

**MONTEREY COUNTY WATER RESOURCES AGENCY  
AGREEMENT FOR PROFESSIONAL SERVICES  
WITH SURVEYORS, ARCHITECTS, ENGINEERS AND/OR DESIGN  
PROFESSIONALS**

This is an agreement ("Agreement") between the Monterey County Water Resources Agency, hereinafter called "Agency," and \_\_\_\_\_, a \_\_\_\_\_ hereinafter called "CONTRACTOR".

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **Scope of Work.** Agency hereby engages CONTRACTOR and CONTRACTOR hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. CONTRACTOR will complete all work in accordance with the **Scope of Work/Work Schedule set forth in Exhibit A:**
  - a) The scope of work is briefly described and outlined as follows:
  - b) The CONTRACTOR shall perform its services under this agreement in accordance with usual and customary care and with generally accepted practices in effect at the time the services are rendered. The CONTRACTOR and its agents and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
  - c) CONTRACTOR, its agents and employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
  - d) CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. CONTRACTOR shall not use Agency premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
2. **Term of Agreement.** The term of this Agreement shall begin on \_\_\_\_\_ by CONTRACTOR and Agency, and will terminate on \_\_\_\_\_, unless earlier terminated as provided herein.

3. Payments to CONTRACTOR; maximum liability. Subject to the limitations set forth herein, Agency shall pay to CONTRACTOR in accordance with the fee schedule set forth in Exhibit B. The maximum amount payable to CONTRACTOR under this contract is

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(\$ \_\_\_\_\_).

4. Monthly Invoices by CONTRACTOR; Payment.

- a) CONTRACTOR shall submit to Agency an invoice, in a format approved by Agency, setting forth the amounts claimed by CONTRACTOR, together with an itemized basis for such amounts, and setting forth such other pertinent information Agency may require. CONTRACTOR shall submit such invoice monthly or as agreed by Agency, but in no event shall such invoice be submitted later than 30 days after completion of CONTRACTOR's work hereunder. Agency shall certify the claim if it complies with this contract and shall promptly submit such claim to the Monterey County Auditor-Controller, who shall pay the certified amount within 30 days after receiving the invoice certified by Agency. It is understood and agreed that CONTRACTOR shall complete all work described in Exhibit A for an amount not exceeding that set forth above, notwithstanding CONTRACTOR's submission of periodic invoices.
- b) CONTRACTOR shall submit to Agency an invoice via email to [WRAAccountsPayable@countyofmonterey.gov](mailto:WRAAccountsPayable@countyofmonterey.gov) and to the Contract Administrator listed in Section 27.
- c) CONTRACTOR agrees that Agency may withhold five percent (5%) of the amount requested by CONTRACTOR from any progress payment, until such time as all goods and services are received in a manner and form acceptable to Agency.
- d) If, as of the date of execution of this Agreement, CONTRACTOR has already received payment from Agency for work which is the subject of this Agreement, such amounts shall be deemed to have been paid under this Agreement and shall be counted toward Agency's maximum liability set forth above.
- e) CONTRACTOR shall not be reimbursed for travel expenses unless expressly approved in writing in accordance with this Agreement.

5. Indemnification.

5.1 For purposes of the following indemnification provisions ("Indemnification Agreement"), "design professional" has the same meaning as set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement is found to be invalid, in violation of public policy or unenforceable to any

extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement and the provisions of California Civil Code sections 2782 or 2782.8, the broadest indemnity protection for the COUNTY under this Indemnity Agreement that is permitted by law shall be provided by CONTRACTOR.

5.2 Indemnification for Design Professional Services Claims: CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONTRACTOR, its employees, subcontractors, and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of COUNTY, or defect in a design furnished by COUNTY, but in no event shall the amount of such CONTRACTOR's liability exceed such CONTRACTOR's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one or more defendants to any action involving such claim or claims against COUNTY is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such CONTRACTOR shall meet and confer with the other parties to such action regarding unpaid defense costs.

5.3 Indemnification for All Other Claims or Loss:  
For any claim, loss, injury, damage, expense or liability other than claims arising out of the CONTRACTOR's performance of design professional services under this Agreement, CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by CONTRACTOR, its employees, subcontractors or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

## 6. Insurance.

6.1 Evidence of Coverage:  
Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the Agency's Contact, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the

work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the Agency. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

6.2 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

6.3 Insurance Coverage Requirements:

Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent CONTRACTORs, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination

of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

**6.4 Other Insurance Requirements.**

All insurance required by this Agreement shall be with a company acceptable to the Agency and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the Agency shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractors, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractors showing each subcontractors has identical insurance coverage to the above requirements.

*Commercial general liability and automobile liability policies shall provide an endorsement naming the Monterey County Water Resources Agency and the County of Monterey, their officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.*

Prior to the execution of this Agreement by the Agency, CONTRACTOR shall file certificates of insurance with the Agency's contract administrator, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Agency, annual certificates to Agency's Contract Administrator. If

the certificate is not received by the expiration date, Agency shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles Agency, at its sole discretion, to terminate this Agreement immediately.

7. Maintenance of Records. CONTRACTOR shall prepare, maintain and preserve all reports and records that may be required by federal, State, and local rules and regulations relating to services performed under this Agreement. CONTRACTOR shall retain all such records for at least five years from the date of final payment, or until any litigation relating to this Agreement is concluded, whichever is later.
8. Right to Audit at Any Time. Agency officials shall have the right, at any time during regular working hours and on reasonable advance notice, to examine, monitor and audit all work performed and all records, documents, conditions, activities and procedures of CONTRACTOR or its subcontractors relating to this Agreement. Government Code section 8546.7 provides that an audit by the State Auditor General may be performed up to three years after the final payment under any contract involving the expenditure of public funds in excess of \$10,000.
9. Confidentiality; Return of Records. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with all federal, State and local laws providing for the confidentiality of records and other information. To the extent permitted by applicable law and regulations, CONTRACTOR shall maintain confidentiality with respect to Agency's well database and other water use data.

CONTRACTOR shall not disclose any confidential information received from Agency or prepared in connection with the performance of this Agreement without the express permission of Agency. CONTRACTOR shall promptly transmit to Agency all requests for disclosure of any such confidential information. CONTRACTOR shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out CONTRACTOR's obligations hereunder. When this Agreement expires or terminates, CONTRACTOR shall return to Agency all records, which CONTRACTOR utilized or received, from Agency to perform services under this Agreement.

10. Termination. Either party may terminate this Agreement by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of termination, which date shall be specified in any such notice. In the event of such termination, the amount payable hereunder shall be reduced in proportion to the services provided prior to the effective date of termination. Agency may terminate this Agreement at any time for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes, without limitation, the failure of CONTRACTOR to perform the required services at the time and in the manner provided herein. If Agency terminates this Agreement for good cause, Agency may be relieved of

the payment of any consideration to CONTRACTOR, and Agency may proceed with the work in any manner, which it deems proper. Costs incurred by Agency thereby shall be deducted from any sum due CONTRACTOR.

11. Amendments and Modifications. No modification or amendment of this agreement shall be valid unless it is set forth in writing and executed by the parties.
12. Non-Discrimination. Throughout the performance of this Agreement, CONTRACTOR will not unlawfully discriminate against any person because of race, color, religion, gender, national origin, ancestry, physical disability, medical condition, marital status, age older than 40, or sexual orientation, gender identity or any other status protected under federal, state or local law, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR shall comply fully with all federal, State and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to any target population designated herein shall not be deemed prohibited discrimination.
13. Independent Contractor. In its performance under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not an employee of Agency. No offer or obligation of employment with Agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from Agency any form of benefits accorded to employees including without limitation leave time, health insurance, workers compensation coverage, disability benefits, and retirement contributions. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold harmless Agency from any and all liability, which Agency may incur because of CONTRACTOR's failure to make such payments.
14. Delegation of Duties; Subcontracting. CONTRACTOR is engaged by Agency for its unique qualifications and abilities. CONTRACTOR may not, therefore, delegate any of its basic duties under this Agreement, except to the extent that delegation to CONTRACTOR's employees is contemplated herein. No work shall be subcontracted without the written consent of Agency, except as provided in this Agreement or its attachments. Notwithstanding any subcontract, CONTRACTOR shall continue to be liable to Agency for the performance of all work hereunder. CONTRACTOR shall not assign, sell, mortgage or otherwise transfer its interest or obligations in this Agreement without Agency's prior written consent.
15. Agency's Rights in Work Product. All original materials prepared by CONTRACTOR in connection with its work hereunder -- including but not limited to computer codes, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic

negatives -- shall be the property of Agency and shall be delivered to Agency prior to final payment. CONTRACTOR may utilize any existing materials developed by CONTRACTOR prior to commencement of work under this Agreement, which materials shall remain the property of CONTRACTOR.

16. Independent Contractor Compliance with Government Code Section 1097.6(c). This section applies to those situations when a contractor/consultant is awarded a contract for a preliminary phase of a project, with future phases to bid separately. This section does not apply to those situations when a contract is awarded for multiple phases of a project under a single contract/proposal. When applicable, and as described below, CONTRACTOR's duties and services under this Agreement shall not include preparing or assisting the Agency with any portion of the Agency's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the Agency. The Agency shall at all times retain responsibility for public contracting, including with respect to any subsequent phase stemming from this Agreement. CONTRACTOR's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. CONTRACTOR shall cooperate with the Agency to ensure that all bidders for a subsequent contract on any subsequent phase of this project, if applicable, have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by CONTRACTOR pursuant to this Agreement.
17. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which Agency is the grantee, CONTRACTOR shall comply with all provisions of such grant applicable to CONTRACTOR's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.
18. Conflict of Interest. CONTRACTOR warrants that it presently has no interest and shall not acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with its full and complete performance of all services under this Agreement.
19. Governing Laws. This Agreement is entered into in the County of Monterey, State of California, and shall be construed and enforced in accordance with the laws of the State of California. The parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.
20. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
21. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.

22. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.
23. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.
24. Contractor. The term “CONTRACTOR” as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on Contactor's behalf in the performance of this Agreement.
25. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.
26. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.
27. Contract Administrators.

CONTRACTOR's designated principal responsible for administering CONTRACTOR's work under this Agreement shall be:

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Agency's designated administrator of this Agreement shall be:

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28. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. CONTRACTOR shall give Agency prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

<b>TO AGENCY</b>	<b>TO CONTRACTOR</b>
Name:	Name:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
E-Mail:	E-Mail:

29. Electronic Deliverables. Where feasible, all reports, documents and other printed information provided to the Agency pursuant to this Agreement shall be submitted in both written and Electronic formats.
30. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.
31. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.
32. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

Exhibit A - Scope of Work/ Work Schedule  
 Exhibit B - Cost Study deliverables and estimated cost  
 Exhibit C - Rate Sheet

33. Entire Agreement. As of the effective date of this Agreement, this document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

**MONTEREY COUNTY WATER RESOURCES AGENCY  
AGREEMENT FOR PROFESSIONAL SERVICES  
WITH SURVEYORS, ARCHITECTS, ENGINEERS AND/OR DESIGN  
PROFESSIONALS**

IN WITNESS WHEREOF, AGENCY and CONTRACTOR execute this agreement as follows:

**MONTEREY COUNTY WATER  
RESOURCES AGENCY:**

BY:

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Ara Azhderian  
General Manager

Date:

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**CONTRACTOR:** Vega Economics

BY:

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Type Name:

Title:

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Date:

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BY:

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Type Name:

Title:

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Date:

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\* INSTRUCTIONS: If CONTRACTOR is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

( \_\_\_\_\_ )  
**Agreement/Amendment No #** ( \_\_\_\_\_ )

\* \* \* \* \*

Approved as to form <sup>1</sup>:

Approved as to fiscal provisions:

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Chief Assistant County Counsel

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Administrative Analyst

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

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County Counsel – Risk Manager:

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Auditor-Controller <sup>2</sup>:

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

<sup>1</sup> Approval by County Counsel is required, and/or when legal services are rendered

<sup>2</sup> Approval by Auditor-Controller is required

# **EXHIBIT A - Scope of Work**

## **Monterey County Water Resources Agency Dam Ownership Regulatory Program Cost Study Scope of Work**

The Monterey County Water Resources Agency (Agency) owns and operates three dams: Nacimiento Dam in San Luis Obispo County, and San Antonio Dam and the Salinas River Diversion Facility, both in Monterey County. Ownership of these dams entails significant resources to safely operate and maintain them in compliance with state and federal regulations, and the costs of these operations and maintenance measures have increased significantly since the dams' construction. This study will analyze and quantify the Agency's costs associated with planning for and ensuring compliance with existing regulatory regimes into the future, and further will identify a proposed cost recovery mechanism (or mechanisms) to recover the costs of this necessary work.

The Agency currently levies charges related to some elements of dam operations through Zone 2C, which was approved by voters in 2003. Zone 2C was created to fund the operation and maintenance of the existing Nacimiento and San Antonio Dams and Reservoirs to increase storage conservation and groundwater recharge; the modification of the spillway at Nacimiento Dam as necessary to meet Division of Safety of Dams ("DSOD") requirements; and to fund construction of the Salinas River Diversion Facility. This regulatory cost study will recommend whether its proposed cost recovery mechanisms would complement or replace the existing funding mechanism.

The ownership, operation, and maintenance of the Agency's dams are regulated by: the State of California – the Department of Fish and Wildlife, the Department of Water Resources Division of Safety of Dams, and the State Water Resources Control Board – and the United States – the Army Corps of Engineers, the Department of Commerce National Oceanic and Atmospheric Administration's National Marine Fisheries Service, the Department of Interior Fish and Wildlife Service, and the Federal Energy Regulatory Commission. These state and federal agencies are responsible for implementing laws that govern water rights, water quality, dam safety, endangered species, lake or streambed alteration, public trust, and energy generation.

Complying with these state and federal regulations involves significant investment of time and resources that spans the entirety of the organization. Examples of these compliance activities include water quality sampling and stream gaging of Agency's reservoirs, rivers, and the Salinas River Lagoon; operations for environmental management, energy production, and diversion; evergoing inspection and maintenance of facilities to meet existing safety criteria; and periodic capital improvements to meet new, ever-evolving safety standards. This Scope of Work aims to provide a framework to guide and inform the cost study, establish study boundaries, and promote accuracy and completeness.

### **Summary of Regulatory Requirements and Agency Activities**

The following generalized descriptions of regulatory responsibilities do not reflect the entire scope of activities of any particular state or federal agency; rather, it is an attempt to describe

the scope of an agency's jurisdiction as it relates to the Agency's activities related to dam ownership, operations, and maintenance, and to describe generally the related activities and costs connected with the Agency's compliance with that regulatory program.

CA Department of Fish and Wildlife (CDFW):

The CDFW is responsible for administration and enforcement of the California Endangered Species Act (CESA). CESA prohibits take of wildlife and plants listed as threatened or endangered by the California Fish and Game Commission, however, CESA allows exceptions to the prohibition for take that occurs during otherwise lawful activities. The Agency's ongoing activities related to reservoir operations and facility maintenance are anticipated to be included in an application for an incidental take permit for listed species. CDFW is also responsible to ensure protection of public trust resources, which it implements through, among other things, Fish & Game Code section 1602 streambed alteration agreements and Fish & Game Code section 5937 requiring good conditions for fish below dams. In order to comply with these requirements, the Agency maintains releases from Nacimiento and San Antonio dams, except under extreme drought or emergency conditions, to provide adequate water for fish, wildlife, and habitat that may exist below the dams.

CA Department of Water Resources Division of Safety of Dams (DSOD):

Pursuant to the California Water Code, the DSOD regulates dams to prevent failure, safeguard life, and protect property. The DSOD provides oversight of the design, construction, and maintenance of all three of the Agency's dams. To comply with DSOD guidance, the Agency oversees annual site inspections with DSOD field engineers, submits required annual documentation, performs dam settlement surveys, obtains bimonthly piezometer readings for analysis, monitors on site drainage patterns, and works directly with DSOD staff on any dam maintenance or new capital projects for review.

CA State Water Resources Control Board (SWRCB):

The SWRCB plays two significant roles that affect the Agency. First, it administers and enforces the State's Water Rights Programs. The Agency holds eight water permits and licenses that allow for the storage, release, diversion, and beneficial use of Agency controlled water resources. To comply with their various terms and conditions, the Agency closely manages reservoir inflow, releases, and diversion of water in a manner consistent with the terms of the water right licenses and permits, and submits annual reports of water use to the SWRCB.

The Agency has implemented data collection and transmission systems to monitor and share data such as reservoir levels, hydroelectric flow rate, pumping, diversion rates, and bypass rates that are required for the monitoring of water rights requirements. In addition to monitoring and reporting requirements, the Agency follows specific flow prescriptions for the migration, spawning, and rearing of federally threatened steelhead that have been included in the Agency's reservoir water rights.

Second, largely through the Regional Water Quality Control Board (RWQCB) system, the SWRCB administers and enforces the Porter-Cologne Act, which governs water quality and

beneficial uses of surface water, groundwater, wetlands and both point and nonpoint sources of pollution. The Agency conducts water quality monitoring and reports data to the local Regional Water Quality Control Board when sandbar management activities are conducted at the Salinas River Lagoon. The Agency must apply to the local RWQCB for permits to conduct activities that result or may result in a discharge that directly or indirectly affects waters of the state or the beneficial uses of those waters.

US Army Corps of Engineers (USACE):

The USACE is responsible for the administration and enforcement of Section 404 of the federal Clean Water Act (CWA), which regulates discharge of dredged or fill material into waters of the United States. The USACE has statutory authorities related to the River and Harbors Act, Marine Protection Research and Sanctuaries Act, and Clean Water Act. The USACE is often the permitting authority for projects that have a Federal nexus through the receipt of Federal funding, projects in navigable waters of the US, or discharge of dredged or fill material to Waters of the US. Construction of the Salinas Valley Water Project, including modification of the Nacimiento Dam spillway and construction of the Salinas River Diversion Facility were performed under a permit from the USACE, which also included FESA Section 7 consultation with NMFS and development of a Biological Opinion related to potential impacts of the project to federally threatened steelhead. That permit process imposed reservoir operation protocols, biological monitoring, and water quality monitoring requirements on the Agency during construction and several years of operation of the project.

US Department of Commerce National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NMFS):

The NMFS is responsible for administration and enforcement of the federal Endangered Species Act (FESA) as it applies to marine mammals, marine fishes, and anadromous fish species, such as steelhead. South Central California Coast Steelhead are listed as a threatened species under the FESA. Steelhead are one of the primary species of concern in the Salinas River watershed and Agency water operations have the potential to cause take of steelhead. In 2019, NMFS withdrew the Biological Opinion issued in connection with the USACE permit issued for construction of the Salinas Valley Water Project. The Agency is currently in the process of developing the Salinas River Operations Habitat Conservation Plan (SROHCP) to provide Incidental Permits for ongoing Agency operations and maintenance activities. One of the core covered activities of the SROHCP is the release of water from Nacimiento and San Antonio dams. Modified reservoir operations protocols are being developed under the SROHCP as one of the primary mitigation actions to assist steelhead in their migration from the ocean through the Salinas River to tributaries for spawning and rearing. In addition to prescribed reservoir flows, the Agency will need to develop a monitoring program and additional mitigation actions to further protect steelhead. The Agency will also need to develop a funding mechanism to ensure implementation of the SROHCP. NMFS has authority under the Federal ESA to approve the SROHCP.

US Department of Interior Fish and Wildlife Service (USFWS):

The USFWS is responsible for administration and enforcement of the federal Endangered Species Act (FESA) as it applies to all other listed species and non-anadromous fish species, such as tidewater goby. USFWS often consults with USACE prior to issuance of a permit under Section 404 of the Clean Water Act . In order to comply with FESA, the Agency conducts sandbar management activities at the Salinas Lagoon in compliance with permit number ESPER8656461, issued on March 28, 2024. The Agency contracts with qualified biologists to perform mitigation and monitoring activities and provides annual reports to USFWS following the requirements in the Salinas River Lagoon and Sandbar Management Low Effect Habitat Conservation Plan. Such reporting will continue for the five-year duration of the permit term. During years when facilitated lagoon breaching is required, the Agency provides after-action reports to USFWS. Through the SROHCP development process, the Agency will account for the long-term operation and maintenance activities in the Salinas Lagoon, including sandbar management.

US Federal Energy Regulatory Commission (FERC):

FERC is an independent agency of the United States government that regulates non-federal hydropower projects; therefore, it only has jurisdiction over the Agency's Nacimiento Dam. FERC ensures that the Agency remains in compliance with the Federal Power Act, FERC regulations, and the terms and conditions of Nacimiento Dam's exemption, to protect, mitigate, and enhance beneficial public uses and the environment around the Nacimiento Dam hydropower project to promote and improve Dam safety. As a critical part of FERC's hydropower program, FERC performs annual inspections of Nacimiento Dam and periodic inspections during construction of maintenance and improvement projects. FERC is responsible for review and approval of all work performed on and around Nacimiento Dam.

In order to comply with FERC regulations and guidance, the Agency conducts annual site inspections with FERC field engineers, maintains several programs related to dam safety, operations, maintenance, monitoring, staff training, public outreach, and improvement and repairs projects. Agency staff submits the required program documentation to FERC engineering and field staff annually. Staff performs regular and periodic inspections of the Nacimiento Dam, monitors the spillway drainage system, and works directly with FERC staff on any dam maintenance or facility improvement project requiring review and approval prior to project implementation.

## EXHIBIT B - Cost Study deliverables and estimated cost

MCWRA Regulatory Fee Study		
	Tasks	Estimated Cost
<b>I. Background</b>		
	Background on MCWRA, fee setting authority, and customer base	
	Overview of dam safety regulatory requirements - CDFW, DSOD, SWRCB, USACE, NMFS, USFWS, FERC	
	Institutional details of dam ownership regulatory program and agency activities - Overview of Nacimiento Dam, San Antonio Dam, and Salinas River Diversion Facility - Overview of agency activities related to compliance with each regulatory program - Overview of existing cost recovery mechanism	
	Expert oversight & editing	
		<b>Sub-Total:</b> <b>\$30,000</b>
<b>II. Budget Analysis</b>		
	Budget analysis and cost projection	
	Scenario analysis	
	Expert oversight & editing	
		<b>Sub-Total:</b> <b>\$35,000</b>
<b>III. Fee Methodology and Calculation</b>		
	Fee design and supporting economic analysis	
	Literature review in support of fee design	
	Data collection and processing	
	Customer-specific fee calculation, impact assessment, and comparison with existing recovery mechanism	
	Expert oversight & editing	
		<b>Sub-Total:</b> <b>\$50,000</b>
<b>IV. Report Drafting</b>		
	Fee study report drafting	
	Expert oversight & editing	
		<b>Sub-Total:</b> <b>\$40,000</b>
<b>IV. Stakeholder Meetings and Testimony</b>		
	Three full-day meetings with stakeholders in Monterey	
	Testimony (TBD)	
		<b>Sub-Total:</b> <b>\$15,000</b>
		<b>Grand Total:</b> <b>\$170,000</b>



## Vega Economics Rate Sheet

2026

<b>Title</b>	<b>Rate</b>
Associate	\$250
Senior Associate	\$300
Economist	\$500