AMADOR WATER AGENCY
Board of Directors
Regular Meeting
12800 Ridge Road, Sutter Creek, CA 95685
April 12, 2018
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. 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.

4. 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).

5. 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
   C. Engineering

6. AGENCY GENERAL
   A. Quarterly Investment Report
      1. Report of the Agency’s Investment Performance through March 31, 2018

Art Toy, President  Paul Molinelli Jr., Vice President  Rich Farrington  Gary Thomas  Robert Manassero
B. Audit Firm Selection
   1. Discussion and possible action to authorize the General Manager to execute a three year contract for auditing services with Richardson and Company

7. WATER SYSTEM
   A. Assembly Bill 142 - Mokelumne River Wild and Scenic River Study Report Update
      1. Information Only- No action requested

B. Tanner Backwash Project
   1. Discussion and possible action to issue a Notice of Award, Notice to proceed and execute a contract with the lowest bidder for the Tanner Backwash Project (Bid Opening on 04-10-18)

8. WASTEWATER SYSTEM
   A. Amador Regional Sanitation Agency (ARSA)
      1. Information Only- No action requested

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

10. COMMITTEE REPORTS, SPECIAL ASSIGNMENTS AND DIRECTOR COMMENTS
    A. AC-GMA (04-02-18)
    B. Engineering Committee (04-05-18)
    C. Fire Protection Committee (04-10-18)
    D. Policy Committee (04-09-18)

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

12. CLOSED SESSION
    A. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(D)(1) – Existing Administrative Proceedings – State Water Resources Control Board Bay-Delta Water Quality Control Plan Update Proceeding

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

13. ADJOURNMENT
AMADOR WATER AGENCY
CONSENT AGENDA
April 12, 2018

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 March 22, 2018

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  
March 22, 2018  

MINUTES  

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

Directors Absent:  
None  

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

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

ADDITIONS TO THE AGENDA- None  

No meeting recording due to a hardware malfunction  

PUBLIC COMMENT: None  

CONSENT AGENDA:  
It was moved by Director Thomas, seconded by Director Molinelli Jr. and unanimously carried to approve the consent agenda with suggested revisions:  

Minutes of the Regular Board Meeting of March 08, 2018  
Approval of Accounts Payable for February, 2018
Adoption of Resolution No. 2018-06 Designating Individuals with the legal authority to sign SWRCB forms and apply for a State Of California, State Water Resources Control Board Clean Water State Revolving Fund Program Control Board for the Redwood Potable Water Storage Tank and Hypalon Cover Retrofit Project.

Adoption of Resolution No. 2018-07 Adopting official Intent to reimburse expenditures for the Redwood Potable Water Storage Tank and Hypalon Cover Retrofit Project.

Adoption of Resolution No. 2018-08 Adopting a resolution pledging and dedicating net water revenues to payment of SWRCB SRF Financing.

AGENCY GENERAL
ACWA Joint Powers Insurance Authority
Presentation by Andy Sells, Chief Executive Officer

ACWA/ JPIA Refund
Discussion and possible action to authorize the General Manager to earmark these funds for the Safety/Training budgets over the next three fiscal years starting with FY18-19.

MOTION: It was moved by Director Farrington, seconded by Director Molinelli Jr. and unanimously carried to authorize the General Manager to earmark these funds for the Safety/ Training budgets over the next three fiscal years starting with FY18-19.

CDAA Hazardous Tree Removal Project
Discussion and possible action to authorize the General Manager to issue a Notice of Award, Notice to proceed and execute a contract to the lowest bidder Richard M. Stevens Co. for a contract amount of $27,000 for the AWA Hazard Tree Removal Project Phase 1

MOTION: It was moved by Director Farrington seconded by Director Thomas and unanimously carried that the Board concur that Richard M. Stevens Co. is the lowest responsive bidder whose bid complies with the requirements of the Amador Water Agency’s Tree Mortality Hazard Tree Removal Program and to authorize the General Manager to issue a Notice of Award, Notice to proceed and execute a contract for an amount of $27,000.

WATER SYSTEM
Assembly Bill 142 - Mokelumne River Wild and Scenic River Study Report
Discussion and possible action regarding the AB142 Study

Fiscal Year 2016/ 2017 Annual Audit
Presentation of FY 2016/2017 Annual Audit by Michael Zizzi from the firm of Leaf & Cole
Direction to auditors to finalize the audit ending June 30, 2017
Direction was given to the auditors to finalize the audit ending June 30, 2017

COMMITTEE REPORTS  
Budget and Finance (03-20-18)

RECESS was called at 10:11 a.m. SESSION resumed at 10:27 a.m.

ASSISTANT GENERAL MANAGER'S REPORT

GENERAL MANAGER'S REPORT

BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND DIRECTOR COMMENTS

FUTURE AGENDA TOPICS  
OPEB liability

CLOSED SESSION was called at 11:55 a.m. OPEN SESSION resumed at 12:10 p.m.

President Toy announced the Negotiations Adhoc Committee has been disbanned.  
Direction was given to Agency negotiators, Gene Mancebo and Karen Gish.

ADJOURNMENT  
President Toy adjourned the meeting at 12:11 p.m.

Cris Thompson  
Clerk of the Board of Directors  
Approved: ___________________________
Administration Department Report

Customer Service/Human Resources:

- The 2017/2018 (7/1/17-6/30/18) Safety Statistics for Agency staff are:
  - Lost time worker’s comp incident: 0 (date of last incident: 12/12/16)
  - Other Worker Comp incident: 0 (date of last incident: 5/10/17)
  - First Aid incident: 0
  - Avoidable vehicle accident: 1 (10/27/17)
  - Unavoidable vehicle accident: 1 (12/5/17)
- Certifications/Renewals: Brewster-WW G2; Hutchison-D3; Caspary-Collections G1;
- Staffing: Positions filled: Instrumentation/Electrical Supervisor-Robert Lukey; Distribution II-Chris Wilson; Instrumentation/Electrical Technician-pending offer and pre-employment process; Vacancies being advertised: Utility II (pending interviews).
- Liens filed: 5 - $13,282.24
- Liens Released: 0
- Total Liens filed for the Agency 307- total dollar amount $154,898.09
- Customer Service staff is working on an EDU project; putting the water and wastewater EDU allocations on all customer accounts. This is a long term project as time allows. Currently 8 out of 34 routes have been completed

Finance/Accounting:

Water Sales Revenues through the month of March are $5,811,661

Wastewater Sales Revenues through the month of March are $1,242,724

Reimbursements received: $250,303

Outstanding Reimbursements are approximately $897,729

Restricted and Unrestricted Cash: Next Page

March Sales Comparison- Attached

March Aging Report- Attached

Prepared by: Karen Gish – HR / Office Manager
Tracey Hays - Finance Manager
Cris Thompson- Assistant General Manager
## Restricted and Unrestricted Cash

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<th>Apr-16</th>
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<th>May-16</th>
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<th>Jun-16</th>
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<td><strong>YTD totals</strong></td>
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<td><strong>5,811,661</strong></td>
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<td><strong>YTD % of Budget</strong></td>
<td><strong>85.17%</strong></td>
<td><strong>85.17%</strong></td>
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<td><strong>85.17%</strong></td>
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### Aging Report
March 2018

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#### Deleted Accounts

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Operations Report

Covering March 1 – March 30, 2018

Operations Manager:
1. Developed a memo for the Agency website regarding molds and slimes
2. Completed final review and amendments of the Agency’s Taste and Odor Monitoring Program document
3. Developed Operational budget requests for Fiscal Year 2018/2019
4. Worked with Agency staff to develop protocol to delineate service line type in each Agency service area (SB1398 Lead in service lines)
5. Participated in the Hazard Tree Removal Project Phase 1 bid walk
6. Attended the SGMA Cosumnes Sub Basin Working Group / Technical Advisory Committee meeting
7. Worked with the Agency Purchasing Agent to develop a schedule of purchase of Fall Protection Equipment for field staff
8. Assisted in the repair of a 4" main at CAL FIRE’s Pine Grove Camp

Regulatory Compliance Specialist:
1. Water, Wastewater and Drought reporting.
2. Work on computer issues for staff. Set up email, log ins for programs, and short cuts
3. Prepare 1, 2, 3-TCP (Trichloropropane) forms for all systems for reporting.
4. Create new Emergency Notification plans for all water systems
5. Website and Social Media posting.
6. Attended lead service line meeting with Engineering and Operation Dept.
7. Made boil order lift calls after hours. (Eaglesnest main break, Pioneer main leak, W. Marlette new PRV install and lone Washington Place tie in).

Water Treatment Plants:
1. Assisted Construction with the removal of a large tree next to Clearwell in lone that was identified as a hazard in the annual inspection.
2. Staff addressed a multitude of issues related to storms this month such as communication failures, Hydroelectric plant shut downs, pump and filter valve failures.
3. Buckhorn plant- all memcor modules changed out on recycle skid
4. Buckhorn plant-Clean in Place performed on Pall modules
5. Worked with Construction to remove raw water intake pumps at PGE plant. Cleared debris and replaced screens.

Wastewater:
1. Pine Grove Camp:-
   a. Continue to log reads, sample, and monitor the lift stations and pond monthly.
   b. Installing a new aerator in Pond #1,
   c. Installing new plumbing and irrigation pump
d. Installing a new sprayfield meter
2. Continue to monitor all systems
3. Continue to maintain freeboard at all storage ponds
4. Weed abatement started in all systems
5. Toma and Associates surveyed and placed property markers at Kmart lift station so staff can trench for a new communication line.
6. Continue to look for I & I in all systems
7. Continue to work with Mace Meadows employees to keep pond # 7 levels down.

**Electrical:**
1. Conducted interviews for Electrical/Instrumentation Tech
3. Well 9 generator cable damaged. Shortened cable to make clean repair.

**Project Work**
- Tanner Backwash Return
- Buckhorn Backwash Return
- Ione Water Treatment Rehabilitation
- Camanche Tank 9 Electrical
- Ione Hydro

**Construction:**
1. Silica Training and Ergonomics Training
2. Yard clean up and scrap metal recycling ($2400 check)
3. Installed a 3" PRV with 2" PRV by-pass and new meter at W. Marlette Mobile Home Park.
4. Leak repair on 12" water main Golf Links Dr (20 gpm).
5. 4 Service line leak repairs in Ione
   a. Castle Oaks (10 gpm)
   b. Edgebrook (10 gpm)
6. Removed raw water intake pumps, cleared debris and replaced screens with Water staff at PGE plant.

**Distribution:**
1. Main Line Leak Repairs:
   a. 12" main repair on Golf Links Dr (CAWP, 20 gpm)
   b. 4" main repair at CA Youth Authority Camp (Pine Grove, 50 gpm)
2. Service Line Leak Repair:
   a. Knob Hill Ct (Rabb Park, 5 gpm)
   b. Quail Ct. (Ione, 10 gpm)
3. Installed a new Pressure Reducing Valve at Ione Mobile Home Park
4. Completed Washington Place tie in (Ione) as part of a developer project.

**Canal:**
1. Berm Leak Repairs:
   a. Mile marker 3.25 (Clinton Rd 25 gpm)
2. Downed tree removal:
   a. Mile marker 10.00 W. Clinton
   b. Mile marker 2.50 Tabeaud Rd
   c. Mile marker 13.25 Canal Way
   d. Mile marker 11.50 Hwy 88
3. Service line repair
   a. Mile marker 4.25 Lower canal (Ridge Rd)
4. Extensive storm management throughout March.
City of Plymouth Dept Report-March 2018

Regulatory Compliance Specialist-

- Completed monthly water reporting and sent report to Division of Drinking Water and City Manager.

Distribution-

- Routine flushing
- Routine Distribution Sampling
- Service line repair on Church Street (15 gpm)

Wastewater-

- Continued to monitor all grease traps and collection system
- Cleared debris from clogged main on Main Street all due to construction
- Located manhole that was paved over during round about construction. Mozingo dug up and installed riser.

Water-

- Working to address multiple repairs with the Well A pipeline, filters, and plant chlorine analyzer

Water Labor Hrs. 33
Wastewater Labor Hrs. 54

Prepared by: Andrea Hinton, Regulatory Specialist
Reviewed by: Damon Wyckoff, Operations Manager
River Pines March Dept. Report

March Water Production/Sold

<table>
<thead>
<tr>
<th>Well</th>
<th>Production (gallons)</th>
<th>Total Produced (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well 2</td>
<td>354,100</td>
<td>767,549</td>
</tr>
<tr>
<td>Well 3R</td>
<td>382,100</td>
<td>475,440</td>
</tr>
<tr>
<td>Well 6R</td>
<td>31,349</td>
<td></td>
</tr>
</tbody>
</table>

Total Loss: 38%

Operations Manager-

Regulatory Compliance Specialist-

- Completed March monthly reporting for water and wastewater. Including No Spill Report to CIWQS.
- Created 1,2,3 TCP reporting forms for new sampling requirement
- Created new Emergency Notification Plan and submitted to Division of Drinking Water

Wastewater-

- Influent flow: 1,021,300 gallons. Effluent Discharged: 342,400 gallons. Couldn't irrigate more due to weather.
- All samples completed
- Replaced aerator in storage pond
- Installed blow off with Water treatment personnel on 2" main.
- Continued to work on shed
- Continued to monitor the known trouble areas of the collection system
- In conjunction with Sweet Pea Septic, de-sludged lift station
- Replaced and rekeyed locks at wastewater plant

Water-

- Completed service on generator at Well 2
- Installed a new blow off on Emigrant Trail
- Completed all regulatory sampling

Electrical-

- River Pines Breaker Shorting out to Shed, Replaced breaker and new stab position change.

Water Labor Hrs. 56.25
Wastewater Labor Hrs. 102.25

Prepared by: Andrea Hinton, Regulatory Specialist
Reviewed by: Damon Wyckoff, Operations Manager
Engineering Department Report

March 1 to March 31, 2018

Capital Projects
- Camanche Tank 9 – AWA electrical force account in progress
- CDBG 2 – Grant application forwarded to CDBG, Environmental document is circulating
- Ione Hydro – in design (currently at 70%). Construction costs presented at next board meeting, April 26, 2018
- Ione WTP Rehabilitation – Construction has started with electrical subcontractor
- Tanner Backwash – Bids received on April 10, 2018
- FEMA Projects (Amador Canal, Preston Pump Station, Eggiman Lane, and Tiger Creek WTP Intake) – Estimations of Cost for repair/replacement in progress, partial funding approved
- Camanche Wastewater – Draft environmental document to be submitted to Agency soon
- Redwood Tanks and Floating Cover replacements – Kicking off design

Developer Projects
- Sutter Creek Bridge – Under construction
- Washington Place – Under construction
- Castle Oaks Unit 5 – Plan review completed
- Cal-Fire – In redesign
- Wildflower – Punch list work in progress

*Project Expenses through 03-31-18 are attached*

Prepared by: Darrel Evensen, Engineering Manager
### Project Expenses through 03-31-18

<table>
<thead>
<tr>
<th>Project</th>
<th>Funded By</th>
<th>FY 17-18 Budget</th>
<th>Expended to date</th>
<th>% of FY 17-18 Budget</th>
<th>Expended Life of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ione WTP Rehabilitation Design &amp; Construction</td>
<td>Part. Fees / CFD</td>
<td>$ 911,159</td>
<td>$ 90,771</td>
<td>9.96%</td>
<td>$ 134,627</td>
</tr>
<tr>
<td>Buckhorn DBP/BW Compliance Construction</td>
<td>Grant</td>
<td>$ 2,761,773</td>
<td>$ 1,681,216</td>
<td>76.23%</td>
<td>$ 2,307,593</td>
</tr>
<tr>
<td>Redwood Tanks and Floating Cover Repl - HMGP</td>
<td>Grant/Oper Rates</td>
<td>$ 2,015,625</td>
<td>$ 171</td>
<td>0.01%</td>
<td>$ 1,627</td>
</tr>
<tr>
<td>Lake Camanche Tank 9 &amp; Intertie</td>
<td>Grant</td>
<td>$ 1,933,403</td>
<td>$ 1,617,328</td>
<td>97.86%</td>
<td>$ 1,617,328</td>
</tr>
<tr>
<td>CDAA Storm Repairs - Preston PS Improvements</td>
<td>Grant/Oper Rates</td>
<td>$ 578,207</td>
<td>$ 5,144</td>
<td>0.89%</td>
<td>$ 4,531</td>
</tr>
<tr>
<td>CDAA Storm Repairs - Amador Canal</td>
<td>Grant/Oper Rates</td>
<td>$ 200,000</td>
<td>$ 916</td>
<td>0.46%</td>
<td>$ 704</td>
</tr>
<tr>
<td>Tanner Backwash Recycling Grant App / Design</td>
<td>Grant</td>
<td>$ 583,221</td>
<td>$ 245,894</td>
<td>42.16%</td>
<td>$ 245,894</td>
</tr>
<tr>
<td>Camanche Service Lateral Replacement ph 3</td>
<td>Operating Rates</td>
<td>$ 69,976</td>
<td>$ 12,554</td>
<td>17.94%</td>
<td>$ 12,554</td>
</tr>
<tr>
<td>CWP Water Rights</td>
<td>Loan</td>
<td>$ 116,618</td>
<td>$ 113,506</td>
<td>97.33%</td>
<td>$ 250,291</td>
</tr>
<tr>
<td>Ione Hydroelectric -</td>
<td>Grant/ 1 %Loan</td>
<td>$ 2,222,000</td>
<td>$ 145,053</td>
<td>19.89%</td>
<td>$ 162,813</td>
</tr>
<tr>
<td>SDP Phase A - Lower Canal Piping</td>
<td>Operating Rates</td>
<td>$ 729,429</td>
<td>$ 145,053</td>
<td>19.89%</td>
<td>$ 162,813</td>
</tr>
<tr>
<td>Millipap-Tucker Hill</td>
<td>Operating/ Customer</td>
<td>$ 23,800</td>
<td>$ 66,294</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Ione Canal Abandonment - Design/Easements</td>
<td>Operating Rates</td>
<td>$ 20,308</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>CDAA Tree Mortality</td>
<td>Operating Rates</td>
<td>$ 99,345</td>
<td>$ 15,258</td>
<td>15.36%</td>
<td>$ 22,146</td>
</tr>
<tr>
<td>Highway 86 Overlay</td>
<td>Operating Rates</td>
<td>$ 15,444</td>
<td>$ 160</td>
<td>0.97%</td>
<td>-</td>
</tr>
<tr>
<td>CDBG Phase II Environmental</td>
<td>Part. Fees</td>
<td>$ 60,000</td>
<td>$ 56,279</td>
<td>93.80%</td>
<td>$ 56,279</td>
</tr>
<tr>
<td>Camanche Wastewater Design/CEQA/NEPA</td>
<td>Grant</td>
<td>$ 351,165</td>
<td>$ 178,016</td>
<td>50.69%</td>
<td>$ 262,233</td>
</tr>
<tr>
<td>Pine Grove Monitoring Well Replacement</td>
<td>Operating Rates</td>
<td>$ 84,152</td>
<td>$ 48</td>
<td>0.06%</td>
<td>-</td>
</tr>
<tr>
<td>Highway 49 Overlay</td>
<td>Operating Rates</td>
<td>$ 9,009</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Highway 49 / Ridge Road Manhole Replacement</td>
<td>Operating Rates</td>
<td>$ 120,950</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Martell Force Main Relocation</td>
<td>Operating Rates</td>
<td>$ 76,560</td>
<td>$ 1,059</td>
<td>1.38%</td>
<td>-</td>
</tr>
</tbody>
</table>

*Amendments granted - timelines extended

### Developer/Contract Services Revenue

<table>
<thead>
<tr>
<th>Developer/Contract Services Revenue</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGE OS</td>
<td>18,177.42</td>
</tr>
<tr>
<td>RPPUD</td>
<td>48,110.99</td>
</tr>
<tr>
<td>East Ridge BP</td>
<td>2,446.18</td>
</tr>
<tr>
<td>Arco WW Connection</td>
<td>744.29</td>
</tr>
<tr>
<td>Gold Quartz/ Regan</td>
<td>876.91</td>
</tr>
<tr>
<td>Castle Oaks 4A</td>
<td>4,382.95</td>
</tr>
<tr>
<td>Castle Oaks 7</td>
<td>716.30</td>
</tr>
<tr>
<td>Wildflower 4</td>
<td>2,031.83</td>
</tr>
<tr>
<td>Wildflower 7</td>
<td>186.07</td>
</tr>
<tr>
<td>Brusatori Ventosa Collina</td>
<td>231.84</td>
</tr>
<tr>
<td>Cal Fire WW</td>
<td>5,480.79</td>
</tr>
<tr>
<td>Washington Place</td>
<td>4,867.82</td>
</tr>
<tr>
<td>Plymouth OS Water</td>
<td>49,743.74</td>
</tr>
<tr>
<td>Plymouth OS WW</td>
<td>5,527.86</td>
</tr>
<tr>
<td>River Pines WW</td>
<td>34,389.64</td>
</tr>
<tr>
<td>Castle Oaks 4B</td>
<td>8,539.19</td>
</tr>
<tr>
<td>Cal Fire Dormitories</td>
<td>540.99</td>
</tr>
<tr>
<td>Castle Oaks village 5</td>
<td>1981.57</td>
</tr>
</tbody>
</table>

**Total** $188,976.38
Quarterly Investment Report – Period ending March 31, 2018

Requested Action: None

Background: The Amador Water Agency’s Investment Policy requires and Government Code Section 53646 encourages submission 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 March 31, 2018. 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. Currently, CD rates equate to about 2.1% for short term lock up investments of 12 – 18 mos, 2.2% - 2.4% for 2 – 4 years, and 2.5% - 2.75% for 5 year lock up. However, higher yield investments with longer maturities will increase liquidity risk.

**Fiscal Impact:** The overall weighted average return of the portfolio is 1.004% which is the product of the individual instruments' weights and yields, this equates to $13,054 for the March 31st period. The attached table provides some significant statistics on the Agency’s portfolio. The valuation source is the March 31st, 2018 month ending statements from each of the respective institutions.

Note: The construction checking and payroll bank accounts have been converted to interest bearing accounts as of November 2017 with the standard quoted yield of .020% from American River Bank.

**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
#### March 31, 2018

<table>
<thead>
<tr>
<th>Portfolio Investments</th>
<th>Investment Type</th>
<th>Balance at 3/31/2018</th>
<th>Market Value</th>
<th>Investment Weight</th>
<th>Interest Earned</th>
<th>Quoted Yield</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>American River Bank</strong></td>
<td>Commercial Checking Account</td>
<td>830,618</td>
<td>830,618</td>
<td>24%</td>
<td>118</td>
<td>0.020%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>American River Bank</strong></td>
<td>Construction Acct Checking</td>
<td>46,535</td>
<td>46,535</td>
<td>1%</td>
<td>8</td>
<td>0.020%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>American River Bank</strong></td>
<td>Payroll Account</td>
<td>6,881</td>
<td>6,881</td>
<td>0%</td>
<td>8</td>
<td>0.020%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>American River Bank</strong></td>
<td>Savings</td>
<td>896</td>
<td>896</td>
<td>0%</td>
<td>3</td>
<td>0.020%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LAIF</strong></td>
<td><strong>S-T Interest Account</strong></td>
<td>2,513,866</td>
<td>2,513,866</td>
<td>74%</td>
<td>12,917</td>
<td>1.350%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unrestricted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,355,643</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,043,153</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,398,796</td>
<td></td>
</tr>
</tbody>
</table>

Portfolio Weighted Average Return 1.00%
STAFF REPORT

Auditor Selection

Requested Action:

Board authorization for the General Manager to execute a 3-year contract with the audit firm of Richardson & Company.

Background:

Per Board direction, staff distributed requests for proposals for audit services through different media including websites and email in early February 2018. The Agency received 15 proposals. The proposals were assessed on a variety of criteria including water district experience; regional exposure; the use of technology for review and storage of information, fraud detection; experience with GASB requirements; and cost. The Budget and Finance Committee received staff’s evaluation of these proposals and subsequent recommendation on March 20, 2018. The contract period will be 3 years beginning with 2018-19 through 2020-2021.

Top Three Selections:
1. Richardson & Company
2. Vasquez & Company
3. LSL

Alternatives:

1) Extend contract with Leaf & Cole
2) Select another qualified audit firm without regional exposure.

Fiscal Impact:

Three-year contract total:

1. Richardson & Company $96,390
2. Vasquez & Company $101,806
3. LSL $92,910

Current Auditor – L&C $105,000
Reviewed by Committee: The Budget and Finance Committee reviewed the evaluations on March 20, 2018 and supports Staff's recommendation.

Recommendation: Board authorization for the General Manager to execute a 3-year contract with Richardson & Company

Prepared by: Tracey Hays, Finance Manager
MEMORANDUM

TO: BOARD OF DIRECTORS, AMADOR WATER AGENCY
CC: GENE MANCEBO, GENERAL MANAGER
FROM: JOSHUA M. HOROWITZ & PATRICK K. FITZGERALD
DATE: APRIL 5, 2018
RE: LEGISLATIVE REPORT FOR THE APRIL 12, 2018 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: 12/5/2016
Status: 09/01/2017 – Passed from Senate Comm. on Governance & Finance, re-referred to Senate Comm. on Appropriations, held in committee.
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 $3,470,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, and coastal protection and outdoor access for all programs.
ACWA: Favor if amended.

AB 1323 (Weber) – Sustainable water use and demand reduction: stakeholder workgroup.
Introduced: 02/17/2017
Status: 09/01/2017 – Failed deadline for passage out of Senate Comm. on Appropriations; may be acted upon Jan. 2018 (2-year bill). In Sen. Comm. on Appropriations under submission.
This bill would require DWR to convene a stakeholder workgroup with specified invited participants, including, among others, representatives of urban water suppliers, DWR and the SWRCB, no later than February 1, 2019. 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, 2019, as specified. The bill would require all expenses for the stakeholder working group to be the responsibility of the non-state agency stakeholders, although no local agency would be required to contribute to the workgroup’s expenses. This bill would be automatically repealed on January 1, 2023.
ACWA: Favor.

AB 1654 (Rubio) – Water shortage: urban water management planning.
Among the information relating to water supply and demand reporting requirements for urban water suppliers and protecting water suppliers’ and their customers’ investments in resilient water supplies.

Assembly Member Rubio had amended this bill to delete all of its previous language and to make it a spot bill concerning water conservation. While it was thought that this bill might become a vehicle for moving compromise water conservation legislation through the Legislature, Assembly Member Rubio elected not to amend the bill when the Legislature returned from the summer recess.

ACWA: Support.

**AB 1667 (Friedman) – Water Management Planning.**

*Introduced: 02/17/2017*

*Status: 07/14/2017 – Failed committee passage deadline (Sen. Comm. on N.R. & W.), may be acted upon Jan. 2018 (2-year bill).*

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: Watch.

AB 1668 (Friedman) – Water management planning.
Introduced: 02/17/2017
Status: 09/15/2017 – Passed by Senate Comm. on Appropriations and re-referred to Comm. on Rules.
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 strengthen the enforceability of UWMPs and drought contingency planning.

Assembly Member Freidman has amended this bill to delete all of its previous language and to make it a spot bill concerning water conservation. As discussed below, this (and SB 606, containing identical language) has become a vehicle for moving compromise water conservation legislation through the Legislature. As of the date of this memorandum, no further action has been taken on either bill.

ACWA: Oppose Unless Amended.

***Current status of Long-term Water Conservation Legislation:

On August 2, 2017, Dennis O’Connor, the principal consultant to the Senate Committee on Natural Resources & Water, convened a meeting of interested parties to review a proposal on long-term water conservation put forward by Senators Bob Hertzberg (southern California) and Nancy Skinner (Oakland). Following this and other conversations with stakeholders, AB 1668 and SB 606 were amended on August 21 to include the long-term water conservation proposal.

The proposal is better than the previous proposals from the Governor and Assembly member Friedman that would place all power to implement long-term water conservation permanently in the SWRCB’s hands, but it is far from perfect. Among other things, there are a number of terms that are undefined and how much power to mandate measures the SWRCB and DWR will have on the one hand, versus the authority water agencies will have on the other hand to exercise local control, also is left to negotiation of the bill language.

The key provisions of the proposal include:

- It would not grant the SWRCB continuing authority to modify the conservation standards, but rather would allow the SWRCB, in consultation with DWR, to set standards for interior residential use, exterior residential use, leaks, CII use, and “other water uses” once under detailed factors established in the bill. Standards would be set for urban retail water suppliers, urban wholesale water suppliers, and “distributors of recycled water.”

- The authors appear willing to place some limits on the SWRCB’s authority to issue new emergency conservation regulations during a future drought by stating legislative intent that the SWRCB should defer to local programs “to the extent possible.”

- It allows local agencies to calculate their targets, which presumably would leave some room to maneuver under the standards set by the SWRCB. It also would allow local agencies to adopt alternate targets. It’s not clear how this would work because the proposal is not detailed, but the concept is better than full, permanent SWRCB control.

- It would require the SWRCB to adopt variances, although again how this would work is undefined.
• The proposal includes language about how failure to meet a target could be considered in evaluating unreasonable use, but would not be definitive proof of unreasonable use. Because this language is similar to existing law, it will be very hard to dislodge from any legislation. But it probably is not a big legal problem because if someone claims that a local agency is using water unreasonably, the SWRCB already may consider this issue in any proceeding and the targeted agency has the right to provide evidence rebutting such claims.

• The SWRCB would be authorized to issue cease and desist orders against water users only in two circumstances: (1) if the SWRCB finds that an urban water supplier has failed to make a good faith effort to comply with the Act; and (2) issuance of conservation orders in undefined circumstances. The "lack of good faith" standard would be hard to for the SWRCB to prove. Even if it can, the SWRCB's only remedy would be to require that the water supplier comply with the act. More concerning is that the SWRCB would have continuing authority to issue "conservation orders". Such orders are rare so the water community has little experience with them, but SWRCB staff sought to write those orders very broadly during the drought.

The Hertzberg/Skinner proposal at least reflects the water industry's views that the Legislature should define in some detail the terms and conditions for long-term water conservation and ensure that there is some local control. As a result, this proposal is a much better basis for negotiation than the administration's framework proposal that would give the SWRCB authority to impose "top down" mandates.

The bill was further amended on August 29. Subsequent amendments included lowering the standard for individual residential water use after 2025 to 50 gallons per capita daily, with the pre-2025 standard (following adoption by the SWRCB) set at 55 gallons. The amendments also clarified that a conservation order issued by the SWRCB may not curtail or otherwise limit the exercise of a water right. Further amendments are expected regarding credit for recycled water received by an urban water supplier to its urban water use objective.

On August 30, 2017, ACWA and the water industry's "north-south" coalition, and other groups re-iterated their "oppose unless amended" position on the legislation, identifying the following issues with the bill:

• The bill grants to the SWRCB the authority to adopt a variety of enforceable water use standards, but the bill does not clearly define such standards.

• The bill provides only a temporary and limited credit for recycled water (starting at 10% maximum, declining by 1% each year for 10 years), which does not adequately protect and encourage investments in recycled water and potable reuse.

• The one-time requirement for DWR to provide data to water suppliers to calculate the required annual water use objective is insufficient, so the annual reporting requirement should be removed or water suppliers should be provided with regularly updated data.
- The bill should require the establishment of variances from standards to account for unique local conditions as well as technical, economic, and administrative feasibility. The current proposal grants state agencies the discretion whether to adopt variances.

- The new enforcement powers granted to state agencies should be shifted from a focus on punitive enforcement toward technical assistance and information-sharing.

Ultimately, both AB 1668 and SB 606 became 2-year bills when they were held in the legislature on Sept. 16. Notwithstanding late-breaking amendments, ACWA maintained an “oppose unless amended” position for both bills. As of today, no further action has been taken on either bill although there are on-going talks among water groups and the legislators involved in the various bills to find common ground. Water industry representatives report that some progress has been made to modify SB 606 to make its provisions closer to ACWA’s position, but the language as currently proposed is still more restrictive than ACWA’s position and would provide very limited discretion to area of origin agencies with adequate water supplies to allow higher usage based on local supply and climatological considerations.

**AB 2038 (Gallagher) - Countywide drought and water shortage contingency plans.**

**Introduced:** 02/06/18

**Status:** 02/16/18 - Referred to Assembly Comm. on Water, Parks and Wildlife

This bill would require the Department of Water Resources, no later than January 1, 2020, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and would require the department to notify counties and groundwater sustainability agencies of those suppliers or communities. The bill would require the department, in consultation with the board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities, as provided.

ACWA: Watch.

**AB 2065 (Ting) – Local agencies: surplus land.**

**Introduced:** 02/07/2018

**Status:** 2/22/2018 - Referred to Assembly Comm. on Local Government.

Existing law prescribes requirements for the disposal of surplus land by a local agency and defines “local agency” for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. Existing law defines “surplus land” for these purposes as land owned by any local agency that is determined to be no longer necessary for the agency’s use, except property being held by the agency for the purpose of exchange. This bill would expand the definition of “local agency” to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would revise the
definition of “surplus land” to mean land owned by any local agency that is not necessary for the agency’s governmental operations, except property being held by the agency expressly for the purpose of exchange for another property necessary for its governmental operations and would provide that land is presumed to be surplus land when a local agency initiates an action to dispose of it.

ACWA: No position yet.

AB 2071 (Bloom) Accessory Dwelling units: improvements: liability
Introduced: 02/07/2018
Status: 2/22/2018 - Referred to Assembly Comm. on Local Government and Comm. on the Judiciary
This bill would provide that a public entity, public officer, or an employee of a public entity, is not liable for any personal injury, death, property damage, or inverse condemnation, that has arisen from or is related to the use of an accessory dwelling unit and that is proximately caused by any utility system that the public entity owns, operates, or maintains if the legislative body of a local agency has permitted the water, electrical system equipment, or accessory dwelling unit, to remain in the same location as it existed prior to January 1, 2018. The bill would only apply to specified accessory dwelling units constructed prior to January 1, 2018 that, at the time of the personal injury, death, property damage, or inverse condemnation, the owner was attempting to bring into compliance with applicable local agency rules, regulations, or ordinances
ACWA: Watch.

AB 2283 (Holden) – Income taxes: exclusion: turf removal water conservation program
Introduced: 2/13/2018
Status: 4/4/2018 – referred to Assembly Comm. on Appropriations Suspense File
The Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. This bill would extend the operation of those provisions to January 1, 2024.
ACWA: None.

AB 2545 (Gallagher) - Department of Fish and Wildlife: lake or streambed alteration agreements: definitions.
Introduced: 2/15/2018
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 of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources. This bill would define “river” and “stream” for purposes of these provisions.
ACWA: Support if amended.

AB 2809 (Patterson) – California Renewables Portfolio Standard Program: hydroelectric generation facilities
Introduced: 2/16/2018
The California Renewables Portfolio Standard Program requires utilities and electric service providers to procure a certain minimum quantity of eligible renewable energy resources. Currently, “eligible renewable energy resource” includes small hydroelectric generation facilities of 30 megawatts or less that meet specified criteria. This bill would revise the definition of an eligible renewable energy resource for the purposes of the California Renewables Portfolio Standard Program to include hydroelectric generation facilities of greater than 30 megawatts, as specified, and make other conforming changes.  
ACWA: Watch

AB 2814 (Gray) – California Renewables Portfolio Standard Program: hydroelectric generation facilities  
Introduced: 2/16/2018  
This bill contains identical language to AB 2809 (Patterson), above.  
ACWA: Watch

ACA 28 (Mathis, Eduardo Garcia) - Water: projects: funding.  
Introduced: 02/26/18  
Status: From printer. May be heard in committee March 29.  
This constitutional amendment would allocate a certain percentage of state general fund revenues to pay the principal and interest on bonds authorized by Proposition 1 in 2014, with the remainder allocated to DWR and the SWRCB for certain projects.  
ACWA: No position yet.

STATE SENATE

SB 80 (Wieckowski) – California Environmental Quality Act: Notices.  
Introduced: 01/11/2017  
Status: 03/03/2018 – Vetoed by the Governor. Deadline to consider Governor’s veto passed.  
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 265 (Berryhill) – Disaster relief.  
Introduced: 02/08/2017  
Status: 09/01/2017 – Held in Assembly Comm. on Appropriations suspense file; may be acted upon Jan. 2018 (2-year bill).  
The California Disaster Assistance Act provides that the state share for disaster project allocations to local agencies is no more than 75% of total state eligible costs, except for specified events for which the state share is up to 100% of state eligible costs. This bill
would provide that the state share for the removal of dead and dying trees in connection with the Governor’s Proclamation of a State of Emergency issued on October 30, 2015, is no more than 90% of total state eligible costs.

ACWA: No position.

**SB 606 (Hertzberg/Skinner) – Water management planning**

**Introduced:** 02/17/2017  
**Status:** 09/13/2017 – Suspended under Assembly Rule 96. Withdrawn from Sen. Comm. on Rules. Ordered to third reading  
For further discussion, see section on Current status of Long-term Water Conservation Legislation, under AB 1669 above.

ACWA: Oppose unless amended.

**SB 623 (Monning) – Safe and Affordable Drinking Water Fund.**

**Introduced:** 02/17/2017  
**Status:** 09/01/2017 – From Assembly Comm. on Appropriations without recommendation and re-referred to Comm. on Rules; may be acted upon Jan. 2018 (2-year bill).

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. On August 21, 2017, the bill was amended to add a tax on drinking water (called a “safe and affordable drinking water fee”) to fund DAC drinking water programs. On July 26, 2017, ACWA sent out an alert asking for members to oppose SB 623; this Board subsequently voted to oppose the bill.

As of today, this bill is still parked in the Assembly Rules Committee. However, the Brown Administration, in coordination with SB 623’s proponents, is working to advance the SB 623 proposal in a budget trailer bill. A bill number for the budget trailer bill is not yet available. According to ACWA, if the Administration is not successful with the budget trailer bill, Sen. Monning will try to advance SB 623.

ACWA: Oppose unless amended.

**SB 778 (Hertzberg) – Water systems: consolidations: administrative and managerial services.**

**Introduced:** 02/17/2017  
**Status:** 09/01/2017 – Hearing held on September 1. Held in Assembly Comm. on Appropriations and under submission; may be acted upon Jan. 2018 (2-year bill).

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, and regularly thereafter, the SWRCB to post on its website an analysis of all voluntary and
ordered consolidations of water systems that have occurred on or after July 1, 2014, 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.

SB 831 (Wieckowski) – Land use: accessory dwelling units.
Introduced: 1/4/2018
Status: 03/13/2018- From committee with author’s amendments. Read second time and amended. Re-referred to Senate Comm. on Transportation & Housing.
In 2016 and 2017, the legislature passed bills (SB 1069 and SB 229, respectively) to streamline applications to create accessory dwelling units (ADUs), also known as “granny flats” or “second units.” As a result of consulting with ACWA, these bills included language that permitting a local agency to require, for certain ADU units, a new or separate utility connection directly between the ADU and the utility, or a reasonable, proportionate connection fee or capacity charge. This legislation would remove that language and would prohibit local agencies from considering an ADU to be new residential use for the purposes of calculating fees, and would further exempt ADUs from impact fees, utility connection fees, capacity charges, or any other fees levied by local agencies.

ACWA has formed a collation with the with the California Association of Sanitation Agencies (CASA) and the California Special Districts Association (CSDA) to advocate against the removal of all impact fees, connection fees, capacity charges, or other fees levied by a local agency, special district, or water corporation when permitting an ADU. The coalition has met with the consultant from the Senate Transportation and Housing Committee and with Senator Wieckowski’s staff to discuss the initial concerns on the bill. The staff conveyed that if the bill moves forward to the Senate Governance and Finance Committee, the Senator expressed interest in meeting with the coalition to further discuss the measure.

ACWA: Oppose.

SB 919 (Dodd) – Water resources: stream gages.
Introduced: 1/22/2018
Status: 3/15/2018-Read second time and amended. Re-referred to Senate Comm. on Appropriations.
This bill would require the Department of Water Resources, upon appropriation by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. The bill would require the department, in consultation with the State Water Resources Control Board, the Department of Fish and Wildlife, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to prioritize the deployment of stream gages based upon gaps in the existing system of gages and specified considerations.

ACWA: Support if amended.
SB 998 (Dodd) - Water shutoffs: urban and community water systems.
Introduced: 2/5/2018
This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on residential service shutoff available in English, Spanish, or any other language spoken by at least 5% of the people residing in its service area. The bill would require the policy to include certain components and be available on the system’s Internet Web site and be provided annually to customers in writing. The bill would additionally prevent an urban and community water system from discontinuing residential service for nonpayment until a customer has been delinquent for at least 60 days, and would prohibit shutoffs entirely for customers under certain circumstances, including specified hardships defined in the bill. Further, the bill would prohibit a shutoff until the water provider notifies the local health department and the health department determines, at the request of a resident, that a shutoff would not pose a grave threat to the health and safety of the residents. Finally, the bill would require certain notice by water providers concerning customers’ ability to restore water service, and would require water providers to waive reconnection fees in circumstances.
ACWA: Oppose unless amended.

SB 1167 (Anderson) – Eminent domain: final offer of compensation.
Introduced: 02/14/2018
Status: 02/22/2018 – Referred to Senate Comm. on the Judiciary
Existing law allows a defendant in an eminent domain proceeding to move for a finding of the court, which would require the plaintiff to pay the defendant’s litigation expenses as part of the compensation awarded if the court finds that the plaintiffs’ final offer was unreasonable and that the demand of the defendant was reasonable. This bill would provide that if a court finds, on motion of the defendant, that the offer of the plaintiff agency was lower than 85% of the compensation awarded in the proceeding, then the court would be required to include the defendant’s litigation costs in the costs allowed. If the court finds that the offer of the plaintiff was at least 85% and less than 100% of the compensation awarded in the proceeding, the court would be authorized to include the defendant’s litigation costs in the costs allowed.
ACWA: None.

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 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: No position yet (support if amended in 2017).

FEDERAL LEGISLATION
HR 23 (Valadao) – Gaining Responsibility on Water (GROW) Act
Introduced: 01/03/2017
Status: 07/18/2017 – Received in the Senate and referred to the Committee on Energy and Natural Resources.

HR 23 is a variant of HR 1837 from 2015. As passed by the House and sent to the Senate, this bill is very long and is controversial both within the Republican caucus in the House and in the Senate, where both California senators oppose it. Governor Brown also has announced his opposition to the bill. Because of the Senate’s rules, until Senators Feinstein and Harris remove their opposition or HR 23 is amended to their satisfaction, the bill will not move in the Senate.

The key items of interest in this bill are:

- The U.S. Bureau of Reclamation’s obligations under the CVPIA to provide environmental water flows to restore anadromous fish production in the Central Valley would be limited to a reasonable amount not to exceed 800,000 acre-feet annually (800,000 AF is the current environmental water floor). Any such water supplies purchased must be at a reasonable cost and take into account the need for those supplies to remain available for consumptive uses.

- Reclamation would be required to expedite water transfers under a number of detailed requirements in the existing bill.

- The State of California would be prohibited from imposing restrictions on the “take” of any nonnative fish that preys upon one or more native fish species in the Sacramento and San Joaquin Rivers and their tributaries or the Sacramento-San Joaquin Rivers Delta.

- The Department of Interior would be required to strictly comply with California’s water rights law and priorities and to honor water rights senior to those held by the CVP. This bill also includes provisions to ensure that the Endangered Species Act is implemented in a manner that honors water right priorities.

- The Secretary of Interior would be required to ensure there are no redirected adverse water supply or fiscal impacts to water right holders and water users within the Sacramento River or the San Joaquin River watershed or to the State Water Project arising from CVP operations.

- Section 405 of HR 23 expresses Congressional disapproval and opposition to the violation of private property rights by the California State Water Resources Control Board and expresses the need to provide reliable water supplies to municipal, industrial, and agricultural users across the State.

- The Secretary of the Interior would be authorized to partner with local joint powers authorities to advance surface storage projects including the Shasta Dam and Los Vaqueros expansion, construction of Sites Reservoir, and construction of a new facility on the Upper San Joaquin River, if non-federal funds are used for...
construction. HR 23 would impose certain requirements and timelines on federal agencies for facilitating these and other surface water storage and supply projects.

HR 865 (McClintock) – Emergency Forest Restoration Act
Introduced: 02/03/2017
Status: 02/24/2017 – Referred to House Committee on Agriculture Subcommittee on Conservation and Forestry.
This bill would allow the Department of Agriculture (USDA), regarding National Forest System lands, or the Department of the Interior, regarding public lands, to develop and carry out a forest management activity on lands of the department when the activity’s primary purpose is to address an insect or disease infestation that has been declared an emergency by the state governor. The bill would make a categorical exclusion available for these activities under the National Environmental Policy Act. The bill would authorize USDA to sell timber to recoup associated costs.

HR 2862 (Simpson) – Wildlife Disaster Funding Act
Introduced: 06/08/2017
Status: 06/26/2017 – Referred to House Committee on Agriculture Subcommittee on Conservation and Forestry.
This bill would amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require specified adjustments to discretionary spending limits in FY 2017-FY 2026 to accommodate appropriations for wildfire suppression operations in the Wildland Fire Management accounts at USDA or the Department of the Interior. If USDA or Interior determines that supplemental appropriations are necessary for wildfire suppression operations, the bill would require the relevant department to submit to Congress a request for the funding and a plan for obligating the funds. The bill also would require the President's budget to include the average costs for wildfire suppression over the previous 10 years.

HR 2936 (Westerman) – Resilient Federal Forests Act of 2017
Introduced: 06/20/2017
Status: 11/02/2017 – Passed by House, received in the Senate, read twice, and referred to the Committee on Agriculture, Nutrition, and Forestry.
This bill would apply to the preparation of an environmental assessment (EA) or environmental impact statement (EIS) under the National Environmental Policy Act (NEPA) by the Department of Agriculture, for National Forest Service lands, or the Department of Interior, for public lands, concerning specified forest management activities. In such an EA or EIS, the relevant department may study, develop, and describe only two alternatives: (1) the forest management activity; or (2) the alternative of no action, in which case the bill would require the relevant department to evaluate certain specified effects and implications of taking no action. In addition, the bill would establish categorical exclusions under NEPA for certain other forest management actions, and would establish a process for declaration of a major disaster for wildfire on federal lands managed by specified federal land management agencies.

S 879 (Barrasso) – National Forest Ecosystem Improvement Act of 2017
Introduced: 04/06/2017
Status: 04/06/2017 – Read twice and referred to the Committee on Energy and Natural Resources.
This bill would direct the Forest Service to prioritize and carry out ecosystem restoration projects on National Forest System (NFS) land to accomplish one or more of the objectives specified in the bill, which include restoring terrestrial habitat, carrying out a needed timber stand improvement, reducing the risk or extent of insect or disease infestation, or reducing wildland fire severity potential. The bill would expedite review of certain restoration projects by: establishing an arbitration program as an alternative dispute resolution process in lieu of judicial review for specified types of ecosystem restoration projects; creating a categorical exclusion under NEPA for certain forest management activities; and allowing forest management activities covered by a categorical exclusion under the bill to satisfy the interagency consultation obligations under the federal Endangered Species Act by achieving compliance with certain alternative consultation procedures established by federal regulation.