

**First Amendment to Joint Exercise of Powers Agreement between**

**CONTRA COSTA WATER DISTRICT**

**and**

**OAKLEY WATER DISTRICT**

**for a**

**JOINT WATER TREATMENT PLANT**

This First Amendment to Joint Exercise of Powers Agreement between CONTRA COSTA WATER DISTRICT and OAKLEY WATER DISTRICT for a JOINT TREATMENT PLANT, dated and effective November 3, 2004 (herein called "First Amendment to the JPA"), is entered into between CONTRA COSTA WATER DISTRICT (herein called "CCWD") and DIABLO WATER DISTRICT (herein called "DWD").

WITNESSETH

WHEREAS, CCWD and DWD are each county water districts duly organized and existing under the laws of the State of California; and

WHEREAS, CCWD and the OAKLEY WATER DISTRICT entered into the Joint Exercise of Powers Agreement between CONTRA COSTA WATER DISTRICT and OAKLEY WATER DISTRICT for a JOINT WATER TREATMENT PLANT dated June 6, 1989 ("herein called "JPA") and thereby provided for among other things, the financing, construction, operation and maintenance of the Randall-Bold Water Treatment Plant (the "Plant"); and

WHEREAS, the name of the OAKLEY WATER DISTRICT was duly changed to DIABLO WATER DISTRICT effective May 1, 1993; and

WHEREAS, Section 3.5 of the JPA specifies that the Plant was intended to have an initial design flow rate (i.e. capacity) of 40 million gallons per day ("mgd"); and

WHEREAS, CCWD desires to construct a sedimentation basin project substantially as described in Exhibits "A" and "B" attached hereto and incorporated herein by this reference and integrate such facilities into the treatment process of the Plant; and

WHEREAS, DWD believes that implementation of a sedimentation basin project is not necessary but will consent to CCWD proceeding with the project upon receiving cost protections as described herein; and

WHEREAS, Section 11.1 of the JPA provides that the JPA may be amended by supplemental agreement.

NOW, THEREFORE, CCWD and DWD, for and in consideration of the promises and agreements herein contained do agree as follows:

1. The change from OAKLEY WATER DISTRICT to DIABLO WATER DISTRICT is one of name only and is deemed to affect the JPA in no other respect. Where appropriate to this end, the name "Diablo Water District" shall be substituted for each occurrence of the name "Oakley Water District" and the term "DWD" shall be substituted for each occurrence of the term "OWD" in the JPA.
2. DWD hereby consents to CCWD's addition of the sedimentation basin project to the Plant and integration of such facilities into the treatment process of the Plant under the terms of this First Amendment to the JPA.

In accordance with Section 4.1 of the JPA, CCWD will pay for all cost related to the construction and implementation of the sedimentation basin project without reimbursement by DWD except as set forth herein or as may be agreed to between DWD and CCWD in the future. DWD agrees to reimburse CCWD to the extent required under Section 5.5 (b) of the JPA if, in the future, DWD is saved the cost which would have been incurred by DWD to meet changed water quality standards and only to the extent of what it would have cost DWD under the existing plant configuration and unrelated to the cost of the sedimentation project or any component thereof.

CCWD will construct the solids lagoons portion of the sedimentation basin project on CCWD owned property, as approximately shown on Exhibit "B" and maintain independent and sole control and ownership over such facilities.

There will be no implementation of any increases in plant capacity beyond the initial design flow rate of 40 mgd that may result from having the sedimentation basin project in place without a separate agreement between DWD and CCWD. The preceding sentence shall not preclude DWD from asserting in the future that the original plant was capable of meeting the then current water quality standards with the source water quality at that time, and reliably exceeding the 40 mgd design capacity with plant optimization improvements ("excess capacity") and, if true, from further asserting that DWD would be entitled to three-eighths (3/8) of said excess capacity without any enlargement of the plant. CCWD disagrees with and reserves the right to dispute each of such assertions.

3. Section 5.3 of the JPA is hereby amended to read as follows:

"Section 5.3 Capital Costs of an Increase in the Plant Capacity Allocated to DWD. If the capacity of the plant allocated to DWD is increased in accordance with Section 3.5 (b) hereof, the obligations of DWD shall be as set forth below.

- (a) CCWD shall pay the capital cost thereby incurred to enlarge the Plant and DWD shall reimburse CCWD for said cost multiplied by the percentage of the enlargement allocated to DWD. Payments shall be made in a manner agreed to by CCWD and DWD. CCWD hereby guarantees that DWD's costs for such an enlargement shall not be greater than what such costs would have been in the absence of the sedimentation basin project that is the subject of the First Amendment to the JPA. At the time of DWD's request to increase Plant capacity, existing source water quality, federal and state regulations and any other applicable factors will be taken into consideration in determining what costs for enlargement would have been absent the sedimentation basin project. At the request of DWD, CCWD shall engage and pay for the services of a qualified civil engineer selected by both DWD and CCWD to determine whether and by what amount DWD's costs for such an enlargement have been increased as the result of the addition of the sedimentation basin project. If such civil engineer determines that DWD's costs have been increased as the result of the addition of the sedimentation basin project, CCWD shall deduct such increased costs from DWD's costs for such an enlargement.
  - (b) CCWD acknowledges and agrees that none of the design flow capacity of the Plant initially allocated to CCWD is available for sale to DWD."
4. CCWD guarantees that DWD's operation and maintenance costs to be paid pursuant to the terms of the JPA, including costs for labor, chemicals and energy, after taking into account any changes in unit cost of labor, raw materials and energy, source water quality degradation and treatment regulation changes, shall be no greater as the result of the sedimentation basin project. At the request of DWD, CCWD shall engage and pay for the services of a qualified third party consultant selected by both DWD and CCWD to verify whether DWD's operation and maintenance costs, after taking into account the factors stated above, have been increased as the result of the sedimentation basin project. If such consultant determines that DWD's operation and maintenance costs have been increased as the result of the addition of the sedimentation basin project, CCWD shall credit DWD for such increased costs.
5. Nothing contained in this amendment shall change the allocation of initial design flow rate (i.e., capacity) of 40 mgd as set forth in the JPA.
6. Other than as set forth herein the terms of the JPA remain in full force and effect.

IN WITNESS WHEREOF the parties have executed this First Amendment to the JPA by their respective officers thereunto duly authorized on the date first above written.

**DIABLO WATER DISTRICT**

By: John H. deFremey  
President

Attest: [Signature]  
Secretary

JDB/rlr

**CONTRA COSTA WATER DISTRICT**

By: [Signature]  
President

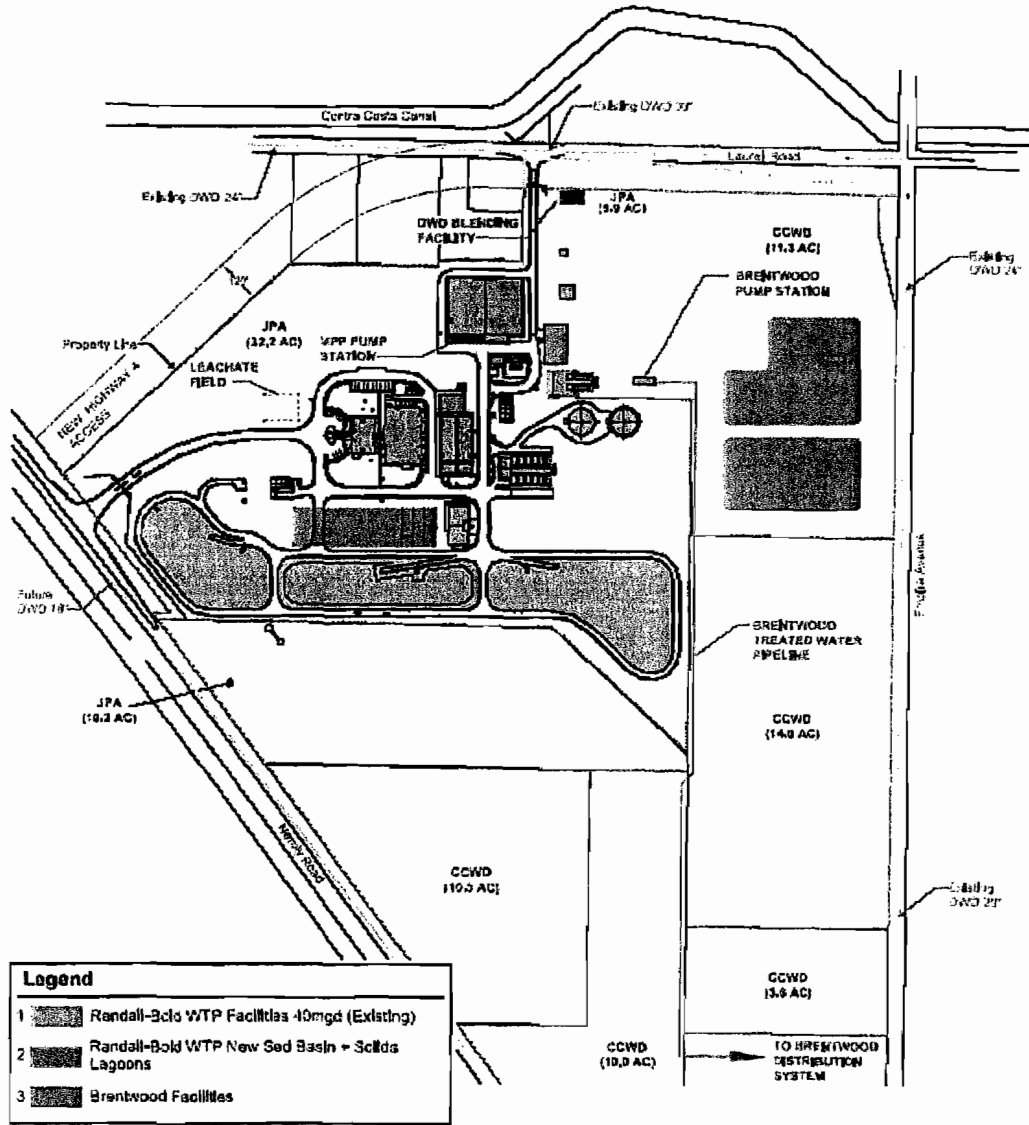
Attest: Sharon L. Burkis  
Secretary

**Description of Sedimentation Basin Project**

In general, the Project consists of the construction of two reinforced concrete flocculation and sedimentation basins at the Randall-Bold Water Treatment Plant, supporting infrastructure, and miscellaneous improvements. Specific elements of the project include the following:

1. Two, approximately 70 feet by 360 feet, reinforced concrete basins used for pretreatment of source water constructed next to each other with a shared center wall, including a reinforced concrete influent channel all of which to be approximately located as shown on Exhibit B attached hereto.
2. Large diameter steel pipelines and valves for: connection of the flocculation and sedimentation basins to the plant upstream of the existing ozone contactor; bypassing the existing flocculation basin; and connection of the new flocculation and sedimentation basins to the plant overflow.
3. Extension and modification of existing electrical, lighting, and instrumentation and control systems to accommodate the new flocculation and sedimentation basins.
4. Extension and modification of existing chemical feed lines and processes to accommodate the new flocculation and sedimentation basins.
5. Excavation and grading for new structures and utilities.
6. Relocation of existing electrical, instrumentation, and chemical feed lines for the existing ozone contactor, including temporary electrical power, instrument signals, and chemical feed lines to accommodate these relocations,
7. Chain and flight solids collection and handling system and vertical turbine flocculating equipment in the reinforced concrete basins.
8. One solids pump station consisting of a reinforced concrete vault located next to the sedimentation basin, solids pumps and a sump pump to be installed inside of the vault, and all associated piping and electrical and instrumentation equipment to connect to existing and new lagoons.
9. An electric operated gate, including electric power and hookup, to be installed along Neroly Road at the south-west corner of the project site. Provisions for installation of an automatic card reader, including conduits for control wiring, shall be included with this project. Pulling of control wiring and installation of the card readers to be performed under separate contract.
10. Provisions for installation of an automatic card reader, including conduits for control wiring on an existing electric gate located north of the Administration Building at the plant. Pulling of control wiring and installation of the card readers to be performed under separate contract.

11. Two, approximately 200 feet by 300 feet, clay or soil cement lined solids lagoons including related pumping, pipelines and access for dewatering solids removed in the sedimentation basins to be approximately located on CCWD owned property as shown on exhibit B attached hereto..
12. Obtain Department of Health Services approval of changes in the Plant operating permit including but not limited to changing the Plant from direct filtration to conventional and increasing the allowable filter rates to a level sufficient to achieve the initial design flow rate of 40 mgd on a continuous and reliable basis.



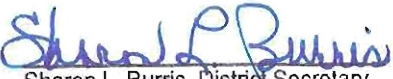
Legend	
1	Randall-Bold WTP Facilities 40mgd (Existing)
2	Randall-Bold WTP New Sed Basin + Solids Lagoons
3	Brentwood Facilities

NOTE:  
NEW SOLIDS LAGOONS TO BE  
SHARED W/ BRENTWOOD WTP.

## RANDALL BOLD WTP SED BASIN AND SOLIDS LAGOONS SITE PLAN



RESOLUTION NO. 04-25

  
Sharon L. Burris, District Secretary  
Contra Costa Water District

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONTRA COSTA WATER DISTRICT AUTHORIZING EXECUTION OF AMENDMENT NO. 1 TO THE 1989 JOINT POWERS AGREEMENT WITH DIABLO WATER DISTRICT FOR THE SEDIMENTATION BASIN PROJECT**

WHEREAS, CONTRA COSTA WATER DISTRICT (CCWD) and the OAKLEY WATER DISTRICT entered into the Joint Exercise of Powers Agreement between CONTRA COSTA WATER DISTRICT and OAKLEY WATER DISTRICT for a JOINT WATER TREATMENT PLANT dated as of June 6, 1989 ("herein called "JPA") and thereby provided for, among other things, the financing, construction, operation and maintenance of the Randall-Bold Water Treatment Plant (the "Plant") and;

WHEREAS, the name of the OAKLEY WATER DISTRICT was duly changed to DIABLO WATER DISTRICT (DWD) effective May 1, 1993; and

WHEREAS, according to Section 3.5 of the JPA the Plant was intended to have an initial design flow rate (i.e. capacity) of 40 million gallons per day ("mgd");

WHEREAS, verification testing for capacity of the Plant was conducted between 2000 and 2002, the results of which are described in the RBWTP WTP Capacity Testing Final Report dated June 2002 ("Final Report"), which concluded that in its present direct filtration mode of operation the Plant was not capable of meeting the initial design flow rate of 40 mgd; and

WHEREAS, the Final Report includes a recommendation, among other things, that a clarification process be evaluated, designed, and constructed to address the inability of the Plant to operate at the initial design flow rate of 40 mgd; and

WHEREAS, CCWD prepared a Water Treatment Plant Master Plan dated December 2003 which included an evaluation of clarification processes for the Plant and which determined that the addition of sedimentation basins was the most cost effective and reliable approach to achieve the initial design flow rate of 40 mgd; and

WHEREAS, the original Plant design included and identified a location for sedimentation basins and provided for hydraulic grade sufficient to allow the addition of sedimentation basins in the future; and

WHEREAS, CCWD desires to construct a sedimentation basin project and integrate such facilities into the treatment process of the Plant; and

WHEREAS, DWD believes that implementation of a sedimentation basin project is not necessary but will consent to CCWD proceeding with the project upon receiving cost protections; and

WHEREAS, DWD and CCWD have negotiated a first amendment to the JPA wherein DWD gives its consent to CCWD proceeding with implementation of a sedimentation basin project and CCWD provides assurances that DWD will not be impacted by the project, and;



NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Contra Costa Water District that the Board President is authorized and directed to execute, for and on behalf of this District, the Amendment No. 1 of the JPA, in a form approved by general counsel, that allows CCWD to proceed with construction of sedimentation basins at the Plant and provides cost protections for DWD.

BE IT FURTHER RESOLVED that the District Secretary is hereby authorized and directed to attest to the signature of the Board President on Amendment No. 1 of the JPA.

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The foregoing resolution was duly and regularly adopted at a meeting thereof held on November 3, 2004 by the Board of Directors of Contra Costa Water District by the following vote of the Board:

AYES: Wandry, Boatmun, Anello, Burgh, Campbell

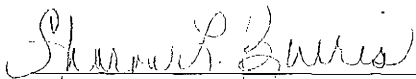
NOES: None

ABSENT: None



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Joseph L. Campbell, President  
Contra Costa Water District

ATTEST:



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Sharon L. Burris  
District Secretary