

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

February 22, 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
Teri Grant	Board Secretary/Administrative Assistant
Tony Barela	Operations Manager
George Machado	Field Services Manager
Greg Zlotnick	Water Resources Specialist

OTHER ATTENDEES

Paul Helliker	Self
Dave Underwood	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.

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.

Vice President Walters requested discussion on Consent Calendar item 1.

1. Minutes of the Board of Directors Meeting, February 8, 2017

Recommendation: Approve draft minutes

2. ACWA JPIA Executive Committee

*Cucamonga Valley Water District Request to Support Kathleen Tiegs
Nomination*

*Recommendation: Adopt Resolution No. 17-04 Concurring in Nomination
to the Executive Committee of the ACWA JPIA in
Support of Kathleen Tiegs*

Vice President Walters requested an amendment to the Board meeting minutes of February 8, 2017, page 3, item IV-1, first paragraph and last sentence to change “advocacy efforts” to “strategic communication and outreach efforts.”

Director Tobin moved to approve the Consent Calendar with amendment to Item 1 as requested. Director Costa seconded the motion and it carried unanimously.

III. OLD BUSINESS

None

IV. NEW BUSINESS

1. Update on Proposition 218 Notice and Customer Feedback

Mr. Durkin informed the Board that Ms. Lisa Brown was going to give an update; however, she is out sick today and will provide a more detailed update at the next Board meeting. Mr. Durkin informed the Board that, to date, the District has received 29 protest letters in response to the Prop. 218 notice. He explained that 22 of those letters were a form letter from the same neighborhood, 4 were not a form letter, and 3 were from people who are not customers of the District.

For information and discussion

2. District Safety Training Requirements

Mr. Durkin informed the Board that Mr. Tony Barela provided the Personnel Committee with some information regarding training requirements for District staff. Mr. Durkin explained that the District is required to make sure that staff has the appropriate training for safety and compliance requirements; however, the District does not have a person in charge of training and, therefore, Mr. Barela has taken the lead to manage the training requirements.

Mr. Tony Barela explained that the training that is required from CalOSHA and JPIA has changed significantly over the last twenty years due to regulation changes. He reviewed the training matrix with the Board that shows the training required of every position in the District and estimates that 1,050 employee

hours per year are spent on training. He commented that this does not include the weekly tailgate meetings which cover very specific items such as ladder safety. He explained that training is very time consuming and important; however, it does take time away from other tasks that staff are required to perform as part of their job duties, such as fixing leaks, backflow testing, etc. Mr. Durkin commented that although the number of connections and demand on staff has increased over the last 20 years, the number of field staff has not changed during that time.

Mr. Barela informed the Board that most of the residential meters were installed in 2000-2003 and are expected to last 20 years. The conservation staff is working with field services to develop benchmarks on meter replacements and compile a database for replacing meters. The goal will be to stagger the meter replacements in advance of failures so that the District does not have to replace all the meters at one time. Mr. Durkin informed the Board that cost for the meter replacements will be significant and has been identified as a potential project; however, staff will look for grant funding to assist with the project.

Mr. Barela informed the Board that since technology changes, staff will be conducting a study in about two years to determine the best replacement meters to use and whether they should be smart meters or something else. Mr. Durkin commented that additional staff will be needed during the meter replacement period.

Vice President Walters suggested that more information is delivered to customers at the public hearing regarding items such as the meter replacements, increased regulations requiring additional staff training time, additional costs associated with Sacramento County potential changes to paving requirements, etc.

For information and discussion

3. Water Treatment Plant Staffing

Mr. Durkin informed the Board that the Personnel Committee reviewed staff's request for an additional Water Treatment Plant operator. He explained that the position is included in the wholesale financial plan and in the budget.

President Miller inquired if the position was needed as a result of the state's requirements. Mr. Durkin explained that while additional staff time is needed to meet monitoring and reporting requirements, there was not a specific item that triggered the need for the additional position.

Director Tobin moved to approve adding an additional operator position at the WTP and authorize staff to recruit and fill the position. Director Rich seconded the motion and it carried unanimously.

4. Electrical Testing & Preventative Maintenance Project

Mr. Durkin reported that the Arc Flash Assessment project was completed in 2016. As part of the project, there is an implementation project to perform electrical power equipment testing, calibration, inspection, and preventative maintenance, which is included in the 2016-17 budget. A staff report was provided to the Board in the packet and will be attached to the meeting minutes.

Vice President Walters moved to approve a construction contract with Electrical Reliability Services, Inc. for \$41,800 and a construction contingency of \$4,200 for a total construction budget of \$46,000. Director Tobin seconded the motion and it carried unanimously.

V. INFORMATION ITEMS

1. INTERIM GENERAL MANAGER'S REPORT

1.1 General Manager Transition

Mr. Durkin informed the Board that although the new General Manager, Paul Helliker, does not officially start until March 6th, he has been engaged with different issues over the last few weeks. Mr. Durkin pointed out that Mr. Helliker has met with each of the Directors, the wholesale customer agencies, District staff, and has attended several meetings. Mr. Durkin commented that Mr. Helliker has been highly engaged in the strategic communications joint outreach effort with PCWA and the cities of Roseville and Sacramento. In addition, a meeting was held today with the District's legal firm and a staff report was provided to the Board which outlines the information discussed in the meeting. A copy of the staff report will be attached to the meeting minutes.

In response to Director Rich's question, Mr. Durkin informed the Board that the District has a very comprehensive list of all the agreements that the District has, and he will be going over the contracts that have a possible action prior to his leaving the District.

For information; no action requested

1.2 USBR Long-Term Warren Act Contract

Mr. Durkin reported that last April he submitted a formal request to the USBR to get approval to deliver PCWA water in Sacramento County under the Warren Act agreement. He explained that it was previously believed that the Warren Act agreement would have to be amended, which would be nearly impossible, in order to deliver water in Sacramento County. However, he read through the agreement and interpreted it as not needing an amendment but instead only having to have authorization from the contracting officer, which is the local regional manager. In addition, PCWA already changed their place of use to include Sacramento County.

Mr. Durkin received a letter from USBR approving the request to deliver water to Sacramento County. He explained that his request was to deliver water to PCWA's place of use and not just the District's service area. A copy of the letter will be attached to the meeting minutes. The Board commended Mr. Durkin for his work on getting this accomplished.

For information; no action requested

1.3 Report Back Items

1.3.1 Lobbying status of Hermocillo & Azevedo Strategic Communications

Mr. Durkin informed the Board that Hermocillo & Azevedo Strategic Communications are not registered lobbyists. He explained that they are strategic communication consultants. In response to Director Costa's question, Mr. Durkin explained that this consulting group does not do the same type of work that Crocker & Crocker does for the District. Mr. Durkin informed the Board that the work that Hermocillo & Azevedo will be completing will be specifically targeted to help influence legislation or legislator actions.

1.4 Miscellaneous District Issues and Correspondence

Mr. Durkin informed the Board that the IT Administrator is configuring the tablets for the three Board members who requested them and will work with them next week to train and set them up.

Mr. Durkin informed the Board that a joint letter was sent to USBR regarding Reasonable and Prudent Alternatives (RPAs) applicable to the operations of Shasta reservoir. A copy of the letter will be attached to the meeting minutes.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva informed the Board that she has begun negotiations with Sacramento Suburban Water District (SSWD) to update the agreement that was previously entered into with Northridge Water District regarding the calculation of the rate to treat SSWD's PCWA water.

3. LEGAL COUNSEL'S REPORT

3.1 Legal Matters

No report.

VI. DIRECTORS' REPORTS

1.1 SGA

Director Tobin reported that SGA appointed a budget sub-committee for FY 2017-18 and she will serve on that committee. In addition, she reported that SGA reviewed the water efficiency update, the drought update, SGA Outreach, and groundwater management updates.

1.2 RWA

Director Tobin provided the Board with handouts from RWA. A copy of the handouts will be attached to the meeting minutes. She explained that RWA reviewed the legislative bills that they are tracking. In addition, RWA is setting up sub-committees, Director Tobin will serve on the conference education sub-committee and the sub-committee to review RWA's space lease.

Director Tobin reported that RWA reviewed their strategic plan. A copy of the plan will be attached to the meeting minutes. Director Tobin requested that the Directors review the plan and provide any comments to her so that the District can provide input to RWA.

Director Tobin reviewed the WaterFuture branding material that the City of Roseville provided to RWA. She explained that the material will be presented to legislators next week and at Cap-to-Cap. Mr. Paul Helliker explained how the materials were presented to RWA by the City of Roseville. In addition, he commented that Hermocillo & Azevedo Strategic Communications will provide a very focused, targeted, effort and they also have contacts that Crocker & Crocker do not have to make this successful.

1.3 ACWA

1.3.1 Local Government/Federal Affairs/Region 4 - Pam Tobin

Director Tobin reported that Federal Government will be meeting next week at the ACWA DC 2017 event in Washington, DC.

Director Tobin reported that she will be reporting on Local Government, Federal Affairs and Legal Affairs, and Director Costa will be reporting on Energy, at the Region 4 meeting at the ACWA Spring Conference in May.

1.3.2 JPIA - Bob Walters

No report.

1.3.3 Energy Committee - Ted Costa

Director Costa reported that he attended the Energy Committee meeting on February 15th. He informed the Board that the committee discussed storing solar energy via Tesla batteries during peak times. He commented that the District should look into battery storage for the District's solar facility and should also look into generating power

via turbines on the CTP should water flow increase in that pipeline. He reported that the ACWA Energy Summit is scheduled for March 30th which he will attend.

1.4 CVP Water Users Association

No report.

1.5 Other Reports, Correspondence and Comments

President Miller reported that at the last meeting, the Board authorized staff to send a letter of appreciation to the WTP staff. The letter was sent and copied to each personnel file - a copy will be attached to the meeting minutes. In response to the letter, the WTP staff signed a personal thank you note for the recognition which will be attached to the meeting minutes.

President Miller reported that he and other directors received a letter from the Auburn Dam Council. He directed staff to include discussion of this letter on the next Board agenda.

President Miller informed the Board that Director Costa requested that a Board resolution declaring that the drought is over for the District service area be included on the next Board agenda.

Mr. Durkin informed the Board that a retirement dinner will be held on March 11th for Mike Martinez who worked for the District for over 34 years, and requested that RSVPs be directed to the Board Secretary.

In response to Director Rich's question, Mr. Durkin explained that the Ad Hoc Retail Finance Plan & Rate Review Committee will be meeting on March 13th and will get a chance to discuss the rate hearing presentation and what is expected from a customer's perspective.

VII. COMMITTEE MEETINGS

1. Personnel Committee (2/16/17)

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

Director Rich reported that several items from the Personnel Committee meeting were already discussed. However, there was one item that was tabled for future discussion which was the HR Specialist position. In addition, the HR Audit report was included with the committee 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

IX. ADJOURN

The meeting was adjourned at 7:28 p.m.

ATTEST:

KENNETH MILLER, President
Board of Directors
San Juan Water District

TERI GRANT, Board Secretary

AGENDA ITEM II-2

San Juan Water District

RESOLUTION NO. 17-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN JUAN WATER DISTRICT
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")**

WHEREAS, this district is a member district of the ACWA JPIA; and

WHEREAS, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA's **Executive Committee**, three member districts must concur with the nominating district; and

WHEREAS, another ACWA JPIA member district, the Cucamonga Valley Water District, has requested that this district concur in its nomination of its member of the ACWA JPIA Board of Directors to the **Executive Committee** of the ACWA JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the SAN JUAN WATER DISTRICT that this district concurs with the nomination of Kathleen J. Tiegs of the Cucamonga Valley Water District to the **Executive Committee** of the ACWA JPIA.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA JPIA at P.O. Box 619082, Roseville, California 95661-9082, forthwith.

ADOPTED this 22nd day of February, 2017.

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:

KENNETH MILLER
President, Board of Directors

ATTEST

TERI GRANT
Secretary, Board of Directors

STAFF REPORT

To: Board of Directors
From: Keith Durkin, Interim General Manager
Date: February 22, 2017
Subject: Water Treatment Plant (WTP) Operator Position

RECOMMENDED ACTION

Staff and the Personnel Committee recommend approval of a motion to add an additional operator position at the WTP and authorize staff to recruit and fill the position. The job description is attached to this staff report.

BACKGROUND & CURRENT STATUS

The addition of a WTP Operator was discussed at the workshop last year and staff was waiting for the wholesale financial plan to be approved before bringing the position to the Board for approval, to ensure adequate funding for the position over time. The Personnel Committee met on February 16, 2017 and discussed the recommendation. The committee agreed with staff's recommendation to add an additional operator.

FINANCIAL CONSIDERATIONS

Staff recommends hiring at the WTP Operator II level. The salary range for the WTP Operator II position is \$69,728 to \$83,682. The fully loaded cost (salary plus all benefits) for a new employee at the bottom of the range is \$117,650. The fully loaded cost at the top of the range is \$126,349.



San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, California 95746
(916) 791-0115
www.sjwd.org

Water Treatment Plant Operator II

Position Description

Status: Non-Exempt
Supervisor: Water Treatment Plant Manager
Effective Date: July 1, 2007

Supervision Received and Exercised:

Receives general supervision from the Water Treatment Plant Manager. Does not provide supervision to others.

Primary Function

To perform a variety of skilled work in the operation and maintenance of the District's water treatment plant and related systems and equipment.

Essential Duties - Duties may include, but are not limited to, the following:

- Monitor, operate and adjust controls on water treatment plant, solids handling facility, support equipment and machinery such as valves, motors, pumps, chlorinators, filters, chemical feeders, flocculator and other plant equipment.
- Monitor, interpret and make appropriate changes to water pressure and flow and chemicals via the Supervisory Control and Data Acquisition (SCADA) system; monitor gauges and meters and record readings; maintain logs, records of plant operation and laboratory tests.
- Take samples and conduct standardized laboratory tests for temperature, alkalinity, turbidity, chlorine residual and pH using required chemical testing tools and equipment.
- Make adjustment to various controls operating plant equipment.
- Lubricate, pack, clean, adjust and make minor and major repairs to plant equipment which may include disassembling, cleaning, sanding and reassembling valves, gear cases and reduction units, aligns motors, pumps and gear cases.
- Perform plant maintenance work such as sweeping, cleaning, sanding and painting.
- Establish and maintain positive working relationships with co-workers, other District employees and the public using principles of good customer service.
- Perform related duties as assigned.

Minimum Qualifications

Knowledge of:

- Principles and practices of potable water treatment plant operations.
- Operating principles of water treatment plant equipment such as valves, pumps and motors.
- Standard principles of mathematics and natural sciences including chemistry and biology.
- Principles and methods for conducting and interpreting basic chemical water analysis.
- Principles and practices of customer service.
- Methods of operating a SCADA system.
- Applicable safety precautions and procedures.

Ability to:

- Follow administrative and operational regulations.

- Diagnose water treatment operational problems and provide appropriate recommendations.
- Operate, maintain and repair water treatment plant equipment using a variety of tools.
- Demonstrate initiative and independent thinking.
- Work assigned shifts, assisting in maintenance and in making operating adjustments to pumping and electrical equipment.
- Take liquid samples and perform routine laboratory tests.
- Recognize unusual, inefficient, or dangerous operating conditions.
- Interpret plant and piping diagrams.
- Apply District, State and Federal policies, procedures, rules and regulations.
- Read and interpret gauges and other recording devices in water treatment plant operations.
- Perform mathematical calculations.
- Wear protective clothing/equipment including respirator, self contained breathing apparatus.
- Initiate and maintain effective safety practices.
- Efficiently use computer and applicable software.
- Communicate clearly and concisely, orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Education:

Equivalent to graduation from high school supplemented by a course in chemistry.

Experience:

One year relevant experience with a water utility.

License or Certificate:

Possession of, or the ability to obtain and maintain, a California Driver's License with a satisfactory driving record. Individuals who do not meet this requirement due to a physical disability will be considered on a case-by-case basis.

Possession of a Grade II Water Treatment Plant Operator's Certificate issued by California Department of Health Services. Within three years of appointment, must be able to obtain a California Department of Health Services Water Treatment Plant Operator Certificate, Grade III.

Physical Capabilities:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform functions.

<i>Physical Requirements</i>	<i>Rarely (0-12%)</i>	<i>Occasionally (12-33%)</i>	<i>Frequently (34-66%)</i>	<i>Regularly (67-100%)</i>
Seeing				✓
Hearing				✓
Standing/Walking		✓		
Climbing/Stooping/Kneeling		✓		
Lifting/Pulling/Pushing		✓		
Approximate Maximum Weight to Lift		20 Pounds		
Fingering/Grasping/Feeling				✓
Describe Working Conditions	70 Percent Outdoors, 30 Percent Indoors			



STAFF REPORT

To: Board of Directors

From: Rob Watson, Engineering Services Manager

Date: February 22, 2017

Subject: Electrical Testing & Preventative Maintenance Project (Contract 17-10)
Recommendation to Award Construction Contract

RECOMMENDED ACTION

Staff recommends a motion to award a construction contract to Electrical Reliability Services, Inc. for the amount of \$41,800.00 with a construction contingency of \$4,200 (10%) for an authorized total construction budget of \$46,000.

BACKGROUND

The District has been in the process of making safety and operational improvements to its electrical power equipment over the last several years. The work included in this project was identified during the Arc Flash Assessment project completed in 2016.

Work for the Project involves the contractor providing all labor, materials, and equipment to perform electrical power equipment testing, calibration, inspection, and preventative maintenance. The work includes both Wholesale and Retail facilities. All work is to be completed in accordance with industry standards, manufacturer's equipment data, NFPA 70B/E and NETA/ANSI codes and standards, and in accordance with the contract documents including the technical specifications.

STATUS

Bids for the project were received on February 16th and are summarized as follows:

Bidder Name	Bid Total	Bid Ranking
Electrical Reliability Services, Inc.	\$41,800.00	1

Electrical Reliability Services, Inc. is the lowest responsive, responsible bidder. Electrical Reliability Services Bid documents were reviewed and found to be complete and satisfactory, including a review of past project references, contractor's license, insurance and bonds. This contractor has not done work in the past for the District.

FINANCIAL CONSIDERATIONS

The Project was planned, and budgeted for in Fiscal Year 2016-2017. This project is a part of the District's approved CIP.

STAFF REPORT

To: Board of Directors
From: Keith Durkin, Interim General Manager
Date: February 22, 2017
Subject: General Manager Transition

RECOMMENDED ACTION

For information; no action requested.

STATUS

Paul Helliker's first day as the District's new General Manager is March 6th. Paul spent time at the District the week of January 30th to meet District staff, conduct one-on-one meetings with Directors, meet with the General Managers of our wholesale customer agencies, attend District committee meetings, and accompany me on several regional issues meetings.

I have kept Paul informed on our activities via email communications and he has been actively engaged in our joint strategic communications effort through conference calls and assisting with the development of our outreach materials.

Paul will be in Sacramento the week of February 20th. I have arranged a meeting with the Ferguson Group to provide Paul with an overview of our R3 joint Federal lobbying efforts and our federal platform for this year. Paul, Greg Zlotnick and I will be meeting with BKS to discuss the regional efforts we're engaged in, BKS's role in representing us and other agencies, areas of opportunities for SJWD to increase its level of involvement or leadership, and other topics. The focus of our discussion with BKS is external activities and regulatory and legislative processes that will affect us including:

1. SWRCB Long-Term Conservation framework and potential follow-up legislation
2. Coordinated strategic communications effort with PCWA and Cities of Roseville and Sacramento to influence conservation and other legislative actions affecting region
3. California WaterFix
 - a. SWRCB hearings
 - b. Cost allocations among CVP contractors
 - c. Potential "settlement" discussions with USBR
4. Bay Delta Water Quality Control Plan Update
5. Bay Delta Task Force

6. USBR Reinitiating of Consultation on LTO of CVP and SWP
7. Collaborative Science and Adaptive Management Program (CSAMP) Expansion
8. SWP and CVP Coordinated Operating Agreement (COA)
9. USACOE Folsom Reservoir Water Control Manual
10. Water Forum
 - a. Modified Flow Management Standard for LAR
 - b. Other stakeholder efforts
11. State and federal power operations – California-Oregon Transmission Project and WAPA/CVP impacts
12. RWA and SGA efforts/leadership
 - a. State Lobbyist Subscription Program
 - b. Regional Water Reliability Study
 - c. 2017 Regional Groundwater Substitution Effort
13. R3 Roseville/Folsom/SJWD Partnership
 - a. Federal lobbying efforts
 - b. USBR CVAO Joint R3 meetings and collaborative efforts
14. American River Division representative for remanded environmental work on OCAP
15. American River Basin Study – SJWD not participating but need to monitor
16. ACWA
 - a. Committee and workshop participation
 - b. Other engagement
17. NMFS Shasta RPAs

I am arranging additional meetings for Paul to obtain briefings from Tom Goring, Water Forum Executive Director, and John Woodling, RWA Executive Director.



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Region
Central California Area Office
7794 Folsom Dam Road
Folsom, CA 95630-1799

IN REPLY REFER TO:

CC-403
WTR-4.00

FEB 16 2017

Mr. Keith B. Durkin
Interim General Manager
San Juan Water District
P.O. Box 2157
Granite Bay, California 95746

Subject: San Juan Water District (District) – Long-Term Warren Act Contract Number
6-07-20-W1315 (Contract), American River Division – Central Valley Project (CVP),
California

Dear Mr. Durkin:

The purpose of this letter is to inform the District that your request to deliver Contract water to Sacramento County has been approved. The Bureau of Reclamation conducted an environmental analysis and determined there were no proposed changes in operations, land use, purpose of use, timing, or quantity of water that will be delivered to the District.

Prior to delivery of Non-CVP water to Sacramento County, please provide a written schedule showing the dates and estimated quantities of Non-CVP water to be conveyed, as required in Article 4(a) of the Contract. In addition, the District must provide the quantity of releases from Placer County Water Agency's upstream storage. All terms and conditions of the Contract apply to the Non-CVP water delivered to Sacramento County.

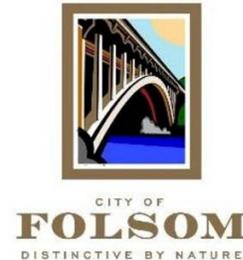
If you have any questions, please contact Ms. Lucille Billingsley, Repayment Specialist, at 916-989-7121 or e-mail lbillingsley@usbr.gov.

Sincerely,

Drew F. Lessard
Area Manager

cc: Mr. Einar Maisch
Placer County Water Agency
144 Ferguson Road
Auburn, California 95604

AGENDA ITEM V-1.4



February 10, 2017

Pablo Arroyave, Acting Regional Director
United States Bureau of Reclamation, Mid-Pacific Region
2800 Cottage Way
Sacramento, CA 95825

Dear Mr. Arroyave:

As Central Valley Project (CVP) American River Division contractors and American River water rights holders, we share many of the concerns with the present effort of the National Marine Fisheries Service (NMFS) to amend the Reasonable and Prudent Alternative (RPA) applicable to Shasta reservoir operations that were expressed in a January 11, 2017 letter from Sacramento River contractors to NMFS Assistant Regional Administrator Maria Rea, on which you were copied.

As noted in the draft RPAs themselves, application of the RPAs to Shasta operations can have profound implications for operations, and water supply and reliability, in other areas, including Folsom Reservoir. Consequently, we are concerned that NFMS' draft amendments to the RPA could potentially result in significant impacts on Folsom storage and operations, and regional supplies.

Considering the above, we appreciate your efforts to ensure a more transparent process with NMFS that will provide for collaboration with potentially affected water purveyors, including our agencies. It appears the record-breaking precipitation should provide for a protective cold water pool this year. We are hopeful that this welcome condition eliminates the need to hastily develop RPAs and should give us the time needed for the affected parties to work together to refine the draft amendments in the upcoming months.

We greatly appreciate your efforts to ensure a structured process for engaging affected stakeholders such as our agencies on these important issues.

To that end, we respectfully request that you add American River representatives to your distribution, meeting and call invitations regarding the RPA amendment process as it moves forward.

Sincerely,



William O. Busath
Director of Utilities
City of Sacramento



Robert Roscoe
General Manager
Sacramento Suburban Water District



Einar Maisch
General Manager
Placer County Water Agency



Keith Durkin
Interim General Manager
San Juan Water District



Richard D. Plecker
Environmental Utilities Director
City of Roseville



Marcus Yasutake
Environmental & Water Resources Director
City of Folsom

c: Barry Thom, West Coast Regional Administrator, NMFS

RWA "Not Yet Considered" Bills for LSP consideration on 2/15/17

AB 12 (Cooley D) State government: administrative regulations: review.

Introduced: 12/5/2016

Summary:

Would require each state agency to, on or before January 1, 2020, review that agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, as provided, and report to the Legislature and Governor, as specified. The bill would repeal these provisions on January 1, 2021.

Position: Not Yet Considered

Notes 1: According to the author's office, "top-to-bottom reviews of state agencies' regulations have been few and far between, leading to outdated, duplicative or overlapping regulations that are not automatically purged or updated upon the passage of new regulations. The last top-to-bottom review of regulations was in 1995 initiated by Governor Pete Wilson."

AB 12 is authored by a member of RWA's Assembly delegation. It is unclear what interests of RWA member agencies would be served by a comprehensive review of state agency regulations.

AB 18 (Garcia, Eduardo D) California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018.

Introduced: 12/5/2016

Summary:

Would enact the California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,005,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, and coastal protection and outdoor access for all program. This bill contains other related provisions.

Position: Not Yet Considered

Misc1: ACWA FAVOR/AMEND

Notes 1: AB 18 (E. Garcia) and SB 5 (De Leon) are parks and water bonds. The authors of these measures are the Chair of the Assembly Water, Parks, and Wildlife Committee and the Senate President pro Tem, respectively.

As introduced, there are two differences between these measures that are of potential interest to RWA member agencies:

1. AB 18 would make available no less than \$5,000,000 in funding for the Lower American River Conservancy Program created by AB 1716 (McCarty, 2016). RWA supported AB 1716.
2. SB 5 includes \$1.5 billion for four Proposition 1 funding categories. \$375 million would be provided for each of the following categories: Clean Water/Drinking Water SRF; Integrated Regional Water Management; Groundwater Sustainability/Cleanup; and, Recycling/Desalination.

ACWA has adopted a "Favor if Amended" position on both measures and convened a Work Group of members to identify desired amendments, including the inclusion of funding for conservancies in SB 5 and the allocation of additional funds for Proposition 1 funding categories in AB 18.

AB 68 (Mathis R) School facilities: proximity to farms: water supply.

Introduced: 12/14/2016

Last Amended: 1/23/2017

Summary:

Would require a new school facility built on or after January 1, 2018, and located within 2 miles of an operating farm to obtain its water supply from a public water system, as defined.

Position: Not Yet Considered

Notes 1: As amended, this bill would require a new school facility built after 1/1/2018 that is located within two miles of an operating farm to obtain its water supply from a public water system.

According to ACWA, "The Author's office has informed ACWA staff that AB 68 will be substantively amended [subsequent to 1/23/17 amendments]. While ACWA staff does not have draft language of the bill as proposed to be amended, the bill is expected to continue to address issues related to water

and agriculture. ACWA staff recommends a "Watch" position to monitor developments of AB 68."

AB 77 (Fong R) Regulations: effective dates and legislative review.

Introduced: 1/4/2017

Last Amended: 2/7/2017

Summary:

Would require the Office of Administrative Law to submit to each house of the Legislature for review a copy of each major regulation that it submits to the Secretary of State. The bill would add another exception to those currently provided that specifies that a regulation does not become effective if the Legislature enacts a statute to override the regulation.

Position: Not Yet Considered

Misc1: ACWA Watch

Notes 1: This bill would create a process of legislative review for major regulations. The Administrative Procedures Act defines a "major regulation" as a regulation that the promulgating agency determines has an expected economic impact in excess of \$50 million.

According to ACWA, "This bill could delay the process of implementing regulations, thereby adding uncertainty to their finalization and leaving those responsible for implementing their changes, such as local water agencies, unable to prepare for impending changes... This bill has been referred to its first policy committee. As this bill is authored by a [freshman Republican] member, ACWA should watch the bill for now and consider adopting a different position if the bill is scheduled for or heard in committee."

As amended on 2/7/17, this bill would simply provide that a major regulation would not come into effect under the existing quarterly enrollment schedule if the Legislature enacted a statute overriding the regulation.

AB 196 (Bigelow R) Greenhouse Gas Reduction Fund: water supply repairs.

Introduced: 1/19/2017

Summary:

Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for water supply repairs if the investment furthers the regulatory purposes of the act and is consistent with law.

Position: Not Yet Considered

Misc1: ACWA FAVOR/AMEND

Notes 1: According to the author's office, "While current law allows for the use of GGRF [Greenhouse Gas Reduction Fund] monies to be used on water use and supply, it is not explicitly stated that these funds can be used to repair infrastructure utilized for water use and supply. If the State is allocating GGRF funds for specific water use and supply projects, they should also supply the funding to preserve these costly projects... AB 196 would simply allow water supply repairs to be considered when allocating GGRF monies."

AB 196 is authored by a member of RWA's Assembly delegation. ACWA has taken a "Favor if Amended" position on this bill and will be seeking additional clarity/detail on eligible project types.

AB 247 (Garcia, Cristina D) Public health: childhood lead poisoning: Lead Advisory Taskforce.

Introduced: 1/30/2017

Summary:

Would require, by April 1, 2018, the Office of Environmental Health Hazard Assessment to convene a Lead Advisory Taskforce, with a prescribed membership, to review and advise regarding policies and procedures to reduce childhood lead poisoning in the state. The bill would require the taskforce to publish a recommended regulatory agenda that would identify sources of lead and ensure that regulatory standards are protective of health in the state, as specified.

Position: Not Yet Considered

Notes 1: As introduced, this will would require the Office of Environmental Health Hazard Assessment to convene a Lead Advisory Taskforce to advise OEHHA regarding policies and procedures to reduce childhood lead poisoning in the state and develop a "recommended regulatory agenda" by April 1, 2018. The bill would require the Taskforce to evaluate the state's drinking water program as part of this effort.

As introduced, the only water related entity included on the list of 20 required Taskforce members is a "representative of a regional water quality control board." RWA Staff recommend the inclusion of water industry association and water agency representatives on any such Taskforce. Additionally, the RWQCB Taskforce representative should be replaced with a representative from the SWRCB Division of Drinking Water, as the Regional Boards' have no authorities or responsibility related to drinking water under existing law. Health & Safety Code § 116271(k)(3) currently provides that "the State Water Resources Control Board shall not delegate any authority, duty, power, purpose, function, or responsibility specified in this section, including, but not limited to, issuance and enforcement of public water system permits, to the regional water quality control boards."

AB 277 (Mathis R) Water and Wastewater Loan and Grant Program.

Introduced: 2/1/2017

Summary:

The Safe Drinking Water State Revolving Fund Law of 1997 establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable those systems to meet safe drinking water standards. This bill would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment.

Position: Not Yet Considered

Notes 1: This bill is similar to AB 954 (Mathis, 2015), which died in Senate Appropriations last session.

SDWSRF funds are currently available to public water systems with 15 or more connections. AB 277 is primarily intended to expand SDWSRF funding eligibility to individual home owners who are reliant on private groundwater wells.

ACWA adopted a "Watch" position on AB 954 in 2015.

SB 5 (De León D) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.

Introduced: 12/5/2016

WANTS to be amended to include AB 18

Summary:

Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

Position: Not Yet Considered

Misc1: ACWA FAVOR/AMEND

Notes 1: AB 18 (E. Garcia) and SB 5 (De Leon) are parks and water bonds. The authors of these measures are the Chair of the Assembly Water, Parks, and Wildlife Committee and the Senate President pro Tem, respectively.

As introduced, there are two differences between these measures that are of potential interest to RWA member agencies:

1. AB 18 would make available no less than \$5,000,000 in funding for the Lower American River Conservancy Program created by AB 1716 (McCarty, 2016). RWA supported AB 1716.

2. SB 5 includes \$1.5 billion for four Proposition 1 funding categories. \$375 million would be provided for each of the following categories: Clean Water/Drinking Water SRF; Integrated Regional Water Management; Groundwater Sustainability/Cleanup; and, Recycling/Desalination.

ACWA has adopted a "Favor if Amended" position on both measures and convened a Work Group of members to identify desired amendments, including the inclusion of funding for conservancies in SB 5 and the allocation of additional funds for Proposition 1 funding categories in AB 18.

SB 80 (Wieckowski D) California Environmental Quality Act: notices.

Introduced: 1/11/2017

Summary:

The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agencies offer to provide the notices by email, upon filing a written request for notices, a person may request that the notices be

provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

Position: Not Yet Considered

Notes 1: From BKS:

"SB 80 (Wieckowski) would make two significant changes to CEQA.

First, SB 80 would require some notices regarding environmental impact reports and negative declarations to be posted on the website for every county where the proposed project would be "located." Our concern with this change is that there's an ambiguity in CEQA that implies water projects that could affect streamflows in multiple counties – like a through Delta water transfer – are "located" in every county through which the water would flow, necessitating correct Internet posting in numerous counties. Because CEQA requires strict compliance with its procedures and notice requirements, this new Internet posting requirement would increase the risk of litigation over procedural and notice issues for EIRs and negative declarations.

Second, SB 80 would require agencies to file notices of exemption every time they approve any activity that is not subject to CEQA. Under current law, notices of exemption are permissive and may not be filed for actions that are clearly exempt for CEQA. SB 80 would change this, and require agencies to file notices of exemption when they approve basic activities like repair and maintenance of existing facilities. This would be a significant change in CEQA. We expect interest groups, like CSAC, CMUA and the League of Cities, may strongly oppose this change, and we have alerted ACWA to the issue.

SB 80 would also require agencies for the first time to post certain CEQA notices on their websites."

SB 224 (Jackson D) California Environmental Quality Act: baseline conditions.

Introduced: 2/2/2017

Summary:

Would prohibit the lead agency, in determining the baseline physical conditions by which a lead agency determines whether a project has a significant effect on the environment, from considering the effects of certain actions on the environment.

Position: Not Yet Considered

Notes 1: In relevant part, this bill would impose new prohibitions on a CEQA lead agency when determining baseline physical conditions. Specifically, SB 224 provides that:

"In determining the baseline physical conditions by which a lead agency determines whether a project has a significant effect on the environment, the lead agency shall not consider modifications to the environment at the project site caused by either of the following:

- (A) Action undertaken without an environmental review pursuant to paragraph (2) or (4) of subdivision (b).
- [(b)(2) Emergency repairs to public service facilities necessary to maintain service... (b)(4) Specific actions necessary to prevent or mitigate an emergency.]
- (B) Action that is unpermitted or illegal at the time the action was undertaken."

This bill may impose new CEQA-related requirements on RWA member agencies.

SB 229 (Wieckowski D) Accessory dwelling units.

Introduced: 2/2/2017

Summary:

The Planning and Zoning Law authorizes the legislative body of a city or county to regulate the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones, as specified. Current law requires the ordinance to designate areas within the jurisdiction of the local agency where these units may be permitted and impose specified standards on these units. This bill would authorize the ordinance to include more permissive maximums of increased floor area and total floor space.

Position: Not Yet Considered

Notes 1: From the Legislative Counsel digest: "Existing law prohibits an accessory dwelling unit from being considered a new residential use for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service. Existing law prohibits, for an accessory dwelling unit constructed in an existing space, a local agency from requiring the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility and from

imposing a related connection fee or capacity charge.

This bill would prohibit a special district from considering an accessory dwelling unit a new residential use for purposes of calculating connection fees or capacity charges for utilities. It would also extend the applicability of the above prohibition to special districts.

By increasing the duties of local officials with respect to land use regulations, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason."

SCA 4 (Hertzberg D) Water conservation.

Introduced: 2/2/2017

Summary:



The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. This measure would declare the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.

Position: Not Yet Considered

Notes 1: As introduced, SCA 4 is a spot bill that would amend Article X of the California Constitution. The author intends to use this measure as a vehicle to address two issues related to water pricing under Proposition 218: conservation-based rate structures and low-income ratepayer assistance programs.

On 2/10/2017, the ACWA State Legislative Committee voted to sponsor SCA 4 if the author agreed to accept a number of key conditions established by the ACWA Board of Directors. See the ACWA staff analysis and "Recommendations from ACWA's Rates Policy Advisory Group" documents attached to the end of this bill packet for more information regarding the conditions of ACWA's potential sponsorship of this measure.

Total Measures: 12

Total Tracking Forms: 12

Items of Interest & Spot Bills as of 2/10/2017

- AB 161** **(Levine D) Department of Finance: infrastructure investment.**
Summary: Would authorize the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employees' Retirement System. The bill would create the Reinvesting in California Special Fund as a continuously appropriated fund and would require the moneys in the fund to be used to pay the rate of return on investment. The bill would require the rate of return on investment to be subject to the availability of moneys in the fund.
- Misc1**
Item of Interest
- AB 164** **(Arambula D) Food assistance.**
Summary: Current law establishes the CalFood Program, formerly known as the State Emergency Food Assistance Program, administered by the State Department of Social Services, whose ongoing primary function is to facilitate the distribution of food to low-income households. This bill would require the department to develop a system to respond to changing needs for food assistance and to provide benefits for specific needs. The bill would set forth criteria for the system, including requiring the system to be compatible with and utilize the EBT in accordance with federal law governing the use of EBT.
- Misc1**
Spot Bill
- AB 166** **(Salas D) Drinking water.**
Summary: Current law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. This bill would make technical, nonsubstantive changes to these provisions.
- Misc1**
Spot Bill
- AB 176** **(Salas D) Water project: Friant-Kern Canal.**
Summary: Current law requires the Department of Water Resources, upon appropriation by the Legislature, to provide funding for a project that substantially conforms to the project description for the Reverse Flow Pump-back Facilities on the Friant-Kern Canal Restoration Project, as specified, provided that certain conditions are met. Current law requires that the appropriation be no more than \$7,000,000. This bill would appropriate \$7,000,000 from the General Fund to the department for this project. This bill contains other related provisions.
- Misc1**
Item of Interest
- AB 200** **(Eggman D) Reclamation District No. 1614: Pump Station No. 7.**
Summary: Would appropriate \$1,175,000 from the General Fund to the Department of Water Resources for the purpose of constructing a new pump station to replace Pump Station No. 7 of Reclamation District No. 1614 – Smith Tract. The bill would require the department to grant the \$1,175,000 appropriated for the purpose of replacing the pump station to Reclamation District No. 1614 – Smith Tract to construct a new pump station to replace Pump Station No. 7.
- Misc1**
Item of Interest
- AB 241** **(Dababneh D) Personal information: privacy: state and local agency breach.**
Summary: Current law requires a person or business, if it was the source of a data security breach, to offer to provide appropriate identity theft prevention and mitigation services at no cost to the person whose information was or may have been breached if the breach exposed or may have exposed the person's social security number, driver's license number, or California identification card number. This bill also would require a state or local agency, if it was the source of the breach, to offer to provide appropriate identity theft prevention and mitigation services at no cost to a person whose information was or may have been breached if the breach exposed or may have exposed the person's social security number, driver's license number, or California identification card number.
- Misc1**
Item of Interest
- AB 267** **(Waldron R) Community services districts.**
Summary: Current law provides for the organization and powers of community services districts, including the continuation of any community services district, improvement district of a community

services district, or zone of a community services district, that was in existence on January 1, 2006. This bill would make nonsubstantive changes to these provisions.

Misc1
Spot Bill

AB 268 **(Waldron R) State mandates.**

Summary: The California Constitution requires the state to provide a subvention of funds to reimburse local government for the costs of that new program or higher level of service, with specified exceptions, when the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts. Current law establishes the sole and exclusive procedure by which a local agency or school district may claim reimbursement for these costs. This bill would make a technical, nonsubstantive change to this provision.

Misc1
Spot Bill

AB 271 **(Caballero D) Property Assessed Clean Energy program.**

Summary: Would, as an alternative to the Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll requirement, would authorize the local agency or legislative body to provide notice of the removal of the delinquent voluntary contractual assessment or special tax, if it arises from a contract entered into on or after January 1, 2018, through the adoption of a resolution or ordinance requiring the county tax collector to remove all delinquent voluntary contractual assessments and special taxes securing PACE bonds and arising from contracts entered into on or after January 1, 2018, from the county's secured tax roll during the annual fiscal yearend closing, whether or not a foreclosure action has been ordered.

Misc1
Item of Interest

AB 272 **(Gipson D) Water quality.**

Summary: The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations. This bill would make technical, nonsubstantive changes to the legislative findings and declarations.

Misc1
Spot Bill

AB 278 **(Steinorth R) California Environmental Quality Act: exemption: existing transportation infrastructure.**

Summary: Would exempt from the provisions of CEQA a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of, or the addition of an auxiliary lane or bikeway to, existing transportation infrastructure and that meets certain requirements. The bill would require the public agency carrying out the project to take certain actions.

Misc1
Item of Interest

AB 302 **(Gipson D) Greenhouse Gas Reduction Fund: 3-year investment plan.**

Summary: Current law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Current law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires appropriations from the fund to be made in the annual Budget Act. This bill would make technical, nonsubstantive changes to those provisions.

Misc1
Spot Bill

AB 305 **(Arambula D) School accountability report card: drinking water access points.**

Summary: Would amend the Classroom Instructional Improvement and Accountability Act to also require the school accountability report card to include an assessment of the drinking water access points at each school site, as specified. The bill would require the State Department of Education to compile the assessments and transmit them to the State Water Resources Control Board. By imposing additional duties on local educational agency officials, the bill would impose a state-mandated local program. The bill would provide that the Legislature finds and declares that the changes made to the act by its provisions further the purposes of the act.

Misc1
Item of Interest

AB 375 (Chau D) **Public utilities: local publicly owned utilities: release of customer information.**
Summary: Current law prohibits the California Public Records Act from being construed to require the disclosure of certain information concerning utility customers of local agencies, but provides for the disclosure of some of that information, specifically the name, utility usage data, and home address of a utility customer, upon court order or the request of a law enforcement agency relative to an ongoing investigation. This bill would instead provide for the disclosure of that information to a law enforcement agency only in response to a warrant issued pursuant to specified criminal procedures.

Misc1
Item of Interest

SB 32 (Moorlach R) **Public employees' retirement.**
Summary: The California Public Employees' Pension Reform Act of 2013, on and after January 1, 2013, established various limits on retirement benefits generally applicable to a public employee retirement system in the state, with specified exceptions. This bill would state the intent of the Legislature to enact legislation to resume the public employee pension reform begun in the California Public Employees' Pension Reform Act of 2013.

Misc1
Item of Interest

SB 181 (Berryhill R) **Emergency services.**
Summary: Current law authorizes the director of the Office of Emergency Services to proclaim the existence of a state of emergency in the name of the Governor when the Governor has been inaccessible, as specified. Current law requires the Governor to either ratify that action or terminate the state of emergency as soon as the Governor becomes accessible. This bill would make a nonsubstantive change to this provision.

Misc1
Spot Bill

SB 193 (Cannella R) **Groundwater sustainability agencies.**
Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would make a nonsubstantive change to those provisions. The Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as prescribed. This bill would make a nonsubstantive change to those provisions.

Misc1
Spot Bill

SB 210 (Leyva D) **Pupil health: drinking water.**
Summary: Would require a school district that has drinking water sources with drinking water that does not meet the United States Environmental Protection Agency drinking water standards for lead or any other contaminant to close access to those drinking water sources, to provide alternative drinking water sources, as specified, and to notify specified persons if the school district is required to provide those alternative drinking water sources. By imposing additional duties on pupil schools and school districts, this bill would impose a state-mandated local program.

Misc1
Item of Interest

SB 231 (Hertzberg D) **Local government: fees and charges.**
Summary: Articles XIIIIC and XIIID of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIIIC and XIIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.

Misc1

Item of Interest

SB 242 (Skinner D) Property Assessed Clean Energy program.

Summary: Would state that it is the intent of the Legislature, in order to ensure that PACE programs continue to effectively meet their public purposes, to enact legislation to enhance the requirements, guidelines, and procedures to which PACE programs administered by 3rd parties must conform.

Misc1

Item of Interest

Total Measures: 20

Total Tracking Forms: 20

All RWA Tracked Bills as of 2/10/2017

AB 12 (**Cooley D**) **State government: administrative regulations: review.**

Current Text: Introduced: 12/5/2016 [Text](#)

AB 18 (**Garcia, Eduardo D**) **California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018.**

Current Text: Introduced: 12/5/2016 [Text](#)

AB 68 (**Mathis R**) **School facilities: proximity to farms: water supply.**

Current Text: Amended: 1/23/2017 [Text](#)

AB 77 (**Fong R**) **Regulations: effective dates and legislative review.**

Current Text: Amended: 2/7/2017 [Text](#)

AB 161 (**Levine D**) **Department of Finance: infrastructure investment.**

Current Text: Introduced: 1/13/2017 [Text](#)

AB 164 (**Arambula D**) **Food assistance.**

Current Text: Introduced: 1/13/2017 [Text](#)

AB 166 (**Salas D**) **Drinking water.**

Current Text: Introduced: 1/13/2017 [Text](#)

AB 176 (**Salas D**) **Water project: Friant-Kern Canal.**

Current Text: Introduced: 1/18/2017 [Text](#)

AB 196 (**Bigelow R**) **Greenhouse Gas Reduction Fund: water supply repairs.**

Current Text: Introduced: 1/19/2017 [Text](#)

AB 200 (**Eggman D**) **Reclamation District No. 1614: Pump Station No. 7.**

Current Text: Introduced: 1/23/2017 [Text](#)

AB 241 (**Dababneh D**) **Personal information: privacy: state and local agency breach.**

Current Text: Introduced: 1/30/2017 [Text](#)

AB 247 (**Garcia, Cristina D**) **Public health: childhood lead poisoning: Lead Advisory Taskforce.**

Current Text: Introduced: 1/30/2017 [Text](#)

AB 267 (**Waldron R**) **Community services districts.**

Current Text: Introduced: 2/1/2017 [Text](#)

AB 268 (**Waldron R**) **State mandates.**

Current Text: Introduced: 2/1/2017 [Text](#)

AB 271 (**Caballero D**) **Property Assessed Clean Energy program.**

Current Text: Introduced: 2/1/2017 [Text](#)

AB 272 (**Gipson D**) **Water quality.**

Current Text: Introduced: 2/1/2017 [Text](#)

AB 277 (**Mathis R**) **Water and Wastewater Loan and Grant Program.**

Current Text: Introduced: 2/1/2017 [Text](#)

AB 278 (**Steinorth R**) **California Environmental Quality Act: exemption: existing transportation infrastructure.**

Current Text: Introduced: 2/2/2017 [Text](#)

AB 288 (**Obernolte R**) **State responsibility areas: fire prevention fees.**

Current Text: Introduced: 2/2/2017 [Text](#)

- AB 302** (**Gipson D**) **Greenhouse Gas Reduction Fund: 3-year investment plan.**
Current Text: Introduced: 2/6/2017 [Text](#)
- AB 305** (**Arambula D**) **School accountability report card: drinking water access points.**
Current Text: Introduced: 2/6/2017 [Text](#)
- AB 313** (**Gray D**) **Water.**
Current Text: Introduced: 2/6/2017 [Text](#)
- AB 321** (**Mathis R**) **Groundwater sustainability plans.**
Current Text: Introduced: 2/7/2017 [Text](#)
- AB 339** (**Mathis R**) **Drinking water.**
Current Text: Introduced: 2/7/2017 [Text](#)
- AB 355** (**Chu D**) **State Water Resources Control Board: public water systems: collaboration.**
Current Text: Introduced: 2/8/2017 [Text](#)
- AB 362** (**Wood D**) **Forestry assistance program: loans.**
Current Text: Introduced: 2/8/2017 [Text](#)
- AB 366** (**Obernolte R**) **Water supply: new residential development: building permits.**
Current Text: Introduced: 2/8/2017 [Text](#)
- AB 367** (**Obernolte R**) **Water supply: building permits.**
Current Text: Introduced: 2/8/2017 [Text](#)
- AB 375** (**Chau D**) **Public utilities: local publicly owned utilities: release of customer information.**
Current Text: Introduced: 2/9/2017 [Text](#)
- SB 5** (**De León D**) **California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**
Current Text: Introduced: 12/5/2016 [Text](#)
- SB 32** (**Moorlach R**) **Public employees' retirement.**
Current Text: Introduced: 12/5/2016 [Text](#)
- SB 57** (**Stern D**) **Natural gas storage: moratorium.**
Current Text: Amended: 2/2/2017 [Text](#)
- SB 80** (**Wieckowski D**) **California Environmental Quality Act: notices.**
Current Text: Introduced: 1/11/2017 [Text](#)
- SB 181** (**Berryhill R**) **Emergency services.**
Current Text: Introduced: 1/24/2017 [Text](#)
- SB 193** (**Cannella R**) **Groundwater sustainability agencies.**
Current Text: Introduced: 1/30/2017 [Text](#)
- SB 210** (**Leyva D**) **Pupil health: drinking water.**
Current Text: Introduced: 2/1/2017 [Text](#)
- SB 224** (**Jackson D**) **California Environmental Quality Act: baseline conditions.**
Current Text: Introduced: 2/2/2017 [Text](#)
- SB 229** (**Wieckowski D**) **Accessory dwelling units.**
Current Text: Introduced: 2/2/2017 [Text](#)
- SB 231** (**Hertzberg D**) **Local government: fees and charges.**
Current Text: Introduced: 2/2/2017 [Text](#)
- SB 242** (**Skinner D**) **Property Assessed Clean Energy program.**

Current Text: Introduced: 2/6/2017 [Text](#)

SB 252 (Dodd D) Water wells: permits: critically overdrafted groundwater basins.

Current Text: Introduced: 2/7/2017 [Text](#)

SB 262 (Wieckowski D) Climate change: climate adaptation: advisory council.

Current Text: Introduced: 2/8/2017 [Text](#)

SB 263 (Leyva D) Climate Assistance Centers.

Current Text: Introduced: 2/8/2017 [Text](#)

SCA 4 (Hertzberg D) Water conservation.

Current Text: Introduced: 2/2/2017 [Text](#)

Total Measures: 44

Total Tracking Forms: 44



Staff Analysis for State Legislative Committee's Consideration of ACWA's Sponsorship of a Constitutional Amendment regarding Water Pricing

Meeting Date: February 10, 2017

Prepared By: Cindy Tuck

INTRODUCTION

As reported to the State Legislative Committee at its January 20, 2017 meeting, the new Chair of the Senate Natural Resources and Water Committee, Robert Hertzberg (D-Van Nuys) has asked ACWA to sponsor a Constitutional Amendment that he is authoring in 2017 regarding water pricing. He has already introduced a spot bill version of the measure as Senate Constitutional Amendment (SCA) 4. Following are background information, an update regarding the process that ACWA has undertaken since Senator Hertzberg made the request, and staff's comments and recommendation.

BACKGROUND

A. ACWA's Work on a Constitutional Amendment in 2015 and 2016

In 2015 and early 2016, ACWA worked together with the League of California Cities (the League) and the California State Association of Counties (CSAC) as a local government coalition (the Coalition) that partnered with the Water Foundation on the development of a Constitutional Amendment to achieve three goals:

- 1) Make it easier to have **voluntary** conservation-based pricing;
- 2) Authorize **voluntary** lifeline rates; and
- 3) Have the same fee-setting process for storm water projects that applies for water and wastewater projects.

ACWA staff worked with the State Legislative Committee, and with a working group of that Committee, on the development of the language. The ACWA Board of Directors (the ACWA Board) created a Board-level advisory group that gave policy guidance for that effort. After internal vetting of language, ACWA and its coalition partners decided upon language for the Coalition's proposed Constitutional Amendment. The basic strategy with respect to the two pricing objectives was to provide greater flexibility for agencies seeking to implement voluntary conservation-based or voluntary lifeline rates, while protecting the interests of those agencies which already have conservation-based rates or are not seeking to implement such rates. With respect to storm water projects, the language was designed to allow agencies seeking to finance storm water infrastructure to go through the same rate-making

process allowed under the law for water supply and wastewater projects, thereby making it easier to finance storm water projects.

On November 20, 2015, the Coalition filed the measure with the California Attorney General's (A.G.'s) Office. Following a public comment period, the Coalition filed a revised version with the A.G.'s Office on January 19, 2016. A copy of that filing is attached. (Please see **Attachment 1**.) Part of the intent behind the filing was to obtain the Title and Summary from the A.G.'s Office for polling. The Title and Summary section was a key part of the text that would have appeared in the voter information guide if the measure had been placed on the ballot.

The Coalition received the Title and Summary on February 18, 2016. The document flagged that the amendment would allow the imposition of fees for storm water projects "without voter approval". It also highlighted a cost estimate for storm water projects in a range from the low hundreds of millions of dollars to up to more than \$1 billion annually. (The projects in question were necessary for compliance under State and federal water quality laws, but that fact was not referenced.)

Based on the Title and Summary language obtained from the A.G., the Coalition conducted a poll on the proposed measure. The polling showed strong support for all of the underlying goals of the proposal. However, the polling results also demonstrated that voters had a negative reaction to removing the two-thirds vote of the electorate required (based on litigation) for the financing of storm water projects. (Under Proposition 218, there are requirements for a public hearing, a majority protest opportunity and a vote of the electorate. Proposition 218 includes an exception for the vote of the electorate for financing decisions for water and sewer projects. The legal issue has been whether storm water projects fall under that exception.) In essence, the results showed that the proposal was vulnerable to an opponent's argument that it would eliminate a vote – an argument that applies to only the third goal related to storm water. Upon review of the polling, the Coalition decided to not move the measure in 2016 and to be open to continued work on the Proposition 218 issues in the future.

B. ACWA's Advocacy on Related Legislation in 2016

The three goals were also the subject of late-breaking legislation in 2016 authored by Senator Hertzberg. ACWA argued that the two pricing goals could only be accomplished through a Constitutional Amendment, and Senator Hertzberg removed the provisions related to those two goals from the bill. Ultimately, this legislation (SB 1298) sought to use a longstanding definition of "sewer/sewer service" that included storm water in its meaning to resolve the problems associated with financing storm water infrastructure. Because this statutory definition predated Proposition 218, which did not define those terms, it is possible that this approach could have resolved the storm water issue without including it in a Constitutional Amendment. At the eleventh hour, Senator Hertzberg decided not to move the bill that had been negotiated because he wanted to use his experience as an attorney to improve the language. During the Legislative Interim, he has worked on changes to that language and has introduced the storm water project funding bill as SB 231. While the Hertzberg legislation did not become law in 2016, it did help identify a strategy that might be effective in accomplishing the three goals of the Coalition:

- 1) Separate the issues and resolve the storm water issue legislatively (and with a likely validation suit); and
- 2) Take the voluntary conservation and lifeline rate issues to the voters (via the passage of a Constitutional Amendment by the Legislature) without the burden of the “loss of vote” argument.

NEW DEVELOPMENTS IN 2017 /ACWA PROCESS PUT IN MOTION

Senator Hertzberg is now the **new Chair of the Senate Natural Resources and Water Committee**. He is authoring a package of two bills that relate to Proposition 218:

- 1) SB 231 is the new version of the storm water majority-vote bill, which is similar (but not identical) to SB 1298 from 2016. The Water Foundation, which was the sponsor of SB 1298, is the sponsor of that bill; and
- 2) The second measure, SCA 4, is the spot bill for the Constitutional Amendment regarding the two pricing issues.

Senator Hertzberg has asked ACWA to sponsor the second measure. This would be a continuation of ACWA’s work in 2015 and 2016. In order to determine whether or not and under what circumstances (e.g., voluntary authorities only on the two pricing issues) ACWA would sponsor such legislation, staff has taken/is taking the following steps:

ACWA Process

- 1) Coordinated with the Board-level Advisory Group Chair Larry McKenney on January 13, 2017;
- 2) Coordinated with the State Legislative Committee Chair Kathy Cole on January 13, 2017;
- 3) Briefed the State Legislative Committee at its January 20, 2017 meeting to prepare the Committee for a possible vote on bill sponsorship at its February 10 meeting;
- 4) Reconstituted and added to the State Legislative Committee’s Proposition 218 Working Group in light of Committee membership changes;
- 5) Scheduled a meeting of the Coalition for January 26 to allow coordination with ACWA’s local government partners;
- 6) Reconstituted the Board-level Advisory Group in light of Board membership changes and scheduled a meeting of the Board-level Advisory Group for January 31, 2017;
- 7) Wrote the recommendations coming out of the January 31, 2017 Advisory Group meeting;
- 8) Added this policy area to the agenda for the ACWA Board’s February 2, 2017 workshop and February 3, 2017 meeting and prepared a written report for the February 3 Board meeting;

- 9) Briefed the ACWA Board on February 2, 2017 and suggested a course of action on February 3, 2017;
- 10) Scheduled a meeting of the State Legislative Committee's Proposition 218 Working Group for February 7; and
- 11) Prepared this analysis to inform the State Legislative Committee's consideration of sponsorship on February 10, 2017.

UPDATES FROM ACWA PROCESS

A. January 26, 2017 Coalition Meeting

The Coalition and the Water Foundation met on January 26, 2017. Each organization will need to go through its internal processes, but the signals were that the Constitutional Amendment, with the right safeguards, would be viewed positively. (Updates on the storm water legislation will be provided when the Committee considers SB 231.)

B. Guidance from the Board-Level Advisory Group

The Advisory Group met on January 31, 2017 and reached agreement that:

- 1) ACWA should take the request of sponsorship very seriously;
- 2) The strategy of separating the storm water issue from the two pricing issues is a good one.
- 3) If ACWA decides to sponsor the bill, there should be conditions placed on ACWA's sponsorship, including "Must Haves" and "Must Not Haves." In other words, if Senator Hertzberg does not agree to conditions, ACWA should not sponsor the bill. If he agrees, and ACWA sponsors the bill but the language is amended later to be inconsistent with the conditions, ACWA should withdraw its sponsorship.

The Advisory Group discussed specific conditions, and staff prepared a one page document that captured the Advisory Group's recommendations. See **Attachment 2**. Staff provided that one page document to the ACWA Board for its February 2 workshop and February 3 meeting. Please see further below.

C. Action by ACWA Board

At its February 2 workshop, the ACWA Board discussed whether this issue (regardless of the outcome of the decision on sponsorship) should be a priority policy issue for ACWA in 2017. The Board also discussed the sponsorship issue. Some Board members expressed reservations about ACWA being behind changes to Proposition 218. Other Board members expressed that since the measure is going to be debated at the Capitol regardless of whether ACWA sponsors it or not, ACWA should sponsor it to lead the discussion and the writing of the measure.

At its February 3 meeting, the ACWA Board discussed these issues again and voted to:

- 1) Have the work on rates (the first two goals) be a priority policy issue for ACWA;
- 2) Approve the roster for the reconstituted Board-level Advisory Group; and
- 3) Direct the development of modifications to the Advisory Group's January 31, 2017 recommendation, with its conditions for sponsorship. (The Board did not decide the specific language changes, so staff is working with the Advisory Group, with input from the State Legislative Committee's Proposition 218 Working, on the changes to the document. In brief, the modifications are:
 - A) Changing the "conservation-based pricing" label (since local agencies already encourage conservation with pricing, and the label could cause confusion for the public);
 - B) Adding a condition relative to the issue of not letting the voluntary aspect of the two pricing authorities affect future state funding opportunities for water agencies (e.g., with grant funding eligibility criteria);
 - C) Adding a condition to prohibit mandates by state agencies for specific rate structures or requirements for changes in rate structures; and
- 4) Present to the State Legislative Committee the decision on whether ACWA should sponsor the bill.

At this writing, staff is working with the Board-level Advisory Group on the revisions to its recommendations (Attachment 3 is the February 6, 2017 draft) and is meeting with the State Legislative Committee's Proposition 218 Working Group. The final version of the Advisory Group's revised recommendations document should be available by or in advance of the Committee's February 10 meeting.

D. State Legislative Committee Working Group (Working Group) Meeting

The Working Group met on February 7, 2017. After a staff update on the process steps summarized above, the Working Group discussed the pros and cons of sponsoring the bill. Members noted that a major pro of sponsorship is the ability to manage the language. A con is the resources required to do so. (ACWA will have to work on the measure regardless of whether or not ACWA sponsors the bill.)

The Working Group also discussed Attachment 3. The Group brainstormed about a different label than "conservation-based pricing." The Group discussed potential revisions to the draft new conditions. The group agreed that it would be good to consolidate some of the conditions and delete and redundant ones. At this writing, staff is preparing a new draft for review by the Board-level Advisory Group and the Working Group. The goal is to have a revised version ready for the State Legislative Committee's February 10, 2017 meeting.

STAFF COMMENTS

Usually when ACWA sponsors legislation, the suggestion comes from an ACWA member as part the State Legislative Committee's annual planning process. In this case, the request has come from the Chair of the Senate Natural Resources & Water Committee – Senator Hertzberg. He is the Chair of one of two Committees through which most major water bills must pass. ACWA's relationship with Senator Hertzberg is a key legislative relationship.

What Senator Hertzberg is proposing in concept is consistent with language that ACWA developed as part of the Local Government Coalition in 2015 and 2016. It is consistent with the arguments that ACWA made in 2016 on SB 1298 (i.e., the two pricing goals need to be dealt with in a Constitutional Amendment – not in a policy bill).

ACWA is under no obligation to sponsor the bill. Staff has been clear with Senator Hertzberg and his staff that ACWA has to go through an internal process before we can get back to him with ACWA's answer on sponsorship. Even though Senator Hertzberg preferred having an earlier decision, he respected ACWA's process and agreed to receive the answer from ACWA on February 13, 2017.

A Constitutional Amendment requires a two-thirds vote in both houses. This year, the Democrats have a supermajority in both the Senate and Assembly. If there were no issues on language, this would make passage easier. There will, however, be debates on the details of the language (including with the Brown Administration). Further, there will be opposition to the measure (e.g., from the Howard Jarvis Taxpayers Association). So getting the measure across the legislative finish line would be a heavy lift.

A key fact for the Committee to consider is that Senator Hertzberg plans on moving the measure regarding of whether or not ACWA sponsors it. If ACWA sponsors it, ACWA will be in the driver's seat on the language with Senator Hertzberg. As the sponsor, ACWA would automatically be at the table leading or helping to lead the conversation. If ACWA does not sponsor it, we would still have to work actively on the bill but would not be in the driver's seat with Senator Hertzberg. So regardless of the decision, this measure is going to require significant staff time. The primary reason that sponsorship is attractive is that it would give ACWA the best opportunity to protect its members' interests in this area because ACWA would have more control of the language than if ACWA is one of many stakeholders in the legislative process.

Based on the work that the Board-level Advisory Group and the State Legislative Committee did in 2015 and the new work by the reconstituted Board-level Advisory Group this year, staff can present to Senator Hertzberg appropriate **conditions** for ACWA's sponsorship of the measure. (See Attachments 2 and 3.)

The development of language will be discussed at the Working Group meeting on February 7. Development of the language could involve the following steps:

- 1) Start with the language that the Coalition filed with the Attorney General in 2016;

- 2) Remove the provisions solely related to the funding of storm water projects;
- 3) Ensure that the language is consistent with the Board's overarching policy direction and that the ACWA "must have" provisions are included;
- 4) Evaluate whether placement is best in Article X. or Article XIII.D. of the Constitution.

Senator Hertzberg's staff has expressed interest in working together first on the concepts for the measure before the specific language is drafted. This is often a good way to develop legislation.

If the State Legislative Committee votes to have ACWA sponsor the measure, ACWA will talk with the Senator about what he intends for the campaign phase since ACWA and its public agency members cannot fund the actual campaign.

RECOMMENDATION

Staff recommends that the State Legislative Committee approve sponsorship of the Constitutional Amendment with the caveat that sponsorship would be conditioned consistent with the recommendations from the Board-level Advisory Group and the understanding that ACWA would withdraw its sponsorship at any time the bill did not meet the conditions.

Attachments:

1. Constitutional Amendment filed by Local Government Coalition on January 19, 2016
2. Version of January 31, 2017 Board-level Advisory Group's Recommendations Distributed to the ACWA Board on February 2, 2017
3. February 6, 2017 Draft of the Advisory Group's Recommendations

February 9, 2017 DRAFT

**Recommendations from
ACWA's Rates Policy Advisory Group**

1. ACWA should seriously consider the request from Senate Natural Resources & Water Committee Chair Robert Hertzberg (D-Van Nuys) for ACWA to sponsor the Senate Constitutional Amendment regarding voluntary demand-based rates and voluntary lifeline rates.
2. Senator Hertzberg's approach of separating the storm water project financing issue from the two rate issues is a good strategy.
3. The ACWA Board of Directors has decided that rate issues are a priority issue for the organization for 2017 and has requested that the State Legislative Committee act on the request for sponsorship. If the Committee approves bill sponsorship, ACWA staff should convey the following conditions for ACWA sponsorship of the bill to the Senator (i.e., if any language is added that is counter to the following conditions, ACWA would withdraw its sponsorship of the bill).
 - A. **Must Haves:** The following are "Must Haves" for the language:
 1. The authority for lifeline rates and the authority for demand-based rates must be **voluntary** – for use solely at the discretion of the local agency.
 2. The language must prohibit the Legislature and the State agencies from using or restricting the use of the proceeds of the fees or charges.
 3. The language must retain local decision-making authority over rate structure design and prohibit State requirements for: A) use of a particular rate structure; and B) determinations of a local agency's access to rights or privileges granted by the State, including funding, based on the local agency's choice of rate structure.
 - B. **Must Not Haves:** The following are the "Must Not Haves" for the language:
 1. The language must not grant any new authority(ies) to State agencies.
 2. The language must not authorize or mandate a State fee, tax or public goods charge on water.

PLANNING GOAL - CONTINUOUSLY IMPROVE AN INTEGRATED REGIONAL WATER MANAGEMENT PLAN THAT IS COMPREHENSIVE IN SCOPE AND GUIDES EFFECTIVE WATER RESOURCES MANAGEMENT IN THE REGION				
Objective	Status	Status Indicator	RWA Role	Comments
A. Develop a Regional Water Reliability Plan to identify most promising regional opportunities to improve water supply reliability				
1. Identify most promising opportunities for intra- and inter-regional transfers and exchanges to meet demands or environmental needs	Regional Water Reliability Plan underway. Key projects identified for 2014 drought grant opportunity. Regional demonstration transfer program with USBR in development for possible 2018 implementation.	A	Lead	Continue current initiatives
2. Evaluate regional opportunities to reduce water use	2014-2016 drought emergency requirements resulted in 20-30% reduction in water use each year compared to 2013. Major efforts on direct install of plumbing fixtures in progress and regional grant rebate and water loss control programs continue to provide supplemental funding to agencies.	A	Lead and Support	Shift priorities to long term efficiency improvements
3. Support interregional groundwater management and conjunctive use planning	SGMA passed in 2014. RWA has convened coordinated efforts of Sacramento and Placer groundwater basins and taken lead role in development of regulations. Conjunctive use planning is being further developed under Regional Water Reliability Plan.	A	Support of SGA and others	Maintain primary focus on North American Subbasin
4. Support recycled water planning	Including SRCSD and others in Regional Water Reliability Plan.	B	Support	Continue current level of effort
5. Identify most promising opportunities for shared infrastructure and resources	Regional Water Reliability Plan underway. Key projects identified for 2014 drought grant opportunity.	A	Lead and support	Continue current initiatives
B. Evaluate and respond to external impacts on the region's water supplies and operations				
1. Evaluate Climate as a regional vulnerability and consider climate adaptation strategies	Partnering with member agencies to refine American River Basin Study with USBR. Also being considered as part of Regional Water Reliability Plan	B	Support	Continue and incorporate results into other efforts

	development.			
2. Evaluate technical information to support responses to Delta processes	RWA has had no significant role in the technical work on Delta.	NA	Support	Drop this objective
3. Support and coordinate financial/economic impact analysis on how state and federal actions will affect long term regional water supply and local economy	With member agencies, evaluated several approaches to this. No studies conducted.	C	Support	Drop this objective
4. Participate in Folsom Dam Control Manual update	RWA had minimal involvement in SAFCA and USACE convened process	C	Support	Seeking input from EC and Board
5. Support revised program and facility operations of Folsom Reservoir and Lower American River flows to balance fishery needs and water supply reliability for the region	RWA heavily engaged on outreach and advocacy in supporting implementation of the Modified Flow Management Standard.	B	Support	Continue support as program moves forward
6. Complete an energy intensity evaluation to identify opportunities to reduce energy costs and greenhouse gas (GHG) emissions of water treatment and delivery in the region	RWA in partnership with SMUD completed an energy intensity study of water operations within the SMUD service area. Member agencies must evaluate their individual opportunities to reduce energy use. Potential funding is available through SMUD.	A	Lead	Complete
7. Develop a plan to implement common hydrologic tools, models, data sets and common technical language	RWA and members conducted extensive efforts to standardize water shortage contingency terminology and actions. RWA undertook an evaluation of modeling tools funded by the California Water Foundation. The issue of the common modeling and datasets is currently being discussed under SGMA compliance and development of a single Groundwater Sustainability Plan for the North American Subbasin Recommendations are expected in mid to late 2017.	B	Lead and support	Evaluate future opportunities

IMPLEMENTATION GOAL - ASSIST MEMBERS WITH IMPLEMENTING SUCCESSFUL WATER RESOURCES MANAGEMENT STRATEGIES AND RELATED PROGRAMS. THIS INCLUDES IDENTIFYING, ACQUIRING AND ADMINISTERING EXTERNAL SOURCES OF FUNDING				
Objective	Status	Status Indicator	RWA Role	Comments
A. Promote implementation of the American River Basin Integrated Regional Water Management Plan				
1. Seek funding for projects included in the IRWM Plan and support efforts of individual entities to leverage the IRWM Plan for funding	Successfully applied for funding from Prop 84 Drought Grants, Prop 84 IRWM, Prop 1 IRWM Planning Grants, CALFED Water-Energy grants. Tracing Prop 1 implementation grant opportunities for 2018.	A+	Lead	Continue
2. Assist with acquiring and managing grant funding for regional projects, including infrastructure, water conservation, and water reliability	Since 2013, awarded more than \$13 million in grant funding from State and Federal sources. More than \$15 million reimbursed to RWA members in the year 2013 through 2016.	A+	Lead	Continue
3. Maintain the IRWM web database and make appropriate updates to the IRWM Plan on a quarterly basis	Web Portal actively maintained. Major update to IRWM Plan will be undertaken in 2017-18.	A	Lead	Continue
B. Promote improvements in water use efficiency in the region to meet future water needs and assure compliance with applicable requirements				
1. Continue to cost effectively implement a clearly defined water efficiency program that allows members to satisfy public outreach and school education requirements for a number of purposes including the Water Forum, Central Valley Project Improvement Act (CVPIA), and Urban Water Management Plans (UWMPs)	In addition to outgoing outreach and school education efforts, RWA conducted additional outreach during drought emergency, and coordinated individual outreach efforts. RWA strategically coordinated efforts with the State's Save Our Water campaign. Outreach efforts are informed from annual regional customer surveys initiated through RWA.	A	Lead and Support	Continue. Modify as needed for changing conditions.
2. Continue to track and report progress in attaining compliance with metering requirements	Metering progress updated annually and map used as key outreach material. Progress updates also include additional metering information such installation and use of AMI/AMR technologies.	A	Lead and Support	Continue
3. Track individual member agency water use	Tracking individual agency water use on a monthly			Continue tracking

<p>and develop a strategy for the regional compliance option for SB X7-7 requirements prior to the interim 2015 deadline</p>	<p>basis. Drought delayed work on the regional approach and new long term requirements may change SBX7-7 requirements. Currently all RWA agencies are on track for meeting individual SB X7-7 2020 targets.</p>	<p>B</p>	<p>Lead and Support</p>	<p>monthly water use and evaluate regional compliance for future requirements</p>
<p>4. Evaluate and redefine scope and governance of regional water efficiency program</p>	<p>Water Efficiency Program (WEP) meeting schedule has been streamlined, and efforts have been refocused on outreach. WEP members discussed reinstating the Chair and Co-Chair structure, however, the majority of members voted to continue with Program Manager led meetings. Program Manager is being shifted to core RWA budget to reflect broader work activities.</p>	<p>B</p>	<p>Lead</p>	<p>Continue</p>
<p>C. Support a lower American River Flow Management Standard that is consistent with the Water Forum co-equal goals</p>				
	<p>RWA heavily engaged on outreach and advocacy in supporting implementation of the Modified Flow Management Standard.</p>	<p>B</p>	<p>Support</p>	<p>Continue, following Water Forum and RWA member agency lead</p>
<p>D. Support implementation of water transfers among agencies (intra- and inter-regional) that are beneficial for the region</p>				
	<p>Pursuing regionally coordinated demonstration transfer of environmental water to USBR. On hold for 2017 due to hydrology, working toward 2018.</p>	<p>B</p>	<p>Lead and Support</p>	<p>Continue</p>
<p>E. Support programs to benefit from economies of scale in purchasing</p>				
	<p>Conducted pilot study of regional chemical purchase program. Saved members \$1.5 million over two years. Negotiated for Sacramento Valley region inclusion in Bay Area Chemical Consortium Program.</p>	<p>B</p>	<p>Lead</p>	<p>Explore new initiatives, including bulk meter purchase</p>
<p>F. Fully implement the regional mutual aid program template (for equipment, manpower, and water supply)</p>				

			Support	Periodically track status
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INFORMATION/EDUCATION GOAL - INFORM AND EDUCATE MEMBERS AND INTERESTED PARTIES BY PROVIDING A FORUM FOR DISCUSSION OF ISSUES, OUTREACH TO STAKEHOLDERS, AND A CLEARINGHOUSE FOR SHARING INFORMATION				
Objective	Status	Status Indicator	RWA Role	Comments
A. Educate and inform members and other interested parties on water management issues affecting the region				
1. Educate members through an ongoing RWA Water Workshop Series on relevant topics	Conducted primarily through Board meetings. In 2016, had presentations on San Luis – Delta Mendota, Metropolitan Water District, and GSA development in Sacramento Region.	B	Lead	Subcommittee of EC evaluating objectives
2. Provide a clearinghouse for information on legislative, regulatory, and technical issues, and summarize for various audiences	Maintain Legislative summary on rwah2o.org for members, developed e-blast network for members, local elected, and public.	B	Lead	Continue
B. Raise RWA profile and credibility to external audiences through a focused public outreach effort				
1. Inform the media on water management successes in the region	Numerous positive articles, op-eds, etc. in trade publications, Sac Bee, Comstocks, etc. Briefed numerous Sac Bee reporters.	A-	Lead	Continue
2. Inform federal, state and local elected officials on water issues and water management successes	Conducted several tours for legislators and staff. Led Cap-to-Cap and State Legislative Summit programs of Sacramento Metro Chamber. Conduct routine visits to legislative offices	A-	Lead	Expand presence with addition of full-time staff
3. Support an outreach program to educate customers on the value of water	Initiative not kicked off. Drought messaging became priority in 2014-2016.	C	Lead	Consider dropping this objective
4. Inform the public about water supply conditions by developing talking points and compiling water shortage information throughout the year	BeWaterSmart website extensively revamped to guide customers to specific information for their water supplier. Talking points developed monthly for messaging during drought declaration. Close coordination with RWA member PIOs.	A	Lead	Continue as needed depending on conditions.
C. Develop and maintain strong partnerships to advance RWA member interests				
1. Represent the water caucus in the Water Forum Successor Effort	Continue to convene Water Caucus meetings as needed to support Water Forum objectives.	B	Lead	Continue

	Maintain close relationship with Business Caucus through Metro Chamber and North State BIA primarily.			
2. Develop and maintain partnerships with other northern California water interests and water agencies outside the RWA region	Maintaining close relationship with NCWA. Led coalition of 100+ water suppliers in efforts on State's long term conservation framework.	A	Lead	Continue
3. Expand partnerships with business organizations including Metro Chamber and local chambers	Continuing to provide leadership on Metro Chamber Cap-to-Cap and State Legislative programs. Brief North State BIA periodically. Increasing connection to Citrus Heights Chamber.	B	Lead	Continue
4. Expand involvement in statewide organizations	Serving as GW Committee Chair, on State Legislative Committee, and on Board of Directors of ACWA. Participate with Groundwater Resources Association on educational efforts. Increasing connection to CMUA	A	Lead	Continue
D. Develop a comprehensive public outreach and education program among members to create and implement a consistent message for RWA and the region				
	RWA greatly increased its public relations program, as well as actively coordinating with member agencies. Limited budget and active and well-funded member agency programs challenges coordination.	B	Lead and Support	Continue. Ensure close coordination with members.

ADVOCACY GOAL - REPRESENT REGIONAL NEEDS AND CONCERNS TO POSITIVELY INFLUENCE LEGISLATIVE AND REGULATORY POLICIES AND ACTIONS. THIS INCLUDES WORKING TO PRESERVE THE WATER RIGHTS AND ENTITLEMENTS OF MEMBERS, MAINTAIN AREA OF ORIGIN PROTECTIONS, AND PROTECT AND ENSURE WATER SUPPLY RELIABILITY

Objective	Status	Status Indicator	RWA Role	Comments
A. Engage state and federal legislators representing the region and legislators on relevant committees to discuss an agenda for legislative action that represents a collective RWA member vision on items of regional importance				
1. Annually, develop a state and federal legislative agenda and outreach plan for the region to guide advocacy efforts	Legislative platform developed and updated annually to guide advocacy efforts.	A	Lead	Continue
2. Maintain a tracking system of significant water related state and federal legislation and make the information and a summary readily available electronically to members	Staff tracking water related legislation and identifying priorities based on legislative platform. Capitol Track report PDF available to members on RWA website	A	Lead	Continue
3. Using priorities identified through regional planning efforts, develop and advocate for positions on federal and state funding programs	Prioritized advocating for cap and trade funding for water efficiency at state level. Advocated for infrastructure funding at federal level, including WIFIA and RIFIA programs	A	Lead at State level, Support at Federal level	Continue
4. Monitor and actively engage on actions of the ACWA State Legislative Committee and coordinate with other external organizations	Staff attend weekly lobbyist meetings at ACWA and sit on State Legislative Committee. Expanding coordination with CMUA.	A	Lead	Continue
B. Evaluate, comment and advocate on statewide water regulatory issues that may impact the region and its water supply reliability				
1. Track and respond to Delta actions, including BDCP, Bay-Delta Water Quality Control Plan, and Delta Plan implementation	RWA has been taking a limited role in Delta issues due to lack of funding and bandwidth. Participating on high level comments and outreach through North State Water Alliance.	B	Support	Continue limited scope
2. Track, evaluate and respond to water quality and other regulatory issues that may affect members	RWA will expand involvement in drinking water program and other regulatory issues with increased staffing.	B	Lead and Support	Continue with expanded scope

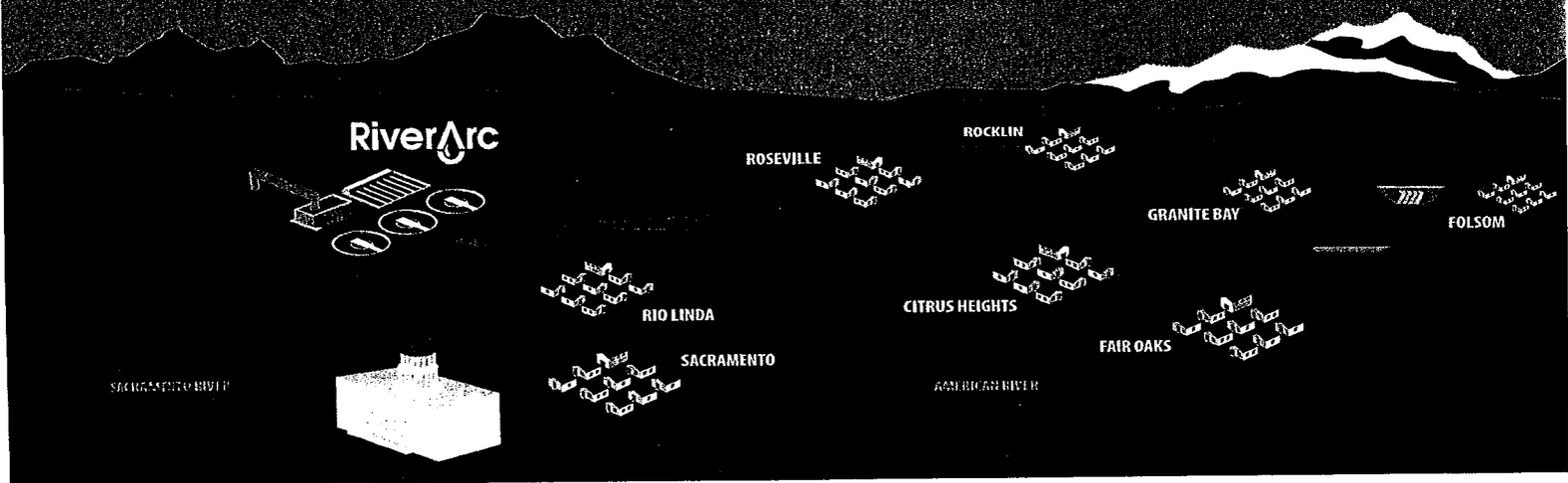
<p>3. Participate and coordinate with the efforts of partner organizations in with similar interests</p>	<p>Coordinated with NCWA and Delta issues. Coordinated with ACWA on numerous issues.</p>	<p>B</p>	<p>Lead and Support</p>	<p>Continue</p>



River Arc Project

Most Sacramento-area water agencies rely solely on the American River as their single water source. Given the need to diversify water supplies in the region, a concerted effort is underway to shift a portion of the region's water demand from the American River to the Sacramento River.

Known as the RiverArc project, this transformative water reliability project includes a new conveyance and water treatment facility using an existing diversion point on the Sacramento River. Once constructed, the project will improve water supply reliability for Sacramento and Placer counties north of the American River.



RiverArc creates added water supply flexibility



A mix of existing and new pipelines will distribute the water to most of the Sacramento and West Placer region north of the American River all the way to Granite Bay.



New system will integrate groundwater and surface water supplies for agencies to share across the region.



It enhances and protects groundwater sustainability and capacity through increased opportunities for conjunctive use, the coordinated use of groundwater and surface water, between agencies, and will assist with the full development of the American Basin Water Bank.



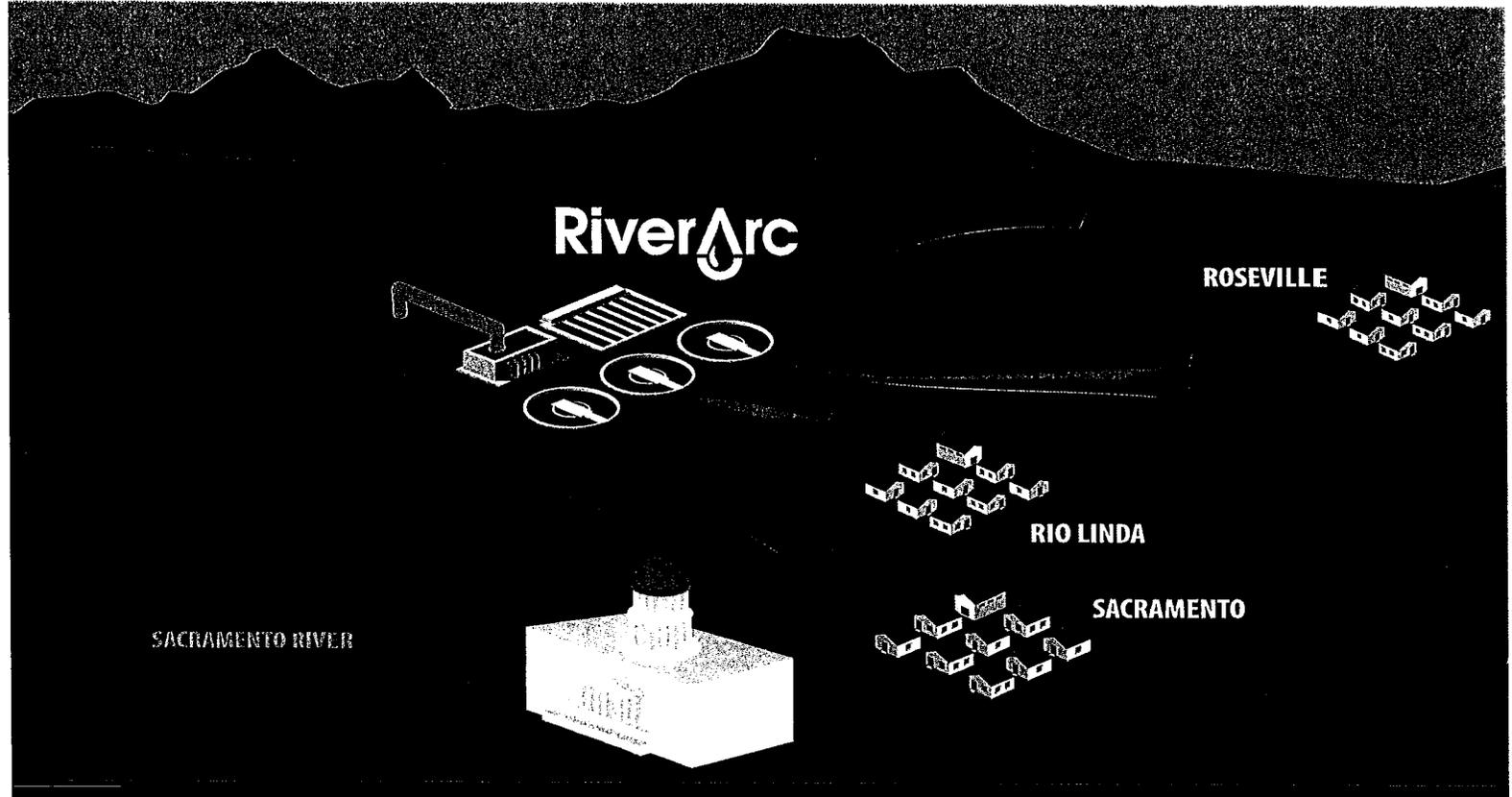
Project will offset demands on the American River with the integration of surplus Sacramento River water.



Reduces demands on the American River and Folsom Lake for a healthier environment and allows for lower water temperatures for native species.



Allows the U.S. Bureau of Reclamation to change the operations schedule to accommodate different needs like water temperature, quality and demand, thereby improving the Central Valley Project yield in its entirety.



PROJECTED TIMELINE

The project is scalable and is expected to be completed in three phases.

PHASE 1: Develop the backbone infrastructure necessary to connect the Sacramento River to the American River and incorporate the region's groundwater along the way.
2020-30

PHASE 2: Expand the water supply network to sustain a growing population in northern Sacramento and western Placer County.
2030-40

PHASE 3: Complete remaining infrastructure to allow for expansion of the American Basin Water Bank. This will provide additional regional benefits while allowing for broader statewide benefit.
2040-50



Lower American River Modified Flow Management Standard

The American River is the second largest tributary to the Sacramento River, which serves as a critical piece of the Bay Delta.

The lower American River is a spectacular regional and statewide resource. It is the second-largest tributary to the Sacramento River, which is a critical component of the San Francisco Bay and Sacramento-San Joaquin Delta.

Folsom Reservoir, located at the confluence of the North Fork and South Fork American rivers, provide flood control and drinking water to nearly one million Sacramento region residents. The river is home to 43 fish species, including federally threatened Central Valley steelhead and struggling fall-run Chinook salmon.

The most recent drought in California has demonstrated in real-world terms the limits of current flow requirements that apply to the lower American River.

To create a buffer against future drought impacts and preserve local water supplies, the Sacramento Water Forum has developed a Modified Flow Management Standard for the lower American River as a way to:



Improve temperature and flow conditions of the lower American River to support anadromous fish



Preserve recreational and aesthetic values



Secure reliable water supplies for the region



Contribute to the Delta's ecological health downstream

AUBURN

GRANITE BAY

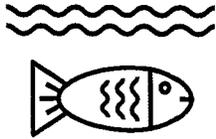
FOLSOM

FOLSOM

SACRAMENTO

Why a re-imagined flow for the Lower American River is necessary

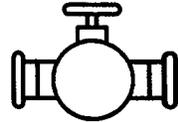
Regional water managers are advocating for minimum instream flows, improved water temperature management, and water storage provisions that protect water supplies and the environment.



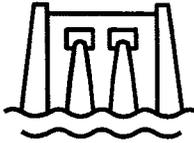
Provides dual protection by safeguarding fishery and recreational resources while providing increased water storage.



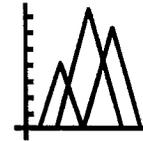
Represents the best flow standard based on real-time data and realistic constraints.



Helps the Bay Delta by releasing a higher percentage of flow when it's needed.



Protects Folsom Reservoir storage.



Helps the Central Valley Project maintain operational flexibility.

LOCALLY PRODUCED FLOW ALTERNATIVE

After 20 years of study and refinement, the Sacramento Water Forum strongly believes that this standard represents the best path forward for protecting these local resources without re-directing negative impacts to other regions.

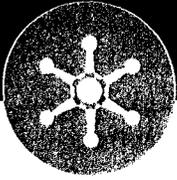
This effort is an integral element of the 2000 Water Forum Agreement.

However, to implement changes to protect the Lower American River will require federal legislation and/or executive actions that direct the Bureau of Reclamation to implement this locally produced and broadly supported alternative.

The Water Forum Agreement has two coequal objectives:

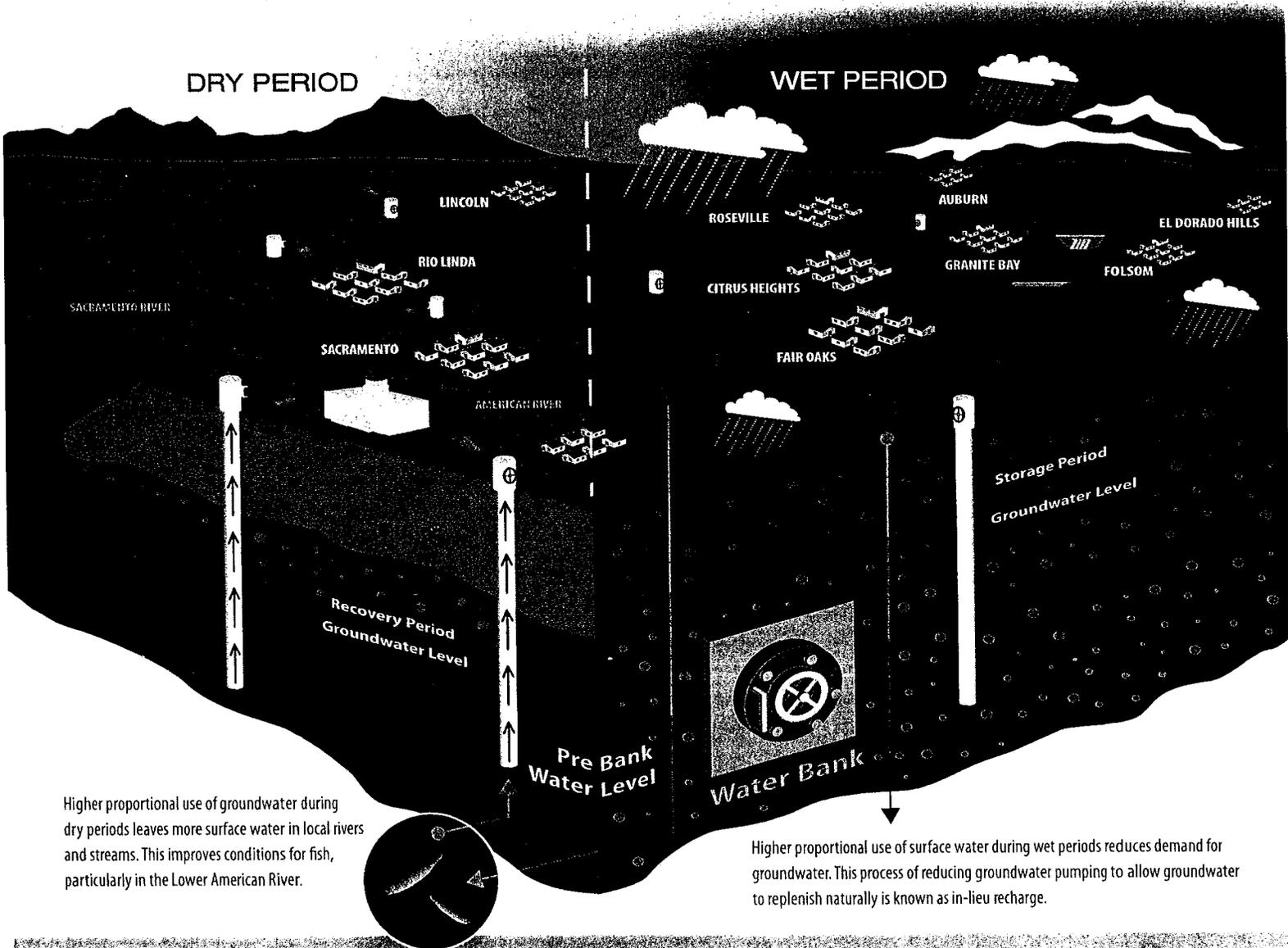
to provide a reliable safe water supply for the region and to preserve fishery, wildlife, recreational, and aesthetic values of the lower American River.





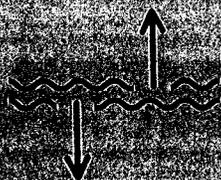
American Basin Water Bank

The American Basin Water Bank will help the Sacramento region maintain reliable water supplies by making better use of storage space for water that already exists underneath us. The Water Bank will operate much like a surface water reservoir, except that it will store water in the pore spaces between the sediments underground. Initial estimates indicate the basin has a potential storage capacity of about twice the volume of Folsom Reservoir. In dry periods, the region will rely more heavily on previously banked groundwater to meet its water supply needs. This will increase the amount of surface water available during those dry periods creating a net benefit to the local environment and providing broader benefits beyond the region as more surface water remains in the system.



How the Water Bank Works

Local water providers will manage the Water Bank using conjunctive use principles, alternating the use of surface water and groundwater supplies to maximize both water sources. When surface water supplies are plentiful, the region will draw water from Folsom Lake or local rivers. During dry years, water supplies will come from groundwater that has been stored in the Water Bank.



FREQUENTLY ASKED QUESTIONS



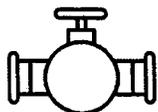
Who will participate in the Water Bank?

Participation will be voluntary, but it is currently expected that more than a dozen water agencies will participate in the operations of the Water Bank. These agencies provide water for public uses in the greater Sacramento region. This would not preclude independent groundwater pumpers, such as agricultural users, from participating in the Water Bank program.



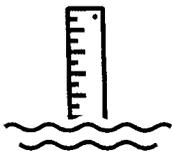
Who will manage the Bank?

The Water Bank is envisioned to be managed cooperatively by a group of local water suppliers participating in the program. The Water Bank will also be managed in coordination with several groundwater sustainability agencies (GSAs) already charged with protecting and managing groundwater resources in the region. These include the Sacramento Groundwater Authority, the Sacramento Central Groundwater Authority, and the West Placer GSA. Ultimately, these agencies will work cooperatively to ensure the groundwater basin remains healthy, following the requirements of the Sustainable Groundwater Management Act of 2014.



When will the Water Bank be operational?

We estimate that the Water Bank could be operational around 2020. While conjunctive use operations are already a practice today, there are key technical studies, environmental analyses and institutional issues that must be addressed prior to allowing for expanded use of the groundwater basin for long-term storage and recovery of water supplies as envisioned with the Water Bank.



How do you ensure that other users of the groundwater basin will be protected during operation of the Water Bank?

Provisions to protect other groundwater users in the basin include a requirement that groundwater must be previously stored and available in the bank before it can be recovered, and permanently retaining a portion of the stored water in the bank. These provisions help ensure that groundwater elevations remain above their original levels had the Water Bank not been operating and will actually benefit other groundwater users. Additional protections include a comprehensive monitoring program and established protocol for responding to potential issues from bank operations.



Will facilities be constructed as part of the Water Bank?

Little to no new facilities will be needed to get the Water Bank underway—water providers have already made infrastructure investments and have been banking and conjunctively using groundwater for decades. However, fully developing the Water Bank's potential requires expanding existing facilities to more easily move water around the region such as new surface water diversions, water system interties between agencies, booster pumps and pipelines. Additional groundwater wells would also be needed for recovering stored groundwater. One notable project that could provide additional surface water for banking is the proposed RiverArc project on the Sacramento River. The RiverArc project will allow for diversion of surface water from the Sacramento River, reducing reliance on the American River. This will directly benefit the Water Bank by increasing the number of years that surface water, as opposed to groundwater, could be used in the region.



What is the cost to develop the Water Bank?

Local water managers are currently undertaking a comprehensive study to determine infrastructure needs and operational changes to fully implement the Water Bank. This study ultimately will include a cost analysis and will identify potential funding strategies.

Key initiatives of WaterFuture

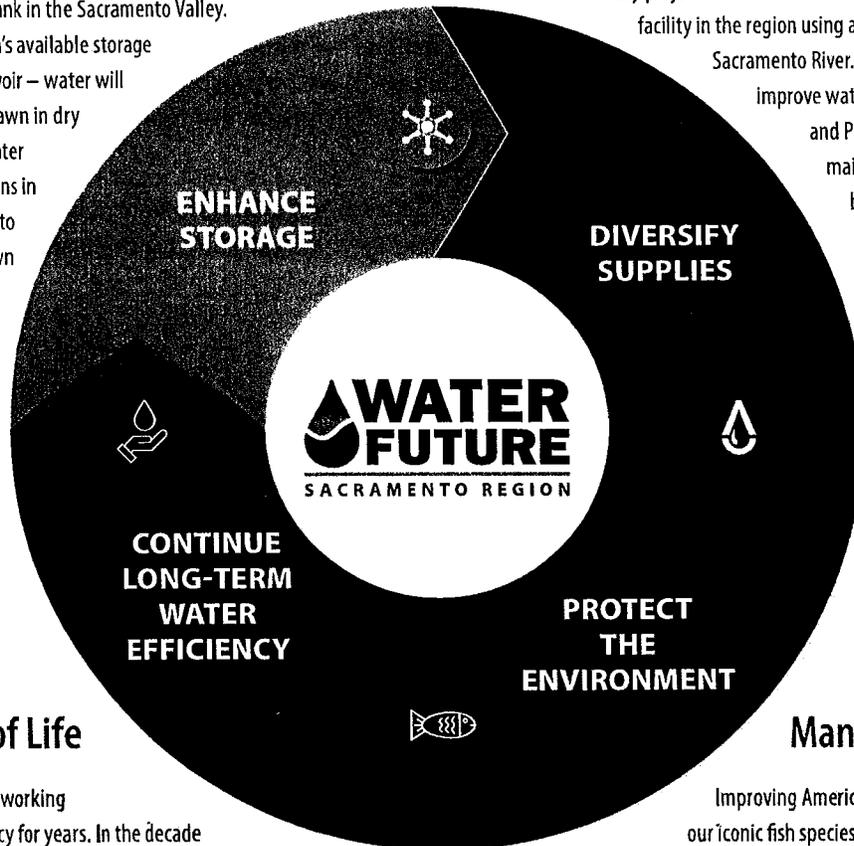
WaterFuture builds upon years of prudent water policy and management practices by envisioning several key projects and strategies designed to create new storage, diversify supplies, protect the environment and continue long-term water efficiency.



American Basin Water Bank

The proposed groundwater bank will expand upon the Sacramento region's longstanding practice of conjunctive use. This bank will be the first federally-recognized water bank in the Sacramento Valley. The water bank will use the region's available storage capacity as an underground reservoir – water will be stored in wet years and withdrawn in dry years to help meet the region's water supply needs. To improve conditions in the basin, policies will be in place to ensure that less water is withdrawn than was originally deposited in the water bank.

Most Sacramento-area water agencies rely solely on the American River as their single surface water source. The proposed RiverArc is a transformative water reliability project that includes new conveyance and a water treatment facility in the region using an existing diversion facility on the Sacramento River. Once constructed, the project will improve water supply reliability in Sacramento and Placer counties – and will help with maintaining sustainable groundwater by allowing for expand conjunctive use operations in the area.



Make Water Efficiency a Way of Life

Local water providers have been working toward long-term water efficiency for years. In the decade leading up to the drought emergency, the Sacramento region's water use (per household per day) steadily declined despite a 25 percent increase in the population. In addition, local water providers were on target to meet state mandates to reduce urban water use by 20 percent by 2020. Water supply managers are dedicated to continuing water efficiency efforts.

Modified Flow Management Standard

Improving American River flows is critical to restoring our iconic fish species and protecting local water supplies during drought. The Modified Flow Management Standard is based on 22 years of study, refinement and cooperative planning between a diverse group of stakeholders, led by the Sacramento Water Forum.



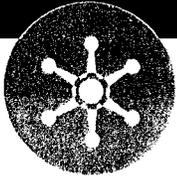
Sites Reservoir

Although not a project proposed specifically for the greater Sacramento area, local water managers see both statewide and local benefits in the proposed Sites Reservoir. Sites is a new off-stream surface water storage facility located in the Sacramento Valley that will integrate with California's water infrastructure and help reduce reliance on other storage facilities within the northern state.



www.rwah2o.org

WaterFuture Initiative



WaterFuture is an ambitious, long-term suite of actions for water resource sustainability in the greater Sacramento region, including the counties of El Dorado, Placer and Sacramento, through infrastructure and operational improvements, policy changes and improved water efficiency.

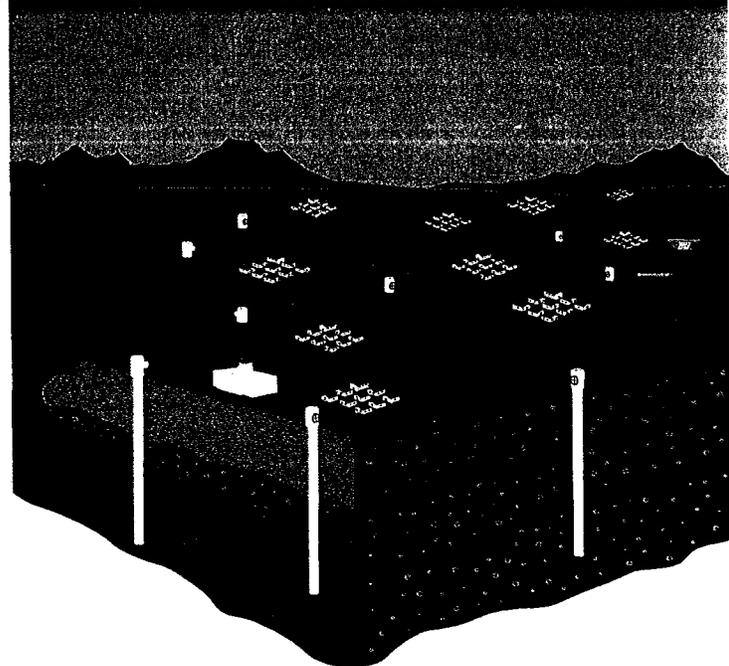
Recent statewide drought conditions and regulatory actions have exposed significant threats to the region's water resources. Sacramento area water managers for years have been working on long-term plans to manage water resources to meet demands for urban, rural, agricultural and environmental purposes. Those plans are now accelerated.

Our region is poised to significantly improve its regional water reliability projects over the next two decades. As we complete the components of WaterFuture over time, we will provide for the lasting health of our community's economy, environment and quality of life.

Our waterways are more than a source of water for people and wildlife—they are intertwined with our community's identity and quality of life. This initiative is envisioned to protect those resources—while also protecting the region's economy. And this plan is locally sourced and unique to the region's needs and resources.

WaterFuture positions the region for water sustainability by:

- Storing water in our groundwater basin to buffer against impacts of future droughts
- Diversifying locations of where our supply is drawn
- Improving flows in the Lower American River to protect our water supplies and environmental resources
- Increasing water use efficiency





Directors
Edward J. "Ted" Costa
Kenneth H. Miller
Dan Rich
Pamela Tobin
Bob Walters

February 14, 2017

To the Water Treatment Plant Staff:

At the January 25th Board meeting, the Board was given a presentation on the challenges that the Water Treatment Plant staff have faced over the past six months. From launderer retrofits, algae blooms and broken sludge vacs to high turbidity, the WTP staff rose to the occasion and went above and beyond to make sure that the District serves the same high quality water year round! The Board was impressed with the hard work and dedication that staff has shown in light of these significant challenges.

On behalf of the San Juan Water District Board of Directors, please allow me to extend my personal and genuine appreciation to each and every one of you for your valuable contributions to the District. We're proud to have you all with us and part of the San Juan Family!

Sincerely,

A handwritten signature in black ink that reads "Ken Miller". The signature is written in a cursive, flowing style.

Ken Miller
Board President

cc: Board of Directors

TO THE SAN JUAN WATER DISTRICT BOARD OF DIRECTORS

WE THE TREATMENT TEAM WOULD LIKE TO KINDLY
THANK YOU FOR YOUR RECOGNITION & LETTER OF
APPRECIATION OF HOW THE WTP STAFF RESPONDED TO
THE FLOC/SED CONSTRUCTION PROJECT & TREATMENT
CHALLENGES THAT OCCURRED THIS LAST YEAR. IT IS
WITH GREAT HONOR TO ACCEPT THIS RECOGNITION &
LETTER. WE WILL CONTINUE TO DO OUR BEST TO
REPRESENT YOU, THE DISTRICT & OUR CUSTOMERS
TO THE BEST OF OUR ABILITIES.

THANK YOU,

SJWD'S TREATMENT TEAM

Arnon Davis

Michael C. Smith

Andy Zimmick

[Signature]

John

Greg Turner

[Signature]

Jackie Foley

[Signature]

AGENDA ITEM VII-1 DRAFT

Personnel Committee Meeting San Juan Water District February 16, 2017 3:30 p.m.

Committee Members: Dan Rich, Chair
Bob Walters, Director

District Staff: Keith Durkin, Interim General Manager
Donna Silva, Finance Director
Tony Barela, Operations Manager
Lisa Brown, Customer Service Manager
Teri Grant, Board Secretary/Administrative Assistant

Topics: HR Review (W & R)
Staffing (W & R)
WTP 24-hour Shift Relief Operator MOU (W)
Other Personnel Matters
Public Comment

1. HR Review (W & R)

1.1 Human Resources Audit

Mr. Durkin informed the committee that the Human Resources (HR) Audit was completed in October 2016 by Bryce Consulting. A copy of the report will be attached to the committee minutes. He explained that the consultant looked at legal and best practices, recruiting, benefits, and internal/external support.

The consultant identified numerous gaps in the HR area such as benefit administration, staff development, and legal compliance, just to name a few. Mr. Durkin informed the committee that the managers, especially the General Manager, Assistant General Manager, and Director of Finance, handle most of the HR issues with some tasks being contracted out. Ms. Silva pointed out that this is utilizing higher paid staff to fulfill the duties when a lower paid staff position could be utilized, which would then free up the managers' time and allow them to accomplish other tasks. Mr. Durkin informed the committee that in 2004 a Human Resources Master Plan was developed which recommended a full-time position dedicated to Human Resources.

For information only; no action requested.

1.2 Human Resources Specialist Job Description

Mr. Durkin reported that staff recommends a Human Resources Specialist position as recommended in the 2004 HR Master Plan and in the 2016 HR Audit. He provided the committee with the Human Resources Specialist job

description. A copy of the document will be attached to the meeting minutes. He explained that the position was included in the current financial plans and the current year budget. Ms. Silva explained that this would be a mid-level position. She commented that housing additional staff would be a challenge but a temporary fix could be leasing a trailer until a permanent solution is found.

In response to Director Walters' question, Mr. Durkin reminded the committee that there were four positions discussed as high priority positions at a workshop last year – HR position, WTP Operator position, PIO position and Administrative Assistant position. He commented that, at this time, the Administrative Assistant position could be tabled. In addition, he stated that he could not prioritize the HR Specialist and WTP Operator positions since both positions are needed for different reasons. He explained that the WTP Operator position is needed for coverage at the WTP while the HR position is needed due to potential risks and covering the gaps in the HR areas.

Director Walters inquired if a job share with another agency was considered and suggested that staff contact the National Association of Human Resources to acquire more information. Mr. Durkin informed the committee that staff contacted Citrus Heights Water District and Fair Oaks Water District and they each have positions in place which cover their HR needs. In addition, Mr. Durkin contacted Sacramento Suburban Water District and they already have an HR position but might be adding another position and might be interested in job sharing if the position was housed at SSWD. Mr. Durkin explained that the HR position for the District would need to be housed at the District.

The committee discussed the position and would like staff to bring the following back to the next committee meeting:

- Cost spent on outsourcing with consulting agency and attorneys
- Amount of manager time spent on HR issues
- A housing plan
- Other alternatives

For information only; no action requested.

2. Staffing (W & R)

2.1 WTP Operator

Mr. Durkin informed the committee that the addition of a WTP Operator was discussed at the workshop last year and was waiting for the wholesale financial plan to be approved before bringing the position to the Board for approval. He explained that the District is currently recruiting for an Operator III position which was left vacant in December, and the proposed position would be for an Operator II position. The committee discussed the new position and recommends adding the position.

The Personnel Committee recommends consideration of a motion to approve adding an additional operator position at the WTP and authorize staff to recruit and fill the position.

2.2 Other Staffing Needs

Mr. Durkin informed the committee that there are other needs at the District such as the Customer Service position. He explained that currently one of the conservation staff assists the front desk on a part-time basis as does the Customer Service Manager.

Mr. Durkin informed the committee that additional staff will be needed to start replacing meters. He explained that most of the meters were installed in 2000-2003 and are expected to last 20 years. The conservation staff is working with field services to develop benchmarks on meter replacements and compile a database for replacing meters. The goal will be to stagger the meter replacements in advance of failures so that the District does not have to replace all the meters at one time.

Mr. Tony Barela reviewed the mandatory training matrix with the committee. He explained that he began meeting with the City of Roseville, City of Folsom, EID and SSWD a few years ago to discuss regulations and the training needed to comply with those regulations. The group developed the training matrix and updates it as needed.

Mr. Barela explained that the training required of staff has increased significantly due to regulation changes. He estimates that 1,000 employee hours per year are spent on training. He commented that this does not include component level training on every piece of equipment, which he plans to implement eventually. Director Walters commented that more information such as this should be included in the District's newsletter. Director Rich commented that it should be noted that this could reduce the level of service that the District can provide to the customers due to training hours.

For information only; no action requested.

3. WTP 24-hour Shift Relief Operator MOU (W)

Mr. Durkin informed the committee that he wanted to remove this item from the agenda. He explained that the WTP operators who work the 24-hour shifts currently have a Memorandum of Understanding (MOU) in place which explains that they do not get paid for the sleep portion of their shift unless they are working during that time due to alarms or other issues. Mr. Durkin explained that sometimes the day operator has to work the 24-hour shift and has not signed this agreement. Therefore, staff is amending the MOU so that it will be signed by all operators so in

the event that they cover a 24-hour shift then they will all work under the same MOU, and a WTP 24-hour Shift Relief Operator MOU will not be needed.

For information only; no action requested.

4. Other Personnel Matters

There were no other items discussed.

5. Public Comment (W/R)

There was no public comment.

The meeting was adjourned at 5:23 p.m.



San Juan Water District

Human Resources Audit

Performed by



October 2016

Executive Summary

Bryce Consulting was retained by the San Juan Water District to conduct a comprehensive review of the District's human resources function, identify areas for improvement, and make a recommendation regarding long-term staffing. Areas reviewed during the audit include:

- ◆ Legal and best practice compliance with respect to personnel file maintenance
- ◆ Application of personnel policies
- ◆ Human resources practices including selection, onboarding, off boarding, benefit administration
- ◆ Internal vs external support

In addition to the assessment, the consultant was also tasked with a variety of projects aimed at ensuring the District is legally compliant as well creating streamlined processes. Recommendations for improvement include:

- ◆ Revisions to recruitment and pre-employment process
- ◆ Revisions to onboarding and off boarding process including checklists and flow charts that document process and stakeholder involvement
- ◆ Review and reformat of personnel policies as recommended by ACWA JPIA and District Counsel

Overall, the District lacks the staff and professional human resources expertise to:

- ◆ Perform recruitment and selection
- ◆ Ensure consistent and thorough onboarding and off boarding of staff
- ◆ Perform benefit administration
- ◆ Assist with staff development and training
- ◆ Ensure legal compliance, including personnel file maintenance
- ◆ Maintain the District's classification and compensation plan

Methodology

Audit Scope

The scope of the audit was to assess the effectiveness of the District’s human resources program, identify gaps or concerns with respect to legal compliance and best practices and to recommend a “go forward” plan with respect to future staffing.

Audit Methodology

As stated, audit included a review of human resources practices and procedures as well as documentation. The methodology included:

- ◆ Meeting with General Manager and Assistant General Manager to gain an understanding of the desired scope of the audit
- ◆ Interviews with management staff to gain an understanding of the level of support provided to management as well as gaps and needs
- ◆ Thorough review of personnel files to ensure legal compliance and best practices are being met
- ◆ Interviews with staff currently assigned human resources tasks to identify areas of concern, confusion, and gaps
- ◆ Discussion with other water districts to gain an understanding of the level of human resources support provided internally

Background

The District currently blends in house resources and external resources for the performance of human resources tasks. The District's Accounting Technician is split between payroll and human resources. More specifically, the position supports human resources with respect to the hiring process by commencing the background check and pre-employment physical with outside parties and meeting with the newly hired employee to have them complete the necessary paperwork on their first day of employment. The position also administers the District's leave programs (worker's compensation, disability, FMLA), and responds to questions from employees with respect to benefits. The General Manager, Assistant General Manager and Director of Finance also support the human resources function as it relates to advising and assisting managers. Lastly, the department managers receive and respond to a significant amount of questions related to human resources posed by their staff.

The District utilizes Bryce Consulting for recruitment activities including the development of job announcements, placement of ads, receipt and screening of applications, development of selection materials, scheduling and facilitation of interviews, maintaining contact with candidates, making offer to selected candidate and conducting reference checks.

The District has never had a full-time position dedicated to Human Resources. In 2004, the District developed a Human Resources Master Plan. Through that process it was recommended that the District consider contracting out human resources activities. At that time, the Finance Manager and Accounting Technician were responsible for benefits and personnel related questions and the department managers handled recruitments for their respective departments. During the 2004 review, it was mentioned that the District was reaching a point where human resources matters might come to the forefront as the District was being faced with turnover, disability leaves, and retirements and was reaching a staffing level where the human resources activities may become more time intensive and complex. It was also recommended that the District put more of an emphasis on human resources as well as safety since those tend to be areas where organizations can face a significant financial liability if not administered correctly.

Additionally, in 2014, the District had a review of the personnel policies by ACWA JPIA where a number of areas of improvement were identified.

Findings

Through the assessment, the consultant identified a number of gaps as outlined below:

1. Selection

- ◆ The District lacks strategic human resources involvement with respect to identifying changes needed to vacant positions prior to recruitment
- ◆ Hiring of temporary and seasonal staff as well as interns is left to the department managers leading to a lack of consistency
- ◆ The pre-employment physical process is cumbersome and disorganized leading to candidate frustration

2. Onboarding/Off boarding

- ◆ The onboarding and off boarding processes are not formalized and administered consistently and managers have too great of a responsibility for the processes including:
 - Orientation to the District
 - Completion of required documents
 - Ordering of uniforms
 - Explanation of District policies, procedures and benefits
 - Initial employee set up (IT)
 - Exit interviews
 - Collection of District property

3. Benefit Administration

- ◆ Lack of exploration and education on District benefits
- ◆ No open enrollment fair to explain benefit options or changes in benefits
- ◆ Lack of knowledge related to protected leaves (worker's compensation, disability, FMLA, return to work)

4. Personnel Policies

- ◆ Lack of consistency with respect to the application of policies and procedures including:
 - Hiring of temporary and seasonal staff

- Application of overtime for treatment plan operators
- Administration of flex day policy
- Awarding of leave and benefits while on protected leave
- ◆ Lack of regular review, revision and updating of policies (laws change annually and there should be a regular review of policies to ensure they are still consistent with law)

5. Staff Development/Training

- ◆ Tracking and scheduling of training is currently assigned to the Operations Manager which is not a best use of this position's time and the function is not getting the dedicated time required to ensure mandatory training is occurring
- ◆ Managers are driving staff development by researching opportunities for staff as they relate to career progression and succession planning with no strategic involvement from human resources
- ◆ Lack of staff time to build and maintain the District's culture and sense of team environment

6. Legal Compliance

- ◆ No dedicated or trained professional to research, understand and implement changes in law including:
 - Payroll law
 - ACA (once the District has 50 employees, it will need to implement ACA which is a complex and cumbersome process). The District currently has 46 employees.
 - Annual changes to California and Federal labor law
 - Ensuring personnel files are maintained consistent with California law

7. Classification and Compensation

- ◆ Lack of staff time and expertise to
 - Review and update job description
 - Maintain the District's salary schedule
 - Conduct compensation surveys

Recommendations

As stated, in 2004, it was recommended that the District put more emphasis on human resources and that the District explore contract services. The only aspect of human resources that the District has contracted out for is recruitment and selection, other than specialized projects such as Succession Planning, leaving a significant gap in the District's overall human resources program. The way in which human resources is being handled, whereby it is somewhat decentralized to department managers, leaves the District with significant gaps. Furthermore, the overall lack of knowledge related to human resources administration and law creates a significant legal exposure to the District. For instance, California has some of the most complex and convoluted leave laws and it is important that they are administered by an individual with in depth knowledge to ensure it is done properly as to not impact the employee's protected leave as well as set the District up for a legal challenge. While the District has not grown significantly since 2004, the fact that the human resources program has not developed further internally is worrisome. The employees are the District's greatest asset and it is important to ensure that employee focused programs and activities are handled appropriately.

It is recommended that the District create a full-time Human Resources Specialist position. The position would be responsible for ensuring that human resources processes and procedures are consolidated and implemented consistently. The audit has shown significant gaps in the program with respect to knowledge and time dedicated to perform the required duties. Sacramento Suburban Water District has approximately 65 employees and a full time Human Resources Specialist that is responsible for maintaining District human resources policies, procedures and systems; administering benefits, worker's compensation and disability programs; maintaining the District's classification plan; maintaining records and tracking compliance; administering the selection process; performing orientation and exit interviews; and working with management and staff on human resources related issues. Citrus Heights Water District has approximately 32 employees and has a position that is split between human resources and support to the Board of Directors; however, the bulk of the time is spent supporting the human resources function including recruitment; benefit administration; tracking and scheduling of training; new employee orientation and exit process; and maintenance of files. The Fair Oaks Water District has approximately 29 positions and has a Human Resources Administrator responsible for investigating challenges to human resources issues such as working conditions, disciplinary action and employee and applicant grievances and appeals; maintaining human resources records; coordinating new hire, leave and termination processes; maintaining job descriptions; and administering benefits, worker's compensation and COBRA. Given that the number of staff is less at Fair Oaks Water District,

the Human Resources Administrator also has time to perform payroll and support the Board of Directors.

With the addition of the Human Resources Specialist, it is recommended that the following be assigned to the position:

- ◆ Recruitment, selection, and pre-employment processes as well as onboarding
- ◆ Benefit research and administration including open enrollment
- ◆ Leave management including return to work
- ◆ Training (tracking and scheduling)
- ◆ Policy interpretation and maintenance
- ◆ Termination and off boarding processes
- ◆ Classification and compensation plan maintenance
- ◆ Providing strategic guidance to managers with respect to vacancies, disciplinary action, and professional development
- ◆ Coordinating and tracking the performance evaluation process
- ◆ Tracking and ensuring compliance with labor law (with support from outside Counsel, as necessary)
- ◆ Maintenance of personnel files and related records
- ◆ Employee engagement
- ◆ ACA reporting (if the District reaches 50 employees)
- ◆ Support to Finance and Risk Management staff

In addition to the tasks noted above, the Director of Finance needs a position to review payroll and maintain the employee database for internal control purposes which would be appropriate for the Human Resources Specialist. Attachment A provides a draft job description. In terms of compensation, Bryce collected compensation data from 8 local agencies including Citrus Heights Water District, Carmichael Water District, City of Folsom, City of Roseville, El Dorado Irrigation District, Fair Oaks Water District, Placer County Water Agency and Sacramento Suburban Water District. Based on the labor market mean for this group of agencies, it is recommended that the maximum salary for the Human Resources Specialist be set at \$7,464.

ATTACHMENT A
DRAFT JOB DESCRIPTION



San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, California 95746
(916) 791-0115
www.sjwd.org

Human Resources Specialist Position Description

Status: FLSA Non-Exempt and Confidential in nature

Supervisor: Director of Finance

Effective Date:

Supervision Received and Exercised:

Receives direction from the Director of Finance and may provide technical and functional supervision to assigned technical personnel.

Primary Function

To perform a variety of responsible and professional analytical duties in support of the District's human resources activities including classification and compensation, recruitment and selection, and benefit administration; and to provide advice to managers and staff on a wide variety of human resources topic.

Essential Duties - Duties may include, but are not limited to, the following:

- Analyze, interpret, research and compile information for the revision and maintenance of the District's classification plan and allocation of positions; monitor and maintain allocation salary schedule.
- Research and provide advice on organizational structure to improve the efficiency and effectiveness of District operations.
- Design and implement recruitment activities to obtain qualified candidates, including the creation of recruitment timelines, advertisement sources and selection process including application review, supplemental questionnaire development, and test administration; receive, research and respond to candidate questions and appeals.
- Interpret and explain policies, procedures, and regulations to District staff and the public; respond to complaints and requests for information from employees, management, outside agencies and the public.
- Administer a comprehensive benefit plan including health, dental and life insurance, long term disability, and other benefits including protective leave; administer the District's open enrollment process.
- Assist with the development and maintenance of District policies and procedures; represent the District to outside professional organizations; participate on cross functional teams.
- Develop, implement and administer a comprehensive training program, ensuring compliance with state regulations.
- Complete internal and external compensation and benefit studies.
- Advise on grievance processing and dealing with disciplinary matters; interpret provisions of the Personnel Manual with managers and employees; coordinate discipline process.
- Review completed payroll.
- Serve as administrator for employee database.
- Establish and maintain positive working relationships with co-workers, other District employees and the public using principles of good customer service.
- Develop and implement an employee wellness program to promote a positive and engaged workforce.

- Perform related duties as assigned.

Minimum Qualifications

Knowledge of:

- General principles and practices of human resources administration and organization management.
- Pertinent federal, state, and local laws, codes and regulations.
- Practices, methods and procedures utilized in recruitment and selection.
- Principles and practices of recruitment, selection, classification, salary and benefit administration, EEO and employee relations within a public agency
- Advanced methods of statistical research and presentation.
- Principles and practices of project management.
- Principles and practices of supervision, training and performance evaluations.
- Pertinent local, State and Federal laws.
- Applicable safety precautions and procedures.

Ability to:

- Collect, compile, analyze and summarize written and statistical information and data.
- Prepare clear and concise technical and administrative reports.
- Analyze situations carefully and adopt effective courses of action.
- Independently perform professional analytical work in support of human resources programs.
- Identify, research and respond to questions from District departments, outside agencies and the public.
- Prepare and present technical reports.
- Interpret and explain human resources programs and policies.
- Collect, compile and analyze data and develop logical conclusions and sound recommendations.
- Respond appropriately to difficult and sensitive matters.
- On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; identify and interpret technical and numerical information; observe and problem solve operational and technical policy and procedures.
- On a continuous basis, sit at desk for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, and write or use a keyboard to communicate through written means.
- Research, analyze and make recommendations on accounting processes and procedures.
- Apply District, State and Federal policies, procedures, rules and regulations.
- Effectively operate computers and applicable software.
- Initiate and maintain effective safety practices.
- Communicate clearly and concisely, orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Education:

Equivalent to a Bachelor's Degree from an accredited college or university with major course work in business administration, public administration, social science or closely related field.

Experience:

Three years of increasingly responsible experience performing professional level human resources duties within a public agency.

License or Certificate:

Possession of, or the ability to obtain and maintain, a California Driver's License with a satisfactory driving record. Individuals who do not meet this requirement due to a physical disability will be considered on a case-by-case basis.

Physical Capabilities:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform functions.

Physical Requirements	Rarely (0-12%)	Occasionally (12-33%)	Frequently (34-66%)	Regularly (67-100%)
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Seeing Hearing				
Standing/Walking				
Climbing/Stooping/Kneeling				
Lifting/Pulling/Pushing				
Approximate Maximum Weight to Lift				
Fingering/Grasping/Feeling		20 Pounds		
Describe Working Conditions				
100 Percent Indoors				

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