

Agenda

Sacramento Suburban Water District Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, March 27, 2017
6:30 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the February 27, 2017 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Minutes of the March 9, 2017 Special Board Meeting – Closed Session
Recommendation: Approve subject minutes.
3. Improvement Standards and Technical Specifications Policy (PL – Eng 001)
Recommendation: Adopt subject policy
4. Resolution No. 17-03 Accepting Grant of Easement and Right of Way for 3124 Auburn Blvd.
Recommendation: Adopt subject resolution.

Items for Discussion and Action

5. Water System Master Plan Update
Recommendation: Review and Adopt Water System Master Plan
6. Strategic Plan Policy (PL – BOD 001)
Recommendation: Adopt subject policy
7. General Manager’s Employment Agreement
Report from Board negotiator, Robert Wichert, and consider approving revisions to the General Manager’s Employment Agreement.
8. Facility Development Charges
Receive written staff report and direct staff as appropriate.
9. Federal Watersmart Water Marketing Strategy Grant
Receive written staff report and direct staff as appropriate.

Information Items

10. District Activity Report
 - a. Water Operations and Exceptions Report
 - b. Water Conservation and Regional Water Efficiency Program Report
 - c. Customer Service Report
 - d. Community Outreach Report
11. Engineering Report
 - a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination

- c. McClellan Business Park
 - d. Groundwater Quality Projects
 - e. General
 - f. Planning Studies
 - g. Other
12. Financial Report
- a. DRAFT - Financial Statements – February 2017
 - b. Cash Expenditures – February 2017
 - c. Credit Card Expenditures – February 2017
 - d. DRAFT - District Reserve Balances – February 2017
 - e. DRAFT - Information Required by Bond Agreement
13. California WaterFix Update
14. McClellan Business Park and Operations Agreement Update
15. California Special Districts Association Call for Nominations for Seat C
16. ACWA Bay-Delta Flow Requirements
17. Legislative and Regulatory Update
18. General Manager's Report
- a. Easements Accepted on Behalf of the District by the General Manager
 - b. Sacramento Area Sewer District Lateral Damage
 - c. Parkland Estates Pipeline Separation Requirements
 - d. Long Term Warren Act Contract Update
 - e. Invitation from Doug Veerkamp General Engineering Inc.
 - f. Update on District Action to Address Chromium 6 Contamination of Groundwater Wells

- g. Rate Consultant Proposed Changes to Regulation
 - h. 2017 CAPIO Excellence in Communications Award
 - i. The ASCE Sacramento Section Outstanding Energy Project of the Year
 - j. SIGMA and the State Water Resources Control Board Draft Fee Sheet
19. Upcoming Policy Review
- a. Employee Compensation Policy (PL – HR 002)
 - b. Reserve Policy (PL Fin 004)
20. Upcoming Water Industry Events

Committee Reports

21. a. Facilities and Operations Committee (Director Schild)
No report.
- b. Finance and Audit Committee (Director Thomas)
Agenda for the April 4, 2017 Meeting.
- c. Water Quality Committee (Director Wichert)
Agenda for the March 27, 2017 Meeting.
- d. Government Affairs Committee (Director Locke)
No report.
- e. Ad Hoc Water Banking and Transfer Committee (Director Schild)
No report.

Director's Reports (Per AB 1234, Directors will report on their meeting activities)

22. a. Regional Water Authority (Director Thomas)
Agenda from the March 9, 2017 meeting.
- Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from the March 22, 2017 meeting.
- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Caucus Meeting
No report.

d. Water Forum Successor Effort (General Manager Roscoe)
No report.

e. Other Reports

Miscellaneous Correspondence and General Information

23. Correspondence Received by the District

24. General Information

Director’s Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Closed Session (Closed Session Items are not opened to the public)

None.

Adjournment

Upcoming Meetings

Tuesday, April 4, 2017 at 3:00 p.m. Finance and Audit Committee Meeting

Monday, April 17, 2017 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the March 27, 2017 meeting of the Sacramento Suburban Water District Board of Directors was posted by March 23, 2017 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 11

Date: March 10, 2017

Subject: Engineering Report

Staff Contact: Mitchell S. Dion, Technical Services Director
John E. Valdes, Engineering Manager

Described below are significant engineering department activities and milestones over the past month. The report is separated into the following sections: Major Capital Improvement Projects, County and City Projects/Coordination, McClellan Business Park, Groundwater Quality Projects, Developer Projects, Planning Studies and Other.

a. Major Capital Improvement Projects

Wet weather has continued to be an important aspect in all of our projects. Wet season work requires additional considerations such as limited daylight hours and stormwater runoff control provisions. The District has continued to deliver CIP projects at a steady rate, supporting operations and ensuring the readiness of District supply and facilities.

1) Supply

Rutland Well (N39) Pumping Plant Construction

A Notice of Completion was filed at the County Clerk/Recorder's Office on February 24, 2017. This establishes the start of the one-year warranty period for the facility.

Replacement Palm Well (#N6A)

The District's consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), is providing design, bidding and construction management services for the construction of a replacement well at the District's Palm Well (N6A) site. Roadrunner Drilling & Pump Company completed the development of the well. The well and pumping facilities are anticipated to be constructed and operational later this year. Additional test pumping and supplemental well testing was completed during the first week in March to calibrate water quality, such as manganese concentrations, as related to pumping rates. LSCE is now finalizing the design of the pump and facilities. The construction of the pump and facilities work is now scheduled for bid in April 2017.

Various Well Investigation and/or Rehabilitation Projects

Some of the ongoing projects are discussed in more detail below:

- Well #2A, El Prado/Park Estates – This project consists of raising an existing well pump/motor out of a below ground vault and other necessary improvements. General contractor Clyde G. Stegall, Inc. is under contract for this work. Field

testing and facility startup were conducted during the week of February 27th. The startup was successful, although there is a small amount of sand being pumped from the well. This is considered to be normal following the light well rehabilitation work that was performed. It is anticipated that the amount of sand produced on startup of the well pump will decrease over time. The District's engineer, Luhdorff & Scalmanini, have provided the District with operating recommendations to reduce and monitor sand production. A 7-day performance test will be conducted starting on March 13th. If the performance test is successfully completed, the facility will be declared to be substantially complete. Final completion will then be subject to the resolution of all punch list items by the contractor.

- Well #59A, Bainbridge/Holmes – An existing sound enclosure needed to be refurbished and re-installed over the vertical turbine pump to control noise. The fan for the enclosure must be replaced before the pump can be operated into the system without an operator present.
- Well #31A, Watt/Elkhorn – Various rehabilitation alternatives are still being coordinated with and reviewed by Operations prior to being implemented.
- Well #N8, Field – The work to restore the well back into operation is underway. The new configuration uses water lube bearings in an attempt to avoid the reoccurring biological contamination issue. Related electrical work is currently being performed by Prodigy Electric. Necessary tree removal is pending a permit with the City. This well is anticipated to return to service in May 2017.
- Well #N15, Cabana – Concentrations of Trichloroethylene (TCE) above the maximum contaminant level (MCL) was detected in 2016 and the well was taken off-line. TCE is a volatile solvent commonly used as an industrial degreaser or is a by-product of Tetrachloroethylene (PCE) degradation. The District has contracted with Sierra West Consultants (SWC) to perform an Environmental Assessment (ESA) to determine the source of the TCE contamination. A draft report has been received from SWC with their findings and recommendations. This topic is on the agenda for the Water Quality Committee meeting scheduled for March 27th. SWC representatives will be in attendance at this meeting to discuss their findings and recommendations. Recommendations for well restoration or removal are pending specific testing at various levels in the well, which is planned to be accomplished by the District.
- Well #N17, Oakdale
A project scope is being created for the rehabilitation of this well site. The pump and pump column pipe were pulled earlier this year because of oil buildup in the well. The well video is being reviewed by a hydrogeologist to determine the amount of rehabilitation that will be needed on this project. Replacement of hydro-pneumatic tank was completed and new discharge piping is under design.

2) Distribution

Drayton Heights Phase 2 Main Replacement Project

All contract work has been completed, including punch list items. Sacramento County will be starting paving projects soon. Doug Veerkamp General Engineering will be lowering and raising valves on this project (under a separate raise/lower valve contract) in conjunction with the County's paving schedule.

Edison Meadows Main Replacement Project

Design of this project is progressing. The construction work not expected to start until early 2018, potholing will be scheduled by Doug Veerkamp General Engineering by the end of March to aid in design of the project. This project will be competitively bid in the fall of 2017 as the basis of the multiple year contract replacement.

Parkland Estates Phase 1 Main Replacement Project

Doug Veerkamp General Engineering completed all mainline installations and began testing and flushing lines on March 10th. In anticipation of all tie-ins completed and lines charged by March 21, 2017. GM Construction has completed installation of all copper water services and is finalizing in-tract line installations. Service cross-overs will begin as soon as the mainline is tested and charged. All work on the project, including punch list items, is expected to be completed by mid-April.

Parkland Estates Phase 2 Main Replacement Project

Doug Veerkamp General Engineering has completed all project layout work, and potholing for utilities is currently in construction. Meter Location Surveys with residents are being performed by ERC Contracting (Ricky Ingraham) with assistance from Scott Ahlstrom. Approximately 1/3 of the project area property surveys have been completed. Contract documents for GM Construction are in final preparation and will be presented to the contractor soon for their response. Parts bids were distributed to a number of supply vendors. The low bidder for the parts supply was Ferguson Waterworks.

Edison Avenue Water Main Extension Project

This water main extension project consists of approximately 1,200 feet of new pipe installation and meter installation. Surveying has been completed by Area West Engineers to assist with the design. The project design is being performed in-house. The design work is nearly complete and it is anticipated that this project will be bid in April.

Connie Drive Water Main Extension Project

This project consists of a short water main extension roughly 800 feet in length with meter installation to follow. Design work will begin in-house once surveying work and data is obtained from Area West Engineers. This project is located in this year's meter retrofit area, so a push is being made to replace the existing back yard mains to accommodate new meters in the front yard.

2017 Meter Retrofit Project

The District issued a Notice to Proceed to Flowline Contractors, Inc. (Flowline). Flowline began construction of the project on January 25th and has installed 133 meters through the end of February. The weather has hindered progress, but it is anticipated the project will be successfully completed by the deadline of December 15, 2017.

b. County and City Projects/Coordination

The County is providing the District a list of planned road replacement work to coordinate the raising and lowering of the “iron” for 2017.

c. McClellan Business Park

During the month of February, the following project was approved for construction:

▪ **2407 AK Street (Building 637)**

This project is located in Division 2 of the District’s North Service Area (NSA). The project is the reuse of an existing building at McClellan Business Park.

The District has also had several other recent inquiries for development at McClellan Business Park.

d. Groundwater Quality Projects

Local Groundwater Assistance Grant Project

In February, a completed “Invoice Package” was transmitted to the Department of Water Resources (DWR) for grant reimbursement. The invoice package had been approved by DWR’s Grant Administrator but was still in processing by their Financing Section. The District’s total grant amount is \$157,135.00. Upon processing of the invoice package, DWR will issue the District a check in the amount of \$149,278.25. Five (5) percent retention will be withheld for a period of 60 days and then a final payment in the amount of \$7,856.75 will be made to the District.

e. General

There are approximately 40 development projects in various stages of the approval process within the District. The majority of these are commercial projects. Currently there are 24 projects approved by the District, 12 of which have started or are under construction, and 12 that are scheduled, but have not provided the required deliverables prior to start of construction.

Total fees collected for CY 2017 are approximately **\$12,646**, of which Facilities Development Charges accounted for approximately **\$4,728**.

f. Planning Studies

Water Master Plan Update

The District's consultant, Brown and Caldwell (B&C), is on schedule to finalize the Water Master Plan update by the end of March. It is anticipated that the final report will be presented to the Board of Directors for adoption at the March Board Meeting. B&C representatives will attend the March Board Meeting to make a presentation on the final report before the Board considers adoption.

g. Other

Sacramento County LAFCo

The subject annexation of several parcels into SSWD's service area was approved by the Sacramento Local Agency Formation Commission (LAFCo). Coordination efforts are underway with Carmichael Water District for public outreach and welcoming to SSWD. It is anticipated that the customer conversions will take place in March.

Sacramento Suburban GPS/GIS Implementation Project

Work is underway on a program to acquire and use GPS and eliminate inefficient and inaccurate descriptive criteria in mapping. Included is an update of the base map which will facilitate the use of GPS data and in the mapping products provided by the GIS. The District is obtaining information from several vendors. On March 9th, several members of the District attended a webinar sponsored by California Surveying and Drafting on the Trimble "Terraflex." Terraflex is a cloud based software solution that allows the user to receive high accuracy positioning data straight to a mobile device. The District will continue to investigate products and conduct research.

RFQ for General Surveying Services

In February, the District sent a Request for Qualifications (RFQ) to 10 qualified and local surveying firms asking them to submit a Statement of Qualifications (SOQ) to provide general surveying services on an as-needed basis. The existing Master Service Agreement (MSA) with Area West Engineers is expiring at the end of June. The goal with the new MSA will be to contract with two surveying firms, with the hope of getting more availability and competitive pricing. Based on a review of the submitted SOQ's, the two most qualified firms will be selected in March and then a recommendation will be made to the General Manager for approval.

RFQ for Structural and Seismic Services for Elevated Tank Evaluation

The District has prepared an RFQ for evaluation of the elevated tanks. The District has four elevated tanks which have been inspected and maintained for coating, corrosion control and general maintenance. Seismic regulations have changed as well as OSHA standards; therefore it is necessary and appropriate to have an evaluation done to ensure these key assets are adequately constructed to meet current standards by a firm qualified to make this assessment.



Agenda Item: 12

Date: March 20, 2017
Subject: Financial Report
Staff Contact: Daniel A. Bills, Finance Director

Eight reports are attached for your information. They are:

- DRAFT - Financial Statements – February 2017
- Cash Expenditures – February 2017
- Credit Card Expenditures – February 2017
- DRAFT - District Reserve Balances – February 2017
- DRAFT - Information Required by Bond Agreement

Draft Financial Statements

These Financial Statements and certain other reports noted above and below are presented in Draft form and should not be relied upon for investment or other decision making purposes. As December 31 is the District’s year-end for financial reporting purposes, amounts presented in this report will remain “Draft” until the external auditor’s financial audit is complete and the Board accepts the audited 2016 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board at the April Board meeting.

DRAFT - Balance Sheet:

District cash and cash equivalents increased to \$4.1 million as of February 28, 2017, up from \$2.7 million at December 31 2016 due to minimal expenditures on both capital improvement program and operating capital program. Cash held in the District’s bank accounts (\$3.3 million as of February 28) is held in accordance with state and federal regulations, which state that cash held in the District’s bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District’s cash balance in the bank at any time.

Investments increased since December 31, 2016 by \$0.2 million to a total of \$34.8 million, reflecting net unrealized market value gains and the reinvestment of interest received. At the request of the Board, Investment portfolio and activity information are now reported quarterly.

Capital assets grew \$1.7 million to \$447.4 million as of February 28, 2017, reflecting expenditures on distribution main replacement projects, well improvement projects and meter

retrofits. Capital assets are primarily funded by monthly remuneration from customers through “capital facilities charges,” developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$235.1 million as of February 28, 2017, compared to \$233.9 million at December 31, 2016 for an increase of \$1.2 million.

DRAFT - Income Statement:

The net position increase of \$1.2 million in 2017, when compared to \$1.4 million in 2016, shows:

1. Operating revenues increased by \$0.2 million compared to the same period of 2016 due primarily a 4.0 percent rate increase that occurred on January 1, 2017.
2. Operating expenses increased by \$0.2 million compared to the same period a year ago due to - 1) Surface water was available for purchase in the North Service Area this year at a cost of \$0.4 million but was unavailable in January and part of February 2016; and 2) partially offsetting the increased cost from purchasing surface water was a decrease of \$0.2 million in groundwater pumping costs.
3. Interest and investment income decreased \$0.2 million compared to the same period a year ago primarily due to unrealized holding gains in 2016 not recurring in 2017.

DRAFT - Budgets:

The District’s operating and maintenance expenditures through February 2017 are less than the amended budget by \$1.0 million. Most of this positive variance is due timing differences.

Operating capital project expenditures in February were minimal. To date only \$15,470 has been spent. The total budget for the year is \$1.1 million.

The District’s amended capital improvement project (CIP) budget for 2017 is \$17 million. For 2017, \$1.7 million has been spent. Expenditures continue to be primarily in distribution system replacements, well improvements and meter retrofit projects.

Debt – February 2017

This report shows District activity in repaying its long-term debt obligations. Scheduled 2017 principal payments of \$4.1 million are not due until the end of October. Total principal outstanding as of February 28, 2017 is now \$85.6 million.

Cash Expenditures – February 2017

PLEASE NOTE THE NEW REPORT FORMAT. During the month of February, the District made cash payments totaling \$2.1 million. The primary expenditures were – \$0.4 million for capital improvement projects, \$0.1 million for debt service, \$0.6 million for water costs including pumping and chemical costs, and \$0.5 million for payroll, pension and health benefits.

Purchasing Card Expenditures – February 2017

PLEASE NOTE THE NEW REPORT FORMAT. Per the District's Purchasing Card Policy (PL – FIN 006), a monthly report detailing each purchasing card transaction by cardholder is provided.

During the month, the District spent \$8,592 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

DRAFT - District Reserve Fund Balances

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of February 28, 2017 are \$42,439,185 compared to \$40,845,329 at December 31, 2016.

DRAFT - Information Required by Bond Agreement

Per Article 5.2 (b) of the 2009A COP Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, year-to-date net revenues available for the payment of debt service costs and an estimate of debt service payments for the upcoming six months are provided.

DRAFT - Financial Statements
February 28, 2017

Sacramento Suburban Water District
Balance Sheet
As Of

	February 2017	December FY 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$4,052,021.75	\$2,694,456.00
Restricted Cash and cash equivalents	263.28	263.28
Accounts receivable, net of allowance for uncollectible accounts	1,645,109.84	2,277,678.14
Interest receivable	106,731.37	134,041.26
Restricted Interest receivable	14,365.31	8,714.06
Grants receivables	236,434.89	285,928.89
Other receivables	130,550.13	130,550.13
Inventory	464,098.62	463,850.02
Prepaid expenses and other assets	776,922.69	1,949,109.81
TOTAL CURRENT ASSETS	7,426,497.88	7,944,591.59
NONCURRENT ASSETS		
Investments	34,841,900.84	34,619,873.12
Restricted Investments	3,530,633.34	3,531,060.83
Fair value of interest rate swaps	14,266.00	14,266.00
TOTAL NONCURRENT ASSETS	38,386,800.18	38,165,199.95
Property, plant and equipment	447,381,932.44	445,666,713.19
Accumulated depreciation	(160,903,953.35)	(158,959,856.15)
TOTAL CAPITAL ASSETS	286,477,979.09	286,706,857.04
TOTAL ASSETS	332,291,277.15	332,816,648.58
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	7,214,026.83	7,321,214.15
Pension contribution subsequent to measurement date	2,078,534.00	2,078,534.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	341,583,837.98	342,216,396.73
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	4,060,000.00	4,060,000.00
Accounts payable	651,918.38	2,339,210.63
Accrued interest	695,308.36	465,592.15
Deferred revenue and other liabilities	709,696.90	701,139.54
Accrued expenses	688,140.16	1,048,093.02
TOTAL CURRENT LIABILITIES	6,805,063.80	8,614,035.34
NONCURRENT LIABILITIES		
Long-term debt	90,333,475.48	90,441,926.68
Compensated absences	1,150,535.08	1,087,883.47
Net pension liability	7,654,038.00	7,654,038.00
TOTAL NONCURRENT LIABILITIES	99,138,048.56	99,183,848.15
TOTAL LIABILITIES	105,943,112.36	107,797,883.49
DEFERRED INFLOWS OF RESOURCES		
Deferred intflow of effective swaps	14,266.00	14,266.00
Employee pensions	543,791.00	543,791.00
NET POSITION		
Invested in capital assets, net of related debt	199,526,144.51	199,526,144.51
Restricted	3,540,038.17	3,540,038.17
Unrestricted	32,016,485.94	30,794,273.56
TOTAL NET POSITION	235,082,668.62	233,860,456.24
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$341,583,837.98	\$342,216,396.73

**Sacramento Suburban Water District
Income Statement
Period Ended**

	Month	Year-To-Date	Month	Year-To-Date
	2/28/2017	2/28/2017	2/29/2016	2/29/2016
OPERATING REVENUES				
Water consumption sales	\$511,472.63	\$945,123.57	\$534,253.02	\$921,101.00
Water service charge	535,817.46	1,006,539.03	570,593.00	1,009,290.01
Capital facilities charge	1,955,821.81	3,617,644.02	2,027,815.83	3,472,471.06
Wheeling water charge	310.31	594.67	256.96	553.56
Other charges for services	79,252.35	181,716.64	79,642.18	169,054.47
TOTAL OPERATING REVENUES	3,082,674.56	5,751,617.93	3,212,560.99	5,572,470.10
OPERATING EXPENSES				
Source of supply	182,688.31	377,753.99	4,428.22	6,866.82
Pumping	205,015.42	290,286.51	330,561.88	504,740.62
Transmission and distribution	356,370.14	480,180.42	220,416.99	381,693.05
Water conservation	20,919.19	36,557.25	36,068.79	50,472.38
Customer accounts	124,595.58	178,511.83	109,909.40	158,116.31
Administrative and general	476,345.74	841,556.81	472,042.74	913,135.51
TOTAL OPERATING EXPENSES	1,365,934.38	2,204,846.81	1,173,428.02	2,015,024.69
Operating income before depreciation	1,716,740.18	3,546,771.12	2,039,132.97	3,557,445.41
Depreciation and amortization	(972,048.60)	(1,944,097.20)	(989,473.61)	(1,984,473.63)
OPERATING INCOME	744,691.58	1,602,673.92	1,049,659.36	1,572,971.78
NON-OPERATING REV. (EXP.)				
Rental income	13,082.72	14,417.10	32,308.49	46,661.40
Interest and investment income	86,873.62	158,553.27	54,534.04	321,540.44
Interest expense	(255,357.28)	(564,828.03)	(264,178.65)	(560,452.31)
Other non-operating revenues	2,217.17	11,396.12	781.70	1,008.91
Grant revenue pass-through to sub recipients	186,191.70	186,191.70		
Other non-operating expenses			0.98	1.33
Sub recipient grant expenses	(186,191.70)	(186,191.70)		
NON-OPERATING REV. (EXP.)	(153,183.77)	(380,461.54)	(176,553.44)	(191,240.23)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	591,507.81	1,222,212.38	873,105.92	1,381,731.55
CAPITAL CONTRIBUTIONS				
Facility development charges			23,406.00	31,208.00
TOTAL CAPITAL CONTRIBUTIONS	-	-	23,406.00	31,208.00
CHANGE IN NET POSITION	591,507.81	1,222,212.38	896,511.92	1,412,939.55
Net position at beginning of period	234,491,160.81	233,860,456.24	226,252,618.60	225,736,190.97
NET POSITION AT END OF PERIOD	235,082,668.62	235,082,668.62	227,149,130.52	227,149,130.52

Sacramento Suburban Water District
 Operations and Maintenance Budget
 Period Ended

	Month Of February			2017 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING						
Board of Directors	\$1,973.19	\$2,704.88	\$731.69	\$2,636.55	\$15,509.76	\$12,873.21
Administrative	155,463.69	175,359.48	19,895.79	280,782.93	368,468.96	87,686.03
Finance	80,223.25	116,472.88	36,249.63	118,961.96	202,945.76	83,983.80
Customer Services	124,595.58	107,221.55	(17,374.03)	178,511.83	214,443.10	35,931.27
Field Operations	25,096.08	42,292.47	17,196.39	39,278.40	84,584.94	45,306.54
Production	387,703.73	692,806.06	305,102.33	668,040.50	1,053,450.04	385,409.54
4 Distribution	199,051.51	197,650.37	(1,401.14)	278,804.50	355,250.74	76,446.24
Field Services	157,318.63	106,637.66	(50,680.97)	201,375.92	213,305.32	11,929.40
Maintenance	46,573.96	59,875.65	13,301.69	64,579.65	119,751.30	55,171.65
Water Conservation	20,919.19	41,454.27	20,535.08	36,557.25	78,033.54	41,476.29
Engineering	78,676.30	123,662.02	44,985.72	127,953.20	247,124.04	119,170.84
GIS/CAD	24,458.89	29,488.82	5,029.93	40,625.80	58,977.64	18,351.84
Human Resources	15,114.26	11,512.96	(3,601.30)	22,063.79	47,045.92	24,982.13
MIS	48,766.12	65,514.81	16,748.69	144,674.53	131,029.62	(13,644.91)
TOTAL OPERATING EXPENSES	1,365,934.38	1,772,653.88	406,719.50	2,204,846.81	3,189,920.68	985,073.87

SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL AMENDED BUDGET
2/28/2017

Project Number	Project Name	Orginal Budget	Budget Amendments	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
SF17-396	VEH REPL - RIGHT SIZE/TRUCK#41	33,000.00		\$33,000.00		\$ -		\$ 33,000.00
SF17-397	VEH REPL-RIGHT SIZE TRUCK#25	70,000.00		\$70,000.00	-	-		70,000.00
SF17-398	VEH REPL-RIGHT SIZE/TRUCK#27	130,000.00		\$130,000.00	-	-		130,000.00
SF17-399	NEW VEH-PROD DEPT/CCCS	34,500.00		\$34,500.00	-	-		34,500.00
SF17-400	FACILITY SIGN HOLDER REPL	7,200.00		\$7,200.00	-	-		7,200.00
SF17-401	PROD MAG METER REPL	23,000.00		\$23,000.00	-	-		23,000.00
SF17-402	CHEMICAL TRAILER REFURB/REPL	10,000.00		\$10,000.00	-	-		10,000.00
SF17-403	SECURITY CAMERAS	30,000.00		\$30,000.00	-	-		30,000.00
SF17-404	SCADA CONTRL SYS INTEGRATION	75,000.00		\$75,000.00	-	-		75,000.00
SF17-405	VANAIR UNDERDECK-AIR SUPPLY-T30	25,000.00		\$25,000.00	-	-		25,000.00
SF17-406	METER FAULT LID RETROFIT	10,500.00		\$10,500.00	-	-		10,500.00
SF17-407	GPS/GIS INTEGRATION-PH 1	70,000.00		\$70,000.00	-	-		70,000.00
SF17-408	BUILDING/STRUCTURE MAINT	95,000.00		\$95,000.00	-	-	53,200.00	41,800.00
SF17-409	HVAC/ROOF/BUILDING REPAIRS	30,000.00		\$30,000.00	1,928.00	1,928.00		28,072.00
SF17-410	WALNUT FACILITY LIGHT UPGRADE	40,000.00		\$40,000.00	13,541.78	13,541.78	8,940.22	17,518.00
SF17-411	DRIVEWAY/PARKING/IRRIGA-WALNUT	10,000.00		\$10,000.00	-	-		10,000.00
SF17-412	INTERIOR PAINT-WALNUT 1ST FLOO	25,000.00	\$11,000.00 ¹	\$36,000.00 ¹	-	-	27,800.00	8,200.00
SF17-413	EXTERIOR PAINT-WALNUT	40,000.00	(\$40,000.00) ¹	\$0.00 ¹	-	-		-
SF17-414	FOREMAN OFF RENOVATION-WALNUT	15,000.00	\$22,000.00 ¹	\$37,000.00 ¹	-	-	36,940.00	60.00
SF17-415	FOYER FURNITURE UPGRADE-WALNUT	6,000.00	\$2,000.00 ¹	\$8,000.00 ¹	-	-		8,000.00
SF17-416	MULCH - ANTELOPLE GARDEN	20,000.00		\$20,000.00	-	-		20,000.00
SF17-417	SECURITY UPGRADE-MARCONI	15,000.00		\$15,000.00	-	-		15,000.00
SF17-418	TRAILER REFURBISH - 33A	10,000.00		\$10,000.00	-	-		10,000.00
SF17-419	NEW STAFF OFF FURNITURES	10,000.00	\$5,000.00 ¹	\$15,000.00 ¹	-	-		15,000.00
SF17-420	HARDWARE REFRESH	82,800.00		\$82,800.00	-	-	8,720.22	74,079.78
SF17-421	SOFTWARE EHANCEMENTS	85,000.00		\$85,000.00	-	-		85,000.00
SF17-422	GPS/GIS INTEGRATION - HARDWARE	75,000.00		\$75,000.00	-	-		75,000.00
SF17-423	WEBSITE UPGRADE	58,000.00		\$58,000.00	-	-	36,053.50	21,946.50
SF17-424	2 DESK TOP/2 LAPTOP- NEW STAFF	6,000.00		\$6,000.00	-	-		6,000.00
		1,141,000.00	\$0.00	\$1,141,000.00	\$ 15,469.78	\$ 15,469.78	\$ 171,653.94	\$ 953,876.28

**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
2/28/2017**

Project No.	Project Name	Original Budget	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC17-009	WELL REHAB/PUMP ST IMPROVEMENT	700,000.00	\$700,000.00	\$ 98,401.46	\$ 98,401.46	\$ 244,298.45	\$ 357,300.09
SC17-010	SCADA RTU/COMMUN IMPROVEMENT	75,000.00	\$75,000.00	-	-	10,000.00	65,000.00
SC17-011	WELLHEAD TREATMENT/CHEM FEED	250,000.00	\$250,000.00	-	-	-	250,000.00
SC17-012	WELL REPLACEMENTS	2,000,000.00	\$2,000,000.00	731.50	731.50	61,063.50	1,938,205.00
SC17-013	ELECTRICAL IMPROV @WELL SITES	25,000.00	\$25,000.00	-	-	14,300.00	10,700.00
SC17-018	DISTRIBUTION MAIN REPLACEMENTS	9,250,000.00	\$9,250,000.00	124,102.34	991,287.74	1,124,777.63	7,133,934.63
SC17-019	DIST MAIN IMPRV/EXT/INTERTIES	600,000.00	\$600,000.00	-	-	9,000.00	591,000.00
SC17-020	MCCLELLAN LINE REPL	50,000.00	\$50,000.00	-	-	-	50,000.00
SC17-022	WTR RELATED STREET IMPRV	200,000.00	\$200,000.00	-	-	-	200,000.00
SC17-024	METER RETROFIT PROGRAM	2,540,000.00	\$2,540,000.00	57,269.50	596,133.40	1,208,617.05	735,249.55
SC17-034	RESERVIOR/TANK IMPROVMENT	100,000.00	\$100,000.00	114.72	114.72	12,500.28	87,385.00
SC17-034A	CORROSION CONTROL-TRAN MAINS	450,000.00	\$450,000.00	3,750.45	3,750.45	-	446,249.55
SC17-038	LARGE WTR METER >3" REPL	100,000.00	\$100,000.00	-	-	-	100,000.00
SC17-040	ENGINE GENERATOR COMPLIANCE	35,000.00	\$35,000.00	8,000.00	8,000.00	-	27,000.00
SC17-042	METER REPLACE/REPAIR - WMP	50,000.00	\$50,000.00	-	-	-	50,000.00
SC17-046	TANK INSPECTION & REPAIRS	200,000.00	\$200,000.00	-	-	-	200,000.00
SC17-047	NSA TRANSMISSION LINES	300,000.00	\$300,000.00	-	-	-	300,000.00
SC17-048	RIGHT OF WAY/EASEMENT ACQUISTI	50,000.00	\$50,000.00	-	-	-	50,000.00
Totals SSWD		\$ 16,975,000.00	\$ 16,975,000.00	\$ 292,369.97	\$ 1,698,419.27	\$ 2,684,556.91	\$ 12,592,023.82

**Sacramento Suburban Water District
Debt
2/28/2017**

Current Month

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 24,095,000	\$ 19,520,000	\$ 85,615,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 24,095,000</u>	<u>\$ 19,520,000</u>	<u>\$ 85,615,000</u>

Year-To-Date

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 24,095,000	\$ 19,520,000	\$ 85,615,000
Additions:				-
Reductions: Payment	-			
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 24,095,000</u>	<u>\$ 19,520,000</u>	<u>\$ 85,615,000</u>

**Cash Expenditures
February 2017**

SSWD Cash Expenditures February 2017

Group	Vendor Name	Amount	Description
CONSTRUCTION			
	ADVANCED ROOF DESIGN INC - Invoices:2	\$ 2,315.00	Construction In Progress
	ALLTECH GATES - Invoices:2	\$ 560.00	Construction In Progress
	AUBURN CONSTRUCTORS - Invoices:1	\$ 49,684.00	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS - Invoices:4	\$ 1,477.21	Construction In Progress
	DOMCO PLUMBING - Invoices:2	\$ 498.00	Construction In Progress
	DON PEZZUTO LIGHTING - Invoices:1	\$ 13,541.78	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	\$ 57,313.17	Construction In Progress
	ERC CONTRACTING - Invoices:2	\$ 11,300.00	Construction In Progress
	ERNEST L LEPORINI, PE - Invoices:1	\$ 3,060.00	Construction In Progress
	FERGUSON WATERWORKS - Invoices:10	\$ 40,612.67	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:2	\$ 91,417.48	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$ 84,062.69	Construction In Progress
	HOOFERS WELDING - Invoices:1	\$ 1,578.54	Construction In Progress
	LOEWEN PUMP MAINTENANCE - Invoices:1	\$ 12,000.00	Construction In Progress
	PRODIGY ELECTRIC - Invoices:3	\$ 19,983.66	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	\$ 6,560.00	Construction In Progress
	T & T VALVE AND INSTRUMENT - Invoices:1	\$ 3,750.45	Construction In Progress
	W ROSENAU MOTOR REWINDING -	\$ 15,247.76	Construction In Progress
FINANCIAL			
	SUMITOMO MITSUI BANKING CORPORATION	\$ 21,192.48	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	\$ 65,343.63	2009A COP Interest Expense
LEGAL SERVICES			
	BARTKIEWICZ KRONICK & SHANAHAN -	\$ 35,836.14	Legal Services
FINANCIAL SERVICES			
	PFM ASSET MANAGEMENT LLC - Invoices:1	\$ 3,731.30	Financial Services
	ADP, INC - Invoices:3	\$ 1,871.87	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$ 6,246.12	Financial Services
	WESTAMERICA BANK ANALYSIS-Invoices:2	\$ 5,813.62	Financial Services
	WELLS FARGO STATEMENT - Invoices:1	\$ 3,369.23	Financial Services
	VANTIV INTEGRATED PAYMENT SOLUTIONS -	\$ 461.04	Financial Services
	BRINKS - Invoices:2	\$ 579.74	Financial Services
GRANT DISB			
	SAN JUAN WATER DISTRICT - Invoices:2	\$ 186,191.70	Grant Expenses Other-Pass
Payroll, Pension & Benefits			
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 150.40	Miscellaneous Employee Benefits
	ADP, Inc Processing Fees	\$ 1,871.87	Processing Fees
	ADP, Inc Payroll	\$ 410,106.64	Payroll
	AFLAC - Invoices:1	\$ 892.45	Supplemental Insurance
	AMERITAS (VISION) - Invoices:2	\$ 3,579.48	Employee Benefit - Vision
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$ 3,808.54	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$ 11,062.01	Employee Benefit - Dental
	EMPLOYMENT DEVELOPMENT - Invoices:1	\$ 155.00	Miscellaneous Employee Benefits

PERS LONG TERM CARE PROGRAM -	\$	2,657.04	Miscellaneous Employee Benefits
PERS PENSION - Invoices:6	\$	66,790.35	Employee Benefit - PERS
<hr/>			
A1 FABRICATION & WELDING - Invoices:2	\$	1,920.00	Construction Services
ADVANCED INTEGRATED PEST	\$	237.00	Building Service Expense - Office &
APEX SITE SOLUTIONS - Invoices:1	\$	2,580.00	Equipment Maintenance Services
ARMANINO - Invoices:1	\$	14,421.25	Licenses, Permits & Fees
AT&T CALNET 3 - Invoices:5	\$	5,088.43	Communication
ATLAS DISPOSAL - Invoices:2	\$	324.80	Building Service Expense - Office &
ATLAS FENCE - Invoices:3	\$	3,110.00	Contract Services
BADGER METER INC - Invoices:1	\$	57.00	Communication
BROADRIDGE MAIL LLC - Invoices:19	\$	82,514.84	Consulting Services
BROWER MECHANICAL - Invoices:3	\$	897.00	Building Service Expense - Office &
BRYCE CONSULTING INC - Invoices:1	\$	640.00	Consulting Services
BURTON ROB /BURT'S LAWN & GARDEN	\$	7,880.00	Contract Services
CALIFORNIA DIESEL AND POWER -	\$	1,684.00	Contract Services
CAPITAL RUBBER CO LTD - Invoices:1	\$	168.52	Equipment Maintenance Services
CAPITOL ELEVATOR COMPANY - Invoices:4	\$	1,387.20	Building Service Expense - Office &
CDWG - Invoices:3	\$	3,750.15	Licenses, Permits & Fees
CINTAS - Invoices:20	\$	3,112.71	Building Maintenance - Office &
CITRUS HEIGHTS SAW & MOWER -	\$	188.23	Equipment Maintenance Services
CITY OF CITRUS HEIGHTS - Invoices:1	\$	45.00	Licenses, Permits & Fees
CITY OF SACRAMENTO DEPT OF UTILITIES -	\$	38.31	Utilities
COLTEN BOATWRIGHT - Invoices:1	\$	250.00	Uniforms
COMCAST - Invoices:1	\$	27.37	Communication
CONSOLIDATED COMMUNICATIONS -	\$	410.47	Communication
COTTON SHOPPE - Invoices:1	\$	3,216.46	Uniforms
COUNTY OF SAC UTILITIES - Invoices:3	\$	350.53	Utilities
CULLIGAN - Invoices:1	\$	69.00	Building Maintenance - Office &
Customer Refunds: 211	\$	43,960.35	Refund Clearing Account
DAVID ESPINOZA - Invoices:1	\$	60.00	Required Training
DIRECT TV - Invoices:1	\$	10.00	Communication
DITCH WITCH EQUIPMENT CO - Invoices:1	\$	399.02	Equipment Maintenance Services
EATON PUMPS SALES AND SERVICE -	\$	580.51	Contract Services
EMIGH ACE HARDWARE - Invoices:5	\$	68.61	Building Maintenance - Office &
EMPLOYEE RELATIONS NETWORK -	\$	61.85	Employment Cost
ERIK FLAA - Invoices:1	\$	90.00	Required Training
FEDERAL EXPRESS CORPORATION -	\$	103.90	Postage/Shipping/UPS/Fed Ex
FIELDMAN ROLAPP & ASSOCIATES -	\$	630.00	Consulting Services
FISHER CONSTRUCTION GROUP - Invoices:1	\$	2,296.70	Hydrant Deposit Refund
GRIFFIN'S JANITORIAL SERVICE - Invoices:1	\$	3,408.20	Building Service Expense - Office &
HANNAH DUNRUD - Invoices:1	\$	2,605.50	Education Assistance
HARROLD FORD - Invoices:9	\$	2,861.81	Claims & Insurance Reimb.
HDR ENGINEERING - Invoices:1	\$	5,500.00	Consulting Services
HEATHER HERNANDEZ-FORT - Invoices:1	\$	70.00	Required Training
HELEN L ALBRIGHT - Invoices:1	\$	150.00	BMP Rebates

IRON MOUNTAIN OFF SITE DATA	\$	436.67	Equipment Maintenance Services
LES SCHWAB TIRE CENTER/MADISON -	\$	2,774.77	Equipment Maintenance Services
LIFEGUARD FIRST AID - Invoices:2	\$	126.58	Building Service Expense - Office &
LORRAINE M ANDREW - Invoices:2	\$	650.00	BMP Rebates
MARQUEE FIRE PROTECTION - Invoices:1	\$	1,575.00	Building Maintenance - Office &
MATT UNDERWOOD - Invoices:1	\$	60.00	Required Training
MESSENGER PUBLISHING GROUP -	\$	425.00	Public Relations
MICHAEL PHILLIPS LANDSCAPE CORP -	\$	4,365.00	Building Service Expense - Office &
MICHELLE FLICHT-MDCONOUGH - Invoices:1	\$	150.00	BMP Rebates
MITCH DION - Invoices:1	\$	33.51	Miscellaneous
NATIONAL METER AND AUTOMATION INC -	\$	129.98	Equipment Maintenance Services
NEIL SCHILD - Invoices:3	\$	176.80	Local Travel Cost
ONE STOP TRUCK SHOP - Invoices:4	\$	843.41	Vehicle Maintenance Services
PACIFIC COPY & PRINT - Invoices:1	\$	329.40	Printing
PALADIN PRIVATE SECURITY - Invoices:1	\$	460.00	Building Service Expense - Office &
PANATRACK INC - Invoices:1	\$	1,000.00	Consulting Services
PEOPLEREADY - Invoices:1	\$	584.08	Temporary Help
PITNEY BOWES LEASES - Invoices:1	\$	593.76	Equipment Rental/Lease
R&S ARCHITECTURAL PRODUCTS -	\$	202.00	Building Maintenance - Office &
RACHEL MIDDLESTEAD - Invoices:1	\$	100.00	Required Training
RAWLES ENGINEERING - Invoices:2	\$	4,900.00	Construction Services
RAY MORGAN CO - Invoices:2	\$	666.29	Equipment Maintenance Services
ROBERT D AMES - Invoices:1	\$	60.00	Required Training
RUE EQUIPMENT INC - Invoices:5	\$	679.94	Equipment Maintenance Services
SACRAMENTO BUSINESS JOURNAL -	\$	100.00	Publication
SACRAMENTO SUBURBAN WATER DISTRICT -	\$	244.28	Office Supplies
SAFETY CENTER INC - Invoices:1	\$	360.00	Required Training
SHAWN SHEDENHELM - Invoices:1	\$	150.00	Required Training
SHRED-IT - Invoices:1	\$	4.90	Contract Services
SONITROL - Invoices:2	\$	1,494.84	Building Service Expense - Office &
SOPHOS SOLUTIONS - Invoices:1	\$	7,760.00	Consulting Services
TETRA TECH INC - Invoices:2	\$	51,449.25	Construction Services
TINA LYNN DESIGN - Invoices:2	\$	310.00	Consulting Services
TODD ARTRIP - Invoices:1	\$	60.00	Required Training
UNITED PARCEL SERVICE - Invoices:1	\$	9.88	Postage/Shipping/UPS/Fed Ex
US BANK CORPORATE PAYMENT SYSTEM -	\$	8,591.63	Vehicle Maintenance Supplies
USA REPLACEMENT AUTO GLASS CO -	\$	262.00	Vehicle Maintenance Services
VANS CARPETS - Invoices:1	\$	128.22	Building Maintenance - Office &
VERIZON WIRELESS/DALLAS TX - Invoices:2	\$	4,461.23	Communication
VISION TECHNOLOGY SOLUTIONS LLC -	\$	243.10	Equipment Maintenance Services
WASTE MANAGEMENT - Invoices:3	\$	748.43	Building Service Expense - Office &
WESTERN ENGINEERING CONTRACTORS -	\$	2,297.80	Hydrant Deposit Refund
WHOLESALE TRAILER SUPPLY - Invoices:1	\$	194.44	Vehicle Maintenance Services
A & A STEPPING STONE MFG., INC -	\$	164.86	Operating Supplies

AIRGAS USA LLC - Invoices:1	\$	102.17	Operating Supplies
BACKFLOW DISTRIBUTORS INC - Invoices:1	\$	69.24	Operating Supplies
EXPRESS OFFICE PRODUCTS - Invoices:2	\$	167.21	Office Supplies
GEMPLERS - Invoices:1	\$	483.80	Operating Supplies
GRAINGER - Invoices:1	\$	406.00	Operating Supplies
HD SUPPLY WATERWORKS - Invoices:1	\$	3,395.71	Operating Supplies
HD Supply/WHITE CAP - Invoices:1	\$	62.76	Operating Supplies
MILES TREASTER & ASSOCIATION -	\$	2,323.07	Office Supplies
OFFICE DEPOT INC - Invoices:10	\$	1,737.10	Office Supplies
STORE IT MOBILE - Invoices:1	\$	3,225.69	Operating Supplies
VOYAGER FLEET SYSTEMS - Invoices:1	\$	5,588.76	Operating Supplies

PG&E - Invoices:3	\$	2,954.72	Utilities
SMUD - Invoices:4	\$	70,130.77	Electrical Charges
SAN JUAN WD - Invoices:1	\$	278,254.29	Water Treatment
BUREAU OF RECLAMATION L A - Invoices:1	\$	216,294.00	Water Wheeling

**Credit Card Expenditures
February 2017**

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
February 2017**

Vendor Name	Description	Amount
CLA-VAL, ECREATIVE WORKS	HYDRAULIC VALVE TRAINING	\$ 300.00
HARBOR FREIGHT	20 PIECE SOCKET SET, 3/4" DRIVE AND ADAPTER ANT PRV REBUILD	\$ 70.02
HOME DEPOT	KEROSENE AND TRIPOD WORK LIGHT	\$ 88.29
HOME DEPOT	(2) 18" CRESCENT WRENCHES	\$ 107.69
AMER SOC CIVIL ENGINEERS	MEMBERSHIP RENENWAL	\$ 270.00
WILSON'S TROPHY	DIRECTOR DAVE JONES NAME PLAQUE	\$ 43.40
GARCIA'S	DEPARTMENT LUNCHESES	\$ 56.98
OFFICEMAX	DAN YORK LAPTOP CASE	\$ 126.37
STAMP CONNECTION	2017 RCVD STAMPS	\$ 149.70
RAFTELIS	CRAIG LOCKE REGISTRATION FOR RATE STUDY WORKSHOP	\$ 50.00
ROUND TABLE	MFMS LUNCH	\$ 144.29
CAP TO CAP IS TOURS	DAN YORK CAP TO CAP REGISTRATION	\$ 4,039.08
THE HOME DEPOT	REPLACEMENT SINK & FAUCET FOR MARCONI - MEN'S RESTROOM	\$ 161.91
VALLEY BATTERY	2 EACH 65 SERIES BATTERIES FOR VEHICLE #27	\$ 277.11
PEP BOYS	RIVETS TO REPLACE BIN HANDLE ON VEHICLE #33	\$ 5.38
PIERCE ARROW INC.	3 EA 4 BUTTON REMOTE FOR THE BOOM ON TRAILER VAC #159	\$ 67.33
THE HOME DEPOT	SUPPLY LINE FOR ICE MACHINE AT ANTELOPE GARDEN & LUBE FOR GATES	\$ 21.46
HOME DEPOT	(30) BAGS OF SUNSHINE 3 CU. FT PEAT MOSS @ AUBURN YARD	\$ 499.31
CA-NV AWWA	REGISTRATION-CHAD JIVIDEN D1-D2 REVEIW-SAC 2/27 IN WEST SAC	\$ 195.00
CA-NV AWWA	REGISTRATION-CHAD JIVIDEN DA-D2 MATH REVIEW-SAC 2/28 IN WEST SAC	\$ 195.00
AMAZON.COM	(1) CALENDAR BASE FOR REFILL/ANGELA - CUSTOMER SERVICE	\$ 6.86
CODE 4 PUBLIC SAFETY EDUCATION ASSOC	REGISTRATION FOR (3) OPERATORS/FS TO ATTEND ST SAFETY 1/19/17	\$ 297.00
AMAZON.COM	ENERGIZER AA BATTERIES & RAYOVAC LITHIUM PHOTO BATTERY 123A,2PK	\$ 64.46
CA IRRIGATION INSTITUTE	REGISTRATION/GREG BUNDESEN 2017 CA IRRIGATION INSTITUTE CONF 1/30-1/31/17	\$ 200.00
GEMPLER'S	(20) PR GLACIERGLOVE BRISTOL BAY NEOPRENE GLOVES, MISC. SIZES	\$ 483.80
FLASHPOINT STUDIOS	MONTHLY FEE FOR ON-HOLD RECORDINGS	\$ 79.00
CYBERGUYS	PATCH CABLES AND MONITOR CABLES	\$ 291.97
VISTAPRINT	OUT OF OFFICE DECALS	\$ 81.76
CHAMBER OF COMMERCE	PUBLICATION-2017 CA LABOR LAW DIGEST	\$ 161.05
APG CASH DRAWER	OFFICE SUPPLIES-2 CASH DRAWERS	\$ 44.98
		\$ 12.43
	Totals:	\$ 8,591.63

**DRAFT - District Reserve Balances
February 28, 2017**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>February 28, 2017</u>	<u>December 31, 2016</u>
Debt Service Reserve	\$ 3,545,262	\$ 3,549,384
Facilities Reimbursement	-	-
Emergency/Contingency	10,931,500	10,387,000
Operating	7,270,250	6,490,750
Rate Stabilization	5,976,000	5,630,000
Interest Rate Risk	-	-
Grant	210,000	1,068,000
Capital Asset	14,506,173	13,720,195
TOTAL	<u><u>\$ 42,439,185</u></u>	<u><u>\$ 40,845,329</u></u>

**Cash and Investments
Per District Balance Sheet
(Provided for Reconciliation Purposes)**

	<u>February 28, 2017</u>	<u>December 31, 2016</u>
Cash and cash equivalents	\$ 4,052,022	\$ 2,676,072
Investments	34,841,901	34,619,873
Restricted assets	3,545,262	3,549,384
TOTAL	<u><u>\$ 42,439,185</u></u>	<u><u>\$ 40,845,329</u></u>

DRAFT - Information Required by Bond Agreement

Sacramento Suburban Water District
Schedule of Net Revenues
As Of

	Actual	Budget
	Year-To-Date	Year-To-Date
	2/28/2017	2/28/2017
REVENUES		
Water sales charges	\$2,133,973.91	\$3,458,166.00
Capital facilities charge	3,617,644.02	3,829,500.00
Facility development charges		83,332.00
Interest and investment income	158,553.27	144,000.00
Rental & other income	25,813.22	41,666.00
TOTAL REVENUES	5,935,984.42	7,556,664.00
EXPENSES		
Source of supply	377,753.99	504,935.00
Pumping	290,286.51	548,515.04
Transmission and distribution	480,180.42	581,056.06
Water conservation	36,557.25	78,033.54
Customer accounts	178,511.83	214,443.10
Administrative and general	841,556.81	1,262,937.94
TOTAL EXPENSES	2,204,846.81	3,189,920.68
NET REVENUE	3,731,137.61	4,366,743.32

Sacramento Suburban Water District
6 - Months Debt Service Schedule
2/28/2017

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing		
Mar-17	\$ -	\$ 95,590.63	\$ 47,250.00	\$ 13,125.00	\$ 155,965.63	
Apr-17	-	95,590.63	-	-	95,590.63	
May-17	-	1,138,553.63	-	-	1,138,553.63	
June-17	-	95,590.63	47,250.00	13,125.00	155,965.63	
July-17	-	95,590.63	-	-	95,590.63	
Aug-17	-	95,590.63	-	-	95,590.63	

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)					Debt Service
	Principal	Interest - Fixed 4.25%				
Mar-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apr-17	-	-	-	-	-	-
May-17	-	421,713.00	-	-	-	421,713.00
June-17	-	-	-	-	-	-
July-17	-	-	-	-	-	-
Aug-17	-	-	-	-	-	-

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)					Debt Service
	Principal	Interest, Adjustable 0.64%	Facility Fee 0.450%	Remarketing 0.125%		
Mar-17	\$ -	\$ 22,400.00	\$ 47,250.00	\$ 13,125.00	\$ 82,775.00	
Apr-17	-	22,400.00	-	-	22,400.00	
May-17	-	22,400.00	-	-	22,400.00	
June-17	-	22,400.00	47,250.00	13,125.00	82,775.00	
July-17	-	22,400.00	-	-	22,400.00	
Aug-17	-	22,400.00	-	-	22,400.00	

Month	Series 2009B Fixed Rate COPs (\$27,915,000)					Debt Service
	Principal	Interest - Fixed 5.00%				
Mar-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apr-17	-	-	-	-	-	-
May-17	-	621,250.00	-	-	-	621,250.00
June-17	-	-	-	-	-	-
July-17	-	-	-	-	-	-
Aug-17	-	-	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)					Debt Service
	Principal	Interest, Swap Net (3.283-0.46550-.18)%				
Mar-17		\$ 73,190.63	-	-	73,190.63	
Apr-17		\$ 73,190.63	-	-	73,190.63	
May-17		\$ 73,190.63	-	-	73,190.63	
June-17		\$ 73,190.63	-	-	73,190.63	
July-17		\$ 73,190.63	-	-	73,190.63	
Aug-17		\$ 73,190.63	-	-	73,190.63	



Agenda Item: 13

Date: March 20, 2017

Subject: California Water Fix Update

Staff Contact: Robert Roscoe, General Manager

Background:

Development of the "Delta tunnels" project was initiated in 2006, when it was formally called the Bay-Delta Conservation Plan (BDCP). BDCP's key purpose was to increase the reliability of Central Valley Project (CVP) and State Water Project (SWP) diversions to their service areas in the southern Bay Area, the San Joaquin Valley, the Central Coast and Southern California. CVP/SWP supplies from the Delta had been reduced due to constraints imposed under the Endangered Species Act to protect fish in the Delta. BDCP included tens of thousands of acres of Delta ecosystem restoration as well as the proposed new Sacramento River diversion and water tunnels. The diversion and tunnels would enable the diversion of up to 9,000 cubic feet per second (cfs) of Sacramento River water from just south of the existing Freeport diversion along Interstate 5 and conveyance of the water to the existing CVP/SWP pumps near Tracy. Due to complications in project development, in 2014, BDCP's ecosystem restoration proposals were separated from the proposed new diversion and tunnels. The diversion and tunnels are now called the California WaterFix and a reduced environmental program is called California Eco Restore. The California WaterFix's key purpose of enhancing CVP/SWP exports remains the same. The CVP and the SWP have not proposed a detailed operations plan that incorporates the proposed tunnels, so the volume, as well as the reliability, of their exports from the Sacramento River could increase with the tunnels in place.

The state and federal agencies have been pursuing a "Delta tunnels" project in which the CVP and the SWP would add a new diversion from the Sacramento River, below the City of Sacramento and above the Delta, that would enable the CVP and the SWP to divert river water more reliably and possibly in more volume. The District has participated with many other American River and Sacramento Valley water suppliers in monitoring the project, reviewing and commenting on its environmental review documents and participating in the State Water Resources Control Board's (SWRCB) related hearing. Along with other American River agencies, the District's primary concern has been that the project could result in the CVP operating Folsom Reservoir more aggressively to export water out of this region. More aggressive exports from Folsom could increase risks to the District's surface-water supplies and to the local groundwater, which might be pumped more aggressively if the surface-water supplies from Folsom to nearby agencies were to become less reliable.

Discussion:

The State Water Resources Control Board (SWRCB) issued a ruling on March 15, 2017 regarding how Part 1 rebuttal will work, attached to this report as Exhibit 1. The ruling addresses Part 1 closing briefs, prospective motions to dismiss, and limits on objections to rebuttal testimony and exhibits. The SWRCB invited parties to identify and submit to the hearing team by January 31, 2017, a concise statement of issues that the parties would like to address in Part 1 closing briefs with an explanation why each of the issues is more appropriately briefed at the conclusion of Part 1 rather than Part 2.

SSWD continues its involvement in these proceedings through an American River group made up of water purveyors using American River supplies and, together with that group, with a broader Sacramento Valley group through a Joint Defense Agreement.



State Water Resources Control Board

March 15, 2017

VIA ELECTRONIC MAIL

TO: CURRENT SERVICE LIST

CALIFORNIA WATERFIX HEARING – RULING ADDRESSING PART 1 CLOSING BRIEFS, PROSPECTIVE MOTIONS TO DISMISS, AND LIMITS ON OBJECTIONS TO REBUTTAL TESTIMONY AND EXHIBITS

This ruling advises the parties that closing briefs will be permitted, but not required, after Part 1 of the State Water Resources Control Board (State Water Board) hearing on the joint water right change petition for the California WaterFix Project. This ruling also advises the parties that we will not entertain motions to dismiss at this stage in the hearing, and are imposing some limits on the timing of evidentiary objections to rebuttal testimony and exhibits.

Closing Briefs

In our December 19, 2016 ruling letter, we stated that we were inclined to allow parties to submit optional closing briefs for Part 1 of the hearing. Parties were invited to identify, and submit to the hearing team by January 31, 2017, a concise statement of issues that the parties would like to address in Part 1 closing briefs with an explanation why each of the issues is more appropriately briefed at the conclusion of Part 1 rather than Part 2. We thank the 12 parties that submitted letters regarding this matter.

After reading the parties' suggestions, we have decided to allow parties to submit written briefs at the conclusion of Part 1. Submitting closing briefs at this stage of the hearing is optional, and parties who decide not to do so will be permitted to brief Part 1 issues at the close of Part 2. In addition to briefing Part 2 issues, parties who elect to submit a closing brief after Part 1 will be permitted to submit a supplemental briefing to address any information presented in Part 2 that is relevant to Part 1 issues. Written briefs will be due approximately 30 days after transcripts are available for the entirety of Part 1 of the hearing. Staff will send an email to the Service List letting parties know when the remainder of Part 1 transcripts are available and will specify the date and time that optional Part 1 closing briefs are due. We will provide the parties with further instructions concerning closing briefs, including page limits and any formatting restrictions, after the presentation of rebuttal.

Motions to Dismiss

In their proposal concerning closing briefs, South Delta Water Agency and affiliated parties (SDWA parties) stated that they intend to file a motion to dismiss at the conclusion of Part 1 of the hearing on the grounds that the WaterFix change petition seeks a new water right and petitioners have not met their burden of establishing that the proposed changes will not result in injury to legal users of water. SDWA parties stated that they expect that other protestants will do the same, and requested a briefing schedule for motions to dismiss, oppositions, and replies.

SDWA parties cited to the State Water Board's dismissal in 2016 of the enforcement proceedings against Byron-Bethany Irrigation District (BBID) and Westside Irrigation District (WSID) in support of the argument that we should consider and rule on motions to dismiss in this proceeding before Part 2 of the hearing is held.

We decline to consider motions to dismiss at the conclusion of Part 1 of the hearing. As a general rule, motions to dismiss, akin to a motion for judgment in a civil trial, are not permitted in adjudicative proceedings before the State Water Board. (See *O'Mara v. California State Bd. of Pharmacy* (1966) 246 Cal.App.2d 8, 12 [section 631.8 of the California Code of Civil Procedure, which provides for motions for judgment in civil court trials, has no application to administrative hearings].) In the order dismissing the enforcement proceedings against BBID and WSID, the State Water Board expressly stated that it does not generally allow parties to move for judgment during the course of an evidentiary hearing, and discouraged parties in future proceedings from attempting to do so. (Order WR 2016-0015, p. 12.) The issues involved in this proceeding are fundamentally different from the issues involved in the enforcement proceedings against BBID and WSID. Accordingly, we decline to depart from our usual practice of reaching a decision on the merits based on the entire record after all of the parties have presented all of their evidence. Accordingly, any motions to dismiss filed at the conclusion of Part 1 of the hearing will be summarily denied. (See *Erika K. v. Brett D.* (2008) 161 Cal.App.4th 1259, 1271 [trial court has absolute discretion to deny section 631.8 motion for judgment regardless of the state of the evidence].)

Evidentiary Objections to Rebuttal Testimony and Exhibits

As stated in our February 21, 2017 ruling letter on evidentiary objections to the admission of testimony and exhibits into evidence, we have received an excessive number of objections to the evidence presented as part of cases-in-chief in Parts 1A and 1B of the hearing that either lacked merit or went to the weight of the evidence, not its admissibility. Moving forward, we directed the parties to be more judicious in making evidentiary objections, and to follow the guidance set forth in our February 21, 2017 ruling concerning the types of objections that should be addressed through cross-examination or rebuttal or reserved for closing briefs.

Consistent with this general direction, we have decided to place limits on the timing of any objections to rebuttal testimony and exhibits. First, the parties should not make any objections to the admissibility of rebuttal testimony, which must be submitted in writing by 12:00 noon on March 23, 2017, before the hearing resumes for presentation of rebuttal. We will review the written testimony carefully before the hearing resumes to ensure that the testimony is relevant, within the scope of rebuttal, and sufficiently reliable to be admissible. To the extent necessary, we will exclude any witnesses' proposed rebuttal testimony on our own motion before the witnesses present their testimony. Second, any objections to the admissibility of rebuttal testimony that we do not address on our own motion, and any objections to the admissibility of rebuttal exhibits, must be made, orally or in writing, during the hearing when the testimony and exhibits are offered into evidence, or earlier. **We will not consider any objections to the admissibility of a party's rebuttal testimony or exhibits that are made after the party's rebuttal testimony and exhibits are offered into evidence.** Third, any objections that go to the weight of rebuttal testimony or exhibits, including hearsay objections, should be reserved for the parties' closing briefs, which as stated above may be filed after Part 1 or after Part 2 of the hearing. Finally, parties should be prepared to offer their testimony and exhibits into evidence immediately at the conclusion of their rebuttal presentation, cross-examination, and any re-cross and re-direct.

To assist the parties in determining what types of objections are appropriate in State Water Board proceedings, and whether a particular type of objection is likely to go to the weight of the evidence, as opposed to its admissibility, some key points from our February 21, 2017 ruling are summarized below.

- Argumentative Objections. Evidentiary objections should not be used to argue the merits of an issue. Arguments concerning the merits of a witness' testimony or the contents of an exhibit are more properly addressed through cross-examination of the witness, rebuttal, or closing briefs.
- Objections Based on the Kelly Rule. The Kelly rule does not apply. Accordingly, expert testimony based on a new scientific technique does not require a showing that the technique has been generally accepted in the relevant scientific community.
- Objections Based on Expert Witness Qualifications. Expert witnesses are not required to be qualified as experts before they may testify. As a general rule, objections to a witness' qualifications go to the weight of the witness' testimony, not its admissibility.
- Objections to Lay Opinion. Lay person opinion is permitted. In general, objections to a lay person's testimony on a given subject on the grounds that the person lacks knowledge or expertise concerning the subject matter go to the weight to be afforded the testimony, not its admissibility.
- Objections to Legal Conclusions and Ultimate Issue Opinions. Witnesses may testify concerning mixed issues of law and fact. Rather than parsing testimony to exclude any portions that concern pure questions of law, the hearing officers may admit the testimony, but disregard any portions concerning pure questions of law that have no probative value. Witnesses also may offer their opinions concerning the key hearing issues. Any such testimony is not objectionable on the grounds that it embraces an ultimate issue to be decided by the trier of fact.
- Objections to Testimony on Contracts and Agreements. The best evidence rule does not apply, and therefore testimony concerning the content of a contract or agreement is not prohibited. To the extent that portions of testimony interpreting a contract or other document is inconsistent with the plain language of the document, itself, the hearing officers may disregard the testimony rather than exclude it.
- Objections on the Grounds of Relevance. Evidence is relevant if it has a tendency in reason to prove or disprove any disputed fact of consequence in a proceeding. Testimony or exhibits may not be objectionable on the grounds that they do not explicitly address or discuss a key hearing issue because their relevance may be explained in an opening statement or closing brief.
- Objections for Lack of Foundation or Authentication. Exhibits must have some foundational support to be admitted, but a proper trial-like foundation is not required. Some exhibits, such as official records, published reports, and formal letters, may not

require formal authentication through witness testimony or a declaration if the nature and reliability of the exhibits are readily identifiable on their face.

- Hearsay Objections. Hearsay evidence is admissible, but over timely objection may only be used for purposes of supplementing or explaining other evidence, and may not serve as the sole support for a finding, unless it would be admissible over objection in a civil court case. Technical reports prepared by expert witnesses for purposes of this proceeding will be considered part of their testimony, not hearsay. Expert witnesses may rely on documents prepared for purposes other than this proceeding to the extent reasonable, but witnesses may not convert documents prepared for other purposes into non-hearsay testimony simply by incorporating those documents by reference into their testimony. Testimony of another witness in the same proceeding is not hearsay, except to the extent that the testimony narrates the statements of third parties made outside the proceeding.

Rebuttal Schedule and Availability

The parties will begin presenting Part 1 rebuttal testimony starting April 25, 2017, per the February 21, 2017 ruling letter and notice. We will keep the same order of parties and groups that we have used in Part 1 of the hearing. Consistent with our December 8, 2016 email, we will not accept notices of unavailability from parties. Parties are on notice that they should be ready to present their rebuttal testimony and exhibits when they are called. If a party cannot present on a particular day, it is that party's responsibility to coordinate with another party to take their place in line and give at least three days' notice to the hearing officers and the Service List. Proposals to present out of order are subject to approval by the hearing officers.

If you have any non-controversial, procedural questions about this ruling or other matters related to the California WaterFix Hearing, please contact the hearing team at CWFhearing@waterboards.ca.gov or (916) 319-0960.

Sincerely,

ORIGINAL SIGNED BY

Felicia Marcus, State Water Board Chair
WaterFix Project Co-Hearing Officer

ORIGINAL SIGNED BY

Tam M. Doduc, State Water Board Member
WaterFix Project Co-Hearing Officer



Agenda Item: 14

Date: March 17, 2017

Subject: McClellan Business Park and Operations Agreement Update

Staff Contact: Dan York, Assistant General Manager

Background:

On September 7, 1999, Northridge Water District (NWD) executed the Agreement between Sacramento County (County) and NWD for the Conveyance of the McClellan Water Distribution System for ownership, operation, and maintenance of the potable water system. Included in the Agreement was a Capital Improvement Plan (CIP) consisting of ten items that were included in the proposal. There are currently two items from the CIP list that have yet to be completed.

Discussion:

The District, McClellan Business Park (MBP) and County of Sacramento (County) staff continue to meet and discuss the following topics:

Develop draft operating guidelines – The draft operating guidelines will assist District staff in identifying whether or not, new or existing development will trigger the District’s Regulations Governing Water Service. MBP generated the first draft operating guidelines on March 7, 2017. District staff is currently drafting comments to present to MBP at the March 21, 2017 meeting.

Status of Exhibit C in the 1999 Agreement – District staff is in the process of analyzing the remaining items on Exhibit C to determine if the work should or should not be completed and developing an approximate cost of the remaining items should the work not be completed.

Potential transfer of property from the County to MBP - The County and MBP are currently in discussions to potentially transfer property to MBP in 2017. The County is anticipating the transfer to be brought before the County Supervisors for approval in June 2017. The District is in the process of setting up a meeting with the County for the purpose of discussing the potential end of the 1999 Agreement if the transfer occurs, along with discussions revolving around Exhibit C in terms of completing the remaining items or potential monetary credit for value for completion of those items.

SSWD Distribution Main Asset Management Plan – Staff informed MBP and the County that MBP is located in Areas 7A-7G in the Distribution Main Asset Management Plan. In addition, staff informed them that MBP is currently not in the priority list over the next ten years, based on the fact the overriding priority of the subject plan is driven by leak history.

Fiscal Impact:

Currently, the District will continue to expend significant staff time towards developing guidelines and research to achieve resolution of technical issues, if possible. Some minor legal support may also be involved.

Strategic Plan Alignment:

Facilities and Operations – 2.B. Monitor and improve the District’s efficiencies in operating and maintaining system infrastructure.

District customers benefit as will facilitate closure of past issues, provide direction moving forward and assist in promoting economic growth within the region.



Agenda Item: 15

Date: March 17, 2017

Subject: California Special Districts Association Call for Nominations for Seat C

Staff Contact: Heather Hernandez-Fort, Executive Assistant to the General Manager

Discussion:

The California Special Districts Association (CSDA) Elections and Bylaws Committee is seeking Independent Special District Board Members who are interested in running for the CSDA Board for the 2018 - 2020 term.

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The expectations of a CSDA Board member are enclosed in the Call for Nominations announcement (Exhibit 1). If a Board member is appointed to the CSDA Board, these meetings are considered compensable.

Please review the enclosed Call for Nominations Announcement and consider submitting the attached Candidate Information Sheet (Exhibit 2) to staff by April 3, 2017. If a Board member is interest in being considered for nomination, a report will be included in the April regular Board meeting packet for Board consideration. The deadline for receiving nominations is May 19, 2017.



**California Special
Districts Association**

Districts Stronger Together

DATE: February 17, 2017

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT C**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2018 - 2020 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years.
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 19, 2017.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 2nd. The ballots must be received by CSDA no later than 5:00 p.m. August 4, 2017. The successful candidates will be notified no later than August 8, 2017. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in September 2017.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network	Seat C Fred Ryness, Burney Water District*
Sierra Network	Seat C Peter Kampa, Saddle Creek Community Services District*
Bay Area Network	Seat C Stanley Caldwell, Mt. View Sanitary District*
Central Network	Seat C Sandi Miller, Selma Cemetery District*
Coastal Network	Seat C Vincent Ferrante, Moss Landing Harbor District*
Southern Network	Seat C Arlene Schafer, Costa Mesa Sanitary District*

(* = Incumbent is running for re-election)

If you have any questions, please contact Beth Hummel at 877-924-CSDA or bethh@csda.net.



**California Special
Districts Association**
Districts Stronger Together

2017 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this **form and a Board resolution/minute action supporting the candidate
and Candidate Information Sheet** by fax or mail to:

CSDA
Attn: Beth Hummel
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 19, 2017



2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**



Agenda Item: 16

Date: March 21, 2017

Subject: ACWA Bay-Delta Flow Requirements

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Adopt an SSWD position on Bay-Delta Flow Requirements aligned with the Policy Statement adopted by the Association of California Water Agencies (ACWA) Board of Directors attached as Exhibit 1.

Background:

The State Water Resources Control Board (SWRCB) has embarked on a process to update the San Francisco Bay/Sacramento-San Joaquin Delta Water Quality Control Plan (Bay-Delta Plan). The SWRCB staff proposal is to set flow requirements based on a set percentage of unimpaired flow on all Delta tributaries (San Joaquin River; Sacramento River and major tributaries including the Feather, Bear, Yuba and American; the Delta “east-side” tributaries including the Mokelumne, Stanislaus and Tuolumne; and in Delta flows). The sum of all effort is proposed to result in a Delta outflow requirement intended to protect the water quality and environmental needs of the Delta.

SWRCB staff are proposing a single measure, percent of unimpaired flow, as the basis for regulatory action. ACWA disagrees with this myopic approach to improving habitat, fishery, and water quality in the Delta. ACWA has unanimously approved the attached policy with respect to Bay-Delta flow requirements, and has requested individual members to support that policy.

Staff believes the ACWA approach is a far superior one to protect District ratepayers. Staff recommends the Board adopt the ACWA Policy Statement on Bay Delta Flow Requirements as District Policy.

Fiscal Impact:

None at this time.

Strategic Plan Alignment:

Water Supply – 1.B. Provide for the long-term water supply needs of the customers through prudent planning that will ensure capacity to serve system demands.

Leadership – 5.A. Engage in legislative affairs on issues affecting the District.

Leadership – 5.B. Engage in a role with professional water industry groups to provide proficiency in technical and policy matters.

Leadership – 5.D. Provide leadership within the community in a positive manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).

The benefit to District ratepayers is additional reliability of access to surface water supplies to support the District's conjunctive use operations. This is also directly related to the District's ability to comply with the Sustainable Groundwater Management Act.



ACWA POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

COLLABORATIVE APPROACH IS KEY TO CALIFORNIA'S FUTURE

California is facing a defining moment in water policy. A staff proposal under consideration by the State Water Resources Control Board presents a decision point about the future we want for California and its communities, farms, businesses and ecosystems. The State Water Board's staff proposal to base new water quality objectives on a "percentage of unimpaired flow" would have impacts that ripple far beyond water for fish.

The proposal could lead to widespread fallowing of agricultural land, undercut the state's groundwater sustainability goals, cripple implementation of the Brown Administration's California Water Action Plan, negatively affect water reliability for much of the state's population and impact access to surface water for some disadvantaged communities that do not have safe drinking water. These effects are not in the public's interest.

Local water managers overwhelmingly believe the proposal's singular focus on "unimpaired flow" is the wrong choice for the state's future. California's urban and agricultural water managers are united in their vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations. That vision is best achieved through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

On behalf of its more than 430 member public agencies serving urban and agricultural customers throughout the state, the Association of California Water Agencies (ACWA) adopts the following policy statement regarding the State Water Board's proposed approach to updating the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta.

LOCAL SUCCESS STORIES

Collaborative efforts have been successful on many rivers in the Bay-Delta watershed.

Lower Yuba River: A voluntary, collaborative settlement among Yuba County Water Agency, California Department of Fish and Wildlife, National Marine Fisheries Service, PG&E and conservation groups resolved 20 years of controversy and resulted in a continuing program to improve 24 miles of salmon and steelhead habitat while protecting water rights and the needs of local communities. State Water Board members have specifically recognized the value of the agreement, which was formally implemented in 2008.

Lower American River: A broad representation of water suppliers, environmental groups, local governments and others negotiated an historic agreement that led to a flow management standard that was successfully incorporated into a 2009 biological opinion issued by the National Marine Fisheries Service.

Feather River: Six years of negotiations among water users, fisheries agencies and environmental groups yielded a comprehensive agreement that includes a habitat improvement program with specific flow and temperature requirements to accommodate spawning salmon and steelhead. The State Water Board adopted the agreement, with some modification, in 2010 as a water quality certification under the federal Clean Water Act.

CHOOSING OUR VISION FOR CALIFORNIA'S WATER FUTURE

Since 2009, state law has required water resources to be managed in a way that achieves the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA and its public water agency members believe that policy requires a commitment from state agencies and stakeholders to advance both water supply and environmental goals together. ACWA and its members further believe that effective implementation of the coequal goals requires transparent, collaborative processes and comprehensive solutions.

In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water-use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Embedded in the plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management by providing a more reliable water supply for our farms and communities, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient."

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem.

ACWA and its members believe the unimpaired flow approach proposed by State Water Board staff undercuts and threatens that potential and cannot lead us to the future we want for California. Simply put, any strategy that would result in vast amounts of agricultural land going out of production and ultimately reduce water supply reliability for the majority of Californians is irreconcilable with a policy of coequal goals and blatantly inconsistent with the water policy objectives of the Brown Administration.

ACWA strongly supports the collaborative approach called for by Governor Jerry Brown to move these important decisions out of adversarial processes and into negotiated, comprehensive agreements. The following principles can assure success in that endeavor.

A BETTER PATH TO THE FUTURE

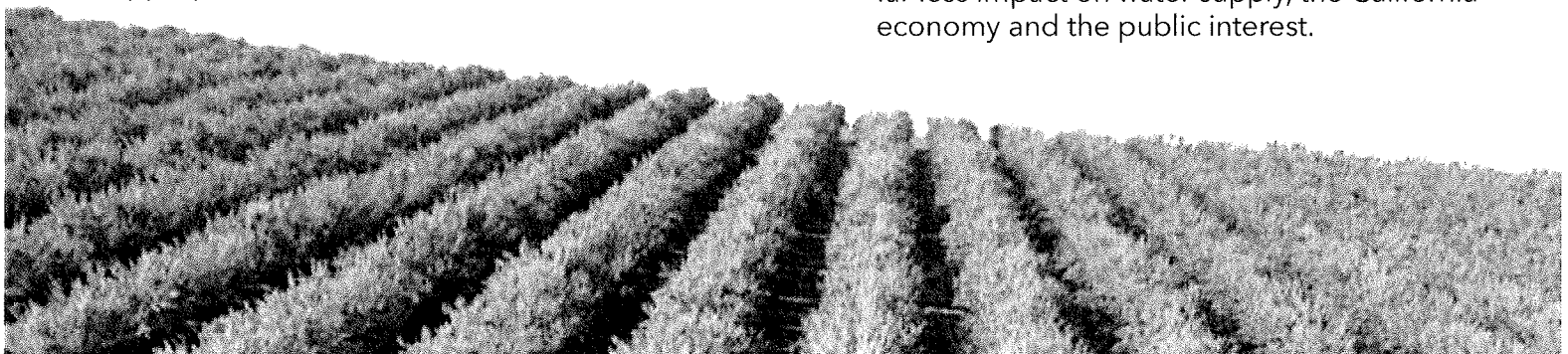
The State Water Board is responsible for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water (including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources) while considering past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (See California Water Code Section 13241.) It also has a responsibility to update the plan in a way that is consistent with the coequal goals and respects and implements the commitments made in the California Water Action Plan.

ACWA and its members urge the State Water Board to set aside the unimpaired flow approach and heed Governor Brown's call for negotiated agreements. ACWA believes that a successful flows policy must be consistent with the following principles:

- **Collaboration:** The governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that State Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the State Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced

regulations have not yielded the same track record. The State Water Board should wholly embrace this approach and allow enough time for it to work.

- **Comprehensive Solutions:** A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the "percentage of unimpaired flow" approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.
- **Science:** The State Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The unimpaired flow approach, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science. As noted above, the updated plan needs to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, and incorporate relevant current scientific information. Science alone cannot identify the best policy choice, but it can inform us about the policy tradeoffs we confront and help structure integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.



FUNCTIONAL FLOWS: A BETTER APPROACH

Sacramento Valley: Sacramento Valley water users and conservation partners are working together to advance a new generation of innovative projects to promote salmon recovery.

Over the past two and a half years, 12 projects have been completed through the Sacramento Valley Salmon Recovery Program to address fish passage, improve the timing of flows and increase habitat for salmon and other species. Priority projects have included removal of structural barriers to fish passage, modifying riffles, eliminating predator habitat, restoring floodplains and creating side channel spawning and rearing areas.

In addition, program partners are exploring creative ways to reconnect water with the land in floodplains and agricultural areas to enhance habitat and food production and create rearing habitat in rice fields.

While each of these collaborative projects provides independent value, implementation of the entire comprehensive suite is generating unique benefits that can significantly improve ecological outcomes for salmon in the Sacramento Valley.

Merced River: Merced Irrigation District has spent millions of dollars and decades undertaking intense and in-depth scientific research on the Merced River. This research has included analysis of flows, temperatures, biological resources and habitat. MID is poised to put this research into action through its Merced S.A.F.E. Plan (Salmon, Agriculture, Flows, and Environment) to provide certainty for both the environment and local water supply in Eastern Merced County.

The plan would provide increased flows using science to dictate the amounts and timing, restore critical sections of habitat for spawning and rearing juvenile salmon, protect local drinking water quality, upgrade an existing salmon hatchery with state-of-the-art facilities and reduce predation.

Based on in-depth science and technologically advanced computer modeling, MID seeks to take immediate action and dramatically benefit salmon on the Merced River.

- **Functional Flows:** Science shows that functional flows have very promising benefits for fish as well agricultural and urban water users. Timed and tailored for specific purposes, functional flows can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include functional flows and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability.
- **Economic Considerations:** The State Water Board has a statutory obligation to consider economic impacts when establishing water quality objectives that reasonably protect all beneficial uses of water. Having a robust economic analysis is critical. The board also has a policy obligation under the coequal goals to ensure its actions related to a revised Bay-Delta Plan increase water supply reliability and thereby allow for a healthy, growing agricultural and urban economy in California.
- **Consistency with State Policy:** ACWA urges the State Water Board to heed the governor's direction and recognize that achieving the coequal goals will lead to a more reliable water supply and healthy ecosystem. Pursuing the coequal goals should be a guiding principle for the board's decisions related to adopting a revised Bay-Delta Plan. The State Water Board also should ensure that its decisions on the Bay-Delta Plan enable, rather than obstruct, the implementation of the California Water Action Plan.
- **Leadership:** The best policy choice will come through the give and take of the negotiating process and the enlightened leadership of the State Water Board members. Ultimately, the board must establish water quality objectives that ensure the reasonable protection of all beneficial uses of water as it implements negotiated solutions. The State Water Board should actively engage in this work and lead in a manner that is grounded in an awareness of how its actions can affect the implementation of the California Water Action Plan and the achievement of the coequal goals.

ACWA and its members have taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. We stand ready to work with the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.



Agenda Item: 17

Date: March 22, 2017

Subject: Legislative and Regulatory Update

Staff Contact: Dan York, Assistant General Manager

RWA Government Affairs Committee

The state deadline to introduce bills from each legislative chamber was February 17, 2017. Currently, the RWA lobbyist members are tracking 33 high priority bills related to water issues. The bills are comprised of 21 Not Yet Considered, 10 Conservation, and 2 Public Goods Charge, attached to this report as Exhibits 1-3.

The RWA has developed a Water Resources Team that will be traveling to Washington, DC for the Cap-to-Cap trip April 30 - May 3, 2017. With the lead from Placer County Water Agency, City of Sacramento and Roseville, a briefing paper is being developed. Once the briefing paper is finalized, staff will provide a copy for the April 2017 regular Board meeting.

State

Governor Jerry Brown on March 15, 2017 announced the appointment of Tam Doduc and Joaquin Esquivel to the State Water Resources Control Board (SWRCB). Ms. Doduc is a reappointment and Mr. Esquivel is a new appointment to fill the seat of retiring Board Member Fran Spivey Weber. Mr. Esquivel, of La Quinta, has served as assistant secretary for federal water policy at the California Natural Resources Agency since 2015. He served in several positions in the Office of U.S. Senator Barbara Boxer from 2007 to 2015, including research assistant, legislative aide and legislative assistant for water and agriculture issues, and director of information and technology. Both appointments require Senate confirmation.

The Association of California Water Agencies (ACWA) and local water leaders are requesting the SWRCB to embrace a more effective approach to flows and water quality objectives in the Bay-Delta watershed. In response to the SWRCB proposal for the San Joaquin River and tributaries and widespread concern about its impacts, ACWA's Board of Directors adopted a policy statement outlining a more collaborative, comprehensive path to achieving positive ecological objectives, while maintaining water supply reliability. The statement urges the SWRCB to set aside its proposed "unimpaired flow" approach and heed Governor Brown's call for negotiated agreements, which have proven successful on many rivers and tributaries in the Bay-Delta watershed.

As part of its update to the Bay-Delta Water Quality Control Plan, the SWRCB issued a proposal in 2016 that would require water users to leave significantly more water in the San Joaquin River and its tributaries from February 1st to June 30th each year in an effort to provide fish and wildlife benefits. The deadline for public comment on the proposal was March 17, 2017. ACWA submitted its policy statement to the SWRCB along with a formal comment letter on the proposal.

The California Department of Water Resources (DWR) on March 17, 2017, provided an update on repairs underway at Oroville Dam and plans to begin releasing water from the damaged main spillway in anticipation of upcoming storms. The DWR will begin releasing 50,000 cubic feet per second of water from the spillway, with the goal of dropping Lake Oroville water levels from 864 feet to closer to 825 feet. Releases are expected to continue for approximately one week and will likely result in a 10 to 15 foot increase in water levels in the Feather River. Acting DWR Director Bill Croyle stated the spillway deck has been thoroughly cleaned and sealed and that “rock bolts” have been installed in an effort to prevent further erosion while water is being released. He also noted that the damaged spillway will likely be used three times through June 1, 2017, but the integrity of the spillway and changing water supply conditions will continue to be assessed as part of operations decisions.

Other emergency recovery activities include the removal of 1.25 million cubic yards of debris from the diversion pool, mitigation of naturally occurring asbestos, road repair, and efforts to mobilize a rock crushing plant and concrete batch plant for repair work. DWR also is working with the California Department of Fish & Wildlife to ensure that Chinook Salmon and steelhead populations remain healthy. The total cost for interim repairs at repairing damage from the Oroville spillway incident is estimated between \$100-200 million, however, the cost will likely be higher due to the fact emergency recovery efforts through February 2017 came in at an average cost of \$4.7 million per day. The total cost for spillway reconstruction is not known at this time.

State Bills of Interest (2017 two year bills)

Key Bills	Topic	Recommended Position
a. AB 12 (Cooley)	Administrative Regulations	Watch
b. AB 18 (Garcia, Eduardo)	Clean water, climate	Support if Amended
c. AB 68 (Mathis)	School facilities, proximity to farms	Watch
d. AB 77 (Fong)	Regs: Effective Dates and review	Watch
e. AB 196 (Bigelow)	Greenhouse Gas Reduction Fund	Watch

- | | | | |
|----|----------------------------------|---|--------------------|
| f. | AB 247 (Garcia, Cristina) | Lead Advisory Taskforce | Watch |
| g. | AB 277 (Mathis) | Water-Wastewater Loan Grant Prog | Watch |
| h. | AB 321 (Mathis) | Groundwater Sustainability | Watch |
| i. | AB 975 (Friedman) | Natural Resources: wild and scenic rivers | Oppose |
| j. | AB 1667 (Friedman) | Urban Water Suppliers: landscape water meters | Oppose |
| k. | AB 1668 (Friedman) | Water Conservation: guidelines | Oppose |
| l. | AB 1669 (Friedman) | Urban Water Use Efficiency | Oppose |
| m. | SB 5 (DeLeon) | Drought, water, parks, climate | Support if Amended |
| n. | SB 80 (Salas) | Environmental Quality Act: notices | Watch |
| o. | SB 146 (Wink) | Water Resources: Permit to operate: application proc. | Oppose |
| p. | SB 224 (Jackson) | Environmental Quality Act: baseline | Oppose |
| q. | SB 229 (Wieckowski) | Accessory dwelling units | Watch |
| r. | SB 427 (Leyva) | Public Water: lead user service lines | Oppose |
| s. | SP 580 (Pan) | Water Development Projects: Sac-San Joaquin Watershed | Support |
| t. | SCA 4 (Hertzberg) | Drought related drinking water projects | Watch |

Federal

Senator Kirsten Gillibrand introduced S 519, a bill to amend the Safe Drinking Water Act to require the Administrator of the Environmental Protection Agency to establish maximum contaminant levels for certain contaminants, and for other purposes.

Federal Bills of Interest (113th Congress)

- a. **HR 5781 California Emergency Drought Relief Act of 2014** - This bill was recently introduced in the House of Representatives following failure of a Senate compromise bill, pushed by Senator Feinstein, to gain sufficient support. Several Republican Congressmen Valadao, Nunes, McCarthy, McClintock, Calvert, and La Malfa were joined by central valley Democrat Costa in sponsoring the bill. HR

5781 passed the House but is not expected to pass the Senate this term. Adding bill language to a must-pass omnibus spending bill is being considered.

- b. HR 1837 - San Joaquin Valley Water Reliability Act (Nunes)** -To address certain water-related concerns on the San Joaquin River, and for other purposes.
- c. HR 4345 - Domestic Fuels Protection Act of 2012 (Shimkus)** - A bill to provide liability protection for claims on the design, manufacture, sale, offer for sale, introduction into commerce, or use of certain fuels and fuel additives, and for other purposes.
- d. HR 6484 - SAFE Levee Act (Garamendi)** - To amend the Calfed Bay-Delta Authorization Act to authorize the secretary of the Interior to provide assistance to non-Federal interests for levee stability improvements located within the Sacramento- San Joaquin Delta related to Bureau of Reclamation Central Valley Project water deliveries, and for other purposes.
- e. HR 353 – Weather Research and Forecasting Innovation Act of 2017 (Lucas)** – The District intends to support this bill to improve the National Oceanic and Atmospheric Administration's weather research through a focused program of investment on affordable and attainable advances in observational, computing, and modeling capabilities to support substantial improvement in weather forecasting and prediction of high impact weather events, to expand commercial opportunities for the provision of weather data, and for other purposes. The bill will allow National Oceanic and Atmospheric Administration to focus on affordable and attainable advances in observational, computing, and modeling capabilities in an effort to deliver substantial improvement in weather forecasting and prediction of high impact weather events, such as those associated with hurricanes, tornadoes, droughts, floods, storm surges, and wildfires. This could offer the ability to better manage water supplies in filling the state's reservoirs.
- f. S 519 - Maximum contaminant levels (Gilibrand)** - To amend the Safe Drinking Water Act (SDWA) to require the Administrator of the Environmental Protection Agency to establish maximum contaminant levels for certain contaminants, and for other purposes. The SDWA would be amended by adding at the end the following: Perfluorinated compounds by publishing a maximum contaminant level goal and promulgate a national primary drinking water regulation.

**RWA Bill Position Recommendations
for 3/22/17 Executive Committee meeting**

Exhibit 1

AB 313 (Gray D) Water.

Introduced: 2/6/2017

Summary:

Current law establishes the State Water Resources Control Board in the California Environmental Protection Agency consisting of 5 members appointed by the Governor, including one member required to be an attorney admitted to practice law in this state who is qualified in the fields of water supply and water rights and one registered civil engineer under the laws of this state qualified in the fields of water supply and water rights. This bill would revise the qualifications for the membership to the board by eliminating those requirements for qualification in the field of water rights.

Position: Not Yet Considered

Misc1: ACWA Watch

Notes 1: As introduced, AB 313 would:

- Revise the qualifications for membership to the SWRCB.
- Transfer authority over specific water rights matters from the SWRCB to DWR.
- Eliminate the duty of the SWRCB to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state.
- Establish a "Water Rights Division" within the Office of Administrative Hearings.
- Establish within the Natural Resources Agency the "State Water Project Commission," consisting of nine members appointed by the Governor and subject to confirmation by the Senate. The bill would transfer authority over and relating to the State Water Project from DWR to the Commission.
- Transfer the SWRCB's authority under SGMA to DWR.

This bill, if enacted, would bring about substantial changes--and introduce considerable uncertainties--in the administration of California's water rights system, the operations of the State Water Project, and ongoing implementation of SGMA.

RECOMMENDATION: WATCH

AB 321 (Mathis R) Groundwater sustainability plans.

Introduced: 2/7/2017

Summary:

The Sustainable Groundwater Management Act requires that all groundwater basins 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 require the groundwater sustainability agency to solicit the participation of farmers, ranchers, and other qualified professionals within the groundwater basin prior to and during the development and implementation of the plan.

Position: Not Yet Considered

Misc1: ACWA NOT FAVOR

Notes 1: Under SGMA, GSAs are required to "encourage the active involvement of diverse social, cultural, and economic elements of the population within the groundwater basin prior to and during the development and implementation of the groundwater sustainability plan." (Water Code sec. 10727.8(a).)

As introduced, AB 321 would specifically require GSAs to "solicit the participation of farmers, ranchers, and other qualified professionals" during GSP development and implementation. As a result, this bill may create additional planning and coordination responsibilities for GSAs. Additionally, as noted in the ACWA analysis of AB 321, "When Governor Brown signed SGMA into law in 2014, he stated that the central feature of the law is the recognition that groundwater management in California is best accomplished locally. Local agencies have the power to assess the conditions of their local groundwater basins. Local agencies also know better who to reach out to and how to encourage the involvement of local interested parties that would like to participate in the development and implementation of a GSP in the basin."

RECOMMENDATION: WATCH

AB 574 (Quirk D) Potable reuse.

Introduced: 2/14/2017

Summary:

Current law required the State Department of Public Health to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016. Current law defined the terms "direct potable reuse," "indirect potable reuse for groundwater recharge," and "surface water augmentation" for these purposes. This bill would remove certain references to "direct potable reuse," "indirect potable reuse for groundwater recharge," and "surface water augmentation," and would instead specify the four different types of potable reuse projects as "potable reuse through groundwater augmentation," "potable reuse through reservoir augmentation," "potable reuse through raw water augmentation," and "potable reuse through treated water augmentation."

Position: Not Yet Considered

Notes 1: As introduced, AB 574 would modify definitions applied to various types of recycled water projects. This bill would also require the SWRCB to establish a framework for the regulation of potable reuse projects that includes specified elements by June 1, 2018, and require the SWRCB to adopt uniform water recycling criteria for potable reuse through raw water augmentation by December 31, 2021.

WaterReuse California is the sponsor of AB 574.

RECOMMENDATION: WATCH

AB 793 (Frazier D) Sacramento-San Joaquin Delta: financing.

Introduced: 2/15/2017

Summary:

Would declare it to be state policy that the natural state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

Position: Not Yet Considered

Notes 1: As introduced, AB 793 would provide that "the maintenance and repair of the Delta is eligible for the same forms of financing as other water collection and treatment infrastructure." "Eligible maintenance and repair activities" would be limited to:

- (1) Cleanup and abatement of toxic or hazardous waste spilled into or exposed in any way to the Delta's recognized waters or hydrology.
- (2) Cleanup and abatement of marine debris, solid waste, and abandoned vessels of any kind.
- (3) Habitat restoration or conservation in addition to, but not exclusive of, any other habitat conservation plan.
- (4) Water quality improvement projects that protect or enhance the quality of water in the Delta for human and environmental purposes, reduce salinity, prevent seawater intrusion into the Delta, or improve freshwater flows into the Delta.
- (5) Projects with a demonstrated likelihood of improving conditions of the water and ecosystems in the Delta for the benefit of humans and the environment.

RECOMMENDATION: WATCH

AB 885 (Rubio D) Pupil health: drinking water: lead.

Introduced: 2/16/2017

Summary:

Would require a public or private school to ensure that drinking water is provided at the school that meets the United States Environmental Protection Agency drinking water standards for lead. The bill would require a public or private school, on or before February 1, 2018, to request water quality testing, including lead testing, from the State Water Resources Control Board, and would require the state board to perform or provide for the performance of the requested testing on or before November 1, 2019.

Position: Not Yet Considered

Misc1: ACWA Watch

Notes 1: From the ACWA analysis: "As introduced, this bill would require a public or private school to ensure that drinking water provided at the school meets the [U.S. EPA] drinking water standards for

lead. The bill would require a public or private school, on or before February 1, 2018, to request water quality testing, including testing for lead, from the [SWRCB]. The bill would require the [SWRCB] to perform or provide for the performance of the requested testing on or before November 1, 2019. If this testing reveals that a school has drinking water that does not meet the U.S. EPA's drinking water standards for lead, the bill would require the school, contingent upon the school receiving a grant or other external source of funding, to replace any water pipes that are contributing to exposure to lead."

It is possible that the SWRCB's mechanism to "provide for the performance of testing" would involve the domestic water supply permit amendments issued to community water systems in January 2017.

Asm. Rubio is the author of RWA's sponsored legislation, AB 968 and AB 1654.

RECOMMENDATION: WATCH

AB 975 (Friedman D) Natural resources: wild and scenic rivers.

Introduced: 2/16/2017

Summary:

Current law establishes that it is the policy of the state that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. This bill would revise that policy to specify that certain rivers that possess scenic, recreational, fishery, wildlife, historical, cultural, geological, ecological, hydrological, botanical, or other values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of "immediate environments," and define the term "extraordinary value" for purposes of that policy.

Position: Not Yet Considered

Notes 1: As introduced, AB 975 would expand the categories of extraordinary values identified in the California Wild and Scenic Rivers Act's legislative declaration of policy. This bill would also:

-Redefine "Immediate environments" as the corridor of land within one-quarter mile of a designated Wild and Scenic river segment. The existing definition is "land immediately adjacent to a designated segment."

-Introduce a definition of "extraordinary value" as "a natural, cultural, or similar value that is outstanding or remarkable in a local, regional, or statewide context."

The expansion of the definition of "immediate environments" from "land immediately adjacent" to a "corridor of land within a one-quarter mile" may impose new requirements or planning considerations on agencies that operate on or near designated Wild and Scenic river segments.

RECOMMENDATION: OPPOSE

AB 1323 (Weber D) Sustainable water use and demand reduction: stakeholder workgroup.

Introduced: 2/17/2017

Summary:

Would require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2018. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2018, as specified.

Position: Not Yet Considered

Notes 1: AB 1323 is sponsored by the San Diego County Water Authority. RWA staff have engaged SDCWA staff regarding support/co-sponsorship of AB 968.

RECOMMENDATION: WATCH

AB 1420 (Aguilar-Curry D) Water rights: small irrigation use: lake or streambed alteration agreements.

Introduced: 2/17/2017

Summary:

Would require the State Water Resources Control Board to give priority to adopting, on or before June 30, 2021, except as provided, general conditions that permit a registrant to store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow, as specified. The bill would require that the actions of the board under these provisions be deemed an action taken for the protection of the environment for purposes of

specified California Environmental Quality Act guidelines, if those actions do not result in the relaxation of streamflow standards.

Position: Not Yet Considered

Notes 1: RECOMMENDATION: WATCH

AB 1490 (Gray D) State Water Resources Control Board: school drinking water.

Introduced: 2/17/2017

Summary:

Would require the State Water Resources Control Board, before adopting or approving a water quality control plan, water quality objectives, or a program of implementation, to evaluate impacts on primary drinking water standards and secondary drinking water standards for, and impacts on groundwater basins that provide drinking water to, impacted local education agencies located in whole or in part in a disadvantaged community. The bill, if the state board finds any defined significant effect in this evaluation, would prohibit the state board from adopting a statement of overriding consideration.

Position: Not Yet Considered

Notes 1: In addition to the provisions detailed above, AB 1490 would define "significant effect" as "a substantial or potentially substantial adverse change."

Asm. Gray has been outspoken in his criticism of Phase I of the SWRCB's Bay-Delta Water Quality Control Plan.

RECOMMENDATION: WATCH

AB 1605 (Caballero D) Maximum contaminant levels: nitrate: replacement water.

Introduced: 2/17/2017

Summary:

Would deem a person that causes or permits, or threatens to cause or permit, any waste to be discharged that contributes to the exceedance of the maximum contaminant level for nitrate in drinking water to not have caused pollution or a nuisance or to not be liable for negligence or trespass, as specified, if the person or entity takes certain actions relating to replacement water until the maximum contaminant level for nitrate is no longer exceeded.

Position: Not Yet Considered

Notes 1: As introduced, the application of the provisions of AB 1605 to any "person or entity that causes or permits, or threatens to cause or permit, any waste to be discharged that contributes to the exceedance of the maximum contaminant level for nitrate" may be overly broad.

RECOMMENDATION: WATCH

AB 1667 (Friedman D) Urban water suppliers: landscape water meters.

Introduced: 2/17/2017

Summary:

Would require an urban water supplier to install dedicated landscape water meters on commercial, institutional, industrial, and multifamily service connections that are located in its service area on or before January 1, 2020, if the property has greater than 1,000 square feet of irrigated landscape, and on or before January 1, 2025, if the property has greater than 500, but less than 1,001, square feet of irrigated landscape.

Position: Not Yet Considered

Notes 1: Full Legislative Counsel Digest: "Existing law, the Water Measurement Law, generally requires the installation of a water meter as a condition of new water service on and after January 1, 1992. The law, with certain exceptions, requires an urban water supplier to install water meters on all municipal and industrial service connections that are located in its service area on or before January 1, 2025. Existing law requires a water purveyor to require as a condition of new retail water service on and after January 1, 2008, the installation of separate water meters to measure the volume of water used exclusively for landscape purposes, as prescribed.

This bill would require an urban water supplier to install dedicated landscape water meters on commercial, institutional, industrial, and multifamily service connections that are located in its service area on or before January 1, 2020, if the property has greater than 1,000 square feet of irrigated landscape, and on or before January 1, 2025, if the property has greater than 500, but less than 1,001, square feet of irrigated landscape. The bill would require an urban water supplier to install

dedicated landscape water meters on single-family residential service connections that are located in its service area on or before January 1, 2030, if the property has greater than 5,000 square feet of irrigated landscape. The bill would authorize an urban water supplier to waive these requirements for a customer that, before January 1, 2018, has installed one or more separate submeters that exclusively measure all water usage for irrigated landscape and that agrees to provide water consumption data recorded by the submeter at least annually to the urban water supplier. This bill would exempt from these requirements a service connection where a separate water meter for landscape purposes is required by existing law as a condition of new retail water service."

In conversations with the author's office, staff have indicated a willingness to discuss amendments to the milestone dates included in the bill as introduced, as well as to address issues associated with economic feasibility and cost effectiveness.

RECOMMENDATION: OPPOSE

AB 1668 (Friedman D) Water conservation: guidelines.

Introduced: 2/17/2017

Summary:

Executive Order B-37-16, among other things, requires the Department of Water Resources to work with the State Water Resources Control Board to develop new water use targets as a part of a permanent framework for urban water agencies. This bill would require the state board, on or before July 1, 2018, in consultation with the department and other appropriate state agencies, to adopt water conservation guidelines that are consistent with a specified report issued in response to Executive Order B-37-16.

Position: Not Yet Considered

Notes 1: As introduced, AB 1668 would require the SWRCB, in consultation with DWR and "other appropriate state agencies," to adopt water conservation guidelines that are consistent with the framework described in "Making Water Conservation a California Way of Life."

As of March 10, 2017, the final Administration framework has not been released. The November 2016 draft framework identifies both "directives [to be] implemented within existing authorities" and "recommendation that require new and expanded authorities to implement." It is not clear whether this bill is intended to direct agencies to adopt "conservation guidelines" consistent with the framework where they are within agencies' existing authorities, or if it is intended as a blanket grant of authority to agencies implement all elements of the framework. The term "conservation guidelines" is not used in the draft framework and is not defined by this bill.

The author's office has indicated that they will be meeting with the Administration to discuss the use of AB 1668/1669 as vehicles for the Administration's framework.

RECOMMENDATION: OPPOSE

AB 1669 (Friedman D) Urban water use efficiency.

Introduced: 2/17/2017

Summary:

Would, on or before January 1, 2019, would require the State Water Resources Control Board, in consultation with the Department of Water Resources and other appropriate state agencies, to establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency targets and in that regard to establish an urban water use efficiency target to be achieved by the state by January 1, 2025. The bill would require the state board to update its urban water use efficiency target every 5 years.

Position: Not Yet Considered

Notes 1: As introduced, AB 1669 would require the SWRCB to establish an "urban water use efficiency target" to be achieved by 2025 and grant permanent authority to the SWRCB to update its urban water use efficiency target every five years thereafter.

The author's office has indicated that they will be meeting with the Administration to discuss the use of AB 1668/1669 as vehicles for the Administration's framework.

RECOMMENDATION: OPPOSE

SB 49 (De León D) California Environmental, Public Health, and Workers Defense Act of 2017.

Introduced: 12/5/2016

Last Amended: 2/22/2017

Summary:

The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and generally prohibits the taking of those species. The Protect California Air Act of 2003 prohibits air quality management districts and air pollution control districts from amending or revising their new source review rules or regulations to be less stringent than those rules or regulations that existed on December 30, 2002. This bill would prohibit state or local agencies from amending or revising their rules and regulations implementing the above state laws to be less stringent than the baseline federal standards, as defined, and would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species.

Position: Not Yet Considered

Notes 1: As amended, SB 49 would:

- Prohibit state or local agencies from amending or revising their rules and regulations implementing the above state laws to be less stringent than the baseline federal standards, defined as "the authorizations, policies, objectives, rules, requirements, and standards contained in federal laws or federal regulations implementing the federal laws in existence as of January 1, 2016, or January 1, 2017, whichever is more stringent," and would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species.
- Authorize a person acting in the public interest to bring an action to enforce certain standards and requirements implementing the Porter-Cologne Water Quality Control Act, the California Safe Drinking Water Act, the California Endangered Species Act, and the Protect California Air Act of 2003, if specified conditions are satisfied.
- Prohibit a state agency that implements those laws from amending or revising its rules and regulations in a manner that is less stringent in its protection of workers' rights or worker safety than standards established by federal law in existence as of January 1, 2016.
- Expressly authorize a person to petition a court for a writ of mandate to compel a state or local agency to perform an act required by, or to review a state or local agency's action for compliance with, this measure.
- Require state agencies, on a semi-annual basis, to report to the Legislature on compliance with the above requirements.

This bill would create an environmental regulatory baseline defined by pre-Trump Administration federal "authorizations, policies, objectives, rules, requirements, and standards contained in federal laws or federal regulations." This bill would also create new citizen suit enforcement powers under state law.

RECOMMENDATION: WATCH

SB 146 (Wilk R) Water resources: permit to appropriate: application procedure.

Introduced: 1/17/2017

Last Amended: 2/17/2017

Summary:

Current law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Current law declares that no hearing is necessary to issue a permit in connection with an unprotested application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the board elects to hold a hearing. This bill, if the State Water Resources Control Board has not rendered a final determination on an application for a permit to appropriate water within 25 years from the date the application was filed, would require the board to issue a notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

Position: Not Yet Considered

Misc1: ACWA OPPOSE

Notes 1: On February 17, 2017, SB 146 was gutted and amended to include identical language from the introduced version of SB 57 (which was later gutted and amended). From the ACWA analysis:

"The amended version of SB 146 is similar to AB 1986 (Wilk, 2016). SB 146 differs from AB 1986 in two aspects. First, rather than a 20-year window, this bill would provide a new notice and protest opportunity for an application that has been outstanding, without a final determination, for 25 years. Second, the bill would not require a new notice and protest opportunity if the applicant is a "public

entity." However, this bill does not provide a definition for a "public entity," and presumably, if re-opening of the administrative procedures is "not required," the State Water Board would nonetheless retain the discretion to do just that.

When AB 1986 was introduced, the author's office referred to concerns about California's ongoing drought and significant changes to "the dynamics of water availability in the region" that should be taken into consideration. The author intended to "re-open the protest period and any other administrative processes, as if it were being undertaken for the first time." Like AB 1986, SB 146 could be troublesome for ACWA's members because it would provide another opportunity to protest an application merely based on the State Water Board's failure to promptly process the application. While the author has attempted to exempt water rights applications for public entities, it is unclear what is included in the definition of "public entity," and the State Water Board would still retain the discretion to re-open the administrative procedures.

Another concern is the potential impact the bill would have on currently pending applications where the protest period has lapsed and the application process takes 25 years or longer. Environmental groups may also try to delay applications past the 25-year mark so that opponents to the application would have another opportunity to protest. Re-opening administrative processes would further slow the process of approval, potentially delaying agency projects and using already scarce agency resources, including personnel and time, for an unnecessary procedural step. The bill would allow project opponents to stall an agency's application. The State Water Board already has the authority to subject water rights to specific stream conditions to protect public trust and other beneficial uses. This bill attempts to resolve a local problem on a local waterway that could have broader unintended implications in many watersheds throughout California.

This bill has unforeseen potential to hinder the administration of water rights statewide and [ACWA] believes that the author should seek to address the local concern through other means that would not harm the interests of ACWA's members."

RECOMMENDATION: OPPOSE

SB 252 (Dodd D) Water wells.

Introduced: 2/7/2017

Last Amended: 3/13/2017

Summary:

Current provisions of the California Constitution declare the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of these waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water. This bill would require, in an action alleging liability for interference with a well used primarily for domestic use, reasonableness of each party's beneficial use of water to be determined through consideration of specified factors.

Position: Not Yet Considered

Misc1: ACWA OPPOSE

Notes 1: From the ACWA analysis: "SB 252 is similar to a previous well moratorium measure, SB 1317 (Wolk, 2016), which ACWA opposed. That measure would have prevented the construction of new wells in probationary groundwater basins. ACWA opposed SB 1317 in part because the measure was overbroad. Under SGMA, a medium or high priority groundwater basin can become a probationary basin for reasons unrelated to critical conditions of overdraft of the underlying aquifer, such as failure to properly form a GSA. SB 252 is narrower than SB 1317 because it would apply more specifically to critically overdrafted groundwater basins.

However, there are additional concerns regarding SB 252. First, the legislative findings are potentially inconsistent. Although the bill mentions that it is "not the role of the state to dictate groundwater management actions or prohibit pumping," the bill nonetheless declares that statewide action is required. Second, there are privacy issues concerning public disclosure of private well information. The bill would require a city or county overlying a critically overdrafted basin to make permit application information about a new well, such as its location, depth, and production capacity, publicly available and easily accessible over the Internet. Third, SB 252 would require a city or county to undertake an unspecified public notice and comment period before issuing any new well permit. The bill does not specify the criteria for a proper notice or a timeframe for a comment period."

RECOMMENDATION: WATCH

SB 427 (Leyva D) Public water systems: lead user service lines.

Introduced: 2/15/2017

Summary:

Would, by July 1, 2020, require a public water system to provide the timeline for replacement of known lead user service lines in use in its distribution system to the State Water Resources Control Board. The bill, by July 1, 2020, would require a public water system that has identified areas that may have lead user service lines in use in its distribution system to (a) provide to the state board its determination as to whether there are any lead user service lines in use in those areas of its distribution system and provide a timeline to the state board for replacement of those lead use service lines, and (b) provide findings as to whether there are any areas for which it cannot determine the content of the user service lines and a timeline for the replacement of those user service lines.

Position: Not Yet Considered

Notes 1: Sen. Leyva authored SB 1398 (2016), which requires a public water system to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system by July 1, 2018, and provide a timeline for replacement of known lead user service lines in the distribution system to the SWRCB. SB 1398 also requires, by July 1, 2020, a public water system with areas that may have lead user service lines in use in its distribution system to either determine the existence or absence of lead user service lines in these areas and provide that information to the board or provide a timeline for replacement of the user service lines whose content cannot be determined. RWA worked to secure amendments to SB 1398.

RECOMMENDATION: OPPOSE UNLESS AMENDED

SB 506 (Nielsen R) Department of Fish and Wildlife: lake or streambed alteration agreements.

Introduced: 2/16/2017

Summary:

Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife. This bill would limit the diversions and obstructions governed by these alteration agreement requirements to the diversions and obstructions that alter the bed, channel, or bank of a river, stream, or lake. The bill would exempt routine maintenance and repair of facilities for instream agricultural diversions from the alteration agreement requirements.

Position: Not Yet Considered

Notes 1: RECOMMENDATION: WATCH

SB 564 (McGuire D) Joint powers authorities: Water Bill Savings Act.

Introduced: 2/17/2017

Summary:

Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement.

Position: Not Yet Considered

Notes 1: According to the author's office: "SB 564 will allow residents to finance water efficiency improvements on their water bills. These improvements could include landscape irrigation systems, upgraded hot water systems, gray water systems, high efficiency toilets, and high efficiency dishwashers.

The Marks-Roos Local Bond Pooling Act authority allows Joint Powers Authorities (JPAs) to sell bonds backed by revenues from the agencies that make up the JPA. The JPA can then use these bonds to jump-start projects such as energy efficiency upgrades. SB 564 extends this authority to pay for the upfront costs of water efficiency upgrades.

Customers who choose to participate in the program hire a certified contractor to install the improvements, then pay for those improvements over time through a small "water efficiency charge" on their water bills. These charges are smaller than the estimated utility bill savings delivered by the

project that they pay for, providing immediate cost savings to the customer.

Pay As You Save (PAYS) pilots established by the Bay Area Regional Energy Network (BayREN) have already demonstrated the potential for this water efficiency model, saving 20-33% of participating customers' water use. Building upon these successes, SB 564 would expand the scope of these efforts by allowing JPAs and local water agencies to: (1) pool revenues from water efficiency charges across multiple local agencies, thereby lowering interest rates; and (2) centralize administrative activities with the JPA in order to run the program as efficiently as possible."

RECOMMENDATION: WATCH

SB 580 (Pan D) Water development projects: Sacramento-San Joaquin watersheds.

Introduced: 2/17/2017

Summary:

Current law adopts and authorizes federally adopted and approved projects, including a project for flood control along the American and Sacramento Rivers. The projects are authorized at an estimated cost to the state of the sum that may be appropriated by the Legislature for state participation upon the recommendation and advice of the Department of Water Resources or the Central Valley Flood Protection Board. This bill would revise the authorization for the project for flood control along the American and Sacramento Rivers as further modified by a specified report adopted by Congress.

Position: Not Yet Considered

Notes 1: This bill would revise the authorization for the project for flood control along the American and Sacramento Rivers as adopted and authorized by Congress to include the River Watershed Common Features General Reevaluation Report adopted by Congress in Section 1401 of the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322).

RECOMMENDATION: SUPPORT

SB 667 (Atkins D) Department of Water Resources: riverine and riparian stewardship improvements.

Introduced: 2/17/2017

Summary:

Current law authorizes the Director of Water Resources to establish a program of flood control and urban creek restoration, known as the Urban Streams Restoration Program, consisting of the development of the capability by the Department of Water Resources to respond to requests from local agencies and organizations for planning and design assistance for efficient and effective urban creek protection, restoration, and enhancement. This bill, upon an appropriation of funds from the Legislature, would require the department to establish a program to implement watershed-based riverine and riparian stewardship improvements by providing technical and financial assistance in support of projects with certain benefits.

Position: Not Yet Considered

Notes 1: As introduced, SB 667 would create a DWR program which, upon appropriation of funds from the Legislature, would seek to implement watershed-based riverine and riparian stewardship improvements by providing technical and financial assistance in support of projects that reduce flood risk, restore and enhance fish populations and habitat, improve water quality, achieve climate change benefits, and in general ensure resilient ecological function within areas that include, but are not limited to, urban or urbanizing areas of the state.

The program would consist of the following elements:

- (1) Support for partnerships with local agencies, nonprofit organizations, and community groups to identify multibenefit opportunities, local needs, and watershed restoration or enhancement objectives. Partnerships shall include other state agencies as appropriate and to the degree those agencies are able to participate.
- (2) Early engagement by the department in the conceptualization and design process and continued involvement through the design, construction, operation, and evaluation of a completed project.
- (3) Assistance in planning the natural resource restoration, landscaping, and infrastructure elements of a project consistent with appropriate local and regional land use and resource recovery plans.
- (4) Design assistance to ensure a project will protect or enhance natural river and stream process and function using the best bioengineering and ecological practices while considering low-impact development, energy and water conservation, and community access and use for local recreation, trails, and other purposes.
- (5) Evaluation and assessment processes to monitor success in meeting riverine stewardship goals and community needs.
- (6) Assistance, as appropriate, with project administration, including, but not limited to, communication

among partnership groups, enhancing the capacity of communities to effectively participate, and looking for and managing various funds obtained for the project.

(d) The department may provide technical assistance for the purposes of this section either directly or otherwise, including, but not limited to, by collaborating with appropriate California State University or University of California programs providing educational development and field experience for students.

RECOMMENDATION: WATCH

Total Measures: 21

Total Tracking Forms: 21

**RWA Tracked Bills - Conservation/WUE
as of 3/10/2017**

AB 968 (Rubio D) Urban water management planning.

Introduced: 2/16/2017

Summary:

Current law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified. This bill would make nonsubstantive changes in these provisions.

Misc2: Spot Bill

AB 1000 (Friedman D) Water conservation: certification.

Introduced: 2/16/2017

Summary:

Current law requires the State Energy Resources Conservation and Development Commission to establish minimum levels of operating efficiency to promote the use of energy and water efficient appliances. This bill would require the commission to certify innovative water conservation and water loss detection and control technologies that meet certain criteria.

Misc2: Spot Bill

AB 1041 (Levine D) Urban water suppliers: urban water shortage contingency analysis.

Introduced: 2/16/2017

Summary:

The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified. This bill would instead require an estimate of the minimum water supply available during each of the following 5 years to be based on the driest 5-year historic sequence for the agency's water supply.

Misc2: Spot Bill

AB 1271 (Gallagher R) Urban water management plans.

Introduced: 2/17/2017

Summary:

Current law requires an urban water supplier, as defined, to prepare and adopt an urban water management plan for submission to the Department of Water Resources, and requires that the plan provide an urban water shortage contingency analysis, as specified. This bill would make nonsubstantive changes in those provisions.

Misc2: Spot Bill

AB 1273 (Gallagher R) Urban water management plans.

Introduced: 2/17/2017

Summary:

Current law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. This bill would make nonsubstantive changes to that act.

Misc2: Spot Bill

AB 1323 (Weber D) Sustainable water use and demand reduction: stakeholder workgroup.

Introduced: 2/17/2017

Summary:

Would require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2018. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for

establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2018, as specified.

Position: Not Yet Considered

AB 1654 (Cooper D) Water conservation.

Introduced: 2/17/2017

Summary:

Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Current law sets forth various findings and declarations related to water conservation. This bill would make a nonsubstantive change in those findings and declarations.

Misc2: Spot Bill

AB 1667 (Friedman D) Urban water suppliers: landscape water meters.

Introduced: 2/17/2017

Summary:

Would require an urban water supplier to install dedicated landscape water meters on commercial, institutional, industrial, and multifamily service connections that are located in its service area on or before January 1, 2020, if the property has greater than 1,000 square feet of irrigated landscape, and on or before January 1, 2025, if the property has greater than 500, but less than 1,001, square feet of irrigated landscape.

Position: Not Yet Considered

AB 1668 (Friedman D) Water conservation: guidelines.

Introduced: 2/17/2017

Summary:

Executive Order B-37-16, among other things, requires the Department of Water Resources to work with the State Water Resources Control Board to develop new water use targets as a part of a permanent framework for urban water agencies. This bill would require the state board, on or before July 1, 2018, in consultation with the department and other appropriate state agencies, to adopt water conservation guidelines that are consistent with a specified report issued in response to Executive Order B-37-16.

Position: Not Yet Considered

AB 1669 (Friedman D) Urban water use efficiency.

Introduced: 2/17/2017

Summary:

Would, on or before January 1, 2019, would require the State Water Resources Control Board, in consultation with the Department of Water Resources and other appropriate state agencies, to establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency targets and in that regard to establish an urban water use efficiency target to be achieved by the state by January 1, 2025. The bill would require the state board to update its urban water use efficiency target every 5 years.

Position: Not Yet Considered

Total Measures: 10

Total Tracking Forms: 10

**RWA Tracked Bills - Public Goods Charge
as of 3/10/2017****SB 623 (Monning D) Safe and Affordable Drinking Water Fund.****Introduced:** 2/17/2017**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 establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the board. By creating a new continuously appropriated fund, this bill would make an appropriation.

Misc1: ACWA Watch**Misc2:** Spot Bill**SB 778 (Hertzberg D) Safe drinking water.****Introduced:** 2/17/2017**Summary:**

Under current law, it is the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would declare the intent of the Legislature to enact subsequent legislation that would impose a charge, moneys from which would assist the state in providing safe drinking water to the residents of California.

Misc1: ACWA Watch**Misc2:** Spot Bill

Total Measures: 2

Total Tracking Forms: 2



Agenda Item: 18

Date: March 21, 2017

Subject: General Manager's Report

Staff Contact: Robert Roscoe, General Manager

a. Easements Accepted on Behalf of the District by the General Manger

Resolution 16-21 was approved at the September 19th, 2016 meeting of the Board of Directors which delegated authority to approve and consent to recordation of easements. During the month of March 2017, the General Manager accepted two easements.

One easement was a 670 sqft easement at 7899 Walerga Road to accommodate siting a service line and 2 inch meter which serves the McDonald's restaurant at that location. The easement was provided at no cost to the District and was needed to provide the District access and entitlement to place facilities on this site.

The second easement consists of approximately 14,437 sqft at 3536 Watt Avenue. The easement is needed to accommodate the existing 6 inch pipeline which was installed on the site in 1962. The easement contains the pipeline, 5 valves and 3 fire hydrants and was voluntarily dedicated to the District at no cost which corrected a legacy issue. The District now has the authority and ability to access its facilities on this site.

The items were approved by the General Manger and are in the process to file and record.

b. Sacramento Area Sewer District Lateral Damage

In November 2016, Sacramento Area Sewer District (SASD) notified the District that they were experiencing service line repair failure in a neighborhood near Antelope Road and Don Julio Blvd. SASD identified 49 services which indicated the repair made to the service lateral (to homes) along three streets were failing and needing repair.

Their efforts revealed that the sewer and water lines were laid in such a manner (35 years ago by the developer) that the sewer laterals were possibly cut to facilitate quicker installation of the water main. The resulting patches along the trench line installed at that time have failed. Staff from SASD indicated that they believe that Sacramento Suburban Water District is liable for this installation and notified us that they intended to file a claim for their costs of these repairs. The District attended a meeting between SASD and County Department of Transportation with intentions to find best solution for rate payers. Our goal was to keep customers in both water and sewer services while resolving alignment conflicts in the field to ensure least costly work.

The District explored replacing water lines in these three streets in attempt to resolve separation conflicts, but it was determined that the best solution was for SASD to continue with the forces mobilized to make the appropriate repairs in a manner that conformed with the standards for separation of sewer service lines and a potable water lines established by County and Division of Drinking Water. In most cases, the repair required the replacement service lines to be extended further back in the alignment to accommodate a satisfactory slope to obtain separation and use a full stick of pipe for the crossing of the waterlines. SASD proceeded to repair the sewer service lines for 29 homes with associated street repairs at a cost of approximately \$160,000. The recently filed claim has been referred to JPIA, and is documented in the claims report.

c. Parkland Estates Pipeline Separation Requirements

Potable water and non-potable water pipelines are required to be separated in order to minimize the possibility of contamination. The Division of Drinking Water (DDW) is the regulator for compliance. Unlike new construction, waterline replacements have complex profiles and numerous conflicts as all other underground utilities are in place and both storm water and sewage lines are non-potable hazards to avoid. Furthermore, they are most often gravity dependent which makes slopes and alignments more difficult to adjust.

In 2009, DDW issued a waiver to SSWD establishing set protocols to be followed when less than adequate space was available to meet separation requirements. In late January 2017, SSWD was notified that the waiver was no longer valid. The District had contracts in place and work in progress on the Parkland Estates project which would be impacted by this change. Additional dialogue with DDW has clarified their intent which is to have very specific site conditional waivers done in advance. This will require the District to commence waterline replacement project designs earlier to accommodate the DDW process and to do additional engineering to design and prescribe resolutions to utility conflicts in advance. Previously, it was advantageous to address many of these situations once they were exposed using the preapproved prescribed techniques.

Currently, DDW has allowed the District to submit two-step waiver processes, which lower risk conflicts (domestic sewer service lines) can be addressed in a blanket protocol. In the Parkland Estates project there are approximately 300 cases, for which standard field adjustment techniques will be employed. The second requires additional research through extensive pot-holing of sewerage and storm mains. Once locations and elevations are known, design specific routing with details on joint locations, separation and fittings to be used will be submitted for DDW for their approval prior to this work occurring. The additional cost to the District ratepayers for each mainline replacement project is unknown at this time, but will not be insignificant. It is estimated that design costs will increase by 10 to 15% as more exploration is needed while the amount of material or changes to types of fitting will be site specific.

d. Long Term Warren Act Contract Update

The Bureau of Reclamation (Reclamation) is currently working on revisions to the Basis of Negotiation, which needs to be approved before Reclamation can move forward with negotiations. As for review of the draft Environmental Assessment/Biological Assessment, Reclamation staff state they will provide an update to District staff the week of March 27, 2017. As a reminder, the District's current 5-year Warren Act Contract expires February 28, 2018. Reclamation's goal is to have a 25 year LTWAC signed no later than October 2017.

e. Invitation from Doug Veerkamp General Engineering Inc.

The Board of Directors has received an invitation from Doug Veerkamp Construction welcoming any interested member of the Board to tour their construction sites to observe their operations. Please contact staff if any member of the Board is interested in setting up a tour.

f. Update on District Action to Address Chromium 6 Contamination of Groundwater Wells

At the December 19, 2016 regular Board meeting, Board President Wichert requested staff to provide monthly updates pertaining to the Chromium 6 litigation topic. However, he reminded staff that the District needs to be careful to not provide updates that might disadvantage the legal position and as the case unfolds.

The District takes extremely seriously the health of our customers, the quality of our water supply, and the costs to rate-payers for delivering high quality drinking water. As we've discussed at previous Board meetings, the District has retained Sher Edling LLP as outside counsel to address hexavalent chromium (CR6) pollution in the District's wells emanating from McClellan Air Force Base. The District along with Sher Edling is finalizing analyses of CR6 treatment costs and we anticipate that a legal claim on behalf of the District will be presented to the Air Force by the end of this month to address the CR6 in our water supplies as well as the costs of cleaning it up and protecting the health and safety of our customers.

The District at this time is not able to conduct a discussion or respond to verbal questions without first conferring with our outside legal counsel. If any member of the public has a statement or wishes to express their viewpoint, staff will listen to those statements and viewpoints. If members of the public have questions, please ask them and we will convert them to written questions in the minutes and do our best to answer them via a statement at the next board meeting. Please be aware that, on the advice of our attorneys, we may not be able to immediately answer all questions, particularly those related to the specifics of any potential litigation. As the case unfolds, we anticipate providing additional details to the public.

g. Rate Consultant Proposed Changes to Regulation

In December 2016 the District retained HDR Engineering to provide a review and update of miscellaneous fees charged by the District for special water services. These miscellaneous fees are for the special services which are detailed in the District's Regulation No. 3, Water

Service Charges and Rates, adopted on June 15, 2015. HDR's analysis and report will address the District's miscellaneous fees and provide an update to the miscellaneous fees contained within Regulation No. 3. It is important to note that this study is not an update of the rates and charges for "water service" which are detailed in Section A of Regulation No. 3. For those rates and charges there are "generally accepted" accounting and rate-setting practices that are used in developing cost-based water rates. In contrast, for miscellaneous fees there is no clear industry prescribed methodology. However, in general, the fee charged should recover the direct and indirect costs of the particular service or item being provided.

A draft of HDR's report is currently being reviewed by staff and will be presented to the Finance and Audit Committee for comment in early April.

h. 2017 CAPIO Excellence in Communications Award

In March 2017, the District entered the California Association Public Information Officials (CAPIO) Excellence in Communications Awards in the category of Go Green/Environmental Conservation Program. The submittal highlighted the 2016 conservation program which was a direct result of the State Water Resources Control Board relaxing mandatory conservation targets required during California's drought emergency and allowed water providers to set water conservation goals based on their ability to meet customer demand. Wishing to continue the momentum of water use efficiency created during the drought, the SSWD Community Outreach Team developed a comprehensive communications plan to promote water efficiency as a way of life. This conservation campaign program was submitted to CAPIO Excellence in Communications Award. The District's program was selected as a finalist and will be awarded the honor of Award of Excellence, Award of Distinction or Award of Merit for 2017 Excellence in Communications at the CAPIO conference on April 5, 2017. This program would not have been possible without the support of the Board of Directors and the professional efforts of the SSWD Community Outreach team headed by Customer Service Manager Annette O'Leary and the District's outreach consultant Christine Kohn of IN Communications.

i. The ASCE Sacramento Section Outstanding Energy Project of the Year

Staff is pleased to report that the District's new Rutland well facility was selected as the Outstanding Energy Project of the Year by the American Society of Civil Engineers Sacramento Section. The project was designated by Wood Rogers and Affinity Engineering.

In its notification of the award, the Sacramento Section of ASCE noted, "This is a tremendous accomplishment for the project team, your organization, and all project participants." Staff concurs, and is proud to be recognized by the preeminent Civil Engineering organization for our Rutland Well Project.

j. SIGMA and the State Water Resources Control Board Draft Fee Sheet

The Sustainable Groundwater Management Act (SGMA) provides for intervention should local agencies not demonstrate compliance with the statutory deadlines in the act. The first deadline is July 1, 2017 by which time Groundwater Sustainability Agencies (GSA) must be

formed covering the entire identified basin with no overlap of jurisdictions. For SSWD the Sacramento Groundwater Authority (SGA) is the GSA for the portion of the North American Sub-basin in Sacramento County. It is presently anticipated that there will be four additional entities filing to become GSA's to complete coverage in the North American Sub-basin: Reclamation District 1008, Sutter County, South Sutter Water District, and the West Placer Groundwater group. Nevada Irrigation District is currently acting to join the West Placer Group. Other entities in West Placer include: Placer County, Placer County Water Agency, the Cities of Lincoln and Roseville, and California American Water Company.

In anticipation of having some groundwater basins miss the statutory deadline for forming SGA's, the State Water Resources Control Board has developed a fee schedule to impose on those "probationary" basins to cover the cost of the "state oversight." That fee schedule is attached. Proposed fees are roughly an order of magnitude higher than currently assessed by SGA.

Proposed Sustainable Groundwater Management Act (SGMA) Fee Schedule

INTRODUCTION

The State Water Resources Control Board (State Water Board) is conducting a series of stakeholder meetings throughout summer and fall 2016 to assist in the development of a groundwater extraction reporting fee schedule, as required by the Sustainable Groundwater Management Act (SGMA). The objectives of the stakeholder meetings are as follows:

- Engage stakeholders in the SGMA fee schedule development process.
- Explain issues considered in drafting the proposed fee schedule.
- Gain a better understanding of stakeholder interests and concerns.

Following the stakeholder meetings, State Water Board staff will develop and release a draft fee schedule emergency regulation for public comment and hold at least one public meeting to receive public comment on the draft emergency regulation. The State Water Board will consider adoption of the proposed fee schedule emergency regulation in spring 2017. The fee schedule must be effective by July 1, 2017.

BACKGROUND

SGMA requires the formation of local groundwater sustainability agencies (GSAs) in California’s high- and medium-priority groundwater basins. Sustainability agencies are required to develop groundwater sustainability plans that will bring basins into sustainability within 20 years of plan implementation. If locals are unable or unwilling to sustainably manage their basin, the State Water Board is authorized to intervene. State intervention can only be triggered by one of the following events:

Date	Trigger
July 1, 2017	Failure to form a GSA.
January 31, 2020	Failure to adopt and/or adequately implement a groundwater sustainability plan for a basin in a critical condition of overdraft.
January 31, 2022	Failure to adopt and/or adequately implement a groundwater sustainability plan in all other high- or medium-priority basins.
January 31, 2025	There are significant depletions of interconnected surface waters and the sustainability plan is not being implemented adequately.

STATE WATER BOARD FEE AUTHORITY

Portions of basins that are not within the management area of a GSA by July 1, 2017, are considered unmanaged areas. Groundwater extractors in unmanaged areas are required to file an annual groundwater extraction report with the State Water Board. (Wat. Code §5202, subd. (a)(2).) If locals fail to form a GSA, fail to develop an adequate sustainability plan, or fail to implement the plan adequately (based on the deadlines outlined above), the State Water Board may designate the basin as probationary and step in to directly manage groundwater extractions in the basin. (Wat. Code §§ 10735.2 & 10735.8.) All extractors in a probationary basin are required to submit an annual groundwater extraction report, although the State Water Board has discretion to exempt certain probationary extractors from reporting if appropriate. (Wat. Code §5202(a)(1).) Each annual extraction report must be accompanied by a fee to cover associated programmatic costs. (Wat. Code §§ 1529.5 & 5202, subd. (f).)

The State Water Board is required to adopt, by emergency regulation, a fee schedule to cover SGMA-related costs. (Wat. Code §1530.) The emergency regulation format allows the State Water Board to update the fee

Proposed Sustainable Groundwater Management Act (SGMA) Fee Schedule

schedule annually to reflect changing conditions and programmatic costs. It also important to note that the fees described below will not be applicable if local implementation of SGMA is successful.

PROPOSED FEE SCHEDULE

There are three “levels” of State Water Board intervention, each level is associated with greater staff workloads and associated costs.

1. Unmanaged Area Intervention. Unmanaged areas are portions of basins that are outside of a GSA service area. Groundwater extractors in unmanaged areas are required to submit an annual report to the State Water Board detailing monthly groundwater extraction volumes, place of use, and purpose of use, and may be required to submit other information necessary to evaluate the basin.
2. Probationary Basin Intervention. A probationary basin is a basin that the State Water Board has designated to be probationary in accordance with the procedures described in Chapter 11 of SGMA. (Wat. Code §10735, et. seq.) The State Water Board will evaluate conditions in the basin and may designate the basin once one of the probationary triggers described by Water Code section 10735.2 has occurred. Probationary status will result in an increased amount of staff activities as solutions to deficiencies in basin management are developed or additional information necessary for basin management is acquired.
3. Interim Plan Intervention. The State Water Board may need to manage groundwater conditions in a probationary basin if the deficiencies that resulted in probation are not corrected. In such a scenario, the State Water Board will develop and implement an interim plan to manage groundwater extractions. (Wat. Code §10735.8.) The development and implementation of interim plans will require significant staff time, in addition to technical studies or data collection performed under contract.

The draft fee schedule ties the fees to the type of Board activity occurring in the basin, as follows:

Fee Category	Applicable Parties – Reporting Extractors	Fee Amount
Base Filing Fee ^(a)	Any extractor submitting an extraction report	\$100 per well
Fees based on intervention status ^(a)		
1. Unmanaged Area Rate	Extractors in an unmanaged area.	\$10 per acre-foot per year, if metered
		\$25 per acre-foot per year, if unmetered
2. Probationary Basin Rate	Extractors in a probationary basin.	\$40 per acre-foot per year
3. Interim Plan Rate	Extractors in a probationary basin after the time period identified by § 10735.4 or § 10735.6 (180 days or one year, accordingly).	\$55 per acre-foot per year
Fees independent of intervention status ^(b)		
Late Fee	Extractors that do not file reports by the due date.	25% of total fee amount, accrued monthly
Special Studies Fee	May apply to extractors when basin-specific special studies are required and the probationary or interim plan rates are insufficient. The additional cost of developing special technical studies such as groundwater investigations or modeling will be apportioned to extractors based on volume of water extracted.	

(a) Can apply to de minimis extractors in probationary basins at the Board’s discretion.

(b) These fees are paid in addition to the “Fees based on intervention status.”

Proposed Sustainable Groundwater Management Act (SGMA) Fee Schedule

CHALLENGES TO DEVELOPING THE SGMA FEE SCHEDULE

There are two primary challenges in developing the SGMA fee schedule that create difficulties in anticipating programmatic costs: 1) uncertainty regarding the number and scope of unmanaged areas and probationary basins, and 2) the level of reporting compliance.

- 1) Staff workload, and resulting fees, are contingent on the number and scope of unmanaged areas and probationary basins. However, at this time there is significant uncertainty regarding the number and scope of unmanaged areas and probationary basins. In addition, the State Water Board's authority to designate probationary basins is phased in over a 10-year period and is ongoing from that point forward. Because the Board cannot pre-determine the number of unmanaged areas and probationary basins, it must rely on estimating the level of program activities.
- 2) State Water Board staff anticipate 30 to 50 percent reporting and fee submittal compliance in the first year of collecting fees; 50 to 60 percent in the second year; and 70 to 80 percent through year five. This anticipated compliance rate is applicable to the total number of extractors that must report, not the number of basins or areas generally in compliance with SGMA deadlines. SGMA authorizes the State Water Board to recover costs over a period of years, which will allow staff to create a workload history to better estimate future fees.

As a note, although there is uncertainty regarding the magnitude of program actions, the nature of the emergency regulations allows the State Water Board to update its fee schedule as the challenges described above are better understood over time.

DISCUSSION ON PROPOSED FEE CATEGORIES

The following questions are aimed at focusing input on elements of the draft fee schedule.

Establishing the Fee Structure

1. What are other options the State Water Board should consider? Examples include a cap on the maximum fee amount, a larger base fee, or tiered rates.
2. Is it appropriate to scale the fees based on volumes of water used? Examples of other options include scaling by irrigated acreage, service area size, or crop type.

Incorporating Incentives

1. Will the late fee incentivize report submittal compliance?
2. Are there are other incentives the State Water Board should consider?
3. Will the metering discount for unmanaged areas incentivize more accurate data reporting?

Fee Stability

1. Is it appropriate to apply the Special Studies Fee to individual basins?
2. Do you have suggestions on how the State Water Board can recover programmatic costs resulting from activities in specific basins during probationary or interim plan periods?

Proposed Sustainable Groundwater Management Act (SGMA) Fee Schedule

SUPPORTING INFORMATION AND CLARIFICATIONS

Fee Example Scenarios

- The following table provides examples of how the proposed probationary fee rates for eight hypothetical farms would approximately relate to a fee based on irrigated acreage:

Crop	Irrigated Acreage	Acre Feet of Water Applied Annually Per Acre (DWR ^(b))	Probationary Rate	Cost per Acre	Total Cost
Alfalfa	150	5.05	\$40	\$202	\$30,300
Almonds	150	3.54	\$40	\$142	\$21,240
Corn	150	2.83	\$40	\$113	\$16,980
Cotton	150	3.09	\$40	\$124	\$18,540
Grapes	150	1.86	\$40	\$74	\$11,160
Misc. Fruit Trees	150	3.3	\$40	\$132	\$19,800
Pistachios	150	3.54	\$40	\$142	\$21,240
Rice	150	4.56	\$40	\$182	\$27,360

(b) State-wide averages, Department of Water Resources, Agricultural Land and Water Use Estimates, 2010

- The following table provides examples of how the proposed probationary fee rates would apply to a municipal water supplier and industrial user:

Purpose of Use	Example Volume	Probationary Rate	Total Cost
Municipal Water Supply	3,600 acre-feet	\$40	\$144,000
Semiconductor Factory (Industrial)	5,200 acre-feet	\$40	\$208,000

De Minimis Extractors

Water Code Section 10721, subdivision (e), defines a de minimis extractor as “a person who extracts, for domestic purposes, two-acre feet or less per year.” A person who extracts two acre-feet or less per year for a non-domestic purpose will not be considered a de minimis extractor. Domestic purposes do not include growing commercial crops or supporting commercial livestock. De minimis users are exempt from reporting in unmanaged areas. However Water Code Section 10735.2, subdivision (c)(2), authorizes the State Water Board to require de minimis extractors to report in a probationary basin if necessary. De minimis extractors that are required to report in a probationary basin will only pay the base filing fee and, if applicable, the late fee, but will not pay a per acre-foot rate.

Interim Plans and Groundwater Sustainability Plans

State intervention is intended to be a temporary measure to address conditions of long-term overdraft or significant depletions of interconnected surface waters. An interim plan is not intended for permanent management of a basin. Local efforts to address the deficiencies that caused state intervention will need to be funded by local agencies while groundwater extractors are also paying intervention fees to the State Water Board, likely resulting in the potential scenario of extractors paying both local and state fees.

State Water Board Flexibility during Intervention

SGMA provides the State Water Board flexibility in how intervention proceeds in three important ways:

- Areas in compliance with the sustainability goal will be excluded from probation. (Wat. Code §10735.2, subd. (e).);
- Extractors may be exempted from probationary reporting and related fees if appropriate. (Wat. Code §10735.2, subd. (c).); and
- Successful elements of a GSP will be incorporated into an interim plan. (Wat. Code §10735.8, subd. (e).)



Agenda Item: 19 a.

Date: March 17, 2017

Subject: Upcoming Policy Review – Employee Compensation Policy (PL – HR 002)

Staff Contact: Dan Bills, Finance Director
Lynne Yost, Human Resources Coordinator

The Employee Compensation Policy (PL – HR 002) was originally adopted by the Board in July 2004 and last reviewed in May 2015.

Staff is recommending changes to the policy to consistently refer to “labor” budget and to comply with California Code of Regulations, Title 2, Section 570.5, “Requirement for a Publicly Available Pay Schedule.” Section 570.5(a) states, in part, as follows:

For purposes of determining the amount of “compensation earnable” . . . (the) payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings (sic) laws; . . .

The recommended changes to the policy, which are all under Section 300.00, Authority and Responsibility, confirm current practice: the General Manager presents to the Board a detailed annual budget which includes a proposed merit pool amount, annual cost-of-living adjustment (COLA) and revised pay/salary bands. The pay/salary bands were included for Board approval in the 2017 budget since that is when staff first became aware of 2 CCR §570.5.

The recommended changes to the policy have not been submitted to legal counsel for review.

This policy is scheduled for Board consideration and adoption at the April Board meeting. If a Director wishes to have his comments included in hard copy for Board review and consideration at the April Board meeting, please provide those comments to staff by Monday, April 3, 2017.

Sacramento Suburban Water District

Employee Compensation Policy

Adopted: July 19, 2004

Revised: ~~September 18, 2006~~; September 15, 2008; April 18, 2011; May 20, 2013; April XX, 2017**100.00 Purpose of the Policy**

The purpose of this policy is to state the intention of the District in regards to employee compensation, delineate the process, and clarify the role and responsibility of the General Manager in the process. A compensation program is necessary to provide each employee with fair and equitable compensation for the value of the skills the employee brings to the District and the position. In order to provide each employee with fair and equitable compensation, it is desirable to develop a systematic method of establishing and maintaining a compensation program. Pursuant to California Water Code Section 30580(d), the General Manager has the responsibility to “fix and alter the compensation of employees and assistants subject to approval by the board” as given during the annual budget process.

200.00 Policy

It is the District’s policy to provide all of its employees fair and equitable compensation defined in terms of comparison to other positions within the District and the local labor market for the value of the skills the employee brings to the position and the District.

- a) It is the District’s policy to remain competitive within the local labor market. To accomplish this, the General Manager will target a level of compensation in the appropriate labor market when setting compensation for District positions. This includes retirement, health and dental insurance, life insurance, holidays and other benefits, including vacation and sick leave.
- b) The compensation program will include, in addition to direct wages (regular and overtime), any District contributions toward stand-by pay, holidays and all other paid time off benefits, medical/dental/vision insurance, life insurance, short and long term disability, retirement, incentive program and training/educational programs. The total compensation program will be used when comparing the District’s pay level to the current labor market.
- c) It is the District’s policy to provide a program for advancement of its employees within the pay/salary range of their position using a merit-based system based on objective, regular goal setting and performance evaluations.

400.00 Policy Review

This Policy will be reviewed at least biennially.



Agenda Item: 19 b.

Date: March 15, 2017

Subject: Upcoming Policy Review – Reserve Policy (PL – Fin 004)

Staff Contact: Daniel A. Bills, Finance Director

The Reserve Policy (PL – Fin 004) was last reviewed by the Board in October 2016. At the request of the Board, staff is proposing a single change to the Policy – the establishment of a minimum funding level target for the reserve fund of \$35 million. While this targeted amount will change over time, because this Policy is reviewed annually during the budget preparation process, there is the ability to make necessary timely adjustments as warranted.

Discussion:

Referring to the “Reserve Fund Balance” page in the Financial Report section of this Board report, Directors will note that absent Capital Asset Fund reserves, all other reserve classification funding amounts equal approximately \$30 million. Capital Asset Fund reserve levels are dependent on the difference between capital asset funding levels planned per the latest rate-setting process and the funding level selected by the Board at annual budget time. Therefore, the minimum funding level for total reserves will fluctuate based primarily on the level of reserves the Board believes is necessary to adequately fund capital asset replacements before seeking a customer rate increase.

The policy is scheduled for Board consideration and adoption at the April Board meeting. If a Director wishes to have his comments included in the Board packet, please provide those comments to staff by Monday, April 3, 2017.

Sacramento Suburban Water District

Reserve Policy

Adopted: August 18, 2003

Revised: September 20, 2004; August 21, 2006; August 18, 2008, November 19, 2012,
January 27, 2014; November 16, 2015, October 17, 2016; April XX, 2017**100.00 Purpose of the Policy**

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

200.00 Policy**200.10 Fund Classification Types**

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

200.20 Restricted Funds Classification

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

Debt Service Reserve Fund

Financial assets held by the District per bond or certificate-of-participation (COP) debt covenants. The amount of assets to be held as debt service reserves is determined at the time of debt issuance. Such assets may only be used to repay the outstanding bond or COP for which the assets were placed in reserve as long as the bond or COP remains outstanding.

200.30 Committed Funds Classification

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

Facilities Reimbursement Fund

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage of Facility Development Charges (FDC) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

200.40 Assigned Funds Classification

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

Emergency/Contingency Fund

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of twenty-five percent (25%) of its following year's anticipated annual revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be approved by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

Operating Fund

Financial assets held primarily in the form of cash and cash-equivalents for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a minimum balance in short-term investments and/or cash equal to twenty-five percent (25%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board at annual budget time.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent target balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to assure the fund will not continue to decline.

Rate Stabilization Fund

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Financial fluctuations occur when situations vary from the assumption. The District shall target a balance of fifty percent (50%) of its expected upcoming year consumption revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be directed by the Board at annual budget time.

Interest Rate Risk Management Fund

This fund is derived from earnings based on financial assets held as short-term investments pursuant to interest rate risk exposure assumed by the District upon the issuance of floating-rate debt. The amount of investments from which earnings are derived and accumulated will be determined at the time of debt issuance. Earnings on such investments will be used to repay a portion of the interest expense on the outstanding floating-rate bond or COP as long as the bond or COP is subject to interest rate risk exposure. This fund will be reduced in line with the amortized balance of the interest-rate swap(s).

Grant Fund

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

Capital Asset Fund

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. Through the annual budget process, staff shall recommend capital replacement projects and any necessary appropriations from this fund. The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the CIP funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Facilities Development Charge Fund

Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related Facilities Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the Facility Development Charges. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

300.00 Disposition of “One-Time” Revenues

“One-time” revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District’s principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, “one-time” revenues should be transferred to the appropriate reserve fund which best represents the reason for the “one-time” revenue.

400.00 Target Funding Level

A summary of reserve fund classifications and funding levels is shown below:

<u>Fund Classification</u>	<u>Funding Level</u>
<u>Debt Service Reserve Fund</u>	<u>Determined upon bond issuance.</u>
<u>Facilities Reimbursement Fund</u>	<u>20% of FDC charges collected annually less developer payouts.</u>
<u>Emergency/Contingency Fund</u>	<u>25% of annual revenues.</u>
<u>Operating Fund</u>	<u>25% of annual operating and debt service expenditures.</u>
<u>Rate Stabilization Fund</u>	<u>50% of water consumption revenues.</u>
<u>Interest Rate Risk Management Fund</u>	<u>Accumulated earnings on short-term investments above 3.283% on the unhedged portion of variable-rate debt.</u>
<u>Grant Fund</u>	<u>Sufficient to pay for “local cost share” on all outstanding and applied-for</u>

	grants.
<u>Capital Asset Fund</u>	<u>Sufficient to fund CIP projects above the amount CIP funding amount anticipated at rate setting or budget preparation time.</u>
<u>Facilities Development Charge Fund</u>	<u>Remaining amounts of FDC Charges after amounts used by Facilities Reimbursement Fund expended. For new infrastructure.</u>
<u>Minimum Reserve Funding Target</u>	<u>\$35 million</u>

500.00 Authority

The General Manager is responsible for the appropriate accounting and regular reporting of the District’s reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

6500.00 Procedure

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of revenue dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

7600.00 Policy Review

This Policy will be reviewed annually as part of the budget adoption process.



Agenda Item: 20

Date: March 17, 2017

Subject: Upcoming Water Industry Events

Staff Contact: Heather Hernandez-Fort, Executive Assistant to the General Manager

Below is a list of upcoming water industry events:

Upcoming Events

1. CA Groundwater Coalition - Annual Legislative Symposium
March 29, 2017
Sacramento, CA
www.grac.org

2. Water Education Foundation 2017 Water Tours
Lower Colorado River Tour
April 5-7, 2017
Nevada, California and Arizona
www.watereducation.org/general-tours

3. SGA Board Meeting
April 13, 2017
SGA Office Sacramento, CA
<http://www.sgah2o.org/sga/>

4. Cal-Neva AWWA Annual Conference
April 10 – 13, 2017
Anaheim, CA
<http://ca-nv-awwa.org/CANV/CNS/WaterComm/committec/competitions.aspx>

5. Water Education Foundation 2017 Water Tours
Headwaters Tour
April 27-28, 2017
Sierra Nevada Foothills
www.watereducation.org/general-tours

6. Metro Chamber Cap to Cap
April 29 – May 3, 2017
Washington DC
<https://metrochamber.org/events/capitol-to-capitol/>

7. Creek Week Celebration
April 29, 2017
Carmichael Park
<http://creekweek.net/>

8. ACWA 2017 Spring Conference
May 9-12, 2017
Monterey, CA
<http://www.acwa.com/events/acwa-2017-spring-conference-exhibition>

9. CSDA Special Districts Legislative Days
May 16-17, 2017
<http://www.csda.net/conferences/>

10. 2017 AWWA Annual Conference and Exposition
June 11-14, 2017
Philadelphia, PA
http://www.awwa.org/store/productdetail_event.aspx?productId=59323626

Agenda

Sacramento Suburban Water District Finance and Audit Committee

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Tuesday, April 4, 2017
3:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Committee's jurisdiction. Comments are limited to 3 minutes.

Items for Discussion and Action

1. 2016 Comprehensive Annual Financial Report and Annual Audit

Review the 2016 Comprehensive Annual Financial Report and annual audit results with the District's independent auditors, Richardson & Company, LLP. Consider recommending approval to the Board of Directors.

2. Finance and Audit Committee Mission Statement and Charter

Review mission statement and charter. Consider changes and recommend approval to the Board of Directors.

3. Analysis of Miscellaneous Fees for Special Water Services

Review and comment on analysis. Direct staff to update Regulation No. 3 in accordance with the analysis and recommend approval to the Board of Directors.

4. Customer Billing/Receipts Internal Control Procedures

Review and comment on proposed customer billing procedures resulting from auditor recommendations in their 2015 management letter. Direct staff as appropriate. Consider recommending approval to the Board of Directors.

Adjournment

Upcoming Meetings:

Monday, April 17, 2017 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the April 4, 2017, meeting of the Sacramento Suburban Water District Finance and Audit Committee was posted by March 30, 2017, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100 and 300, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Agenda
Sacramento Suburban Water District
Water Quality Committee

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Monday, March 27, 2017
3:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at (916)679-3972. Requests must be made as early as possible and at least one-full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any member of the Committee, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

Items for Discussion and Action

1. Water Quality Committee Mission Statement and Charter

Review Draft Committee Mission Statement and Charter and direct staff as appropriate.

- 2. Update on Water Quality - TCE at Well #N15**
Receive written staff report.
- 3. Water Quality 101 – Title 22**
Receive written staff report.
- 4. Division of Drinking Water Annual System Inspection**
Receive written staff report.
- 5. Division of Drinking Water Monthly Water Quality Report**
Receive written staff report.
- 6. Water Quality Advisory Group**
Receive written staff report and direct staff as appropriate.
- 7. Determine Frequency of Future Water Quality Committee Meetings**
Receive written staff report and direct staff as appropriate.

Adjournment

Upcoming Meetings:

Monday, March 27, 2017 at 6:30 p.m., Regular Board Meeting
Tuesday, April 4, 2017 at 3:00 p.m., Finance and Audit Committee Meeting
Monday, April 17, 2017 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the March 27, 2017, meeting of the Sacramento Suburban Water District Water Quality Committee was posted by March 23, 2017, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, March 9, 2017, 9:00 a.m.**

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT

3. CONSENT CALENDAR

- a. Information: Final minutes of the December 7, 2016 and January 25, 2017 Executive Committee meetings
- b. Draft minutes from the January 12, 2017 RWA regular board meeting
- c. Approve the amended RWA pay schedule for the period January 1, 2017 to comply with CalPERS citation CCR 570.5 requiring that a date of revision be present on the pay schedule

Action: Approve the Consent Calendar Items

4. STRATEGIC PLAN PROGRESS DISCUSSION

Information Presentation: John Woodling, Executive Director

5. FISCAL YEAR 2017 – 2018 BUDGET

Presentation: John Woodling, Executive Director

Action: Approve Fiscal Year 2017 – 2018 Budget

6. LEGISLATIVE AND REGULATORY UPDATE

Discussion: Adam Robin, Legislative and Regulatory Affairs Project Manager

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, March 22, 2017 and April 26, 2017, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, May 18, 2017, 9:00 a.m., at the RWA Office.

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**March 22, 2017; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
Minutes of the February 22, 2017 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. POWERHOUSE SCIENCE CENTER UPDATE**
Presentation: Harry Laswell, Powerhouse Science Center Executive Director
- 5. UPDATE ON WATER RELIABILITY PLAN**
Presentation: Rob Swartz, Manager of Technical Services
- 6. FUNDING CaIPERS PENSION LIABILITY**
Discussion: Provide staff additional direction in regards to the approach to paying the unfunded liability
- 7. LEGISLATIVE AND REGULATORY UPDATE**
Information Presentation: Adam Robin, Legislative and Regulatory Affairs Program Manager
Action: Adopt Bill Positions
- 8. SUBCOMMITTEE UPDATES**
Updates from Subcommittees on Conference, Membership and Office Space

9. MAY BOARD MEETING AGENDA

Discussion: John Woodling, Executive Director

10. EXECUTIVE DIRECTOR'S REPORT

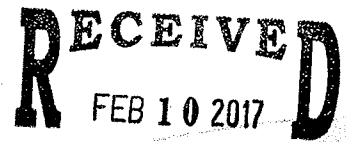
11. DIRECTOR'S COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – April 26, 2017 and May 24, 2017
at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, May 18, 2017, at 9:00 a.m.
in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA
95610

*Auburn Dam Council*

Sacramento Suburban Water District

[Back to Agenda](#)

February 8, 2017

Rob Roscoe, General Manager
Sacramento Suburban Water District
3701 Marconi Ave Ste 100
Sacramento, CA 95821-5346

AUBURN DAM – PROJECT RESUMPTION/COMPLETION

Dear Rob Roscoe:

The Auburn Dam Council (ADC) is committed to completing this regionally-vital multi-purpose project, for the purposes of flood protection, power, water supply, and recreation. To that end, the ADC Planning Group has determined that the first phase of the update of Bureau of Reclamation's (BOR) 2006 Benefit and Cost Report would be the modeling, using CALSIM II. This model would be programmed to operate the Folsom Dam/Reservoir at essentially 3+ million acre-feet (MAF) (assuming the 2+ MAF storage in Auburn Reservoir), to see how the downstream systems and would water projects would respond (see the attached proposal).

This modeling study is estimated to cost \$35,000 and would take about two months to complete. The ADC is committed to funding 10% of that cost. We are requesting donations of between \$1,000 and \$5,000 from water districts (and other interested parties), depending upon relative size, for the purpose of financing this modeling study. According to our project schedule, we would like to have this modeling study done by the end of this first quarter.

Furthermore, we do not envision an Auburn Dam as a State or Federal project, but rather a locally-sponsored project, for which a new Joint Powers Authority (JPA) would be formed. Therefore, we also would like for your district/agency to consider joining a new JPA--initially, for the purpose of fully updating the Benefit and Cost Report and eventually for finishing the project. Over the next few months, the ADC will be contacting many of the water districts and agencies in the multi-county service area, regarding the formation of a new JPA.

If you have questions, comments, or need additional information or clarification, please contact me at 916-215-7246 or kenpayne65@yahoo.com.

Kindest Regards,

Ken Payne, Chairman

P.S. Contributions to our Phase I Modeling Study Fund may be sent to: Auburn Dam Council, c/o Phil Ulrich, Treasurer, 7990 Vintage Way, Fair Oaks, CA 95628, or to the address in the letterhead.

AUBURN DAM/RESERVOIR EVALUATION

Phase I – Modeling

The Bureau of Reclamation's (BOR) December 2006 Auburn-Folsom South Unit Special Report, Benefits and Cost Update (2006 Report) contains critical operational omissions, obsolete design assumptions, and inaccurate benefit calculations. For these reasons, a new and comprehensive "update" is in need of preparation. An independent, collaborative, peer-reviewed effort must be undertaken, using current data and modeling tools, to more accurately quantify true benefits and costs of a multi-purpose water storage facility above the Folsom Reservoir. This effort will not be an update of the original project proposal, but an entirely new attempt to accurately estimate the present-day costs and benefits of this project. The effort would, however, follow the general outline of the 2006 Report's Table of contents, so as to cover the same areas, such that the final benefits and costs can be compared in each of the reports.

The first step in preparing such a report is to create a set of studies analyzing the operation of Auburn Reservoir within the larger context of the Central Valley Project to quantify various water supply benefits that could be made possible with the construction and operation of Auburn Reservoir. These studies will be done with the BOR's California water supply model CalSim. The most recent Department of Water Resources water supply study will be used as a baseline condition, and studies will be created with Auburn Reservoir operated in conjunction with the rest of the CVP. Some of the primary Auburn Reservoir assumptions to be incorporated include the following:

- A portion of the Folsom Reservoir Flood control space will be transferred to Auburn Reservoir. Total Flood Control Space between both reservoirs could increase 200% or more, from current Folsom Reservoir levels.
- Minimum American River instream flows and diversion limitations from Water Rights Decision D-1400.
- New water supply created through the Auburn Reservoir will first be used to satisfy American River M&I demands, then non-American River M&I demands, environmental, agriculture and other M&I demands.

A technical memo will be prepared outlining the basic modeling assumptions and reporting the benefits estimated, by the modeling tools, from the Auburn Reservoir. The benefits that will be discussed quantitatively include the following:

- American River M&I CVP Deliveries
- Non-American River M&I CVP Deliveries
- Agricultural CVP Deliveries
- Delta Outflows
- Dry-year flows in the Lower American River
- Folsom Reservoir Spill Reduction (gross volume reduction, spill frequency reduction)
- Folsom Reservoir storage level frequencies
- Auburn Reservoir and Folsom Reservoir water yield

This cost to perform the initial modeling effort is \$35,000.

NO Div

RECEIVED
FEB 23 2017

Sacramento Suburban Water District

Sacramento Suburban Water District
Board of Directors, General Manager
Rob Roscoe, AGM Dan York & staff,

A very belated "THANK YOU" for
the Resolution that you adopted
on my water-works career and
retirement from Citrus
Heights Water District!

Bob Churchill

No DIV

RECEIVED
MAR 3 2017

Sacramento Suburban Water District



Jim Peifer, Chair
Marcus Yasutake, Vice
Chair

February 24, 2017

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water
District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water
Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community
Services District
Roseville, City of
Rio Linda / Elverta
Community Water District
Sacramento, City of
Sacramento County Water
Agency
Sacramento Suburban Water
District
San Juan Water District
West Sacramento, City of
Yuba City, City of

Greg Bundesen
Sacramento Suburban WD
3701 Marconi Ave, Ste. 100
Sacramento, CA 95821-5346

Dear Mr. Bundesen:

On behalf of the Regional Water Authority (RWA), I am pleased to provide the enclosed reimbursement check from the RWA/Sacramento Regional County Sanitation District (SRCSD) Water Conservation Incentives Project. This check totaling \$525.00 is for reimbursements of high efficiency clothes washer rebates issued by your agency to customers through the period ending December 31, 2016. The enclosed tables detail the rebates reported by your agency and the reimbursement requested from SRCSD on your behalf.

Please feel free to contact Monica Garcia (916-967-7692 or mgarcia@rwah2o.org) of my staff if you need any additional information.

Sincerely,


John K. Woodling
Executive Director

cc: Rob Roscoe

enclosures

Associates

County of Placer
El Dorado County Water
Agency
Sacramento Area Flood
Control Agency
Sacramento Municipal Utility
District
Sacramento Regional County
Sanitation District

DIV 3

From: Dan York
Sent: Wednesday, February 08, 2017 10:42 AM
To: PerrelliM@saccounty.net
Cc: Annette O'Leary
Subject: Daniel R. York

Hi Meaghan,

Thank you for your attention to this matter. I recall a few members of the public who live near the subject groundwater facility attended one of our Board Meetings in 2016 apprising our Board of Directors of their concern regarding the pedestrian/homeless issue within that area. I believe Mr. attended that meeting. I will meet with my Engineering Department who are overseeing the project and respond back in respect to the lighting/fencing request, as well as the condition the site was left by our contractor. I will be the contact at this point representing the District. I will contact Mr. ASAP and wait to hear from DOT staff to coordinate a meeting.

Regards,

Dan York
Assistant General Manager
Sacramento Suburban Water District

From: Perrelli, Meaghan [<mailto:PerrelliM@saccounty.net>]
Sent: Tuesday, February 07, 2017 2:19 PM
To: feedback
Cc: Frost, Supervisor
Subject: Daniel R. York

Hi Dan,

I am reaching out to you on behalf of a constituent in District 4 of Sacramento County, Mr. Jim. Sac Suburban Water did a project out in Carmichael in November/ December on the end of Palm Ave (near Palm Avenue). During that time, Mr spoke with the team out on the site about the possibility of installing lighting/ fencing/ etc. at the end of Palm Avenue to assist with the transient/ illegal activity occurring in the ravine between Palm Avenue and Auburn Blvd. SSW had mentioned that they may have funding left over from this specific project to assist with the costs of mitigating the problem. This area is used as a pedestrian walk through, which the neighborhood has no problem with, but the camping and illegal activity have become an increasing issue. I had a meeting with Mr. and the department of transportation with regards to the feasibility of installing fencing/ lighting in that area in December and they noted there would not be a problem with any access or easements that the county has.

Additionally, Mr. advised us that at the conclusion of the project their street was left with a broken mailbox, mud pit, and barricades at the end of the street that had not been put back into place. Can someone from SSW please reach out to Mr. regarding the state in which the Palm Ave was left? I will leave his contact information below.

I will be transitioning out of my role in this office but would like to ask that a representative from SSW please reach out to this office (will include appropriate contact information below) to coordinate a meeting with our Department of Transportation and Mr. to discuss this further. Thank you

Mr. Jim (constituent, Palm Avenue)

Matt Hedges (Chief of Staff Supervisor, Sue Frost)
916-874-5491

Meaghan Perrelli
Special Assistant
Supervisor Sue Frost, District 4

DIV 4

From: Mitch Dion
Sent: Thursday, February 16, 2017 9:48 AM
To: krandsh@
Cc: Annette O'Leary
Subject: Parkland Estates Wateline Replacement

Kim & Steve ,
Thanks for using the feedback tool on the website.

We are closing road to through traffic, residents (your guests and contractors) will always be able to get through with very short delays. We have large equipment, swinging pipes, open trenches and workers in vulnerable positions so safety is a paramount concern. However, disruption to driveway access is always minimized and we can also accommodate unique or special needs such as yours. We are glad you reached out to us so we can ensure any special coordination can be made to accommodate your project.

I will ask our project inspector Ricky Ingram to contact you directly to avoid any possible problems.

Thank you,
Mitch Dion
Technical Services Director

From: Kim and Steve [mailto:krandsh@]
Sent: Thursday, February 16, 2017 9:24 AM
To: feedback
Subject: Mitch Dion

I just received a flyer re: Parkland Estates waterline replacement project. I am concerned about access as I am currently undergoing a bathroom renovation & my contractor & his crews will need access to do the work. The flyer states my road may be closed to thru traffic but construction on my project will continue for another 3 weeks or more. Please verify this will NOT affect my renovation.

My address is Robertson AV, Carmichael.

Kim & Steve

DIV 4

From: David Armand
Sent: Wednesday, February 22, 2017 9:10 PM
To: 'jdmcgrew@'
Subject: Water Quality and Home Treatment Systems

Mr.,

Your email was forwarded to me for a response. In regard to lead, we completed system-wide lead and copper monitoring last summer. Those results and other useful information are posted on our website. Here is a link: <http://www.sswd.org/index.aspx?page=575>. I am not sure why you are planning to install a two-stage water filter at your home, especially one that removes the groups of contaminants you listed. Sacramento Suburban Water District (District) conducts bacteriological testing throughout the distribution system on a weekly basis. With the exception of a rare anomalous detection for total coliform, results consistently show “none detected” for both total coliform and E. coli. Total coliform is relatively harmless, however, it is considered to be an “indicator” organism because it is ubiquitous in the environment.

In regard to pesticides (includes herbicides), the Consumer Confidence Reports (CCRs) you referenced below indicate that no regulated pesticides have been detected in any of the District’s wells used to support the system. Trace levels of some organics have been detected in a few wells the District uses, however, the concentrations are well below their regulatory thresholds. The inorganic elements listed in the CCR occur in most groundwater and are generally not considered a concern unless they are present at concentrations above their regulatory thresholds. The 2014 and 2015 CCRs list some low-level detections of organics that USEPA is collecting data on. Most of them do not have regulatory thresholds. Those that do were detected at levels far below the limits.

I would caution you about purchasing a home treatment system that indicates it “removes” specific contaminants. Most of the ones I have reviewed simply reduce the level of those contaminants when present at high concentrations. Therefore, they would do nothing to the water that the District provides to its customers. An exception to this would be a reverse osmosis (RO) unit for inorganics. Unfortunately, a whole-house RO unit can be very expensive. It also removes essential minerals and will likely change the chemistry of the water enough so that it reacts with your pipes and plumbing fixtures.

Most customers are satisfied with a carbon filter that removes chlorine and some organics that may be present at low-levels. If hard water is a concern, consider a water softener but make sure the water is not over softened. That is, do not set it to remove all the hardness.

Finally, if you do choose a home treatment system, make sure it does not significantly change the pH of the water. Many systems on the market lower the pH. Acidic water is known to react with pipes and plumbing fixtures resulting in high concentrations of metals in the water. If you are still interested in having your water tested, you can search the internet with the following: [water quality testing sacramento](#)

By the way, state and federal CCR requirements preclude listing constituents that were not detected. That is why you didn’t see lead reported.

If you have any other questions, please let me know.

David Armand
Environmental Compliance Supervisor
Sacramento Suburban Water District

From: James [mailto:jdmcgrew@]
Sent: Tuesday, February 21, 2017 1:00 PM
To: feedback
Subject: Fwd: Doug Cater

Doug Cater: Please see below, plus, I also meant to ask you if you can offer any recommendations on firms that do water analysis and can tell us what contaminants we have in our water coming into the house. Thanks again...

Begin forwarded message:

From: James <jdmcgrew@>
Subject: Doug Cater
Date: February 21, 2017 at 12:48:07 PM PST
To: feedback@sswd.org

I am a residential customer at 3310 Moorewood Ct. which extends from Concetta Way off of Whitney between Mission and Eastern. We are considering installing a two stage whole house water filter. In preparation for that I have been reviewing contaminant figures that you provide on your website for 2013, 2014, 2015. I am wondering why I do not see lead listed anywhere on the reports. Can you tell me what the figures are for lead contamination in our drinking water? Also, do you have any recommendations on the most effective water filters available for contaminants including microbial, inorganic, organic, and pesticides and herbicides?

Thanks, James

DIV 4

From: Heather Hernandez
Sent: Wednesday, March 8, 2017 11:00 AM
To: 'wve@
Cc: Robert Roscoe
Subject: Heather Hernandez-Fort

Mr.,

You are absolutely correct. They will open the public portion of the meeting for public comments at the beginning. You may attend and provide your comments at that point. Once the meeting has adjourned into closed session, that is where public is not allowed to attend.

Please let me know if you have any further questions.

Thanks,

Heather Hernandez-Fort
Executive Assistant to the General Manager
Sacramento Suburban Water District

From: Bill [<mailto:wve@>]
Sent: Wednesday, March 08, 2017 10:54 AM
To: feedback
Subject: Heather Hernandez-Fort

In your notice regarding the Closed Session meeting on Thursday, March 9th at 5pm. I assume that the public can make comments at the beginning of the meeting. The Closed Session is focused on the General Managers performance and I have a few words for the Board about the General Managers performance. Am I correct in my assumption?

Thank You
Bill

DIV 2

From: Doug Cater
Sent: Friday, March 10, 2017 4:13 PM
To: 'cdewein@'
Cc: James Arenz; Annette O'Leary
Subject: RE: Outstanding Customer Service

Mr. -

I want to thank you for reporting the unlit tower and the kind words regarding SSWD staff. SSWD is dedicated to superior customer service. I am glad to know that we are hitting our mark.

A point of clarification, Shawn is responsible for elevated towers within the District's Service Area, all of which are in the Northern portion of the District. As a result of this situation we implemented new inspection procedures. We are also exploring the ability to receive alarms via our SCADA system when the tower becomes unlit. However, these changes were limited to SSWD's service area and were not implemented statewide.

I want to thank you again for your assistance and kind words.

Doug Cater
Production Superintendent
Sacramento Suburban Water District

From: Chris DeWein [<mailto:cdewein@>]
Sent: Wednesday, March 01, 2017 12:15 PM
To: feedback
Subject: [Junk released by User action] Outstanding Customer Service
Importance: High

To Whom It May Concern,

I wanted to share my recent experience with Sacramento Suburban Water District concerning a Water Tower adjacent to my home. I've owned my home in Antelope for 20 years and have become accustomed to seeing the big Red lights on the Tower which light up at night for safety. In late December I noticed that the lights were not operational and assumed that after a couple days someone would realize the problem and get them fixed. After noticing the lights continued to be out for a couple weeks, I felt compelled to notify someone of the situation. Numerous Airplanes fly very low over the Tower each day landing at McClellan Palomar Airport and had the potential of being a huge safety concern. My local Water Company is American Water and naturally assumed the Tower belonged to them. After reaching out to them with no success I drove to the Tower to see if I could gather any information from the Tower itself. As I approached the Tower I was greeted by John Seltzer with S.S.W.D. . He was very helpful and explained that he was assigned & in charge of the Tower. After notifying him of the problem he explained that he was not aware but would get right on it to get the problem fixed. He explained he services the Tower frequently but never at night therefore was unaware of the problem. I left my contact info with him and was soon contacted by Shawn Shedenhelm who explained he oversees a large number of Towers in Northern California and that he was looking into the situation. He assured me he would advise me by end of day on the status of the problem. I'm also in the Plumbing Industry and understand the importance of good customer service and follow-through. I was very impressed with both John & Shawn's outstanding customer service and overall attitude concerning the Safety concern.

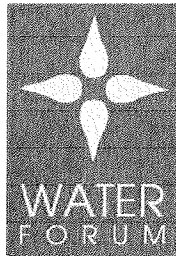
As Shawn promised, he called back later that afternoon and updated me on the progress of getting the lights back on. He explained that because of this issue S.S.W.D. would be implementing new procedures State wide to check the operation of the Safety lights on all Towers going forward. He also assured me that by the end of the evening the lights on my local Tower would be operational again. As promised, power was restored late that evening and have worked flawlessly since. Approximately a week later I received a follow up call from Shawn checking back in with me and again thanking me for making them aware of the situation.

OUTSTANDING customer service! Keep up the great work and if I could choose my Water provider I would switch to S.S.W. in a heart beat.

Chris

Monthly Runoff and Allocation Report

-March 2017-



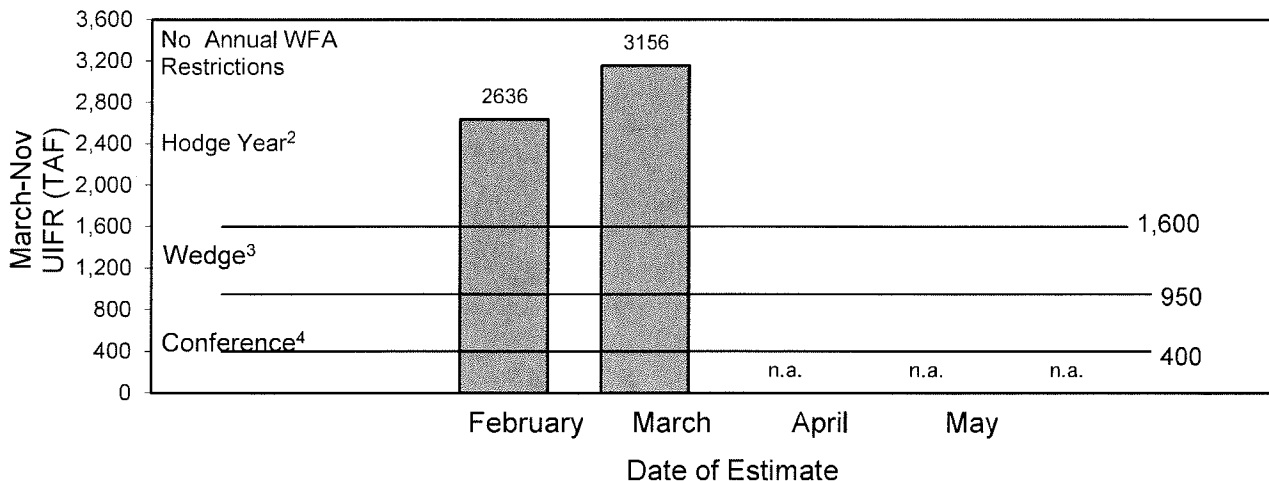
**Water Forum
Successor Effort**

Issuance Date: March 9, 2017

Purpose: This monthly report is issued for each of four months (i.e., February, March, April, and May) every year by the Water Forum Successor Effort to provide the status of the March through November Unimpaired Inflow into Folsom Reservoir (March-Nov UIFR). Per the Water Forum Agreement of 2000, this hydrologic index is used to determine the type of water year and may be used by American River water purveyors and water right holders to determine the extent of their dry-year procedures. For more information on these topics, visit <http://www.WaterForum.org/Dry Year Procedures>.

Projected Mar-Nov UIFR for March 2017 is 3156 TAF. For this year type there are no annual restrictions in the Water Forum Agreement.

Figure 1. UIFR Projections and American River Water Allocation¹



¹Several factors can affect the allocation of water supply from the American River. When Mar-Nov UIFR is greater than 1.6 MAF then no annual WF restrictions are applied. However, other restrictions could be in effect such as the CVP shortage criteria.

²A "Hodge Year" occurs when the Mar-Nov UIFR is less than 1,600 TAF. This affects the allocation of American River water for Sacramento Suburban WD (after 2010) and South County Agriculture (see footnote #9 on page 11 of the 2000 Water Forum Agreement). This is different than the instantaneous "Hodge Flow trigger" which affects diversions at the Fairbairn treatment plant when the LAR flow is less than 3,000 cfs during Mar-Jun; 2) Less than 2,000 cfs from October 16-Feb; and 3) Less than 1,750 cfs from July-Oct15.

³A "Wedge" occurs when the Mar-Nov UIFR is less than 950 TAF. This may affect the allocation of American River water for the City of Folsom, Placer County Water Agency, City of Roseville, San Juan Water District, Sacramento Suburban WD (prior to 2010) and SMUD (see footnote #3 on page 11 of the 2000 Water Forum Agreement).

⁴"Conference" years occur when Mar-Nov UIFR is less than 400 TAF. In those years diverters and others are required to meet and confer on how best to meet demands and protect the American River (footnote #2 on page 11 of the 2000 Water Forum Agreement).

Table 1. Monthly Runoff Values

Month	UIFR Monthly and Total Volumes in TAF				
	February Publication	March Publication	April Publication	May Publication	Final Values
March ¹	745	680	n.a.	n.a.	n.a.
April ¹	590	710	n.a.	n.a.	n.a.
May ¹	680	900	n.a.	n.a.	n.a.
June ¹	420	600	n.a.	n.a.	n.a.
July ¹	100	150	n.a.	n.a.	n.a.
August ¹	25	34	n.a.	n.a.	n.a.
September ¹	16	22	n.a.	n.a.	n.a.
October ²	30	30	n.a.	n.a.	n.a.
November ²	30	30	n.a.	n.a.	n.a.
Total	2636	3156	n.a.	n.a.	n.a.

¹ Values are from *Bulletin 120, Water Conditions in California*, California Department of Water Resources (DWR) for the given publication month (<http://cdec.water.ca.gov/snow/bulletin120/>). DWR publishes Bulletin 120 four times a year (February through May), providing forecasts of unimpaired flow for several watersheds in California for the given water year.

² Values are from *Technical Memorandum No. 1, Computing March through November Unimpaired Inflow into Folsom Reservoir*, Water Forum, May 2007.

**Mid-Pacific Region
Sacramento, Calif.**

MP-17-051

Media Contact: Russell Grimes, 916-978-5100, rwgrimes@usbr.gov

For Immediate Release: March 22, 2017

Reclamation Announces the 2017 Water Supply Allocation for the Central Valley Project

SACRAMENTO, Calif. – The Bureau of Reclamation today announced the 2017 water supply allocation for the remaining Central Valley Project contractors. On Feb. 28, 2017, Reclamation announced the water supply allocation for CVP contractors in the Friant Division (Millerton Reservoir), Eastside Division (New Melones Reservoir), and the American River Division (Folsom Reservoir).

The California Department of Water Resources (DWR) reports that as of March 20, the statewide average snow water equivalent in the Sierra Nevada was 44 inches, as compared to 25 inches last year. Precipitation is currently 199 percent of the seasonal average to date for the Sierra Nevada for this point in the water year (which began Oct. 1, 2016).

“As previously announced, Reclamation is taking a unique approach to announcing CVP water allocations,” said Acting Mid-Pacific Regional Director Pablo Arroyave. “In February, we notified the Refuge Contractors, San Joaquin River Exchange Contractors, and Sacramento River Settlement Contractors that, since this is not a Shasta Critical Year, they will receive 100 percent of their contract supply. We then provided additional allocations on February 28. Now, following DWR’s March 1 snow survey and completion of runoff forecasts, we are able to announce the remainder of the CVP contractors’ allocations. While this allocation approach was warranted for this water year, in future years Reclamation will continue to strive to release initial allocations for all water users in February.”

Reclamation determines the water allocation based upon many factors, including hydrologic conditions, reservoir storage levels, water quality requirements, water rights, contractual obligations, and endangered species protection measures. After evaluating these factors, Reclamation is announcing initial allocations to the following:

North-of-Delta Contractors

- M&I water service contractors North-of-Delta are allocated 100 percent of their contract supply.
- Agricultural water service contractors North-of-Delta are allocated 100 percent of their contract supply.



In-Delta

- The Contra Costa Water District, which receives water directly from the Delta, is allocated 100 percent of its contract supply.

South-of-Delta Contractors

- M&I water service contractors South-of-Delta are allocated 90 percent of their contract supply.
- Agricultural water service contractors South-of-Delta are allocated 65 percent of their contract supply.

Given the magnitude of this allocation, the amount of water carried over from last year, and the overall availability of surface water, Reclamation strongly encourages the use of surface supplies instead of ground water wherever possible through the remainder of the 2017 water year. In order to promote effective use of supplies in San Luis Reservoir this year and efficiency for next year's operations, Reclamation will limit the overall amount of water to be carried over to the 2018 contract year to 150,000 acre-feet. This represents approximately 10 percent of this year's allocation. In addition, Reclamation will work with contractors regarding a strategy for water carried over from the 2016 water year and plans to effectively carry over water for the 2018 contract year.

As the water year progresses, changes in hydrology and opportunities to deliver additional water will influence future allocations. Water supply updates will be made as appropriate and posted at <http://www.usbr.gov/mp/cvp-water/index.html>.

For additional information, please contact the Public Affairs Office at 916-978-5100 (TTY 800-877-8339) or email mppublicaffairs@usbr.gov.

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Reclamation is the largest wholesale water supplier in the United States, and the nation's second largest producer of hydroelectric power. Its facilities also provide substantial flood control, recreation, and fish and wildlife benefits. Visit our website at <http://www.usbr.gov>. Follow us on Twitter [@USBR](#) and [@ReclamationCVP](#).

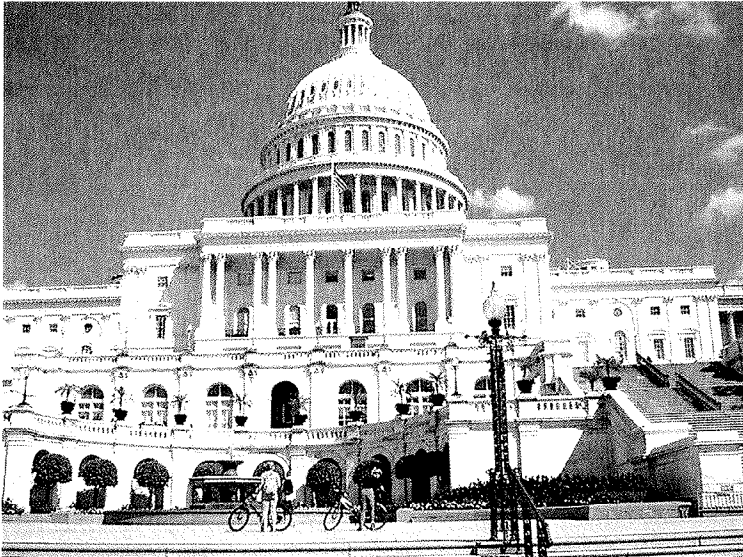


Agenda Item: 24
General Information
Table of Contents

ACWA Presents Legislative Leadership Awards to Senator Feinstein and House Majority Leader McCarthy.....2
Zinke Sworn in as Interior Secretary.....4
Wet Winter Builds Strong Sierra Snowpack.....5
ACWA and Others Request Federal Regulatory Flexibility for Oroville Dam Repairs.....7
State Water Board Adopts Comprehensive Climate Change Response.....8
CDFG Board Examines Issue of Safe Drinking Water in Disadvantaged Communities....10
Application Period Opens March 14 for CWC Water Storage Funding11
Documentary Takes a Critical Look at California Water12

ACWA Presents Legislative Leadership Awards to Senator Feinstein and House Majority Leader McCarthy

Submitted by Lisa Lien-Mager on Wed, 03/01/2017 - 2:34pm in Press Release



WASHINGTON, D.C. – The Association of California Water Agencies (ACWA) today presented U.S. Sen. Dianne Feinstein (D-CA) and House Majority Leader Kevin McCarthy (R-23) with the association’s prestigious Legislative Leadership Award for 2016. The awards were presented during ACWA’s 2017 DC Conference held at the St. Regis Hotel in Washington, D.C.

ACWA’s Legislative Leadership Award is the association’s highest honor for lawmakers and recognizes state or federal legislators for outstanding achievements, remarkable contributions to water policy or for assisting ACWA in its legislative efforts.

Feinstein and McCarthy were honored for successfully steering California drought legislation through Congress and helping to pass in 2016 the Water Infrastructure Improvements for the Nation (WIIN) Act, which included drought legislation and the Water Resources Development Act (WRDA). In 2016, passage of a bipartisan drought bill and a WRDA bill were two of ACWA’s highest federal priorities.

“Senator Feinstein and Majority Leader McCarthy have demonstrated remarkable leadership and dedication over the long haul,” ACWA Executive Director Timothy Quinn said. “Their efforts resulted in legislation that represents a balanced compromise that was carefully crafted to achieve the coequal goals of enhancing ecosystem health and improving water supply reliability. The WIIN Act will substantially assist ACWA members for years to come. We appreciate their hard work and the support of the California congressional delegation to bring this legislation to fruition after five years of effort.”

The WIIN Act is considered one of the most significant pieces of federal water legislation in 25 years. It authorizes \$558 million in water infrastructure spending for storage, water recycling and reuse, desalination and environmental restoration projects in California and provides California water managers with a diverse package of tools to meet the state’s water needs while protecting the environment.

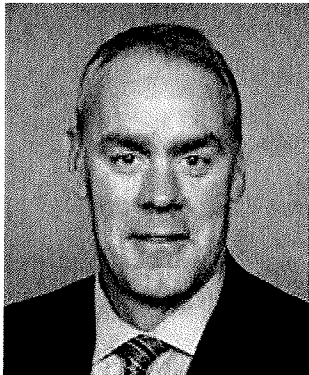
“As we have seen in the first few months of 2017, California can swing from extreme drought to record rainfall in a short time. And the next drought is always just around the corner. We need a diversified portfolio of projects such as those championed by Senator Feinstein and Majority Leader McCarthy to provide the reliable water system Californians deserve,” Quinn said. “No less important, passage of this legislation sends a clear message to the federal agencies: *water supply matters*. We believe this legislation will ensure more dependable supplies for California’s agricultural and urban economy.”

This is the second ACWA Legislative Leadership Award for Feinstein. Past federal recipients of the ACWA Legislative Leadership Award include U.S. Reps. Ken Calvert, Lois Capps, Cal Dooley and Vic Fazio, as well as U.S. Sen. Barbara Boxer.

<http://www.acwa.com/news/press-release/acwa-presents-legislative-leadership-awards-senator-feinstein-and-house-majority->

Zinke Sworn in as Interior Secretary

Submitted by Lisa Lien-Mager on Wed, 03/01/2017 - 4:59pm in Federal Relations Water News



U.S. Rep. Ryan Zinke of Montana was sworn in Wednesday as the new secretary of the Department of Interior, hours after the Senate voted 68-31 to confirm his appointment.

Zinke is the first Montanan to serve as a cabinet secretary and also the first U.S. Navy SEAL in the cabinet, according to a Department of Interior release.

“I am honored and humbled to serve Montana and America as Secretary of the Interior,” Zinke said in the release. “I shall faithfully uphold Teddy Roosevelt’s belief that our treasured public lands are ‘for the benefit and enjoyment of the people’ and will work tirelessly to ensure our public lands are managed and preserved in a way that benefits all Americans for generations to come. This means responsible natural resource development, increased access for recreation and sportsmen, and conservation that makes the land more valuable for our children’s children. Importantly, our sovereign Indian Nations and territories must have the respect and freedom they deserve.”

The Interior release notes that Zinke has had a lifelong appreciation for conserving the nation’s natural beauty while upholding Teddy Roosevelt’s vision of multiple-use on our public lands. He has led efforts to renew the Land and Water Conservation Fund in Congress, and has also been an advocate for sportsmen and women to gain access to public lands. Zinke also co-authored the 2015 Resilient Federal Forest Act, which initiated new reforms for revitalizing timber areas and preventing wildfires by emphasizing local collaboration on responsible timber harvest projects.

Zinke represented the state of Montana in the U.S. House of Representatives since 2014, working on issues ranging from federal mineral leases to tribal affairs to public lands conservation. Before being elected to Congress, he served in the Montana State Senate from 2009 to 2011 and spent 23 years as a U.S. Navy SEAL officer.

<http://www.acwa.com/news/federal-relations/zinke-sworn-interior-secretary>

Wet Winter Builds Strong Sierra Snowpack

Submitted by Pamela Martineau on Wed, 03/01/2017 - 2:55pm in Water Supply Challenges All Water News



California's near record precipitation this winter has bolstered snowpack water content levels throughout the Sierra Nevada to 185% of the March 1 average, which bodes well for spring and summer run-off this year.

That was the overarching message disseminated Wednesday by officials at the California Department of Water Resources who released snowpack reading data taken both manually and electronically. The manual snow survey taken by DWR at Phillips Station in the Sierra Nevada revealed a snow water equivalent (SWE) of 43.4 inches, up from February's 28 inches and January's 6 inches. The March 1 average at Phillips is 24.3 inches.

Frank Gehrke, chief of the California Cooperative Snow Surveys Program, conducted the survey at Phillips today.

"It's not the record, the record being 56.4 (inches), but still a pretty phenomenal snowpack....," Gehrke said in a written statement. "January and February came in with some really quite phenomenal atmospheric river storms, many of which were cold enough to really boost the snowpack."

The snow water equivalent is the depth of water that theoretically would result if the entire snowpack melted instantaneously. The measurement is a key factor in evaluating snowpack's ability to supply run-off in the spring and early summer which accounts for about 30% of California's water needs.

Electronic readings taken today from 98 stations scattered throughout the Sierra Nevada indicate that statewide, the snowpack holds 45.5 inches of SWE, or 185% of the March 1 average (24.6 inches). On January 1, before a series of January storms, the SWE of the statewide snowpack was 6.5 inches, just 64%

of the New Year's Day average. On Feb. 1, the statewide SWE was 30.5 inches, 174% of average for that date.

Measurements indicate the water content of the northern Sierra snowpack is 39.2 inches, 159% of the multi-decade March 1 average. The central and southern Sierra readings are 49.0 inches (191% of average) and 46.4 inches (201% of average) respectively.

State Climatologist Michael Anderson said the winter season has been "historic," especially in the central and southern Sierra where elevations are higher and where snowfall has been near the 1983 record amount.

The Phillips snow course, near the intersection of Highway 50 and Sierra-at-Tahoe Road, is one of hundreds surveyed manually throughout the winter. Manual measurements augment the electronic readings from about 100 sensors in the state's mountains that provide a current snapshot of the water content in the snowpack, according to DWR officials.

Gehrke said the central and southern regions in the Sierra Nevada are tracking close to 1983 levels, which had the maximum recorded snowpack statewide.

"Most of the snow courses are well over their April 1 accumulations, which at (Phillips) is 25 inches," Gehrke said, "so we've busted through April 1 values pretty much at all snow courses throughout the state."

Water Year 2017's heavy precipitation is particularly remarkable because of the five dry years that preceded it. Since Oct. 1, the Northern California, San Joaquin and Tulare Basin indices' rainfall totals are, respectively, 76.5 inches (average is 34.7), 60.7 inches (average is 27.4) and 41.0 inches (average is 19.4). Collectively, the three regions had a total of 178.2 inches of rainfall, or 218 percent of the five-month average (81.5 inches).

Officials caution, however, that many Californians continue to experience the effects of drought, and some Central Valley communities still depend on water tanks and bottled water. Groundwater – the source of at least a third of the supplies Californians use – will take much more than even an historically wet water year to be replenished in many areas.

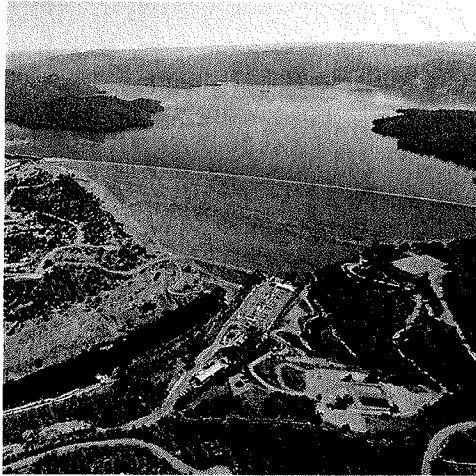
Californians may learn ways to save water every day by visiting SaveOurWater.com.

Electronic snowpack readings are available at the California Data Exchange Center's (CDEC) Snow Water Equivalents webpage. Water Year 2017's precipitation can be found at CDEC's Precipitation page. For a broader snapshot of current and historical weather conditions, see DWR's Water Conditions and Drought pages.

<http://www.acwa.com/news/water-supply-challenges/wet-winter-builds-strong-sierra-snowpack>

ACWA and Others Request Federal Regulatory Flexibility for Oroville Dam Repairs

Submitted by Pamela Martineau on Thu, 03/02/2017 - 12:11pm in Infrastructure All Water News



In a March 1 letter to newly confirmed U.S. Secretary of Commerce Wilbur Ross, ACWA and 20 other California water groups requested federal regulatory flexibility for state and local agencies as they work to repair Oroville Dam.

The letter highlights the need to move expeditiously to repair the spillways so flood risk may be lessened. The letter to Ross is in response to a Feb. 24 letter from officials with the National Marine Fisheries Service to the Federal Energy Regulatory Commission. In that letter, NMFS asks the FERC to enforce 12 recommendations intended to protect endangered fish species as the repairs to the dam proceed. One recommendation asks that flows from the dam be reduced as slowly as possible to protect fish.

In the letter to Ross, to which ACWA is one of 21 signatories, the California water districts assert that the NMFS recommendations would impose “unworkable, costly and unsafe fishery demands before the needs of the people of Butte, Yuba, and Sutter counties.”

“At a time when cooperation and flexibility are needed to accomplish a variety of economic, safety, infrastructure and biological needs, NMFS has chosen to throw up roadblocks instead,” the letter reads. “We respectfully ask for your assistance in ensuring that the federal agencies work collaboratively with the state and the water agencies to ensure proper management of our natural resources.”

The letter also asks that Ross “follow Governor Brown’s lead in suspending the application of CEQA to repair work at Oroville Dam by exempting from the Endangered Species Act and the National Environmental Policy Act all repair work at the dam, the spillways, and other facilities damaged during the February 2017 storm events, for the duration of this work.”

<http://www.acwa.com/news/infrastructure/acwa-and-others-request-federal-regulatory-flexibility-oroville-dam-repairs>

State Water Board Adopts Comprehensive Climate Change Response

Submitted by Pamela Martineau on Tue, 03/07/2017 - 1:53pm in Climate Change All Water News

The State Water Resources Control Board on March 7 adopted a resolution that sets the goal that climate change considerations be integrated into all State Water Board actions and that of the state's Regional Water Quality Control Boards.

The eight-page resolution updates an earlier resolution adopted in 2007 intended to support the implementation of AB 32, the state's landmark climate change law that was passed in 2006. The updated resolution passed today covers all of the State Water Board's functional areas including drinking water, water rights and water quality. It also covers financial assistance, data analysis and technical support, as well as administrative and program support.

"This is a quantum level change to the '07 resolution," said State Water Board Member Steven Moore. "It recognizes a lot of the work that we have been doing...and seeks to give our regional boards and our staff a reference point that this is a policy and a priority for this board....The general thrust is – 'Always keep these aspects in mind.'"

The SWB report introducing the resolution notes that since the first climate change resolution, the SWB has played a leadership role in promoting water measures that "mitigate greenhouse gas emissions and contribute to adaption to the effects of climate change."

These measures include water recycling; water conservation and use efficiency; storm water capture; ecosystem protection, enhancement and restoration; drought response; and groundwater recharge," the report reads." These measures are implemented primarily through issuing permits, developing policies and regulations, and providing financing.

The State Water Board has also taken on additional responsibilities and functions since 2007, including the addition of the Division of Drinking Water, implementation of the Sustainable Groundwater Management Act, and adoption of statewide drought response and water conservation regulations."

ACWA Director of Regulatory Affairs Dave Bolland spoke to the State Water Board and said that more discussions are expected to take place with State water board staff as officials "start unpacking some of these policy directives."

ACWA submitted a letter addressing some of the proposals. That letter is [here](#).

In the letter, ACWA urges continued collaboration by the State Water Board with other agencies in the implementation of the climate change goals outlined in the resolution.

"We encourage the State Water Board to commit to transparent implementation of this Resolution in consultation with other state agencies, including the Air Resources Board and Department of Water Resources, as well as stakeholders, as the success of many of the proposed actions depends upon the support, cooperation and funding of many individual projects and activities by water agencies statewide," the letter reads.

Some of ACWA's requested changes to the resolution were adopted. The final adopted resolution will be posted once it is available from the State Water Board.

<http://www.acwa.com/news/climate-change/state-water-board-adopts-comprehensive-climate-change-response>

CDFA Board Examines Issue of Safe Drinking Water in Disadvantaged Communities

Submitted by Pamela Martineau on Wed, 03/08/2017 - 10:05am in Water Quality All Water News



The California State Board of Food and Agriculture on March 7 hosted a panel discussion in Sacramento on efforts to ensure safe drinking water in disadvantaged communities.

The panel featured ACWA Deputy Executive Director for Government Relations Cindy Tuck; Laurel Firestone, of the Community Water Center; and Wade Crowfoot of the Water Foundation.

CDFA Secretary Karen Ross said in a written statement announcing the panel that “all Californians have a right to safe drinking water.”

“Finding broad long-term solutions for impacted communities is critical and involves many stakeholders,” said Ross. “The agricultural community is an active participant in those discussions and farmers and ranchers continue to use the latest research findings and best practices to protect groundwater supplies.”

While addressing the board during the panel discussion, Tuck stressed how there is much momentum this year in the Legislature and ACWA, as well as among water stakeholders, to work on the problem of disadvantaged communities that lack safe drinking water.

“There is a lot of momentum this year for finding a solution...,” said Tuck. “And ACWA wants to be a constructive player.”

Tuck also highlighted the importance of learning the “facts on the ground” in terms of the specific issues that are resulting in a lack of safe drinking water in some disadvantaged communities.

Firestone said that all of the communities the CWC works with that lack safe drinking water are agricultural communities.

“We really feel the problem cannot be solved without (the) agricultural (community),” said Firestone.

Crowfoot said the state needs to study the problem to learn just how big it is. He said funding to address the issue is another major challenge.

“There is no easy answer to how we raise the funding to address the problem,” said Crowfoot.

Craig McNamara, president of the California State Board of Food and Agriculture, said in a written statement that: “Long term solutions to water quality challenges should include consideration of a public role at the state and federal levels.”

<http://www.acwa.com/news/water-quality/cdfa-board-examines-issue-safe-drinking-water-disadvantaged-communities>

Application Period Opens March 14 for CWC Water Storage Funding

Submitted by Lisa Lien-Mager on Wed, 03/08/2017 - 7:06pm in Regulatory Affairs Water News



The California Water Commission has announced that starting March 14, proponents of new water storage projects in California may submit applications for funding of public benefits under Proposition 1, the \$7.5 billion water bond approved by California voters in 2014. Proposition 1 includes \$2.7 billion for public benefits related to new water storage projects.

The application period opens following approval this week by the California Office of Administrative Law (OAL) of the regulations governing the Water Storage Investment Program (WSIP).

The application period for the WSIP will be open from March 14 to Aug. 14, 2017. To assist applicants, the commission has scheduled an application assistance workshop on March 30, 2017, at 9:30 a.m., in the Klamath hearing room on the second floor of the California Environmental Protection Agency located at 1001 I Street, Sacramento. The commission will schedule additional workshops, targeting specific application elements, to further assist applicants.

<http://www.acwa.com/news/regulatory-affairs/application-period-opens-march-14-cwc-water-storage-funding>

Documentary Takes a Critical Look at California Water

Submitted by Lisa Lien-Mager on Wed, 03/08/2017 - 7:08pm in Water News



The National Geographic Channel will air a documentary March 14 on California water and the role of private interests in water management.

The film, “Water and Power: A California Heist,” traces decades of policy decisions, including 1994 negotiations to amend State Water Project contracts, and contends that a small number of private landowners have reaped profits from a public resource. Other themes include the expansion of permanent crops such as almonds, increased groundwater pumping and severe drought that left some communities without safe drinking water.

In ACWA's view, the film badly mischaracterizes the 1994 negotiations and draws many inaccurate conclusions and connections between unrelated issues and events.

ACWA Executive Director Timothy Quinn is among those interviewed in the film. Quinn participated in the Monterey amendments negotiated in 1994 as a representative of Metropolitan Water District of Southern California. He sought to provide historical context about the negotiations in the film and noted that SWP contractors viewed them as a key step in the transition away from dependence on the state project to local and regional water management. Much of Quinn's perspective was not included in the film.

“Water and Power: A California Heist” was screened Tuesday night in Sacramento at the Crocker Art Museum. The screening was followed by a panel discussion moderated by Rita Schmidt Sudman, former executive director of the Water Education Foundation. In addition to the film’s director, Marina Zenovich, the panel included Quinn and others interviewed for the documentary.

Prior to the Sacramento screening, the film debuted at the Sundance Film Festival in late January.

<http://www.acwa.com/news/documentary-takes-critical-look-california-water>