AMADOR WATER AGENCY
Board of Directors
Regular Meeting
12800 Ridge Road, Sutter Creek, CA 95685
July 13, 2017
9:00 a.m.
Website Address: www.amadorwater.org

Please Note:
Members of the public will have the opportunity to directly address the Agency Board of Directors concerning any item listed on the Agenda below before or during consideration of that item. There is a three minute time limit per person.

In order to better accommodate members of the public, some Agenda Items will be heard at a specified time or soon thereafter. Agenda Items without specific times may be rearranged to accommodate the Board’s schedule.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ADDITIONS TO AGENDA
   Items added to the agenda must be approved by the Board pursuant to Government Code Section 54954.2

3. INTRODUCTION OF NEW EMPLOYEE

4. PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA
   A. Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of Amador Water Agency; however, any matter that requires action will be referred to Staff for a report and action at a subsequent Board meeting. Please note there is a three (3) minute time limit per person.

5. CONSENT AGENDA
   A. Items listed on the consent agenda (see attached) are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

6. DEPARTMENT REPORTS
   Staff Reports will be provided by Managers to update the Board of Directors on current activities within their areas of responsibility
   A. Administration/Finance
   B. Operations

7. AGENCY GENERAL
   A. Quarterly Investment Report
      1. Report of the Agency’s Investment Performance through June 30, 2017
8. WATER SYSTEM
   A. Temporary Internal Construction Loan
      1. Discussion and possible action regarding the need for temporary short term internal construction loan

9. OUTSIDE SERVICES
   A. Outside Services Staffing
      1. Discussion and possible action regarding staffing level requirements needed to meet outside services support requests

10. LEGAL COUNSEL’S REPORT
    A. Legislative report
    B. Discussion and possible action regarding Agency positions on pending bills
    C. Other Legal Matters

11. COMMITTEE REPORTS AND DIRECTOR COMMENTS
    A. SGMA/ AC-GMA

12. FUTURE AGENDA TOPICS
    A. This item is to provide the Board Members an opportunity to request items to be placed on future agendas.

13. CLOSED SESSION
    A. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a) – Pending Litigation- Amador Water Agency v. Lazy Creek Family Trust, et al. (Amador Superior Court Case No. 15-CV-9203).
    C. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6 (Gene Mancebo, Karen Gish, Gary Thomas, Rich Farrington) - AWA Employee Association Bargaining Unit.
    D. Pursuant to Government Code Section 54957 Public Employee Performance Evaluation- General Manager.

14. ADJOURNMENT
AMADOR WATER AGENCY
CONSENT AGENDA
July 13, 2017

Items listed on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

1. MINUTES
   A. Approval of minutes of the Regular Board Meeting of June 22, 2017
   B. Approval of minutes of the Special Board Meeting of June 9, 2017

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, then please contact Cris Thompson at (209) 223-3018 or (209) 257-5281 (fax). Requests must be made as early as possible, and at least two-full business days before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Amador Water Agency Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 12800 Ridge Rd, Sutter Creek CA 95685
AMADOR WATER AGENCY
Board of Directors
Regular Meeting
June 22, 2017

MINUTES

Directors Present: Gary Thomas, President
Art Toy, Vice President
Richard Farrington
Paul Molinelli Jr.
Robert Manassero

Absent: None

Staff Present: Gene Mancebo, General Manager
Cris Thompson, Assistant GM/ Clerk of the Board
Damon Wyckoff, Operations Manager
Tracey Hays, Finance Manager
Karen Gish, HR/ Office Manager

CALL TO ORDER- President Thomas called the meeting to order at 9:01 a.m.

ADDITIONS TO THE AGENDA – None

PUBLIC COMMENT: None

CONSENT AGENDA ITEMS: (0:01:00-0:01:20)

MOTION: It was moved by Director Molinelli Jr, seconded by Director Toy, and unanimously carried to approve the consent agenda minutes of the Regular Board Meeting of June 8, 2017, minutes of the Special Board Meeting of June 8, 2017 and Accounts Payable for the month of May, 2017.

AGENCY GENERAL (00:01:58- 1:36:00)
Water Rate Update Study
Presentation and possible acceptance of revised water rate update study report by Bob Reed, The Reed Group Inc.
Discussion and possible direction to staff to prepare and mail Proposition 218 notice regarding the proposed adjustment of water rates and to schedule a public hearing accordingly.

**MOTION:** It was moved by Director Toy, seconded by Director Molinelli Jr. and unanimously carried to accept the revised water rate update study as presented.

**MOTION:** It was moved by Director Toy, seconded by Director Manassero and unanimously carried to direct staff to send out rate notices and schedule a public hearing. Sending out the rate notice is subject to review by Agency Counsel based on requested revisions.

**RECESS** was called at 10:40 a.m. **SESSON** resumed at 10:49 a.m.

**Strategic Plan (1:36:01-2:01:55)**
Report of accomplishments

**Fiscal Year 2017-2018 Budget (2:02:05-3:18:18)**
Presentation of draft fiscal year 2017-2018 budget

Discussion and possible approval of the draft fiscal year 2017-2018 Budget and Capital Improvement Program (CIP).

**MOTION:** It was moved by Director Toy, seconded by Director Molinelli Jr. and unanimously carried to approve the draft fiscal year 2017-2018 Budget and Capital Improvement Program (CIP).

Discussion and possible adoption of Resolution No. 2017-10 authorizing payment of certain expenditures consistent with the levels of those expenses as stated in the 2016-2017 annual budget. – **No action taken.**

**RECESS** was called at 12:33 p.m. **SESSON** resumed at 1:00 p.m.

**WATER SYSTEM (3:19:00-3:21:21)**
**Water and Wastewater Standby Fees**
Adoption of Resolution No. 2017-09 renewing water and wastewater standby fees for the Agency’s various systems.

**MOTION:** It was moved by Director Toy, seconded by Director Farrington and unanimously carried to adopt Resolution No. 2017-09 renewing water and wastewater standby fees for the Agency’s various systems.

**PROJECT UPDATES (3:21:21-3:44:35)**

**COMMITTEE REPORTS (3:45:01-3:46:31)**
Agency Outreach (06-15-17)
GENERAL MANAGER’S REPORT (3:46:40- 4:10:08)

ASSISTANT GENERAL MANAGER’S REPORT (4:10:08-4:24:10)

BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND DIRECTOR COMMENTS – (4:24:12- 4:29:15)

FUTURE AGENDA TOPICS – (4:29:19- 4:30:34)
MRG Recommendations-

CLOSED SESSION was called at 2:15 p.m.

A. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a) – Pending Litigation- Amador Water Agency v. Lazy Creek Family Trust, et al. (Amador Superior Court Case No. 15-CV-9203).

B. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6 (Gene Mancebo, Karen Gish, Gary Thomas, Rich Farrington) - AWA Employee Association Bargaining Unit.

C. Pursuant to Government Code Section 54957 Public Employee Performance Evaluation- General Manager.

ADJOURNMENT

President Thomas adjourned the meeting at 4:04 p.m.

Cris Thompson
Clerk of the Board of Directors

Approved: ________________________________

Regular Board Meeting  
June 22, 2017  
Page 3
Consent

AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
June 9, 2017

MINUTES

Directors Present: Gary Thomas, President
Art Toy, Vice President
Paul Molinelli Jr
Robert Manassero
Rich Farrington

Directors Absent: None

Staff Present: Gene Mancebo, General Manager
Damon Wyckoff, Operations Manager

CALL TO ORDER  President Thomas called the Special Board meeting to order at 9:20 a.m.

Lake Camanche Village
Groundbreaking Ceremony for the Lake Camanche Village Tank No. 9 Replacement Project

ADJOURNMENT- President Thomas adjourned the meeting at 9:40 a.m.

Cris L. Thompson
Clerk of the Board of Directors

Approved:

Special Board Meeting
June 9, 2017
Page 1
ADMINISTRATION DEPARTMENT REPORT

Customer Service/Human Resources:

- The 2016/2017 (7/1/16-6/30/17) Safety Statistics for Agency staff are:
  - Lost time worker's comp incident: 2 (date of last incident: 12/12/16)
  - Other Worker Comp incident: 3 (date of last incident: 5/10/17)
  - First Aid incident: 0
  - Avoidable vehicle accident: 0
  - Unavoidable vehicle accident: 0
- Training: Trenching & Shoring-Bates, Hutchison, Miller, D., Gowan; PAPA-Miller, K.
- Certifications/Renewals: Caspary-WW II; Miller, K.-Collections G2 and CWEA Membership; Brewster-Collections G2; Cook-CISEC
- Staffing: Distribution I (Pent) and Distribution III - pending; Utility II – Chris Wilson
- Liens filed: 2 - $361.93
- Liens Released: 0
- Total Liens filed for the Agency 306- total dollar amount $504,239
- With the conversion of meters to radio read meters, reading meters in the Rabb Park area has been reduced from 8-10 hours to 1 ½-2 hours.

Finance/Accounting:

Water Sales Revenues through the month of June are $6,666,959

Wastewater Sales Revenues through the month of June are $1,517,401

Reimbursements received: $605,823

Outstanding Reimbursements are approximately $916,379

Restricted and Unrestricted Cash: Next Page

Prepared by:  Karen Gish – HR / Office Manager

Tracey Hays - Finance Manager
## Restricted and Unrestricted Cash

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<td><strong>3,508,327</strong></td>
<td><strong>1,634,135</strong></td>
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Operations Report

Covering May 27 – June 30, 2017

Operations Manager:
1. Site Visits with FEMA environmental consultants to conduct cultural and environmental surveys at tank sites for our Redwood Tank and Floating Cover Replacement Project.
2. Site visits with FEMA Disaster Assistance Project Manager to view failed infrastructure resulting from the February storms.
3. Continue to participate in the AC-GMA, Cosumnes Sub-Basin working group, Technical Advisory Committee meetings for SGMA compliance.
4. Site visit of CAWP diversion points with State Water Resources Control Board regarding water right permit moving to license.
5. Gave tours of lone and Camanche facilities to new staff.
6. Developed and submitted requested updated contingency plans, work plans and timelines (Buckhorn Backwash Recycling project) to the Central Valley Regional Water Quality Control Board in response to Notice of violations received as a result of discharges during February storms.
7. Continued work on SRF funding application to cover the required 25% match for our Redwood Tank and Floating Cover Replacement project.

Admin Assist III:
2. Completed the Consumer Confidence Report for AWA customers and Wholesalers.
3. Completed City of Plymouth’s Consumer Confidence Report
4. Completed the Long Term 2 Enhanced Surface Water Treatment Rule for PGE Plant
5. Working on software communication issues with CMMS system and Leverage IT server
6. Met with and supplied data to consultant for Notice of violations concerning Lk Camanche Wastewater and Eagles Nest Wastewater.

Water Treatment Plants:
1. Operators provided an upcountry facilities tour for new Purchasing agent.
2. Met with City of Plymouth to understand their needs as it pertains to bringing the water treatment facility back into compliance and operating properly.
3. Operators are troubleshooting the most effective operation of the Tanner hydro facility.
4. Working to maintain function of damaged infiltration gallery at PG&E @ Tiger Creek water plant while creek flows continue to be high

Wastewater:
1. Continued to mow, spray and weed-eat at all systems
2. Continued to monitor Pine Grove Camp and make repairs as needed
3. Installed new influent flow meter at Gayla wastewater plant
4. Continue to monitor Pond #7 at Mace Meadows Golf Course
**Engineering**

1. **Agency Projects:**
   a. CDBG Buckhorn Ridge/Carson: 50% complete, cross-country work underway, vaults next week. Scheduled completion date: Aug. 25, 2017
   b. Ione WTP Expansion: Redesign completed. 100% plans under review
   c. New York Ranch Rd Intersection: Construction and signalization underway
   d. Buckhorn WTP DBP & Recycling: Earth work / concrete work underway
   e. Lake Camanche Tank 9 & Intertie: Submittal process on-going. Tank ring-wall excavated, installing water line
   f. Highway 88 overlay: No activity related to AWA
   g. Sutter Creek Bridge: Concurrence from City that AWA has prior right. Plan review pending
   h. Badger Street Bridge: No activity related to AWA
   i. Ione Hydroelectric: All grant and loan agreements executed, design phase moving forward

2. **Developer Projects:**
   a. Wildflower (Ione) Developer bonded for remaining work, homes under construction
   b. Castle Oaks 4 & 7 (Ione): Punch list work pending. Homes under construction
   c. ARCO (Martell): No activity related to AWA
   d. Ventosa Collina (Sutter Creek): Post-construction items under review
   e. Washington Place (Ione): Design underway, plan review comments submitted
   f. East Ridge Business Park (Sutter Creek): Construction underway
   g. Well Space (Martell) Inspection underway

**Electrical:**

1. **Failures:**
   a. GSL regulator totalizer failed due to blown fuse. Replaced fuse.
   b. Camanche wastewater mister pump failed due to burned wire. Replaced burned wire.
   c. Gayla Lift Station control failure. Replaced with new controller
   d. Pine Acres tank level transducer failed. Replaced transducer
   e. Camanche Well #9 Variable Frequency Device (VFD) failed. Replaced with a new one
   f. Repaired PLC Communications at Lake Tabeaud
   g. Replaced failed controller at Gayla Manor sprayfields
   h. Historical data server failed. Built temporary server and installed it.

2. Solar panel power system built and installed at Camanche Tank 9. PGE power removed for Tank 9 construction project.
3. Attended meeting at City of Plymouth and inspected water treatment plant

**Construction:**

1. Completed meter exchanges in Rabb Park
2. Installed new 12" Sutter Creek master meter
3. **Leak Repairs:**
   a. Fire Hydrant at Deadwood Court (.5 gpm, Buckhorn)
   b. Amador City meter- bypass line (3 gpm, Tanner)
   c. El Dorado St. (2 gpm, Ione)

**Distribution:**

1. Service line leak repairs:
   a. McKenzie Dr, (10 gpm, Buckhorn)
   b. Wagon Wheel (60 gpm, Buckhorn)
   c. Lynn Way (5 gpm, Pine Grove)
2. Lk Camanche- Pump #1 at Well 6 blew a mechanical seal. Parts ordered. Temporary work around in place.
3. Created a new pressure zone at Oak Ridge in Ione. Fed from Preston Pit (60 PSI).

**Canal:**
1. **Leak Repairs:**
   a. 2 repairs at Mile marker 6 near Previtali crossing (10 gpm total)
   b. 3 repairs at Mile marker 8 Upper Previtali (15 gpm total)

2. Identified fifty dead trees with the registered Professional Forester for the Tree Mortality project

**River Pines:**

1. **Operations Manager**
   a. On-going correspondence with River Pines consultant on wastewater Notice of Violation response.
   b. Continued work with River Pines GM to better understand ownership of District facilities

2. **Admin Assist III**
   a. Completed Water and Wastewater monthly reporting
   b. Completed a Lead and Copper monitoring plan per regulation by the State
   c. Supplied water modeling data to consultant for River Pines Notice of Violation

3. **Electrical**
   a. On-going assessment of ownership of District infrastructure
   b. In process of changing electrical feed wiring at the maintenance shop
   c. Troubleshoot, identified and repaired issue preventing the lack of weekly generator operations

4. **Water**
   a. Completing the daily, weekly and monthly operations of the 3 wells and all water and distribution sampling.
   b. Accompanied CRWA in distribution system leak detection. Circle Tank inspection and valve locations.
   c. Identified failing chlorine bleed valve on Well 2 chlorine pump. Replacement part ordered.

5. **Wastewater**
   a. Completed all daily routines and sampling
   b. Continued to monitor Slate Creek lift station for proper pump operation
   c. Cleaned up lift stations and plant
   d. Pulled irrigation pump to get pump and motor information to facilitate a purchase of new pump and motor for storage pond
   e. Started cleanup of ditch around primary pond to facilitate construction’s access to sprayfield for repairs.

6. **Construction**
   a. Repaired service line at 22901 Canyon Avenue

7. **Customer Service**
   a. Meter reads completed

8. **Distribution:**
   a. Repaired a broken ½” service valve on Canyon View (30 gpm, RP)

**Prepared by:** Damon Wyckoff, Operations Manager
STAFF REPORT

Quarterly Investment Report – Period ending June 30, 2017

Requested Action: None

Background: The Amador Water Agency's Investment Policy requires and Government Code Section 53646 encourages submittal to the Board of Directors a quarterly investment report reflecting the quarterly interest earnings received by the Agency from institutions holding Agency funds for investment purposes.

This report presents the Agency’s investment portfolio as of June 30, 2017. It includes all investments managed by the Agency but not those held by external trustees. Funds held by trustees include assets such as bond reserve funds and deferred compensation plans.

- The portfolio is invested in short-term investments with the American River Bank and the Local Agency Investment Fund (LAIF) administered by the State Treasurer. These are very high quality investments available to public agencies in terms of safety, liquidity and yield. These funds are FDIC insured up to $250,000 per investor and excess values are collateralized in accordance with Government Code Section 53651 and 53652.

- The balance represents the amount invested at a given point in time and is equal to the purchase price, par or face value, account balance and all represent the cost paid or funds invested in the vehicle.

- The market value of any instrument is the spot price between a willing buyer and seller and is a function of supply & demand, market and credit risk. The market value on instruments being bought and sold will fluctuate on a daily basis, while the purchase price, par or face values are constants. The market value for short term interest bearing accounts that are currently within the Agency’s portfolio is simply the balance in the account. Interest is credited to the Agency’s investment accounts on a monthly and quarterly (LAIF) basis and is given in the interest earned column.

- The quoted yield is given on an annual basis and taken from the monthly statement. The yield is a function of average daily balances, considering deposits and withdrawals, for short-term interest accounts or agreed rates for instruments that are bought and sold. Purchased instruments that are traded have purchased dates and maturities associated with them.
**Alternatives:** Alternatively, the Agency could choose to invest more in longer term securities. However, higher yield investments with longer maturities will increase liquidity risk.

**Fiscal Impact:** The overall weighted average return of the portfolio is .42% which is the product of the individual instruments' weights and yields, this equates to $15,253 for the June 30th period. The attached table provides some significant statistics on the Agency’s portfolio. The valuation source is the June 30th, 2017 month ending statements from each of the respective institutions.

**Reviewed by Committee:** No

**Recommendation:** Presently, the Agency’s portfolio is consistent with its investment policy and the prudent investor rule.

**Prepared by:** Tracey Hays, Finance Manager
Amador Water Agency
Investment Report
June 30, 2017

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<th>Portfolio Investments</th>
<th>Investment Type</th>
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<th>Market Value</th>
<th>Investment Weight</th>
<th>Interest Earned</th>
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| Unrestricted          | 302,412                 |                       |              |                   |                |              |              |
| Restricted            | 1,331,723               | 1,634,135             |              |                   |                |              |              |

Portfolio Weighted Average Return 0.50%
Staff Report

Temporary Internal Construction Loan

Requested Action:

Discussion only regarding establishing a Temporary Short-Term Water Construction Loan from the Wastewater Capital Cash Participation Fee Reserve for an amount not to exceed $350,000 as provided in the draft 2017-10 resolution.

Background:

Water Agency has three construction projects and two studies in which the Water Agency will receive reimbursements for expenses incurred from grants or loans. The three construction projects all started about the same time and reimbursements have been slow. This has caused a strain on our operating cash levels. The Water Agency created a Construction Cash Account for the purpose of receiving funds and paying debts for construction projects.

Staff feels it is appropriate to establish a short-term revolving fund to cover expense payments until reimbursements are received. It is recommended that the interest charge be based on the Local Agency Investment Fund (LAIF) earning rate for the month in which the borrowing occurs. The loan should not exceed 90 days.

This is consistent with our internal loan policy and by lending from an existing internal fund, earned interest remains with the Water Agency and interest is expected to be much less than through an outside lending institution. The Water Agency must provide notice to the public at least 10 days before action per policy and as such staff is recommending the Board take action on this item at the July 27, 2017 meeting.

Alternatives:

1. Modify terms or lending account.
2. Seek a construction loan from an outside lending institution or County Water Supply Fund
3. Choose to not have any internal or external loan.

**Fiscal Impact:**

No fiscal impact would occur to the lending fund as most all funds not needed for immediate use are placed in the pooled LAIF account. The borrowing fund would experience some additional costs which will depend on the duration of time between moving the cash to pay an invoice and the time reimbursement is received as well as the loan amount. The loan period could be a matter of a few days to generally not more than 60 days. At the maximum loan amount and assuming a LAIF earning rate of 1%, the interest charge would be less than $10 per day.

**Reviewed by Committee:**

No, but this may be scheduled for further review by the B&F Committee prior to the July 27, 2017 meeting.

**Recommendation:**

Discuss establishing a Temporary Short-Term Water Construction Loan from the Wastewater Capital Cash Participation Fee Reserve for an amount not to exceed $350,000 as provided in the proposed 2017-10 resolution.

**Prepared by:**

Gene Mancebo, General Manager
RESOLUTION NO. 2017-10
OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY CREATING A REVOLVING LOAN FOR THE PURPOSE OF SHORT-TERM CONSTRUCTION FINANCING FROM THE AMADOR WATER SYSTEM WASTEWATER CAPITAL CASH PARTICIPATION FEE RESERVE ACCOUNT TO THE AMADOR WATER AGENCY WATER CONSTRUCTION FUND CASH ACCOUNT

WHEREAS, the Board of Directors of the Amador Water Agency ("Water Agency") adopted Resolution No. 2014-27 on December 11, 2014 to adding Section 3081 to the Administrative Policy Manual which provides for internal loan policies;

WHEREAS, the Board of Directors desires to create a revolving loan for the purposes of covering the water construction expenditure payment shortfalls while waiting for reimbursement from the funding entity for various current and future construction projects;

WHEREAS, the Water Agency intends the sources of money to repay the loan will be through rates, charges, assessments, reimbursements from loan or grant proceeds, and/or standby assessments or charges imposed on customers and lands within the Water Agency’s service area;

WHEREAS, The Water Agency intends to compensate the lending account interest based on the Local Agency Investment Fund (LAIF);

WHEREAS, the Board of Directors of the Water Agency now desires to order a revolving loan be established for the short-term water construction expenses to be loaned from the Amador Water Agency Wastewater Capital Cash Participation Fee Reserve Fund, General Ledger account number 120-22-132000 for an amount not to exceed $350,000 as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Amador Water Agency hereby finds, determines, authorizes and ratifies the following:

1. The Board of Directors of the Water Agency finds and determines that (a) the Amador Water Agency Wastewater Capital Cash Participation Fee Reserve Fund may loan under and pursuant to the terms of this Resolution and are not required for the immediate necessities of that fund, (b) such funds will be fully repaid well before they are required for the necessities of such fund, (c) there is a source of money available to ensure repayment of the loan provided hereunder, and (d) the loan provided pursuant to this Resolution is wise and expedient and in the best interests of the Water Agency.

2. The General Manager is hereby authorized and directed to establish a revolving short-term construction loan for an amount not to exceed $350,000 from the Wastewater Capital Cash Participation Fee Reserve 120-22-13200 to be utilized by the Amador Water Agency Water Construction Cash Fund 150-04-133040.

3. The General Manager of the Water Agency shall keep or cause to be kept detailed records of the funds transferred in order that an accurate record of the liability to the Water Construction Cash Fund can be ascertained and monitored.
4. The Water Construction Cash Fund shall pay the Wastewater Capital Cash Participation Fee Reserve the sum borrowed plus interest within 90 days of the borrowing date. Such installments and interest shall be paid through rates, charges, assessments, reimbursements from loan or grant proceeds, and/or standby charges or assessments imposed on customers and lands within the Agency's service area.

5. Interest on shall be charged at a variable rate based on the PMIA average monthly yields as published by LAIF for the month(s) immediately following the applicable principal borrowing date. Interest shall be calculated and paid on the same date that the principal payment(s) is(are) made.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a special meeting held on this July 13, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:
Signed and approved by me after its passage on this 13th day of July, 2017.

By:

____________________

Gary Thomas
President of the Board of Directors

ATTEST:

____________________

Cris L. Thompson
Clerk, Board of Directors
Requested Action:

Assign this item to Personnel Committee for review and recommendations to the Board.

Background:

In the past year the Agency has received multiple requests from entities to provide outside services. These requests vary in scope and effort from complete system absorption (Rabb Park), to assuming operational responsibility for entire water and wastewater systems (River Pines), to emergency response only (Pine Grove). While varying in degree of operational responsibility, all of these work efforts require staff time that ultimately takes time away from staff’s availability to work on Agency infrastructure. The Water Agency has the philosophy of helping other local water/wastewater purveyors as long as we have the resources to assist them. Generally providing these outside services is mutually beneficial and the Agency has even added staff in the past to support outside services. Usually the Water Agency can improve the quality of service to residents given our broad technical expertise and capacity. Over the years many water/wastewater purveyors have recognized the benefit of having the Water Agency operate their systems which has resulted in merging those systems with our other retail customers.

The projected staffing needs for outside services is shown on the attached spreadsheet. Staff is currently investigating whether the requested services are planned as long-term or just short-term. The projected outside service requests, on a long-term basis, may have a negative impact on operating and maintaining our own facilities without added staffing. We could be facing a situation of either adding staff or declining to provide some of the outside services. Staff would like to initiate Board discussions on this issue and have a committee take a more in depth look at the benefits and adverse impacts.
Alternatives:

1. Do not assign to committee.
2. Provide direction to staff without further Board review.

Fiscal Impact:

Outside Services contracts pay for the labor and overhead of Agency employees responsible for completion of their specific work tasks. The amount of work accomplished and funds collected offsets the Agency's costs and provides increased other revenue for the Agency.

Reviewed by Committee: No

Recommendation:

Assign this item to Personnel Committee for review and recommendations to the Board.

Prepared by:

Damon Wyckoff, Operations Manager
<table>
<thead>
<tr>
<th>Entity</th>
<th>Jul-16 Hrs of Work/Month</th>
<th>Jul-16 Type</th>
<th>Jul-17 Hrs of Work/Month</th>
<th>Jul-17 Type</th>
<th>Jul-17 Future Hrs of Work/Month</th>
<th>Future Type</th>
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<tr>
<td>Rabb Park</td>
<td>N/A</td>
<td>Radio Read meter install, valve exercising, service, line repair, main repair</td>
<td>67 hrs/month</td>
<td>Meter Reads/Door Tags/Shut-offs/Turn-ons</td>
<td>16 hrs/month</td>
<td>Radio Read meter install</td>
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<td></td>
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<td>NOTE: the beginning of the Rabb Park meter replacement project</td>
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<td>PG&amp;E</td>
<td>47 hrs/month</td>
<td>Water Treatment Plant O&amp;M, Routine Sampling/On Call</td>
<td>57 hrs/month</td>
<td>Water Treatment Plant O&amp;M, Intake Structure Repair</td>
<td>47 hrs/month</td>
<td>Water Treatment Plant O&amp;M</td>
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<td>Regulatory Reporting</td>
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<tr>
<td>River Pines</td>
<td>7 hrs/month</td>
<td>Vacation coverage</td>
<td>193 hrs/month</td>
<td>Water Treatment Plant O&amp;M, Distribution O&amp;M, On Call System repair to bring back to operational working order</td>
<td>141 hrs/month</td>
<td>Water Treatment Plant O&amp;M</td>
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<td>Water/ Wastewater Plant</td>
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<td>Regulatory Reporting</td>
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<tr>
<td></td>
<td></td>
<td>Routines + on-call services</td>
<td></td>
<td></td>
<td></td>
<td>Meter Reads/Door Tags/Shut-offs/Turn-ons</td>
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<td>Pine Grove Camp</td>
<td>N/A</td>
<td>Wastewater O&amp;M Sampling</td>
<td>24 hrs/month</td>
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<td>Plymouth</td>
<td>N/A</td>
<td>Treatment Plant Rehabilitation</td>
<td>150 hrs/month</td>
<td>Distribution System O&amp;M</td>
<td>66 hrs/month</td>
<td>Treatment Plant Maintenance to ensure State of Readiness</td>
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<td>Pine Grove CSD</td>
<td>N/A</td>
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<td>N/A</td>
<td></td>
<td>4 hrs/month</td>
<td>Emergency Response for the Distribution System</td>
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<td>Total</td>
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<td></td>
<td>0.34 emp/month</td>
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<td>1.86 emp/month</td>
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MEMORANDUM

TO: BOARD OF DIRECTORS, AMADOR WATER AGENCY
CC: GENE MANCEBO, GENERAL MANAGER
FROM: KATRINA NELSON AND JOSHUA HOROWITZ
DATE: JULY 6, 2017
RE: LEGISLATIVE REPORT FOR THE JUNE 13, 2017 AMADOR WATER AGENCY BOARD MEETING

The following are bills of potential interest to the Amador Water Agency pending in the California Legislature:

STATE ASSEMBLY

Introduced: 12/05/16
Status: 05/03/2017 – Hearing postponed by Assembly Comm. on Appropriations following passage by Assembly Comm. on Labor & Employment.
Existing law, with certain exceptions, establishes 8 hours as a day’s work and a 40-hour workweek, and requires overtime pay for additional hours work. AB 5 would require an employer with 10 or more employees to offer additional hours of work to an existing non-exempt employee before hiring an additional employee or subcontractor using a transparent, nondiscriminatory process to distribute the additional hours of work among existing employees, except that the employer will not be required to offer an employee additional work hours if it would result in the employer having to compensate the employee with overtime pay under applicable laws or a collective bargaining agreement. The bill also would require the employer to post a specified notice of employee rights and to maintain certain related documentation. In addition, it would authorize an employee to file a complaint for violations of AB 5’s provisions with the Division of Labor Standards Employment, and would make a violation of AB 5 punishable by civil penalty.
ACWA: None.

AB 12 (Cooley) – State Government: Administrative Regulations: Review.
Introduced: 12/3/2016
Status: 05/26/2017 – Held under submission in Assembly Comm. on Appropriations.
This bill would require each state agency to review that agency’s regulations by January 1, 2020, identify any regulations that are duplicative, overlapping, inconsistent, or outdated, to revise those identified regulations, and report to the Legislature and Governor, as specified. The bill would repeal these provisions on January 1, 2021.
ACWA: None.
Introduced: 12/5/2016
Status: 06/28/2017 – Referred to Senate Comms. on Natural Resources & Water and Governance & Finance.
This bill would enact the California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds amounting to $3,105,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, and coastal protection and outdoor access for all program.
ACWA: Favor if amended.

AB 277 (Mathis) – Water and Wastewater Loan and Grant Program.
Introduced: 02/01/2017
Status: 06/21/2017 – Referred to Senate Comm. on Appropriations for placement on consent calendar following passage by Senate Comm. on Environmental Quality.
This bill would authorize the SWRCB to establish the Water and Wastewater Loan and Grant Program that would provide funds to nonprofit organizations (that provide financial and technical assistance to disadvantaged communities) and counties for projects benefiting residents and small water systems for the following purposes: extend or connect water or wastewater service lines to the applicant’s residence or plumbing; pay reasonable charges or fees for connecting to a water or wastewater system; pay costs to close abandoned septic tanks and water wells; deepen or improve an existing groundwater well; install a water treatment system if the groundwater exceeds a primary or secondary drinking standard; and improve, rehabilitate, replace, or repair existing groundwater wells and associated equipment.
ACWA: Favor.

AB 313 (Gray) – Water.
Introduced: 02/06/2017
Status: 07/03/2017 – Re-referred to Senate Comm. on the Judiciary following author’s amendments and passage by Senate Comm. on Natural Resources & Water.
AB 313 would establish a Water Rights Division within the Office of Administrative Hearings to conduct hearings pursuant to the Administrative Procedure Act. It would deem a decision made by an administrative law judge in the Division to be a recommendation and not final until accepted by the SWRCB’s executive director; authorize appeals of the executive director’s decision on the recommendation or of the adoption of the recommendation due to the failure to act; and authorize Water Rights Fund expenditures by the Division upon appropriation by the Legislature. This bill also would, beginning July 1, 2018, authorize the SWRCB to issue a complaint seeking an order, instead of directly issuing the order, requiring a person to cease and desist from diverting or using water, other than as authorized, and would make confirming changes to the law. The complaint would have to be served by personal notice or certified mail, and inform the person that he or she may request a hearing before the Office of Administrative Hearings. The bill would deem a decision made by an administrative law judge to be a recommendation and not final until accepted by the SWRCB. The bill also would authorize, following the SWRCB’s acceptance, modification or rejection of the recommendation, the SWRCB to issue a cease and desist order and an appeal of the SWRCB’s decision to a superior court.
ACWA: Support.
AB 321 (Mathis) – Groundwater sustainability agencies.
Introduced: 02/07/2017
Status: 07/03/2017 – Enrolled and presented to the Governor for signature following passage by the Senate.
SGMA requires a groundwater sustainability agency (GSA) to consider the interests of all beneficial users and users of groundwater, as well as those responsible for implementing groundwater sustainability plans (GSPs), including, among other interests, holders of overlying groundwater rights, including agricultural users and domestic well owners. This bill would specifically include farmers, ranchers, and dairy professionals in the agricultural users whose interests a GSA is required to consider.
ACWA: Changed to “watch” from “not favor” on June 1.

AB 474 (Garcia) – Hazardous waste: Spent brine solutions.
Introduced: 02/13/2017
Status: 06/28/2017 – Re-referred to Senate Comm. on Appropriations following passage by Senate Comm. on Environmental Quality.
Existing law exempts from certain requirements of the Hazardous Waste Control Law the wastes from extraction, beneficiation, or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy that meet specified requirements. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater for purposes of meeting California drinking water standards from those same requirements if certain conditions are met, including: (i) that spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by regional water quality control boards; (ii) the spent brine solutions are treated, prior to transfer to lined surface impoundments, with a technology that renders the spent brine solutions nonhazardous for all contaminants, except selenium; and (iii) mitigation measures are used to prevent birds from coming into contact with spent brine solutions in lined surface impoundments containing hazardous levels of selenium.
ACWA: Favor.

AB 851 (Caballero) – Local agency: contracts.
Introduced: 02/16/2017
Status: 07/05/2017 – Re-referred to Senate Comm. on Appropriations following passage by Senate Comm. on Governance & Finance.
As previously written, this bill would authorize special districts that provide or operate flood protection, habitat restoration or enhancement, groundwater recharge or storage, surface water storage, water treatment facilities, wastewater facilities, solid waste management facilities, water recycling facilities, and fire protection facilities to use the design-build procurement process when contracting for specified public works. It also would have expanded the list of public works projects for which local agencies may utilize the design-build procurement process. However, as amended by the author on May 10, 2017, this new authority would be provided only to Santa Clara Valley Water District.
ACWA: Favor.
AB 968 (Rubio) – Urban Water Use. Water Efficiency.
Introduced: 02/16/2017
Status: 05/26/2017 – Not reported to the floor by fiscal committee by May 26 deadline; may be acted upon in next session (January 2018).
This bill is being sponsored by the Regional Water Authority (RWA) and Irvine Ranch Water District, and has widespread support among local water agencies and business groups statewide, particularly in the Sacramento region. It also is being actively supported by ACWA. It presents an alternative to the administration’s bills (AB 1668/1669 and Budget Trailer Bill 810) and is being touted, along with AB 1654, as the vehicle that would establish new water efficiency targets for urban retail water suppliers for 2025 in a manner that provides three options for use in determining targets, recognize and incentivize development of resilient supplies such as recycled water, and protect existing water rights. It also would preserve the Legislature’s authority and oversight over long-term water use target setting (as opposed to allowing the SWRCB to set targets) and require DWR to establish a collaborative urban stakeholder process to continue improvement in water use efficiency beyond 2025.

Among other things, AB 968 would specifically revise the definitions of “gross water use” and recycled water” for purposes of developing urban water use targets and an interim urban water use target; require DWR to reconvene its Urban Stakeholder Committee in order to develop certain methodologies; require the Committee, by January 1, 2020 and every 5 years thereafter, to develop a report to provide information and recommendations to DWR and the Legislature about new demand management measures, technologies, and approaches; require, by December 31, 2025, the Committee (in consultation with DWR and SWRCB) to submit a report to the Legislature recommending for potential adjustments to water efficiency targets and commercial, industrial, and institutional performance measures; and require DWR to convene a commercial, industrial, and institutional water use efficiency task for by July 1, 2018 to recommend appropriate water efficiency measures for various segments of the commercial, industrial, and institutional water use sector.

This bill also would make amendments to the Urban Water Management Planning Act by requiring each urban retail water supplier to develop a water efficiency target, as defined, for 2025 in its 2020 urban water management plan (UWMP), and to achieve that target. It also would authorize a water supplier to adjust and update the water efficiency target, as appropriate, when the supplier reports its compliance to achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 UWMP. It would require each urban retail water supplier to meet its adjusted 2025 water efficiency target by December 31, 2025, unless the supplier submits certain reports to DWR.

Finally, AB 968 would require DWR, by July 1, 2019, to provide to urban retail water suppliers in electronic form a database of validated aerial imagery and specified measured irrigable area, and to conduct a statistically valid review of the accuracy of the information in the database before providing it to an urban retail water supplier. It also would extend the deadline for a water supplier to submit its UWMP if DWR does not release the database by July 1, 2019.

This bill’s author and the authors of competing water conservation legislation announced on May 16, 2017 that they have formed a bipartisan working group to address statewide
water conservation policy and proposed legislation. Thus, the substance of this bill may change.
ACWA: Support.

AB 975 (Friedman) – Natural resources: Wild and scenic rivers.
Introduced: 02/16/2017
Status: 06/05/2017 – Ordered to inactive file at request of Assembly Member Friedman.
Existing law states California’s policy that certain rivers possessing 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 possessing extraordinary scenic, recreational, fishery, wildlife, historical, cultural, geological, or other similar 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. It would also revise the definition of “immediate environments” and add a definition for the term “extraordinary value” to mean “a natural, cultural, or similar value that is outstanding or remarkable in a local, regional, or statewide context.
ACWA: Oppose.

AB 1654 (Rubio) – Water shortage: urban water management planning.
Introduced: 02/17/2017
Status: 07/03/2017 – Re-referred to Senate Comm. on Natural Resources & Water following author’s amendments.
As noted above, this is part of the two-bill package being sponsored by RWA and Irvine Ranch Water District, and is being actively supported by ACWA. It would establish new water supply and demand reporting requirements for urban water suppliers and prohibit a water supplier from being required to reduce its use of available water supplies beyond the steps specified in its water shortage contingency analysis, thereby protecting water suppliers’ and their customers’ investments in resilient water supplies.

As currently written, this bill would require urban water suppliers to update their urban water management plans on or before July 1 in years ending in 1 and 6, and require each urban water supplier to report annually by June 15 to DWR the status of its water supplies for that year, including whether such supplies will be adequate to meet projected customer demand. The bill would also require urban water suppliers to implement the responses described in its water shortage contingency analysis if available supplies for that year will not be adequate to meet demand, to continue implementing mandatory demand reduction measures until certain conditions have changed to the point that the supplier finds that it is able to meet projected demand over the next 12 months without continued implementation of the measures, and to file a report with DWR by the 15th of each month during the period that mandatory demand reduction measures are being implemented. In addition, the bill would require DWR to establish an electronic portal through which suppliers can provide the reports.

The bill would add to the required elements of the urban water management plan a description of how an emergency supply has been established to increase water supply reliability during shortage, how the supply is in addition to the supplies that the agency draws upon during non-shortage times, if an emergency supply is identified as an existing or planned source of water available to the supplier. The bill would require a
description of the reliability and vulnerability for 5 consecutive years consisting of a repeat of the 5 consecutive historic driest years experienced by the supplier, except as provided, rather than multiple dry water years, and specifies that distribution system water loss to be included in the plan is potable distribution system water loss. The bill also would specify that potable reuse, recycled water, and desalination are considered fully reliable.

The bill also would prohibit an urban water supplier, during a statewide drought, local drought, or water shortage, from being required to reduce its use or reliance on any water supply available for its use and identified in its plan or from being required to take additional actions beyond those specified in its water shortage contingency analysis for the specified level of water shortage.

As noted above, this bill's author and the authors of competing water conservation legislation announced on May 16, 2017 that they have formed a bipartisan working group to address statewide water conservation policy and proposed legislation. Thus, the substance of this bill may change.

ACWA: Support.

AB 1667 (Friedman) – Water Management Planning.
Introduced: 02/17/2017
Status: 07/03/2017 – Re-referred to Senate Comm. on Natural Resources & Water following author's amendments.

This bill would require the SWRCB, in consultation with DWR, to adopt long-term standards for urban water conservation and water use on or before May 20, 2021. The bill would also require the SWRCB, in consultation with DWR, to adopt performance measures for commercial, industrial, and institutional water use on or before that date. The bill would authorize a court or public entity to hold a person civilly liable in an amount not to exceed $10,000 for a violation of a regulation adopted under these provisions, unless the regulation provides otherwise.

The bill would require an urban water supplier to calculate a water use target, as provided, no later than July 1 of each calendar year, beginning the calendar year after the board adopts long-term standards for urban water conservation and water use. The bill would require an urban water supplier to submit an annual report to the department for these purposes by July 1 of each year. The bill would authorize the SWRCB to issue information orders, written notices, and conservation orders to an urban water supplier that does not meet its water use target, as specified. The bill would also authorize the SWRCB to issue a regulation or informational order requiring a distributor of a public water supply to submit information relating to water production, water use, or water conservation.

Among other things, this bill also would require the annual report for the prior year to be submitted to DWR April 1 of each year, as provided, and to be organized by basin within the service area of the agricultural water supplier. It would authorize the SWRCB to issue a cease and desist order in response to a violation or threatened violation of any regulation adopted by the board, except as provided.

In addition, the bill would require an urban water management plan (UWMP) to be updated on or before July 1, in years ending in 6 and one, incorporating updated and new information from the 5 years preceding the plan update. The bill would require DWR to propose to the Governor and the Legislature, on or before August 1, 2020, recommendations
and guidance relating to the development and use of countywide drought contingency plans to address drought planning for small water suppliers and rural communities, as provided. It would require a UWMP to contain a drought risk assessment that examines water shortage risks for a drought lasting the next 5 or more consecutive years.

This bill would require an urban water supplier to prepare, adopt, and periodically review a water shortage contingency plan (WSCP), as prescribed, and as part of its UWMP. The bill would require the plan to consist of certain elements that are within the authority of the urban water supplier, including, among other things, annual water budget forecast procedures, standard water shortage levels, shortage response actions, and communication protocols and procedures. It would require an urban water supplier to make the WSCP available to its customers and any city or county within which it provides water supplies no later than 30 days after adoption; and to conduct an annual water budget forecast and submit an annual water shortage assessment report to DWR with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan by June 1 of each year. It would also require the supplier to adhere to the procedures and implement determined shortage response actions in its WSCP in drought and water shortage conditions.

The bill would require the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds and determines the above-described circumstances or upon determining a water shortage of 40% or greater exists. The bill would require an urban water supplier to declare a water shortage emergency if either a water shortage of 40% or greater is determined to exist or in the event that a severe catastrophic interruption of the urban water supplier's water supply has occurred. The bill would require an urban water supplier to coordinate with any city or county within which it provides water supply services for a possible proclamation of a local emergency.

Finally, it would require an agricultural water supplier to update its agricultural water management plan on or before April 1, 2021, and thereafter on or before April 1 in years ending in 6 and in years ending in one. The bill would require an agricultural water supplier to submit its plan to the department no later than 30 days after the adoption of the plan. The bill would require the department to review an agricultural water management plan and notify an agricultural water supplier if DWR determines that it is noncompliant, as provided. The bill would authorize DWR, if it has not received a plan or determined that the plan submitted is noncompliant, to contract with certain entities to prepare or complete a plan on behalf of the agricultural water supplier.

Finally, the bill would require an agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after DWR's review of the plan. The bill would require DWR to submit its report summarizing the status of the plans to the Legislature on or before April 30 in years ending in 7 and in years ending in 2.

ACWA: Changed to "watch" from "oppose" on June 14.
AB 1668 (Friedman) – Water management planning.
Introduced: 02/17/2017
Status: 07/03/2017 – Re-referred to Senate Comm. on Natural Resources & Water following author’s amendments.
This bill is widely known as the “administration’s bill” and aims to create a new drought response plan by making numerous changes to water supply planning and drought planning to incorporate climate change, enhance water supply analysis, and strengthening the enforceability of UWMPs and drought contingency planning. This bill and AB 1669 are known as the competing bills to AB 968 and 1654.

This bill would, among other things, eliminate existing urban water shortage contingency analysis that is part of an UWMP and replaces it with a newly defined water shortage contingency plan (WSCP). It would require an UWMP to be updated on or before July 1, in years ending in 6 and 1, and in those updates incorporate updated and new information from the preceding 5 years. It would require a UWMP to contain a drought risk assessment that examines water shortage risks for a drought lasting the next 5 or more consecutive years, and, if an urban water supplier finds that a shorter multiple dry year period would more severely impact its water supplies, would also require the shorter period to be used. It would require an urban water supplier to prepare, adopt, and periodically review a WSCP that consists of certain elements within the authority of the water supplier, including, among other things, annual supply and demand assessment procedures, standard water shortage levels, shortage response actions, and communication protocols and procedures. The bill would require a water supplier to make the WSCP available to its customers and any city or county within which it provides supplies no later than 30 days after adoption; require the supplier to conduct an annual water supply and demand assessment, and submit an annual water shortage assessment report to DWR with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier’s WSCP by May 10 of each year. It also would require the water supplier to adhere to the procedures and implement determined shortage response actions in its WSCP in drought and water shortage conditions. It also would require the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds and determines the above-described circumstances or upon determining a water shortage of 40% or greater exists. It would require a water supplier to declare a water shortage emergency if either a water shortage of 40% or greater is determined to exist or in the event that a severe catastrophic interruption of the urban water supplier’s water supply has occurred.

Finally, it would require DWR, by July 1, 2018, to establish guidelines for the development of small water supplier and rural community water shortage management plans. The bill would require DWR to define the roles and responsibilities of the appropriate rural county agency in developing the water shortage management plans and outline the components required in the water shortage management plans in the guidelines. The bill would require DWR to create a decisionmaking support tool, to be made available to local agencies for drought planning purposes, that includes certain information relating to domestic wells, state small water systems, and small public water systems.
ACWA: Oppose.
AB 1669 (Friedman) – Urban water conservation standards and use reporting.
Introduced: 02/17/2017
Status: 05/26/2017 – Not reported to the floor by fiscal committee by May 26 deadline; may be acted upon in next session (January 2018).
This bill, similar to AB 1668, is widely known as the “administration’s bill” and is the competing bill to AB 968. It requires the SWRCB, in consultation with DWR, to adopt long-term standards for urban water conservation and water use by May 20, 2021. Specifically, it would require the long-term standard to include indoor residential use, outdoor irrigation water use, and industrial, institutional and commercial use; allow SWRCB, in consultation with DWR, to adopt and update interim standards for urban water conservation and water use; prohibit the SWRCB from setting new or revised standards after it adopts long-term standards; require the long-term standards to be adopted in accordance with the regular rulemaking process; provide that a person who violates a long-term standard regulation be held civilly liable for up to $10,000; extend the drought or water waste emergency regulation adopted by the SWRCB from 270 days to 1 year; allow any decision or order allowed under existing urban water conservation law and under the long-term standards that could be adopted under this bill to be subject to judicial review; and allow the SWRCB to issue a cease and desist order to a person violating or threatening to violate a long-term standard that could be adopted under this bill.
ACWA: Oppose.

Note: The administration also has placed water conservation legislation in a budget trailer bill, Budget Trailer Bill 810, which runs parallel to the legislative policymaking process and is not subject to the same level of scrutiny and consideration. They are very similar to AB 1668 and 1669. Among other things, the proposal would require the SWRCB to set long-term urban water use efficiency standards by May 20, 2020; would allow the SWRCB to set interim standards to ensure that progress begins before the long-term standards are adopted in 2021; and would purport to include (but local water agencies have criticized that it does not) a “robust public participation process” to provide the SWRCB and DWR with critical input from local agencies, tribal governments, non-governmental organizations, the business sector, academics, and others. The proposal also claims to strengthen local drought resilience through improved planning and annual assessments, and would require urban water suppliers to submit a WSCP and conduct a drought risk assessment every five years, and submit a water budget forecast annually. It also would require agricultural water suppliers to develop an annual water budget for the agricultural water service area, identify agricultural water management objectives and implementation plans, quantify measures to increase water use efficiency, and develop an adequate drought plan for periods of limited supply.

RWA, ACWA, and other local water agencies are working hard to discourage the administration from passing water conservation legislation through the budget trailer bill process. However, it remains to be a strong possibility.
STATE SENATE

Introduced: 12/5/2016
Status: 06/29/2017 – Referred to Assembly Comm. on Water, Parks & Wildlife. Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of $3,500,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. SB 5 includes $1.5 billion for four Proposition 1 funding categories. $375 million would be provided for each of the following categories: Clean Water/Drinking Water SRF; Integrated Regional Water Management; Groundwater Sustainability/Cleanup; and Recycling/Desalination. ACWA: Favor if amended.

SB 80 (Wieckowski) – California Environmental Quality Act: Notices.
Introduced: 01/11/2017
Status: 06/21/2017 – Re-referred to Assembly Comm. on Appropriations following passage by Assembly Comm. on Natural Resources. Under the California Environmental Quality Act (CEQA), lead agencies are required to post certain notices for environmental documents for a period of 20 or 30 days in the office of the county clerk in the county where the project will be located, and also to mail the notices to persons who have filed written requests for notices. This bill would require the lead agency to post notices on the agency’s website and to offer to provide those notices by e-mail if it determines that a project falls within a class of projects that is exempt from CEQA. It also would require the county clerk to post the CEQA notices on the county’s website for 30 days, and require that a notice of determination be filed with the county clerk for projects that are exempt from CEQA’s requirements. ACWA: Oppose unless amended.

SB 163 (Bradford) – Elections: Domicile: Residence.
Introduced: 1/19/2017
Status: 04/26/2017 – Second hearing before the Senate Comm. on Judiciary canceled at author’s request.
Existing law defines “residence” for voting purposes as a person’s domicile. Existing law describes the domicile of a person as that place in which his or her habitation is fixed, wherein the person has the intention of remaining, and to which, whenever he or she is absent, the person has the intention of returning. Existing law provides that a person may have only one domicile at a given time, but may have more than one residence. Existing law also provides that, for purposes of determining the domicile of a Member of the Legislature or a Representative in the Congress of the United States, it shall be conclusively presumed that the residence address indicated on that person’s currently filed affidavit of voter registration is that person’s domicile. This bill would provide that a person’s domicile or residence may also be the place in which the person has legal tenancy. This bill would define legal tenancy for voting purposes to mean a person’s right to possess or hold property, whether by lease or by title. This bill would provide that the conclusive presumption for determining a Member of the Legislature’s domicile applies if the person
has legal tenancy at the residence address indicated on his or her affidavit of voter registration.
AWA: None.

SB 224 (Jackson) – California Environmental Quality Act: Baseline conditions.
Introduced: 02/02/2017
Status: 05/25/2017 – Held in Senate Comm. on Appropriations and under submission.
This bill would require the state Office of Planning and Research (OPR), on or after January 1, 2018, to prepare and develop proposed changes or amendments to the CEQA guidelines to determine the baseline physical conditions by which a lead agency determines whether a project has a significant effect on the environment. This bill would require OPR to, in developing its recommendations, limit the consideration of modifications to the environment at the project site caused by certain actions. ACWA: None.

SB 229 (Wieckowski) – Accessory dwelling units.
Introduced: 02/02/2017
Status: 07/03/2017 – Re-referred to Assembly Comm. on Local Government following author’s amendments.
Under existing law—specifically, under SB 1069 that was passed by the Legislature last year, cities and counties are prohibited from considering accessory dwelling units as a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, under the Planning and Zoning Law. Moreover, for an accessory dwelling unit constructed in an existing space, existing law prohibits cities and counties from requiring the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility and from imposing a related connection fee or capacity charge. This bill would extend the applicability of both of the above prohibitions to special districts. ACWA: Watch.

SB 231 (Hertzberg) – Local government: Fees and charges.
Introduced: 02/01/2017
Status: 06/15/2017 – Ordered to third reading following passage by Assembly Comm. on Local Government.
Proposition 218 generally requires that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local jurisdictions to comply with Prop. 218 and defines terms for these purposes. This bill would define the term “sewer” for these purposes. The definition is broad and would include storm sewers and storm waters. The bill would also make findings and declarations relating to the definition of the term “sewer” for these purposes. ACWA: Favor.

SB 427 (Leyva) Community water systems: Lead user service lines.
Introduced: 02/15/2017
Status: 06/28/2017 – Re-referred to Assembly Comm. on Appropriations following passage by Assembly Comm. on Environmental Safety & Toxic Materials.
After agreeing in the 2016 legislative session to substantially amend SB 1398 to soften its impacts on public water system, this bill would resurrect the stringent provisions that
Senator Leyva removed from her SB 1398. SB 427 would, by July 1, 2020, require a community water system to provide the timeline for replacement of known lead user service lines in use in its distribution system to the SWRCB. It also would require a community water system that has identified areas that may have lead user service lines in its distribution system to (a) provide to the SWRCB a determination as to whether there are in fact any lead user service lines in use and provide a timeline 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. This bill also would impose related reporting requirements.

ACWA: Watch.

SB 623 (Monning) – Safe and Affordable Drinking Water Fund.
Introduced: 02/17/2017
Status: 05/31/2017 – Read in the Assembly for the first time following passage by the Senate; held at desk.
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 SWRCB. As currently written, the bill would require the SWRCB to administer the fund and would require the SWRCB to expend moneys in the fund for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan that is adopted annually. It would prohibit the SWRCB or a regional board, beginning January 1, 2028, from subjecting an agricultural operation to specified enforcement from causing/contributing to an exceedance of a water quality objective for nitrate in groundwater or to a condition of pollution or nuisance for nitrates if the agricultural operation demonstrates that it has satisfied certain mitigation requirements, including, among other requirements, the timely payment of any applicable fee, assessment, or charge into the fund. According to ACWA staff, SB 623’s current language serves as a placeholder for a major proposal on drinking water funding and is likely to become a major bill for ACWA. Accordingly, ACWA will be monitoring this bill closely.

ACWA: Oppose unless amended.

SB 740 (Wiener) – Onsite treated water.
Introduced: 02/17/2017
Status: 05/26/2017 – Not reported to the floor by fiscal committee by May 26 deadline; may be acted upon in next session (January 2018).
This bill would, on or before December 1, 2018, require the SWRCB, in consultation with other state agencies, to adopt regulations consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local jurisdictions permitting programs for onsite recycling of water in multifamily residential, commercial, and mixed-use buildings for nonpotable use. It would require the regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use. The bill also would require that a local jurisdiction comply with those regulations if the local jurisdiction allows the onsite recycling of water and subsequent uses of that recycled water.

ACWA: None.
SB 778 (Hertzberg) – Water systems: consolidations: administrative and managerial services.
Introduced: 02/17/2017
Status: 06/15/2017 – Referred to Assembly Comm. on Environmental Safety & Toxic Materials.
Similar to SB 623, SB 778’s current language serves as a placeholder for a major proposal on drinking water funding that the environmental justice community and others are developing. As currently written, the bill would require, on or before March 1, 2018, the SWRCB to post on its website an analysis of all voluntary and ordered consolidations of water systems, including the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

According to ACWA staff, two major issues are being discussed: the operation and maintenance costs for drinking water treatment in certain disadvantaged communities; and drinking water affordability. This bill is likely to address the funding sources for one or both of these issues and will likely be a major bill for ACWA. Accordingly, ACWA will be monitoring this bill closely.
ACWA: Watch.

SCA 4 (Hertzberg) – Water conservation.
Introduced: 02/01/2017
Status: 02/16/2017 – Referred to Senate Comm. on Rules for assignment.
This Senate Constitutional Amendment states the intent of the Legislature to propose a ballot measure to amend the California Constitution to include Article X C, which would provide local water agencies with the discretion to offer “lifeline” subsidized water rates to low income customers and increased flexibility to set and impose tiered water rates to promote water conservation.
ACWA: Sponsor on specified conditions