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 June 30, 2018
7. WATER SYSTEM
   A. Ione Hydroelectric Project
      1. Discussion and possible action to authorize the General Manager to execute a contract
         amendment with the California Energy Commission for a loan increase and time extension.

      2. Discussion and possible action to authorize the General Manager to execute all
         construction contracts subject to legal counsel approval, and to issue a notice to proceed and
         to make all expenditures necessary to complete the project.

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

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

13. ADJOURNMENT
AMADOR WATER AGENCY
CONSENT AGENDA
July 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 June 28, 2018
   B. Approval of minute of the Special Board Meeting of June 21, 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
June 28, 2018

MINUTES

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

Directors Absent: Robert Manassero

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

CALL TO ORDER- President Toy called the meeting to order at 9:02 a.m.

ADDITIONS TO THE AGENDA- None

PUBLIC COMMENT:
President Toy announced SB 854 (Wild and Scenic as recommended) has been signed
and approved with all five special provisions

CONSENT AGENDA: (7:40-15:12)

Item 2.B was pulled for discussion by Director Farrington

MOTION: It was moved by Director Molinelli Jr., seconded by Director Thomas and
carried to approve consent agenda items: Accounts Payable for May, 2018, Amador
Water System CFD#1 agreement with SCI Consulting Group Inc. in the amount of
$11,750 annually for the period of 2018-2021 and Tiger Creek Intake Repair contract with
Jacobson James and Associates for environmental compliance and permitting services.
associated with the repair of the Tiger Creek Water Treatment Plant’s intake structure for a cost not to exceed $18,520.

Ayes: Directors Molinelli Jr., Toy and Thomas
Noes: None
Absent: Director Manassero
Abstain: Director Farrington

WATER SYSTEM (15:24 - 34:24)
Fiscal Year 2018-2019 Budget
Discussion and possible action to approve the FY 2018-2019 Budget and Capital Improvement Plan (CIP).
Additional discussion and possible approval will follow closed session

WASTEWATER SYSTEM (34:40 - 1:11:30)
Amador Regional Sanitation Agency (ARSA) and alternatives for its continued operation
Information Only- No action requested.

Public Comment:
Mr. Robin Peters, ARSA Board of Directors

RECESS was called at 10:13 a.m. SESSION resumed at 10:28 a.m.

AGENCY GENERAL
Water and Wastewater Standby and Assessment Fees (1:11:57 - 1:24:36)
Adoption of Resolution No. 2018-13 renewing water and wastewater assessment fees for the Agency’s various systems.

MOTION: It was moved by Director Molinelli Jr., seconded by Director Thomas and carried to approve Resolution No. 2018-13 continuing assessments for certain parcels in the Agency’s Water service area (Ridge Cluster and Hillside) and continuing Wastewater assessments for Wastewater Improvement District No. 1 (Pine Grove Wastewater)

Ayes: Directors Molinelli Jr., Thomas, Farrington and Toy
Noes: None
Absent: Director Manassero
Abstain: None

Personnel Matters (1:24:35 -1:45:59)
Discussion and possible action to authorize the addition of two positions, an Administrative Assistant II, and a Wastewater Operator I.
MOTION: It was moved by Director Molinelli Jr., seconded by Director Thomas and carried to ratify approval to add a Wastewater I and Administrative Assistant II positions subject to budget approval

Ayes: Directors Molinelli Jr., Thomas, Farrington and Toy
Noes: None
Absent: Director Manassero
Abstain: None

GENERAL MANAGER’S REPORT (1:46:00-2:09:30)

ASSISTANT GENERAL MANAGER’S REPORT (2:09:31-2:30:17)

BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND DIRECTOR COMMENTS- (2:30:20-2:37:35)

Budget Workshop (06-21-18)  
Cosumnes Working Group (06-20-18)

FUTURE AGENDA TOPICS – (2:37:36-2:39:52)  
PGandE policy and effects on the Agency  
EDU evaluation report

CLOSED SESSION was called at 12:05 p.m.  
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- Item not discussed

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

OPEN SESSION resumed at 12:25 p.m. with report out to take action in open session

AGENCY GENERAL (2:40:48-2:44:13)
Memorandum of Understanding  
Discussion and possible action to ratify the memorandum of understanding between Amador Water Agency and the Amador Water Agency Employee Association

MOTION: it was moved by Director Molinelli Jr., seconded by Director Thomas to include revision of page 8 change from dependent coverage to dependent coverage premium
Ayes: Directors Molinelli Jr., Thomas, Farrington and Toy
Noes: None
Absent: Director Manassero
Abstain: None

**Fiscal Year 2018-2019 Budget**
Discussion and possible action to approve the FY 2018-2019 Budget and Capital Improvement Plan (CIP)

**MOTION:** It was moved by Director Thomas, seconded by Director Molinelli Jr. and carried to approve the budget for FY 2018-2019 as presented.

Ayes: Directors Molinelli Jr., Thomas and Toy
Noes: Director Farrington
Absent: Director Manassero
Abstain: None

**ADJOURNMENT**
President Toy adjourned the meeting at 12:27 p.m.

______________
Cris Thompson
Clerk of the Board of Directors
Approved: ________________
CALL TO ORDER  President Toy called the Special Board meeting to order at 9:03 A.M.

AGENCY GENERAL (3:00-1:24:59)
Water and Wastewater standby fees
Presentation by Bob Reed, the Reed Group Inc.
Discussion and possible action to eliminate the standby charges for water and wastewater

Discussion and possible action to implement the consolidation, restructuring and disposition of internal loans

RECESS was called at 10:09 a.m. SESSION resumed at 10:18 a.m.

MOTION: It was moved by Director Manassero, seconded by Director Molinelli Jr., and unanimously carried to eliminate the standby charges for water and wastewater effective July 1, 2018 with the exception of Pine Grove Wastewater, Ridge Cluster and Hillside assessments associated with debt.
MOTION: It was moved by Director Manassero, seconded by Director Molinelli Jr. and unanimously carried to implement the consolidation, restructuring and disposition of internal loans and direct to staff to bring back a resolution to the Board consistent with Bob Reed’s presentation to implement the consolidation, restructuring and disposition of internal loans to be effective fiscal year 18-19.

Presentation of the draft FY 18-19 budget and proposed Capital Improvement Plan (CIP)

Discussion and possible direction to staff regarding the draft FY 18-19 budget and CIP

Direction was given to staff regarding the draft FY 18-19 budget

ADJOURNMENT- President Toy adjourned the meeting at 11:58 a.m.

Cris L. 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)

- Training: Roussan-Communication; Hutchison, Bates, Miller, D., Gowan, Goshorn, Brewster, Munson, Caspary, Shortridge-ACP Training; Cook-Supervision; Thompson, M. and Lawson-SWMOA Annual Conference

- Certifications/Renewals: Cook-QSP Certification;

- Staffing: Promotion: Reaser-Instrumentation/Electrical Supervisor; Advertising for Instrumentation/Electrical Technician

- Liens filed: 1 - $117.85
- Liens Released: 2 - 138.06
- Total Liens filed for the Agency 304- total dollar amount $148,663.99
- 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 26 out of 34 routes have been completed
- Staff will be working with Accela to implement Inbound IVR for customers who wish to make their payments by phone through an automated option.

Finance/Accounting:

Water Sales Revenues through the month of June are $7,676,770

Wastewater Sales Revenues through the month of June are $1,649,201

Reimbursements received: $906,504

Outstanding Reimbursements are approximately $838,975

Restricted and Unrestricted Cash: Next Page

June Sales Comparison- Attached

June 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>Jul-16</th>
<th>Jul-17</th>
<th>Aug-16</th>
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<th>Sep-16</th>
<th>Sep-17</th>
<th>Oct-16</th>
<th>Oct-17</th>
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<td>740,033</td>
<td>724,862</td>
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<th>Dec-16</th>
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<th>May-17</th>
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<th>Jun-17</th>
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<td>18-May</td>
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<td>102-04-411010 Limited Industrial</td>
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<td>102-04-411030 Pumping Surcharge</td>
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YTD 6,624,167 6,706,706 7,676,770 112.5% 6,823,384.00
### Aging Report
**June 2018**

#### June 30, 2017

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#### June 30, 2018

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#### Deleted Accounts

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Operations Report

Covering June 1 – June 30, 2018

Operations Manager:
1. Onsite review of access alignments with AWA Engineering Manager and the property owner for the FEMA Funded Amador Canal repair project
2. Along with the Assistant GM, accompanied a contractor to assess the Tanner Shop’s window condition for potential replacement
3. Along with the Engineering Manager, worked to develop and environmental Scope of Work and secure a consultant contract for the Agency’s FEMA funded Tiger Creek Intake Structure Repair Project
4. Worked to develop an additional fire hydrant location for the Rabb Park neighborhood within the CAWP System
5. Along with the Assistant GM, Conducted a project site assessment with a Representative from the USDA Grants Administration
6. Attended meeting to discuss the Initial Start-Up of the Buckhorn DBP Project
7. Attended Consumnes Sub-Basin Working Group and technical Advisory Committee Meetings (SGMA)
8. Worked with Water Treatment Staff to develop an updated operational protocol for the Tanner Hydroelectric Plant

Regulatory Compliance Specialist:
1. Water, Wastewater and Drought reporting for May.
2. Worked on computer issues for existing and new staff. Set up email, log-ins for programs, and desk top short cuts
3. Website and Social Media posting.
4. Scheduled special samples through September for Unregulated Contaminants Monitoring Rule for lone Finish water. These samples are for Cyanotoxins and are paid for through the EPA and analyzed at a third party lab.
5. Attended CUPA (Certified Unified Program Agency) inspections for both Buckhorn and Tanner Plants. Inspection went very well. (Only issue is the secondary containment on the diesel fuel tanks which need to be addressed at each site. All other elements passed inspection.)
6. Sent out testing letters for backflow devices in our service area according to our Cross Connection Control Program.

Water Treatment Plants:
1. Tanner Plant
   a. New chlorine bulk tank needed. Staff transferred chlorine to temporary storage tanks and cleaned area.
   b. Replaced the failed high level float assembly on filter
   c. Continue to work with contractor on the Tanner backwash recycling project.
2. Lone Plant
   a. Continue to work with contractor and engineering to coordinate shut downs for Lone project.
   b. Worked with Electrical staff to relocate pneumatic controls for filters to accommodate new piping for the Lone Project.
   c. Completed emergency repair on a 14” main break on raw supply line feeding the Lone plant.
   d. Worked with Electrical staff to address multiple issues with recycle skid meter, PLC backwash control, valve control, PRV control and new SCADA integration.

3. Buckhorn Plant
   a. Worked with contractors and other staff to address programming integration for startup of recycle facility.
   b. Operators visited Clovis plant to tour the operation of existing Deskins recycle facility similar to Buckhorn.

4. PG & E plant
   a. Removed and cleaned temporary screens in order to accommodate higher flow requirements for the distribution system.

Wastewater:
1. Pine Grove Camp
   a. Worked on irrigation pump station
   b. Backfilled all plumbing with help from Pine Grove Camp Operator in training.

2. Gayla WWTP
   a. Replaced failed recirculation pump
   b. Installed second Orenco pod

3. Continue weed abatement at all sites
4. Continued to monitor Pond #7 at Mace Meadows Golf Course.

Electrical:
1. Failures:
   c. Gayla Wastewater Lift station – Flow meter totalizer giving incorrect readings. Changed settings and verified functionality.
   d. Gayla Wastewater Plant – 4 recirculation pumps failed. One pump has been replaced. Waiting for 3 more.
   e. Lone Water Treatment Plant - Influent piping to plant broke. Controls to Influent modulating valve failed due to water intrusion. Replaced power supply and 4-20mA isolation module.
   f. Lone Water Treatment Plant – Backwash recycle flowmeter failed. Per manufacture recommendation rewired transmitter wiring. Monitoring functionality.

2. Lake Tabeaud – Added radio communication to canal feed water pump station. Pump station is now visible on SCADA and flow totalization reports are being tested.
3. Camanche Wastewater Plant – Wind anemometer out of calibration. Re-calibrated, verified operation and put back into service.

Construction:
1. Worked with Wastewater crew to prepare for and set new Orenco pod at Gayla WWTP
2. Completed FEMA storm repairs on Eggiman Lane
3. Service line leak repairs:
   a. W. Marlette (5 gpm, Lone)
   b. Lucky Seven (25 gpm, Sutter Creek)
4. 14” main break repair at Lone WTP.
5. Replaced broken fire hydrant on Tee Pee Ct. Camanche
6. 6" Mace Meadows main break (40 gpm)

**Distribution:**

1. Main Line Leak Repairs:
   a. 6" Pine Grove/Volcano Rd (400 gpm, Pine Grove)
   b. 6" Foothill Pines Ct (50 gpm, Pine Grove)
   c. 6" Mace Meadows (40 gpm)

2. Service Line Leak Repair:
   a. Alaire Lane (2.5 gpm, Pioneer)
   b. Greenstone (5 gpm, Sutter Creek)
   c. Lucky 7 (25 gpm, Sutter Creek)

3. CAWP meter exchanges

4. Tank Diving/Cleaning
   a. Tank A/B
   b. Trent Tank
   c. Wildflower Tank

5. Hydrant Repair
   a. Roadrunner Dr. (Camanche) cleaned and greased.

**Canal:**

1. Service Line Leak Repairs:
   a. Ione Mile Marker 1.25 (5 gpm)
   b. Ione Mile Marker 1.50 (3 leaks 2-10 gpm)
   c. Ione Mile Marker 1.75 (5 gpm)
   d. Ione Mile Marker 2.00 (2.5 gpm)
   e. Ione Mile Marker 2.75 (5 gpm)
   f. Mile Marker 1.25 (5 gpm below New York Ranch Reservoir)
   g. Mile Marker 7.0 (2.5 gpm, Carter Lane)

2. Waste Gate Repair:
   a. WG 19 (2.5 gpm)
   b. WG 22 (2.0 gm)

3. Berm Leak Repairs:
   a. Ione Mile Marker 1.25 built up 100 feet by hand
   b. Tabeaud Lake (50 gpm)

4. Downed Tree Removal:
   a. WG #21 Hamrick's Grade 2 large oak trees
   b. Entire canal- clearing branches and debris from dying trees

Prepared by: Andrea Hinton, Regulatory Specialist
Reviewed and edited by: Damon Wyckoff, Operations Manager
City of Plymouth Dept Report-July 2018
Covering June 1 – June 30, 2018

Operations Manager-
- Attended a meeting regarding Plymouth’s inspection response to Division of Drinking Water with City Manager, KASL consultant and AWA’s Regulatory Compliance Specialist.

Regulatory Compliance Specialist-
- Completed monthly water reporting and sent report to Division of Drinking Water and City Manager.
- Sent printed Consumer Confidence Reports to Plymouth for mailing.
  Attended a meeting regarding Plymouth’s inspection response to Division of Drinking Water with City Manager, KASL consultant and AWA’s Operation’s Manager. Reviewed draft response and obtained missing Driller’s log for Well A.
- Set up recurring work orders for special sampling of Well A to investigate whether it is under the influence of surface water. Samples will be on-going for one (1) year.

Distribution-
- Routine flushing
- Routine Distribution Sampling

Wastewater-
- Continue to monitor collection system and grease traps.
- Cleared/jetted blockage in sewer line on Victoria Way.

Water-
- Began sampling Well A to investigate whether or not it is under the influence of surface water. This special sampling will be conducted for one year.

Prepared by: Andrea Hinton, Regulatory Compliance Specialist
Reviewed and edited by: Damon Wyckoff, Operations Manager

Water Labor Hours: 90
Wastewater Labor Hours: 8.5
River Pines July Dept. Report

**June Water Production/Sold**

Well 2: 462,300 gallons  
Total Produced: 953,290 gallons

Well 3R: 466,200 gallons  
Total Sold: 863,090 gallons

Well 6R: 24,790 gallons  
Total Loss: 10%

---

**Regulatory Compliance Specialist**

- Completed June monthly reporting for water and wastewater. Including No Spill Report to CIWQS.

**Wastewater**

- Influent flow: 1,066,300 gallons. Effluent Discharged: 1,117,200 gallons.
- Continued to empty storage pond.
- Replaced aerator motor in Pond A with a temporary until a permanent motor arrives.
- Cleared out east side maintenance building with General Manager and disposed of trash.
- Maintained collection system and wastewater plant.

**Water**

- Completed all regulatory sampling
- Completed site clean-up on old maintenance shop, office and tank sites including weed-eating.

Prepared by: Andrea Hinton, Regulatory Specialist

Reviewed by: Damon Wyckoff, Operations Manager

Water Labor Hours: 82.5

Wastewater Labor Hours: 164.00
Engineering Department Report

June 1 – June 30, 2018

**Capital Projects**
- Buckhorn DBP – Under construction. Substantial completion delayed by incorrect installation of the two turbidimeters. Once installed the programming should be completed in a couple of weeks for substantial completion
- Pioneer Water Rehabilitation Project Ph 2 – Grant application forwarded to USDA, CEQA Environmental document is complete
- Ione Hydro – Design completed. Project cost reviewed for board presentation and contract documents prepared
- Ione WTP Rehabilitation – Under construction. Contractor will wrap up underground work in a couple of weeks and then come back after summer to complete the filter work
- Tanner Backwash – Under construction. Steel tank erection to begin later this month
- FEMA Projects (Amador Canal, Preston Pump Station, Eggiman Lane, and Tiger Creek WTP Intake) – Estimations of Cost for repair/replacement in progress, partial funding received
- Camanche Wastewater – Preparing final Environmental and Technical documents
- CAWP Tank replacement – Design underway

**Developer Projects**
- Sutter Creek Bridge – Under construction
- Washington Place – Construction on hold
- Castle Oaks Unit 5 – Under Construction
- Cal-Fire Dormitories – In redesign
- Wildflower Unit 4 – Punch list work in progress

**Project Expenses through 06-30-18 are attached**

Prepared by: Darrel Evensen, Engineering Manager
<table>
<thead>
<tr>
<th>Project</th>
<th>Funded By</th>
<th>Funding Contract</th>
<th>Funded through 06/30/18</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>
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<tbody>
<tr>
<td>Buckhorn Ridge/Carson CDG</td>
<td>Grant/Oper Rates</td>
<td>FY 17-18</td>
<td>$1,420,000</td>
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<td>SDP Phase A - Lower Canal Piping</td>
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<tr>
<td>Ione Canal Abandonment - Design/Easements</td>
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<td>$20,308</td>
<td>$20,308</td>
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<tr>
<td>Highway 88 Overlay</td>
<td>Operating Rates</td>
<td>FY 17-18</td>
<td>$60,000</td>
<td>$60,000</td>
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<td>Operating Rates</td>
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<td>Pine Grove Monitoring Well Replacement</td>
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<td>$48</td>
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<td>Highway 49 Overlay</td>
<td>Operating Rates</td>
<td>FY 17-18</td>
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<td>1.83%</td>
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<td>Highway 49 / Ridge Road Manhole Replacement</td>
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<td>-</td>
<td>1.38%</td>
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<tr>
<td>Pine Grove Monitoring Well Replacement</td>
<td>Operating Rates</td>
<td>FY 17-18</td>
<td>$324,821</td>
<td>$324,821</td>
<td>-</td>
<td>0.00%</td>
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<td>Pine Grove Monitoring Well Replacement</td>
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<td>$70,324</td>
<td>$70,324</td>
<td>-</td>
<td>117.23%</td>
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</tbody>
</table>

*Amendments granted- timelines extended*
Quarterly Investment Report – Period ending June 30, 2018

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, 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 2.27% for short term lock up investments of 12 – 18 mos, 2.42% - 2.56% for 2 – 4 years, and 2.7% - 2.96% for 5 year lock up, which is an increase over the last quarters percentage rates. However, higher yield investments with longer maturities will increase liquidity risk.

**Fiscal Impact:** The overall weighted average return of the portfolio is 1.4% which is the product of the individual instruments’ weights and yields, this equates to $21,253 for the June 30th period. This is a .00396% increase over the last quarter. The attached table provides some significant statistics on the Agency’s portfolio. The valuation source is the June 30th, 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
### June 30, 2018

<table>
<thead>
<tr>
<th>Portfolio Investments</th>
<th>Investment Type</th>
<th>Balance at 6/30/2018</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>
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<tbody>
<tr>
<td>American River Bank</td>
<td>Commercial Checking Account</td>
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<td>954,214</td>
<td>33%</td>
<td>160</td>
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<td>American River Bank *</td>
<td>Construction Acct Checking</td>
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<td>1%</td>
<td>9</td>
<td>0.020%</td>
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<td>American River Bank</td>
<td>Payroll Account</td>
<td>30,813</td>
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<td>1%</td>
<td>13</td>
<td>0.020%</td>
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<tr>
<td>American River Bank</td>
<td>Savings</td>
<td>896</td>
<td>896</td>
<td>0%</td>
<td>3</td>
<td>0.020%</td>
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<td>LAIF</td>
<td>S-T Interest Account</td>
<td>1,842,202</td>
<td>1,842,202</td>
<td>64%</td>
<td>21,253</td>
<td>1.755%</td>
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</table>

**Total** 2,856,992

**Unrestricted** 1,790,263

**Restricted** 1,066,729

**Total** 2,856,992

**Portfolio Weighted Average Return** 1.14%
STAFF REPORT

Ione Hydroelectric Facility
Authorization to Enter Construction Contracts

Requested Action:
Discussion and possible action to authorize the General Manager to execute an amendment with the California Energy Commission ("CEC") to increase the loan by $549,198 and extend the construction period to December 31, 2019; authorize the General Manager to execute a construction contract with Central Sierra Electric (Campbell Construction and Tesco Controls as sub-contractors) for $1,677,600, initiate manufacturing of the turbine and generator with Gilkes for a completed cost of $366,067, authorize other construction related activities including paying PG&E for interconnection related charges estimated at $294,400 and NLine Energy remaining design/construction management costs of $137,649, plus tax, contingencies and incidental costs, bringing the total project costs to $2,917,000 (inclusive of previously authorized costs), and issue the Notice to Proceed. Issuing the Notice to Proceed would be contingent on legal counsel review of construction contracts and execution of the CEC loan amendment. All authorized costs will be paid from grant and loan proceeds from the CEC.

Background
In 2013, NLine Energy provided its first presentation to the AWA Board regarding two potential hydro-electric facilities, one at the Tanner Reservoir and the second at the Ione Reservoir. The Tanner facility was constructed in 2016 and is expected to save about $30k annually, increasing to savings of about $100k in approximately ten years. The Ione facility is expected to immediately have a net savings of 87,814 in the first year after debt service payments which will increase to $100k in five years. These savings will continue to grow as energy prices rise and increase even more once the loans are paid off and the facilities continue to operate for many decades. The combined economic benefit to the Water agency customers is expected to surpass $9M in 30 years and continue to grow over the life of the equipment.

The Board has shared its concern with uncertain construction bids, which the Agency has experienced on some projects during the last several years following the economic downturn and recovery. The Agency’s strategy for the Ione Hydroelectric project has been to review project costs and financing at incremental stages and to continue project
planning and design only when justified by the financial outlook. We have reached the final offramp before the Agency must either terminate the project or complete it -- soliciting construction proposals or bids. To eliminate as much uncertainty as possible, the Board determined, on advice of legal counsel and NLine Energy, that it would construct the project as a sole source design-build project as permitted under Government Code section 4917.10 - . Based on its previous successful performance of and experience constructing the Tanner Hydroelectric facility, the Agency selected Campbell Construction to perform the construction portion of the project.

NLine Energy will present an updated cost estimate (based on construction proposals), a review of the project’s financial pro forma, including a required loan adjustment, revised project benefits, and securing the RES-BCT tariff. Following the presentation and discussion, staff requests that the Board consider authorizing the General Manager to execute construction-related contracts and initiate construction of the lone Hydro-Electric facility.

**Alternatives:** The Board may determine that project should not move to construction at this time, with or without further review or alterations.

**Fiscal Impact:** The project would include a $750,000 grant and a 1% loan with a principal of $2,028,848 and an annual payment (P&l) of $111,986, with an estimated net energy savings of $87,814 the first year of operation, increasing to over $100,000 in five years.

**Reviewed by Committee:** Historically reviewed by Engineering Committee.

**Reviewed by Legal Counsel:** Various elements during the progress of the project.

**Staff Recommendation:**
1. Authorize the General Manager to execute a contract amendment with the California Energy Commission for a $549,198 loan increase and time extension to December 31, 2019.

2. Authorize the General Manager to execute all construction contracts subject to legal counsel approval, and to issue a notice to proceed and to make all expenditures necessary to complete the project.

**Prepared by:** Gene Mancebo, General Manager
MEMORANDUM

TO: BOARD OF DIRECTORS, AMADOR WATER AGENCY
CC: GENE MANCEBO, GENERAL MANAGER
FROM: JOSH HOROWITZ & PAT FITZGERALD
DATE: JULY 5, 2018
RE: LEGISLATIVE REPORT FOR THE JULY 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: 07/02/18 – Read second time, amended, and re-referred to Senate Comm. on Appropriations. 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.
On July 2, 2018, this bill was gutted and amended to become a bill concerning the Licensed Physicians and Dentists from Mexico Pilot Program.
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 1668 (Friedman) – Water management planning.

Introduced: 02/17/2017

Status: 05/31/2018 – Approved by the Governor. Chaptered by Secretary of State – Chapter 15, Statutes of 2018.

On May 31, 2018, Governor Brown signed AB 1668 and SB 606, two long-term water-use efficiency and conservation bills. The bills add new long-term water conservation mandates and make numerous changes to water supply and drought planning requirements imposed on urban and agricultural water suppliers.

The bills require the SWRCB, in coordination with DWR, to establish long-term urban water use efficiency standards, including performance measures for commercial, industrial, and institutional water use, by June 30, 2022. In particular, the bills establish a 55 gallons per-person, per-day standard for indoor residential water use until January 1, 2025. After then, the standard amount will reduce to 52.5 gallons per-person, per-day through January 1, 2030, and to 50 gallons per-person, per-day, thereafter. However, DWR and the SWRCB may jointly recommend to the Legislature standards that “more appropriately” reflect best practices for indoor residential water use, based on studies and investigations done in collaboration with stakeholders including environmental groups and water agencies. DWR will conduct studies, including landscaping and climate studies throughout the state, and will recommend standards for outdoor residential use, and commercial, industrial, and institutional use, to the SWRCB by October 1, 2021. The bills permit the SWRCB to ultimately adopt new conservation standards, although that authority is limited to a one-time standard setting process and would not provide the SWRCB continuing authority to adjust the standards.

Beginning in 2027, violations of a regulation issued to enforce these standards will be subject to civil liability proceedings. Water suppliers' failure to comply with the SWRCB's adopted long-term standards could result in fines of $1,000 per day during non-drought years, and $10,000 per day during declared drought emergencies and certain dry years.

The bills additionally outline reporting requirements for urban water suppliers. In particular, SB 606 contains distinct provisions concerning water shortage planning and water loss reporting for urban wholesale water suppliers and establishes a bonus incentive for potable reuse water. Urban water suppliers must conduct annual drought risk assessments and submit an annual report to DWR. The bill also requires urban water suppliers to adopt a water shortage contingency plan, with certain specified requirements.

AB 1668 requires DWR, the SWRCB, and other relevant stakeholders to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and provide recommendations for drought planning.

The full scope of these new laws is still under review, and likely will not be known until the relevant state agencies develop the standards and regulations provided for in the bills. ACWA and other associations and individual water agencies will be very involved in this process as it moves forward and the General Manager and our office will keep the Board informed as the proposals for the new standards are developed.

Following months of advocacy and additional amendments to the bills, ACWA did not request a veto from the governor, in light of ACWA members taking positions on both sides.
AB 2071 (Bloom) Accessory Dwelling units: improvements: liability

Introduced: 02/07/2018
Status: 06/25/2018 – Read second time, amended, and re-referred to Senate Comm. on 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.

On May 15, 2018, this bill was amended to apply only to the City of Los Angeles. Additional amendments made on June 25, 2018, would revise the standard to determine whether an accessory dwelling unit is owner-occupied, applicable statewide.
ACWA: Watch.

AB 2283 (Holden) – Income taxes: exclusion: turf removal water conservation program

Introduced: 2/13/2018
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, from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife (CDFW) 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.

This bill has been amended to require CDFW to adopt “general agreements” to authorize activities under Fish & Game code section 1602. The bill no longer would define “river” and “stream” for the purposes of lake or streambed alteration agreements, but it would require CDFW to include guidance on the definitions of the terms “river” and “stream” in the general agreements. The bill would include a sunset of January 1, 2023.
ACWA: Support if amended.
AB 2649 (Arambula) – Water rights: water management
Introduced: 2/15/2018
This bill would require the State Water Resources Control Board to prioritize a temporary permit for a project that enhances the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water rights priorities and protections for fish and wildlife. The bill would exempt temporary permits for these projects from the California Environmental Quality Act. The bill would require the board to set a reduced application fee for an applicant for a temporary permit for these projects. ACWA staff prepared an alternative, streamlined permit process for “high flow” diversions for projects that recharge groundwater, rather than temporary permit process proposed by this bill.

This bill underwent substantial amendments on June 18, 2018. As amended, this bill would create a procedure for a groundwater sustainability agency or a local agency to apply for conditional, temporary permits for diversion of surface water to underground storage for beneficial uses, which include prevention of significant and unreasonable seawater intrusion, water quality degradation, or land subsidence; maintenance of enhancement of groundwater dependent ecosystems, or other beneficial uses that require the extraction of stored water. Such permits would be subject to ongoing State Water Board supervision and authority, and would automatically expire after five years unless an applicant applies for a renewal, which may extend the permit terms for up to five years.
ACWA: Support if amended

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: Watch.

STATE SENATE

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: 05/31/18 – Approved by the Governor. Chaptered by the Secretary of State. Chapter 14, Statutes of 2018.
For further discussion, see AB 1668 above.

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. The Brown Administration, in coordination with SB 623’s proponents, had been working to advance the SB 623 proposal in a budget trailer bill. On June 8, however, the 2018-19 Legislative Budget Conference Committee approved a compromise package on safe drinking water funding that did not include the proposed statewide drinking water tax budget trailer bill. Notwithstanding this result, ACWA anticipates that the Brown Administration and Sen. Monning may try to advance the advance the water tax by returning to SB 623 or through another vehicle. Final legislative action on the SB 623 or another bill could occur as late as Aug. 31.

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
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. As originally drafted, this bill would have removed that language and would have prohibited 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. However, after extensive conversations between ACWA, the California Association of Sanitation Agencies and the California Special Districts Association, the bill authors and committee staff agreed to remove these changes. Accordingly, as currently amended, this bill would allow for water agencies to charge impact and connection fees when ADUs do not meet certain criteria, as under current law.
ACWA: Watch.

SB 919 (Dodd) – Water resources: stream gages.
Introduced: 1/22/2018
Status: 05/28/2018 – Read second time and amended. Re-referred to Assembly Comm. on Appropriations.
This bill would require the Department of Water Resources and the State Water Board, 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 and the board, in consultation with the Department of Fish and Wildlife, the Central Valley Flood Protection Board, the Department of Conservation, 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.

SB 998 (Dodd) - Water shutoffs: urban and community water systems.
Introduced: 2/5/2018
Status: 6/27/2018- Passed by Assembly Comm. on Environmental Safety & Toxic Materials and re-referred to Comm. on Appropriations.
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, the languages listed in Section 1632 of

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the Civil Code, and any other language spoken by at least 10% 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 additionally would 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 if the customer submits a certification from a licensed medical professional that discontinuation of service would be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises. 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 certain circumstances. The bill would expand the authority of the State Water Board and the Attorney General to enforce provisions of the bill.

On June 8, ACWA’s state Legislative Committee voted to adopt an oppose position on this bill, and urged members to contact their local state legislators to express opposition to it. ACWA: Oppose.

SB 1167 (Anderson) – Eminent domain: final offer of compensation.
Introduced: 02/14/2018
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 plaintiff’s 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.

SB 1422 (Portantino) – California Safe Drinking Water Act: microplastics
Introduced: 02/16/2018
Status: 06/27/2018 – Passed by Assembly Comm. on Environmental Safety & Toxic Materials and re-referred to Comm. on Appropriations.
This bill would require the State Water Resources Control Board to adopt regulations requiring annual testing for, and reporting of, the amount of microplastics in drinking water, including public disclosure of those results. ACWA has opposed SB 1422, asserting that the federal EPA does not have an approved method for testing microplastics in drinking water, established regulatory standards or health limits for microplastics, or laboratory certification for the testing of microplastics.
ACWA: Not favor unless amended.

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: Not yet considered (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 (McIntock) – 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.