

# **SAN JUAN WATER DISTRICT**

## **Board of Director's Meeting Minutes**

January 25, 2017 – 6:00 p.m.

### **BOARD OF DIRECTORS**

Ken Miller	President
Bob Walters	Vice President
Ted Costa	Director
Dan Rich	Director
Pam Tobin	Director

### **SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF**

Keith Durkin	Interim General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Rob Watson	Engineering Services Manager
Lisa Brown	Customer Service Manager
Greg Turner	Water Treatment Plant Superintendent
Greg Zlotnick	Water Resources Specialist
Andrew Pierson	Associate Engineer
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

### **OTHER ATTENDEES**

Mitch Dion	Self
Hilary Straus	Citrus Heights Water District
Tom Gray	Fair Oaks Water District

### **AGENDA ITEMS**

- I. Public Forum**
- II. Consent Calendar**
- III. Old Business**
- IV. New Business**
- V. Information Items**
- VI. Directors' Reports**
- VII. Committee Meetings**
- VIII. Upcoming Events**
- IX. Adjourn**

President Miller called the meeting to order at 6:00 p.m.

At the request of Director Costa, President Miller added an update from Director Costa as item V-4.

#### **I. PUBLIC FORUM**

There were no public comments.

## II. **CONSENT CALENDAR**

All items under the consent calendar are considered to be routine and are approved by one motion. There will be no separate discussion of these items unless a member of the Board, audience, or staff request a specific item removed after the motion to approve the Consent Calendar.

### 1. **Minutes of the Board of Directors Meeting, January 11, 2017**

*Recommendation: Approve draft minutes*

***Director Tobin moved to approve Consent Calendar. Vice President Walters seconded the motion and it carried unanimously.***

## III. **OLD BUSINESS**

### 1. **Groundwater Reimbursement Agreements**

***Director Tobin moved to approve the Agreements for Reimbursement of Costs to Pump Groundwater with Citrus Heights and Fair Oaks Water Districts. Director Rich seconded the motion.***

In response to Director Costa's question regarding cost per acre foot, Mr. Durkin will have to report back to the Board with the cost. Mr. Durkin reminded the Board that they approved the form of the agreement and terms and conditions in June 2016; however, the payback period provision in the agreement was not finalized until the Wholesale Financial Plan was approved which includes a three year payback period.

Mr. Tom Gray addressed the Board and confirmed the timeline for the agreement. In addition, he commented that the FOWD Board thanks San Juan for finalizing the agreement and bringing closure to this topic. Mr. Gray commented that FOWD encourages San Juan to consider a future agreement that would pool the resources together for groundwater transfers, dry year emergencies and future flexibility.

***The motion carried unanimously.***

### 2. **Water Treatment Plant Floc-Sed Basin Improvements Project**

Mr. Durkin introduced Andrew Pierson, Associate Engineer, and explained that he will provide an update on the construction of the Water Treatment Plant Floc-Sed Basin Improvements Project and Mr. Greg Turner will provide a project update on operational challenges at the next Board meeting.

Mr. Pierson conducted a presentation on the WTP Floc/Sed Basins 2016 Improvements Project. A copy of the presentation will be attached to the meeting minutes. He reviewed the project, explained that the quality of work, schedule, and budget are proceeding satisfactory with approximately 71% of the contract complete. He explained that the south basin work is approximately 90% complete, the north basin work is approximately 25% complete, and the

new settled water channel is approximately 85% complete. There has only been \$70,000 - \$80,000 in change orders to date, which is less than 2% of the contingency. The project is expected to be completed on schedule in May 2017.

Mr. Durkin informed the Board that this project will provide improved reliability and redundancy at the WTP, provide energy and chemical savings over time, and will significantly reduce staff time needed to complete maintenance in the basins.

*For information; no action requested*

### **3. Update on External Activities**

Mr. Durkin informed the Board that a staff report from Greg Zlotnick was inadvertently left out of the Board packet and was emailed to the Board along with a printout being provided at the meeting. A copy of the staff report will be attached to the meeting minutes.

Mr. Greg Zlotnick informed the Board that staff is very active in the long-term conservation issue. He reported that the Governor just declared flood emergencies in 50 counties while the state is still under a drought emergency declaration.

Mr. Zlotnick informed the Board that he attended the ACWA State Legislative Committee meeting where he initiated discussion on the recent development of companies on the internet that are collecting payments from utility customers for a fee. This topic was discussed at the Legal Affairs Committee meeting. The companies' websites are designed to look as if the utility company has authorized them to collect payments from customers; however, the utility companies have not authorized this service. Mr. Zlotnick commented that ACWA State Legislative Committee is reviewing this and he will provide an update once more information becomes available.

*For information; no action requested*

## **IV. NEW BUSINESS**

### **1. Regional Public Affairs Program on Water Policy Issues**

Mr. Durkin informed the Board that he would like to table this topic until the February 8<sup>th</sup> Board meeting. He explained that this is a four-year cost share agreement between the District, PCWA, and the Cities of Roseville and Sacramento. Before the Board approves the agreement, Mr. Durkin wants to make sure that the agencies involved are all on the same page regarding moving the effort to RWA as soon as possible since this program will benefit the region. There is a coordination meeting with the agencies involved on February 1<sup>st</sup> and this discussion topic is on the agenda. President Miller requested that an update be provided to the Public Information Committee for review and recommendation to the Board.

## **2. Access/Brush Clearing at Customer Meter Boxes**

President Miller informed the Board that there is a recommendation to outsource clearing of meter service boxes to a licensed landscape maintenance company. Mr. Mitch Dion inquired if the customer doesn't pay the additional charge, will their water be turned off for non-payment. Mr. Durkin responded that potentially yes, through the normal shut-off process, the customer's water could be shut off for non-payment. Mr. Horowitz explained that the District's ordinance requires customers to keep their meters accessible and therefore the fee is supported.

In response to Director Costa's comment, Mr. Durkin explained that the fee is revenue neutral and is only assessed to the customer in order to recover the actual cost from the landscape company. Ms. Lisa Brown explained that a Request for Proposals will be sent out and staff will look for the best rate that meets all the District's requirements. She explained that most likely the contractor will impose a minimum dollar amount per hour that will be specified in the initial door hanger to the customer. She also explained that the customers will receive proper notifications and the program will be revenue neutral.

***Director Tobin moved to approve outsourcing clearing meter service boxes to a licensed landscape maintenance company and implementing a retail charge to customers receiving and benefiting from this service. Director Rich seconded the motion and it carried unanimously.***

## **3. Adjusting Schedule of Retail Water Fees, Charges and Deposits**

Mr. Durkin referred the Board to the staff report which was provided in the Board packet and will be attached to the meeting minutes. He explained that Legal Affairs Committee discussed this topic. He explained that the District has a number of fees, charges and deposits that are required from developers or homeowners which need to be updated to reflect the actual cost of the service.

Mr. Durkin explained that the recommendation is to adopt the resolution which will amend the schedule of rates, fees, charges and deposits on an annual basis to reflect changes in actual labor costs and any increase in the November CPI index. In addition, staff will be required to give the Board an update on the respective CPI index and District labor rates as an informational item annually.

In response to Mr. Gray's question, Mr. Horowitz informed that Board that these kinds of charges are not subject to the Proposition 218 notice requirements since they are not normal service charges for water service.

***Director Rich moved to approve Resolution No. 17-02, that:***

- 1. Amends the schedule of rates, fees, charges and deposits.***
- 2. Authorizes the General Manager to update the schedule each January to reflect changes in actual labor costs and any increase in the November CPI index.***

3. **Requires the Board be given an update on the respective CPI index and District labor rates as an informational item each January.**

**Director Tobin seconded the motion and it carried unanimously.**

## **V. INFORMATION ITEMS**

### **1. INTERIM GENERAL MANAGER'S REPORT**

#### **1.1 SWRCB Staff Proposal for Extending Emergency Regulations**

Mr. Durkin reported that the Governor's Drought Emergency Order expires in February unless the State Water Board takes action to extend it. However, even with 50 of 58 counties in a Flood Emergency, the State Water Board is considering extending the emergency regulations. Mr. Greg Zlotnick commented that the State Board is meeting on February 8<sup>th</sup> to discuss the topic and make a decision.

For information; no action requested

#### **1.2 SWRCB Requirement to Provide Lead Testing for Schools**

Mr. Durkin reported that every water agency in California had their domestic water supply permit revised on January 17, 2017 by the Division of Drinking Water at the State Water Board. The new requirement in the permit requires water agencies to test for lead at all kindergarten through 12<sup>th</sup> grade schools, if a school representative so requests. There is a sampling protocol to follow. He explained that the District has 9-10 schools and this could cost the District approximately \$1,000 per school. In addition, he mentioned that this is an unfunded mandate.

In response to Director Tobin's comments, Mr. Tony Barela explained that there is a registry that lists the schools which are covered by this program and there are nine schools in the District that have been identified. He explained that staff will test the lines prior to the meter and then at the appropriate 5 required locations on the school's property when requested.

In response to Director Tobin's question, Mr. Horowitz explained that the District could file a claim with the Commission on State Mandates. Ms. Silva commented that she can properly track the costs so that those costs can be claimed.

For information; no action requested

#### **1.3 Miscellaneous District Issues and Correspondence**

- 1.3.1 FOWD Comments on Wholesale Water Management and Reliability Study

Mr. Durkin informed the Board that he received a letter addressed to President Miller from FOWD with comments on the Wholesale Water Management and Reliability Study. A copy of the letter will be attached to the meeting minutes. He informed the Board that he contacted Mr. Gray to thank him for the letter and explained that MWH would not be responding to each comment since they are finished with their scope of work and the budget has been exhausted. Mr. Durkin informed the Board that many of the comments have to deal with policy issues and protocols that the Board needs to decide on before the next phase of the study. This will be discussed with the Water Supply & Reliability Committee.

Mr. Gray commented that he would hope that the comments in the letter would be considered in the next phase of the study.

Director Costa voiced concern regarding the report from MWH on the Wholesale Water Management and Reliability Study. He feels that storage of water was not fully addressed. Director Rich explained that the feasibility of water storage is not obtaining a location but rather the cost of installing the pipeline to get the water to the treatment plant. Mr. Durkin explained that water storage did not make the short list at this time but that could change in the future.

*For information; no action requested*

#### 1.3.2 Other

Mr. Durkin informed the Board that Mr. Paul Helliker will be in Sacramento next week and will be meeting with staff, WCAs, and Board members.

Director Rich commented that he received the PCWA press release regarding PCWA and City of Roseville partnering together to help fund the Sites Reservoir and wondered if the District was approached with the opportunity to support Sites Reservoir. Mr. Durkin explained that the Sites Reservoir general manager has conducted presentations to RWA and there are benefits to the CVP and SWP water systems as a whole, but not necessarily for Folsom diverters. The City of Roseville and PCWA may benefit if a new Sacramento River diversion gets constructed to serve Western Placer County. Mr. Durkin explained that the benefit is not really there for the District and City of Folsom.

## **2. DIRECTOR OF FINANCE'S REPORT**

### **2.1 Miscellaneous District Issues and Correspondence**

Ms. Silva informed the Board that the Prop. 218 notice has been reviewed by Legal Counsel and is being formatted by Crocker & Crocker. She informed the Board that the public hearing could take place at the April 12<sup>th</sup> Board

meeting. Director Rich commented that April 12<sup>th</sup> is spring break for most schools in this area and he will not be at that meeting due to other commitments. The Board discussed setting the date of the public hearing to a different date. President Miller and Mr. Durkin will discuss if the public hearing will be set as a Special Board meeting or moved to the April 25<sup>th</sup> Board meeting.

Ms. Silva informed the Board that a meeting is tentatively scheduled for February 7<sup>th</sup> for the Ad Hoc Retail Finance Plan & Rate Review Committee.

Ms. Silva reported that she is proceeding forward in the process to refund the 2009 series COPs. She has met with a bond counsel firm, has spoken with the underwriter to draft a schedule, and is working to obtain a financial advisor. Ms. Silva explained that there is a new requirement with a debt issuance which requires the Board to adopt a debt policy. She will draft a debt policy and have the appropriate committee review prior to the Board's review and adoption.

*For information; no action requested*

### **3. LEGAL COUNSEL'S REPORT**

#### **3.1 Legal Matters**

Mr. Horowitz informed the Board that he was contacted by Jerry Johns, a consultant to the Department of Water Resources, regarding working together on an urban water conservation transfer proposal. This would provide the white paper that DWR and Reclamation need for guidance on performing conserved water transfers. Mr. Horowitz informed the Board that a water transfer this year will most likely not happen due to the volume of rain and snowpack and the constraints on the pumps in the south Delta. He explained that most of the water that will be moved this year will be Central Valley Project water and there will probably not be any capacity for discretionary water transfers.

Mr. Horowitz reported that he sent the Board a copy of the District's protest that was delivered to the State Water Board at the Cal WaterFix proceedings.

Mr. Horowitz reported that he has a final draft letter that is being circulated to all the legal counsels for all the agencies that are participating regarding the proposed paving requirements which the Sacramento County Board of Supervisors is reviewing. The final letter will be sent to the Board of Supervisors prior to the county's February meeting. Mr. Durkin informed the Board that there is a meeting scheduled next week to meet with Supervisor Sue Frost to discuss the issue.

#### **4. AD HOC COMMITTEE REQUEST FROM DIRECTOR COSTA**

Director Costa reminded the Board that, during the rate discussions, he mentioned that the District might want to consider doing a ballot measure or something similar that would help the District financially. He explained that the District could set up an assessment district which could help fund running the water treatment plant – the assessment would cover the plant costs which would then reduce the cost of water to the wholesale customer agencies. Director Costa requested that President Miller direct an ad hoc committee to look into this idea. After Board discussion, President Miller formed the Ad Hoc Committee on Water Supply Finance Alternatives and appointed Director Costa and Director Tobin as members on the committee.

Mr. Durkin commented that the cost of pumping groundwater at SSWD was referenced at the last SSWD Board meeting. Mr. Durkin spoke with Mr. Dan Bills after the meeting and confirmed that the cost that was mentioned at the meeting was just for the added cost to replace surface water, mainly electricity for pumping, and did not include all costs. Mr. Durkin commented that he would like the Water Supply & Reliability Committee to discuss the topic on how to price water to help incentivize SSWD and potentially other regional water agencies to utilize our surface water.

Mr. Tom Gray addressed the Board and commented that FOWD has discussed their water supply sources. He explained that if pumping is done at 10% of capacity then the cost is closer to \$400 per acre foot as compared to pumping at 70% of capacity which would lower the cost per acre to about \$150. He commented that all water resources should be pooled together so that surface and ground water could be provided at a better cost.

## **VI. DIRECTORS' REPORTS**

### **1.1 SGA**

Director Tobin referred to her written report that was included in the Board packet and will be attached to the meeting minutes.

### **1.2 RWA**

Director Tobin referred to her written report that was included in the Board packet and will be attached to the meeting minutes.

### **1.3 ACWA**

#### **1.3.1 Local/Federal Government/Region 4 - Pam Tobin**

Director Tobin referred to her written report that was included in the Board packet and will be attached to the meeting minutes.

#### **1.3.2 JPIA - Bob Walters**

Director Walters reported that the Property Committee meets in February.

**1.3.3 Energy Committee - Ted Costa**  
No report.

**1.4 CVP Water Users Association**  
No report.

**1.5 Other Reports, Correspondence and Comments**

**1.5.1 Committee Assignments**

Mr. Durkin informed the Board that President Miller made the 2017 Committee Assignments which were included in the Board packet and will be attached to the meeting minutes.

**VII. COMMITTEE MEETINGS**

**1. Public Information Committee (1/10/17)**

The committee meeting minutes will be attached to the original board minutes.

**2. Legal Affairs Committee (1/17/17)**

The committee meeting minutes will be attached to the original board minutes.

**VIII. UPCOMING EVENTS**

1. Mountain Counties Water Resources Association: The New Trump Administration - A View From The Top  
February 24, 2017  
Auburn, CA
2. 2017 ACWA DC Conference  
February 28 - March 2, 2017  
Washington, DC
3. 2017 ACWA Legislative Symposium  
March 8, 2017  
Sacramento, CA
4. 2017 Water Education Foundation – Executive Briefing  
March 23, 2017  
Sacramento, CA
5. 2017 Cap To Cap – Metro Chamber  
April 29 – May 3, 2017  
Washington DC

The Board Secretary informed the Board that a photographer will be coming to the office at 5pm on February 8<sup>th</sup> to take headshots and a group photo of the Board of Directors for the website and an email will be sent out with all the details.

In response to President Miller's question, Mr. Durkin informed the Board that three Board members signed up to receive tablets (Directors Miller, Rich and Tobin) and

the IT Administrator has ordered them and will coordinate a training session with the Board members.

**IX. ADJOURN**

**The meeting was adjourned at 8:25 p.m.**

ATTEST:

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KENNETH MILLER, President  
Board of Directors  
San Juan Water District

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TERI GRANT, Board Secretary

# AGENDA ITEM III-1

## **SAN JUAN WATER DISTRICT AND CITRUS HEIGHTS WATER DISTRICT AGREEMENT FOR REIMBURSEMENT OF COSTS TO PUMP GROUNDWATER**

This Agreement for Reimbursement of Costs to Pump Groundwater (“Agreement”) is made effective on February 1, 2017, by and between San Juan Water District, a public agency (“SJWD”) and Citrus Heights Water District, a public agency (“CHWD”). SJWD and CHWD are collectively referred to herein as the “Parties” and individually as a “Party.”

### **RECITALS:**

- A. In 2008, a draft surface water shortage agreement among SJWD, CHWD and other wholesale customer agencies of SJWD (“WCAs”) to provide groundwater supplies during times of surface water shortage as defined by the Sacramento Water Forum Agreement was prepared but not completed.
- B. Due to changed conditions concerning the water supply situation and other agreements, the draft surface water shortage agreement was not implemented and the Parties therefore agreed that a method was needed for reimbursing agencies such as CHWD that owned, operated and maintained the groundwater facilities for the time period of 2009-2014.
- C. CHWD is the owner and operator of groundwater production facilities that provided water supply for the benefit of all WCAs.
- D. SJWD in its capacity as the wholesale supplier to the WCAs determined that there was a need for groundwater pumping in 2014 due to a shortage in surface water supplies caused by a third year of drought. The 2014 groundwater pumping benefited all of the WCAs.
- E. Because CHWD made groundwater supplies available in 2014, it is seeking reimbursement from SJWD for the costs of the groundwater pumped.
- F. CHWD is also seeking reimbursement for the operation and maintenance of its facilities between 2009 and 2013 to maintain their readiness to supply groundwater in times of a shortage of other water supplies for the benefit of all of the WCAs.
- G. The Parties have agreed to the terms set forth in this Agreement to fully and finally compensate CHWD for all of its expenses to make available groundwater supplies between 2009 and 2014.

### **AGREEMENT:**

1. Reimbursement Terms. SJWD will provide a total credit in the amounts listed below to CHWD:

	2014	2009-2013	Total
CHWD	\$264,698	\$794,095	\$1,058,793

CHWD will receive a one-time credit of \$264,698 for the reimbursement of the 2014 costs in April, 2017. The 2009-2013 credit will be spread out over three years in 12 quarterly amounts of \$66,175 beginning in July 2017. The credits will be shown on and deducted from SJWD's invoices for wholesale water service fees and charges issued to CHWD.

2. Sole Remedy and Release of Claims. The Parties acknowledge and agree that this Agreement and the payments hereunder are intended to affect the full and complete release of all claims related to or arising out of all activities associated with the CHWD's operation and maintenance of groundwater pumping facilities and groundwater supplied by it to the WCAs from 2009 through 2014. Each Party understands and agrees that the release set forth in this Section shall act as a full and final release of all claims, known or unknown, whether or not ascertained, existing as of the date of the execution of this Agreement by either Party. Each Party expressly waives any rights or benefits available under Section 1542 of the Civil Code of the State of California, which provides as follows:

*"A general release does not extend to claims which the creditor does not know, or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."*

3. 2015 and Future Groundwater Pumping. Parties further acknowledge and agree that any additional groundwater pumping by CHWD in future years will not occur prior to the Parties entering into a written agreement that provides the costs and terms for such groundwater pumping. Furthermore, agencies agree that groundwater pumping was not requested during 2015.

4. Entire Agreement. This Agreement is freely and voluntarily entered into by the Parties after having the opportunity to consult with their respective attorneys. Any prior agreements, promises, negotiations, or representations specifically related to the subject matter of this Agreement, but not expressly set forth in this Agreement, are of no force and effect. No amendment or other modification of this Agreement shall be effective unless it is in writing and signed by the Parties.

5. Cooperation. Each Party 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 this Agreement.

6. Supporting Resolutions. Each Party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and will provide to the other Party concurrent with execution of this Agreement, a duly-authorized resolution or other document authorizing the person executing this Agreement to do so.

7. Interpretation of Agreement. Each Party has reviewed and actively participated in the negotiation of this Agreement, and agrees that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not apply to this Agreement or to documents executed and delivered by any Party in connection with the transactions contemplated by this Agreement.

8. Waiver of Rights. Any waiver by a Party of its rights with respect to any matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other breach, default or matter.

9. Remedies. In the event of a breach of this Agreement, each Party reserves the right to pursue any remedy provided under law or in equity.

10. Counterparts. Signatures may be obtained on multiple copies of this Agreement, and together will have the full force of a single executed Agreement. This Agreement will not be effective until signed by all Parties.

SAN JUAN WATER DISTRICT

By: \_\_\_\_\_  
Ken Miller  
President, Board of Directors

CITRUS HEIGHTS WATER DISTRICT

By: \_\_\_\_\_  
Caryl Sheehan  
President, Board of Directors

## **SAN JUAN WATER DISTRICT AND FAIR OAKS WATER DISTRICT AGREEMENT FOR REIMBURSEMENT OF COSTS TO PUMP GROUNDWATER**

This Agreement for Reimbursement of Costs to Pump Groundwater (“Agreement”) is made effective on February 1, 2017, by and between San Juan Water District, a public agency (“SJWD”) and Fair Oaks Water District, a public agency (“FOWD”). SJWD and FOWD are collectively referred to herein as the “Parties” and individually as a “Party.”

### **RECITALS:**

A. In 2008, a draft surface water shortage agreement among SJWD, FOWD and other wholesale customer agencies of SJWD (“WCAs”) to provide groundwater supplies during times of surface water shortage as defined by the Sacramento Water Forum Agreement was prepared but not completed.

B. Due to changed conditions concerning the water supply situation and other agreements, the draft surface water shortage agreement was not implemented and the Parties therefore agreed that a method was needed for reimbursing agencies such as FOWD that owned, operated and maintained the groundwater facilities for the time period of 2009-2014.

C. FOWD is the owner and operator of groundwater production facilities that provided water supply for the benefit of all WCAs.

D. SJWD in its capacity as the wholesale supplier to the WCAs determined that there was a need for groundwater pumping in 2014 due to a shortage in surface water supplies caused by a third year of drought. The 2014 groundwater pumping benefited all of the WCAs.

E. Because FOWD made groundwater supplies available in 2014, it is seeking reimbursement from SJWD for the costs of the groundwater pumped.

F. FOWD is also seeking reimbursement for the operation and maintenance of its facilities between 2009 and 2013 to maintain their readiness to supply groundwater in times of a shortage of other water supplies for the benefit of all of the WCAs.

G. The Parties have agreed to the terms set forth in this Agreement to fully and finally compensate FOWD for all of its expenses to make available groundwater supplies between 2009 and 2014.

## AGREEMENT:

1. Reimbursement Terms. SJWD will provide a total credit in the amounts listed below to FOWD:

	2014	2009-2013	Total
<b>FOWD</b>	\$230,662	\$691,985	\$922,647

FOWD will receive a one-time credit of \$230,662 for the reimbursement of the 2014 costs in April, 2017. The 2009-2013 credit will be spread out over three years in 12 quarterly amounts of \$57,665 beginning in July 2017. The credits will be shown on and deducted from SJWD's invoices for wholesale water service fees and charges issued to FOWD.

2. Sole Remedy and Release of Claims. The Parties acknowledge and agree that this Agreement and the payments hereunder are intended to affect the full and complete release of all claims related to or arising out of all activities associated with the FOWD's operation and maintenance of groundwater pumping facilities and groundwater supplied by it to the WCAs from 2009 through 2014. Each Party understands and agrees that the release set forth in this Section shall act as a full and final release of all claims, known or unknown, whether or not ascertained, existing as of the date of the execution of this Agreement by either Party. Each Party expressly waives any rights or benefits available under Section 1542 of the Civil Code of the State of California, which provides as follows:

*"A general release does not extend to claims which the creditor does not know, or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."*

3. 2015 and Future Groundwater Pumping. Parties further acknowledge and agree that any additional groundwater pumping by FOWD in future years will not occur prior to the Parties entering into a written agreement that provides the costs and terms for such groundwater pumping. Furthermore, agencies agree that groundwater pumping was not requested during 2015.

4. Entire Agreement. This Agreement is freely and voluntarily entered into by the Parties after having the opportunity to consult with their respective attorneys. Any prior agreements, promises, negotiations, or representations specifically related to the subject matter of this Agreement, but not expressly set forth in this Agreement, are of no force and effect. No amendment or other modification of this Agreement shall be effective unless it is in writing and signed by the Parties.

5. Cooperation. Each Party 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 this Agreement.

6. Supporting Resolutions. Each Party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and will provide to the other Party concurrent with execution of this Agreement, a duly-authorized resolution or other document authorizing the person executing this Agreement to do so.

7. Interpretation of Agreement. Each Party has reviewed and actively participated in the negotiation of this Agreement, and agrees that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not apply to this Agreement or to documents executed and delivered by any Party in connection with the transactions contemplated by this Agreement.

8. Waiver of Rights. Any waiver by a Party of its rights with respect to any matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other breach, default or matter.

9. Remedies. In the event of a breach of this Agreement, each Party reserves the right to pursue any remedy provided under law or in equity.

10. Counterparts. Signatures may be obtained on multiple copies of this Agreement, and together will have the full force of a single executed Agreement. This Agreement will not be effective until signed by all Parties.

SAN JUAN WATER DISTRICT

By: \_\_\_\_\_  
Ken Miller  
President, Board of Directors

FAIR OAKS WATER DISTRICT

By: \_\_\_\_\_  
Misha Sarkovich  
President, Board of Directors

# WTP Floc/Sed Basins 2016 Improvements Project

Project Update  
January 25, 2017





12.19.2016 08:44

# Flocculators – Stage 1



# Flocculators – Stage 2



# Flocculators – Stage 3



12.02.2016 10:48



# Sludge Collection



11.22.2016 10:55

# Hoseless design



12.01.2016 11:01

# Sludge Collector Drive Cables



12.07.2016 08:40



# Startup

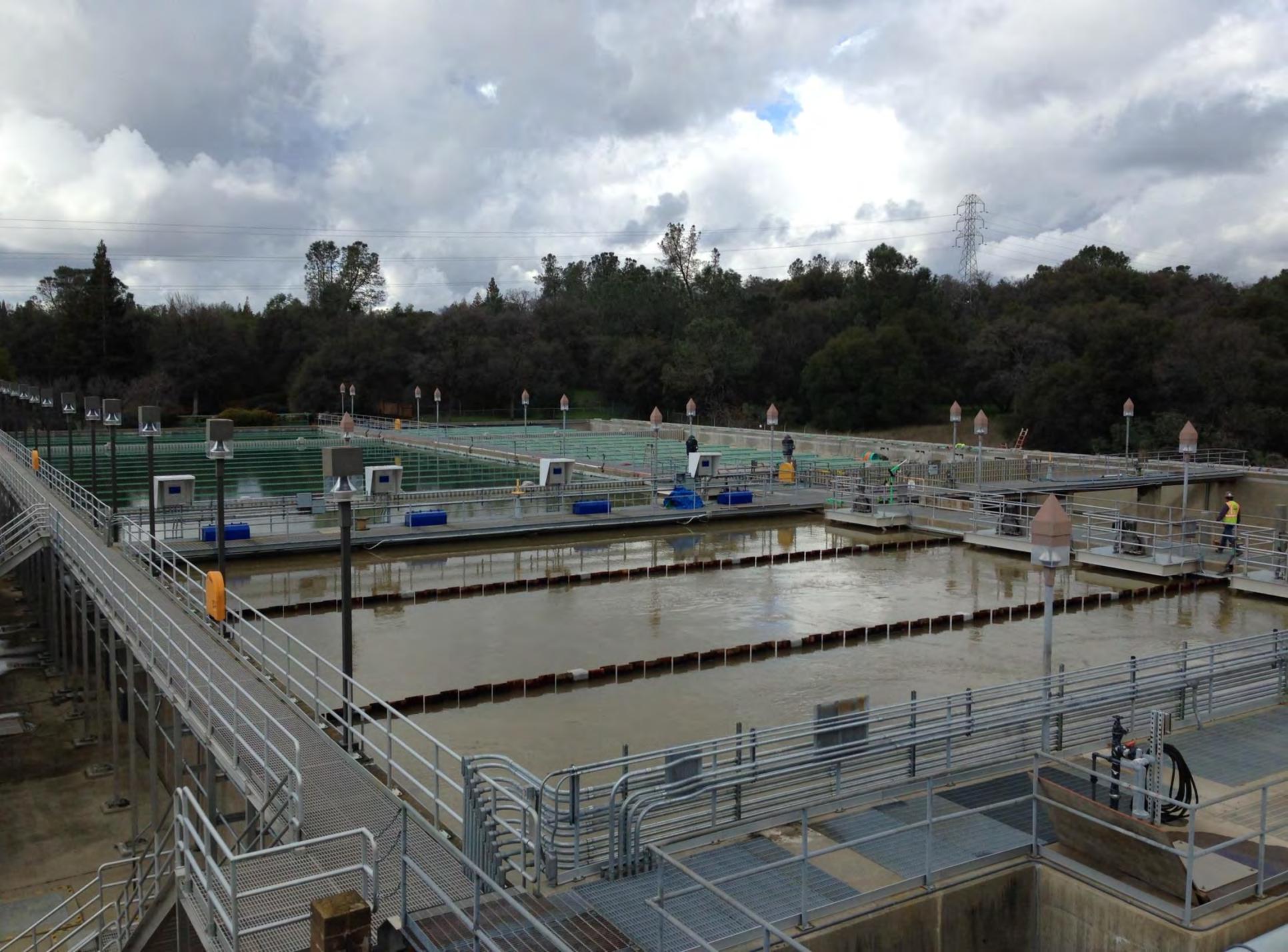




12.06.2016 12:05



11.18.2016 08:39



# Sludge Removal



Jan 3<sup>rd</sup> started work in North Basin



# Jan 3<sup>rd</sup> started work in North Basin



01.03.2017 16:30

# Jan 24<sup>th</sup> pouring Floc columns



01.20.2017 08:45

# Launderers



01.11.2017 10:23

# Launderers



01.23.2017 14:06

# Overflow Structures



# New Channel and L-Structure



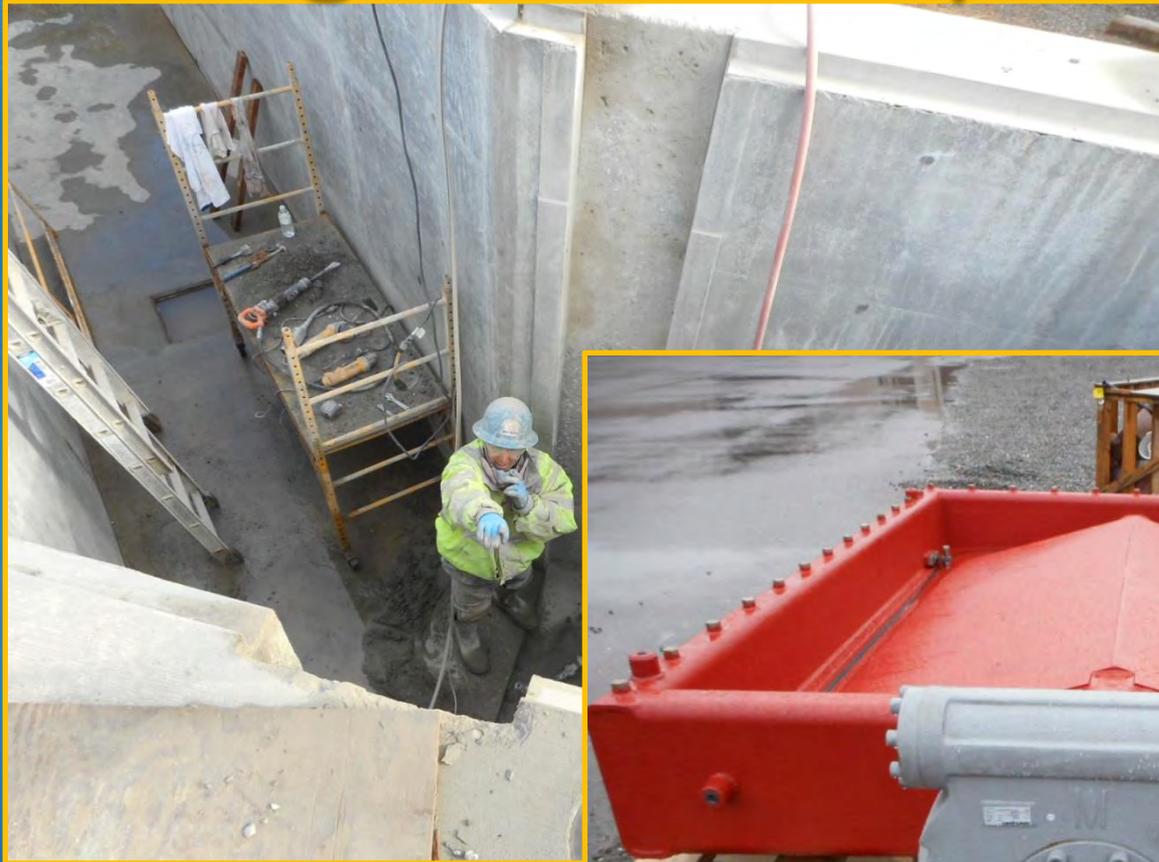
01.06.2017 09:13

# New Settled Water Channel



01.06.2017 11:07

# Rectangular Butterfly Valve



01.03.2017 09:09

# Status

- Quality of work, schedule, budget proceeding satisfactory
- Approximately 71% of contract complete (\$4,284,425)
- South basin work ~ 90% complete
- North basin work ~ 25% complete
- New settled water channel approximately 85% complete
- Change orders to date ~ \$70k - \$80k (less than 2%)
- Overall contract should be completed on schedule (May 2017)

Questions?

## STAFF REPORT

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To: Board of Directors

From: Greg Zlotnick  
Water Resources & Strategic Affairs

Date: January 25, 2017

Subject: General Update on External Activities

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### RECOMMENDED ACTION

None. Information only.

### **Governor's Long Term Conservation Initiative and Legislation:**

As the Board is aware, in response to draft recommendations to "Make Conservation a California Way of Life" issued last month in accordance with an Executive Order (EO) issued by Governor Brown last year, San Juan submitted a comment letter and was one of over 110 signatories on a coalition comment letter coordinated through ACWA.

A final version of the report was due on January 10, but as of this writing it has not been released. While some of the recommendations can be implemented under existing authorities, legislation will be required to effectuate many others, including those that San Juan and other water agencies consider unacceptably intrusive, counterproductive, and of questionable legality.

ACWA has established a workgroup through its State Legislative Committee to engage in the legislative effort and I have been invited to participate. The Regional Water Authority's (RWA) Lobbyist Subscription Program discussed legislative strategies at its meeting on January 18. The consensus of the group was to encourage ACWA to take a more proactive approach utilizing the coalition letter as a foundation for legislative language. This will be conveyed to the ACWA State Legislative Committee on January 20. Should ACWA not move in a proactive manner, the RWA will consider pursuing its own legislative initiative in partnership with other entities in the region and from other parts of the state.

### **Enhanced Outreach Initiative in Response to Regional Challenges:**

San Juan is considering entering into a partnership with Placer County Water Agency, the City of Roseville, and the City of Sacramento to share costs of engaging a "Strategic Communications" firm to develop and implement a strategic

public affairs program to educate the public, local elected officials, business leaders, and legislators regarding this region's agencies' concerns, suggestions for improvement, and interests related to the coming legislative proposals necessary to implement recommendations resulting from the Governor's EO direction to make "Conservation a California Way of Life". A proposal for San Juan's financial participation in this effort was taken to the Public Information Committee on January 10.

I participated in a brainstorming session on December 16 with representatives from Roseville, PCWA, the City of Sacramento, RWA, and various public affairs consultants. On January 11, Keith, Paul Helliker and I met with the consultants to provide answers to questions they had and to provide our own feedback. A meeting of the entire group may occur prior to your Board meeting on January 25. If so, an update will be provided at that time.

Regardless, as of now, staff recommends we delay our commitment to partnering in this effort pending additional clarification regarding its scope, relationship to existing RWA efforts, expectations going forward into the future, and ultimately your approval.

### **WaterFix:**

The State issued its 90,000+ page EIS/EIR for the WaterFix on December 22. According to the California Resources Agency, Biological Opinions are expected to be finalized in early 2017 (March/April perhaps), allowing for pursuit of final environmental clearances and completion of other necessary agreements, including a federal Record of Decision (ROD) pursuant to the National Environmental Policy Act.

The ROD will be issued by the Bureau of Reclamation no sooner than 30-days after the U.S. Environmental Protection Agency's Federal Register publication of the notice of availability of the EIS. Certification of the EIR and final decision-making under the California Environmental Quality Act by DWR would not occur until after the 30-day Federal Register notice of availability as well.

The Board's consideration of whether to file a legal challenge to the WaterFix EIR will likely need to take place in the April or May timeframe, assuming the Biological Opinions are actually issued in March or April, as there is only a 30 day window to challenge EIRs.

At the State Water Resources Control Board (SWRCB), the WaterFix hearings continue. A recent procedural ruling was favorable to San Juan and American River contractors with regard to maintaining flexibility in the timing of when to present to the Board testimony regarding the Modified Flow Management Standard and the need to incorporate it into the WaterFix's permit terms and conditions.

As a reminder, American River water agencies, including San Juan, have filed formal protests with the SWRCB opposing the issuance of revised water rights permits for the State Water Project (SWP) and federal Central Valley Project (CVP) to allow for the additional points of diversion WaterFix would require. Our protest seeks to include in the permit regulating operation of the WaterFix project conditions that that operation must have no negative impacts on our water rights. In addition, we are working to ensure that the region's ability to secure the Water Forum's Modified Flow Management Standard (MFMS) approach to river operations is not compromised.

Also related to WaterFix are discussions regarding how the federal Bureau of Reclamation's share of the costs will be allocated among Central Valley Project (CVP) contractors. There have been a few focused meetings, which Keith and I have participated in, regarding various cost allocation proposals and ideas. San Juan's position, shared by other agencies in the region, is that the beneficiaries of the project should be responsible for 100% of the reimbursable costs and that there should be no financial impact to non-beneficiary CVP contractors nor to existing CVP-wide financial obligations.

### **Bay-Delta Water Quality Control Plan Update:**

The SWRCB has extended the public comment period regarding its Phase I (San Joaquin River) proposal out into March. Phase II (Sacramento River and Tributaries, Delta inflow, Outflow) got underway with the release of an initial draft "Scientific Basis" report last fall. NCWA and others provided comments. Similar to concerns expressed by San Joaquin River water users, the focus on an "unimpaired flow" metric as the fundamental regulatory tool is highly problematic. In addition, it is expected that higher levels of outflow to the ocean will be proposed, which would similarly intensify pressures on utilization of Folsom Reservoir storage to satisfy more demanding standards. On a positive note, the Water Forum has been recognized by the Board as a model and there is some apparent receptivity to the notion that the MFMS approach provides significant benefits to the American River such that care should be taken not to disrupt what has been achieved in this region with regard to balancing uses. We will continue to push that viewpoint.

In an effort to move beyond the purely regulatory approach, Governor Brown in a letter to the SWRCB last fall let it be known that he was supportive of helping to facilitate the pursuit of voluntary settlement agreements among major water user stakeholders that could provide alternative avenues to rebalancing the system beyond solely the imposition of command-and-control mandates by the SWRCB. To that end he has enlisted former United States Secretary of the Interior Bruce Babbitt to be his point person for this initiative. Secretary Babbitt has met with Sacramento Valley and tributary water users on a few occasions and he has been provided with input and suggestions for how such discussions could potentially

move forward. This has included communications in face-to-face meetings, as well as informal and formal written submittals as part of a Sacramento Valley watershed regional coalition.

We expect more formal discussions with Mr. Babbitt to get underway shortly to discuss potential settlement terms between the main stem Sacramento River water users and those, including us, on the tributaries. American River interests are working collaboratively in this process and, as with WaterFix, our primary focus is protecting and ensuring the incorporation of a finalized MFMS as the American River agencies' contribution to whatever plan is developed.

### **SWP/CVP Coordinated Operating Agreement (COA) Update:**

We have been participating in meetings between the SWP contractors and CVP contractors regarding the need to update the COA to reflect actual operating parameters and conditions that exist today rather than those that existed when the current COA went into effect more than three decades ago. Most of today's regulatory constraints on the projects are not reflected formally in the COA and have been addressed "on the fly" with "handshake" agreements when it came to accounting for how each project's deliveries would have to be reduced to meet the standards. The CVP export contractors are particularly interested in recalibrating these out of date accounting formulas. There is much at stake for us and other upstream CVP contractors too as there are direct implications related to the need for upstream releases depending upon whether an obligation is put upon the SWP at Oroville versus having the CVP be responsible and looking to Shasta or Folsom. We will continue to engage in this process to protect our financial and water supply interests.

## STAFF REPORT

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To: Board of Directors  
From: Keith Durkin, Interim General Manager  
Date: January 6, 2017  
Subject: Regional Public Affairs Program on Water Policy Issues

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### RECOMMENDED ACTION

Staff recommends a motion to approve the Cost Share Agreement for Water Public Affairs Planning and Communication between the City of Roseville, the City of Sacramento, Placer County Water Agency, and San Juan Water District and authorize use of Wholesale reserves to cover the unbudgeted expense.

### BACKGROUND

For the past several years, the scope and volume of legislative and regulatory challenges in the water policy arena has grown considerably. Recent examples include the State Water Resources Control Board's Emergency Conservation Regulations, the current successor effort to establish Long-Term Water Use Efficiency rules and implementing legislation as well as significant challenges posed to American River flows and Folsom carry-over storage from the Bay Delta Water Quality Control Plan Update.

These issues will continue to be debated in legislative and regulatory processes in which the American River region participates vigorously. These policy debates are also hot topics in regional and statewide media markets, both in the context of news reporting and editorial opinions which shape public policy.

To ensure that our advocacy efforts are successful with these significant challenges as well as continuing to better position the region to be able to shape state policy, staff from the City of Roseville, City of Sacramento, Placer County Water Agency (PCWA) and the San Juan Water District (SJWD) recommend entering into a Cost Share Agreement to fund, develop and implement a strategic public affairs program which will provide the following benefits to the partnering agencies:

- Educate key local stakeholders, local elected officials and other allies on key regional message points and organize their assistance in helping to reach key state policymakers to advance the region's water policy positions;
- Augment and increase awareness among key state policymakers and the media on the long-term investments in developing a reliable water supply in the region;
- Augment and increase awareness among key state policymakers and the of the long-term investments in water use efficiency with local resources and local decision making;
- Help position and drive the region's water policy agenda to be effective in short-term engagements on water policy issues, but also position the region well for long-term

success in the water policy arena through increased awareness and reach on the region's water policy agenda.

PCWA will retain a high-level public affairs firm on behalf of the partnering agencies to work with government relations staff and existing regional shared lobbying resources to implement these proposed activities. The attached Cost Share Agreement establishes the project management structure, cost-share agreements and a mechanism for PCWA to be reimbursed for work performed on behalf of the participating agencies.

The cost share agreement has an expiration date of December 31, 2020 with provisions to allow withdrawal from the agreement with 30 days' notice. The agreement and scope of work for the program should be reviewed at least annually to confirm that they continue to meet the needs of the District.

### **FINANCIAL CONSIDERATIONS**

The District's share of the 2017 cost for this effort is \$60,000. This expense is not in the FY16-17 approved Wholesale budget and reserve funds will need to be utilized to cover the cost. The expense may or may not be made up from budget savings or an unanticipated increase in water sales and revenues.

**COST SHARE AGREEMENT FOR  
WATER PUBLIC AFFAIRS PLANNING  
AND COMMUNICATION**

This Cost Share Agreement for Water Public Affairs Planning and Communication (“Agreement”) is entered into by and between the City of Roseville, a municipal corporation (“Roseville”), the City of Sacramento, a municipal corporation (“Sacramento”), Placer County Water Agency, a public agency (“PCWA”), and San Juan Water District, a California community services district (“SJWD”) and will take effect as of the date on which Roseville, Sacramento, PCWA, and SJWD have approved this Agreement. Roseville, Sacramento, PCWA, and SJWD may be referred to herein collectively as the “Parties” or each individually as a “Party.”

**RECITALS**

A. Whereas, there are laws, regulations, and policies currently under development by the State of California, such as Long-Term Water Use Efficiency and the Bay Delta Water Quality Control Plan Update, among others, which could significantly impact the region’s ability to locally manage its water resources and could impact the region’s water supplies; and

B. Whereas, the Parties’ desire to (1) prepare for significant advocacy on these issues to protect and advance the Parties interests; (2) utilize integrated and strategic communication tactics to reach state policymakers, business and community stakeholders and other allied local agencies to support the development of state policies that protect and advance the Parties interests (collectively the “Joint Effort”); and

C. Whereas, the Parties desire to set forth a process for sharing in the costs of the Joint Effort, including engaging consultants to assist the parties, and to provide for participation of the Parties in the decision-making process related to the Joint Effort.

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the Parties hereby agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated by reference.

2. Purpose of this Agreement. The purpose of this Agreement is to memorialize the Parties' coordinated funding and activities related to the Joint Effort and to allocate Funds to be expended in administering the Joint Effort.

3. Effective Date and Term. This Agreement shall be effective upon approval by the governing body of all Parties. Unless terminated earlier as provided in Section 11, this Agreement shall expire on December 31, 2020.

4. Definitions. When used in this Agreement, the following terms shall have the meanings set forth below:

- a. "Administrator" means a Party appointed by the other Parties from time to time in the manner set forth in this Agreement, that is authorized to administer the Joint Effort activities, as set forth herein.
- b. "Budget" means the budget provided for in this Agreement.
- c. "Funds" means funds received by the Administrator from the Parties for use in the Joint Effort.
- d. "Party Representative" means the staff member (and/or alternates), designated from time to time by each Party, who is authorized to take actions under this Agreement to the extent permitted, until such time as the Party notifies the Administrator and the other Parties of a change in its Party Representative.

5. Actions of the Party Representatives. Upon approval of this Agreement by the governing body of each Party, each Party shall appoint a staff member as a Party Representative. A Party Representative shall have authority to take action under this Agreement on behalf of the Party that he or she represents, consistent with agreed upon scope of activities and the Budget.

- a. Party Representatives may take action contemplated by this Agreement at a meeting, during a telephone conference call, through electronic correspondence or other means approved by the Party Representatives from time to time, in writing.

- b. All activities undertaken pursuant to this Agreement as part of the Joint Effort shall be agreed upon by all Parties through their Party Representative.
- c. Within 30 days of the effective date of this Agreement, the Party Representatives will develop a scope of proposed activities consistent with the Budget.

6. Appointment and Actions of the Administrator. The Parties hereby initially appoint PCWA to be the Administrator of this Agreement. The Parties may change the Administrator from time to time. The Administrator will be responsible for confirming and communicating to all Parties, in writing, the actions approved by the Parties from time to time. In carrying out its duties under this Agreement, the Administrator shall comply with the legal and regulatory requirements applicable to the Administrator (e.g., procurement procedures). The Administrator shall have the authority to take the following actions to the extent they are consistent with the approved Budget, the terms of this Agreement and the agreed upon scope of activities developed by the Party Representatives:

- a. To undertake or arrange for approved Joint Effort activities in accordance with the provisions of this Agreement;
- b. To apply for, receive and disburse Funds for use in the Joint Effort, or for other activities authorized by this Agreement;
- c. To accumulate Funds for the purposes herein mentioned, and to invest Funds subject to applicable law, provided such Funds are not presently needed to pay costs related to the authorized uses of such Funds under this Agreement;
- d. To make and enter into contracts reasonably necessary to carry out the purpose of this Agreement, consistent with the approved Budget and agreed upon scope of activities.

7. Amendment of Agreement. Except pursuant to withdrawal of a Party in accordance with Section 13, this Agreement may be amended only in writing upon approval by all of the Parties and their respective governing bodies.

8. Addition of Parties. Upon written approval by all of the Parties and their respective governing bodies, the Parties may approve the addition of a new Party to the Agreement and any terms or conditions related to the new Party's addition. The terms and conditions applicable to a joining Party shall be set forth in an amendment to this Agreement. The Administrating Agency shall be authorized to execute the amendment upon approval by all of the Parties.

9. Budget. The total Budget for the first year (Calendar Year 2017) of this Agreement is \$240,000. Each of the four Parties shall contribute \$60,000 to the Administrator for Calendar Year 2017. For the remainder of this Agreement, at least thirty days prior to the commencement of each Calendar Year, the Party Representatives will develop a proposed Budget for the upcoming Calendar Year, which shall designate each Party's annual contribution for that Calendar Year, for approval by the Parties. Upon approval of the Budget, the Administrator will be authorized to make expenditures on behalf of the Parties consistent with the approved scope of activities and Budget.

10. Funds. The Administrator shall be the depository and shall have custody of all Funds received pursuant to this Agreement, from whatever source, subject to the applicable provisions of any funding contract providing for a trustee or other fiscal agent. The Administrator shall have authority to disburse Funds received under this Agreement consistent with the terms of this Agreement and the approved activities, and shall report all receipts and disbursements to the Parties. Pursuant to Government Code section 6509.5, the Administrator will invest any moneys held for disbursement on behalf of the Parties in the same manner and on the same conditions as local agencies pursuant to Government Code section 53601.

11. Termination. The Parties may agree to terminate this Agreement prior to the expiration date.

12. Disposition of Property Upon Expiration or Termination. Upon expiration or termination of this Agreement, any surplus Funds will be returned to the Parties in proportion to the contributions made by them except for any Funds obligated to pay for Joint Effort related expenses incurred prior to the date of termination.

13. Withdrawal of a Party. Any Party may withdraw from this Agreement effective upon thirty (30) day's written notice to all other Parties. The withdrawing Party and the Administrator, on behalf of the remaining Parties, shall execute an amendment to this Agreement memorializing the withdrawal. A withdrawing Party shall be responsible for its share of financial obligations incurred under this Agreement prior to the effective date of the withdrawal.

14. Notices. The time for providing any notices specified in this Agreement may be extended within the term of this Agreement with the consent of all of the Parties, confirmed in writing, without requiring an amendment to this Agreement. All notices and other communications required under this Agreement shall be in writing, and shall be deemed to have been duly given: (a) upon the date of service, if served personally on the Party to whom notice is to be given; (b) upon the date of service, if sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to the Party to whom notice is to be given by first- class mail, postage prepaid, and properly addressed to the designated representatives of the Party. Each Party shall promptly notify every other Party of

approvals or any other actions taken by their respective governing boards concerning or related to this Agreement or the Project.

15. Signatories' Authority. The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Party on whose behalf they execute this Agreement.

16. Counterparts of this Agreement. This Agreement may be signed in any number of counterparts by the Parties, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument. This Agreement, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

17. No Third Party Beneficiary. The parties understand and agree that this Agreement creates rights and obligations solely between the Parties and is not intended to benefit any other Party. No provision of this Agreement shall in any way inure to the benefit of any third person so as to constitute any such third-person as a third party beneficiary of this Agreement or any of its items of conditions, or otherwise give rise to any cause of action in any person not a party hereto.

The foregoing is hereby agreed to by the Parties.

**IN WITNESS THEREOF**, the Parties have executed this Agreement as of the dates written below.

# STAFF REPORT

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To: Board of Directors

From: Lisa Brown, Customer Service Manager

Date: January 25, 2017

Subject: Contracted meter service box clearing

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## RECOMMENDED ACTION

Staff recommends a motion to approve outsourcing clearing meter service boxes to a licensed landscape maintenance company and implementing a retail charge to customers receiving and benefiting from this service.

## CURRENT STATUS

The District has 10,600 connections and reads approximately half each month. Meter boxes need to be kept clear of brush and debris to enable staff to read and service the meter. Currently, the District has one staff member that reads and clears the meter boxes. Staff asks customers to remove and/or trim their plant material to expose the meter boxes but few comply leaving the burden on staff or requiring a shut off notice be issued. The number of customers requiring meter boxes to be cleared of brush and debris exceeds 200 annually which is beyond our staff capability.

To ensure meter boxes are kept clear, staff proposes two options:

1. Contract with a licensed landscape maintenance company to perform the backlogged meter box clearing. The District absorbs the cost of the contractor. The District would prepare an annual not to exceed agreement of \$8,000.
2. Contract with a licensed landscape maintenance company to perform the backlogged meter box clearing. The District would charge each customer for the work performed by adding the cost to their water bill.

An average hourly rate for a licensed landscape contractor would be \$60 per hour. This includes drive time. If the contractor were to perform the onsite work, a minimum \$60 for each address would be charged. The contractor would need to maintain a current landscape contractor license, meet District insurance requirements, fulfill District data requirements (before/after photos and time spent at each property), and would commit to a one year contract at a specified rate with a 30 day cancellation clause. Staff would solicit bids from qualified contractors to ensure equity in selection.

Staff would still notify each customer via door hanger that pruning or removal is necessary. They would be given 60 days to comply. If work is not performed, staff would provide the information to the contractor giving 30 days to perform the work.

This item was presented to the Public Information Committee and the Committee supported Option 2, requiring customer reimbursement for labor performed.

## STAFF REPORT

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To: Board of Directors  
From: Lisa Brown, Customer Service Manager  
Date: January 25, 2017  
Subject: Adjusting retail water fees, charges and deposits

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### RECOMMENDED ACTION

Approve attached Resolution No. 17-02, that:

1. Amends the Schedule of fees, charges and deposits;
2. Authorizes the General Manager to update the Schedule at least annually to reflect actual costs including fully burdened labor costs. Fees and charges not based on labor may be adjusted using the actual costs, if known, or the most recent November Consumer Price Index for Western Cities.
3. Each January, as an informational item, provide the Board the updated Schedule of Retail Water Fees, Charges and Deposits.

### BACKGROUND

Retail water rates cover the overall cost of providing water service to existing customers. Additional fees, charges and deposits are imposed for services unique to a particular customer. These are known as the Schedule of fees, charges and deposits and are billed at each occurrence. This Schedule includes fees for new development services (such as inspections, hydrant permits, flow pressure analysis, and plan reviews); service fees (such as charges for unauthorized connections, change of service grade, and meter testing); and billing fees (for costs incurred for receipt of late payments, service disconnections and returned check charges).

### CURRENT STATUS

The Schedule in use does not reflect current District costs and is under collecting for certain services performed. In past years, the Schedule of fees, charges and deposits was not always updated concurrent to actual labor or material cost increases. Updating the Schedule annually based on actual labor costs, known material costs, or to an appropriate cost index will ensure proper cost recovery. The attached Schedule has been updated to reflect current District costs. Any future updates to this Schedule shall be reported to the Board annually. Each December, an assessment will be conducted. If actual costs reflected in the current Schedule remain appropriate, no change shall be made to that fee, charge or deposit.

As a basis of comparison, staff contacted neighboring agencies to survey their current fees and charges. Most were interested in updating their current fee schedule or in the process of updating their schedule. What staff found was San Juan's proposed fee, charges and deposit schedule is in alignment with most local agencies.

**RESOLUTION NO. 17-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN JUAN WATER DISTRICT  
ADJUSTING RETAIL WATER FEES, CHARGES AND DEPOSITS**

WHEREAS, Ordinance 12000 specifies that District rates are housed in a separate document titled Schedule of Fees, Charges, and Deposits (Schedule); and

WHEREAS, in past years, the Schedule was not updated concurrent to labor or material cost increases where the last update (excluding Capital Facilities Fees) occurred in 2008; and

WHEREAS, the District intends to charge fees that fully recover the cost of services provided; and

WHEREAS, the attached Schedule has been updated to reflect current District costs; and

WHEREAS, staff has contacted neighboring Districts and Cities and have found the recommended adjusted schedule to be consistent with prevailing fees and charges.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Juan Water District as follows:

1. Approve Resolution 17-02 amending the Schedule of Fees, Charges, and Deposits.
2. Authorize the General Manager to update the Schedule of Fees, Charges and Deposits at least annually to reflect actual costs including fully burdened labor costs. Fees not based on labor may be adjusted by the General Manager using the actual costs, if known, or the most recent November Consumer Price Index for all urban customers, Western Cities, all items, not seasonally adjusted, using the standard reference base.
3. Each January, report to the Board the updated Schedule of Retail Water Fees, Charges and Deposits.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on this January 25, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:

ATTEST:

By: \_\_\_\_\_  
Ken Miller  
President, Board of Directors  
San Juan Water District

\_\_\_\_\_  
Teri Grant  
Board Secretary

**FEES, CHARGES, AND DEPOSITS EFFECTIVE 2/01/17**

**CAPITAL FACILITIES FEES**

The capital facilities fees for a connection to the District water distribution system shall be determined in accordance with the following table and shall be adjusted annually based on the specified U.S. Bureau of Labor Statistics Consumer Price Index. The capital facilities fee will be charged for all new connections to the District water distribution system.

<b>Meter Size</b>	<b>Retail Capital Facilities Fee</b>	<b>Wholesale Capital Facilities Fee</b>	<b>Combined Capital Facilities Fee</b>
3/4-inch	\$ 15,253	\$ 400	\$ 15,653
Up to 1-inch	\$ 15,253	\$ 665	\$ 15,918
1 1/2-inch	\$ 30,506	\$ 1,333	\$ 31,839
2-inch	\$ 48,810	\$ 2,131	\$ 50,941
3-inch	\$ 97,622	\$ 4,260	\$ 101,882
4-inch	\$ 151,495	\$ 6,659	\$ 158,154
6-inch	\$ 305,068	\$ 16,644	\$ 321,712
8-inch	\$ 549,134	\$ 23,969	\$ 573,103
10-inch	\$ 884,715	\$ 38,616	\$ 923,331
12-inch	\$ 1,311,819	\$ 57,259	\$ 1,369,078

**Alternative Retail Capital Facilities Fees**  
Capital Facilities Fee                      \$ 12,306/AF

The alternative retail capital facilities fee applies to only those Customers who were allowed to pay capital facilities fees in 0.25 acre increments and entered into an Acreage Agreement. The rate assumes 3 acre feet per year per acre which is typical residential water consumption.

**INSPECTION FEE**

A \$460.00 inspection fee will be charged for each new residential connection or commercial connection requiring a one-inch meter, including the cost for the one-inch standard touch-read meter. An additional charge of \$170 will be applied for a radio-read meter. Connections requiring a meter larger than one-inch will be charged a \$170.00 inspection fee, with the customer providing their own meter per District specifications.

**REINSPECTION FEE**

For new residential or commercial connections that require more than two standard inspections, an \$85.00 reinspection fee will be charged for each additional inspection.

**LATE FEE**

A late fee of \$20.00 is added to accounts upon creation of a 48-hour door hanger notification of impending shut off for non-payment of water bill or other unpaid charges or fees associated with Customer's property. When a door hanger cannot be delivered, a late fee will be added to accounts upon contact with the Customer by phone or mail.

**DISCONNECTION FEE**

A disconnection fee of \$70.00 will be added to accounts where personnel has been dispatched to disconnect service or where service has been shut off, whether for non-payment of water bill or on customer request that service be discontinued.

**AFTER-HOURS RECONNECTION FEE**

A reconnection fee of \$150.00 will be added to accounts where service has been shut off, whether for non-payment of water bill or on customer request that service be discontinued, when reconnection is made after normal business hours.

**RETURNED CHECK FEE**

The returned check fee is \$35.00.

**UNAUTHORIZED CONNECTION FEE**

An unauthorized connection fee of \$250.00 will be charged for each unauthorized connection to a private or District pipeline or water system ancillary. If water facilities are damaged, the violator and/or property owner will be charged time and materials for the cost of repair.

**LOCK REPLACEMENT FEE**

A lock replacement fee of \$20 will be added to an account if an installed meter or service lock is damaged or removed.

**METER SERVICE BOX CLEARING FEE**

A charge of \$60 per hour (with a \$60 minimum fee) shall be charged to a customer’s water account when the District must clear a customer’s water meter service box of landscape material and/or debris if work had not been completed by the customer within a specified time period.

**CHANGE OF SERVICE GRADE FEE**

A change of service grade fee will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**CHANGE OF SERVICE SIZE FEE**

In addition to capital facilities and other fees that may be due, a change of service size, if approved, will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must pay any additional capital facilities fees plus provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**RELOCATE SERVICE FEE**

The fee to relocate a service will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**TAPPING FEE**

The fee for a new tap will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**METER TESTING FEE**

Upon Customer request to test their meter, the customer must provide a deposit in the amount of \$175.00 to cover the cost of testing their meter. The deposit will be returned if the meter is found to register more than three percent error.

**HYDRANT METER PERMIT AND RENTAL FEE**

The fee for hydrant meter rental is \$5.00 per day. The hydrant permit fee is \$70.00 with water use billed at the current commercial metered consumption rate.

**HYDRANT METER DEPOSIT**

The deposit for a standard-sized hydrant meter with backflow prevention assembly is \$1,770.00 with the amount refunded according to Section 12000.03.2.E. The District will determine if special circumstances warrant the use of a smaller meter. The deposit for less than 2-inch hydrant meter with connector is \$600, with the amount refunded according to Section 12000.03.2.E.

**CONSTRUCTION WATER - UNMETERED**

Unmetered construction water will be charged a \$70.00 permit fee, with water use billed at the current commercial metered consumption rate, with a minimum charge of \$25.

To obtain a truckload permit, customers shall apply at the District office and pay a deposit based upon the expected duration of the job:

<b>Duration</b>	<b>Deposit</b>
1-2 weeks	\$150.00
3-4 weeks	\$250.00
5-6 weeks	\$500.00

**WATER CONSERVATION PROGRESSIVE RECONNECT FEE**

The water conservation reconnect fee shall be progressive by violation (failure to correct or eliminate water waste condition) as follows:

1 <sup>st</sup> Reconnect Fee	-	\$ 70.00
2 <sup>nd</sup> Reconnect Fee	-	\$140.00
3 <sup>rd</sup> Reconnect Fee	-	\$280.00
4 <sup>th</sup> Reconnect Fee	-	\$560.00

**CROSS CONNECTION RETESTING FEE**

There is no charge for initial cross connection testing performed during normal business hours. When a testing is required to be conducted after hours, a fee of \$115.00 will be added to the customer’s account. A cross connection retesting fee of \$80.00 will be added to the customer’s account where retesting is required during normal working hours due to a failed test.

**DOCUMENT COPYING FEE**

The fee for copies of documents shall be \$0.25 per page payable in advance.

## **ENGINEERING SERVICES FEES, CHARGES, AND DEPOSITS**

**The following fees and charges are for use when a fixed-rate or fee-based-rate is applicable to a given project. For non-fixed-rate (typically larger) projects the District may instead calculate specific project-related fees and charges in lieu of the following. The District reserves the right to review and modify the applicability and reasonableness of fees and charges.**

### **FLOW/PRESSURE ANALYSIS FEE (NOTE 1)**

A minimum flow and pressure analysis fee of \$420.00 (per each analysis) will be charged when receiving a request from a customer, developer, designer, engineering firm, or other interested party, asking for the available flow and/or pressure at a given location within the District's Retail Service Area distribution system. This fee recovers the cost of labor and materials associated with performing such tasks as system operational and as-built document and facilities research, hydraulic calculations, hydraulic modeling, and preparing summary letters and reports.

### **HYDRANT FLOW TEST FEE (NOTE 1)**

A minimum hydrant flow test fee of \$520.00 (per hydrant, per test) will be charged when receiving a request from a customer, developer, designer, engineering firm, or other interested party, asking for the available flow at a given existing hydrant location within the District's distribution system. Hydrant flow testing may be performed as an option when modeling or other analysis methods are not available. This fee includes the preparation of a summary report to be provided to the requestor or a third party.

### **PLAN REVIEW MINIMUM FEE**

A minimum plan review fee of \$435.00 will be charged for minimum plan review services associated with reviewing a relatively simple set of plans for conformance with the District's Design and Construction Standards and Specifications. Examples of the relatively simple types of design documents associated with this minimum fee are single residential construction, plumbing or landscaping plans. Other relatively simple types of documents that can qualify for this minimum fee will be established by the Engineering Services Manager on a case-by-case basis.

### **CONSTRUCTION INSPECTION MINIMUM FEE**

A minimum construction inspection fee of \$350.00 (based on a maximum of 3 staff time field hours) will be charged for minimum period of construction inspection time associated with a relatively simple construction project. Examples of the relatively simple types of inspection occurrences associated with this minimum fee can include simple single service tap installations and single small fire service tap installations. Other relatively simple types of inspections that can qualify for this minimum fee will be established by the Engineering Services Manager on a case-by-case basis.

### **HYDROSTATIC TESTING FEE**

A minimum hydrostatic testing fee of \$185.00 (per test) will be charged for services associated with the District's Construction Inspector, Field Operations personnel, other qualified District representative traveling to the project location to observe pressure gauges and other test equipment for conformance with the specific pressure testing requirements for the project. This fee does not include provision of any pumping and filling equipment, gauges, testing equipment or other materials or labor; this fee only includes the District's staff time associated with observation of a singular hydrostatic test and preparation of a test observation report for the project file and as needed for project approval.

### **BACTERIOLOGICAL TESTING FEE (NOTE 2)**

A minimum bacteriological testing fee of \$225.00 (per test) will be charged for services associated with the District's Construction Inspector, Field Operations personnel, or other qualified District representative traveling to the project location to gather/collect a representative sample of the water contained within a pipeline or service line for the project and transport that sample to the laboratory for testing. This fee does not include provision of any sampling port/tap, testing equipment or other materials or labor; only the provision of the sample bottle, and the District's staff time associated with travel and sample collection, sample transport, laboratory analysis, and preparation of a test results report for the project file and as needed for project approval.

### **DEVELOPMENT PROJECT PLAN REVIEW MINIMUM DEPOSIT**

When a minimum fee amount will not fully cover cost for service, a minimum deposit amount for plan and project review will be developed by the District's Engineering Department for each submitted project on a case-by-case basis.

### **DEVELOPMENT PROJECT CONSTRUCTION INSPECTION MINIMUM DEPOSIT**

When a minimum fee amount will not fully cover cost for service, a minimum deposit amount for construction inspection will be developed by the District's Engineering Department for each submitted project on a case-by-case basis.

### **DEVELOPMENT PROJECT FACILITIES CONSTRUCTION/INSTALLATION MINIMUM DEPOSIT**

A minimum deposit amount for the construction or installation, or repair of new or existing water system facilities to support a request for service will be developed by the District's Engineering Department and/or Field Operations Department for each submitted project on a case-by-case basis.

### **NOTES:**

1. On January 1, 2011, the state approved Building Standards Commission adopted code for residential automatic fire sprinkler systems became effective. This state code requires new residential construction to include fire sprinkler systems and this requirement results in requests to the District for flow and pressure capacity information to be provided to regulatory entities.
2. Bacteriological testing is required under state of California water code.

The above fees and charges are established in some instances to assist developers and customers with providing documentation necessary to satisfy planning department, building department or fire department plan and design reviews as required by those jurisdictional entities for project approvals.

**Fees, Charges and Deposit changes**

Fee	San Juan Water District		Sacramento Suburban	Fair Oaks Water	Orange Vale Water	Citrus Heights Water	Roseville	PCWA	Average
	Current Fee	Proposed Fee							
Inspection Fee	\$320.00	\$460.00	\$600.00	\$90/hr	\$950.00	\$973.00		n/a	\$841.00
Reinspection Fee	n/a	\$85.00							
Late Fee	\$20.00	\$20.00	\$35.00	\$19.00	\$25.00	\$22.00			\$25.25
Disconnection Fee	\$30.00	\$70.00	\$50.00	\$61.00	\$100.00	\$100.00	\$150.00	\$55.00	\$86.00
After-Hours Reconnection Fee	\$35.00	\$150.00	\$125.00	not offered	\$200.00		not offered	\$140.00	\$155.00
Returned Check Fee	\$35.00	\$35.00	Bank chg+\$7	\$25.00	\$30.00	\$25.00			\$26.67
Unauthorized Connection Fee	\$100.00	\$250.00		\$61.00	\$500.00	\$100.00		\$250.00	\$227.75
Lock Replacement Fee	n/a	\$20.00	\$10.00						
Meter Testing Fee	\$130.00	\$175.00	\$65/\$235 (3"+)	\$50.00				\$65.00	
Hydrant Meter Permit/Rental Fee	\$5/\$70	\$5/\$70	\$50.00	\$5 day	\$5 day				
Hydrant Meter Deposit	\$1,500.00	\$1,770.00	\$2,300.00	\$1,500.00	\$3,000.00	\$1,769.00			\$2,142.25
Construction Water - Unmetered	\$70/\$25	\$70/\$25		\$1.66 CCF	2.28 CCF				
Water Conservation Progressive Reconnect Fee	\$60/120/240/480	\$70/140/280/560	\$50/\$100			\$50/75/100			
Cross Connection Retesting Fee	\$50/\$50	\$50/\$50	\$72.00						
Document Copying Fee	\$0.25	\$0.25	\$0.10		\$0.10	\$0.10			\$0.10
Flow/Pressure Analysis Fee	\$400.00	\$420.00		\$275.00	\$300.00	\$355.00			\$310.00
Hydrant Flow Test Fee	\$450.00	\$520.00	\$350.00	\$200.00	\$250.00				\$266.67
Plan Review Minimum Fee	\$400.00	\$435.00	\$900.00	\$300 min/\$100 hr	\$400+	\$928.00			\$914.00
Construction Inspection Minimum Fee	\$300.00	\$350.00	\$75/hr		\$950.00				
Hydrostatic Testing Fee	\$165.00	\$185.00			\$300.00	\$278.00			\$289.00
Bacteriological Testing Fee	\$200.00	\$225.00	T&M	\$150.00	\$300.00	\$308.00			\$252.67

## **Background**

The State Water Board adopted revised Emergency Urban Water Conservation Regulations in May 2016. Those regulations became effective June 1, 2016 and expire February 28, 2017. In addition to consideration of revising or extending the emergency regulations, Executive Order B-37-16 requires the Board to develop a proposal by January 2017 for achieving mandatory conservation reductions that build off of the previous 25% mandatory levels and incorporate lessons learned.

## **Improving Water Supply Conditions**

Water supply conditions continue to improve based on precipitation and reservoir and snow pack storage compared to the last several years. However, we are only halfway through the traditionally wet period of the year. History shows that rains can stop suddenly and not return. Additionally, some parts of the state – specifically parts of the Central Valley and pockets along the lower Central Coast (near Santa Barbara) are still experiencing water supply shortfalls and five years of drought have left us with a significant water supply deficit, especially when it comes to our groundwater basins.

## **Information on Drought Assessment**

Drought is a function of impacts, which may be local. There's no rulebook for when a drought is declared or rescinded. A report published by the Department of Water Resources in 2015 contains useful information about the tricky business of declaring drought. The report can be found at the following link: [http://www.water.ca.gov/waterconditions/docs/a9237\\_CalSignificantDroughts\\_v10\\_int.pdf](http://www.water.ca.gov/waterconditions/docs/a9237_CalSignificantDroughts_v10_int.pdf).

## **Staff-Proposed Extension of Emergency Regulation**

Staff proposes to continue the existing stress test approach and revisit it if updated conditions warrant. Water suppliers would be allowed to re-submit stress test data with up-to-date information if significant changes have occurred (new supplies, changing reservoir conditions, etc.). Staff also proposes to continue all other aspects of the existing emergency regulation, including:

- Monthly reporting on water production and local enforcement action
- Prohibited water uses (e.g., no irrigation during and for 48 hours after rain)
- Ability to issue Informational and Conservation Orders

Staff also proposes to add Water Board enforcement authority against municipalities that issue fines or citations for brown lawns in violation of statute.

If conditions warrant, staff will return to the Board in May or June 2017 with an updated proposal.

## STAFF REPORT

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To: Board of Directors  
From: Keith Durkin, Interim General Manager  
Date: January 19, 2017  
Subject: SWRCB Requirement to Provide Lead Testing for Schools

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### RECOMMENDED ACTION

For information; no action requested.

### BACKGROUND

On January 17, 2017, the State Water Resources Control Board (SWRCB) amended all Domestic Water Supply Permits issued to public water systems in California to require sampling and testing for lead in kindergarten through 12<sup>th</sup> grade schools if requested by an authorized school representative. Copies of the permit amendment and the SWRCB media release are attached. In summary, the new permit requirement imposes the following provisions, among others, on the District:

- 1) The District is responsible for providing a comprehensive list of all public, private and charter schools to the SWRCB by July 1st.
- 2) If an authorized school representative asks for assistance, the District shall coordinate with the school to develop a sampling plan, collect samples, submit samples to a certified laboratory for analysis of lead, and submit results to the school and SWRCB Division of Drinking Water.
- 3) The District must review and discuss all lead sampling results with the school within 10 business days of receiving the results from the laboratory.
- 4) If initial sample results show an exceedance of 15 parts per billion (ppb), the District must resample and test a second and third time and report as required.
- 5) The District's annual Consumer Confidence Report must include a statement summarizing the number of schools requesting lead sampling.
- 6) The District is responsible for all costs associated with sampling, laboratory analysis, reporting, coordination and instruction.

The District has approximately ten (10) schools within its retail service area that may request this assistance. Besides the direct, unreimbursed costs associated with this permit requirement, staff estimates that up to two days per site may be required, or four weeks total of staff time.



# Media Release

## California Water Systems to Provide Lead Testing For Schools

**FOR IMMEDIATE RELEASE**  
**Jan. 17, 2017**

**Contact:** Andrew DiLuccia  
**Phone:** (916) 324-4775  
[andrew.diluccia@waterboards.ca.gov](mailto:andrew.diluccia@waterboards.ca.gov)

**SACRAMENTO** – In an effort to further safeguard California’s water quality, K-12 schools in the state can receive free testing for lead under a new initiative announced today by the State Water Resources Control Board.

The Board is requiring all community water systems to test school drinking water upon request by the school’s officials.

There are approximately 9,000 K-12 schools in California, most of which are served by more than 3,000 community water systems in the state. While these community water systems extensively and regularly test their drinking water for lead, lead could get into clean water at a school campus if there were corroded pipes or old fixtures at the school.

Because California has newer infrastructure and less corrosive water than other parts of the country, lead problems at the tap are uncommon. However, national events have highlighted the importance of ongoing water quality monitoring and in 2015 Governor Edmund G. Brown Jr. directed the State Water Board to incorporate schools into the regular water quality testing that community water systems conduct at customer’s taps.

“While the presence of lead in California’s water infrastructure is minimal compared to other parts of the country, additional testing can help ensure we are continuing to protect our most vulnerable populations,” said Darrin Polhemus, deputy director of the State Water Board’s Division of Drinking Water.

Under the new requirement, testing is voluntary for schools, but if the schools make a written request, the community water systems must collect the samples within three months and report the results back to the school within two business days. Sampling locations can include drinking fountains, cafeteria and food preparation areas, and reusable water bottle filling stations. The one-time program extends until Nov. 1, 2019.





The community water systems are responsible for the costs associated with collecting drinking water samples, analyzing them and reporting results through this new program. In addition, the State Water Board's Division of Financial Assistance will have some funding available to assist with addressing lead found in tests, with a particular focus on schools in disadvantaged communities.

Under the federal [Lead and Copper Rule](#), the U.S. Environmental Protection Agency already requires public water systems to test for lead at customers' taps, targeting the highest risk homes based on the age of their plumbing. California's compliance rate with the Lead and Copper Rule is among the highest in the country, but the rule does not require testing for schools and businesses. The Board's new requirement ensures schools that want lead testing can receive it for free. The Board consulted with water systems and schools in developing the requirement.

Existing federal and state programs provide guidance to help schools determine if a lead problem exists and how to remedy the contamination. And many school districts have already implemented testing programs.

Protecting children from lead exposure is important for their development and lifelong good health.

For more information on the lead sampling for schools program, see our frequently asked questions [section of the lead sampling website](#).

###



**STATE OF CALIFORNIA**  
**AMENDMENT TO THE**  
**DOMESTIC WATER SUPPLY PERMIT ISSUED TO**

**Name of Water System**  
(Public Water System No. xxxxxxxx)

By The  
**State Water Resources Control Board**  
**Division of Drinking Water**



PERMIT AMENDMENT NO. **2017PA-SCHOOLS**      EFFECTIVE DATE: **January 17, 2017**

*WHEREAS:*

1. The State Water Resources Control Board (SWRCB) "may renew, reissue, revise, or amend any domestic water supply permit whenever the ... [SWRCB] deems it to be necessary for the protection of public health whether or not an application has been filed." (California Health and Safety Code (CHSC), Section 116525 (c))
2. "Every resident of California has the right to pure and safe drinking water." (CHSC, Section 116270 (a))
3. "It is the policy of the state to reduce to the lowest level feasible all concentrations of toxic chemicals that, when present in drinking water, may cause cancer, birth defects, and other chronic diseases." (CHSC, Section 116270 (d))
4. The Safe Drinking Water Act is "intended to ensure that the water delivered by public water systems of this state shall at all times be pure, wholesome, and potable." (CHSC, Section 116270 (e))
5. Protecting children from exposure to lead is important to lifelong good health. Children who are exposed to lead could experience long-term problems with physical and mental growth and development. Effects of lead exposure can be managed, but they cannot be remedied.

6. Recent events in the United States have shown that lead in drinking water remains an ongoing public health challenge and important concern for children's health. The SWRCB is encouraging schools that serve one or more of grades Kindergarten through 12<sup>th</sup> grade to test for lead in water from taps regularly used for drinking or cooking. The school can request assistance from their public water system.
7. Lead exposure in children typically results from a combination of environmental and man-made lead from sources such as paint, air, soil, industry, consumer products, food, and drinking water.

Normally, the exposure from drinking water would be a very low component of this exposure. Children consume drinking water at home, at school and at various other locations. High levels of lead in drinking water are a concern at any of these locations. Lead in drinking water is typically found at the highest levels on "first draw" samples after the water has stagnated in the water pipes for several hours (such as overnight). If the lead levels are found to be below the action level after stagnation, that is a strong indication that there is an insignificant exposure to lead at that particular sampling location. Individual plumbing fixtures can contribute to high levels in these "first draw" samples.

8. In California, the SWRCB oversees public water systems to ensure the water they provide is tested and safe per the requirements of the State and Federal Safe Drinking Water Acts, and regulations adopted pursuant to those Acts, which includes the Lead and Copper Rule (LCR), a regulation adopted by the United States Environmental Protection Agency (USEPA) and the SWRCB to control lead and copper in drinking water.

Under the LCR, public water systems are required to test water for lead at a set number of service connections (depending on the number of customers served by the system) that are at a higher risk for lead in the tap water due to their plumbing characteristics. Water suppliers are not required to test every customer's tap. Schools that are served by community water systems are generally not included in the LCR testing; only residential connections are included.

***THEREFORE:*** The State Water Resources Control Board hereby determines that it is necessary for the protection of public health for this amendment to be issued, and hereby issues this permit amendment subject to the following provisions:

1. This permit amendment applies to each public water system that serves drinking water to at least one or more of grades Kindergarten through 12<sup>th</sup> grade school for which a request for lead sampling has been made prior to **November 1, 2019**, as provided for in Provision 3.
2. Each water system shall submit to the SWRCB's Division of Drinking Water (DDW) a comprehensive list of the names and addresses of all Kindergarten through 12<sup>th</sup> grade schools that are served water through a utility meter by **July 1, 2017**. The list shall be in the format and method posted on the DDW Lead Sampling in California Schools website.
3. If an authorized school representative, (the superintendent or designee of a school, governing board or designee of a charter school, or administrator or designee of a

private school) of a school served by the water system requests one-time assistance with lead sampling in writing, the water system shall:

- a. Respond in writing within 60 days of receiving the school's lead sampling request and schedule a meeting with school officials, including at least one staff member familiar with the school's water infrastructure, to develop a sampling plan. An example school lead sampling plan is located on the DDW Lead Sampling in California Schools website. The sampling plan may use the USEPAs "*3Ts for Reducing Lead in Drinking Water in Schools*" as general guidance. The 3T document can be found online at:

[https://www.epa.gov/sites/production/files/2015-09/documents/toolkit\\_leadschools\\_guide\\_3ts\\_leadschools.pdf](https://www.epa.gov/sites/production/files/2015-09/documents/toolkit_leadschools_guide_3ts_leadschools.pdf)

- b. Finalize a sampling plan and complete the initial sampling within 90 days of receiving the lead sampling request, except that if the water system cannot complete the sampling plan and the lead sampling in that time period, the water system shall develop and comply with a time schedule to complete the sampling plan and initial lead sampling that has been approved by DDW.
- c. Collect from one to five samples at each school from regularly used drinking fountains, cafeteria/food preparation areas, or reusable bottle water filling stations selected according to the lead sampling plan described in Provision 3 (b) using the sampling guidance located in **Appendix A (Sampling Guidance)** which is attached. Sample sites may be either treated or untreated.
- d. Collect lead samples during the school year, on a Tuesday, Wednesday, Thursday or Friday during a day school is in session and has been in session for at least one school day prior to the date of sampling.
- e. Ensure that samples are collected by a water system representative that is adequately trained to collect lead and copper samples.
- f. Submit the samples to an ELAP certified laboratory for analysis of lead.
- g. Require the laboratory to submit the data electronically to DDW in accordance with the electronic submittal guidance which is located on the DDW Lead Sampling in California Schools website.
- h. Provide a copy of the results to the requesting authorized school representative.
- i. Within two school business days of receipt of a laboratory result that shows an exceedance of 15 parts per billion (ppb) at a sample site, notify the school of the sample result.
- j. If an initial lead sample result shows an exceedance of 15 parts per billion (ppb) at a sample site,
  - i. Collect an additional sample (resample) within 10 business days of receipt of the laboratory result above 15 ppb if the sample site remains in service.
  - ii. Collect a third sample within 10 business days after notification that a resample result described above is less than or equal to 15 ppb.

- iii. If the sample site is removed from service by the school, do not collect the repeat samples unless the school has completed corrective actions.
  - iv. Collect at least one more lead sample at a sample site where the school has completed some corrective action following an initial lead sample result over 15 ppb (examples of corrective action are replacing interior piping, replacing faucet, installing filters, etc.)
  - k. Ensure that it receives the results of the repeat lead samples required in Provision 3 (j) from the laboratory no more than 10 business days after the date of sample collection.
  - l. Not release the lead sampling data to the public for 60 days following the receipt of the initial lead sampling results unless the water system releases the data in compliance with a Public Records Act (PRA) request for the specific results.
  - m. Discuss the lead sample results with the school prior to releasing the sample results to the public. The water system shall discuss all lead sampling results with the school within 10 business days of receiving the results from the laboratory.
4. The water system may stop lead sampling at a school if:
- a. All initial samples are less than or equal to 15 ppb; or
  - b. Repeat sampling has been analyzed for each sample location with an initial lead sample greater than 15 ppb in accordance with Provision 3, and either:
    - i. If lead is confirmed over 15 ppb and the sample location has subsequently been physically removed from service, or
    - ii. If the sample location remains in service, and
      - a. If lead is confirmed over 15 ppb and the school has taken some corrective actions at the sample location and the water system has collected at least one additional lead sample after the corrective actions and the result is less than or equal to 15 ppb, or
      - b. If lead is less than or equal to 15 ppb in both the first repeat sample and second repeat sample described in Provision 3(j).
  - c. A written request from the water system to terminate lead sampling assistance has been approved by DDW.
  - d. If requested in writing by the school's authorized school representative.
5. The water system is responsible for the following costs:
- a. Laboratory fees for all lead samples and reporting of the results to DDW and the school, and all laboratory coordination and instruction.
  - b. All water system staff time dedicated to the tasks required by the provisions in this permit amendment.

6. The water system may not use any lead samples collected as part of these special school samples to satisfy federal or state Lead and Copper Rule requirements.
7. The water system shall communicate with the school after lead sampling and assist the school with the interpretation of laboratory results and provide information regarding potential corrective actions if a school has confirmed lead levels above 15 ppb. The water system is not responsible to pay for any maintenance or corrections needed at the school if elevated lead levels are found in the drinking water. The water system is not responsible for determining any corrective actions needed at the school.
8. The water system shall keep records of all written requests from a school for lead related assistance and provide the records to DDW, upon request. Records shall include, at a minimum, the following information:
  - a. The name of the school. If a school district makes a request, the school district's name shall be recorded along with each individual school served by the water system that is requesting sampling;
  - b. The date of the request;
  - c. The date of the initial meeting;
  - d. The date of the sampling plan along with a copy of each sampling plan; and
  - e. The date of initial lead sampling and all repeat samples.
9. The water system's annual Consumer Confidence Report shall include a statement summarizing the number of schools requesting lead sampling.

This permit amendment shall be appended to and shall be considered to be an integral part of the existing Domestic Water Supply Permit previously issued to the water system.

This permit amendment shall be effective as of the date shown below.

**FOR THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD**

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

\_\_\_\_\_  
**District Engineer**  
**District**  
**SWRCB-DDW**



January 13, 2017

Mr. Ken Miller, President  
Board of Directors  
San Juan Water District  
9935 Auburn-Folsom Road  
Granite Bay, CA 95746

**RE: Wholesale Water Management and Reliability Study – FOWD Comments**

Dear President Miller:

Thank you for the opportunity for Fair Oaks Water District (FOWD) to provide comments to San Juan Water District's (SJWD) Board of Directors regarding the October final version of the *Wholesale Water Management and Reliability Study* (Study). We look forward to working closely with the SJWD Board and assigned staff to continue to achieve our collective goal of maintaining or improving the reliability of cost-effective, high quality water supplies for our customers.

### **Moving Forward**

First, we greatly appreciate SJWD's efforts to continue to investigate and evaluate water management strategies focused on retention of existing water supplies and improved reliability. As recognized by the Study itself, many of the options identified are not new and have been discussed, analyzed or contemplated by SJWD, the Wholesale Customer Agencies (WCAs), and others in the region in one way or another – noting in particular that the Regional Water Authority (RWA) is currently studying some of these same options on behalf of its membership.<sup>1</sup> FOWD is committed to continuing to help in minor and key roles with both the SJWD and RWA efforts as appropriate, but also recognizes the value of coordination to assure common objectives and to minimize duplicative work efforts (especially by consultants).

However, prior to continued significant investment in time and resources, FOWD suggests it is appropriate for SJWD to address the need for (1) WCA assurances, (2) clearly defined roles and responsibilities between SJWD and the WCAs regarding

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<sup>1</sup> RWA's Regional Water Reliability Plan and Regional Drought Contingency Plan are actively underway to "improve the reliability of water supplies" under agreement among several RWA members, including the SJWD.

water supply reliability obligations – a key objective of the Study, and (3) clarity regarding how SJWD will integrate this effort with RWA efforts, and where they will remain separated.<sup>2</sup>

Specifically in regard to WCA assurances, FOWD has previously articulated this request as part of SJWD’s prior merger investigations. With the renewed focus on adding new WCA’s and/or merging with another water purveyor, FOWD would like to reiterate these desires. We look forward to working with you to establish assurances that address:

1. Continued priority to existing pre-1914 water rights for existing WCAs over any new WCAs or new retail customers in an expanded service area, or at least relative to priority of access to surface water and costs equivalent to pre-1914 water;
2. Defined and predictable surface water reliability for existing WCAs; thereby allowing for proper planning and investments in supplemental water assets by the existing WCAs;
3. Protection from rate increases for SJWD surface water supplies attributable to debt brought forward by any merging entity or other cost-of-service increases resulting from a merger or addition of a new WCA; and
4. Defined “buy-in” for any merging entity or new WCA to obtain access to treated surface water supplies through rights, contracts, facilities and infrastructure that have been invested in over decades by the existing WCAs.

FOWD looks forward to working on these assurances and continuing to support SJWD’s endeavors to improve reliability.

### Specific Study Comments

While we have read the Study in its entirety, we are not providing specific page-by-page comments. Rather, we felt our concerns would best be articulated by commenting on the Study’s assumptions, concepts, and conclusions. As such, we have organized our comments into the following primary themes:

1. **The “problem” is not clearly defined:** The Study articulates three specific objectives, one of which is to “increase water supply reliability.” But, it does not define current reliability risks nor the necessary magnitude of any “increase.” Furthermore, the objective to fully utilize water supplies seems most appropriate as part of the tools to increase long-term reliability, since

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<sup>2</sup> The current draft work plan for implementing the Study’s next steps (see TM6) does not clearly identify direct coordination with RWA’s work efforts and thus raises concern regarding potential redundant efforts and unnecessary consultant work.

- protecting all of the existing supplies mitigates for unknown future constraints to any of the supplies.
2. **Roles and responsibilities need to be defined:** For a higher probability of success, the Study needs to clarify the roles and responsibilities of SJWD and each of the WCAs for managing the risk to water supply reliability for their customers, and where those responsibilities overlap. For instance, FOWD customers have invested in facilities to actively use groundwater to mitigate shortages in surface water provided by SJWD. These investments are premised on particular understandings of the risk FOWD anticipates to SJWD supply shortages. If SJWD is going to manage supply reliability for the FOWD customers, then FOWD should appropriately adjust its water portfolio management approaches to mesh with SJWD's goals and strategies. Otherwise, unnecessary costs and liability would be incurred by SJWD and the WCAs, weakening strategies for water portfolio management and infrastructure investment.
  3. **Feasibility Study Costs seem Excessive:** The proposed budget for the Feasibility Study anticipates a budget of at least \$1 million to nearly \$1.5 million. Given that the WCAs participate in these charges through our SJWD fee structure, we are concerned that the tasks and associated budget is excessive – especially given the unclear reliability objective and questions regarding shared responsibility for assuring reliability. Perhaps an in-house effort in coordination with appropriate WCA's performing pilot projects would be a more efficient cost effective way to move forward.
  4. **Discussion and analysis of specific options raises additional questions:** We will provide some specific comments on the various retained options detailed in the Study as the processes unfold.

### The Problem is Not Clearly Defined

The Study opens with a statement indicating the Study was initiated to “*identify a pathway to long-term water supply reliability for both the District and its Wholesale Customer Agencies.*” (Study, p. 1). FOWD fully supports this statement and SJWD's efforts to protect its supply diversity to meet this goal. We fully recognize that many unknown challenges to SJWD's water supplies lay in the future, effectively putting each of the specific surface water sources at risk. FOWD see one of its roles as helping SJWD protect the flexibility of its water portfolio maintaining all of the sources to address any future unknowns.

However, we believe that we must first define our current reliability problem in a manner that allows proper evaluation of proposed options. We think it would significantly help the Study if it defines: (a) currently anticipated shortages as articulated in various planning documents, (b) desired levels of service under differing conditions (for SJWD retail as well as each WCA), (c) potential supply

shortage scenarios that could affect current representations, and (d) system capacities adjusted closer to demands for improved economic impacts on all retail and wholesale customers. Absent an understanding of the current reliability problem diminishes the ability for SJWD, FOWD, other WCAs, and other interested parties, to honestly evaluate the viability of the various retained options; and for FOWD to be compelled to fully support the proposed Feasibility Study articulated in Technical Memo 6.

### ***Current Shortages***

Defining water supply shortages is a dynamic exercise. But, SJWD and the WCAs have all recently adopted 2015 UWMPs that discuss, among other things, an analysis of supply and demand conditions under varying hydrologic circumstances. FOWD proposes it would be helpful to review this recent information to aid understanding of the magnitude of potential shortfalls as defined under current understanding of the risks to SJWD surface supplies. We quickly reviewed the available 2015 UWMP information and found the following:

1. For 2035, SJWD wholesale demand is 76,246 af (T4-3a) and retail demand is 18,509 af (T4-3b), for a combined total of 94,755 af during “normal” years. However, Table 7-2 states the combined total is 76,246 af, which appears to inadvertently leave off the retail demand (the table is titled “Wholesale and Retail: Normal Year Supply and Demand Comparison”). This demand is compared to the 82,200 af of supply, indicating a normal year surplus (in 2035) of 5,954 af, instead of a deficit of 12,555 af. During the “single-dry year” comparison in Table 7-3, this mistake appears to continue. The “wholesale demand” value in the table of 55,539 af accurately reflects the wholesale demand from Table 4-2a with the removal of 4,000 af to Roseville, and the removal of the “conjunctive use” demand in Table 4-2a of 16,707 af ( $76,246 - 4,000 - 16,707 = 55,539$ ). However, Table 7-3 appears to leave the 2035 retail demand of 18,509 af completely out of the total demand representation, while reflecting a 1,743 af reduction to this demand for 20x2020 compliance. The result of this apparent mistake is that even during the single dry-year comparison, Table 7-3 indicates a surplus, when in fact there may be a deficit, and a potentially significant deficit.
2. The 2015 UWMP demand estimates for the WCAs are significantly less than the value included in SJWD’s Table 4-2a. Specifically, the following values are reflected as the forecast normal year demand: City of Folsom = 1,540; Fair Oaks WD = 12,726; Citrus Heights WD = 18,210; Orangevale WC = 4,981. These values total 37,457 af. This is significantly lower than the 53,553 af presented by SJWD. The difference may have been a result of the availability

of data from each WCA, but the difference does represent a significant change to SJWD's supply and demand comparison.

3. Considering the overstatement of WCAs and the apparent failure to include the retail demands, SJWD's supply and demand comparison tables may still indicate a surplus in 2035, depending on the calculation methods used by SJWD.

Although SJWD's actual supply and demand comparison results may differ from the currently adopted values in its 2015 UWMP (after correcting for the mistake and adjusting for better WCA demand data), the results seem to indicate there is no shortfall. SJWD's conclusion seems to be based in part on only limiting supplies by the Water Forum Agreement, which caps reductions such that 54,200 acre-feet is the worst-case supply condition. During 2015, SJWD experienced the worst supply conditions on record but also had much lower demands than projected at 2035. The implication to reliability from a potential repeat of 2015 was not represented by the UWMP. But, if it was, and SJWD was able to serve the approximately 40,000 af of retail and wholesale demand (see T 4-3a and T 4-3b in the SJWD UWMP), then one may surmise that SJWD's total supplies could be constrained to at least 40,000. Depending on the representation of future demands, the Study could develop a range of potential shortage for retail customers and for WCAs. This would establish valuable quantitative objectives that would be the target of the Study's reliability options. And, depending on clarified roles for which supplier is responsible to address shortages, the Study would be able to demonstrate whether it seeks to address reliably risks of 5,000 af or 50,000 af. The functionality of the proposed options, both quantitatively and financial, need to be viewed in the context of defined magnitudes of water supply.

### **Roles and Responsibilities**

The Study's introduction indicates that it is intended to help both SJWD and the WCAs improve long-term reliability. This implies a cooperative effort to identify, study, and implement solutions together. However, most of the Study presents solutions that are to be implemented, owned and controlled by SJWD – with the one exception of Option C, which describes some cooperation.

This SJWD-centric focus raises the important question of which agency is responsible for water supply reliability – and in what manner? We need to collectively discuss and decide (and possibly formalize in some manner) the following:

1. Is SJWD only responsible for delivering surface water to the WCAs, to the extent that surface water is available? Or, is SJWD responsible to try to

reliably supply a total quantity of water to meet all of the WCAs demands, which may be a combination of surface water and groundwater, depending on conditions and operations?

2. Is each WCA able to define the level of service it expects for its customers, and therefore responsible to secure supplies in addition to available surface water provided by SJWD to assure such service when SJWD's supplies are otherwise constrained? Or does SJWD define the level of service and limit WCAs functional role to only a delivery entity?

FOWD considers that part of its role to its customers is to secure surface water supplies from SJWD – and when they are limited, have other supply and demand management tools available to maintain a FOWD-desired level of service. As such, FOWD has invested in groundwater facilities to meet customer needs when SJWD supplies are short. If SJWD pursues some of the retained options, would it remove this responsibility from FOWD? And if so, how should prior investments in water reliability be recognized?

### Feasibility Study Tasks and Costs

Technical Memorandum 6 (TM6) provides a detailed overview of the tasks, budget and schedule recommended to continue to develop and evaluate the five combined options.

One of the first activities listed under Task 1 is to review the Study's goals, objectives and constraints. We fully agree with this step, as reflected in our prior comments regarding the need to better define the problem. We also believe the Task should reflect clarification of roles and responsibilities to ensure any subsequent tasks are appropriately framed so the WCAs and SJWD clearly understand the objectives, cost sharing, cooperation, and other important aspects of such a large undertaking.

Task 1 also identifies it will “amend the District’s Warren Act Contract” (TM6-Task 1.3), but it is not clear whether the task will actually undertake necessary steps to achieve this (the *Deliverables* does not discuss, and the Task 1 budget may not be adequate to engage Reclamation and work through necessary contract modification steps).

Task 2 outlines a 5-step process that will be followed for each subtask. In particular, FOWD would request that SJWD articulate what defines a “win-win” outcome as specified under the business case evaluation steps. Furthermore, the engineering and cost estimating step is highly dependent on better defined objectives (see prior comments regarding defining the problem the options are addressing). For instance, an in-lieu banking investigation seeking to store and have return access to

50,000 acre-feet annually is different than what may be needed to have access to 10,000 acre-feet annually.

Absent more defined objectives, all of the subtasks have the potential to spend time and resources investigating and “engineering” solutions that do not fit the problem.

Finally, the Feasibility Study’s schedule indicates that all of the investigation subtasks will proceed simultaneously. While we recognize that further understanding and evaluation of each option can progress together, a point is reached where the feasibility of one or more options may be well-enough understood so as to not proceed with evaluation of other options – or may be understood well-enough to drop the option from further consideration. We are concerned that the selected consultant will aggressively move forward without allowing appropriate phasing and check-ins that can redirect and/or eliminate some of the efforts (thus preserving our customer’s money for investment in the most feasibly reliability improvement efforts).

Overall, we are very concerned with SJWD approving a work plan with such an enormous budget, with direct cost implications to FOWD’s ratepayers.

### Specific Comments on Retained Options

The following are a few specific comments and observations regarding the retained options that are important to articulate.

1. Option A should be bifurcated into two subparts: (a) using transfer mechanisms to better utilize existing supply sources, and (b) adding a new WCA. We believe these are distinct actions with differing opportunities and outcomes. Specifically, the addition of a new WCA (or expanded retail service) establishes a new long-term demand upon the existing water sources. In contrast, transfer mechanisms can be used flexibly without establishing a new long-term fiduciary responsibility to new customers. As an alternative, the first subpart likely could be incorporated into the existing in-lieu option.
2. Option B states that in-lieu opportunities would not be investigated within existing WCA boundaries as the option “would be small in comparison.” Absent a better-defined problem that the Study is trying to address, there is no basis for this exclusion. By potentially varying FOWD’s current operations and sources of water, there is potential to generate in-lieu benefits for the purpose of expanding CVP use. It seems plausible there are in-lieu and ASR opportunities both within the existing WCAs and outside. Also, Option B seems to represent projects similar to the Antelope Pump-back, which reflects using agreements rather than mergers or new WCAs to accomplish

reliability benefits. We support such projects, and believe the opportunities within the existing WCAs to expand such conjunctive use benefits should be part of our next phase investigations.

3. FOWD is in support of Option C. We look forward to engaging in productive discussions regarding the magnitude of supply reliability benefits we can provide for the collective whole of SJWD (retail and WCAs).
4. Option D appears to only address solutions for SJWD retail. If benefits derived from bringing alternative sources to retail are expected to also expand benefits to the WCAs, then we suggest that be clarified in this option. Otherwise, we are concerned about funding any continued investigations into this option on a WCA level.
5. We are not certain how Option E differs from the subset of Option A that discussed adding a new WCA. If this option is to expand the SJWD retail area, rather than adding a WCA, then that intent should be clarified. Simply discussing "merger" without identifying whether the new customers would be treated similar to existing WCAs (through contractual arrangements), or treated similar to SJWD retail customers does not allow for us or other WCAs to adequately evaluate the value of maintaining this option for further study. If the intent is expanding retail service, then many of the same assurance issues raised during the SSWD/SJWD merger discussions are again on the table for discussion (some of these are presented earlier in this letter).

### **Summary and Conclusion**

The FOWD Board requests that prior to any progression to the Feasibility Study, the SJWD Board:

1. Better define the reliability challenge (e.g. quantify ranges of shortfall under various future hydrologic and regulatory scenarios)
2. Articulate the roles and responsibilities for assuring supply reliability among the SJWD wholesale operations and the function of each WCA.
3. Subdivide proposed Feasibility Study work efforts to assure progress is consistent with the defined reliability challenges, to assure cost-sharing is in line with intended benefits, and efforts are clearly integrating into RWA's reliability activities, with an overarching goal of cost efficiency for the WCA portion of the proposed expenses.

On behalf of the entire Board, we appreciate the opportunity to comment on the Study and look forward to cooperatively moving forward to assure improved reliability for our customers.

Please feel free to contact Tom Gray, our General Manager, at any time with any questions that you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Underwood".

Dave Underwood, P.E.

Director

Fair Oaks Water District

cc: Keith Durkin - SJWD Assistant General Manager  
Rob Swartz - RWA Manager Technical Services  
Citrus Heights Water District  
Orange Vale Water Company  
City of Folsom  
Sacramento Suburban Water District  
Carmichael Water District  
FOWD

# AGENDA ITEM VI-1

Director Tobin's report  
SGA December 8, 2016

## GROUNDWATER MANAGEMENT PROGRAM UPDATE

Rob Swartz, Manager of Technical Services, provided an update on groundwater management program activities, including updated groundwater elevation monitoring and an overview of the draft SGA Basin Management Report. Staff continues to monitor monthly water elevations for a variety of wells in the region. Conditions are currently favorable in the basin with the water elevations beginning to recover because water use is going down. Mr. Swartz gave an overview of the documentation and reports requested by DWR to be included in the basin management report that covers 2013 through 2015 describing in general the hydrology experienced over the past 3 years in terms of climate. Evaluation of basin management objectives are based on water use and what groundwater elevations are doing over that period, groundwater storage changes and groundwater quality. Groundwater extraction for the preceding year shall be presented in a table that summarizes groundwater extraction by water use sector, identifies the method and accuracy of measurement in a map that illustrates the general location and volume of groundwater extractions. The level of detail DWR is looking for is uncertain. Staff continues to evaluate well information to determine surface water compared to groundwater use, groundwater elevations, and changes in groundwater storage and groundwater quality. The basin management objectives include maintaining groundwater elevations in the SGA area providing sustainable use of the groundwater basin, protecting against adverse impacts to surface water or groundwater, maintaining groundwater levels to prevent inelastic land surface subsidence and maintaining or improving groundwater quality in the SGA to ensure sustainable use of the groundwater basin.

**APPOINTMENT OF NOMINATIONS COMMITTEE FOR 2017 SGA OFFICERS** The SGA Board elects a chairperson and vice-chair annually at its December meeting. Vice Chair Allen will act as chair of the 2017 SGA officer nomination committee with Neil Schild, Paul Schubert and Paul Green participating on the committee.

**EXECUTIVE DIRECTOR'S REPORT** Government Affairs Update – The two-year legislative session ended in August, and the deadline for the Governor to sign or veto legislation ended September 30, 2016. No groundwater specific bills passed the Legislature in 2016, but a number of bills will have implications for water providers. A summary of the high priority bills being tracked by RWA throughout the session was included in the packet. Mr. Woodling summarized some bills of interest to water agencies including SB 814 which creates a requirement that an agency have programs in place to address Page 3 excessive water users in a drought; SB 1398 which requires water agencies to identify any lead services lines they have in their system and determine a time line to remove the lines. This bill will now allow for flexibility to monitor and determine if there is lead in the water from the pipes and if none is present an unknown pipe can be replaced on a normal rotation. A half day tour is planned for November for staff from the Assembly Environmental Safety and Toxic Materials Committee that oversees the drinking water regulations and programs. The tour is designed for the committee to better

understand water treatment. The tour will provide an opportunity to discuss issues like the challenges of hexavalent chromium treatment and the challenges of putting treatment on groundwater wells. b. SGMA Implementation – SGA staff will meet in October with other entities within the North American Sub-basin to begin discussion of the scope of work and potential costs of developing the Groundwater Sustainability Plan for the subbasin. The Plan must be developed by 2022. Groundwater interests in Placer and Sutter Counties continue to work toward developing Groundwater Sustainability Agencies for the areas of the North American Subbasin outside SGA’s area. DWR continues to develop Best Management Practices for SGMA implementation which are required by the Act to be completed by January 1, 2017. DWR plans to release BMPs in phases, with the highest priority issues developed first. DWR will hold public meetings in the Fall, followed by release of a draft for review by the public. Specific dates are not yet available. c. PF-8 Finding – in August, the SGA Board directed staff to prepare a letter to the Sacramento County Planning Department with the finding that the Water Supply Plan to serve the Elverta Specific Plan area was subject to and consistent with the SGA Groundwater Management Program. The County Board of Supervisors subsequently acted to approve compliance with condition PF-8 on September 27, 2016. d.

# AGENDA ITEM VI-2

Director Tobin's report  
January 12<sup>th</sup> RWA Meeting

RWA board approved having the Executive Director the authority to execute a Memorandum of Agreement with the Bureau of Reclamation to participate as a non-federal partner in the American River Basin Study.

ACWA JPIA: Chair appointed Pam Tobin to represent RWA as a Director Representative. Pam has been the SGA Rep previously so, Pam will cover for both RWA and SGA.

RWA authorized the Executive Director to submit a letter to DWR supporting the Yuba County Water Agency as the applicant and fiscal lead for Disadvantaged Community Involvement Program Funding on behalf of the Sacramento River Funding area.

RWA Meeting schedule was approved:

- March 9, 2017
- May 18, 2017 (ACWA Spring Conference)
- July 13, 2017
- September 14, 2017
- November 9, 2017

RWA Election of Executive Committee:

- Ron Greenwood – Carmichael WD
- Robert Dugan – PCWA
- Chair, Jim Peifer – Sacramento City
- Kerry Schmitz – Sacramento County
- Paul Schubert – Independent
- Rob Roscoe – Sacramento Suburban
- Vice Chair, Marcus Yasutake
- Kelye McKinney – Roseville
- Pam Tobin – San Juan WD

JANUARY 12, 2017

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

- a. **Government Affairs Update** – The State (DWR, SWRCB and other agencies) released a draft report outlining a proposal for implementation of the Governor's Executive Order B-37-16. The report covers proposed changes to urban water management planning to better prepare for drought, as well as long term water conservation requirements for both ag and urban water use. RWA submitted comments, as did many RWA members. In addition, RWA and several members signed on to a coalition letter that included 114 water agencies and associations from throughout the State (attachment). The administration has indicated that a final report will be released around January 20, 2017. Measures are expected to be implemented through rulemaking under existing law and through legislation where new authority is required. The State Water Board will hold a workshop on January 18, 2017 to hear staff proposals for modifying the emergency water conservation regulations. The current "stress test" requirements expire at the end of February.

DWR released the best management practices required under the Sustainable Groundwater Management Act before the deadline of January 1, 2017. DWR expects to release guidelines for Proposition 1 Sustainable Groundwater Management Grants in Spring of 2017 and finalize the guidelines and solicit grant applications in Summer of 2017. SGA staff will work with others in the subbasin to develop a scope for preparation of our Groundwater Sustainability Plan to be ready to seek funding. Alternatives to a GSP were due by January 1, 2017. SCGA prepared an alternative for submission. The document is available for review on their website at [scgah2o.org](http://scgah2o.org).

On December 2, 2016, the State Water Board emailed all drinking water systems with information regarding an upcoming statewide initiative to amend all domestic water supply permits. The proposed amendment would require systems to provide lead sampling services to K-12 schools within their service area upon request. While the permit amendments were expected to be issued to all water systems the week of December 20, in late December the Brown Administration initiated an additional review of the proposed permit amendment program with no announcement regarding a revised release date. RWA staff will continue to monitor this initiative and coordinate with ACWA and other statewide associations that are engaged on this issue.

AB 401 (Dodd, 2015) directs the SWRCB to prepare a plan for a potential Low-Income Water Rate Assistance Program and directs the State Water Board to report to the Legislature by February 1, 2018 with findings regarding the feasibility, financial stability, and desired structure for such a program, including any recommendations for legislative action. In October and November of 2016, State Water Board staff held a series of workshops around the State to solicit feedback from stakeholders. In early 2017, the State Water Board is expected to release a preliminary draft report that is based in part on the feedback received at the workshops. SWRCB staff have expressed a goal of releasing the final report well in advance of the February 2018 deadline. RWA staff will be tracking the release of the preliminary draft report and any related legislative activities.

Adam W. Robin, RWA's new program manager for the Legislative and Regulatory Advocacy Program began work on December 6<sup>th</sup>. In addition to immediately beginning to address some of the region's most important issues, Adam will be setting up meetings with RWA staff and managers, and attending agency board meetings over the next several months.

- b. **Water Efficiency Update** – In October 2016, the region saved 30% compared to October 2013 or approximately 4.5 billion gallons, double our September 2016 savings. October storms produced 4 times the monthly average precipitation. The cumulative savings for calendar year 2016 is 24%. The cumulative savings for the Emergency Regulation timeframe from June 2015 through October 2016 is 28% or 73 billion gallons. The most current state savings information available is cumulative savings from June 2015 through September 2016 at 23%, less than our regional savings of 28% during the same timeframe.
- c. **Grants Update** – Staff is currently managing five grants totaling \$55 million. RWA recently submitted final reports for three grants from the United States Bureau of Reclamation: 1) 2014 USBR Calfed Meter Grant, 2) 2014 USBR WaterSMART Grant, and 3) 2014 USBR Calfed Interior Retrofit Grant. In January 2017, staff will complete the final reporting requirements to close out the 2006 Department of Water Resources Prop 50 \$25 million grant award.

RWA is being recommended for a \$250,000 grant from the 2016 Integrated Regional Water Management (IRWM) Planning Grant Program funded under Proposition 1 for a 2018 American River Basin IRWM Plan update.

- d. **RWA Outreach** – RWA staff attended the Association of California Water Agencies Conference in Anaheim. Mr. Woodling continues as Chair of the Groundwater Committee, whose meeting was attended by more than 170 people. Mr. Woodling was a panelist discussing SGMA at a meeting of the local chapter of the Society for the Marketing of Professional Services on November 1, 2016, and served on the advisory committee for the California Leadership Forum held December 6<sup>th</sup>.

RWA and SGA held the 16<sup>th</sup> Annual Holiday Social on December 8, 2016 at the North Ridge Country Club. RWA awarded the Distinguished Service Award to Bob Churchill, outgoing General Manager of Citrus Heights Water District and to Bill George, outgoing Board President of El Dorado Irrigation District. Debra Sedwick, General Manager of Del Paso Manor Water District was awarded the Water Statesperson of the Year Award.

The past few years have resulted in a number of new Board members from RWA member agencies. Staff is working to plan and schedule one or more Board Member Orientation presentations over the first few months of 2017.

## Regional Water Authority Status of Grant Awards

December, 2016

	Prop 50 Implementation Grant (1)	Prop 84 2011 Implementation Grant	Prop 84 Drought Grant	DWR Water Energy Grant	Prop 84 2015 Implementation Grant	Total
<b>Awarding Agency</b>	DWR	DWR	DWR	DWR	DWR	
<b>Award/Effective Date</b>	1/18/2007	8/16/2011	1/17/2014	12/22/2015	1/13/2016	
<b>Completion Date</b>	6/30/2016	12/31/2017	6/30/2018	12/31/2017	6/30/2018	
<b>Grant Award Amount</b>	\$25,000,000	\$16,030,766	\$9,765,000	\$2,500,000	\$1,757,000	\$55,052,766
<b>Reimbursement Requests Currently Being Reviewed</b>	\$301,999	\$2,912,775	\$196,920	\$22,516	\$0	\$3,434,210
<b>Reimbursements Received During Previous Quarter</b>	\$549,173	\$45,655	\$188,976	\$12,978	\$0	\$796,782
<b>Reimbursements Paid to Date</b>	\$24,622,372	\$4,586,129	\$4,188,000	\$27,354	\$0	\$33,423,855
<b>Grant Award Outstanding</b>	\$75,629	\$8,531,862	\$5,380,080	\$2,450,129	\$1,757,000	\$18,194,701

(1) Grant is in process of being closed out with DWR. Final reporting and invoicing will be completed in January 2017.

October 18, 2016

The Honorable Mark Cowin, Director  
California Department of Water Resources  
P.O. Box 942836, Room 1115-1  
Sacramento, CA 94236-0001

The Honorable Felicia Marcus, Chair  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

SUBJECT: Comments on Current State Agency Draft Response to Executive Order B-37-16

Dear Director Cowin and Chair Marcus:

As urban retail and wholesale water suppliers serving tens of millions of Californians throughout the State, we have invested in water supplies for many years to reliably serve our residential, commercial, and industrial customers. We collectively responded to help achieve Governor Brown's goal of 25% water conservation in 2015 in response to the ongoing drought. We appreciate the State's recognition of water suppliers' past investments in water supply resiliency that resulted in the vast majority of the suppliers passing the State's "stress test," demonstrating their capacity to meet customer demand in the event of an ongoing drought.

The undersigned water suppliers and associations comprise designated members of the Urban Advisory Group (UAG) convened by the State to provide input on the framework for implementation of Executive Order B-37-16 (EO) and additional participants in the recent stakeholder outreach process. As such, we wish to express our appreciation for the extensive opportunities to understand and provide comments on the State's proposed implementation and we have provided substantial feedback. We are committed to helping define a successful framework to help California prepare for and respond to future droughts, and to improve the long-term efficiency of water use. We share the goal articulated by your staff in the UAG meetings to date of developing an implementation proposal that can be translated into a legislative package that we can all support.

The purpose of this letter is to identify the elements of the State agencies' current proposal that we support that will improve water management in the future, and to provide specific feedback to improve the proposal. We have the following areas of continued concern, which are described in more detail in Attachment 1, and which we look forward to addressing as the proposal is refined in coming weeks:

- Five-year Drought Period. We support the shift to planning for a five-year drought period based on historical hydrologic data, but suggest that the option remain to plan for a shorter period if it represents a more severe drought. We urge the State to continue with the current proposal with that adjustment and include that requirement as an element of the Urban Water Management Plan, rather than an annual assessment. More detailed comments on the Water Shortage

Contingency Plan proposal are included in Attachment 2 to this letter, which we anticipate are now closely aligned with the pending revisions to the staff proposal.

- **Adequate Process to Develop Standards.** We strongly urge the State to proceed with caution as it develops standards, outdoor water use standards, in particular. The State is proposing major changes in water management requirements, some of which are based on emerging methodologies. A large amount of data and technical assistance will be required to implement these standards. The process and methods to obtain and disseminate the data will need to be transparent and technically sound in order to ensure credibility with the public. We urge the State to take a deliberate and iterative approach that allows sufficient time to test the proposed standards and make refinements as necessary. Attachment 3 contains detailed comments on the standard and target-setting proposal.
- **Alternative Target-Setting Approach.** We urge the State to include additional approaches to the standards-based water budget target-setting process which build on the elements of SB x7-7, as directed by the EO. Expansion of the State agencies' proposal to provide for alternative target-setting approaches should be equally effective in reducing water use and would allow for more a cost effective means to reduce water demands. This is particularly important for water agencies that lack resources or capacity, or for water agencies that would benefit from additional flexibility. More detailed suggestions for alternative target-setting are included in Attachment 4.
- **Incentives to Support Continued Supply Investments.** We urge the State to develop and implement a framework that incorporates incentives for the development of drought resilient water supplies, including recycled water and potable reuse, desalination, storage and conjunctive use, stormwater capture, groundwater and other alternatives. Similarly, the State must ensure that the framework does not result in any adverse impacts to water rights.
- **Support for 2025 Schedule.** We support the State's proposal for full compliance of the permanent long-term water use efficiency targets in 2025, as documented in a 2026 compliance report and 2025 Urban Water Management Plan. The Urban water suppliers need adequate time to get the tools and resources in place to achieve the target. (i.e., water rate structure, water use efficiency programs, etc.)
- **Expand the Focus and the Tools.** To make conservation a way of life in California, significant and sustained behavioral changes by nearly 40 million residents will be required. Regulatory standards set on urban water suppliers alone will not be enough to achieve the desired results. We urge the State to use the proposed framework to expand its financial commitment for outreach and technical assistance for water conservation for water suppliers, as well as identifying other mechanisms at the State's disposal to effect changes by end-users of water.

Thank you for the opportunity to comment. We look forward to continued collaboration with staff of the State agencies to develop a framework by the January 2017 deadline that meets the objectives of the EO while preserving local water supplier authority and providing flexibility in implementation.

Sincerely,

David Bolland  
Director of State Regulatory Relations  
Association of California Water Agencies

John Woodling  
Executive Director  
Regional Water Authority

Deven Upadhyay  
Group Manager, Water Resource Management  
Metropolitan Water District of Southern California

John Rossi  
General Manager  
Western Municipal Water District

David Eggerton  
General Manager  
Calaveras County Water District

Maureen Stapleton  
General Manager  
San Diego County Water Authority

Jim Smyth  
General Manager  
Sweetwater Authority

Gary Arant  
General Manager  
Valley Center Municipal Water District

Brett Sanders  
General Manager  
Lakeside Water District

David W. Pedersen, P.E.  
General Manager  
Las Virgenes Municipal Water District

Chris Garner  
General Manager  
Long Beach Water

Danielle Blacet  
Director for Water  
California Municipal Utilities Association

Jim Peifer  
Policy and Legislation Manager  
City of Sacramento Department of Utilities

Linda Reed  
Interim Director  
Santa Rosa Water

Joe Berg  
Director of Water Use Efficiency  
Municipal Water District of Orange County

Jim Barrett  
General Manager  
Coachella Valley Water District

Alex Coate  
General Manager  
East Bay Municipal Utility District

Jack Hawks  
Executive Director  
California Water Association

Paul Helliker  
General Manager  
Humboldt Bay Municipal Water District

Paul Shoenberger  
General Manager  
Mesa Water District

Jerry Brown  
General Manager  
Contra Costa Water District

Hilary Straus  
Assistant General Manager  
Citrus Heights Water District

Mike Markus  
General Manager  
Orange County Water District

Greg Thomas  
General Manager  
Rincon Del Diablo Municipal Water District

Harry Starkey  
General Manager  
West Kern Water District

Keven Hunt  
General Manager  
Central Basin Municipal Water District

Einar Maisch  
General Manager  
Placer County Water Agency

Shauna Lorance  
General Manager  
San Juan Water District

Mark Kinsey  
General Manager  
Monte Vista Water District

Martin Zvirbulis  
General Manager  
Cucamonga Valley Water District

David Hull  
General Manager  
Humboldt Community Services District

Grant Davis  
General Manager  
Sonoma County Water Agency

Kenneth V. Payne, P.E.  
Interim General Manager  
El Dorado County Water Agency

Marc Marcantonio  
General Manager  
Yorba Linda Water District

Paul Kelley  
Executive Director  
CalDesal

Allen Carlisle  
CEO/General Manager  
Padre Dam Municipal Water District

Paul Jones  
General Manager  
Eastern Municipal Water District

Paul Cook  
General Manager  
Irvine Ranch Water District

Richard Solbrig  
General Manager  
South Tahoe Public Utilities District

Leslie A. Bryan  
Management Analyst  
Redding Electric Utility Legislative & Regulatory  
Program

Wendy Chambers  
General Manager  
Carlsbad Municipal Water District

Robert Roscoe  
General Manager  
Sacramento Suburban Water District

Chris DeGabriele  
General Manager  
North Marin Water District

Toby Goddard  
Administrative Services Manager  
Santa Cruz Water Department

Brian Crane  
Public Works Director  
City of Redding – Public Works Department

Marcus Yasutake  
Environmental and Water Resources Director  
City of Folsom

VIA EMAIL: [wue@water.ca.gov](mailto:wue@water.ca.gov); [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

December 19, 2016

The Honorable Felicia Marcus, Chair  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

The Honorable Mark Cowin, Director  
California Department of Water Resources  
P.O. Box 942836, Room 1115-1  
Sacramento, CA 94236-0001

SUBJECT: Comments on "Making Conservation a California Way of Life" November 2016 Public Review Draft

Dear Chair Marcus and Director Cowin:

The undersigned water suppliers and associations comprise designated members of the Urban Advisory Group (UAG) convened by the State to provide input on the framework for implementation of Executive Order B-37-16 (EO) and additional participants in the recent stakeholder outreach process. Many of us submitted a joint comment letter and detailed recommendations dated October 18, 2016, and we include that package with this letter, as it continues to be germane to the Public Review Draft. We would also like to draw your attention to a comment letter being submitted today from the American Water Works Association, California-Nevada Chapter, which pertains to portions of the Public Review Draft.

We would like to express our ongoing appreciation for the opportunities that the State has offered to provide input in this process. We continue to be committed to helping define a successful framework to help California prepare for and respond to future droughts, and to promote the long-term efficiency of water use. We would like to collaborate with you and your colleagues in the Brown Administration to craft a legislative package that we can all support.

While we are largely supportive of the initial recommendations in the Draft Report, we cannot support any policy that allows the State Agencies carte blanche in determining future water-use budgets, prohibitions or performance measures. We believe all new water-use target setting efforts must include a formal stakeholder involvement process, allowing for input on technical considerations and the potential for unintended consequences.

The conservation framework must take into account the One Water policy perspective, seeking a balanced and integrated approach to sustainable water management. Water sustainability and drought resilience must be measured in terms of BOTH water-use efficiency and the development of new supplies and storage.

To that end, we are concerned that the uncertainty associated with unknown future conservation regulations will serve as a significant *disincentive* for the development of new sustainable supply sources

and storage by local agencies, and we strongly believe that this would be an unwise direction for California to take. As such, several of our comments are aimed at improving incentives for new supply development while maintaining water-use efficiency principles.

Similar to the approach we took in October, we have identified the elements of the Public Review Draft that we support and which we believe will improve water management in the future, and we have provided specific feedback aimed at improving the proposal. We support the enforcement of water use efficiency targets in 2025, the transition to a five-year drought planning sequence in the Urban Water Management Plan, and the additional components proposed for the Water Shortage Contingency Plans – communication plan, specific compliance and exemption procedures, monitoring and reporting protocols and a regular review process. We also believe that providing State agencies with our annual supply and demand assessments will facilitate better understanding of hydrologic conditions throughout the state.

We have identified the following areas of continued concern, which we look forward to resolving with the Executive Order agencies in the final report (the citations in each comment refer to the relevant section(s) of the Public Review Draft).

### **Using Water More Wisely**

#### **Section 2.1 Emergency Conservation Regulations for 2017**

- As the State Water Resources Control Board (SWRCB) considers extending the emergency regulation in January/February 2017, they must consider that many parts of the state are not experiencing emergency drought conditions due to improved hydrologic conditions, development of drought resilient supplies, or both. The SWRCB should rescind the emergency conservation regulations for those areas with adequate supplies, and focus on those communities that require assistance in meeting the water demands of their community. The SWRCB could continue its “stress test” demand reduction measures for areas in which supplies are inadequate in 2017 to meet normal demands.

#### **Section 2.2 Permanent Prohibition of Wasteful Practices**

- We request that the EO agencies include language to exempt residents from these prohibitions in the case of a public health or safety emergency and that uniform definitions of “measurable rainfall” and “street medians” be provided. We also ask that it be made clear in Section 2.2.4 that it will be the responsibility of local agencies to enforce these new regulations.

#### **Section 2.4 Process for Determining Cost-Effectiveness of Water Conservation and Energy Efficiency**

- It is stated in this section that the cost-effectiveness of potential appliance standards is based on the value of the water or energy saved, the effect on product efficacy for the consumer, and the life-cycle cost of complying with the standard to the consumer. The California Energy Commission (CEC) assesses the cost effectiveness of a proposed appliance standard by surveying and comparing the cost and operation of compliant and non-compliant appliances. Any increased costs must be offset by water and energy savings due to the increase in appliance

efficiency. We call on the CEC to include potential wastewater system impacts as a valid life-cycle cost associated with indoor appliances when conducting its cost-effectiveness analysis.

### Section 3.1 New Water Use Targets

#### *General*

- Alternative Target-setting Approach (Sections 3.1.1 and 3.1.2.) We continue to request that the State include optional approaches to the strengthened standards target-setting process that build on the elements of SB x7-7, as is directed by the EO. Expansion of the State agencies' water budget based proposal to provide for alternative target-setting approaches that can be customized to unique local conditions, would be equally effective in reducing water use and would allow for alternative methods to reducing water demands that could be more cost-effective for some agencies to implement. This is particularly important for water agencies that lack resources or capacity to implement water budget programs, or for water agencies that would benefit from this additional flexibility. We also believe that a regional compliance approach should be allowed as an option.
- No Impact on Water Rights. The new water use efficiency program requirements must not adversely affect water rights or contracts held by water suppliers in California, and must explicitly recognize the ability of water suppliers to use or transfer the conserved water, pursuant to Water Code Section 1011. These provisions are already contained in Water Code Sections 10608 et seq. (SB x7-7), and must be maintained in any modifications thereto or in any new Water Code language to implement the Executive Order. We ask that language be added to the executive summary and introduction clearly stating the state's intent to preserve water rights as the elements of the Executive Order are implemented.
- Sustainable Water Management. When setting water use standards, it is imperative for the EO agencies to recognize that water conservation by itself is not going to result in a resilient supply that can manage severe shortage situations, which the state is likely to face in the future. As described in Governor Brown's California Water Action Plan, an integrated and sustainable approach must include both water use efficiency and local supply development. When considering lowering the standards on water use, the state must take into account local efforts in developing drought resilient supplies, as mentioned in section 4.2.2 of the Public Review Draft.

#### *Indoor and Outdoor Standards*

- Water Use Efficiency Standards and Reporting (Section 3.1.3.) We support the proposal to establish 55 gallons per capita per day (GPCD) as the indoor use standard and the use of MWELO standards in place when landscapes were installed as the outdoor use standard for residential properties, when using the proposed method, for determining compliance with the new efficiency targets in 2025. The landscape standard should be applied to irrigable areas of parcels. We support reporting on compliance with the 2025 targets in the 2025 Urban Water Management Plan. We do not support annual reporting on targets either before or after the

2025 Plan. Finally, while we are open to considering lower water use standards for residential customers in future years, we insist that any such consideration be inclusive of a public stakeholder process.

- Indoor Standards Workgroup (Section 3.1.3.) Similar to the Landscape Area Measurement Workgroup, which is to assist the state in developing the outdoor irrigation standard, the EO agencies should form an Indoor Standards Workgroup to assist the state in evaluating the data and research to be utilized in determining the 2025 indoor standard. As part of this effort, the EO agencies must conduct a scientific evaluation to identify potential impacts on wastewater systems and recycled water/potable reuse production before the indoor water use standard is reduced to a standard below 55 GPCD.
- Landscape Area Measurement Data (Section 3.1.3.) We request that the State provide to water suppliers either the detailed, verified landscape data for every parcel in a water agency that chooses to use the water use efficiency compliance method defined in the Public Review Draft or the funding for the agency to perform this analysis. A significant amount of data and technical assistance, as well as dedication of precious fiscal resources, will be required to implement these standards. The process and methods to obtain and disseminate the data will need to be transparent and technically sound in order to ensure credibility with the public and local decision makers.

In lieu of using state-supplied landscape data, water suppliers should be allowed to use self-supplied landscape data of equivalent or superior quality to develop targets. Additional landscape data provided by water suppliers could be used to address unique conditions in a service area such as agricultural land or to provide updated landscape area reflecting service area growth. Any landscape data provided by the water supplier would be required to incorporate landscape area assumptions and definitions consistent with those used in the state-supplied data set. We urge the State to take a deliberate and iterative approach that includes verification of accuracy by an independent third party and allows sufficient time to test the proposed standards and make refinements as necessary. In this regard, any delay in the availability of verified landscape data should be reflected in compliance deadlines for water suppliers.

- Variiances (Section 3.1.3.) We request that the EO agencies develop and implement a variance process to allow for the establishment of indoor and outdoor water use standards according to a water supplier's unique conditions, such as providing more water than the average for large animals, swamp coolers, home food production, etc. We ask that the draft framework include the development of variances and a variance process through a collaborative effort with water industry stakeholders.
- Recycled Water (Section 3.1.3.) The recycling and reuse of water is considered an efficient use of supplies and therefore should be removed from the water production calculations for determining compliance with 2025 targets, consistent with SB x7-7 (as is noted on pages 3-2 and 3-3 of this report). This approach will ensure incentives for the continued development of

recycling and potable reuse projects, which are critical to a resilient and sustainable water supply future for California.

#### *Commercial and Industrial Performance Standards*

- Commercial, Industrial, and Institutional (CII) Performance Measures (Section 3.1.3.) We support the exemption of CII water uses from volumetric targets. We conceptually support the establishment of performance measures for the CII sector but recommend that a CII workgroup with representative members from a broad spectrum of industries be engaged in the establishment of performance measures rather than by dictate in this report. Participation by industry along with water supplier representatives will help ensure Performance Measures are appropriate, effective and result in efficient water use without impairing economic activity. Further, we believe the stakeholder process is essential for achieving long-term support of Conservation as a Way of Life in the CII sector. The development of Performance Measures should build on the CII taskforce report completed in 2013. We also request the language concerning audits be revised to read:

*Work with willing CII customers to conduct representative water-use audits or water management plans for CII accounts over a specified size, volume, or percentage threshold or an equivalent measure determined by the CII workgroup.*

#### *Water Loss*

- Water Loss Requirements (Sections 2.3.3 and 3.1.3.) The Draft describes the requirements of SB 555 and the actions planned by DWR, CPUC and the SWRCB in Section 2.3.3, including potential loss standards and enforcement tools. We do not support also including water loss requirements in overall efficiency targets, as doing so creates an unnecessary, redundant and potentially conflicting compliance requirement.
- Reporting, Compliance Assistance and Enforcement (Section 2.3.4.) We support submittal of validated water loss audit reports to the California Department of Water Resources (DWR) by October 1, 2017 as is already required by law. However, we do not support the provision to disqualify agencies that do not submit these reports by that date from eligibility for DWR grants and loans.

#### *Implementation and Enforcement*

- Legislative Role in Updates to Water Use Targets (Section 3.1.3.) Any revisions of the standards and CII performance measures beyond the 2025 compliance period must only be implemented through future legislation. The role of the Legislature in crafting and refining California's water use policies and water use efficiency standards is critical, as is the role of the Legislature in providing agency oversight and accountability.
- Enforcement Measures (Section 3.1.4.) The consequences for a water supplier that fails to meet its 2020 water use efficiency standard consist of that water supplier becoming ineligible for

State grant funding. Water Code Section 10608.56 includes additional provisions that condition the imposition of such sanctions. We believe that these sanctions provide adequate incentive for water suppliers to achieve the water use efficiency standards proposed in the Public Review Draft and that any other financial penalties or enforcement processes would be unnecessary and counterproductive.

- Timeline Feasibility (section 4.3.) The EO agencies have proposed a significant number of important tasks to be completed between 2017 and 2018. We request that the state provide additional details on specific timelines and hold a workshop to ensure the schedule is realistic by seeking input from water suppliers regarding the possible impacts/constraints on staff and budget.

### **Eliminating Water Waste**

#### Section 2.2 Monthly Reporting and Permanent Prohibition of Wasteful Practices

- Existing Authority (Section 2.2.3.) The Public Review Draft notes that the EO agencies plan to implement monthly reporting requirements and permanent water use prohibitions through existing authority. We request that the State provide more detailed information about the specific statutes that provide this authority.
- Stakeholder Input (Section 2.2.3.) A stakeholder workgroup should be formed as part of the rulemaking process to ensure the reports submitted monthly serve a meaningful purpose to the state and public and that the statewide permanent prohibitions are appropriate for communities throughout the state.

### **Strengthening Local Drought Resilience**

#### Section 3.2 Water Shortage Contingency Plans

- Water Shortage Contingency Plan, Recommendation Updated Contents of the Urban Water Management Plans (Section 3.2.3.) In order to acknowledge the benefit of developing drought resilient, hydrologically independent supplies consistent with the California Water Action Plan, we request that the following be added below 2. *Evaluation Criteria*:
  - e) *Drought resilient, hydrologically independent supplies such as potable reuse, recycled water and desalination are considered fully reliable under all historical drought hydrology and plausible climate change effects.*
- Water Shortage Contingency Plan, Recommendation, Contents of the Water Shortage Contingency Plans (Section 3.2.3.) This section should be clarified to acknowledge that in some cases where water suppliers have in place or may invest in drought resilient, hydrologically independent supplies, these agencies may in fact not experience shortages under drought

conditions. In light of this, we recommend the following language be added to 4. *Shortage Levels. Evaluation Criteria:*

- *Water suppliers with a substantial portfolio of drought resilient, hydrologically independent base supplies may not experience shortage conditions due to drought or climate change. Water suppliers with validated, reliable, base water supplies of this type shall only be required in WSCPs to address shortage levels up to the maximum percentage that can be feasibly caused by dry hydrologic conditions.*
- Additional Dry Year Analyses (Section 3.2.3). We do not support the State's proposal to require "one or more <additional> dry years" to be analyzed as part of the annual water budget forecast. We would support an analysis of one additional dry year in the forecast, if conditions require a water supplier to implement its water shortage contingency plan.
- Water Shortage Contingency Plans (page 3-13). It must be made clear that should an agency implement its defined shortage response actions (SRA's) that effectively move the agency out of a shortage condition, then there is no need for the agency to declare an emergency, or be considered to be in an emergency shortage condition by the DWR or SWRCB.
- Drought Planning for Small Water Suppliers and Rural Communities, Current Status (Section 3.3.1.) While SGMA implementation will be important to future water supplies in California, and sustainable groundwater management will be a key element of preparing for and responding to future droughts, we believe the Draft mischaracterizes the authority and responsibility of GSAs relative to Drought Planning for Small Water Suppliers and Rural Communities. We believe that drought planning for specific water systems and assurance of future water supplies is beyond the scope of SGMA, and recommends this reference (p 3-16, second column, lines 5-11) be removed from the document. While GSAs must consider the interests of all water users, they do not have an explicit obligation for water supply reliability to any user.
- Drought Planning for Small Water Suppliers and Rural Communities, Recommendations (Section 3.3.3.) We request that the framework clarify that those small water systems which have already established their own shortage plans should retain the flexibility to maintain the authority to implement their shortage plans and coordinate with their respective water wholesaler or County and not be subject to a new duplicative countywide effort.
- Drought Planning for Small Water Suppliers and Rural Communities, Recommendations (Section 3.3.3.) We support the effort to improve drought planning for small and rural water suppliers but do not recommend adding additional requirements to Groundwater Sustainability Plans without appropriate and necessary stakeholder input. We request the coordination language be revised to read:

5. *Coordination – Work with stakeholders to develop opportunities to coordinate SGMA efforts and drought planning. Evaluate options for reflecting drought planning and responses in Groundwater Sustainability Plans.*

Thank you for the opportunity to comment. We look forward to continued collaboration with staff of the State agencies to develop a framework by the January 2017 deadline that meets the objectives of the EO while preserving local water supplier authority and providing flexibility in implementation.

Sincerely,

Mark Andre  
Environmental Services Director  
City of Arcata

Steven W. Appel, P.E.  
Assistant General Manager  
Rubidoux Community Services District

Gary Arant  
General Manager  
Valley Center Municipal Water District

Jeffrey D Armstrong  
General Manager  
Rancho California Water District.

Dan Arrighi  
Water Resources Manager  
San Gabriel Valley Water Company

Michael J. Bardin  
General Manager  
Santa Fe Irrigation District

Girish Balachandran  
General Manager  
Riverside Public Utilities

Gurcharan Bawa  
Interim General Manager  
Pasadena Water & Power

Robert J. Beste  
Public Works Director  
City of Torrance

Danielle Blacet  
Director for Water  
California Municipal Utilities Association

Chad Blais  
Public Works Director  
City of Norco

David Boesch  
County Executive Officer  
Placer County

David Bolland  
Director of State Regulatory Relations  
Association of California Water Agencies

Eldon Boone  
General Manager  
Vista Irrigation District

Jerry Brown  
General Manager  
Contra Costa Water District

Roger E. Bütow  
Executive Director  
Clean Water Now

Norma J. Camacho  
Interim Chief Executive Officer  
Santa Clara Valley Water District

Grant Davis  
General Manager  
Sonoma County Water Agency

Allen Carlisle  
CEO/General Manager  
Padre Dam Municipal Water District

Jill Duerig  
General Manager  
Zone 7 Water Agency

Wendy Chambers  
General Manager  
Carlsbad Municipal Water District

Keith Durkin  
Interim General Manager  
San Juan Water District

Steve Cole  
General Manager  
Newhall County Water District

David Eggerton  
General Manager  
Calaveras County Water District

Paul Cook  
General Manager  
Irvine Ranch Water District

Joy Eldredge  
Water General Manager  
City of Napa

Todd M. Corbin  
General Manager  
Jurupa Community Services District

Terry Erlewine  
General Manager  
State Water Contractors

David Coxey  
General Manager  
Bella Vista Water District

Shana Epstein  
General Manager  
Ventura Water

Brian Crane  
Public Works Director  
City of Redding

Thomas Esqueda  
Director of Public Utilities  
City of Fresno

Doug Culbert  
Utilities Director  
City of Fortuna

Ralph Felix  
General Manager  
Rio Linda/Elverta CWD

Thomas D. Cumpston  
Acting General Manager  
El Dorado Irrigation District

Daniel R. Ferons  
General Manager  
Santa Margarita Water District

Chris DeGabriele  
General Manager  
North Marin Water District

Christopher J. Garner  
General Manager  
Long Beach Water Department

Brian Gerving  
Public Works Director  
City of Eureka

Toby Goddard  
Administrative Services Manager  
Santa Cruz Water Department

Stan Gryczko  
Assistant Public Works Director/Operations  
City of Davis

Miguel Guerrero  
Director of Water Utility  
City of San Bernardino Municipal Water  
Department

Thomas J. Haglund  
General Manager  
Tuolumne Utilities District

Richard Hansen  
General Manager  
Three Valleys Municipal Water District

Jennifer Hanson  
Public Services Director  
City of Lincoln

Piret Harmon  
General Manager  
Scotts Valley Water District

Jack Hawks  
Executive Director  
California Water Association

Patrick Hayes  
General Manager  
Mammoth Community Water District

Paul Helliker  
General Manager  
Humboldt Bay Municipal Water District

Robert R. Hill  
General Manager  
El Toro Water District

David Hull  
General Manager  
Humboldt Community Services District

Kevin Hunt  
General Manager  
Central Basin Municipal Water District

Robert J. Hunter  
General Manager  
Municipal Water District of Orange County

Nina Jazmadarian  
General Manager  
Foothill Municipal Water District

Paul Jones  
General Manager  
Eastern Municipal Water District

Paul Kelley  
Executive Director  
CalDesal

Jeffrey Kightlinger  
General Manager  
Metropolitan Water District of Southern  
California

Mark N. Kinsey  
General Manager  
Monte Vista Water District

Lisa Koehn  
Assistant Public Utilities Director  
City of Clovis

David X. Kolk, Ph.D.  
Utilities Director  
City of Colton

Mark S. Krause  
General Manager  
Desert Water Agency

Diana Langley  
Public Works Director  
City of Yuba City

Donna Leatherman  
District Manager  
Calaveras Public Utilities District

Carlos Lugo  
General Manager  
Helix Water District

Mark Madison  
General Manager  
Elk Grove Water District

Einar Maisch  
General Manager  
Placer County Water Agency

Gene Mancebo  
General Manager  
Amador Water Agency

Marc Marcantonio  
General Manager  
Yorba Linda Water District

Michael R. Markus  
General Manager  
Orange County Water District

Daniel McIntyre  
General Manager  
Dublin San Ramon Services District

Greg Meyer  
Public Works Director  
City of Woodland

Tom Moody  
Assistant General Manager  
City of Corona

Dan Muelrath  
General Manager  
Valley of the Moon Water District

Susan B. Mulligan  
General Manager  
Calleguas Municipal Water District

Gregory P. Orsini  
General Manager  
McKinleyville Community Services District

Kenneth V. Payne, P.E.  
Interim General Manager  
El Dorado County Water Agency

David W. Pedersen  
General Manager  
Las Virgenes Municipal Water District

Craig L. Pedro  
Administrative Officer  
Tuolumne County

James Peifer  
Policy and Legislation Manager  
City of Sacramento, Department of Utilities

Michael L. Peterson  
Agency Engineer  
Sacramento County Water Agency

Carrie Pollard  
SCWA Principal Program Specialist  
Sonoma-Marín Saving Water Partnership

Halla Razak, P.E.  
Department Director  
City of San Diego Public Utilities

Linda Reed  
Interim Director  
Santa Rosa Water

Felix Riesenber  
Assistant Public Works Director/Utilities  
City of Fairfield

Steven R. Ritchie  
Assistant General Manager, Water Enterprise  
San Francisco Public Utilities Commission

Robert Roscoe  
General Manager  
Sacramento Suburban Water District

John V. Rossi  
General Manager  
Western Municipal Water District

Brett Sanders  
General Manager  
Lakeside Water District

Dan St. John  
Director of Public Works & Utilities  
City of Petaluma

Nicole Sandkulla  
Chief Executive Officer/General Manager  
Bay Area Water Supply and Conservation  
Agency

Roland Sanford  
General Manager  
Solano County Water Agency

Carol Scianna  
Environmental Services Manager  
City of Winters

Nicholas Schneider  
Water Conservation Manager  
Mojave Water Agency

Robert Shaver  
General Manager  
Alameda County Water District

Paul E. Shoenberger, PE  
General Manager  
Mesa Water District.

James L. Smyth  
General Manager  
Sweetwater Authority

Richard Solbrig  
General Manager  
South Tahoe Public Utility District

Tony Stafford  
General Manager  
Camrosa Water District

Maureen A. Stapleton  
General Manager  
San Diego County Water Authority

Harry O. Starkey  
General Manager  
West Kern Water District

David J. Stoldt  
General Manager  
Monterey Peninsula Water Management  
District

Hilary Straus  
General Manager  
Citrus Heights Water District

Darlene Thiel  
General Manager  
Rancho Murrieta Community Services District

Greg Thomas  
General Manager  
Rincon del Diablo Municipal Water District

Kimberly A. Thorner  
General Manager  
Olivenhain Municipal Water District

Tom Trott, P.E.  
General Manager  
Twain Harte Community Services District

John D. Vega  
General Manager  
Elsinore Valley Municipal Water District

Walt Ward  
Water Resources Manager  
Stanislaus County

John Woodling  
Executive Director  
Regional Water Authority

Marcus Yasutake  
Environmental and Water Resources Director  
City of Folsom

Steve Wickstrum  
General Manager  
Casitas Municipal Water District

Donald M. Zdeba  
General Manager  
Indian Wells Valley Water District

Joseph B. Zoba  
General Manager  
Yucaipa Valley Water District

Martin E. Zvirbulis  
General Manager/CEO  
Cucamonga Valley Water District

cc:

The Honorable Frances Spivy-Weber, Vice Chair, State Water Resources Control Board  
The Honorable Dorene D'Adamo, Member, State Water Resources Control Board  
The Honorable Steven Moore, Member, State Water Resources Control Board  
The Honorable Tam Doduc, Member, State Water Resources Control Board  
Ms. Kim Craig, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown Jr.  
Mr. Tom Howard, Executive Director, State Water Resources Control Board  
Mr. Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board  
Mr. Gary B. Bardini, Deputy Director, Integrated Water Management, Department of Water Resources  
Mr. Kamyar Guivetchi, Manager, Statewide Integrated Water Management, Department of Water Resources

# Joint Comment Letter Signatories

## "Making Conservation a California Way of Life" Public Draft Review

(Comment Letter Dated December 19, 2016)



- Signatory Agency
- Statewide Organizations  
Association of California Water Agencies  
CalDesal  
California Municipal Utilities Association  
State Water Contractors

## Attachment 1

### Comments on the Development of the Framework for Implementation of Executive Order B-37-16

The comments below include fundamental areas of agreement as well as a number of concerns with the current direction of the State's proposals. The comments are arranged under the topical areas defined in the Executive Order (EO): Eliminate Water Waste, Strengthen Local Drought Resilience, and Use Water More Wisely; as well as the Reporting, Compliance and Enforcement element defined by State staff. In some cases, additional detail is provided in attachments.

#### Eliminate Water Waste

- We support EO Directive 4 that permanently prohibits practices that waste potable water.
- We support the State's intention to continue the ongoing process for implementation of SB 555, passed in 2015, in satisfaction of this element of the EO.

#### Strengthen Local Drought Resilience

- We strongly support the State's stated objective to create a framework for water shortage contingency planning to be implemented by urban water suppliers that will mitigate the future need for emergency water conservation mandates from the State. Further, we support the State's proposed position that specific actions to be taken to respond to real or potential shortages should be entirely at the discretion of individual water suppliers in their own service areas.
- We support the proposal to assess the impact of a five-year drought period in the urban water management plan (UWMP) process, which will be updated every five years.
- We support an annual drought risk assessment that looks at current year supplies as the basis for making the local decision to implement demand reduction measures. These annual assessments will provide the necessary information on potential shortages to determine specifically which urban water suppliers are in a drought concern area and require technical and/or financial assistance from the State.
- We support the State addressing the needs of small water suppliers that do not meet the statutory threshold to prepare and adopt urban water management plans. The small suppliers may not have the resources to plan for, acquire and manage the necessary water supplies in their community. Indeed, some small suppliers suffered enormously in the past couple of years. It should be acknowledged that urban water agencies have had access to planning and guidance documents prepared by the State, as well as utilizing their own planning and financial resources which have resulted in urban water agencies being well prepared during this drought. We look forward to collaborating in the continued development of tools and resources for small water suppliers.
- **Attachment 2** has been provided to State staff and offers additional specific feedback on the State's proposal for Strengthening Local Drought Resilience.

### Use Water More Wisely

- While we recognize that the EO calls for standards to be developed for indoor residential water use, outdoor irrigation, CII water use, and water loss, we offer additional mechanisms that fit within the methodology to set targets. Much like in SBX7-7, we believe multiple target setting mechanisms can be developed to provide flexibility to water suppliers, while meeting the goal of increased water savings beyond the 2020 requirements. We also believe the regional compliance approach allowed in SBx7-7 should be maintained as an option. **Attachment 4** provides more detail on potential compliance mechanisms.
- We appreciate the State's recognition that a standardized percentage reduction for CII water use would be potentially damaging to the State's economy. We look forward to working with the State to develop performance standards for water use for various business types in fulfillment of the EO's CII water use element.
- The proposed standards for indoor water use of 55 gallons per person per day (GPCD) and outdoor water use that is a function of landscape area and evapotranspiration are a useful starting point for discussion. However, this method requires a large amount of landscape information that will require validation and indoor standards either need to reflect the unique conditions of the community such as widespread use of swamp coolers or the age of the housing stock, or provide a variance process. We offer detailed feedback on the State's proposal in **Attachment 3**.
- The State agencies' proposal inappropriately applies outdoor standards based on the Model Water Efficient Landscape Ordinance to properties built before 1993.
- In order to develop a permanent framework that supports the state's goals for long-term water use efficiency as outlined in the EO, we recommend an iterative process that allows sufficient time to test the proposed standards for each of the sector budgets and to make refinements as necessary. The long-term water use efficiency framework should provide a broad policy outline on the approach to calculating the new water use targets and include the potential for alternative methods. The state should then allow sufficient time to pilot test the proposed target-setting methodology with water suppliers and incorporate needed refinements.
- Recycled water should also be recognized as an efficient alternative to the use of potable water. We understand that all water should be used efficiently, and the use of recycled water is already highly regulated under the Regional Water Quality Control Board National Pollutant Discharge Elimination System permits that prohibits certain practices, such as runoff or ponding. The efficient use of recycled water should not be limited. Recycled water is by its nature an efficient use of water and barriers to its use should be minimized. The state's proposal on water waste prohibitions should remain consistent with the intent of the Executive Order.
- If California is to be successful in making conservation a California way of life, a much more comprehensive set of actions must be implemented beyond establishing regulatory water use efficiency targets. The State is proposing enforceable standards applied to water suppliers as the sole mechanism by which to achieve the targets set through the process, and neglecting the opportunity to effect change with end users. We urge the State to consider other mechanisms, both incentives and disincentives, that more directly focus on specific uses and users of water including: State investment in water conservation messaging and outreach, the role of land use agencies in residential and commercial landscaping, and appropriate requirements on businesses and other water users.

- Water suppliers have identified a number of potential unintended consequences of decreasing urban water use that must be more fully evaluated prior to standard and target setting, including, reduced flows that impact the effective operation of wastewater collection and treatment systems; reduced flows that impact drinking water quality, and the higher costs of water efficiency measures that will necessitate increased water rates, further exacerbating affordability issues in urban disadvantaged communities.

#### Reporting, Compliance and Enforcement

- We appreciate the State's commitment to streamlining both existing and new reporting requirements to minimize the burden on water suppliers.
- The State is proposing a significant paradigm shift in water efficiency requirements from that in SBX7-7. We support the State's proposal to provide a period of five years or more for implementation of new standards and targets before enforcement action is considered. We believe the enforcement timeline must also reflect the need for the State to meet its commitments to provide necessary validated irrigable landscape data, and technical and financial assistance to reduce water loss.
- We urge the State to support collaboration of water suppliers by considering mechanisms by which compliance can be achieved regionally.

Robert R. Hill  
General Manager  
El Toro Water District

Thomas D. Cumpston  
Acting General Manager  
El Dorado Irrigation District

Tommy Esqueda  
Director of Public Utilities  
City of Fresno

Donald M. Zdeba  
General Manager  
Indian Wells Valley Water District

Gregory P. Orsini  
General Manager  
McKinleyville Community Services District

Donald M. Zdeba  
General Manager  
Indian Wells Valley Water District

Nicole M. Sandkulla  
Chief Executive Officer/General Manager  
Bay Area Water Supply and Conservation Agency

Mark Andre  
Environmental Services Director  
City of Arcata

Robert Shaver  
General Manager  
Alameda County Water District

Steve Cole  
General Manager  
Newhall County Water District

Carrie Pollard  
W.A. Principal Programs Specialist  
Sonoma-Marín Saving Water Partnership

Ralph Felix  
General Manager  
Rio Linda/Elverta CWD

Tony Stafford  
General Manager  
Camrosa Water District

Lisa Koehn  
Assistant Public Utilities Director  
City of Clovis

Doug Culbert  
Utilities Director  
City of Fortuna

Brian Gerving  
Director of Public Works  
City of Eureka

Kimberly A. Thorner  
General Manager  
Olivenhain Municipal Water District

Cc:

The Honorable Frances Spivy-Weber, Vice Chair, State Water Resources Control Board

The Honorable Dorene D'Adamo, Member, State Water Resources Control Board

The Honorable Tam Doduc, Member, State Water Resources Control Board

The Honorable Steven Moore, Member, State Water Resources Control Board

Ms. Kim Craig, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown Jr.

Mr. Tom Howard, Executive Director, State Water Resources Control Board

Mr. Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board

Mr. Gary B. Bardini, Deputy Director, Integrated Water Management, Department of Water Resources

Mr. Kamyar Guivetchi, Manager, Statewide Integrated Water Management, Department of Water Resources

## Attachment 2 Proposed Drought Planning and Response Structure

The table below identifies a framework for drought planning and response in California and identifies the roles and responsibilities of urban water suppliers and state agencies. The structure includes: Planning – the preparation of Urban Water Management Plans and their specific elements related to potential shortages; Assessment – an annual evaluation by the water supplier of demand, supplies, and potential shortages; and Response – specific actions identified to reduce demand. As the structure is in response to the directives in Executive Order B-37-16, it does not address planning for potential water shortages that result from causes other than drought. Such shortages can be readily incorporated into the structure by each urban water supplier depending on their specific conditions.

	Urban Water Supplier	State Agencies
<p><b>Planning/Response Element</b></p> <p><b>Urban Water Management Plan (UWMP)</b></p>	<ul style="list-style-type: none"> <li>• Includes long-term “drought risk assessment” consistent with Water Code (WC) 10631(c), 10632(a)(2) and 10635(a):               <ul style="list-style-type: none"> <li>○ Revise WC 10632(a)(2) to require agencies to evaluate drought lasting at least five years - suppliers will analyze supply and demand for five years from the year of the UWMP forward, assuming conditions equivalent to supplier’s five consecutive historic driest years</li> <li>○ Suppliers will analyze at least five dry years, as part of the multiple dry year assessments in WC 10631(c) and 10635, assuming conditions equivalent to supplier’s five consecutive historic hydrologic driest years</li> <li>○ Suppliers should be able to utilize a shorter period if it represents a more severe drought than the five-year period.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• DWR prepares UWMP Guidebook.</li> <li>• As part of Guidebook, DWR provides guidance on characterizing the five-year drought cycle.</li> <li>• DWR receives and reviews UWMP for completeness and compliance with statutory requirements.</li> </ul>
<p><b>Water Shortage Contingency Plan (WSCP)</b> Required element of UWMP</p> <p><i>This proposal focuses the drought planning aspect of WSCP. The planning for catastrophic events remains unchanged.</i></p>	<ul style="list-style-type: none"> <li>• Revise WC 10632 to expand the elements of the current water shortage contingency analysis to require a water shortage contingency plan which would include:               <ul style="list-style-type: none"> <li>○ Stages of water shortages and actions that would be taken by suppliers to address each stage.</li> <li>○ Conditions which would trigger each stage of water shortage.</li> <li>○ The supplier’s communications strategy to implement the plan.</li> <li>○ A discussion of the supplier’s WSCP implementation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• As part of UWMP Guidebook, DWR works with stakeholders to develop potential actions that will accomplish the demand reductions.               <ul style="list-style-type: none"> <li>○ Include updated range of savings from water use restrictions and consumption reduction methods, taking into account results from implementation of long-term water use targets.</li> </ul> </li> </ul>

PLAN

## Attachment 2

		<p>authority.</p> <ul style="list-style-type: none"> <li>o An assessment of the financial impacts of implementing each stage.</li> <li>o A discussion of the process the supplier will use to report to its community, its governing body and state agencies on implementation of the WSCP;</li> <li>o A discussion of customer compliance and enforcement provisions in the plan, as well as any customer exemption processes.</li> <li>o A review and improvement process for the plan.</li> </ul>	<ul style="list-style-type: none"> <li>• DWR offers technical assistance for the development of WSCPs for agencies requesting it.</li> <li>• DWR reviews WSCP for completeness and compliance with statutory requirements.</li> </ul>
ASSESS	<p><b>Annual Drought Risk Assessment</b></p>	<ul style="list-style-type: none"> <li>• Urban water suppliers will be required to prepare an annual water supply assessment (Add a new section to WC) <ul style="list-style-type: none"> <li>o Prepare by May 30<sup>th</sup> of each year</li> <li>o Include projected demand and total supplies available for the upcoming year, which includes any supply augmentation.</li> <li>o If assessment shows a shortage of supply in the year analyzed, the agencies must identify the appropriate water shortage stage and associated responses to manage the shortage.</li> </ul> </li> <li>• Suppliers can submit the assessment on a regional basis, based on a region identified by water suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of DWR Guidebook, DWR provides common standards on preparation of the assessments and the supply and demand documentation required to verify availability of the supply. (e.g., contracts, agreements, etc.)</li> </ul>
RESPOND	<p><b>Implement Water Shortage Contingency Plan</b></p>	<ul style="list-style-type: none"> <li>• Suppliers will submit their annual drought assessment to DWR by May 30<sup>th</sup>.</li> <li>• Should a water supplier identify a shortage in their assessment, the supplier shall implement the relevant stage of response actions in its WSCP (including the communications, reporting, and customer compliance elements)</li> <li>• In the Supplier's SWRCB monthly report, the supplier shall provide information on implementation of its WSCP, until the hydrologic condition triggering the WSCP actions dissipates</li> </ul>	<ul style="list-style-type: none"> <li>• DWR will evaluate hydrologic conditions statewide</li> <li>• From the annual drought assessments, DWR/SWRCB will know the shortage level, if any, of urban water supplier and/or region can take the following actions, if warranted: <ul style="list-style-type: none"> <li>o Identify communities that are of "drought concern"</li> <li>o Provide assistance (e.g. financial, technical) to those agencies experiencing shortages in order to</li> </ul> </li> </ul>

**Attachment 2**

			<ul style="list-style-type: none"><li>manage the drought.</li><li>DWR/SWRCB monitor implementation of WSCP through monthly reporting.</li></ul>
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**Attachment 3**  
**Analysis of State Proposed Long Term Conservation**  
**Target Framework**  
**(September 20, 2016 UAG Meeting)**  
**UPDATED – October 17, 2016**

**Overall Requirements**

**State Agency Proposal:**

- State would allow suppliers to achieve the target in aggregate, and would not regulate or require targets for suppliers' individual customer groups or classes.
- The effective start date of the reporting and compliance period would be six months after the State agencies provide each urban water supplier:
- The data base of measured irrigable area for all residential and separately metered irrigable landscape areas

**Proposed Response:**

- Support the proposal with the following changes:
  - Specify that for compliance purposes, suppliers would be allowed to implement any method of conservation that best meets the needs of the supplier and its customers. Suppliers will have the sole discretion to design and utilize rate structures or implement other conservation tool as the supplier deems appropriate to achieve long term conservation targets.
  - The state provides additional support for creating targets (See below).

**State Agency Requirements:**

- Provide a functioning data portal with downloadable reference evapotranspiration data for representative climate zones for each supplier. Provide a data base of validated aerial imagery with measured irrigable area for all residential and separately metered irrigable landscape areas correlated at the assessor parcel level.
- Provide a calculated target for suppliers requesting state assistance.
- Specific compliance dates included in the State's proposal would be extended to reflect the length of any delay in providing these items.

**1. Indoor Residential Water Use Standard**

<p><b>State Agency Proposal:</b></p> <ul style="list-style-type: none"> <li>● The indoor residential water use standard is a volume of water used by each person per day. The standard is in units of gallons per capita per day (GPCD).</li> <li>● The provisional standard is proposed as 55 GPCD beginning in 2018.</li> <li>● Revised downward in 2018, to be achieved by 2025</li> <li>● State will reevaluate standard every five years, beginning in 2025.             <ul style="list-style-type: none"> <li>– The standard will be revised downward to reflect increased usage of efficient fixtures and appliances in 2025 and 2030.</li> </ul> </li> </ul>	<p><b>Proposed Response:</b></p> <ul style="list-style-type: none"> <li>● Support the initial standard of 55 GPCD.</li> <li>● Indoor target of 55 GPCD standard multiplied by the population in the year of compliance (to adjust for growth).</li> <li>● Suppliers’ produced Potable Reuse water is excluded from supply when calculating and reporting compliance with the total target.</li> </ul> <p><b>State Agency Requirements:</b></p> <ul style="list-style-type: none"> <li>● Develop and adopt a variance process for water agencies with a workgroup to address special conditions such as the age of the housing stock, use of swamp coolers, seasonal population, etc.</li> <li>● Develop a stakeholder workgroup to consider the impact of lower indoor GPCD standards on wastewater systems and recycled water prior to revising standards starting in 2025.</li> </ul>
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**2. Outdoor Water Use Standard**

**State Agency Proposal:**

- Using the landscape area option selected by the State above, the outdoor water use budget is calculated as the sum of the individual budgets for all parcels within that landscape area, using a provisional *Evapotranspiration Adjustment Factor (ETAF)* as follows:
  1. Landscape area for parcels developed pre-2010 x 0.8 ETo;
  2. Landscape area for parcels developed between 2010 and 2015 x 0.7 ETo;
  3. Landscape area for parcels developed post 2015 x 0.55 ETo (0.45 for Commercial landscape); and
  4. Special Landscapes (parks, fields) area x 1.0 ETo.
- A pilot study will be conducted with 30 agencies.
- The outdoor standard will be revised lower based on the results of DWR’s review of existing budgets and a study of landscape irrigation use in a representative statewide sample of suppliers. Revised standards will be available from the state in 2018.
- Compliance with standards required in 2025
- Standards based on irrigable area.
- State will reevaluate every 5 years, beginning in 2025.

**Proposed Response:**

- Support initial proposed structure and pilot study with the following conditions:
  - Inclusion of an additional ETAF of 1.0 ETo for pre-1992 installed landscapes.
  - Standards will only be revised in 2018 if total statewide targets are not lower than the current SBX7-7 target.
  - Landscape areas irrigated with recycled water and commercial agriculture are excluded from suppliers’ outdoor water use portion of target.
- Outdoor target in the year of compliance adjusted for landscape area increases due to growth that occurred during reporting period. Target adjustment based upon supplier submitted increased landscape area and irrigation data, or percentage population increase.
- Recommend mixed use CII and outdoor water use other than irrigation (i.e. construction water) be handled separately (see below).

**State Agency Requirements:**

- Provide a database of third-party validated aerial imagery with measured irrigable area for all residential and separately metered irrigable landscape areas, and age of parcels correlated at the assessor parcel level.
  - Aerial imagery data shall be suitable such that it provides for the appropriate amount of irrigation for a variety of vegetation (i.e. large trees, irrigable area under native tree canopy, etc.).
- Provide a data portal that contains downloadable reference evapotranspiration data with representative climate zones for all urban water suppliers in the State.
- Provide the computation of the supplier level outdoor irrigation water target for any urban water supplier requesting State assistance due to inadequate resources.
- Provide updated aerial imagery and measured irrigable area at least by 2025 and every five years thereafter.
- Through a workgroup process, develop and adopt:
  - Standards and processes for developing the landscape area data;
  - A variance process for water agencies with special conditions of outdoor use.
- Special conditions could include livestock, food production, or water used for firefighting; and
- Guidelines for calculating areas for Special Landscapes.

**3. CII Water Use Performance Measures**

**State Agency Proposal:**

- All dedicated irrigation accounts will be on a budget using outdoor standards.
- Require classification using the North American Industry Classification System (NAICS) by 2021, develop benchmarks.
- Require all mixed meter accounts to split off landscape greater than a size threshold to dedicated irrigation accounts (or equivalent technology) by 2021.
- Audits and water management plans for reporting efficiency in CII water use.
  - Audits and plans for subset of CII customers, based on volume, percentage, or number.
- CII reporting requirements.

**Proposal Response:**

- Support the proposal and the development of performance measures using the following process
    - Form a CII Technical Workgroup comprised of industry representatives, economic development and business community leaders, water agencies and state agencies. The Workgroup will be tasked with the following requirements:
      - Develop appropriate CII classifications.
        - Complete defining classifications for reporting by 2019; and
        - Support using appropriate NAICS classifications as baseline.
        - Classifications should be detailed enough to include uses of water that are not normally thought of as CII sector water (example: dust control for grading).
      - Develop applicable performance measures for CII classifications by 2021. In developing the performance measures, the Workgroup would gather the data deemed necessary to develop the measures, such as water use, and utilize recommendations from the 2013 *CII Task Force Water Use Best Management Practices Report to the Legislature*.
    - Water suppliers would be required to request that representative industries in the top 5% of their CII users participate in audits and water management plans for each of the CII classifications by 2021, with State reimbursement for suppliers' costs.
      - Suppliers not staffed to conduct audits can request and have audits conducted directly by the State, subject to supplier review.
- State Agency Requirements:**
- Supply staff resources and funding assistance to develop classifications and performance measures for CII uses within the timelines.
  - Through a workgroup process, assess the feasibility criteria and cost-effectiveness of splitting mixed use meters and options, including costs, for installing equivalent technologies. Provide grant funding to split mixed use meters or to install new equivalent technology
  - Provide grant funding and technical support for audits and management plans.

<b>4. Water Loss Standard</b>	
<p><b>State Agency Proposal:</b></p> <ul style="list-style-type: none"> <li>● The standard for water system loss will be established through the SB 555 process, and will be expressed in terms of a volume per capita or volume per connection, accounting for relevant factors such as infrastructure age and condition.</li> <li>● Will include real and apparent losses.</li> <li>● The water system loss standard will be set by 2019, to be achieved by 2025.</li> <li>● State will reevaluate standard every five years, beginning in 2025.</li> </ul>	<p><b>Proposal Response:</b></p> <p>Support the development of appropriately measured standards through the SB 555 process.</p> <ul style="list-style-type: none"> <li>● Base the target water loss standard on relevant factors identified through the SB 555 process.</li> <li>● Water system loss standard will be for potable water systems only.</li> </ul> <p><b>State Agency Requirements:</b></p> <ul style="list-style-type: none"> <li>● Provide financial assistance to address data gathering and water loss prevention efforts.</li> </ul>
<b>5. Reporting, Compliance and Enforcement</b>	
<ul style="list-style-type: none"> <li>● Progress reports beginning in 2019</li> <li>● Full compliance in 2025 reporting period, as documented in 2026 compliance report and 2025 UWMP update (submitted in July 2026)                             <ul style="list-style-type: none"> <li>– State Board enforcement</li> </ul> </li> <li>● State agencies are developing methods to encourage compliance from 2021 through 2025.</li> </ul>	<p><b>Proposal Response:</b></p> <ul style="list-style-type: none"> <li>● Support the proposed timeline with the requirement that all data (i.e. landscape area data, reference evapotranspiration data portal, etc.) and guidance targets dates are met, as proposed.</li> <li>● Need more specificity on proposed State Board enforcement process.</li> </ul> <p><b>State Agency Requirements:</b></p> <ul style="list-style-type: none"> <li>● Meet target deadlines for data and guidance as proposed.</li> </ul>

## Attachment 4

# Conceptual Approach to “Use Water More Wisely”

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## Executive Order

Governor Brown’s Executive Order B-37-16 #02 directs the Department of Water Resources and the State Water Resources Control Board to work together to develop new water use targets that build on the goal defined in SB x7-7 of 20% reduction in statewide water use by 2020. The Order further states that the targets will be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements and will be based on strengthened standards for indoor water use, outdoor irrigation, CII uses and water loss through leaks.

## Proposed Approach

- Water agencies will support a stronger statewide goal – a new water use target – that builds on and goes beyond 20% reduction statewide by 2020. The goal would be based on achieving reductions compared to the existing baselines developed pursuant to SB x7-7. Further revisions to a statewide goal would be developed after analyzing progress in 2030, and would be implemented via new legislation.
- In SBX 7-7 four methods were originally developed to provide mechanisms for water agencies to contribute to achieving the 2020 statewide goal – these methods allow for the creation of targets that are customized to the unique conditions of each water agency – allowing water agencies to select the most effective, and cost-effective means of reducing water use.
- These methods accommodate the diversity of hydrologies, individual water system and service area characteristics, sources of supply, demand patterns and investments already made by water agencies in alternative sources and demand reduction and should be maintained and each made more stringent.
- These methods will be strengthened, per the direction provided in the Executive Order. Every water agency will demonstrate that it will achieve greater reductions in water use than would otherwise be achieved under the current requirements of SB x7-7, no matter what method is chosen.
- These alternate methods do not rely solely on remote sensing data and provide the necessary flexibility to avoid the adverse unintended consequences on recycled water supplies, as well as wastewater collection systems.
- Each water agency will evaluate the four alternate methods of compliance and select the most appropriate method for their agency’s local conditions and unique circumstances.

## Attachment 4

### Compliance Methods

- Method 1 would be modified to reflect the EO requirement to achieve greater water savings than existing requirements. Building on the 20% reduction required in SBX7 7, Method 1 would apply enhanced numerical water use reduction targets for the years 2025 and 2030 to the existing baseline water use (for example 25% by 2025).
- Method 2 (efficiency standards for indoor and outdoor use, CII and leaks) is proposed to be modified per the language in the document entitled “Analysis of State Proposed Long Term Conservation Target Framework – Method 2”. This method requires significant time and expense to determine outdoor use standards, but may become more viable after considerable effort is invested to refine, test and validate it.
- Method 3 would be modified to include an updated regional hydrologic target, and agencies would be required to achieve a 5% reduction from this regional target by 2025. In 2025 an updated regional hydrologic target would be set and agencies would be required to meet an objective 5% reduction from this new regional target by 2030.

# AGENDA ITEM VI-3.1

Director Tobin's Report  
ACWA Federal Affairs

Steve LaMar, Chair

Minutes of Sept 21st, 2016 meeting was approved

2017 strategy by Tim Quinn

1. Core values, co-equal goals, collaboration and equitable solutions
2. Unite Ag/rural and urban users Grand ballroom C& D. 8:30 am
3. Opportunities in new government. Need to know who's Secty of interior

Update on elections in Sacramento and in Washington.

Democrats have taken 2/3 seats in legislature in state legislature.

Public goods charge is expected on water for low income rate payers.

Other legislation on disadvantaged communities are going to be introduced like other water systems

Conservation and Gov. regulation on long term approach means implementation will be regulatory and legislation will give the state more authority.

Headwaters management \$25M in cap and trade funds for forest management.

A video was shown about forest health. It talked about impacts from mega fires to water and down stream reservoirs including the 11Million metric tons of carbon into the air.

Coalition to promote and protection our forests and its effects on air, water,energy and economy here in CA.

State market legislation AB1755 want the state agencies come up with integrated water platform. Don't think this will be going forward in 2017.

Talked about Trump's team. Chief strategist Stephen Brannon. Majority Mitch McDonald Lisa Murkoski energy and natural resources. Feinstein is energy and water. Karmala Harris replaces Barbara Boxer. Kevin McCarthy majority leader, etc.

Infrastructure changes should be tempered. Transition has a few bumps to deal with.

New HHS secty from GA founded of tea party.

End of sessions bills.

There are a few more days to pass WRDA bill and it has a good chance of passing.

Energy bill not in good shape.

Wildfire in drought has had some progress but, there are slimmer provision with a broader scope for next year.

ESA should be one of ACWA priorities next year.

Tier one

1. enhance state fed partnership-collaboration a) co-equal goals
2. Headwaters/Wildfire legislation

3. Drought bill legislation
4. ESA reform
5. Infrastructure financing
6. a) WRDA
7. b) WILA-WIFIA-RIFIA
8. c) infrastructure bank
9. d) earmarks-public infrastructure
10. e) SRF
11. f) CALFED storage studies funding

1. regulatory items
2. a) ESA regulations
3. b) NEPA streamlining

#### TIER TWO

1. Farm bill
2. Tax reform
3. a) protect municipal financing

Coalition 2017 dues are approved. Nat'l endangered species act reform coalition \$3K, American Public Pwer Assn \$550, California Institute, Western Coalition of Arid States \$500, Family Farm Alliance \$2000

Regulatory issues. Abby Schneider. Review and go back and maybe bring back some of those regulatory issues for new opportunities for some future relief

National Water Resources Assn. Ian Liles is new incoming president. Is a lobbies with Washington experience.

# AGENDA ITEM VI-3.1

## Director Tobin's Report ACWA Local government committee

Little Hoover Commission's did a study on special districts.

Wendy Ridderbusch gave a very formal detailed report for state leg and regulatory agency. Last study was 2000. This was designated to water and waste water tax revenue. Reserve money viewed as slush funds. There was no fact finding and incorrect assumption that water district were too lucrative and hoarding large sums of cash.

They did realized assumptions were incorrect but didn't amend the report. ACWA had to fend off ad velour of 1 percent of reserve funds held by districts. Policy principals were developed that we adhere to now. Fast forward 16 yrs and state leg dept partner education leg with communicative committee and contacted deputy director of the little Hoover committee. Discussions pointed out inaccuracies and wanted to address these issues. With all new members on the little Hoover committee members.

Ca special district formed small enterprise group to handle strategies. Howard Jarvis group John Capell are on opposite side of ACWA position on this issue. Jarvis group said that Special districts are flying under radar and abused huge sums of money violating public trust. ACWA pushed back at the hearing and member agencies spoke about transparency, property tax and reserves.

Little Hoover Commission liked the testimony about some funds being dedicated to climate change adaptation. ACWA put paper together about climate change adaptation and funding source. ACWA is working proactively in a coordinated fashion. Commission is now focused on health care districts. ACWA is keeping the analysts informed as they will be reporting following the second meeting.

Article X leg update. ACWA came up with draft language, polling for the support level and the coalition did not pursue the prop 218 but want to work in collaborative with league of Ca Cities, CSAC and other agencies.

SB 272 (Hertzberg) Implementation. Was signed into law 2015. This is the topic of "Public Catalog". ACWA worked to refine bill. It failed to prohibit control release of information on scanda systems that run weirs and other operating systems. ACWA was able to incorporate amendments to safeguard. The modernizing government information on big data will be going to be introduced as legislation this year.

Update and Bill 163 by (Hertzberg) ACWA was in opposition as it represents storm water as waste water, it was dropped this year and will be back in 2017. ACWA trying to find ways to link both for funding.

AB 401 (Dodd). Requires state board to implement funding to low income rate payers. Public agencies can't subsidize low income rate payers but private agencies can that's why this bill is being opposed because it wants a private goods charge to achieve this bill.

The bill will be sent to leg in early 2017. ACWA is watching and will comment. Can't use rate payer funds but some agencies have become creative to be able to subsidize these low income rate payers, cell tower leases is one way to subsidize as an example.

#### 2016 Statewide initiative

Fair number of tax increases passed and Howard Jarvis didn't do as well this year. Prop 53 was funded by a wealthy land owner and was barely defeated for state wide projects that addressed local project funding. Spent \$5m to get on the ballot to stop the water fix.

Topic ideas for ACWA spring conference in Monterey spring 2017. Disconnect between local water agencies and legislature and needs regional coordination. Consolidated agencies by special district agencies to take over smaller family districts.

#### Reserve funds by local government committee program

We got the "Public Outreach ACWA Award" for San Juan for 2016 (tied with Roseville for 1<sup>st</sup> Place)

AGENDA ITEM VI-5.1

**SAN JUAN WATER DISTRICT  
DIRECTOR COMMITTEE ASSIGNMENTS  
2017**

**INTERNAL COMMITTEE ASSIGNMENTS**

<u>Committee</u>	<u>Chair</u>	<u>Member</u>	<u>Alternate</u>
Engineering	Dan Rich	Ken Miller	Pam Tobin
Finance	Ted Costa	Ken Miller	Pam Tobin
Legal Affairs	Bob Walters	Ted Costa	Ken Miller
Personnel	Dan Rich	Bob Walters	Ted Costa
Public Information	Pam Tobin	Ken Miller	Bob Walters
Water Supply & Reliability	Pam Tobin	Dan Rich	Bob Walters
Ad Hoc SJWD/FOWD 2x2	Bob Walters	Dan Rich	
Ad Hoc Retail Finance Plan & Rate Review	Pam Tobin	Bob Walters	

**EXTERNAL COMMITTEE ASSIGNMENTS**

<u>Committee</u>	<u>Assignment</u>	<u>Alternate</u>
ACWA Energy	Ted Costa	
ACWA Region 4/Federal Affairs/ Local Government	Pam Tobin	
ACWA JPIA	Bob Walters	Ted Costa
ACWA State Legislative	Bob Walters	Pam Tobin
CVP Water Users Assn.	Ted Costa	
RWA	Pam Tobin/ Keith Durkin	Bob Walters
SGA	Pam Tobin	Ken Miller

**Public Information Committee Meeting Minutes  
San Juan Water District  
January 10, 2017  
3:00 p.m.**

**Committee Members:** Ken Miller (Chair)  
Pam Tobin, Member

**District Staff & Consultants:** Keith Durkin, Interim General Manager  
Lisa Brown, Customer Service Manager  
Greg Zlotnick, Water Resources Specialist  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Regional Public Affairs Program on Water Policy Issues (W)  
Access/Brush Clearing at Customer Meter Boxes (R)  
Other Public Information Matters  
Public Comment

**1. Regional Public Affairs Program on Water Policy Issues (W)**

Mr. Durkin provided the committee with a written staff report which will be attached to the meeting minutes. He informed the committee that Placer County Water Agency, the City of Roseville and the City of Sacramento are joining together to fund, develop and implement a strategic public affairs program and they have invited the District to participate in this effort. He commented that eventually the group would like to see RWA take over this program.

Mr. Durkin reported that the cost share for the District would be \$60,000 for calendar year 2017, which is not in the budget and reserve funds would need to be allocated. He commented that this is an important effort to help protect the District's interest and is well worth the cost. In response to Director Miller's question, Mr. Durkin explained that he expects each agency's agenda will receive equal treatment. In addition, the agencies are meeting to develop guidelines for the consultant and regular updates will be provided to the Board.

*The Public Information Committee recommends that the Board approve the Cost Share Agreement for Water Public Affairs Planning and Communication between the City of Roseville, the City of Sacramento, Placer County Water Agency, and San Juan Water District and authorize use of Wholesale reserves to cover the unbudgeted expense.*

**2. Access/Brush Clearing at Customer Meter Boxes (R)**

Ms. Brown provided the committee with a written staff report which will be attached to the meeting minutes. She explained that, on an annual basis, there are over 200 customers who have meter boxes that need clearing before the meter reader can access them. This task is beyond staff's capacity and it is recommended that the

District contract with a landscape contractor to ready the meter boxes for access by the meter reader.

Ms. Brown explained that the meter reader would supply a list of addresses that need their meter box cleared, then a door hanger would be issued informing the customer that they have 60 days to clear the meter or they will be charged for the landscape contractor, at a minimum charge of \$60, to clear the meter box.

The committee discussed the issue and had concerns that customers would be adequately notified prior to being assessed a charge for the service. Ms. Brown informed the committee that after the door hanger is issued then a letter is sent to the address. The committee would like an announcement in the WaterGram, eblast, and on the District's website informing all customers of the new charge, provided the Board approves the committee's recommendation.

*The Public Information Committee recommends a motion to approve outsourcing clearing meter service boxes to a licensed landscape maintenance company and implementing a retail charge to customers receiving and benefiting from this service.*

### **3. Other Public Information Matters**

Director Miller voiced concern regarding information in the recent WaterGram which inadvertently indicated that the District supports the Cal WaterFix by using the verbage, "while not opposed." In response to Director Miller's question, staff responded that a couple years ago the committee decided not to review the WaterGram but instead provide input regarding the topics to be included in the WaterGram. Director Miller would like the 2017 Public Information Committee to review this process.

As a report back item, Mr. Durkin provided the committee with handouts of two recent PI projects (a WaterGram and the Wholesale Mailer). These typically are joint efforts between staff and Crocker & Crocker. He explained that, although Crocker & Crocker is tasked with developing the information for the projects, staff has historically authored or re-written most of the information which takes significant staff time. The red-lined mark-ups of the articles were used to illustrate this point. Mr. Durkin commented that while Crocker & Crocker is a very important resource on strategic communication and outreach efforts, they are not involved in the day to day activities which provide the knowledge needed to write up articles about District activities. He informed the committee that one position that was discussed at a workshop in 2016 was the Public Information Officer. This position could handle development of routine articles and communications, eblasts, website management, regular community outreach efforts at groups such as the Granite Bay MAC, Rotary Club, Chamber of Commerce etc., and manage programs such as the school conservation outreach program. In addition, social media sites such as Next Door are becoming important communication venues and a PIO could monitor and engage in those venues.

Mr. Durkin commented that the PIO position will be discussed in the near future at a Personnel Committee meeting.

*For information, no action requested.*

**3.1 Next Meeting Date**

The next committee meeting will be scheduled when needed.

**4. Public Comment**

There was no public comment.

The meeting adjourned at 4:00 pm.

# STAFF REPORT

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To: Board of Directors  
From: Keith Durkin, Interim General Manager  
Date: January 6, 2017  
Subject: Regional Public Affairs Program on Water Policy Issues

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## RECOMMENDED ACTION

Staff recommends a motion to approve the Cost Share Agreement for Water Public Affairs Planning and Communication between the City of Roseville, the City of Sacramento, Placer County Water Agency, and San Juan Water District and authorize use of Wholesale reserves to cover the unbudgeted expense.

## BACKGROUND

For the past several years, the scope and volume of legislative and regulatory challenges in the water policy arena has grown considerably. Recent examples include the State Water Resources Control Board's Emergency Conservation Regulations, the current successor effort to establish Long-Term Water Use Efficiency rules and implementing legislation as well as significant challenges posed to American River flows and Folsom carry-over storage from the Bay Delta Water Quality Control Plan Update.

These issues will continue to be debated in legislative and regulatory processes in which the American River region participates vigorously. These policy debates are also hot topics in regional and statewide media markets, both in the context of news reporting and editorial opinions which shape public policy.

To ensure that our advocacy efforts are successful with these significant challenges as well as continuing to better position the region to be able to shape state policy, staff from the City of Roseville, City of Sacramento, Placer County Water Agency (PCWA) and the San Juan Water District (SJWD) recommend entering into a Cost Share Agreement to fund, develop and implement a strategic public affairs program which will provide the following benefits to the partnering agencies:

- Educate key local stakeholders, local elected officials and other allies on key regional message points and organize their assistance in helping to reach key state policymakers to advance the region's water policy positions;
- Augment and increase awareness among key state policymakers and the media on the long-term investments in developing a reliable water supply in the region;
- Augment and increase awareness among key state policymakers and the of the long-term investments in water use efficiency with local resources and local decision making;
- Help position and drive the region's water policy agenda to be effective in short-term engagements on water policy issues, but also position the region well for long-term

success in the water policy arena through increased awareness and reach on the region's water policy agenda.

PCWA will retain a high-level public affairs firm on behalf of the partnering agencies to work with government relations staff and existing regional shared lobbying resources to implement these proposed activities. The attached Cost Share Agreement establishes the project management structure, cost-share agreements and a mechanism for PCWA to be reimbursed for work performed on behalf of the participating agencies.

The cost share agreement has an expiration date of December 31, 2020 with provisions to allow withdrawal from the agreement with 30 days' notice. The agreement and scope of work for the program should be reviewed at least annually to confirm that they continue to meet the needs of the District.

### **FINANCIAL CONSIDERATIONS**

The District's share of the 2017 cost for this effort is \$60,000. This expense is not in the FY16-17 approved Wholesale budget and reserve funds will need to be utilized to cover the cost. The expense may or may not be made up from budget savings or an unanticipated increase in water sales and revenues.

**COST SHARE AGREEMENT FOR  
WATER PUBLIC AFFAIRS PLANNING  
AND COMMUNICATION**

This Cost Share Agreement for Water Public Affairs Planning and Communication (“Agreement”) is entered into by and between the City of Roseville, a municipal corporation (“Roseville”), the City of Sacramento, a municipal corporation (“Sacramento”), Placer County Water Agency, a public agency (“PCWA”), and San Juan Water District, a California community services district (“SJWD”) and will take effect as of the date on which Roseville, Sacramento, PCWA, and SJWD have approved this Agreement. Roseville, Sacramento, PCWA, and SJWD may be referred to herein collectively as the “Parties” or each individually as a “Party.”

**RECITALS**

A. Whereas, there are laws, regulations, and policies currently under development by the State of California, such as Long-Term Water Use Efficiency and the Bay Delta Water Quality Control Plan Update, among others, which could significantly impact the region’s ability to locally manage its water resources and could impact the region’s water supplies; and

B. Whereas, the Parties’ desire to (1) prepare for significant advocacy on these issues to protect and advance the Parties interests; (2) utilize integrated and strategic communication tactics to reach state policymakers, business and community stakeholders and other allied local agencies to support the development of state policies that protect and advance the Parties interests (collectively the “Joint Effort”); and

C. Whereas, the Parties desire to set forth a process for sharing in the costs of the Joint Effort, including engaging consultants to assist the parties, and to provide for participation of the Parties in the decision-making process related to the Joint Effort.

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the Parties hereby agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated by reference.

2. Purpose of this Agreement. The purpose of this Agreement is to memorialize the Parties' coordinated funding and activities related to the Joint Effort and to allocate Funds to be expended in administering the Joint Effort.

3. Effective Date and Term. This Agreement shall be effective upon approval by the governing body of all Parties. Unless terminated earlier as provided in Section 11, this Agreement shall expire on December 31, 2020.

4. Definitions. When used in this Agreement, the following terms shall have the meanings set forth below:

- a. "Administrator" means a Party appointed by the other Parties from time to time in the manner set forth in this Agreement, that is authorized to administer the Joint Effort activities, as set forth herein.
- b. "Budget" means the budget provided for in this Agreement.
- c. "Funds" means funds received by the Administrator from the Parties for use in the Joint Effort.
- d. "Party Representative" means the staff member (and/or alternates), designated from time to time by each Party, who is authorized to take actions under this Agreement to the extent permitted, until such time as the Party notifies the Administrator and the other Parties of a change in its Party Representative.

5. Actions of the Party Representatives. Upon approval of this Agreement by the governing body of each Party, each Party shall appoint a staff member as a Party Representative. A Party Representative shall have authority to take action under this Agreement on behalf of the Party that he or she represents, consistent with agreed upon scope of activities and the Budget.

- a. Party Representatives may take action contemplated by this Agreement at a meeting, during a telephone conference call, through electronic correspondence or other means approved by the Party Representatives from time to time, in writing.

- b. All activities undertaken pursuant to this Agreement as part of the Joint Effort shall be agreed upon by all Parties through their Party Representative.
- c. Within 30 days of the effective date of this Agreement, the Party Representatives will develop a scope of proposed activities consistent with the Budget.

6. Appointment and Actions of the Administrator. The Parties hereby initially appoint PCWA to be the Administrator of this Agreement. The Parties may change the Administrator from time to time. The Administrator will be responsible for confirming and communicating to all Parties, in writing, the actions approved by the Parties from time to time. In carrying out its duties under this Agreement, the Administrator shall comply with the legal and regulatory requirements applicable to the Administrator (e.g., procurement procedures). The Administrator shall have the authority to take the following actions to the extent they are consistent with the approved Budget, the terms of this Agreement and the agreed upon scope of activities developed by the Party Representatives:

- a. To undertake or arrange for approved Joint Effort activities in accordance with the provisions of this Agreement;
- b. To apply for, receive and disburse Funds for use in the Joint Effort, or for other activities authorized by this Agreement;
- c. To accumulate Funds for the purposes herein mentioned, and to invest Funds subject to applicable law, provided such Funds are not presently needed to pay costs related to the authorized uses of such Funds under this Agreement;
- d. To make and enter into contracts reasonably necessary to carry out the purpose of this Agreement, consistent with the approved Budget and agreed upon scope of activities.

7. Amendment of Agreement. Except pursuant to withdrawal of a Party in accordance with Section 13, this Agreement may be amended only in writing upon approval by all of the Parties and their respective governing bodies.

8. Addition of Parties. Upon written approval by all of the Parties and their respective governing bodies, the Parties may approve the addition of a new Party to the Agreement and any terms or conditions related to the new Party's addition. The terms and conditions applicable to a joining Party shall be set forth in an amendment to this Agreement. The Administrating Agency shall be authorized to execute the amendment upon approval by all of the Parties.

9. Budget. The total Budget for the first year (Calendar Year 2017) of this Agreement is \$240,000. Each of the four Parties shall contribute \$60,000 to the Administrator for Calendar Year 2017. For the remainder of this Agreement, at least thirty days prior to the commencement of each Calendar Year, the Party Representatives will develop a proposed Budget for the upcoming Calendar Year, which shall designate each Party's annual contribution for that Calendar Year, for approval by the Parties. Upon approval of the Budget, the Administrator will be authorized to make expenditures on behalf of the Parties consistent with the approved scope of activities and Budget.

10. Funds. The Administrator shall be the depository and shall have custody of all Funds received pursuant to this Agreement, from whatever source, subject to the applicable provisions of any funding contract providing for a trustee or other fiscal agent. The Administrator shall have authority to disburse Funds received under this Agreement consistent with the terms of this Agreement and the approved activities, and shall report all receipts and disbursements to the Parties. Pursuant to Government Code section 6509.5, the Administrator will invest any moneys held for disbursement on behalf of the Parties in the same manner and on the same conditions as local agencies pursuant to Government Code section 53601.

11. Termination. The Parties may agree to terminate this Agreement prior to the expiration date.

12. Disposition of Property Upon Expiration or Termination. Upon expiration or termination of this Agreement, any surplus Funds will be returned to the Parties in proportion to the contributions made by them except for any Funds obligated to pay for Joint Effort related expenses incurred prior to the date of termination.

13. Withdrawal of a Party. Any Party may withdraw from this Agreement effective upon thirty (30) day's written notice to all other Parties. The withdrawing Party and the Administrator, on behalf of the remaining Parties, shall execute an amendment to this Agreement memorializing the withdrawal. A withdrawing Party shall be responsible for its share of financial obligations incurred under this Agreement prior to the effective date of the withdrawal.

14. Notices. The time for providing any notices specified in this Agreement may be extended within the term of this Agreement with the consent of all of the Parties, confirmed in writing, without requiring an amendment to this Agreement. All notices and other communications required under this Agreement shall be in writing, and shall be deemed to have been duly given: (a) upon the date of service, if served personally on the Party to whom notice is to be given; (b) upon the date of service, if sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to the Party to whom notice is to be given by first- class mail, postage prepaid, and properly addressed to the designated representatives of the Party. Each Party shall promptly notify every other Party of

approvals or any other actions taken by their respective governing boards concerning or related to this Agreement or the Project.

15. Signatories' Authority. The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Party on whose behalf they execute this Agreement.

16. Counterparts of this Agreement. This Agreement may be signed in any number of counterparts by the Parties, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument. This Agreement, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

17. No Third Party Beneficiary. The parties understand and agree that this Agreement creates rights and obligations solely between the Parties and is not intended to benefit any other Party. No provision of this Agreement shall in any way inure to the benefit of any third person so as to constitute any such third-person as a third party beneficiary of this Agreement or any of its items of conditions, or otherwise give rise to any cause of action in any person not a party hereto.

The foregoing is hereby agreed to by the Parties.

**IN WITNESS THEREOF**, the Parties have executed this Agreement as of the dates written below.

# STAFF REPORT

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To: Public Information Committee

From: Lisa Brown, Customer Service Manager

Date: January 10, 2017

Subject: Contracted meter service box clearing

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## RECOMMENDED ACTION

Staff recommends a motion to approve outsourcing clearing meter service boxes to a licensed landscape maintenance company and implementing a retail charge to customers receiving and benefiting from this service.

## CURRENT STATUS

The District has 10,600 connections and reads approximately half each month. Meter boxes need to be kept clear of brush and debris to enable staff to read and service the meter. Currently, the District has one staff member that reads and clears the meter boxes. Staff asks customers to remove and/or trim their plant material to expose the meter boxes but few comply leaving the burden on staff or requiring a shut off notice be issued. The number of customers requiring meter boxes to be cleared of brush and debris exceeds 200 annually which is beyond our staff capability.

To ensure meter boxes are kept clear, staff proposes two options:

1. Contract with a licensed landscape maintenance company to perform the backlogged meter box clearing. The District absorbs the cost of the contractor. The District would prepare an annual not to exceed agreement of \$8,000.
2. Contract with a licensed landscape maintenance company to perform the backlogged meter box clearing. The District would charge each customer for the work performed by adding the cost to their water bill.

An average hourly rate for a licensed landscape contractor would be \$60 per hour. This includes drive time. If the contractor were to perform the onsite work, a minimum \$60 for each address would be charged. The contractor would need to maintain a current landscape contractor license, meet District insurance requirements, fulfill District data requirements (before/after photos and time spent at each property), and would commit to a one year contract at a specified rate with a 30 day cancellation clause. Staff would solicit bids from qualified contractors to ensure equity in selection.

Staff would still notify each customer via door hanger that pruning or removal is necessary. They would be given 60 days to comply. If work is not performed, staff would provide the information to the contractor giving 30 days to perform the work.

Staff recommends that the Committee support option 2, requiring customer reimbursement for labor performed.

# AGENDA ITEM VII-2 DRAFT

## Legal Affairs Committee Meeting January 17, 2017 1:00 p.m.

**Committee Members:** Bob Walters (Chair)  
Ted Costa, Director

**District Staff:** Keith Durkin, Interim General Manager  
Donna Silva, Director of Finance  
Lisa Brown, Customer Service Manager  
Greg Zlotnick, Water Resources Specialist  
Teri Grant, Board Secretary/Administrative Assistant  
Josh Horowitz, Legal Counsel

**Topics:** Adjusting Schedule of Retail Water Fees, Charges and Deposits (R)  
Transfer of Los Lagos Tank Site from PCWA to SJWD (R)  
Groundwater Reimbursement Agreements with CHWD and FOWD (W)  
Other Legal Affairs Matters  
Public Comment

### **1. Adjusting Schedule of Retail Water Fees, Charges and Deposits (R)**

Ms. Brown provided the committee with a written staff report which will be attached to the meeting minutes (the revised staff report will be attached). She explained that the current retail water fees, charges and deposits do not cover the cost of the service and need to be updated. In addition, it is being recommended that the schedule of rates, fees, charges, and deposits be updated annually and automatically using the November Consumer Price Index (CPI) for all urban customers, Western Cities. Mr. Horowitz explained that any increase in the schedule would still have to reflect the cost of service; therefore, if the CPI increase is higher than the District's actual cost for the service, then an increase in the schedule can only be done to cover the cost of the service if it has increased but not up to the CPI amount. Ms. Brown commented that the Board would be updated in January as to any changes in the schedule.

The committee discussed staff's recommendation and other items, such as charging fire districts for the use of fire hydrants. Director Costa would like the discussion of charging fire department fees for use of the District's water system, including fire hydrants, and water to be on a future workshop agenda. The committee discussed the issue of automatically increasing the schedule based on the CPI. Based on direction from Director Walters, Ms. Brown will revise the resolution to be clear that staff will report the CPI index and any fee and charge increases to the board annually in January. Director Walters requested that the staff report be revised to itemize the recommendation and to describe the fees and charges for better public clarity.

The Legal Affairs Committee recommends consideration of a motion to approve Resolution No. 17-02, that:

1. Amends the Schedule of rates, fees, charges and deposits.
2. Authorizes the General Manager to update the Schedule each January to reflect changes in actual labor costs and any increase in the November CPI index.

3. Requires the Board be given an update on the respective CPI index and District labor rates as an informational item each January.

**2. Transfer of Los Lagos Tank Site from PCWA to SJWD (R)**

Mr. Durkin informed the committee that he is working with PCWA's Property Specialist to finalize the agreement to transfer the Los Lagos Tank site to San Juan Water District. He provided a copy of the terms of the property transfer to the committee for discussion. He commented that PCWA will transfer title of the site and property to the District at no cost other than the conveyance and document fees to the county recorder. Mr. Durkin expects this transfer to be complete in the next couple of months. In response to Director Walters' comment, Mr. Durkin will contact PCWA regarding the use of the term Purchase Agreement versus Transfer Agreement in the documentation.

**3. Groundwater Reimbursement Agreements with CHWD and FOWD (W)**

Mr. Durkin informed the committee that the payment schedule for the groundwater reimbursement was incorporated into the wholesale financial plan; therefore, the agreements with Citrus Heights Water District and Fair Oaks Water District can be finalized. He provided the committee with drafts of the agreements and explained that the 2014 charges would be paid with one payment and the 2009-2013 charges would be paid over three years. The draft agreements were previously approved by each agency and were waiting for the repayment schedule prior to final approval.

The Legal Affairs Committee recommends consideration of a motion to approve the Agreements for Reimbursement of Costs to Pump Groundwater with Citrus Heights and Fair Oaks Water Districts.

**4. Other Legal Affairs Matters (W & R)**

Mr. Durkin informed the committee that there are a few companies on the internet that are seeking to collect payments from the District's retail customers for a fee. Their websites are designed to look as if the District has authorized them to collect payments from customers; however, the District has not authorized this service. Mr. Durkin reported that these companies are pulling information from agencies across the state and are charging processing fees to customers with no guarantee that the payments would be sent to the agencies. He mentioned that some agencies have filed cease and desist orders against these companies.

The committee discussed the issue and would like staff to inform customers of this through an announcement on the WaterGram, the District's website and other available means. In addition, the committee would like staff to discuss this at ACWA. Mr. Durkin commented that Mr. Zlotnick attends the ACWA State Legislative Committee meetings and would be able to bring this topic to the committee.

Director Costa brought up discussion on water transfers. The committee discussed the water transfer process that occurred last year. Director Walters suggested that the District obtain a legislative counsel opinion on conserved water transfers that could be sent to the Attorney General. Director Walters commented that the legislative counsel opinion is only disclosed to the requestor so if it is not favorable then the District does not have to release it. In addition, an unpublished opinion from the Attorney General could be requested.

The committee discussed conserved water and groundwater substitution transfers and Mr. Horowitz suggested that a 2-3 hour workshop be scheduled to discuss this issue.

**5. Public Comment**

There were no public comments.

The meeting was adjourned at 2:30 p.m.

# STAFF REPORT

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To: Board of Directors  
From: Lisa Brown, Customer Service Manager  
Date: January 25, 2017  
Subject: Adjusting retail water fees, charges and deposits

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## RECOMMENDED ACTION

Approve attached Resolution No. 17-02, that:

1. Amends the Schedule of fees, charges and deposits;
2. Authorizes the General Manager to update the Schedule at least annually to reflect actual costs including fully burdened labor costs. Fees and charges not based on labor may be adjusted using the actual costs, if known, or the most recent November Consumer Price Index for Western Cities.
3. Each January, as an informational item, provide the Board the updated Schedule of Retail Water Fees, Charges and Deposits.

## BACKGROUND

Retail water rates cover the overall cost of providing water service to existing customers. Additional fees, charges and deposits are imposed for services unique to a particular customer. These are known as the Schedule of fees, charges and deposits and are billed at each occurrence. This Schedule includes fees for new development services (such as inspections, hydrant permits, flow pressure analysis, and plan reviews); service fees (such as charges for unauthorized connections, change of service grade, and meter testing); and billing fees (for costs incurred for receipt of late payments, service disconnections and returned check charges).

## CURRENT STATUS

The Schedule in use does not reflect current District costs and is under collecting for certain services performed. In past years, the Schedule of fees, charges and deposits was not always updated concurrent to actual labor or material cost increases. Updating the Schedule annually based on actual labor costs, known material costs, or to an appropriate cost index will ensure proper cost recovery. The attached Schedule has been updated to reflect current District costs. Any future updates to this Schedule shall be reported to the Board annually. Each December, an assessment will be conducted. If actual costs reflected in the current Schedule remain appropriate, no change shall be made to that fee, charge or deposit.

As a basis of comparison, staff contacted neighboring agencies to survey their current fees and charges. Most were interested in updating their current fee schedule or in the process of updating their schedule. What staff found was San Juan's proposed fee, charges and deposit schedule is in alignment with most local agencies.

**RESOLUTION NO. 17-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN JUAN WATER DISTRICT  
ADJUSTING RETAIL WATER FEES, CHARGES AND DEPOSITS**

WHEREAS, Ordinance 12000 specifies that District rates are housed in a separate document titled Schedule of Fees, Charges, and Deposits (Schedule); and

WHEREAS, in past years, the Schedule was not updated concurrent to labor or material cost increases where the last update (excluding Capital Facilities Fees) occurred in 2008; and

WHEREAS, the District intends to charge fees that fully recover the cost of services provided; and

WHEREAS, the attached Schedule has been updated to reflect current District costs; and

WHEREAS, staff has contacted neighboring Districts and Cities and have found the recommended adjusted schedule to be consistent with prevailing fees and charges.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Juan Water District as follows:

1. Approve Resolution 17-02 amending the Schedule of Fees, Charges, and Deposits.
2. Authorize the General Manager to update the Schedule of Fees, Charges and Deposits at least annually to reflect actual costs including fully burdened labor costs. Fees not based on labor may be adjusted by the General Manager using the actual costs, if known, or the most recent November Consumer Price Index for all urban customers, Western Cities, all items, not seasonally adjusted, using the standard reference base.
3. Each January, report to the Board the updated Schedule of Retail Water Fees, Charges and Deposits.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on this January 25, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:

ATTEST:

By: \_\_\_\_\_  
Ken Miller  
President, Board of Directors  
San Juan Water District

\_\_\_\_\_  
Teri Grant  
Board Secretary

**FEES, CHARGES, AND DEPOSITS EFFECTIVE 2/01/17**

**CAPITAL FACILITIES FEES**

The capital facilities fees for a connection to the District water distribution system shall be determined in accordance with the following table and shall be adjusted annually based on the specified U.S. Bureau of Labor Statistics Consumer Price Index. The capital facilities fee will be charged for all new connections to the District water distribution system.

<b>Meter Size</b>	<b>Retail Capital Facilities Fee</b>	<b>Wholesale Capital Facilities Fee</b>	<b>Combined Capital Facilities Fee</b>
3/4-inch	\$ 15,253	\$ 400	\$ 15,653
Up to 1-inch	\$ 15,253	\$ 665	\$ 15,918
1 1/2-inch	\$ 30,506	\$ 1,333	\$ 31,839
2-inch	\$ 48,810	\$ 2,131	\$ 50,941
3-inch	\$ 97,622	\$ 4,260	\$ 101,882
4-inch	\$ 151,495	\$ 6,659	\$ 158,154
6-inch	\$ 305,068	\$ 16,644	\$ 321,712
8-inch	\$ 549,134	\$ 23,969	\$ 573,103
10-inch	\$ 884,715	\$ 38,616	\$ 923,331
12-inch	\$ 1,311,819	\$ 57,259	\$ 1,369,078

**Alternative Retail Capital Facilities Fees**  
Capital Facilities Fee                      \$ 12,306/AF

The alternative retail capital facilities fee applies to only those Customers who were allowed to pay capital facilities fees in 0.25 acre increments and entered into an Acreage Agreement. The rate assumes 3 acre feet per year per acre which is typical residential water consumption.

**INSPECTION FEE**

A \$460.00 inspection fee will be charged for each new residential connection or commercial connection requiring a one-inch meter, including the cost for the one-inch standard touch-read meter. An additional charge of \$170 will be applied for a radio-read meter. Connections requiring a meter larger than one-inch will be charged a \$170.00 inspection fee, with the customer providing their own meter per District specifications.

**REINSPECTION FEE**

For new residential or commercial connections that require more than two standard inspections, an \$85.00 reinspection fee will be charged for each additional inspection.

**LATE FEE**

A late fee of \$20.00 is added to accounts upon creation of a 48-hour door hanger notification of impending shut off for non-payment of water bill or other unpaid charges or fees associated with Customer's property. When a door hanger cannot be delivered, a late fee will be added to accounts upon contact with the Customer by phone or mail.

**DISCONNECTION FEE**

A disconnection fee of \$70.00 will be added to accounts where personnel has been dispatched to disconnect service or where service has been shut off, whether for non-payment of water bill or on customer request that service be discontinued.

**AFTER-HOURS RECONNECTION FEE**

A reconnection fee of \$150.00 will be added to accounts where service has been shut off, whether for non-payment of water bill or on customer request that service be discontinued, when reconnection is made after normal business hours.

**RETURNED CHECK FEE**

The returned check fee is \$35.00.

**UNAUTHORIZED CONNECTION FEE**

An unauthorized connection fee of \$250.00 will be charged for each unauthorized connection to a private or District pipeline or water system ancillary. If water facilities are damaged, the violator and/or property owner will be charged time and materials for the cost of repair.

**LOCK REPLACEMENT FEE**

A lock replacement fee of \$20 will be added to an account if an installed meter or service lock is damaged or removed.

**METER SERVICE BOX CLEARING FEE**

A charge of \$60 per hour (with a \$60 minimum fee) shall be charged to a customer's water account when the District must clear a customer's water meter service box of landscape material and/or debris if work had not been completed by the customer within a specified time period.

**CHANGE OF SERVICE GRADE FEE**

A change of service grade fee will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**CHANGE OF SERVICE SIZE FEE**

In addition to capital facilities and other fees that may be due, a change of service size, if approved, will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must pay any additional capital facilities fees plus provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**RELOCATE SERVICE FEE**

The fee to relocate a service will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**TAPPING FEE**

The fee for a new tap will be on a time and material basis. The District will provide the customer with an estimate of the total costs. The customer must provide a deposit in the amount of the estimate for the work to be performed on a time and material basis prior to any work being performed.

**METER TESTING FEE**

Upon Customer request to test their meter, the customer must provide a deposit in the amount of \$175.00 to cover the cost of testing their meter. The deposit will be returned if the meter is found to register more than three percent error.

**HYDRANT METER PERMIT AND RENTAL FEE**

The fee for hydrant meter rental is \$5.00 per day. The hydrant permit fee is \$70.00 with water use billed at the current commercial metered consumption rate.

**HYDRANT METER DEPOSIT**

The deposit for a standard-sized hydrant meter with backflow prevention assembly is \$1,770.00 with the amount refunded according to Section 12000.03.2.E. The District will determine if special circumstances warrant the use of a smaller meter. The deposit for less than 2-inch hydrant meter with connector is \$600, with the amount refunded according to Section 12000.03.2.E.

**CONSTRUCTION WATER - UNMETERED**

Unmetered construction water will be charged a \$70.00 permit fee, with water use billed at the current commercial metered consumption rate, with a minimum charge of \$25.

To obtain a truckload permit, customers shall apply at the District office and pay a deposit based upon the expected duration of the job:

<b>Duration</b>	<b>Deposit</b>
1-2 weeks	\$150.00
3-4 weeks	\$250.00
5-6 weeks	\$500.00

**WATER CONSERVATION PROGRESSIVE RECONNECT FEE**

The water conservation reconnect fee shall be progressive by violation (failure to correct or eliminate water waste condition) as follows:

1 <sup>st</sup> Reconnect Fee	-	\$ 70.00
2 <sup>nd</sup> Reconnect Fee	-	\$140.00
3 <sup>rd</sup> Reconnect Fee	-	\$280.00
4 <sup>th</sup> Reconnect Fee	-	\$560.00

**CROSS CONNECTION RETESTING FEE**

There is no charge for initial cross connection testing performed during normal business hours. When a testing is required to be conducted after hours, a fee of \$115.00 will be added to the customer’s account. A cross connection retesting fee of \$80.00 will be added to the customer’s account where retesting is required during normal working hours due to a failed test.

**DOCUMENT COPYING FEE**

The fee for copies of documents shall be \$0.25 per page payable in advance.

## **ENGINEERING SERVICES FEES, CHARGES, AND DEPOSITS**

**The following fees and charges are for use when a fixed-rate or fee-based-rate is applicable to a given project. For non-fixed-rate (typically larger) projects the District may instead calculate specific project-related fees and charges in lieu of the following. The District reserves the right to review and modify the applicability and reasonableness of fees and charges.**

### **FLOW/PRESSURE ANALYSIS FEE (NOTE 1)**

A minimum flow and pressure analysis fee of \$420.00 (per each analysis) will be charged when receiving a request from a customer, developer, designer, engineering firm, or other interested party, asking for the available flow and/or pressure at a given location within the District's Retail Service Area distribution system. This fee recovers the cost of labor and materials associated with performing such tasks as system operational and as-built document and facilities research, hydraulic calculations, hydraulic modeling, and preparing summary letters and reports.

### **HYDRANT FLOW TEST FEE (NOTE 1)**

A minimum hydrant flow test fee of \$520.00 (per hydrant, per test) will be charged when receiving a request from a customer, developer, designer, engineering firm, or other interested party, asking for the available flow at a given existing hydrant location within the District's distribution system. Hydrant flow testing may be performed as an option when modeling or other analysis methods are not available. This fee includes the preparation of a summary report to be provided to the requestor or a third party.

### **PLAN REVIEW MINIMUM FEE**

A minimum plan review fee of \$435.00 will be charged for minimum plan review services associated with reviewing a relatively simple set of plans for conformance with the District's Design and Construction Standards and Specifications. Examples of the relatively simple types of design documents associated with this minimum fee are single residential construction, plumbing or landscaping plans. Other relatively simple types of documents that can qualify for this minimum fee will be established by the Engineering Services Manager on a case-by-case basis.

### **CONSTRUCTION INSPECTION MINIMUM FEE**

A minimum construction inspection fee of \$350.00 (based on a maximum of 3 staff time field hours) will be charged for minimum period of construction inspection time associated with a relatively simple construction project. Examples of the relatively simple types of inspection occurrences associated with this minimum fee can include simple single service tap installations and single small fire service tap installations. Other relatively simple types of inspections that can qualify for this minimum fee will be established by the Engineering Services Manager on a case-by-case basis.

### **HYDROSTATIC TESTING FEE**

A minimum hydrostatic testing fee of \$185.00 (per test) will be charged for services associated with the District's Construction Inspector, Field Operations personnel, other qualified District representative traveling to the project location to observe pressure gauges and other test equipment for conformance with the specific pressure testing requirements for the project. This fee does not include provision of any pumping and filling equipment, gauges, testing equipment or other materials or labor; this fee only includes the District's staff time associated with observation of a singular hydrostatic test and preparation of a test observation report for the project file and as needed for project approval.

### **BACTERIOLOGICAL TESTING FEE (NOTE 2)**

A minimum bacteriological testing fee of \$225.00 (per test) will be charged for services associated with the District's Construction Inspector, Field Operations personnel, or other qualified District representative traveling to the project location to gather/collect a representative sample of the water contained within a pipeline or service line for the project and transport that sample to the laboratory for testing. This fee does not include provision of any sampling port/tap, testing equipment or other materials or labor; only the provision of the sample bottle, and the District's staff time associated with travel and sample collection, sample transport, laboratory analysis, and preparation of a test results report for the project file and as needed for project approval.

### **DEVELOPMENT PROJECT PLAN REVIEW MINIMUM DEPOSIT**

When a minimum fee amount will not fully cover cost for service, a minimum deposit amount for plan and project review will be developed by the District's Engineering Department for each submitted project on a case-by-case basis.

### **DEVELOPMENT PROJECT CONSTRUCTION INSPECTION MINIMUM DEPOSIT**

When a minimum fee amount will not fully cover cost for service, a minimum deposit amount for construction inspection will be developed by the District's Engineering Department for each submitted project on a case-by-case basis.

### **DEVELOPMENT PROJECT FACILITIES CONSTRUCTION/INSTALLATION MINIMUM DEPOSIT**

A minimum deposit amount for the construction or installation, or repair of new or existing water system facilities to support a request for service will be developed by the District's Engineering Department and/or Field Operations Department for each submitted project on a case-by-case basis.

### **NOTES:**

1. On January 1, 2011, the state approved Building Standards Commission adopted code for residential automatic fire sprinkler systems became effective. This state code requires new residential construction to include fire sprinkler systems and this requirement results in requests to the District for flow and pressure capacity information to be provided to regulatory entities.
2. Bacteriological testing is required under state of California water code.

The above fees and charges are established in some instances to assist developers and customers with providing documentation necessary to satisfy planning department, building department or fire department plan and design reviews as required by those jurisdictional entities for project approvals.

**Fees, Charges and Deposit changes**

Fee	San Juan Water District		Sacramento Suburban	Fair Oaks Water	Orange Vale Water	Citrus Heights Water	Roseville	PCWA	Average
	Current Fee	Proposed Fee							
Inspection Fee	\$320.00	\$460.00	\$600.00	\$90/hr	\$950.00	\$973.00		n/a	\$841.00
Reinspection Fee	n/a	\$85.00							
Late Fee	\$20.00	\$20.00	\$35.00	\$19.00	\$25.00	\$22.00			\$25.25
Disconnection Fee	\$30.00	\$70.00	\$50.00	\$61.00	\$100.00	\$100.00	\$150.00	\$55.00	\$86.00
After-Hours Reconnection Fee	\$35.00	\$150.00	\$125.00	not offered	\$200.00		not offered	\$140.00	\$155.00
Returned Check Fee	\$35.00	\$35.00	Bank chg+\$7	\$25.00	\$30.00	\$25.00			\$26.67
Unauthorized Connection Fee	\$100.00	\$250.00		\$61.00	\$500.00	\$100.00		\$250.00	\$227.75
Lock Replacement Fee	n/a	\$20.00	\$10.00						
Meter Testing Fee	\$130.00	\$175.00	\$65/\$235 (3"+)	\$50.00				\$65.00	
Hydrant Meter Permit/Rental Fee	\$5/\$70	\$5/\$70	\$50.00	\$5 day	\$5 day				
Hydrant Meter Deposit	\$1,500.00	\$1,770.00	\$2,300.00	\$1,500.00	\$3,000.00	\$1,769.00			\$2,142.25
Construction Water - Unmetered	\$70/\$25	\$70/\$25		\$1.66 CCF	2.28 CCF				
Water Conservation Progressive Reconnect Fee	\$60/120/240/480	\$70/140/280/560	\$50/\$100			\$50/75/100			
Cross Connection Retesting Fee	\$50/\$50	\$50/\$50	\$72.00						
Document Copying Fee	\$0.25	\$0.25	\$0.10		\$0.10	\$0.10			\$0.10
Flow/Pressure Analysis Fee	\$400.00	\$420.00		\$275.00	\$300.00	\$355.00			\$310.00
Hydrant Flow Test Fee	\$450.00	\$520.00	\$350.00	\$200.00	\$250.00				\$266.67
Plan Review Minimum Fee	\$400.00	\$435.00	\$900.00	\$300 min/\$100 hr	\$400+	\$928.00			\$914.00
Construction Inspection Minimum Fee	\$300.00	\$350.00	\$75/hr		\$950.00				
Hydrostatic Testing Fee	\$165.00	\$185.00			\$300.00	\$278.00			\$289.00
Bacteriological Testing Fee	\$200.00	\$225.00	T&M	\$150.00	\$300.00	\$308.00			\$252.67