

RESOLUTION NO. 99-03

OF THE BOARD OF DIRECTORS OF THE
AMADOR WATER AGENCY
APPROVING AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE
AMADOR WATER AGENCY AND VOLCANO CSD
FOR OPERATION OF A WATER SYSTEM

BE IT RESOLVED by the Board of Directors of the Amador Water Agency that it hereby approves Amendment No. 1 to the Agreement Between the Amador Water Agency and Volcano CSD for Operation of a Water System, in the form attached hereto and incorporated herein.

The foregoing resolution was duly passed and adopted at a regular meeting of the Board of Directors of the Amador Water Agency held on February 11, 1999, by the following vote:

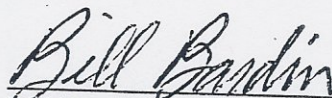
AYES: Directors Bardin, Scott, Moore and Hamann

NOES: None

ABSENT: Director Forster

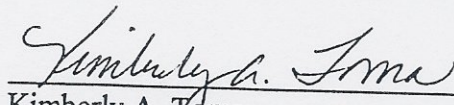
ABSTAIN: None

Signed and approved by me after its passage this 11th day of February, 1999.



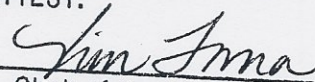
Bill Bardin, President
Board of Directors

ATTEST:



Kimberly A. Toma
Clerk of the Board of Directors

THE FOREGOING INSTRUMENT IS
A CORRECT COPY OF THE ORIGINAL
ON FILE IN THIS OFFICE
ATTEST:



Kim Toma
Clerk of the Board of Directors
Amador Water Agency

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN
THE AMADOR WATER AGENCY
AND VOLCANO COMMUNITY SERVICES DISTRICT
FOR THE OPERATION AND MAINTENANCE OF A WATER SYSTEM

This Amendment No. 1 is entered as of Feb. 11, 1999, in Amador County, California, between the Amador Water Agency, a public agency created by a special act of the Legislature of the State of California ("Water Agency"), and the Volcano Community Services District ("Volcano").

WITNESSETH:

WHEREAS, on October 10, 1997, the Water Agency and Volcano entered into an agreement ("Agreement") concerning the operation and maintenance of a certain water system; and

WHEREAS, the Water Agency and Volcano now desire to amend the agreement again on the terms and conditions set forth below.

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

1. Paragraph 1 of the Agreement is hereby amended to provide that the term of the Agreement is extended from October 10, 1998, through February 14, 2000, unless earlier terminated pursuant to the provisions of paragraph 7 of the Agreement, or by operation of law.
2. Exhibit B to the Agreement is hereby amended in the form attached hereto and incorporated herein by this reference.
3. Except as specifically provided herein, the terms and provisions of the Agreement

shall remain in full force and effect and are incorporated herein by this reference.

4. This Amendment No. 1 to the Agreement shall become effective on the date first above written and shall remain in effect for the term of the Agreement.

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the date first above written.

AMADOR WATER AGENCY

By Bill Bardin
Bill Bardin, President
Board of Directors

ATTEST:

Kimberly A. Toma
Kimberly A. Toma
Clerk of the Board of Directors

VOLCANO COMMUNITY SERVICES DISTRICT

By Terry Gillo
Terry Gillo
President, Board of Directors

ATTEST:

Lew A. Schwent
Lew A. Schwent
Secretary, Board of Directors

Exhibit B

Rates

The hourly rate is \$20.00 per hour x 1.4 (benefits)	\$28.00 per hour
Overtime hourly rate is \$30.00 per hour x 1.4 (benefits)	\$42.00 per hour
Mileage cost is \$.31/mile x 20 miles round trip x 2/mo.	\$12.40 per month
Instrument Technician	\$32.00 per hour
Prorate share of Liability insurance cost (\$500/12)	\$41.66 per month
Administrative costs-include phone, mail, answering service and miscellaneous staff time	10% of monthly subtotal

Cost Summary (Monthly)

Base Labor - 6.55 hrs x \$28.00/hr	\$ 183.40
Mileage	12.40
Liability Insurance	41.66
Subtotal	<hr/> \$ 237.46
Administrative costs - \$237.06 x 10%	23.71
Monthly total	<hr/> \$ 261.17

Note: The following non-exclusive list of items when and if billed to the Agency, will be passed on to Volcano C.S.D. at the Agency's actual cost.

1. Laboratory cost
2. Power cost (P.G.&E.)
3. State and local fees- licensing
4. Shipping
5. Chemicals and reagents
6. Outside specialty services
7. Parts and supplies
8. Equipment cost/Rentals

AGREEMENT BETWEEN AMADOR WATER AGENCY
AND VOLCANO COMMUNITY SERVICES DISTRICT
FOR THE OPERATION AND MAINTENANCE OF A WATER SYSTEM

THIS AGREEMENT is made as of the 10th day of October, 1997, in Amador County, California, between the Amador Water Agency, a public agency created by a special act of the Legislature of the State of California ("Water Agency"), and the Volcano Community Services District, a community services district formed pursuant to Government Code Section 61000, et seq. on or about May 31, 1966, ("Volcano C.S.D.").

WITNESSETH:

WHEREAS, Volcano C.S.D. owns and operates certain water facilities which serve the town of Volcano; and

WHEREAS, Volcano C.S.D. provides for the supply of water for domestic purposes to the inhabitants within the area of the Volcano C.S.D.; and

WHEREAS, the Water Agency owns and operates different water systems throughout Amador County; and

WHEREAS, Volcano C.S.D. desires to have the Water Agency perform certain services in connection with the water facilities which provide water service to the town of Volcano; and

WHEREAS, the Water Agency desires to work cooperatively with Volcano C.S.D. and is willing to provide the services requested by Volcano C.S.D. on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. Term of Agreement.

This Agreement shall be effective as of the date first above written, and shall remain in effect through October 10, 1998, unless terminated earlier pursuant to the provisions of paragraph 7 hereof or by operation of law.

2. Water Agency Performance of Services in Connection with the Volcano C.S.D. Water Facilities.

As of May 1, 1998, the Water Agency shall perform only those services described in Exhibit A attached hereto and incorporated herein by this reference, and such other services as may be requested by Volcano C.S.D. Except for the specific services provided by the Water Agency, Volcano C.S.D. shall be responsible for the operation, maintenance, repair and replacement of the Volcano C.S.D. water facilities. Each of the services provided by the Water Agency shall be consistent with all applicable local, state and federal laws and regulations.

3. Compensation for Water Agency Services.

(a) In consideration for the Water Agency's services pursuant to paragraph 2 of this Agreement, Volcano C.S.D. shall pay to the Water Agency, on a monthly basis, the costs that the Water Agency incurred during the prior month to provide such services consistent with the schedule of rates and charges attached hereto as Exhibit B and incorporated herein by this reference, together with the Water Agency's actual costs to employ others and purchase reasonably necessary materials, supplies and equipment; provided that the first Water Agency invoice to be paid by

Volcano C.S.D. shall cover the period from May 1, 1998, through the end of the month preceding the month in which the first invoice is mailed to Volcano C.S.D. To the greatest extent practicable, the Water Agency shall obtain the prior written consent of the Volcano C.S.D. for the Water Agency's employment of others and the purchase of materials, supplies and equipment. The Water Agency shall provide Volcano C.S.D. with an invoice itemizing the costs incurred during the prior month. Volcano C.S.D. shall pay each invoice within twenty-one (21) days of its date.

(b) On or before July 1 of each year of the term of this Agreement, beginning July 1, 1997, the Water Agency shall provide written notice to Volcano C.S.D. of any changes to the rates and charges set forth in Exhibit B. Such written notice shall enclose the Water Agency's budget for the forthcoming fiscal year (July 1 to June 30).

(c) In the event that the Water Agency determines that a service is needed for the continued effective operation of the Volcano C.S.D. water facilities and such service is not covered in Exhibit A and/or by the budget for that calendar year, then the Water Agency shall provide written notice to Volcano C.S.D. of such needed service and the estimated cost thereof. In the event the Volcano C.S.D. authorizes the needed service, the Volcano C.S.D. shall advance the estimated cost to the Water Agency within 30 days of the date of the written notice. Upon completion of the service, any funds advanced by Volcano C.S.D. in excess of the Water Agency's actual costs of such service shall be refunded to Volcano C.S.D. Conversely, any costs incurred by the Water Agency over and above the amount advanced by Volcano C.S.D. shall be paid by Volcano C.S.D. within twenty-one (21) days of the date of the Water Agency's written demand therefor.

(d) In cases of an emergency, where the Water Agency cannot provide advance written notice of a reasonably necessary service as set forth in subparagraph 3(c) above, the Water Agency is authorized to carry out whatever service is reasonably necessary for the continued effective operation of the Volcano C.S.D. water facilities. The Water Agency shall bill Volcano C.S.D. for the Water Agency's actual costs to perform such service, which bill shall be paid by Volcano C.S.D. within twenty-one (21) days of the date of the bill.

4. Responsibilities Respecting New Service Connections.

Volcano C.S.D., at its sole expense, shall be responsible for the installation and construction of any facilities necessary to provide water service to any new buildings or facilities within the town of Volcano.

5. Rights of Access.

The Water Agency shall have reasonable rights of ingress and egress over Volcano C.S.D. property to carry out its obligations and responsibilities under this Agreement.

6. Reports to Volcano C.S.D.

The Water Agency shall report to Volcano C.S.D. on a semi-annual basis respecting services rendered pursuant to this Agreement. In addition, the Water Agency shall have appropriate representatives of the Water Agency attend meetings of Volcano C.S.D. to report on the services provided herein, upon request by Volcano C.S.D.

7. Termination of Agreement.

Either party may terminate this Agreement with or without cause by giving the other party 30 days advance written notice. This Agreement may be terminated at any time upon mutual consent of the parties. Volcano C.S.D. shall pay the Water Agency for its services rendered to the date of any termination in accordance with paragraph 3 hereof.

8. Invalidity.

If any provision of this Agreement is adjudged invalid by a court of competent jurisdiction, the remainder of this Agreement shall be severable and not affected thereby.

9. Risk of Loss.

Should any of the Volcano C.S.D. water facilities be destroyed or damaged, but not by the acts/omissions of the Water Agency, its employees or independent contractors, Volcano C.S.D., at its sole expense, shall be responsible for the repair or replacement of such facilities. Volcano C.S.D. shall protect, defend, indemnify and hold the Water Agency, its officers, directors, employees, volunteers and agents harmless from any and all suits, claims, costs, losses, damages, injuries, judgements and liabilities (including but not limited to attorney fees) arising out of or in any way connected with the interruption, curtailment or discontinuance of water service as a result of such destruction or damage, or with any water shortage.

10. Indemnification.

(a)The Water Agency shall protect, defend, indemnify and hold Volcano C.S.D., its officers, directors, employees, volunteers and agents harmless from any and all suits, claims, costs, losses, damages, injuries, liens, judgements and liabilities (including but not limited to attorney fees) caused by acts or omissions of the Water Agency, its officers, directors, employees, volunteers, agents or independent contractors in their performance and/or breach of their obligations under this Agreement, except where caused by the sole negligence or willful misconduct of Volcano C.S.D., its officers, directors, volunteers, agents, employees or independent contractors.

(b)Volcano C.S.D. shall protect, defend, indemnify and hold the Water Agency, its officers, directors, employees, volunteers and agents harmless from any and all suits, claims, costs, losses, damages, injuries, liens, judgements and liabilities (including but not limited to attorney fees) caused by acts or omissions of Volcano C.S.D., its officers, directors, employees, volunteers, agents or independent contractors in their performance and/or breach of their obligations under this Agreement, except where caused by the sole negligence, or willful misconduct of the Water Agency, its officers, directors, volunteers, agents, employees or independent contractors.

11. Waiver of Rights.

Any waiver at any time by any party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

12. Remedies Not Exclusive.

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

13. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the successors, agents, lessees and assigns of the respective parties. Notwithstanding anything to the contrary, the Water Agency shall not assign or delegate any of its duties/rights under this Agreement except as provided herein.

14. Attorney's Fees.

If any arbitration, action at law or in equity, or other proceeding is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which it may otherwise be entitled.

15. Paragraph Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

16. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

17. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties after having had the opportunity to consult with their respective attorneys. The parties, in entering into this Agreement, do not rely on inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the parties.

18. Interpretation of this Agreement.

The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement. The parties and the party representatives executing this Agreement have the power and authority to execute this Agreement, and once executed by all parties hereto, this Agreement shall be binding upon the parties hereto.

19. Notices.

All notices, statements, reports, approvals, requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three days after mailing if enclosed in a properly addressed and stamped envelope and deposited in a United States post office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses shown below:

Amador Water Agency
12800 Ridge Road
Sutter Creek, CA 95685

Volcano C.S.D.
P.O. Box 72
Volcano, CA 95689

20. Right to Manage

Nothing set forth herein shall, or be construed to, delegate management of the Volcano C.S.D. to the Water Agency. Pursuant to Government Code Sections 61300 and 61301, the Board of Directors of the Volcano C.S.D. is the governing body of the Volcano C.S.D. and shall exercise all management powers.

IN WITNESS WHEREOF, the parties hereto execute this Agreement as

follows:

AMADOR WATER AGENCY

By: G. Leslie Miller
President, Board of Directors

Attest:

Kimberly A. Lewis
Clerk, Board of Directors

VOLCANO C.S.D.

By: Joe Wolfbrandt
President, Board of Directors

Attest:

[Signature]
Secretary, Board of Directors

Scope of Services

Routine service visits will be provided every 2 weeks which will cover items 1 through 12 below.

	<u>Hours per month</u>
1. Check water level in both wells	.10 hr
2. Check pump performance Flow rate, Amps, Voltage	.20 hr
3. Visual check of equipment	.22 hr
4. Tank water level Drive by check from road below	.11 hr
5. Calculation of daily water use and total water pumped to date	.20 hr
6. Check filter back pressure readings	.11 hr
7. Chlorinate water supply - includes testing Cl2 residual and supplying Cl2 solution	1.1 hr
8. Misc. general maintenance time (used intermittently)	1.1 hr
9. Testing for iron, manganese, ozone levels	.5 hr
10. Monthly bacteria testing and reports to County Health Department	1.5 hr
11. Travel time	<u>1.41 hr</u>
Total Hours per Month	6.55 hr

The following items will be provided on a Time & Materials basis, plus any equipment and parts cost as requested by Volcano C.S.D. (to be approved in advance by the Volcano C.S.D.):

1. Annual State Inspection
2. Install new services
3. Emergency and Distribution system repairs
4. Special WQ testing program
ie: Lead/copper, 2b & 5, Organics, Inorganic/Gen. mineral
5. Written Reports
6. Instrument Technician Services

“On call” or emergency service available upon request by Volcano C.S.D., billed on Time and Materials basis at time and one half, 2 hour minimum.

Meter reading and billing to be provided by Volcano C.S.D.

Exhibit B

Rates

The hourly rate is \$20.00 per hour * 1.4 (benefits)	\$28.00 per hour
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