforce this provision or any right of power under this Contract in the manner provided by law, Grant Recipient agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

ARTICLE B-2. DEFAULT PROVISIONS

- (a) The Grant Recipient will be in default under this agreement if any of the following occur:
 - (1) Substantial breach of this Contract, or any supplement or amendment to it, or any other agreement between the Grant Recipient and the State evidencing or securing the Grant Recipient's obligations;
 - (2) Making any false warranty, representation, or statement with respect to this Contract;
 - (3) Failure to make any remittance required by this Contract.
- (b) Should an event of default occur, the State may do any or all of the following:
 - (1) Declare the Grant be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default;
 - (2) Terminate any obligation to make future payments to the Grant Recipient;
 - (3) Terminate the Contract;and
 - (4) Take any other action that it deems necessary to protect its interests.
- (c) The Grant Recipient agrees that any remedy provided in this Contract is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of a breach of this Contract by the Grant Recipient, whether such breach occurs before or after completion of the Project.
- (d) No waiver by the State of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

EXHIBIT C
CONSTRUCTION PROJECT DESCRIPTION
Yuba County Water Agency
Yuba/Wheatland In-Lieu Groundwater Recharge and Storage Project

Purpose of Project

The purpose of the project is to supply an area of Yuba County that is solely reliant on groundwater for irrigation with surface water from the Yuba River. Farm interests in the area can no longer solely rely on groundwater for irrigation because of degrading quality. Using surface water in years of adequate supply, allows for in-lieu recharge of the Sub-basin, improving water quality and providing storage of groundwater for use when surface water is less available.

Scope of Project

The project submitted for funding is Phase 1 of a two phase project (Phase 2 is not funded under this grant). The scope of work consists of constructing a new canal and two pumping plants.

Conveyance will be accomplished by means of a new canal, beginning at the Bechtel Lateral and terminating at Spenceville Road on the District's southern boundary. The canal will be approximately 10 miles long and can be considered to consist of three reaches:

- (1) a short intake reach from the existing Bechtel Lateral to the proposed Foley/Teichert Pumping Plant,
- (2) the East Side Canal from the Foley/Teichert Pumping Plant to the proposed South Beale Pumping Plant, and
- (3) the Jasper Lane Canal from the South Beale Pumping Plant to Spenceville Road.

The canal will be designed to convey a maximum flow of 240 cubic feet per second (cfs). The design annual water volume conveyed will be 42,200 acre-feet per year. The canal bed will follow the existing terrain, which is virtually flat. The two new pumping plants will provide the hydraulic head required to transport water from north to south. There will be 12 structures (includes diversion and terminal structures) and creek/road crossings constructed on the canal route (excluding the pumping plants).

Design and Construction Stages

Phase I of the project, funded under this grant, consists of three stages: one planning/design stage and two construction stages. These stages are described below:

Stage 1 – Planning and Design

Stage one consists of tasks needed to complete the final design and specifications for the project, prepare bid documents, finalize environmental documentation, and initiate permit applications:

- Complete environmental documentation
- Acquire easements
- Permitting
- Final design and specifications (bid documents)

Stage 2 – Construct East Side Canal Segment

Stage two includes construction of the first two reaches of the project, a short intake reach from the existing Bechtel Lateral to the proposed Foley/Teichert Pumping Plant, and the East Side Canal from the Foley/Teichert Pumping Plant to the proposed South Beale Pumping Plant. Stage Two includes construction of the Foley/Teichert Pumping Plant and canal structures within the reach.

- Construction mobilization
- Canal earthwork – East Side Canal and intake reach
- Canal structures (diversion, road and creek crossings)
- Construct Foley/Teichert Pumping Plant

Stage 3 – Construct Jasper Lane Canal Segment

Stage two includes construction of the third reach of the project, the Jasper Lane Canal from the South Beale Pumping Plant to Spenceville Road. Stage 3 includes construction of the South Beale Pumping Plant and canal structures within the reach.

- Canal earthwork – Jasper Lane Canal
- Canal structures (road and creek crossings, terminal structure)
- Construct South Beale Pumping Plant
- Pump list / Project closeout

Project Location

The project is located in the southern portion of Yuba County. The proposed canal begins at the SE quarter of the NW quarter of Section 30, Township 15N, Range 5E and ends at the NE quarter of the NE quarter of Section 34, Township 14N, Range 5E, Mount Diablo Baseline and Meridian.