

ORIGINAL

**SERVICES AGREEMENT
BETWEEN THE COUNTY OF EL DORADO
AND
THE EL DORADO COUNTY WATER
AGENCY**

This Services Agreement ("Agreement") is made between the County of El Dorado ("County") and the El Dorado County Water Agency ("Agency" or "EDCWA"), a body politic and corporate formed and existing as an independent agency separate and apart from the County pursuant to Chapter 96, et.seq. of the California Water Code Appendix ("CWCA"). The County and the Agency are collectively referred to herein as "parties" and individually as "party." This Agreement is made and entered into based upon the following facts.

- A. County has provided administrative and operational support services through its various departments to Agency on a cost sharing basis.
- B. The Agency has historically utilized various operational support services performed by County, including those of the Auditor/Controller, Human Resources, Information Technologies, Insurance/Risk Management, and Treasurer/Tax Collector.
- C. It is the mutual desire and intent of the parties that the County continue to perform certain administrative and operational support services for the Agency and that such services and related terms and conditions be set forth in this Agreement.
- D. Agency and County each has the necessary statutory and general powers and authority to enter into this Agreement and to implement its provisions.

NOW, THEREFORE, in consideration of the foregoing facts and other consideration, and the terms, covenants and conditions contained in this Agreement, County and Agency agree as follows.

1. Mutual Intent; Governing Criteria

It is the mutual intent of County and Agency that the availability of County operational support services and the County's continued performance of such services, functions and duties as are requested by Agency will be similar in extent and scope to those same services as County now provides to various special districts within El Dorado County, unless otherwise provided in this Agreement and as limited by this Agreement.

The guiding criteria of Agency's use of County's services described in this Agreement is the extent to which such services assist and support the Agency's accomplishment of its

goals and mission in a cost effective and timely manner. Utilization of County services as provided in this Agreement is not intended and shall not be construed to limit, restrict, cede or transfer the statutory authority or powers of Agency as an independent local agency, or to avoid or preempt applicable state or federal laws.

2. County Services Provided

County shall continuously and timely provide the following services for Agency except as limited or otherwise provided in this Agreement:

a. Administration Services

- (i) Budgeting: As requested by Agency, assistance to Agency in administering and monitoring its operations, under the direction of the Agency's General Manager and based on Agency policies; and, to assist Agency in system set-up and processing expenditures based on Agency's annual budget as approved by the Agency's Board of Directors.
- (ii) Risk Management/Insurance programs, oversight and services. For specific programs, coverage and scope see attached Exhibit "A", made a part of this Agreement.
- (iii) General support services (including purchasing, central stores, printing (duplicating) and mail/courier)

b. Auditor/Controller

- (i) Internal Auditing as requested (including special projects and reporting) by Agency
- (ii) Document Processing (including audit, payment, posting and disbursement)
- (iii) Payroll Operations and Processing (bi-weekly payroll and related reports, and benefits processing, including reporting as required under Agency's separate contract for PERS pension benefits)
- (iv) General Government Work (including final budget work, property tax and taxpayer assistance)
- (v) Fixed Asset Inventory Controls

c. **Human Resources and Employee Benefits** - County will provide human resources services and employee benefits as requested by Agency. The specific programs and responsibilities to be provided by the County are set forth in Exhibit "B", made a part of this Agreement.

d. **Information Technologies** - County will provide support for server, network, telephone communications, and desktop computers, and will provide website support and updates. The specific services to be provided by County are set forth in Exhibit "C," made a part of this Agreement.

e. **Treasurer/Tax Collector**-County collects taxes, deposits Agency funds and invests Agency funds.

3. County's Charges for Services in General

County establishes charges for services it provides to its various departments on a fiscal year basis contained in its El Dorado County Budget Instructions contained in each fiscal year's budget. County's charges for services it provides for Agency shall be on the same basis as for County departments. In some instances, the department providing such service will bill the Agency directly, in others pre-approved deductions from interest earnings is used, and in others billing will be by the County. Unless otherwise provided, payment for such services will be in arrears thirty days after approval by Agency.

4. Charges and Allocations

a. Administration and Risk Management/Insurance Services

See attached Exhibit "A".

b. Auditor/Controller

(i) Internal Auditing: Personnel time in quarter hours spent.

(ii) Document Processing (including audit, payment, posting and disbursement), Payroll Operations and Processing (including bi-weekly payroll and all required reporting and benefits processing, including CalPERS), and General Government Work (including final budget work, property tax and taxpayer assistance):
All charged pursuant to OMB Circular A-87 (2 CFR 225) as approved by the State of California Controller.

(iii) Fixed Asset Inventory Controls: Personnel time in quarter hours spent.

c. Human Resources and Employee Benefits

See attached Exhibit "B".

d. Information Technologies

(i) Support for server, network, telephone communications, and desktop computers: Charged pursuant to OMB Circular A-87 (2 CFR 225) as approved by the State of California Controller, based on a Per Connect Device (PCD) charge.

(ii) Website support and updates: Direct billed at specific programmer rate.

e. Treasury/Tax Collector

The charges for investing in the County investment pool are prorated and charged against the interest earned for the entire pool. These are calculated on the basis of each fund's cash balance ratio compared to the entire investment pool. Agency agrees to pay its pro-rated portion of the costs including banking costs and staff time.

The remaining services provided by the Treasurer Tax Collector will be charged pursuant to OMB Circular A-87 (2CFR 225).

5. County Plans Adopted by Agency

By incorporation by reference into this Agreement as if set forth at length, Agency adopts the following County plans and policies (both as currently amended and as each of them may in the future be amended):

- (i) El Dorado Employer Health Care Plan, Amended and Restated Effective July 1, 2001
- (ii) El Dorado County Risk Management Pool Protocols
- (iii) El Dorado County Information Technologies policies and standards
- (iv) El Dorado County OMB Circular A-87 as approved by the State of California Controller

6. General Provisions

a. Termination Provisions.

- (i) This Agreement shall continue in effect until terminated. Either party may terminate this Agreement for any or no reason, provided that the terminating party provides notice to the other party as provided in this Subsection 6.a. Notice of termination of this Agreement shall be sufficient and timely given if in writing and mailed or delivered to the officials designed in this Agreement on or before March 1 in the year of the termination's effective date. If timely notice of termination is so given this Agreement shall terminate effective Midnight on June 30 of the fiscal year in which the notice was given.

- (ii) Notice of termination shall be given to the following officials:

To Agency: General Manager
El Dorado County Water Agency
4110 Business Drive, Suite B
Shingle Springs, CA 95682

To County: Chief Administrative Officer
County of El Dorado
330 Fair Lane
Placerville, CA 95667

With copy to: Manager Risk Management
County of El Dorado
330 Fair Lane
Placerville, CA 95667

With copy to: Auditor-Controller
County of El Dorado
360 Fair Lane
Placerville, CA 95667

- (iii) If, at the time of the proposed termination of the Agreement, all existing or future outstanding obligations and liabilities (including those that are not yet known) have not been paid in full, prior to the termination of the Agreement becoming effective, provision for full payment of the obligation or liability must be made by the party owing such outstanding obligation or liability.

b. Notices Other Than Termination. With the exception of notice of termination of the Agreement under Subsection 6.a. above, other notices given by one party to the other party under this Agreement, including but not limited to the termination of an individual service or program, shall be given in writing and mailed or delivered to the officials designated in Subsection 6.a.(ii) above at least sixty (60) days in advance.

c. Mutual Indemnity.

Agency shall defend, indemnify, and hold harmless County, its officers, employees, agents and representatives, from and against any and all liability, losses, expenses (including reasonable attorneys' fees and litigation expenses) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages are caused by, or result from, the acts or omissions of Agency.

County shall defend, indemnify, and hold harmless Agency, its officers, employees, agents and representatives, from and against any and all liability, losses, expenses (including reasonable attorneys' fees and litigation expenses) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages are caused by, or result from, the acts or omissions of County.

Agency and County shall pay all costs that may be incurred by the other party in enforcing this indemnity section, including reasonable attorneys' fees and litigation expenses. The provisions of this section shall survive the expiration, termination, or assignment of this Agreement to the extent that the acts upon which the liability, loss, expense or claim for injury or damages arose prior to the termination of this Agreement.

d. Agreement Modification or Amendments. This Agreement may only be modified in whole or in part by written modifications or amendments approved by the governing bodies of both entities and executed by their designated representatives.

e. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated by such decision.

f. **Agency Administrator.** Agency's officer or employee with responsibility for administering this Agreement is its General Manager or designee.

g. **County Administrator.** County's officer or employee with responsibility for administering this Agreement is its Chief Administrative Officer or designee.

h. **Venue.** This Agreement and all of its provisions shall be governed by the laws of the State of California. Any litigation arising out of this Agreement shall be brought in the County of El Dorado.

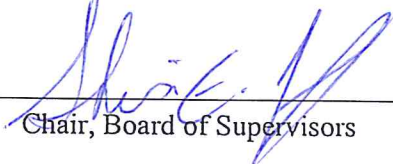
i. **Effective Date.** This Agreement shall be and become effective on February 18, 2017.

[Signatures on the following page.]

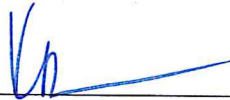
In witness whereof, the parties hereto have caused this Services Agreement to be executed by affixing their signatures below.

Dated: 2/14/17

COUNTY OF EL DORADO

By: 
Chair, Board of Supervisors

ATTEST:
James Mitrusin
Clerk of the Board of Supervisors

By: 
Deputy Clerk

Dated: 2/14/17

EL DORADO COUNTY WATER AGENCY

By: 
Chair, Board of Directors

ATTEST:
Clerk of the Board of Directors

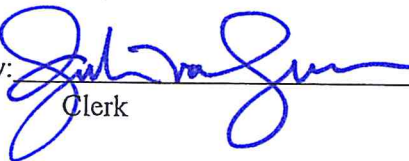
By: 
Clerk

EXHIBIT "A"
Risk Management/Insurance Services

- a. General Liability and Risk Management Pool. Agency is covered under the County's General Liability Risk Pool and excess insurance programs which are administered by the County's Risk Management Pool (the program and its administration are collectively referred to as "Pool"). County and Agency agree to utilize the current, and as may be amended in the future, Pool procedures, formulas, protocols and charges. Agency reserves the right to choose its own counsel where appropriate under the circumstances and agrees to consult with the County when considering engaging special counsel for claims and/or litigation covered under the Pool program. Where the Agency declines representation by County Counsel's office of covered claims or litigation, or where Agency declines outside counsel provided and/or offered by County, Agency and not the Pool will pay for costs Agency incurs for such special counsel. Agency's participation in the Pool and its benefits shall automatically terminate upon Agency obtaining coverage under a separate general liability insurance program and providing County with advance notice of same in accordance with Subsection 6.b. of the main body of this Agreement, except, however, existing claims and covered occurrences not then filed as claims shall continue to be covered and administered by the Pool. Such termination shall not prevent Agency from reapplying to County for inclusion in the Pool subject to Agency meeting then current Pool underwriting and program criteria.
- b. Workers' Compensation. County agrees to provide the same Workers' Compensation insurance coverage (including excess insurance) to Agency as is provided to County departments. Agency shall participate in and comply with County's Workers' Compensation related loss control processes and programs during Agency's participation in the County Workers' Compensation insurance programs.
- c. By February 1 of each year, County will notify Agency in writing of the various Pool and insurance charges for the following fiscal year. The charges will be developed using the same criteria and formulas as used for County Departments. Agency will pay the charges in the same time frames as County Departments which currently is quarterly.

EXHIBIT "B"
Human Resources and Employee Benefits

a. The Agency's General Manager is lawfully delegated by Agency to be responsible for the day-to-day business of the Agency and its staff (CWCA Section 96-36). Agency shall be solely responsible for all Agency employment decisions and matters in regard to Agency employees, including, but not limited to, solicitation, selection, hiring, supervision, terms of employment, discipline, discharge and all other employment and personnel procedures and matters.

b. County will provide administrative services to support the Agency's human resources and employee benefits functions. The Agency General Manager is responsible for communications with County for work that Agency requests be performed by County. Employees of Agency shall not be members of the classified service of County and shall not be listed in County's Authorized Personnel Allocation Resolution.

c. Salary and Benefits. Remuneration for Agency's employees shall be set by Agency, including salaries and employee benefits to be provided. Agency agrees to pay to County the full cost of salaries and all benefit programs selected by Agency for its employees. County agrees to provide the following benefits to Agency employees, unless Agency implements alternative means of providing any such benefit to its employees and notifies County in advance of such action by written notice to County in accordance with Subsection 6.b. of the main body of this Agreement along with the effective date of that Agency implementation:

(i) Unemployment insurance and State disability insurance as required by statutes of the State of California.

(ii) Payment of payroll taxes due for participation in the Medicare portion of Social Security as required by federal law.

(iii) Long term disability insurance and life insurance, including accidental death and dismemberment coverage, as provided to County employees in the County's General, Professional and Supervisory Bargaining Units, or as otherwise provided in writing by Agency to County (hereinafter "County Employees").

(iv) Employee assistance program as provided to County Employees.

(v) Deferred compensation program and public service loan forgiveness program as provided to County Employees.

(vi) Catastrophic leave donation program as provided to County Employees, except that leave donations may only be made among Agency employees.

(vii) Internal Revenue Code (IRC) 125 Plan for health contributions as provided to County Employees under County's health plan.

(viii) The same health and optional benefits programs as are provided to County Employees and retirees shall be provided to Agency's employees and retirees through County's program, subject to the following terms and conditions as respects health benefits:

a) Plan Document. The document entitled, "EL DORADO EMPLOYER HEALTH CARE PLAN, Amended and Restated effective July 1, 2001," together with all subsequent amendments thereto, are incorporated in their entirety into this Agreement by reference, and are referred to hereinafter as the "Plan Document."

b) Status of Affiliated Employer. The Plan Document shall define and govern the terms and conditions under which health benefits are provided under this Agreement, unless provided otherwise. During the continuation and effect of this Agreement, Agency shall be an "Affiliated Employer" as defined in the Plan Document.

c) Amendment of Plan Document. The Plan Document may be amended from time to time at the sole option of the County's Board of Supervisors. County will use its best efforts to keep Agency informed of any such proposed and actual amendments to the Plan Document and other related changes affecting health benefits obtained through the County, including changes, additions, or deletions to County sponsored alternate health plans. However, it is understood that these health plans are primarily designed and maintained to meet the needs of County as negotiated by County through meeting and conferring with County's recognized employee organizations, subject to internal recommendations to County's Board of Supervisions through County's Health Plan Advisory Committee.

d) Termination of this Agreement. In the event this Agreement is terminated pursuant to Subsection 6.a. of the main body of this Agreement, Agency may reapply for inclusion in County's Plan Document then in effect.

e) Eligibility. It is Agency's sole responsibility to adopt rules, regulations, and procedures sufficient to define who is eligible to enroll in these benefits, and to assure compliance with all federal and state laws and regulations which relate to, or confer rights upon, employees, retirees, and dependents regarding their eligibility for, or eligibility to have payments made on their behalf, for group health benefits or health insurance. Such laws include, but are not limited to, the California Family Rights Act of 1991, the Americans with Disabilities Act (42 USC 12101 et seq.), COBRA (Public Law 99-272. title X, sec 10002; 100 Stat 227; 29 USC 1161-1168), the Family & Medical Leave Act of 1993 (Public Law 103-3 (2/5/93), 107 Stat.6 (29 USC 2601 et seq.). County will endeavor to adopt Plan Document provisions applicable to its own employees and retirees, and their dependents, which County believes to be consistent with such regulations and laws as they relate to County's own employees and retirees.

- f) Payments by Agency. Agency agrees to pay County at regular intervals not more often than monthly the entire actual cost of all health benefits coverage extended to Agency's employees, retirees, and dependents, at monthly rates established by the County's Board of Supervisors, except that County agrees to collect all contributions required from Agency's Qualified Beneficiaries (as defined by the Plan Document) under COBRA directly from such Qualified Beneficiaries.
- g) Employee and Retiree Contribution Rates. It is the Agency's sole responsibility to negotiate and establish required contribution rates for Agency's employees and retirees. Subject to advance written notice to the County's Risk Management Program Manager, Agency may adopt rules which modify contribution rates for Agency's employees and retirees without amending this Agreement.
- h) Eligibility Reporting. County will provide to Agency appropriate forms to allow for enrollment applications and changes including terminations of coverage. County agrees to provide supporting materials, including new employee orientations, new employee enrollment information, and periodic Open Enrollment communication materials to support employee coverage elections as allowed under the Plan Document. Agency agrees to timely report all changes in employment and other events which become known to Agency which may affect eligibility of Agency employees, retirees, and dependents. In the event of a termination of Agency employment, death of an employee, or other qualifying event under COBRA actually known to Agency but not timely reported to County, Agency shall be responsible for the full cost of any additional continuation coverage which may be required to be extended as a result of late notice being provided to a beneficiary otherwise qualified under COBRA.
- i) COBRA. County agrees to provide and administer COBRA continuation coverage for Agency's employees, retirees, and their dependents who may become Qualified Beneficiaries as defined in the Plan Document, including mailing and filing of required notices, billing, collection, and notifications to health insurance companies and claims administrators.
- j) Eligibility in the Event of Agency Termination. Termination of this Agreement shall constitute termination of coverage for the entire Agency group. Effective on the date of such termination, but subject to the provisions of subsection c.(viii) d), above, County shall have no further obligation to continue to provide coverage or benefits to any of Agency's employees, retirees, or their dependents, except as provided for by COBRA.
- (ix) Such other benefits as requested by Agency that are made available by County to its employees.

d. In the form and manner provided for determining costs to County departments for the programs and benefits named above, County's Board of Supervisors shall determine the direct service charges to Agency for the next fiscal year and notify Agency of these amounts by February 1 before the effective fiscal year.

e. Agency agrees to pay County for Agency employee programs and benefits at amounts and methodologies calculated on the same basis as a County department.

EXHIBIT "C"
Information Technologies Services and Charges

County shall provide to Agency information technologies services ("IT Services"), including access to County's mainframe and use of its operational mainframe programs, as they are updated, Financial Accounting and Management Information System (FAMIS, FENIX), on-line Budget Preparation (Bprep), County Intranet, electronic mail (e-mail), data communications network, Internet access, and telephone communications system. Agency shall request assistance from the County to procure and maintain its personal computers, servers, printers, and associated peripheral equipment, including loading all software used on each computer and server. If either party wishes to terminate a service or program provided, notice shall be provided to the other party in accordance with Subsection 6.b. of the main body of this Agreement. Agency is responsible for all costs of hardware, including but not limited to personal computers, printers, servers, and peripheral equipment, and software purchased by Agency. County IT Services are subject to the following:

- a. County, at Agency's request, will load and maintain any and all software needed for Agency's computers to access through County's network appropriate County servers, databases, and applications. Usage of County resources, including servers, databases, and applications, will be strictly regulated by the County. Agency will follow approved County IT Standards, and security procedures and policies as directed by the County Director of Information Technologies and designated Security Officer. Agency will advise County as soon as practicable of pending delivery dates for new computer equipment and the number of personal computers and/or servers ordered to assist County in resource planning. County will provide a work plan with projected completion dates for services requested by Agency. Requests will be considered and work plan developed with the same status, billing rate, and priority as any County department.
- b. Agency will require that its employees having responsibility for installing and maintaining Agency's hardware and software abide by County security requirements and policies and County IT Standards on all equipment connected to the County network.
- c. Access to County servers, databases, and applications will normally be restricted from all Agency personnel and their sub-contractors. Agency staff and sub-contractors, as designated by Agency Administrator, may have access as directed by current standard security policies and procedures with the approval of the Director of Information Technologies and the designated County Security Officer.
- d. County will continuously provide timely support for Agency's computers and standard software to minimize interruption to or impairment of Agency under the same treatment and at the same hourly rates normally charged to County departments.
- e. County will continuously provide timely support services for Agency's telephone communications system to minimize interruption to or impairment of Agency under

the same treatment and at the same hourly rates normally charged to County departments.

- f. County will continuously provide timely support for Agency's website, including website hosting, design, maintenance and updates, to minimize interruption to or impairment of Agency under the same treatment and at the same hourly rates normally charged to County departments.
- g. For all IT Services provided, County will provide Agency with the same emergency response support and use of County IT resources as provided any County department. Agency will notify the IT Department of emergencies or other pressing needs affecting mission critical operations or scheduling so that those requests may be elevated in processing priority.