



**RESOLUTION NO. 2019-79
RESOLUTION NO. PFA-03
ORDINANCE NO. 2019-03**

AGENDA

MISSION STATEMENT

"Our team is dedicated to protecting, enhancing, and developing our rich water resources to the highest beneficial use for Calaveras County, while maintaining cost-conscious, reliable service, and our quality of life, through responsible management."

Regular Board Meeting
Wednesday, December 11, 2019
9:00 a.m. – note new time

Calaveras County Water District
120 Toma Court, (PO Box 846)
San Andreas, California 95249

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **ROLL CALL**

2. **PUBLIC COMMENT**

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

3. **ELECTION OF OFFICERS**

(Michael Minkler, General Manager)

4. **CONSENT AGENDA**

The following items are expected to be routine / non-controversial. Items will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed for later discussion.

BOARD OF DIRECTORS

Russ Thomas, President Bertha Underhill, Vice President
Scott Ratterman, Director Cindy Secada, Director Jeff Davidson, Director

- 4a Approval of Minutes for the Board Meetings of November 13 and November 25, 2019
- 4b Review Board of Directors Monthly Time Sheets for November, 2019
- 4c Ratify Claim Summary #573 Secretarial Fund in the Amount of \$1,353,082.00 for November, 2019
(Rebecca Callen, Director of Administrative Services) **RES 2019-_____**
- 4d Report on the Write-Off of Uncollectible Accounts Receivable for the period of June 1 through November 30, 2019
(Rebecca Callen, Director of Administrative Services)
- 4e Approval of Amendment to the District's Financial Management Policy No. 5.01 - Investment Policy
(Rebecca Callen, Director of Administrative Services) **RES 2019-_____**

5. NEW BUSINESS

- 5a Recognition of Bill Cardinal for his receipt of the California/Nevada Section of the American Waterworks Association's (CA-NV AWWA) George A. Elliott Memorial Award
(Damon Wyckoff, Director of Operations)
- 5b Presentation of the Audited Financial Statements for the Fiscal Year Ending June 30, 2019 by Richardson & Company, LLP
(Rebecca Callen, Director of Administrative Services)
- 5c Discussion/Action regarding SB998 Amendments to the CCWD Rules & Regulations Governing the Furnishing of Water and/or Wastewater Services
(Joel Metzger, External Affairs Manager)
- Calaveras County Water District Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 21 B **RES 2019-_____**
 - Calaveras County Water District Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 22 **RES 2019-_____**
- 5d Discussion/Action regarding Adoption of the Eastern San Joaquin Groundwater Subbasin Groundwater Sustainability Plan
(Peter Martin, Manager of Water Resources) **RES 2019-_____**
- 5e Approval of Amendment of the Fiscal Year 2019-20 Personnel Allocation
(Rebecca Callen, Director of Administrative Services) **RES 2019-_____**
- 5f Discussion/Direction regarding U.S. Forest Service Wood Innovations Program Proposal
(Joel Metzger, External Affairs Manager)

6. OLD BUSINESS

- 6a Update on the Slurry Line
(Michael Minkler, General Manager)

7. REPORTS

7a Report on the November 2019 Operations Department
(Damon Wyckoff, Director of Operations)

7b* General Manager Report

8.* BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

9. NEXT BOARD MEETINGS

- Wednesday, January 8, 2020, 9:00 a.m., Regular Board Meeting
- Wednesday, January 22, 2020, 9:00 a.m., Regular Board Meeting

10. CLOSED SESSION

10a Conference with Real Property Negotiators

Government Code §54956.8

Property: APN 044-066-03, 15.8 acres San Andreas

District negotiators: Michael Minkler and Peter Martin

Under negotiations: price and other terms

10b Conference with Legal Counsel-Anticipated Litigation

Significant Exposure to Potential Litigation-Government Code Section 54956.9(d)(2)-1 case

10c Government Code § 54957.6 Agency Negotiators: General Manager, Michael Minkler, HR

Manager, Stacey Lollar and Gage Dungy Regarding Negotiations with Employee

Organization SEIU Local 1021 and Management and Confidential Unit

10d Conference with Legal Counsel – Existing Litigation

Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD (Calaveras

County Superior Court #11CV37713)

11. REPORTABLE ACTION FROM CLOSED SESSION

12. ADJOURNMENT

CALAVERAS COUNTY WATER DISTRICT

Board of Directors

District 1 Scott Ratterman
District 2 Cindy Secada
District 3 Bertha Underhill
District 4 Russ Thomas
District 5 Jeff Davidson

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee
Executive Committee (*ad hoc*)

Joint Power Authorities

ACWA / JPIA
CCWD Public Financing Authority
Calaveras-Amador Mokelumne River Authority (CAMRA)
Calaveras Public Power Agency (CPPA)
Eastern San Joaquin Groundwater Authority
Tuolumne-Stanislaus Integrated Regional Water
Management Joint Powers Authority (T-Stan JPA)
Upper Mokelumne River Watershed Authority (UMRWA)

Other Regional Organizations of Note

Calaveras LAFCO
Calaveras County Parks and Recreation
Committee
Highway 4 Corridor Working Group
Mountain Counties Water Resources
Association (MCWRA)
Mokelumne River Association (MRA)
Tuolumne-Stanislaus Integrated Regional Water
Mgt. JPA Watershed Advisory Committee (WAC)
Eastern San Joaquin Groundwater Authority-Technical
Advisory Committee

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Auditor

Richardson & Company, LLP

Membership**

Davidson / Thomas (alt. Secada)
Underhill / Secada (alt. Thomas)
Davidson / Thomas (alt. Ratterman)
Thomas / Underhill

Ratterman (alt. Michael Minkler)
All Board Members
Ratterman / Underhill (alt. Secada)
Peter Martin (alt. Michael Minkler)
Thomas
Secada (alt. Thomas)
Davidson (alt. Ratterman)

Ratterman / Thomas
Thomas (alt. Ratterman)

Thomas / Underhill
All Board Members

All Board Members
Peter Martin (alt. Metzger)

Peter Martin

* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

** The 1st name listed is the committee chairperson.

Agenda Item

DATE: December 11, 2019
TO: Board of Directors
FROM: Michael Minkler, General Manager
SUBJECT: Election of Officers

RECOMMENDED ACTION:

1. Elect President and Vice President.
2. The new President may choose to appoint members to the Engineering Committee, Finance Committee, and Legal Affairs Committee (Standing Committees of the Board). However, the new President may want to delay making the appointments until the January 8, 2020 meeting to canvass the preferences of each Board member for those appointments.
3. It is also customary at the next regularly scheduled Board meeting for the newly elected President to make appointments to other committees and associations of interest to the agency as well as to request a vote of the Board with regard to the appointment of members to Joint Power Authorities (JPAs) of which the District is a member.

BACKGROUND:

▪ **Election of Officers**

Now is the time year when the Board elects its officers for the following year, the President and Vice President.

The procedure for election of officers is as follows:

- The current President turns the meeting over to the General Manager who facilitates the election of the new President.
- After the President is elected, the General Manager facilitates the election of the new Vice President.
- The new President and Vice President are seated.

- **Committee Appointments**

As the Board is reconstituting itself, there are some other important actions that must be taken, namely, identifying committee memberships. Some memberships are Presidential appointments while others such as the appointment of Board Members to JPAs are taken by action of the full Board. Pursuant to Board Policy 4060, the President may make appointments to existing ad hoc and standing committees of the Board for the following year and, if so desired, eliminate existing committees. Such action must be taken no later than the Board's regular meeting in February.

At this time, the Board President may proceed to appoint members to the Engineering, Finance, and Legal Affairs Committees of the Board. Alternatively, and consistent with past practice, the President may ask that each Board member submit a list of his or her own preferences for committee and JPA appointments to the Clerk of the Board for consideration by the President who will announce committee and other appointments as well as recommendations for Board action on JPA appointments at the next meeting on January 8, 2020.

FINANCIAL CONSIDERATIONS:

\$120 per meeting, up to six (6) meetings per calendar month, as well as reimbursement of certain authorized expenses as requested by each Board member.



RESOLUTION NO. 2019-73
RESOLUTION NO. PFA-03
ORDINANCE NO. 2019-03

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

NOVEMBER 13, 2019

- Directors Present: Russ Thomas, President
Bertha Underhill, Vice President
Scott Ratterman, Director
- Directors Absent: Jeff Davidson, Director
Cindy Secada, Director
- Staff Present: Michael Minkler, General Manager
Rebecca Hitchcock, Clerk to the Board
Stacey Lollar, Human Resources Manager
Peter Martin, Interim Director of Administrative Services
Damon Wyckoff, Director of Operations
- Others Present: Vickey Mills

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Regular Board Meeting to order at 9:00 a.m. and led the pledge of allegiance. Directors Davidson and Secada were absent.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

**MOTION: Directors Ratterman/Secada - Approved Consent Agenda Items:
3a, 3b, 3d, and 3e as presented**

3a Approval of Minutes for the Board Meetings of October 9 and October 23, 2019

3b Review Board of Directors Monthly Time Sheets for October, 2019

Director Underhill pulled Item 3c from the Consent Agenda

3c Ratify Claim Summary #572 Secretarial Fund in the Amount of \$1,604,536.52 for October, 2019
(Rebecca Callen, Director of Administrative Services) **RES 2019-_____**

3d Authorized Signatures on Banking and Investment Accounts
(Peter Martin, Interim Director of Administrative Services)

- Umpqua Bank
- Local Agency Investment Fund
- Wells Fargo

RES 2019-73
RES 2019-74
RES 2019-75

3e Report on the Monthly Investment Transactions for October, 2019
(Rebecca Callen, Director of Administrative Services)

Director Ratterman pulled Item 3f from the Consent Agenda

3f Recognition of Robert Creamer for his Service with CCWD
(Charles Palmer, District Engineer) **RES 2019-_____**

AYES: Directors Ratterman, Underhill, and Thomas
NOES: None
ABSTAIN: None
ABSENT: Directors Davidson and Secada

OFF CONSENT AGENDA

Director Underhill pulled Item 3c from the Consent Agenda

3c Ratify Claim Summary #572 Secretarial Fund in the Amount of \$1,604,536.52 for October, 2019
(Rebecca Callen, Director of Administrative Services) **RES 2019-76**

MOTION: Directors Underhill/Ratterman–Approved Item 3c as presented

DISCUSSION: Director Underhill asked how often the District does tank inspections. Mr. Wyckoff responded that they are inspected annually. There was additional discussion on the tank-inspection process. Director Underhill asked about the payment to Coleman Engineering for the Techite Project. Mr. Minkler explained that the District is reconfiguring the project scope in hopes to reduce costs. Director Thomas asked about the payment of \$25,000 to the Forest Service for Wildlife Mitigation. Mr. Martin explained it is for the Hydropower Projects and would be reimbursed by NCPA. Director Thomas also asked about a purchase of Radio Read Meters. Mr. Wyckoff explained those meters would be installed on hard to access meters. Director Ratterman asked about the one Radio Read Meter that was purchased for \$750.00. Mr. Wyckoff explained that was a much larger meter than average which is located in a difficult location for manual reads.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Underhill, Ratterman, and Thomas
NOES: None
ABSTAIN: None
ABSENT: Directors Davidson and Secada

3f* **Director Ratterman pulled Item 3c from the Consent Agenda**
Recognition of Robert Creamer for his Service with CCWD
(Charles Palmer, District Engineer)

RES 2019-77

MOTION: **Directors Ratterman/Underhill–Adopted Resolution No. 2019-77
Recognizing Robert Creamer for his service with CCWD.**

DISCUSSION: Director Ratterman wanted to recognize Robbie Creamer for his knowledge and professionalism when he worked with the Board regarding properties. Members of the Board spoke of his institutional knowledge of the District and his involvement with the Union. President Thomas read the Resolution into the record and wished Mr. Creamer the best in his retirement. Mr. Minkler echoes the Boards comments about Mr. Creamer and his expertise, stating that he will be missed by the District.

PUBLIC COMMENT: Mr. Palmer recognized Mr. Creamer for his knowledge and hard work. He mentioned that he will be missed in the Engineering Department.

AYES: **Directors Ratterman, Underhill, and Thomas**
NOES: **None**
ABSTAIN: **None**
ABSENT: **Directors Davidson and Secada**

4. **NEW BUSINESS**

4a Discussion/Direction of the FY 2019-20 First Quarter Investment Report
(Rebecca Callen, Director of Administrative Services)

MOTION: **Directors Ratterman/Underhill–by Minute Entry accepted the FY 2019-20 First Quarter Investment Report**

DISCUSSION: Ms. Callen presented the FY 2019-20 First Quarter Investment Report and responded to questions from the Board.

PUBLIC COMMENT: There was no public comment.

AYES: **Directors Ratterman, Underhill, and Thomas**
NOES: **None**
ABSTAIN: **None**
ABSENT: **Directors Davidson and Secada**

4b Discussion/Action regarding the Agreement for Qualified Labor between the Calaveras County Water District and Utica Water and Power Authority
(Michael Minkler, General Manager)

MOTION: **Directors Ratterman/Underhill–by Minute Entry approved the Agreement for Qualified Labor between the Calaveras County Water District and Utica Water and Power Authority**

DISCUSSION: Mr. Minkler updated the Board on an Agreement worked out between CCWD and UWPA for a labor share. The District is currently loaning qualified labor to UWPA to work on the Flume reconstruction. In return, UWPA will return qualified labor to the District on projects where a

few extra bodies are needed. Director Ratterman likes the idea and thinks it could expand to other utilities as well. Director Underhill asked if there were any Union concerns. Mr. Minkler stated there was nothing in the MOU that would prevent it and that there had been discussions on safety and worker protection, with no major concerns.

PUBLIC COMMENT: Vickey Mills addressed the Board asking about the equipment share that he had mentioned earlier. She also asked if UWPA was part of the Union and Mr. Minkler stated they were non-union workers.

AYES: Directors Ratterman, Underhill, and Thomas
NOES: None
ABSTAIN: None
ABSENT: Directors Davidson and Secada

5. **OLD BUSINESS**

- 5a* Update on Actions of the Eastside Groundwater Sustainability Agency and JPA
(Peter Martin, Interim Director of Administrative Services)

DISCUSSION: Mr. Martin gave a PowerPoint presentation with an update on the actions of the Eastside Groundwater Sustainability Agency and Joint Powers Agency. He reviewed a comparison of cost allocation methods and explained the plan will be brought to the Board on December 11, 2019 for adoption. There was discussion regarding the plan and how the various agencies are responding to it.

This item was for information only; no action was taken.

- 5b Update regarding the District's New Operations Maintenance Facility
(Kevin Williams, Civil Engineer)

DISCUSSION: Mr. Williams presented the preliminary site plan for the Districts warehouse and shop to be located at the corporate headquarters. He reviewed the site plan, floor plan, and various elevations. President Thomas had concerns about the amount of the property being left unused. Both President Thomas and Director Ratterman would like to see a 10-15 year plan that shows expansion on the new property for future needs of District operations.

Mr. Minkler introduced Mike Crank, Purchasing Agent, to the Board. Mr. Crank discussed his vision for the warehouse and the various ways the warehouse will benefit the District.

There was discussion regarding the building plans and the warehouse. The Board gave direction to staff to return to the December 11, 2019 meeting with more detail in order to put this out to bid in February.

This item was for information only; no action was taken.

6. **REPORTS**

- 6a Report on the October, 2019 Operations Department
(Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented the October 2019 monthly Operations report. He reviewed items of interest and answered questions from the Board.

PUBLIC COMMENT: There was no public comment.

This item was for information only; no action was taken.

6b General Manager Report

DISCUSSION: Mr. Minkler reported on the following activities: 1) The District all hands staff meeting was held yesterday with respect given to the Veterans at the District; 2) the PG&E Public Safety Power Shutdown (PSPS) response plan was well planned and implemented during the four events in October; 3) recognized Joel Metzger for his increased public outreach during the PSPS; 4) PSPS came at a significant cost and estimates for the events are still in the works; 5) the ACWA State Legislative Committee has approved two legislative proposals from the energy committee. One to ensure large hydro is included in the State's zero-carbon future and another to address PSPS concerns; 6) he had a meeting with Blue Lake Springs and Director Underhill regarding the wholesale water purchase agreement; 7) he attended a very informative MCWRA meeting on forest management and water conservation; 8) CCWD hosted a meet and greet for Senator Borgeas; 9) discussed the letter of support from Congressmen McClintock for Section 219 funding from the Army Corp of Engineers; 10) the District is pursuing multiple forest management grants from Cal Fire to reduce wildfire risk near infrastructure in West Point and Arnold. The District is also investigating a grant for biomass power that would help create a market for sustainable forest management practices in our watersheds; 11) the District is in discussions on the possibility of increasing revenue from the New Hogan Powerhouse with MID; 12) the vehicle lease program has begun deliveries of new trucks for the District's replacement program; 13) the Forest Meadows Golf Course will be closing permanently and the effluent storage pond will need to continue to operate; 14) the County Trench Policy was adopted by the Board of Supervisors last Tuesday with the lifetime warranty provision in tact; 15) the SB998 Lock-Off Policy draft will be brought to the Board to consider in December; 16) the Strategic Planning RFP is almost ready; 17) the new, Operations staff, on-call coverage will be implemented within the next few months; and 18) the Valley Springs Town Hall meeting last week went well.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Underhill reported that she was heartbroken to hear Tom Sullivan from the Ebbetts Pass Fire District passed away on November 9. She also asked about the request to expand the beach at White Pines Park. She attended the Voluntary Organizations Active in Disaster (VOAD) meeting and she doesn't feel she needs to attend every meeting to represent CCWD. She also commented on water wells not working during a PSPS event.

Director Ratterman reported the PG&E PSPS credit of \$100.00 was already given to him on his bill. Mt. Counties' tour is tomorrow and the reception at Murphy's hotel tomorrow evening. He thanked Downey Brand and Condor for sponsoring the event.

Director Thomas reported he and Bertha attended the Mountain Counties meeting last Friday. He mentioned the monitoring of outdoor water use seems to be farfetched. The County Board of Supervisors passed the County General Plan. The newly formed Parks and Rec Committee meeting is tonight.

8. CLOSED SESSION

The meeting adjourned into Closed Session at approximately 11:45 a.m. Those present were Board Members: Russ Thomas, Bertha Underhill, and Scott Ratterman, staff member Michael Minkler, General Manager; and General Counsel Matt Weber.

- 8a Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD
(Calaveras County Superior Court #11CV37713)
- 8b Conference with Real Property Negotiators Government Code §54956.8
Property: APN's 046-019-051, 073-042-127, and 073-042-129, Valley Springs.
District Negotiators: Michael Minkler and Peter Martin
Under Negotiation: price and other terms

9. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 12:13 p.m. There was no reportable action.

10. NEXT BOARD MEETINGS

- Wednesday, November 27, 2019, 9:00 a.m. - Cancelled
- Wednesday, December 11, 9:00 a.m., Regular Board Meeting

11. ADJOURNMENT

With no further business, the meeting adjourned at approximately 12:13 p.m.

By:

ATTEST:

Michael Minkler
General Manager

Rebecca Hitchcock
Clerk to the Board



RESOLUTION NO. 2019-78
RESOLUTION NO. PFA-03
ORDINANCE NO. 2019-01

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
SPECIAL BOARD MEETING**

NOVEMBER 25, 2019

Directors Present: Russ Thomas, President
Bertha Underhill, Vice President
Scott Ratterman, Director
Cindy Secada, Director

Directors Absent: Jeff Davidson, Director

Staff Present: Michael Minkler, General Manager
Rebecca Hitchcock, Clerk to the Board
Charles Palmer, District Engineer
Stacey Lollar, Human Resources Manager
Damon Wyckoff, Director of Operations
Joel Metzger, External Affairs Manager

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Special Board Meeting to order at 11:00 a.m. and led the pledge of allegiance. Director Davidson was absent.

2. PUBLIC COMMENT

There was no public comment.

3. NEW BUSINESS

- 3a Discussion/Action Regarding CALFIRE California Climate Investments
Fire Prevention Program Grant Application for the CCWD West Point Fuel
Reduction Project
(Charles Palmer, District Engineer)

RES 2019-78

**MOTION: Directors Ratterman/Secada-Authorized Submittal of an Application
to the California Climate Investment Fire Prevention Grant Program.**

DISCUSSION: Mr. Palmer presented the West Point Fuel Reduction Project to the Board. He explained the District has identified at least 31 acres of land for potential fuel reduction. This acres includes 16 acres around the Regulating Reservoir, 5 acres near the West Point Water Treatment Plant, and 10 additional acres at the abandoned leach field. The purpose of the project is to minimize risk of fire ignition and fire spread by thinning and clearing access vegetation. Mr. Palmer also mentioned that this is an annual grant option and the District can apply yearly for other areas in need. There was brief discussion regarding the project.

PUBLIC COMMENT: There was no public comment.

YES: Directors Ratterman, Secada, Underhill, and Thomas
NOES: None
ABSTAIN: None
ABSENT: Director Davidson

4. **ADJOURNMENT**

With no further business, the meeting adjourned at approximately 11:15 a.m.

By:

ATTEST:

Michael Minkler
General Manager

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: December 11, 2019
TO: Michael Minkler, General Manager
FROM: Rebecca Hitchcock, Clerk to the Board
SUBJECT: Review Board of Directors Time Sheets for November, 2019

RECOMMENDED ACTION:

For information only.

SUMMARY:

Pursuant to direction from the Board of Directors, copies of the Board's monthly time sheets from which the Board is compensated from, are included in the monthly agenda package for information. Attached are copies of the Board's time sheets for the month of November, 2019.

Board Members can be reimbursed for mileage cost to travel to meetings/conferences and are paid at the current IRS rate.

FINANCIAL CONSIDERATIONS:

Monthly compensation and mileage reimbursement costs are included in the FY 2019-20 budget.

Attachments: Board of Directors Time Sheets for November 2019

**CALAVERAS COUNTY WATER DISTRICT
2019 DIRECTOR REIMBURSEMENT FORM**

For Admin Use Payroll Expense

Month/Yr NOVEMBER, 2019

Name BERNA E UNDERHILL

Activity Date	Meeting or Other Expense Description	Designated Rep.		Association List		Prior Approval		Cost		Total Miles
		Yes	No	Yes	No	Yes	No	Meeting	Expense	
11-6-19	EPPOC - ARNOLD							120		81
11-6-19	VOAD							120		57
11-7-19	WEEK 4 GROUP							120		59
11-8-19	MOUNTAIN COUNTIES - AUBURN							120		82
11-12-19	JRA - BOARD WORKSHOP							120		84
11-13-19	BOARD MEETING									42
11-14-19	MOUNTAIN COUNTIES - MURPHYS									84
11-25-19	FINANCE/SPECIAL MEETINGS							120		
Total										283.62
Totals								720		489
For Totals line, multiply miles by the IRS rate: 1/1/2019 \$0.580										

Pursuant to Board Policy 4030, receipts required; report /materials required.

The undersigned, under penalty of perjury states: This claim and the items set forth herein are true and correct; that expenses incurred, meetings attended and business conducted are necessary to District affairs; that this claim is proper and within the scope of California Water Code Section 20200 et seq, and District Ordinance 2015-02; that the service was actually rendered; and that the amount(s) herein are justly true.

Signature of Claimant:
Berna E Underhill

Date: 11/27/19

Administrative Review: [Signature]

Orig to Finance Dept.

**Calaveras County Water District
Claim Summary # 573**

Certificate of Administrative Officer

The services listed on the within schedules were actually rendered by the close of the current month. The articles listed on the schedules within and the supporting invoices were actually delivered, or payment therefore is properly due prior to delivery. To the best of my knowledge all claims made are in accordance with adopted Board policies and/or other Board actions and are in compliance with all applicable laws. The claimants named on the within schedules are each entitled to the amount set opposite their respective names.



Rebecca Callen
Director of Administrative Services

1. November 2019 payroll checks issued on 11/15/2019	188,682.66
2. November 2019 payroll checks issued on 11/27/2019	165,746.46
3. November 2019 compensation to Directors	0.00
4. Vendor payments for November 1 through 30, 2019	789,027.82
5. Other payroll related costs	<u>209,625.06</u>

Claim Summary Total \$1,353,082.00

Calaveras County Water District
AP Disbursement Summary
November 1-30, 2019

CCWD Operating Expenditures		\$ 522,051.32
Expenditures to be reimbursed from other agencies	(A)	-
Expenditures to be reimbursed from grant agreements	(B)	174.93
Fiduciary Payments (funds collected prior to expenditure)	(C)	12,948.81
Partial Reimbursement	(D)	178,562.49
Capital R&R Projects	(E)	68,457.79
Capital Outlay	(F)	6,832.48
Total Payments		\$ 789,027.82

CCWD
AP DISBURSEMENTS
NOVEMBER 1-30, 2019

Check No.	Vendor/Employee	Transaction Description	Date	Amount
133949	A T & T	Internet Service (U Verse) 11/19 - LC Complex	11/01/2019	58.85
134057	A T & T	Leased Lines 11/19	11/14/2019	66.08
134058	A T & T	Internet Service 11/19 - LC	11/14/2019	62.75
133993	A T & T CALNET3	District Radio Tower 10/19 - Camp Connell	11/08/2019	271.20
134171	A T & T CALNET3	Phone 11/19 - Dorrington P/S	11/25/2019	21.46
134172	A T & T CALNET3	Phone 11/19 - District Wide	11/25/2019	1,285.71
134173	A T & T CALNET3	Phone 11/19 - OP HQ Back Up	11/25/2019	191.27
134174	A T & T CALNET3	T Line 11/19	11/25/2019	164.69
133950	A T & T MOBILITY	Cell Phone 11/19 - Brown	11/01/2019	65.38
134175	A TEEM ELECTRICAL ENG INC	Consulting Services - JLWTP Pre-Treatment Facility Project	11/25/2019	19,580.00 (E)
133994	A-1 SHARPENING & SMALL ENGINE REPAIR	Fuel Pump/Hose - Honda Generator	11/08/2019	24.61
134176	ACE ARMATURE & MOTOR SHOP, INC.	Pump Repair - WPWTP (Backwash Pond)	11/25/2019	1,898.45
134176	ACE ARMATURE & MOTOR SHOP, INC.	Hydromatic Pump - EP L/S #2	11/25/2019	4,562.96
134059	ACWA	ACWA Fall Conference Registration - Callen	11/14/2019	580.00
134060	ACWA/JPIA	Dental Insurance, Employees 12/19	11/14/2019	6,438.20 (D)
134060	ACWA/JPIA	Vision Insurance, Employees 12/19	11/14/2019	1,317.76
134060	ACWA/JPIA	EAP 12/19	11/14/2019	159.80
134060	ACWA/JPIA	Dental Insurance, Retirees 12/19	11/14/2019	2,819.32
134060	ACWA/JPIA	Vision Insurance, Retirees 12/19	11/14/2019	798.08
133951	AFLAC	Aflac Insurance 10/19	11/01/2019	2,092.28 (C)
134061	ALCAL GLASS AND SUPPLY	Pipe Fittings/Bucket/Screen - AWWTP	11/14/2019	28.91
134061	ALCAL GLASS AND SUPPLY	Rope/Glue/Primer/Fittings/Bulb/Tape - EP Barn	11/14/2019	128.31
133995	ALHAMBRA DRINKING WATER	Water Cooler Service 10/19 - LCWWTP	11/08/2019	107.98
133996	ALHAMBRA DRINKING WATER	Water Cooler Service 10/19 - JLWTP	11/08/2019	112.88
133952	AMERICAN WATER WORKS ASSOC	Membership Dues 01/01/20 -12/31/20	11/01/2019	4,269.00
134062	AMERIPRIDE SERVICES,INC	Uniform Laundry Service 10/19 - District Wide	11/14/2019	2,026.89
EFT	ANTHEM-BLUE CROSS	Health Insurance, Employees 11/19	11/06/2019	102,590.18 (D)
EFT	ANTHEM-BLUE CROSS	Health Insurance, Retirees 11/19	11/06/2019	43,275.84
134177	ARNOLD AUTO SUPPLY	Diesel Exhaust Fluid - Vehicle #135	11/25/2019	62.21
134177	ARNOLD AUTO SUPPLY	Windshield Cleaner - Vehicle #529	11/25/2019	8.58
134177	ARNOLD AUTO SUPPLY	Oil/Filters/Battery/Circuit Tester/Fuses - Vehicle #592	11/25/2019	234.92
134177	ARNOLD AUTO SUPPLY	Alternator - Vehicle #719	11/25/2019	276.66
134177	ARNOLD AUTO SUPPLY	Rags/Engine Additive - SA Shop	11/25/2019	307.77
134177	ARNOLD AUTO SUPPLY	Thermometer/Motor Treatment/Diesel Exhaust Fluid/Jug/Plug - EP Barn	11/25/2019	92.17
134177	ARNOLD AUTO SUPPLY	Oil/Filters/Test Strips/Seals - EP Generators	11/25/2019	164.93
134177	ARNOLD AUTO SUPPLY	Alternator - WP PS Truck	11/25/2019	273.48
134177	ARNOLD AUTO SUPPLY	Butane/Torch/Heat Shrink/Clips/Clamps - Collections Crew	11/25/2019	83.08
133953	ARNOLD TIRE AND AUTO CARE	Tires (4) Mounted/Balanced - Vehicle #130	11/01/2019	560.99
133953	ARNOLD TIRE AND AUTO CARE	Tires (4) Mounted/Balanced - Vehicle #712	11/01/2019	982.54
133953	ARNOLD TIRE AND AUTO CARE	Tires (4) Mounted/Balanced - Vehicle #719	11/01/2019	574.72
133997	ARNOLD TIRE AND AUTO CARE	Tires (6) Mounted/Balanced - Vehicle #134	11/08/2019	1,903.24

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134063	ATNIP, TONY	DOT Exam Reimbursement	11/14/2019	100.00
133998	BIBBY FINANCIAL SERVICES FOR SPDI INC	UV Bulbs (12) - DF/VCTO WWTP	11/08/2019	2,601.00
134178	BIG VALLEY FORD LINCOLN MERCURY	Filler Hose - Vehicle #512	11/25/2019	313.58
134178	BIG VALLEY FORD LINCOLN MERCURY	Ignition Switch - Vehicle #519	11/25/2019	75.66
134178	BIG VALLEY FORD LINCOLN MERCURY	Fuel Hose - Vehicle #706	11/25/2019	382.24
134179	BNN, LLC	Rent 12/19 - SA Shop	11/25/2019	3,000.00
134179	BNN, LLC	Utility Reimbursement 10/19 - SA Shop	11/25/2019	299.88
134180	BURKE, WILLIAMS, & SORENSON, LLP	Assessment District 604 Services 09/19	11/25/2019	1,150.00 (C)
134064	BUY & SELL	Distribution Worker Recruitment Ads	11/14/2019	134.20
134181	CAL.NET-MOTHERLODE	Internet Service 12/19 - Wallace	11/25/2019	57.92
134065	CALAVERAS COUNTY TAX COLLECTOR	Boundary Line Adjustment Fee - District Corp Yard	11/14/2019	25.00
134000	CALAVERAS FIRST COMPANY INC	Distribution Worker Recruitment Ad	11/08/2019	84.64
134001	CALAVERAS LUMBER CO INC	Gas Can/Caution Tape - Construction Crew	11/08/2019	59.22
134001	CALAVERAS LUMBER CO INC	Couplers/Adapters/Bushings/Plug - Vallecito Septic Tank Install	11/08/2019	148.04
134001	CALAVERAS LUMBER CO INC	Coffee Pot/Batteries/Gas Cans/Nutsetters - Collections Crew	11/08/2019	166.74
134001	CALAVERAS LUMBER CO INC	Antenna Mounting Parts - AWWTP	11/08/2019	91.95
134001	CALAVERAS LUMBER CO INC	Hydraulic Water Plug - E02	11/08/2019	20.46
134002	CALIFORNIA TEES	Shirts/Hats - District Staff	11/08/2019	1,221.97
134182	CALIFORNIA WASTE RECOVERY SYSTEMS	Refuse Disposal 11/19 - District Wide	11/25/2019	1,417.98
134183	CALIFORNIA WELDING SUPPLY CO	Welding Supplies - SA Shop	11/25/2019	247.97
134003	CALTEL	Phone Lines 10/19	11/08/2019	1,451.07
134066	CAMPORA	Propane 10/19 - Sandy Gulch/Moke Hill	11/14/2019	2,552.54
134184	CAMPORA	Propane 10/19 - Wallace	11/25/2019	196.44
133955	CARBON COPY INC	Copies/Copier Maintenance (2) 10/19	11/01/2019	88.25
EFT	CARD SERVICES	Legislative Trip, Washington, D.C. Meal - Ratterman/Davidson	11/20/2019	40.00
EFT	CARD SERVICES	Legislative Trip, Washington, D.C. Meal - Ratterman	11/20/2019	30.00
EFT	CARD SERVICES	Lunch Meeting - Thomas/Underhill/Minkler/Callen	11/20/2019	58.00
EFT	CARD SERVICES	ACWA State Legislative Committee Meeting Meal/Parking - Minkler	11/20/2019	26.30
EFT	CARD SERVICES	NCPA Annual Conference Lodging - Minkler	11/20/2019	73.07
EFT	CARD SERVICES	Legislative Trip, Washington, D.C. Meals/Transportation - Minkler	11/20/2019	574.63
EFT	CARD SERVICES	CSMFO Membership - Callen	11/20/2019	110.00
EFT	CARD SERVICES	Subdivision Map Act Class - Engineering (3)	11/20/2019	972.00
EFT	CARD SERVICES	RackSpace Hosted E-Mail Service Oct/Nov - OP HQ	11/20/2019	1,209.00
EFT	CARD SERVICES	Internet E-Mail Back Up 11/19 - OP HQ	11/20/2019	29.90
EFT	CARD SERVICES	Internet Service 11/19 - Hunters	11/20/2019	86.87
EFT	CARD SERVICES	Mailchimp Services - Metzger	11/20/2019	17.99
EFT	CARD SERVICES	Software - Williams	11/20/2019	79.99
EFT	CARD SERVICES	County Document Recording Fees	11/20/2019	103.00
EFT	CARD SERVICES	Sheet Metal/Plate - Lake Tulloch Pump Replacement Project	11/20/2019	4,617.14 (F)
EFT	CARD SERVICES	Water Pump/Belts/O-Rings/Seals - CCWTP	11/20/2019	5,769.78
EFT	CARD SERVICES	Fuel - WP Generators	11/20/2019	339.28

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EFT	CARD SERVICES	Portable Generators (4) - District Wide	11/20/2019	1,621.42
EFT	CARD SERVICES	Employee Meeting Supplies	11/20/2019	292.28
EFT	CARD SERVICES	Overtime Crew Meal (2) - PSPS/Copper	11/20/2019	312.10
EFT	CARD SERVICES	Office Supplies	11/20/2019	351.78
EFT	CARD SERVICES	Meeting Supplies	11/20/2019	99.27
EFT	CARD SERVICES	Customer Service Forms - OP HQ	11/20/2019	240.36
134005	CARDINAL, BILL	CA-NV AWWA Conference Airfare/Meals/Parking/Lodging/Mileage Reimb	11/08/2019	1,143.07
134006	CARSON HILL ROCK PRODUCTS	3/4 Class II AB - EP Barn	11/08/2019	323.25
134006	CARSON HILL ROCK PRODUCTS	3/4 Class II AB - CCWHSE	11/08/2019	170.51
134007	CDW GOVERNMENT INC	Surface Pro Power Supplies - OP HQ	11/08/2019	361.78
134068	CDW GOVERNMENT INC	USB Microphone - Customer Service	11/14/2019	69.64
134008	CITY OF ANGELS	Sewer Service 10/19 - Six Mile Village	11/08/2019	3,465.75
134069	CLARK PEST CONTROL	Pest Control Service 11/19 - WPWTP	11/14/2019	106.00
134069	CLARK PEST CONTROL	Pest Control Service 11/19 - WPWWTP	11/14/2019	130.00
134186	CLARK PEST CONTROL	Pest Control Service 11/19 - LCWWTP	11/25/2019	147.00
134186	CLARK PEST CONTROL	Pest Control Service 11/19 - Burson	11/25/2019	84.00
134186	CLARK PEST CONTROL	Pest Control Service 11/19 - AWWTP	11/25/2019	87.00
134186	CLARK PEST CONTROL	Pest Control Service 11/19 - Wallace WWTP	11/25/2019	122.00
134186	CLARK PEST CONTROL	Pest Control Service 11/19 - FMWWTP	11/25/2019	87.00
134070	COLEMAN ENGINEERING, INC.	Engineering/Design Services - EP Techite Pipeline Replacement Project	11/14/2019	10,388.00 (E)
134009	COLUMBIA COMMUNICATIONS	Vehicle Cloud Service 11/19	11/08/2019	740.00
134071	COLUMBIA COMMUNICATIONS	Radios - Vehicle #727/728	11/14/2019	761.42
133956	COMCAST	Internet Service 11/19 - JLWTP	11/01/2019	88.08
134010	COMCAST	Internet Service 11/19 - DF/VCTO WWTP	11/08/2019	123.71
134011	COMCAST	Internet Service 11/19 - OP HQ	11/08/2019	153.08
134187	COMCAST	Internet Service 12/19 - JLTC	11/25/2019	124.85
134188	COMCAST	Internet Service 12/19 - JLWTP	11/25/2019	131.69
134072	CONDOR EARTH TECHNOLOGIES INC	Maintenance Oversight/Annual Report - White Pines	11/14/2019	1,256.25
134189	CONETH SOLUTIONS INC	IT Infrastructure Support Services 08/19	11/25/2019	1,325.00
134190	COPPER AUTO & MARINE	Mud Flap/Soap/Ignition Switch/Diesel Exhaust Fluid/Polish - Vehicle #123	11/25/2019	119.09
134190	COPPER AUTO & MARINE	Coolant/Funnel/Adapter/Cutting Wheel - Vehicle #124	11/25/2019	76.81
134190	COPPER AUTO & MARINE	Fuse - Vehicle #130	11/25/2019	3.72
134190	COPPER AUTO & MARINE	Batteries - Vehicle #538	11/25/2019	345.32
134190	COPPER AUTO & MARINE	Transmission Fluid - Vehicle #710	11/25/2019	19.27
134190	COPPER AUTO & MARINE	Gas Can/Diesel Exhaust Fluid - Vehicle #723	11/25/2019	117.51
134190	COPPER AUTO & MARINE	Belts/Polish/Fittings/Hose - CCWTP	11/25/2019	144.12
134073	CPPA	Power 10/19 - District Wide	11/14/2019	69,534.11 (D)
133957	CPUD	Water Service 10/19 - OP HQ	11/01/2019	307.68
134074	CUMMINS WEST INC	Water Pump/Seals/Gaskets - Meadowmont Generator	11/14/2019	1,307.24
133958	CWEA	Electrical/Instrumentation Tech, Grade 2 Certificate Renewal - Kinney	11/01/2019	94.00
134192	CWEA	Mechanical Technologist, Grade 4 Certificate Renewal - Samorano	11/25/2019	104.00

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134192	CWEA	Membership Renewal - Filippini	11/25/2019	192.00
134075	DATAPROSE	UB Statement Processing 10/19	11/14/2019	3,945.43
133959	DAVIDSON, JEFF	Travel 10/19	11/01/2019	109.04
134193	DE LAGE LANDEN FINANCIAL SRVC INC	Copier Lease 11/19	11/25/2019	353.93
134076	DEPT OF CONSUMER AFFAIRS	Professional License/Certificate Renewal - Godwin	11/14/2019	115.00
134077	DLT SOLUTIONS INC	AutoCAD Annual Maintenance Support - Engineering (4)	11/14/2019	4,429.60
134194	DOI/BLM	Right of Way Fee Jan-Dec 2020 - Darby Knob	11/25/2019	2,873.10
134195	DOWNEY BRAND ATTORNEYS LLP	Legal Services 09/19	11/25/2019	8,106.50
134195	DOWNEY BRAND ATTORNEYS LLP	Legal Services 10/19	11/25/2019	10,249.00
134078	EBBETTS PASS GAS SERVICE	Fuel 10/19	11/14/2019	30,617.42
134014	EBBETTS PASS LUMBER	Fasteners - EP Meadowmont P/S	11/08/2019	23.96
134014	EBBETTS PASS LUMBER	Trimmer Line/Measuring Tape/Work Light/Utility Box - Hunters	11/08/2019	115.36
134079	EDGES ELECTRICAL GROUP, LLC	Conduit/Fittings - CC L/S #19	11/14/2019	20.55
134079	EDGES ELECTRICAL GROUP, LLC	Receptacle Box/Covers - DF/VCTO Recycled Water Distribution Project	11/14/2019	174.93 (B)
133961	FASTENAL	Tyrex Coveralls - District Wide	11/01/2019	71.99
134015	FASTENAL	Shovel/Hand Sanitizer/Primer/Grease/Gloves/Tape/Glasses/Batteries - JL	11/08/2019	733.24
134015	FASTENAL	Gloves/Pest Control/Safety Glasses/Shovel/Paint/Blades/Soap - EP	11/08/2019	503.25
134196	FASTENAL	Straps/Chain/Dust Mask - Copper	11/25/2019	425.86
134197	FEDERAL EXPRESS	Shipping 10/19	11/25/2019	53.02
133962	FERGUSON ENTERPRISES, INC	Valve Key - JLWTP	11/01/2019	431.48
134016	FERGUSON ENTERPRISES, INC	Pipe/Couplings - EP Barn	11/08/2019	2,501.05
134017	FGL ENVIRONMENTAL	Waste Water Testing 10/19	11/08/2019	2,872.00
134017	FGL ENVIRONMENTAL	Water Testing 10/19	11/08/2019	5,104.00
134198	FGL ENVIRONMENTAL	Waste Water Testing 11/19	11/25/2019	2,360.50
134198	FGL ENVIRONMENTAL	Water Testing 11/19	11/25/2019	4,197.00
134082	FOOTHILL PORTABLE TOILETS	Portable Toilet Rental 10/19 - Sheep Ranch	11/14/2019	93.50
134082	FOOTHILL PORTABLE TOILETS	Portable Toilet Rental 10/19 - Wallace	11/14/2019	93.50
134018	FOOTHILL SANITARY SEPTIC INC	Septic Tank Pumping - Indian Rock WWTP	11/08/2019	5,567.50
134018	FOOTHILL SANITARY SEPTIC INC	Septic Tank Pumping - EP Mill Woods	11/08/2019	1,520.00
134083	GAMBI DISPOSAL INC.	Bio-Solids Removal - AWWTP	11/14/2019	712.50
134083	GAMBI DISPOSAL INC.	Bio-Solids Removal - DF/VCTO WWTP	11/14/2019	593.75
134083	GAMBI DISPOSAL INC.	Bio-Solids Removal - FMWWTP	11/14/2019	617.50
134083	GAMBI DISPOSAL INC.	Bio-Solids Removal - LCWWTP	11/14/2019	2,462.40
134084	GENERAL SUPPLY COMPANY	Carbide Cutter/Hammer/Wire Stripper/Crimper/Cable - Vehicle #720	11/14/2019	902.88
134085	GLASS DOCTOR	Windshield Replacement - Vehicle #140	11/14/2019	323.41
133964	GOVCONNECTION, INC	Monitors (3) - OP HQ	11/01/2019	576.53
134020	GOVCONNECTION, INC	Surface Pro Covers (4) - Operators	11/08/2019	455.02
134020	GOVCONNECTION, INC	Wireless Keyboards/Mouse (4) - OP HQ	11/08/2019	176.06
134086	GOVCONNECTION, INC	Surface Pro's (3) - Electricians	11/14/2019	3,876.75
134086	GOVCONNECTION, INC	Surface Pro's (4) - Construction Crew CMMS	11/14/2019	5,167.33
134199	GOVCONNECTION, INC	UPS (9) - Electricians Stock	11/25/2019	2,238.35

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134199	GOVCONNECTION, INC	Win10 Pro Upgrades (2) - IT	11/25/2019	280.00
134199	GOVCONNECTION, INC	Scanners (2) - OP HQ	11/25/2019	987.07
134021	GRAINGER	Sewage Pump - Wallace WTP	11/08/2019	896.38
134021	GRAINGER	Elbows/Couplings/Tape - JLWTP	11/08/2019	79.87
134022	GRUTZMACHER, SCOTT	Water Treatment Plant Operator Exam Mileage Reimbursement	11/08/2019	69.60
134200	GRUTZMACHER, SCOTT	Water Treatment Plant Operator, Grade 2 Class Reimbursement	11/25/2019	172.00
134023	HACH COMPANY	Dissolved Oxygen Sensor - CCWWTP	11/08/2019	850.28
134201	HAMPTON, JESSE	Crew Meal Reimbursement (4) - Arnold Project	11/25/2019	79.08
EFT	HARLAND-CLARKE	Deposit Slip Printing - OP HQ	11/19/2019	138.50
134087	HERD'S MACHINE & WELD SHOP	Angle Iron/Pipe/Rod/Bolts/Gloves - Lake Tulloch Pump Replacement Project	11/14/2019	2,077.51 (F)
134202	HERD'S MACHINE & WELD SHOP	Flat Bar/Tubing - Lake Tulloch Pump Replacement Project	11/25/2019	137.83 (F)
134203	HOBGOODS CLEANING	Janitorial Service 11/19	11/25/2019	1,985.00
134204	HOLCOMB, DAVID	Locksmith Service - L/S #22	11/25/2019	225.89
134088	HOLT OF CALIFORNIA	Water Pump/Belt/Nozzle/Washer/Pullers - CC B Tank	11/14/2019	4,110.65
134088	HOLT OF CALIFORNIA	Gaskets/Radiator Caps - CCWTP Raw Water	11/14/2019	133.63
134088	HOLT OF CALIFORNIA	Radiator Caps/Seals/Gaskets/Hoses - CCWTP	11/14/2019	375.68
134088	HOLT OF CALIFORNIA	Coolant - CC	11/14/2019	391.53
134088	HOLT OF CALIFORNIA	Hoses/Water Pump/Belt - CC L/S #15	11/14/2019	844.52
134205	HOLT OF CALIFORNIA	Pump - CC Raw Water Generator	11/25/2019	911.79
133965	HOPKINS TECH. PRODUCTS	Pump Bleeder Valves - JLWTP	11/01/2019	27.26
134025	HUGHESNET	Internet Service 11/19 - FMWWTP	11/08/2019	82.23
134206	HUGHESNET	Internet Service 11/19 - AWWTP	11/25/2019	80.94
133966	HUNT & SONS, INC	Fuel - CC	11/01/2019	4,166.35
133966	HUNT & SONS, INC	Fuel - WP	11/01/2019	1,479.22
134026	HUNT & SONS, INC	Fuel - CC	11/08/2019	2,035.28
134026	HUNT & SONS, INC	Fuel - WP	11/08/2019	2,486.03
134089	HUNT & SONS, INC	Fuel - CCWTP	11/14/2019	1,973.68
134089	HUNT & SONS, INC	Fuel - WP	11/14/2019	1,089.00
134207	HUNT & SONS, INC	Fuel - CC	11/25/2019	405.00
134090	IRON MOUNTAIN	Document Destruction Sept/Oct	11/14/2019	151.37
134028	JAMESVILLE OFFICE FURNITURE	Office Furniture - OP HQ	11/08/2019	8,423.90
133967	JOE COVER AND SONS, INC.	Potable Water Hauling - SRWTP	11/01/2019	750.00
134210	KASL CONSULTING ENGINEERS	Construction Management Services - EP Reach 1 Pipeline Replacement Project	11/25/2019	490.00 (E)
134211	KUBOTA MEMBRANE USA CORPORATION	Plate Tubes - DF/VCTO WWTP	11/25/2019	645.00
134212	LAWSON PRODUCTS INC	Gloves/Sleet Deicer - SA Shop	11/25/2019	99.52
134092	LEE & RO, INC	Engineering/Design Services - CC L/S's 8,12,13 & Force Main Bypass	11/14/2019	5,533.00 (E)
134092	LEE & RO, INC	Engineering/Design Services - CC L/S's 15,16 Renovations	11/14/2019	5,533.00 (E)
134213	LIEBERT CASSIDY WHITMORE	Legal Services 09/19	11/25/2019	277.50
134214	LOLLAR, STACEY	Crane/Rigging Training Supplies	11/25/2019	36.91
134214	LOLLAR, STACEY	Career Fair Supplies	11/25/2019	10.99
134214	LOLLAR, STACEY	Employee Meeting Supplies	11/25/2019	44.41

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134215	MAIL FINANCE	Maintenance Lease Agreement Sept-Dec - Folder/Sorter	11/25/2019	983.27
134093	MATHESON TRI-GAS, INC	Liquid Oxygen - JLWTP	11/14/2019	4,174.72
134030	MODESTO AIRCO GAS & GEAR	Cylinder Rental 11/19	11/08/2019	91.00
134031	MOTHER LODE ANSWERING SERVICE	Answering Service 11/19	11/08/2019	799.37
134032	MOUNTAIN OASIS PURIFIED WATER	Water Cooler Service/Supplies 10/19 - District Wide	11/08/2019	148.20
134033	MUNICIPAL MAINTENANCE EQUIP	Kanaflex Hose/Adapter - Vehicle #126	11/08/2019	885.77
134094	MUNICIPAL MAINTENANCE EQUIP	Kanaflex Hose/Clamp - Vehicle #135	11/14/2019	614.76
133968	MUTUAL OF OMAHA	Life/AD&D/STD/LTD Insurance, Employees 11/19	11/01/2019	6,115.82
134095	NEW YORK LIFE	Life Insurance 10/19	11/14/2019	1,124.36 (C)
133969	NORTHSTAR CHEMICAL	Sodium Hypochlorite - WPWTP	11/01/2019	497.89
133969	NORTHSTAR CHEMICAL	Sodium Hypochlorite - WPWWTP	11/01/2019	488.31
134034	NORTHSTAR CHEMICAL	Sodium Hydroxide - LCWWTP	11/08/2019	2,745.60
134096	NORTHSTAR CHEMICAL	Sodium Hydroxide - AWWTP	11/14/2019	6,314.88
134096	NORTHSTAR CHEMICAL	Sodium Hydroxide - DF/VCTO WWTP	11/14/2019	1,202.57
134096	NORTHSTAR CHEMICAL	Sodium Hypochlorite - JLWTP	11/14/2019	2,106.43
134096	NORTHSTAR CHEMICAL	Sodium Hypochlorite - Southworth WWTP	11/14/2019	1,089.87
134035	NTU TECHNOLOGIES INC	Pro Tek 301 - JLWTP	11/08/2019	2,898.00
134097	OCCU-MED, LTD	Pre-Employment Exam - Callen	11/14/2019	125.50
133970	O'CONNELL & DEMPSEY, LLC	Legislative Advocacy Consulting Services 09/19	11/01/2019	5,000.00
134036	P & L CONCRETE PRODUCTS, INC	Concrete Septic Tank - Vallecito Install	11/08/2019	1,620.00
133971	P G & E	Power 10/19 - District Wide	11/01/2019	1,843.37
133972	P G & E	Power 10/19 - Wallace Spray Fields	11/01/2019	21.20
134037	P G & E	Gas 10/19 - OP HQ	11/08/2019	25.79
134098	P G & E	Power 10/19 - JLTC	11/14/2019	134.82
134099	P G & E	Power 10/19 - Warmwood L/S	11/14/2019	18.36
134100	P G & E	Power 10/19 - Woodgate L/S	11/14/2019	25.39
134038	PAGE SUPPLY CORP	Redi-Clamps - LCWHSE	11/08/2019	1,683.83
134216	PAGE SUPPLY CORP	Cla-Val Repair Kit - SA Shop Stock	11/25/2019	1,841.57
134216	PAGE SUPPLY CORP	Cal-Val Stem Seals - JL A Tank	11/25/2019	2,238.84
134039	PAYMENTUS GROUP INC	Payment Processing 09/19	11/08/2019	6,387.34
134217	PAYMENTUS GROUP INC	Payment Processing 10/19	11/25/2019	7,132.02
134041	POTRERO HILLS LANDFILL	Bio-Solids Disposal - DF/VCTO WWTP	11/08/2019	238.80
134041	POTRERO HILLS LANDFILL	Bio-Solids Disposal - FMWWTP	11/08/2019	175.80
134101	POWERPLAN PAPE KENWORTH	Pump/Belt/Gasket/Hose - L/S #4	11/14/2019	906.92
134218	R.E. SMITH CONTRACTORS, INC.	Construction Contract - JLWTP Pre-Treatment Facility Project	11/25/2019	26,903.71 (E)
133974	RANCHO CALAVERAS POA	Town Hall Meeting Hall Rental - Valley Springs	11/01/2019	165.00
133975	RATTERMAN, SCOTT	Travel 10/19	11/01/2019	223.88
134042	RATTERMAN, SCOTT	Legislative Trip, Washington, D.C. Airfare/Transportation/Lodging/Meals Reimb	11/08/2019	3,092.10
134220	RON COOPER GENERAL ENGINEERING INC	Patch Paving - EP	11/25/2019	1,000.00
133976	SECADA, CINDY	Travel 10/19	11/01/2019	67.34
133977	SEIU LOCAL 1021	Union Dues 10/19	11/01/2019	2,790.00 (C)

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134221	SENDERS MARKET INC	Extension Cords (3) - OP HQ	11/25/2019	126.41
134221	SENDERS MARKET INC	Pipe/Adapter/Receptacle/Cover/Extension Cord/Mop - JLWTP	11/25/2019	139.24
134221	SENDERS MARKET INC	Lumber/Mower Cord/Battery Charger/Plastic Film - LCWHSE	11/25/2019	268.18
134221	SENDERS MARKET INC	Scribe/Fittings/Plumb Bob - CC	11/25/2019	71.74
134221	SENDERS MARKET INC	Riser Adhesive/Riser/Lid/Filter/Adapters/Bolt Kit - Vallecito Septic Tank Install	11/25/2019	703.56
134221	SENDERS MARKET INC	Pest Control Supplies - Wallace WWTP	11/25/2019	30.87
134221	SENDERS MARKET INC	Fuse/Sealant/Ball Valve/Seal/Lube - CC Raw Water	11/25/2019	54.58
134221	SENDERS MARKET INC	Plugs - Wallace WTP	11/25/2019	5.78
133978	SHRM	Membership - Lollar	11/01/2019	100.00
134103	SIERRA JANITORIAL SUPPLY	Paper Towels/Toilet Paper - OP HQ	11/14/2019	376.39
134044	SLAKEY BROS - JACKSON	Brass Fittings/Tees - LCWHSE	11/08/2019	1,321.57
133980	STAPLES CREDIT PLAN	Office Supplies	11/01/2019	2,418.55
133981	STERLING WATER TECHNOLOGIES, LLC	Polymer - WPWTP	11/01/2019	1,366.40
134104	SUEZ TREATMENT SOLUTIONS INC	Ferrule/Compression Fittings/Tubing - CCWTP	11/14/2019	1,928.47
134224	SUNSET AUTO	Ignition Coil/Spark Plug Repair - Vehicle #519	11/25/2019	283.68
134047	SWEET PEA VENTURES , INC	Septic Hauling - Southworth WWTP	11/08/2019	1,440.00
133982	SWRCB	Recycled Water Fees FY 18-19 - FMWWTP	11/01/2019	540.00
133983	SWRCB	Water Treatment Plant Operator, Grade 5 Exam Application - Wyckoff	11/01/2019	155.00
133983	SWRCB	Water Distribution, Grade 5 Exam Application - Wyckoff	11/01/2019	155.00
133983	SWRCB	Water Distribution, Grade 2 Certificate Request - Reece	11/01/2019	60.00
134048	SWRCB	Water Distribution, Grade 2 Certificate Request - Kirschman	11/08/2019	80.00
134225	SWRCB-DIVISION WATER QUALITY	Permit Fee FY 19-20 - District Wide	11/25/2019	146,043.00
134105	TECHNIQUE DATA SYSTEMS INC	Check Scanner Maintenance 12/15/19-12/14/20	11/14/2019	425.00
133984	THOMAS, RUSS	Travel 10/19	11/01/2019	128.76
134049	TIFCO INDUSTRIES	Fleet Maintenance Kit/Cleaning Kit/Absorbent/Grinding Discs - SA Shop	11/08/2019	659.68
134106	TIFCO INDUSTRIES	Cutoff Wheels/Rivets/Grinding Discs/Fittings/Check Valves - Hunters	11/14/2019	370.17
134226	TIFCO INDUSTRIES	Lifting Straps - Vehicle #723	11/25/2019	352.92
134050	TREATS GENERAL STORE INC	Meeting Supplies	11/08/2019	33.16
134050	TREATS GENERAL STORE INC	Keys (2) - OP HQ	11/08/2019	16.09
133985	UNDERHILL, BERTHA	Travel 10/19	11/01/2019	217.50
134107	UNION DEMOCRAT	Customer Service Rep/Distribution Worker/Dir of Admin Services Recruitment Ads	11/14/2019	1,652.49
134108	UNION PUBLIC UTILITY DISTRICT	Water Service 10/19 - Six Mile Village	11/14/2019	168.00
134227	UNITED PARCEL SERVICE	Shipping Oct/Nov	11/25/2019	108.00
133987	UNIVAR USA INC	SLS 45 - CC Thompson L/S	11/01/2019	1,551.53
133988	USA BLUE BOOK	Chlorine Analyzer Maintenance Kit - JLWTP	11/01/2019	283.65
133988	USA BLUE BOOK	Sewer Plugs - Collections Crew	11/01/2019	440.24
134052	USA BLUE BOOK	Grinder Pump - FMWWTP	11/08/2019	1,125.61
134052	USA BLUE BOOK	Turbidimeter/Maintenance Kit - SRWTP	11/08/2019	3,589.97
134052	USA BLUE BOOK	Deionized Water - DF/VCTO WWTP	11/08/2019	73.84
134228	USA BLUE BOOK	CL17 Maintenance Kit - JLWTP	11/25/2019	283.65
134053	USDA RURAL DEVELOPMENT	Arnold Assessment District 9S4 Loan Interest Payment	11/08/2019	5,542.92 (C)

CCWD
AP DISBURSEMENTS
NOVEMBER 1-30, 2019

Check No.	Vendor/Employee	Transaction Description	Date	Amount	
134053	USDA RURAL DEVELOPMENT	West Point Assessment District Loan Interest Payment	11/08/2019	249.25	(C)
133989	VALENTE AND VALENTE POWER	Fuel - Copper	11/01/2019	1,177.94	
133990	VALLEY SPRINGS FEED INC	Straw - LCWWTP	11/01/2019	21.45	
134054	VERIFIED FIRST, LLC	Background Investigation - Callen	11/08/2019	36.50	
134229	VERIZON WIRELESS	Cell Phone Service 11/19	11/25/2019	3,008.05	
134055	VOLCANO TELEPHONE COMPANY	Phone 11/19 - WPWWTP	11/08/2019	163.71	
134055	VOLCANO TELEPHONE COMPANY	Phone/SCADA 11/19 - WPWTP	11/08/2019	394.15	
134109	WALKER, GARETTT	Backflow Testing (9) - CC	11/14/2019	315.00	
134230	WALKER, GARETTT	Backflow Testing (25) - Wallace	11/25/2019	875.00	
134056	WEST POINT LUMBER INC	Water - WP	11/08/2019	20.51	
133991	WESTERN HYDROLOGICS	White Pines Gaging Project	11/01/2019	1,516.98	
133991	WESTERN HYDROLOGICS	Gage Installation/Maintenance - Bear Creek	11/01/2019	779.56	
EFT	WEX BANK	Fuel 10/19	11/13/2019	21,717.62	
134110	YOUNG'S COPPER ACE HARDWARE	Electrical Outlet - Electricians	11/14/2019	41.81	
134110	YOUNG'S COPPER ACE HARDWARE	Nuts/Bolts/Storage Organizer - CCWTP	11/14/2019	23.48	
134110	YOUNG'S COPPER ACE HARDWARE	Rope/Batteries/Shackles/Nuts/Bolts - CCWHSE	11/14/2019	59.55	
134110	YOUNG'S COPPER ACE HARDWARE	Hose Bibb/Fitting/Clamp/Grounding Connector - CC Sec/Tertiary	11/14/2019	30.08	(E)
134110	YOUNG'S COPPER ACE HARDWARE	Key/Batteries/Saw Blades - Collections Crew	11/14/2019	82.48	
133992	ZOOM SMOG & AUTOMOTIVE	Oil/Lube/Filter Service - Vehicle #144	11/01/2019	154.80	
	Retiree Health Reimbursements (3)			809.30	
	Customer Refunds (12)			<u>3,366.02</u>	
Total November 2019 AP Disbursements				<u><u>789,027.82</u></u>	

RESOLUTION NO. 2019- ____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

RATIFYING CLAIM SUMMARY NO. 573

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT has reviewed and considered Claim Summary Number 573 at the Regular Meeting held on December 11, 2019 and

WHEREAS, Board Members have resolved questions, issues, or concerns by consultation with District staff during said meeting.

NOW, THEREFORE, BE IT RESOLVED that the CALAVERAS COUNTY WATER DISTRICT Board of Directors hereby ratifies Claim Summary Number 573 in the amount of \$1,353,082.00 for the month of November, 2019.

PASSED AND ADOPTED this 11th day of December, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: December 11, 2019

TO: Michael Minkler, General Manager

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Report on the Write-Off of Uncollectible Accounts Receivable for the period of June 1 through November 30, 2019

RECOMMENDED ACTION:

For information only.

SUMMARY:

Financial Management Policy No. 5.05, "Uncollectible Accounts Receivable," provides authorization and guidelines for the write-off of individual accounts receivable that are not deemed bona fide, or valid. Per policy, any uncollectible account in excess of \$2,500 must have the approval of the Board of Directors. All uncollectible accounts receivable that are written-off will be reported to the Board of Directors on a semi-annual basis.

During the reporting period of June 1 through November 30, 2019 there are no uncollectible accounts receivable in excess of \$2,500. Attachment A lists the uncollectible accounts receivable customers with balances under the \$2,500 threshold for the subject reporting period totaling \$14,000.91.

All bad debt accounts that are not written off due to bankruptcy are placed with a local collection agency in the absence of other remedies. Recovery rate for this reporting period is approximately 11.0% net to the District after collection service fees.

FINANCIAL CONSIDERATIONS:

The write-off of these accounts would result in a reduction in current assets in the amount of \$14,000.91 and more fairly present the District's financial position.

*Attachments: Financial Management Policy No. 5.05, Uncollectible Accounts Receivable
Attachment A, Accounts Receivable Write Offs Less Than \$2,500*

5.05.1 Purpose

To provide authorization and guidelines for the write-off of uncollectible accounts receivable.

5.05.2 Policy

The Director of Administrative Services may write off uncollectible accounts receivable that do not exceed \$2,500 (per customer account) after review and written concurrence by the General Manager that such accounts are uncollectible. If the amount in question exceeds \$2,500, the proposed write-off must have the approval of the Board of Directors. All uncollectible accounts receivable write-offs will be reported to the Board of Directors on a semi-annual basis.

5.05.3 General Provisions

On occasion, certain accounts receivable due and owing Calaveras County Water District become uncollectible after all reasonable effort is expended to effect collection. There are also situations where accounts are such a size that more money would be expended to collect the debt itself. The Director of Administrative Services for Calaveras County Water District is in a position to thoroughly evaluate the feasibility of collecting past due accounts and to make a decision as to whether to further the effort.

Attachment A

Calaveras County Water District
Uncollectible Accounts Receivable as of November 30, 2019
For the Period of June 1 through November 30, 2019

Accounts Receivable Write Offs Less than \$2,500

Account No	Post Date	Water	Sewer	Total
025364-000	10/17/2019	21.69	-	21.69
002061-000	6/20/2019	30.90	-	30.90
0000582	8/13/2019	40.00	-	40.00
0000653	8/13/2019	40.00	-	40.00
024185-000	7/15/2019	53.83	-	53.83
006367-000	10/17/2019	62.25	-	62.25
040570-000	11/7/2019	87.95	-	87.95
020938-000	7/23/2019	102.94	-	102.94
036977-000	6/18/2019	103.10	-	103.10
039636-000	8/30/2019	104.82	-	104.82
002242-000	10/17/2019	108.09	-	108.09
034889-000	9/19/2019	121.26	-	121.26
039684-000	9/27/2019	-	131.93	131.93
034834-000	10/18/2019	69.26	66.70	135.96
027607-000	8/30/2019	166.54	-	166.54
040165-000	6/20/2019	102.44	68.95	171.39
039850-000	7/23/2019	83.43	119.94	203.37
037622-000	10/17/2019	-	212.96	212.96
007563-000	9/19/2019	92.63	128.94	221.57
039401-000	10/8/2019	-	230.88	230.88
014491-000	7/23/2019	261.09	-	261.09
005028-000	6/18/2019	292.86	-	292.86
035894-000	10/17/2019	293.72	-	293.72
035599-000	6/20/2019	303.42	-	303.42
008241-000	9/27/2019	-	306.85	306.85
040425-000	10/17/2019	145.43	227.90	373.33
029354-000	10/18/2019	374.44	-	374.44
039699-000	10/8/2019	144.39	230.88	375.27
029206-000	6/18/2019	148.11	239.88	387.99
039914-000	10/8/2019	154.17	246.01	400.18
029656-000	10/17/2019	598.32	83.97	682.29
004949-000	7/31/2019	687.02	-	687.02
040657-000	10/17/2019	343.67	473.75	817.42
039280-000	7/23/2019	713.68	971.17	1,684.85
002437-000	10/18/2019	934.36	1,248.07	2,182.43
039723-000	9/19/2019	937.24	1,289.08	2,226.32
TOTAL		7,723.05	6,277.86	14,000.91

Agenda Item

DATE: December 11, 2019

TO: Michael Minkler, General Manager

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Amending the District's Financial Management Policy – No. 5.01, Investment Policy

RECOMMENDED ACTION:

Motion _____/_____ adopting Resolution No. 2019 - ____ regarding amending the District's Financial Management Policy No. 5.01, Investment Policy.

SUMMARY:

Section 5.01.20 of *The Investment Policy Guidelines of the Calaveras County Water District* is as follows:

“The Investment Policy Guidelines of the Calaveras County Water District shall be adopted by resolution of the Districts' legislative authority. The policy shall be reviewed at the beginning of each fiscal year by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.”

Staff is proposing modifications to Section 5.01.19, Appendix A, Note (2), and Section 5.01.20.01 to align with the State Treasurer's policy change for the deposit limit for investments in the Local Agency Investment Fund. This change is effective January 1, 2020.

In addition to these changes, there were some small formatting, numbering errors, and grammatical changes made for ease of future amendments.

Staff was unable to present this change to the Finance Committee, as the notification from the State Treasurer was just sent on November 20th, and did not allow sufficient time to amend the policy in time to incorporate into that agenda. The proposed amendments are provided as an attachment in “underline/strikeout” format with the additions being underlined and the deletions struck through.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachments: *Underline/Strikeout of amended District Financial Management Policy No. 5.01 – Investment Policy*
Amended District Financial Management Policy No. 5.01 – Investment Policy
Resolution 2019 -__ Adopting Amended District Financial Management Policy No. 5.01 – Investment Policy -
Financial Management Policies No. 5.01, Investment Policy

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
Revised 10/08/14 (Res. 2014-61)
Revised 02/27/19 (Res. 2019-09)
Revised 08/14/19 (Res. 2019-60)
[Proposed 12/11/19 \(Res. 2019-xx\)](#)

Calaveras County Water District

5.01.01 Policy Statement

This policy is intended to provide guidelines for the prudent investment of the Calaveras County Water District's (District) funds and outline the policies for maximizing the efficiency of the District's cash management system. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District's investments. This investment Policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq.*

5.01.02 Scope

It is intended that this policy cover all funds and investment activities of the District. These funds are defined and detailed in the District's Annual Financial Statements and include any new funds created unless specifically excluded by District management and the Board of Directors. The management of Calaveras County Water District's bond issued proceeds is not included in this policy because they have unique investment objectives, time horizons, and legal requirements. Incorporated herein are **Appendices A and B**, "Description of Authorized Investments and Restrictions," and "Glossary of Cash Management Terms," respectively.

5.01.03 Prudent Investor Standard

The District operates its investment portfolio under the Prudent Investor Standard (California Government Code Section 53600.3) which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District."

5.01.04 Investment Objectives

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of the District. The third objective is to achieve a maximum return on invested funds. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

5.01.04.1 Safety of Principal

Safety of principal is the foremost objective of the District. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security's issuer or backer. Interest Rate risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

A) Credit risk will be mitigated by:

- (1) Limiting investments to only the most creditworthy types of securities; and
- (2) Pre-qualifying a list of non-government issuers of securities with which the District will do business; and
- (3) Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.
- (4) The District cannot invest any more than 5% maximum of the portfolio in any single issuer's bond debt, except U.S. Government, its agency or the State of California Local Agency Investment Fund.

B) Interest rate risk will be mitigated by:

- (1) Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (2) Investing primarily in shorter-term securities as defined in “(5.01.04.2)”
Liquidity

5.01.04.2 Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized. These securities will have a low sensitivity to market risk. The Local Agency Investment Fund (LAIF) and short-term money market securities shall also be used as liquid investments. The cash management system of the District shall be designed to accurately monitor and forecast expenditures and revenues to insure the investment of monies to the fullest extent possible.

5.01.04.3 Rates of Return

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
Revised 10/08/14 (Res. 2014-61)
Revised 02/27/19 (Res. 2019-09)
Revised 08/14/19 (Res. 2019-60)
[Proposed 12/11/19 \(Res. 2019-xx\)](#)

Return on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout economic cycles, taking into account the District's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

5.01.05 Delegation of Authority

The Board of Directors hereby delegates management authority and responsibility for implementing the investment policy to the General Manager or designee, who shall establish written procedures for the operation of the investment program consistent with this investment policy and the requirements of applicable laws. Such procedures shall include explicit delegation (by the Board of Directors) of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. The General Manager or designee shall be responsible for all transactions undertaken by the District's staff, and shall establish a system of controls to regulate the activities of internal staff and any external investment advisors.

All participants in the investment process shall act, as custodians of the public trust and all investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. All investment related activity shall be done in conformance with this policy and all applicable State and Federal laws and regulations.

5.01.06 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any financial interest in financial institutions that conduct business with the District, and they shall further disclose any personal financial/investment positions that could be related to the performance of the District's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the timing of purchases and sales, and shall avoid transactions that might impair public confidence.

5.01.07 Authorized Financial Dealers and Institutions

The General Manager or designee shall establish and maintain a list of the financial institutions and broker/dealers authorized to provide investment and depository services to the District, shall perform an annual review of the financial condition and registrations of the qualified institutions, and require annual audited financial statements to be on file for each approved institution. The District shall send annually, or as updated, a copy of its current Investment Policy to all financial institutions and broker/dealers approved to do business with the District. Receipt of the Investment Policy including confirmation that it has been received and reviewed by the person(s)

handling the District's account, shall be acknowledged in writing within thirty (30) days.

5.01.07.1 Depositories

In selecting depositories, the creditworthiness of institutions shall be considered and the General Manager or designee shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. Qualifications and minimum requirements for depositories shall be established by the General Manager or designee, approved by the Board of Directors and provided to any institution seeking to conduct business with the District. Banks and Savings and Loan Associations seeking to establish eligibility as a depository for the District's Collateralized Certificate of Deposits shall submit annually an audited financial statement, which shall be reviewed by the General Manager or designee for compliance with the District's financial criteria.

Any institution meeting the District's required criteria will be eligible for placement of public deposits by the District, subject to approval by the General Manager or designee. As deemed necessary by the General Manager or designee, reviews of unaudited quarterly financial data for institutions on the District's approved list shall be made. Any institution falling below the District's established minimum criteria shall be removed from the approved list, no new deposits may be placed with that institution and all funds remaining shall be withdrawn as the deposits mature.

5.01.07.2 Brokers and Dealers

All brokers and dealers that desire to become qualified bidders for investment transactions with the District must respond to a "Broker Dealer Questionnaire" and submit related documents relative to eligibility. This includes a current audited financial statement, proof of state registration, proof of NASD registration and a certification they have received and reviewed the District's Investment Policy and agree to comply with the provisions outlined in the Investment Policy. The General Manager or designee may establish any additional criteria deemed appropriate to evaluate and approve any financial services provider. The selection process for broker dealers shall be open to both "primary dealers" and "secondary/regional dealers" that qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule). The provider must be experienced in institutional trading practices and be familiar with the California Government Code as it relates to investments by a public entity.

If the District employs the services of a professional investment advisor, selection of broker/dealers will be at the sole discretion of the advisor, and the advisor shall make their list of selected broker/dealers available to the District on demand.

5.01.08 Authorized and Suitable Investments

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600 - 53609 (authorized investments), 53630 - 53686 (deposits and collateral) and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to the Government Code list, it shall not be added to the District's Authorized Investment List until this policy is amended and

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
Revised 10/08/14 (Res. 2014-61)
Revised 02/27/19 (Res. 2019-09)
Revised 08/14/19 (Res. 2019-60)
[Proposed 12/11/19 \(Res. 2019-xx\)](#)

approved by the Board of Directors. If a type of investment permitted by the District should be removed from the Government Code list, it shall be deemed concurrently removed from the District's Authorized Investment List, but existing holdings may be held until they mature.

Within the context of these limitations, the following investments are authorized:

Policy Title: Annual Investment Policy
 Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
 Revised 10/08/14 (Res. 2014-61)
 Revised 02/27/19 (Res. 2019-09)
 Revised 08/14/19 (Res. 2019-60)
[Proposed 12/11/19 \(Res. 2019-xx\)](#)

**SUMMARY OF INVESTMENTS AUTHORIZED UNDER CALIFORNIA
 GOVERNMENT CODE SECTION 53601 AND
 CALAVERAS COUNTY WATER DISTRICT
 STATEMENT OF INVESTMENT POLICY
 See Appendix A**

CGC Section	Investment Type	ALLOWED BY STATUTE			AUTHORIZED BY CALAVERAS COUNTY WATER DISTRICT		
		Maximum Maturity	Authorized Limit (%)	Require Rating	Maximum Maturity	Authorized Limit (%)	Require Rating
53601(a)	Local District Bonds	5 Years	None	None	5 Years	50%	N/A
53601(b)	U.S. Treasury Obligations	5 Years	None	None	5 Years	100%	N/A
53601(c)	State of California Obligations	5 Years	100%	None	5 Years	100%	A
53601(d)	Obligations of Other States	5 Years	None	None	5 Years	20%	AA
53601(e)	California Local Agency Obligations	5 Years	None	None	5 Years	50%	AA
53601(f)	U.S. Agencies and GSEs	5 Years	None	None	5 Years	100%	N/A
53601(g)	Bankers' Acceptances	180 Days	40%/30%	None	180 Days	40%	A
53601(h)	Commercial Paper	270 Days	25% and 10% of outstanding CP	A1/P1/F1	270 Days	25%	A1/P1/F1 AA
53601(i)	Negotiable Certificates of Deposit	5 Years	30%	None	5 Years	30%	A
53601(j)	Repurchase Agreements	1 Year	None	Various	1 Year	20%	None
53601(k)	Medium-Term Notes	5 Years	30%	A or >	5 Years	30%	A or >
53601(l)	Money Market Mutual Funds	N/A	20%	(1)	N/A	20%	(1)
53601(o)	Passthrough Securities	5 Years	20%	A	5 Years	20%	A
53601(p)	Joint powers Authority	N/A	None	None	N/A	20%	None
53601(q)	Supranational Securities	5 Years	30%	AA	5 Years	30%	AA
53631	Collateralized Bank Deposits	5 Years	None	AA	5 Years	20%	AA
53637	Time Deposits	5 Years	None	None	2 Years	20%	N/A
16429.1	Local Agency Investment Fund (LAIF)	N/A	None	None	N/A	Statutory limit ⁽²⁾	N/A
53635.8	County Pooled Investment Funds	N/A	None	None	N/A	30%	None
53684 ⁽³⁾	Non-Negotiable Certificates of Deposit	5 Years	100%	None	2 Year	40%	None

- (1) Highest ranking by 2 of 3 of the nationally recognized agencies,
- (2) LAIF currently allows a maximum of ~~\$65~~-75 million per account.
- (3) For non-negotiable certificates of deposit, bank deposits, and time deposits that exceed the insured maximum of \$250,000, approved collateral at the required percentage of market value will be obtained. (Government Code § 53651-53652).

The CCWD Portfolio at the time of investment will use a guideline of 5% limit per issuer. The exception will be U.S. Treasuries and U.S. Agencies.

Note: "Authorized Limits" refer to the percent of total amount of funds eligible for investment in a particular investment type.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
Revised 10/08/14 (Res. 2014-61)
Revised 02/27/19 (Res. 2019-09)
Revised 08/14/19 (Res. 2019-60)
[Proposed 12/11/19 \(Res. 2019-xx\)](#)

One purpose of this Investment Policy is to define what investments **are** permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment. Additionally, District assets shall not be invested in instruments whose maturities exceed five (5) years from the time of purchase without the express approval of the Board of Directors to be received no less than three months prior to the investment.

See **Appendix A** for a more detailed descriptions and additional restrictions, if any, of the authorized investments listed above.

5.01.0910 Competitive Bidding

It is the District's policy to transact all securities purchases and sales through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The District will accept the offer, which (a) optimizes the investment objectives of the overall portfolio and (b) the highest rate of return.¹ When selling a security, the District will select the bid that generates the highest sale price. It will be the responsibility of the personnel involved in each transaction to produce and retain written records, including the name of the financial institutions solicited, price/rate quoted, general description of the security, bid/offer selected, and any consideration that had an impact on the decision.

5.01.101 Master Repurchase Agreement

The District may invest (Government Code Section 53601 (j) in overnight and term repurchase agreements with Primary Dealers of the Federal Reserve Bank of New York rated "A" or better by Moody's Investors Service or Standard & Poor's Corporation with which the District has entered into a Master Repurchase Agreement. This agreement will be modeled after the Public Securities Associations Master Repurchase Agreement.

All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have an account in the name of the Calaveras County Water District. The market value of securities used as collateral for repurchase agreements shall be monitored on a daily basis and shall not be permitted to fall below a minimum of 102 percent of the value of the repurchase agreement. Collateral shall not have maturities in excess of five (5) years. The right of substitution shall be granted, provided that permissible collateral is maintained.

In order to conform with the provisions of the Federal Bankruptcy Code that provides for the liquidation of securities held as collateral for repurchase agreements, the only securities deemed acceptable as collateral shall be securities that are direct obligations of and guaranteed by the U.S. Government, U.S Government Agencies or Government Sponsored Enterprises securities as permitted under this policy. The District will maintain a first perfected security interest in the securities subject to the repurchase agreement and shall have a contractual right to the liquidation of purchased securities upon the bankruptcy, insolvency or other default of the counter party.

¹ The purchase of securities other than U.S. Treasuries (corporate notes, agencies, mortgage-backed securities, etc.) will be executed differently. This is due to the lack of homogeneity among these products and their availability (or unavailability) in dealer inventories. Because of the individualized nature of these securities, it is generally not possible to get more than one offer on the same instrument.

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Therefore, when purchasing non-Treasury securities, the Investment Officer shall make a subjective evaluation regarding the relative attractiveness of various offers, taking into account maturity, credit ratings, structure and other factors that influence pricing.

5.01.112 Investment Pools

An investigation of any investment pool or money market mutual fund is required prior to investing and is to be performed on an ongoing basis. The investigation shall, at a minimum, obtain the following information:

- A description of interest calculations and how it is distributed, and how gains and losses are distributed.
- A description of how securities are safeguarded (including the settlement process) and how often the securities are “marked to market” and how often an audit is conducted.
- A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.
- A schedule for receiving statements and portfolio listings.
- Does the pool/fund maintain a reserve or retain earnings or is all income after expenses distributed to participants?
- A fee schedule, which also discloses when and how fees are assessed.
- Determining if the pool or fund is eligible for bond proceeds and/or will it accept such proceeds.

The purpose of this investigation is to determine the suitability of a pool or fund in relation to the District’s investment policy and evaluate the risk of placing funds with that pool or fund.

5.01.123 Collateralization

Uninsured Time Deposits with banks and savings and loans shall be collateralized and monitored in the manner prescribed by state law for depositories accepting investment funds from public governmental entities.

Repurchase Agreements shall be collateralized in accordance with terms specified in the Master Repurchase Agreement. The valuation of collateral securing a Repurchase Agreement shall be verified and monitored on a daily basis to ~~insure~~ensure a minimum of 102% of the value of the transaction being held by the District's depository agent. All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have an account in the name of the Calaveras County Water District.

5.01.134 Safekeeping and Custody

All securities owned by the District shall be held in safekeeping by a third-party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. **All securities shall be received and delivered using standard delivery versus payment (DVP) procedures.** The third-party bank trustee agreement must comply with Section 53608 of the California Government Code. No outside broker/dealer or advisor may have access to District funds; accounts or investments and any transfer of funds must be approved by the General Manager or designee or his/her designee.

5.01.145 Diversification and Risk

Mitigating Credit Risk in the Portfolio

The District recognizes that investment risks could result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. To minimize the District's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments and maturities. The General Manager or designee shall minimize default risk by prudently selecting only instruments and institutions which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. Diversification strategies shall be established and reviewed quarterly by the General Manager or designee.

The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.

If securities owned by the District are downgraded by an NRSRO to a level below the quality required by this investment policy, it will be the District's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

- If a security is downgraded, the General Manager or designee will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Board of Directors.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The District further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The District will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities)

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in the portfolio will be 20%.

- If the District utilizes a strategy that targets a duration target, the duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the District based on the District's investment objectives, constraints and risk tolerances.

5.01.156 Maximum Maturities

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with maturity greater than five (5) years.

5.01.167 Internal Control and Review

This Investment Policy shall be reviewed periodically by the General Manager or designee as necessary and any recommended revisions shall be submitted as needed to the Board of Directors in order to insure consistency and its relevance to current law, and financial and economic trends. The General Manager or designee shall also submit this Investment Policy to the Board of Directors for its review during the first quarter of each fiscal year.

In conjunction with the annual financial statement audit, the external auditors shall review the investments and general activities associated with the investment program to evaluate compliance with this Investment Policy.

5.01.178 Performance Benchmark

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and will use an industry benchmark of like investment types that maintain a target duration and credit quality that are commensurate with the District's current investment goals.

5.01.189 Reporting

The General Manager or designee will produce a monthly transaction report that will be submitted to the Board of Directors. Additionally, the General manager or designee may produce a quarterly investment report (Treasurer's Report) that may be submitted to the Board of Directors. The report, generally submitted within 30 days of the end of each calendar quarter (unless a more frequent reporting period is chosen), shall include information about the investment of all funds in the custody of the District. This report shall also include all items listed in Section 53646(b) of the Government Code.

These reports will also include the following information about the investments of all funds:

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5.01.189.1 Investment Report

- A. List of individual investments by type and issuer held at the end of reporting period.
- B. Dollar weighted yield to maturity of the District's investments.
- C. Maturity schedule by type, of each of the District's investments.
- D. Statement of compliance of the portfolio to the District's adopted Investment Policy or manner in which the portfolio is not in compliance.
- E. Quarterly statement denoting the ability to meet the District's scheduled expenditure requirements for the next three months.
- F. Market value, book value and par value of all investments.
- G. Rates of interest on investments and accrued interest earned on the portfolio.
- H. Transactions for the period

5.01.1920 Investment Policy Adoption

The Investment Policy Guidelines of the Calaveras County Water District shall be adopted by resolution of the Districts' legislative authority. The policy shall be reviewed during the first quarter of each fiscal year by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.

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Appendix - A

Description of Authorized Investments and Restrictions

The following descriptions of authorized investments are included here to assist in the administration of this policy.

5.01.~~1920~~.01 Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a special fund in the California State Treasury created and governed pursuant to Government Code Sections 16429.1 *et seq.* This law permits the District, with the consent of the Board of Directors, to remit money not required for the District's immediate need to the State Treasurer for deposit in this special fund for the *purpose* of investment. LAIF currently limits investments to ~~\$7550~~ million from any one District. Principal may be withdrawn on one days' notice. The fees charged by LAIF are limited by Statute. (Legal Authority - Government Code Section 16429.1)

5.01.~~1920~~.02 Securities of the U.S. Government

Treasury securities are obligations of the United States Treasury backed by the "full faith and credit" of the Federal Government and can be of three types: bills, notes, and bonds. There is no percentage limitation on the funds that can be invested in this category; however, a five-year maturity limitation is applicable.

5.01.~~1920~~.03 Federal Agencies and Government-Sponsored Enterprises

The District can invest in obligations issued by Federal Government agencies and Government Sponsored Enterprises such as Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporations (FI-ILMC). Such securities are obligations of the agencies themselves but there is also an implied guarantee by the United States Government. All such obligations qualify as legal instruments and are acceptable as security for District deposits. (Legal Authority – Government code Sections 53601 (f)). There is no percentage limitation on the funds that can be invested in this category; however, a five-year maturity limitation is applicable. Moreover, no more than 25% of the portfolio may be invested in any single Agency/GSE issuer.

5.01.19.04 Registered State Warrants or Treasury Notes or Bonds of the State of California

These include bonds payable solely out *of* the revenues from a revenue-producing property owned, controlled, or operated *by* the state or *by* a department, board, District, or authority *of* the state. (Legal Authority - Government Code Sections 53601 (c)). These investments are permitted, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 30% of the portfolio may be in Municipal Securities

5.01.19.05 The maximum maturity does not exceed five (5) years. Registered treasury notes or bonds of

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any of the other 49 United States in addition to California.

This includes bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California (GCS 53601 (d)). These investments are permitted, provided that:

- The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
- No more than 30% of the portfolio may be in Municipal Securities.

5.01.19.06 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of Any Local District within the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a California local District, or by a department, board, District or authority of such a local District. (Legal Government Code Sections 53601 (e)). These investments are permitted, provided that:

- The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
- No more than 30% of the portfolio may be in Municipal Securities

5.01.19.07 Bankers Acceptance

The District may invest in Bankers Acceptances limited to banks which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of “A” or its equivalent or better by at least one NRSRO. The maximum investment maturity will be restricted to 180 days as per Government Code Section 53601(f). Maximum portfolio exposure will be limited to 40 percent. (Legal Authority-Government Code Sections 53601 (g))

5.01.19.08 Commercial Paper

Prime Commercial Paper with a maturity not exceeding 270 days from the date of purchase with the highest ranking or of the highest letter and numerical rating as provided for by the nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either A or B:

- A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
- B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letter of credit or surety bonds and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

The District's aggregate investment in commercial paper shall not exceed 25% of the District's

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total portfolio. (Legal Authority - Government Code Sections 53601 (h))

5.01.~~1920~~.09 Negotiable Certificates of Deposit

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Investments are limited to deposits issued by a nationally or state-chartered bank or a savings association or federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

Negotiable Certificates *of* Deposit shall not exceed 30 percent *of* the District's surplus money, which may be invested pursuant to this policy. Per section 53638 *of* the California Government Code, any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution. Maximum investment maturity is restricted to five years. Investments in Negotiable Certificates of Deposit prohibited by Government Code Section 53635 (i) shall *not* be made. (Legal Authority Government Code Section 53601 (i))

5.01.~~1920~~.10 Time Certificates of Deposit

The District may invest in collateralized certificates *of* deposits issued by a state or nationally chartered bank, a state or federal association or a state or federal credit union (Government Code Sections 53601(h)). A written depository contract is required with all institutions that hold District deposits. Securities placed in a collateral pool must provide coverage for at least 110 percent *of* all deposits that are placed in the institution. Acceptable pooled collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All banks are required to provide the District with a regular statement *of* pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing *of* all collateral with location and market value, plus an accountability *of* the total amount *of* deposits secured by the pool.

District funds shall be invested only in commercial banks and savings and loans rated in the rating category of "A" or better by one NRSRO.

In the event that a bank does not meet the minimum ratings, a tri-party collateral arrangement may be substituted in lieu *of* a rating lower than "A". The third-party institution must be acceptable to the District and have an account in the name *of* the Calaveras County Water District. The market value *of* the collateral in the account must not fall below 110 percent *of* the value *of* the deposit(s) at any time. The securities in the account must conform to Government Code Section 53651 with the exception that real estate mortgages are not acceptable collateral. The District will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation *of* pledged securities upon the bankruptcy, insolvency or other default *of* the counter party.

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Deposits *of* up to \$250,000 are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation, regardless *of* Moody's Investors Service or Standard and Poor's Corporation ratings. Per section 53638 *of* the California Government Code, any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution.

Maximum maturity is restricted to two (2) years. (Legal Authority - Govt Code Section 53651)

5.01.~~1920.110~~ Repurchase Agreements

A Repurchase Agreement is the purchase *of* a security pursuant to an agreement by which the counterparty will deliver the underlying security by book entry, physical delivery or by a third-party custodial agreement. Repurchase Agreements shall have a maximum maturity *of* one year and shall not exceed 20 percent *of* the District's funds. The collateralization level for Repurchase Agreements shall be a minimum *of* 102 percent *of* the market value of the principal and accrued interest. The right *of* substitution will be granted provided that permissible collateral is maintained. In order to conform with the provisions *of* the Federal Bankruptcy Code that provides for the liquidation *of* securities held collateral for Repurchase Agreements, the only securities acceptable as collateral shall be securities that are direct obligations *of* and guaranteed by the United States Government, or its Agencies or with a maximum maturity of five (5) years.

The District shall maintain a first perfected security interest in the securities subject to the Repurchase Agreement and shall have a contractual right to the liquidation *of* purchased securities upon the bankruptcy, insolvency or other default *of* the counter party. Repurchase Agreements may only be made with banks and primary dealers with which the District has entered into a Master Repurchase Agreement modeled after the Public Securities Associations' Master Repurchase Agreement. In all other respects, Repurchase Agreements shall conform to the restrictions set forth in Government Code Sections 53601 (j). (Legal Authority - Government Code Sections 53601 (j))

5.01.~~1920.121~~ Medium Term Notes

Medium-term notes are obligations of corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. The securities must in in a rating category of "A" or its equivalent better by a nationally recognized rating organization. Purchase of medium-term notes shall not exceed 30% of the total portfolio, and not have maturity in excess of five (5) years. (Legal Authority-Government Code Sections 53601(k))

5.01.~~1920.132~~ Money Market Mutual Funds

Mutual funds qualifying for District investment must restrict their portfolios to issues approved by the same state investment statute that defines investment alternatives for cities. Additionally these mutual funds must adhere to Federal statutes regarding the size of the mutual fund and its safety, must attain the highest ranking of two of the three largest rating services and must retain an investment advisor registered with the Securities and Exchange Commission with not less than five (5) years experience investing assets of at least five

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hundred million dollars (\$500,000,000). The mutual funds must invest solely in investments, which the District itself could legally purchase. Investments in mutual funds shall not exceed 20 percent of the District's surplus fund. (Legal Authority-Government Code Section 53601(l))

5.01.~~1920.143~~ Asset-Backed, Mortgage-Backed, Mortgage Passthrough securities, and Collateralized Mortgage Obligations

- The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
- No more that 20% of the portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
- The maximum legal final maturity does not exceed five (5) years.

5.01.~~1920.154~~ Share of Beneficial Interest in a Joint Powers Authority

As authorized by Government Code Section 53601(p).

5.01.~~1920.165~~ Money market Mutual Funds

- Issues are US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
- No more that 30% of the portfolio may be invested in these securities.
- No more that 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

5.01.~~1920.176~~ Passbook Deposits

As authorized by Government Code Section 53637.

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Appendix B

Glossary of Cash Management Terms

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage - Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price - The price a broker dealer offers to sell securities.

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Banker's Acceptance - A high quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point - One basis point is one hundredth of one percent (.01).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry - The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction, which calls for delivery and payment of securities on the same day that the transaction is initiated.

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CDARS – The Certificate of Deposit Account Registry Service (CDARS) program places funds into certificates of deposit issued by banks in the CDARS network. This occurs in increments of less than the standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC insurance deposit. Maturities range from four weeks to three years. Interest rates are set by the competitive market place.

Certificate of Deposit - A deposit of funds for a specified period of time that earns interest at a specified rate. Commonly known as "CDs." Maturities range from a few weeks to several years. Interest rates are set by the competitive market place.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Comprehensive Annual Financial Report (CAFR) – The official annual financial report for the District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issue - Issues that have sufficient money to retire outstanding debt when due so that the District is released from the contracts and covenants in the bond document.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivative - Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables:

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term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$250,000) per account.

Federal Reserve System - The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Guaranteed Investment Contracts (GICS) - An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds) - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Interest Rate Risk - The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies such as mutual funds are regulated in the areas of advertising, promotion, performance reporting

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requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the independent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating District.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local District - County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Local Government Investment Pool - A pooled investment vehicle sponsored by a local District or a group of local agencies for use by other local agencies.

Mark-to-Market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security. The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Merrill Lynch 1 - 3 Year Treasury Index - Represents all U.S. Treasury securities with maturities ranging from 1-3 years.

Modified Duration - A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the securities' (portfolio's) yield.

Moody's - Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Funds - An investment company that pools money and can invest in a variety of securities; including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.

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2. Disseminate timely and accurate information regarding the fund's holdings, performance, and management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus, which is updated and filed by the SEC annually.

National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below) $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

Negotiable Certificate of Deposit - A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

New Issue - Term used when a security is originally "brought" to market.

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

New Issue - Term used when a security is originally "brought" to market.

No Load Fund - A mutual fund, which does not levy a sales charge on the purchase of its shares.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal, which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

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Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prime Rate - A preferred interest rate charged by commercial banks to their most credit worthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements also known as an "official statement".

Prudent Investor Standard aka as Prudent Person Rule - A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller agrees *to* buy back from the buyer (District) the securities at an agreed upon price on demand *or* at a specified date.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (District) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree *of* uncertainty of return on an asset.

Rule 2a-7 of the Investment Company Act - Applies to all money market mutual funds and mandates such funds ≤ 0 maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value *of* one dollar (\$1.00).

Rule G-37 of the Securities Rulemaking Board - Federal regulations to sever any connection between the making of political contributions and the awarding *of* municipal securities business.

Safekeeping - Holding *of* assets (e.g., securities) by a financial institution.

Safekeeping Service - Offers storage and protection *of* assets provided by an institution serving as an agent.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale *of* outstanding issues following the initial distribution.

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Securities and Exchange Commission (SEC) - The federal District responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery *of* securities against funds.

Serial Bond - A bond issue, usually *of* a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund - Money, accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Standard and Poor's Corporation (S&P) - One *of* the three best *known* rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Swap - Trading one asset for another.

Tax and Revenue Anticipation Notes (TRANS) - Notes issued in anticipation *of* receiving tax proceeds *or* other revenues at a future date.

Term Bond - Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Certificate of Deposit - A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

Treasury Bills - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter - A dealer which purchases a new issue of municipal securities for resale.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular District.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the form of Bills, Notes, and Bonds. Bills are short-term obligations that mature in one year or less and are sold on the basis of a rate of discount. Notes are obligations, which mature between one (1) year and ten (10) years. Bonds are long-term obligations, which generally mature in ten (10) years or more.

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio

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that is typically expressed in days or years.

Yield - The rate of annual income returns on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income returns on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve - A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

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Calaveras County Water District

5.01.01 Policy Statement

This policy is intended to provide guidelines for the prudent investment of the Calaveras County Water District's (District) funds and outline the policies for maximizing the efficiency of the District's cash management system. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District's investments. This investment Policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq.*

5.01.02 Scope

It is intended that this policy cover all funds and investment activities of the District. These funds are defined and detailed in the District's Annual Financial Statements and include any new funds created unless specifically excluded by District management and the Board of Directors. The management of Calaveras County Water District's bond issued proceeds is not included in this policy because they have unique investment objectives, time horizons, and legal requirements. Incorporated herein are **Appendices A and B**, "Description of Authorized Investments and Restrictions," and "Glossary of Cash Management Terms," respectively.

5.01.03 Prudent Investor Standard

The District operates its investment portfolio under the Prudent Investor Standard (California Government Code Section 53600.3) which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District."

5.01.04 Investment Objectives

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of the District. The third objective is to achieve a maximum return on invested funds. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

5.01.04.1 Safety of Principal

Safety of principal is the foremost objective of the District. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security's issuer or backer. Interest Rate risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

A) Credit risk will be mitigated by:

- (1) Limiting investments to only the most creditworthy types of securities; and
- (2) Pre-qualifying a list of non-government issuers of securities with which the District will do business; and
- (3) Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.
- (4) The District cannot invest any more than 5% maximum of the portfolio in any single issuer's bond debt, except U.S. Government, its agency or the State of California Local Agency Investment Fund.

B) Interest rate risk will be mitigated by:

- (1) Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (2) Investing primarily in shorter-term securities as defined in “(5.01.04.2)”
Liquidity

5.01.04.2 Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized. These securities will have a low sensitivity to market risk. The Local Agency Investment Fund (LAIF) and short-term money market securities shall also be used as liquid investments. The cash management system of the District shall be designed to accurately monitor and forecast expenditures and revenues to insure the investment of monies to the fullest extent possible.

5.01.04.3 Rates of Return

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Return on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout economic cycles, taking into account the District's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

5.01.05 Delegation of Authority

The Board of Directors hereby delegates management authority and responsibility for implementing the investment policy to the General Manager or designee, who shall establish written procedures for the operation of the investment program consistent with this investment policy and the requirements of applicable laws. Such procedures shall include explicit delegation (by the Board of Directors) of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. The General Manager or designee shall be responsible for all transactions undertaken by the District's staff, and shall establish a system of controls to regulate the activities of internal staff and any external investment advisors.

All participants in the investment process shall act, as custodians of the public trust and all investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. All investment related activity shall be done in conformance with this policy and all applicable State and Federal laws and regulations.

5.01.06 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any financial interest in financial institutions that conduct business with the District, and they shall further disclose any personal financial/investment positions that could be related to the performance of the District's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the timing of purchases and sales, and shall avoid transactions that might impair public confidence.

5.01.07 Authorized Financial Dealers and Institutions

The General Manager or designee shall establish and maintain a list of the financial institutions and broker/dealers authorized to provide investment and depository services to the District, shall perform an annual review of the financial condition and registrations of the qualified institutions, and require annual audited financial statements to be on file for each approved institution. The District shall send annually, or as updated, a copy of its current Investment Policy to all financial institutions and broker/dealers approved to do business with the District. Receipt of the Investment Policy including confirmation that it has been received and reviewed by the person(s)

handling the District's account, shall be acknowledged in writing within thirty (30) days.

5.01.07.1 Depositories

In selecting depositories, the creditworthiness of institutions shall be considered and the General Manager or designee shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. Qualifications and minimum requirements for depositories shall be established by the General Manager or designee, approved by the Board of Directors and provided to any institution seeking to conduct business with the District. Banks and Savings and Loan Associations seeking to establish eligibility as a depository for the District's Collateralized Certificate of Deposits shall submit annually an audited financial statement, which shall be reviewed by the General Manager or designee for compliance with the District's financial criteria.

Any institution meeting the District's required criteria will be eligible for placement of public deposits by the District, subject to approval by the General Manager or designee. As deemed necessary by the General Manager or designee, reviews of unaudited quarterly financial data for institutions on the District's approved list shall be made. Any institution falling below the District's established minimum criteria shall be removed from the approved list, no new deposits may be placed with that institution and all funds remaining shall be withdrawn as the deposits mature.

5.01.07.2 Brokers and Dealers

All brokers and dealers that desire to become qualified bidders for investment transactions with the District must respond to a "Broker Dealer Questionnaire" and submit related documents relative to eligibility. This includes a current audited financial statement, proof of state registration, proof of NASD registration and a certification they have received and reviewed the District's Investment Policy and agree to comply with the provisions outlined in the Investment Policy. The General Manager or designee may establish any additional criteria deemed appropriate to evaluate and approve any financial services provider. The selection process for broker dealers shall be open to both "primary dealers" and "secondary/regional dealers" that qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule). The provider must be experienced in institutional trading practices and be familiar with the California Government Code as it relates to investments by a public entity.

If the District employs the services of a professional investment advisor, selection of broker/dealers will be at the sole discretion of the advisor, and the advisor shall make their list of selected broker/dealers available to the District on demand.

5.01.08 Authorized and Suitable Investments

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600 - 53609 (authorized investments), 53630 - 53686 (deposits and collateral) and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to the Government Code list, it shall not be added to the District's Authorized Investment List until this policy is amended and

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approved by the Board of Directors. If a type of investment permitted by the District should be removed from the Government Code list, it shall be deemed concurrently removed from the District's Authorized Investment List, but existing holdings may be held until they mature.

Within the context of these limitations, the following investments are authorized:

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**SUMMARY OF INVESTMENTS AUTHORIZED UNDER CALIFORNIA
 GOVERNMENT CODE SECTION 53601 AND
 CALAVERAS COUNTY WATER DISTRICT
 STATEMENT OF INVESTMENT POLICY
 See Appendix A**

CGC Section	Investment Type	ALLOWED BY STATUTE			AUTHORIZED BY CALAVERAS COUNTY WATER DISTRICT		
		Maximum Maturity	Authorized Limit (%)	Require Rating	Maximum Maturity	Authorized Limit (%)	Require Rating
53601(a)	Local District Bonds	5 Years	None	None	5 Years	50%	N/A
53601(b)	U.S. Treasury Obligations	5 Years	None	None	5 Years	100%	N/A
53601(c)	State of California Obligations	5 Years	100%	None	5 Years	100%	A
53601(d)	Obligations of Other States	5 Years	None	None	5 Years	20%	AA
53601(e)	California Local Agency Obligations	5 Years	None	None	5 Years	50%	AA
53601(f)	U.S. Agencies and GSEs	5 Years	None	None	5 Years	100%	N/A
53601(g)	Bankers' Acceptances	180 Days	40%/30%	None	180 Days	40%	A
53601(h)	Commercial Paper	270 Days	25% and 10% of outstanding CP	A1/P1/F1	270 Days	25%	A1/P1/F1 AA
53601(i)	Negotiable Certificates of Deposit	5 Years	30%	None	5 Years	30%	A
53601(j)	Repurchase Agreements	1 Year	None	Various	1 Year	20%	None
53601(k)	Medium-Term Notes	5 Years	30%	A or >	5 Years	30%	A or >
53601(l)	Money Market Mutual Funds	N/A	20%	(1)	N/A	20%	(1)
53601(o)	Passthrough Securities	5 Years	20%	A	5 Years	20%	A
53601(p)	Joint powers Authority	N/A	None	None	N/A	20%	None
53601(q)	Supranational Securities	5 Years	30%	AA	5 Years	30%	AA
53631	Collateralized Bank Deposits	5 Years	None	AA	5 Years	20%	AA
53637	Time Deposits	5 Years	None	None	2 Years	20%	N/A
16429.1	Local Agency Investment Fund (LAIF)	N/A	None	None	N/A	Statutory limit ⁽²⁾	N/A
53635.8	County Pooled Investment Funds	N/A	None	None	N/A	30%	None
53684 ⁽³⁾	Non-Negotiable Certificates of Deposit	5 Years	100%	None	2 Year	40%	None

- (1) Highest ranking by 2 of 3 of the nationally recognized agencies,
- (2) LAIF currently allows a maximum of \$~~65~~75 million per account.
- (3) For non-negotiable certificates of deposit, bank deposits, and time deposits that exceed the insured maximum of \$250,000, approved collateral at the required percentage of market value will be obtained. (Government Code § 53651-53652).

The CCWD Portfolio at the time of investment will use a guideline of 5% limit per issuer. The exception will be U.S. Treasuries and U.S. Agencies.

Note: "Authorized Limits" refer to the percent of total amount of funds eligible for investment in a particular investment type.

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One purpose of this Investment Policy is to define what investments **are** permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment. Additionally, District assets shall not be invested in instruments whose maturities exceed five (5) years from the time of purchase without the express approval of the Board of Directors to be received no less than three months prior to the investment.

See **Appendix A** for a more detailed descriptions and additional restrictions, if any, of the authorized investments listed above.

5.01.0910 Competitive Bidding

It is the District's policy to transact all securities purchases and sales through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The District will accept the offer, which (a) optimizes the investment objectives of the overall portfolio and (b) the highest rate of return.¹ When selling a security, the District will select the bid that generates the highest sale price. It will be the responsibility of the personnel involved in each transaction to produce and retain written records, including the name of the financial institutions solicited, price/rate quoted, general description of the security, bid/offer selected, and any consideration that had an impact on the decision.

5.01.101 Master Repurchase Agreement

The District may invest (Government Code Section 53601 (j) in overnight and term repurchase agreements with Primary Dealers of the Federal Reserve Bank of New York rated "A" or better by Moody's Investors Service or Standard & Poor's Corporation with which the District has entered into a Master Repurchase Agreement. This agreement will be modeled after the Public Securities Associations Master Repurchase Agreement.

All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have an account in the name of the Calaveras County Water District. The market value of securities used as collateral for repurchase agreements shall be monitored on a daily basis and shall not be permitted to fall below a minimum of 102 percent of the value of the repurchase agreement. Collateral shall not have maturities in excess of five (5) years. The right of substitution shall be granted, provided that permissible collateral is maintained.

In order to conform with the provisions of the Federal Bankruptcy Code that provides for the liquidation of securities held as collateral for repurchase agreements, the only securities deemed acceptable as collateral shall be securities that are direct obligations of and guaranteed by the U.S. Government, U.S Government Agencies or Government Sponsored Enterprises securities as permitted under this policy. The District will maintain a first perfected security interest in the securities subject to the repurchase agreement and shall have a contractual right to the liquidation of purchased securities upon the bankruptcy, insolvency or other default of the counter party.

¹ The purchase of securities other than U.S. Treasuries (corporate notes, agencies, mortgage-backed securities, etc.) will be executed differently. This is due to the lack of homogeneity among these products and their availability (or unavailability) in dealer inventories. Because of the individualized nature of these securities, it is generally not possible to get more than one offer on the same instrument.

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Therefore, when purchasing non-Treasury securities, the Investment Officer shall make a subjective evaluation regarding the relative attractiveness of various offers, taking into account maturity, credit ratings, structure and other factors that influence pricing.

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5.01.1~~12~~ Investment Pools

An investigation of any investment pool or money market mutual fund is required prior to investing and is to be performed on an ongoing basis. The investigation shall, at a minimum, obtain the following information:

- A description of interest calculations and how it is distributed, and how gains and losses are distributed.
- A description of how securities are safeguarded (including the settlement process) and how often the securities are “marked to market” and how often an audit is conducted.
- A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.
- A schedule for receiving statements and portfolio listings.
- Does the pool/fund maintain a reserve or retain earnings or is all income after expenses distributed to participants?
- A fee schedule, which also discloses when and how fees are assessed.
- Determining if the pool or fund is eligible for bond proceeds and/or will it accept such proceeds.

The purpose of this investigation is to determine the suitability of a pool or fund in relation to the District’s investment policy and evaluate the risk of placing funds with that pool or fund.

5.01.1~~23~~ Collateralization

Uninsured Time Deposits with banks and savings and loans shall be collateralized and monitored in the manner prescribed by state law for depositories accepting investment funds from public governmental entities.

Repurchase Agreements shall be collateralized in accordance with terms specified in the Master Repurchase Agreement. The valuation of collateral securing a Repurchase Agreement shall be verified and monitored on a daily basis to ~~insure~~ensure a minimum of 102% of the value of the transaction being held by the District's depository agent. All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have an account in the name of the Calaveras County Water District.

5.01.1~~34~~ Safekeeping and Custody

All securities owned by the District shall be held in safekeeping by a third-party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. **All securities shall be received and delivered using standard delivery versus payment (DVP) procedures.** The third-party bank trustee agreement must comply with Section 53608 of the California Government Code. No outside broker/dealer or advisor may have access to District funds; accounts or investments and any transfer of funds must be approved by the General Manager or designee or his/her designee.

5.01.1~~4~~⁵ Diversification and Risk

Mitigating Credit Risk in the Portfolio

The District recognizes that investment risks could result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. To minimize the District's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments and maturities. The General Manager or designee shall minimize default risk by prudently selecting only instruments and institutions which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. Diversification strategies shall be established and reviewed quarterly by the General Manager or designee.

The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.

If securities owned by the District are downgraded by an NRSRO to a level below the quality required by this investment policy, it will be the District's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

- If a security is downgraded, the General Manager or designee will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Board of Directors.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The District further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The District will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities)

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in the portfolio will be 20%.

- If the District utilizes a strategy that targets a duration target, the duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the District based on the District's investment objectives, constraints and risk tolerances.

5.01.156 Maximum Maturities

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with maturity greater than five (5) years.

5.01.167 Internal Control and Review

This Investment Policy shall be reviewed periodically by the General Manager or designee as necessary and any recommended revisions shall be submitted as needed to the Board of Directors in order to insure consistency and its relevance to current law, and financial and economic trends. The General Manager or designee shall also submit this Investment Policy to the Board of Directors for its review during the first quarter of each fiscal year.

In conjunction with the annual financial statement audit, the external auditors shall review the investments and general activities associated with the investment program to evaluate compliance with this Investment Policy.

5.01.178 Performance Benchmark

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and will use an industry benchmark of like investment types that maintain a target duration and credit quality that are commensurate with the District's current investment goals.

5.01.189 Reporting

The General Manager or designee will produce a monthly transaction report that will be submitted to the Board of Directors. Additionally, the General manager or designee may produce a quarterly investment report (Treasurer's Report) that may be submitted to the Board of Directors. The report, generally submitted within 30 days of the end of each calendar quarter (unless a more frequent reporting period is chosen), shall include information about the investment of all funds in the custody of the District. This report shall also include all items listed in Section 53646(b) of the Government Code.

These reports will also include the following information about the investments of all funds:

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5.01.189.1 Investment Report

- A. List of individual investments by type and issuer held at the end of reporting period.
- B. Dollar weighted yield to maturity of the District's investments.
- C. Maturity schedule by type, of each of the District's investments.
- D. Statement of compliance of the portfolio to the District's adopted Investment Policy or manner in which the portfolio is not in compliance.
- E. Quarterly statement denoting the ability to meet the District's scheduled expenditure requirements for the next three months.
- F. Market value, book value and par value of all investments.
- G. Rates of interest on investments and accrued interest earned on the portfolio.
- H. Transactions for the period

5.01.1920 Investment Policy Adoption

The Investment Policy Guidelines of the Calaveras County Water District shall be adopted by resolution of the Districts' legislative authority. The policy shall be reviewed during the first quarter of each fiscal year by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.

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Appendix - A

Description of Authorized Investments and Restrictions

The following descriptions of authorized investments are included here to assist in the administration of this policy.

5.01.~~1920~~.01 Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a special fund in the California State Treasury created and governed pursuant to Government Code Sections 16429.1 *et seq.* This law permits the District, with the consent of the Board of Directors, to remit money not required for the District's immediate need to the State Treasurer for deposit in this special fund for the *purpose* of investment. LAIF currently limits investments to ~~\$7550~~ million from any one District. Principal may be withdrawn on one days' notice. The fees charged by LAIF are limited by Statute. (Legal Authority - Government Code Section 16429.1)

5.01.~~1920~~.02 Securities of the U.S. Government

Treasury securities are obligations of the United States Treasury backed by the "full faith and credit" of the Federal Government and can be of three types: bills, notes, and bonds. There is no percentage limitation on the funds that can be invested in this category; however, a five-year maturity limitation is applicable.

5.01.~~1920~~.03 Federal Agencies and Government-Sponsored Enterprises

The District can invest in obligations issued by Federal Government agencies and Government Sponsored Enterprises such as Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporations (FI-ILMC). Such securities are obligations of the agencies themselves but there is also an implied guarantee by the United States Government. All such obligations qualify as legal instruments and are acceptable as security for District deposits. (Legal Authority – Government code Sections 53601 (f)). There is no percentage limitation on the funds that can be invested in this category; however, a five-year maturity limitation is applicable. Moreover, no more than 25% of the portfolio may be invested in any single Agency/GSE issuer.

5.01.19.04 Registered State Warrants or Treasury Notes or Bonds of the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, District, or authority of the state. (Legal Authority - Government Code Sections 53601 (c)). These investments are permitted, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least on nationally recognized statistical rating organization ("NRSRO").
- No more than 30% of the portfolio may be in Municipal Securities

5.01.19.05 The maximum maturity does not exceed five (5) years. Registered treasury notes or bonds of

any of the other 49 United States in addition to California.

This includes bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California (GCS 53601 (d)). These investments are permitted, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 30% of the portfolio may be in Municipal Securities.

5.01.19.06 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of Any Local District within the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a California local District, or by a department, board, District or authority of such a local District. (Legal Government Code Sections 53601 (e)). These investments are permitted, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 30% of the portfolio may be in Municipal Securities

5.01.19.07 Bankers Acceptance

The District may invest in Bankers Acceptances limited to banks which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The maximum investment maturity will be restricted to 180 days as per Government Code Section 53601(f). Maximum portfolio exposure will be limited to 40 percent. (Legal Authority-Government Code Sections 53601 (g))

5.01.19.08 Commercial Paper

Prime Commercial Paper with a maturity not exceeding 270 days from the date of purchase with the highest ranking or of the highest letter and numerical rating as provided for by the nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either A or B:

- A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
- B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letter of credit or surety bonds and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

The District's aggregate investment in commercial paper shall not exceed 25% of the District's

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total portfolio. (Legal Authority - Government Code Sections 53601 (h))

5.01.1920.09 Negotiable Certificates of Deposit

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Investments are limited to deposits issued by a nationally or state-chartered bank or a savings association or federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

Negotiable Certificates *of* Deposit shall not exceed 30 percent *of* the District's surplus money, which may be invested pursuant to this policy. Per section 53638 *of* the California Government Code, any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution. Maximum investment maturity is restricted to five years. Investments in Negotiable Certificates of Deposit prohibited by Government Code Section 53635 (i) shall *not* be made. (Legal Authority Government Code Section 53601 (i))

5.01.1920.10 Time Certificates of Deposit

The District may invest in collateralized certificates *of* deposits issued by a state or nationally chartered bank, a state or federal association or a state or federal credit union (Government Code Sections 53601(h)). A written depository contract is required with all institutions that hold District deposits. Securities placed in a collateral pool must provide coverage for at least 110 percent *of* all deposits that are placed in the institution. Acceptable pooled collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All banks are required to provide the District with a regular statement *of* pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing *of* all collateral with location and market value, plus an accountability *of* the total amount *of* deposits secured by the pool.

District funds shall be invested only in commercial banks and savings and loans rated in the rating category of "A" or better by one NRSRO.

In the event that a bank does not meet the minimum ratings, a tri-party collateral arrangement may be substituted in lieu *of* a rating lower than "A". The third-party institution must be acceptable to the District and have an account in the name *of* the Calaveras County Water District. The market value *of* the collateral in the account must not fall below 110 percent *of* the value *of* the deposit(s) at any time. The securities in the account must conform to Government Code Section 53651 with the exception that real estate mortgages are not acceptable collateral. The District will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation *of* pledged securities upon the bankruptcy, insolvency or other default *of* the counter party.

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Deposits *of* up to \$250,000 are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation, regardless *of* Moody's Investors Service or Standard and Poor's Corporation ratings. Per section 53638 *of* the California Government Code, any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution.

Maximum maturity is restricted to two (2) years. (Legal Authority - Govt Code Section 53651)

5.01.~~1920.110~~ 110 Repurchase Agreements

A Repurchase Agreement is the purchase *of* a security pursuant to an agreement by which the counterparty will deliver the underlying security by book entry, physical delivery or by a third-party custodial agreement. Repurchase Agreements shall have a maximum maturity *of* one year and shall not exceed 20 percent *of* the District's funds. The collateralization level for Repurchase Agreements shall be a minimum *of* 102 percent *of* the market value of the principal and accrued interest. The right *of* substitution will be granted provided that permissible collateral is maintained. In order to conform with the provisions *of* the Federal Bankruptcy Code that provides for the liquidation *of* securities held collateral for Repurchase Agreements, the only securities acceptable as collateral shall be securities that are direct obligations *of* and guaranteed by the United States Government, or its Agencies or with a maximum maturity of five (5) years.

The District shall maintain a first perfected security interest in the securities subject to the Repurchase Agreement and shall have a contractual right to the liquidation *of* purchased securities upon the bankruptcy, insolvency or other default *of* the counter party. Repurchase Agreements may only be made with banks and primary dealers with which the District has entered into a Master Repurchase Agreement modeled after the Public Securities Associations' Master Repurchase Agreement. In all other respects, Repurchase Agreements shall conform to the restrictions set forth in Government Code Sections 53601 (j). (Legal Authority - Government Code Sections 53601 (j))

5.01.~~1920.121~~ 121 Medium Term Notes

Medium-term notes are obligations of corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. The securities must in in a rating category of "A" or its equivalent better by a nationally recognized rating organization. Purchase of medium-term notes shall not exceed 30% of the total portfolio, and not have maturity in excess of five (5) years. (Legal Authority-Government Code Sections 53601(k))

5.01.~~1920.132~~ 132 Money Market Mutual Funds

Mutual funds qualifying for District investment must restrict their portfolios to issues approved by the same state investment statute that defines investment alternatives for cities. Additionally these mutual funds must adhere to Federal statutes regarding the size of the mutual fund and its safety, must attain the highest ranking of two of the three largest rating services and must retain an investment advisor registered with the Securities and Exchange Commission with not less than five (5) years experience investing assets of at least five

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hundred million dollars (\$500,000,000). The mutual funds must invest solely in investments, which the District itself could legally purchase. Investments in mutual funds shall not exceed 20 percent of the District's surplus fund. (Legal Authority-Government Code Section 53601(l))

5.01.1920.143 Asset-Backed, Mortgage-Backed, Mortgage Passthrough securities, and Collateralized Mortgage Obligations

- The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
- No more that 20% of the portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
- The maximum legal final maturity does not exceed five (5) years.

5.01.1920.154 Share of Beneficial Interest in a Joint Powers Authority

As authorized by Government Code Section 53601(p).

5.01.1920.165 Money market Mutual Funds

- Issues are US Dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
- No more that 30% of the portfolio may be invested in these securities.
- No more that 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

5.01.1920.176 Passbook Deposits

As authorized by Government Code Section 53637.

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Appendix B

Glossary of Cash Management Terms

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage - Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price - The price a broker dealer offers to sell securities.

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Banker's Acceptance - A high quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point - One basis point is one hundredth of one percent (.01).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry - The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction, which calls for delivery and payment of securities on the same day that the transaction is initiated.

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CDARS – The Certificate of Deposit Account Registry Service (CDARS) program places funds into certificates of deposit issued by banks in the CDARS network. This occurs in increments of less than the standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC insurance deposit. Maturities range from four weeks to three years. Interest rates are set by the competitive market place.

Certificate of Deposit - A deposit of funds for a specified period of time that earns interest at a specified rate. Commonly known as "CDs." Maturities range from a few weeks to several years. Interest rates are set by the competitive market place.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Comprehensive Annual Financial Report (CAFR) – The official annual financial report for the District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issue - Issues that have sufficient money to retire outstanding debt when due so that the District is released from the contracts and covenants in the bond document.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivative - Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables:

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term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$250,000) per account.

Federal Reserve System - The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Guaranteed Investment Contracts (GICS) - An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds) - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Interest Rate Risk - The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies such as mutual funds are regulated in the areas of advertising, promotion, performance reporting

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requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the independent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating District.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local District - County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Local Government Investment Pool - A pooled investment vehicle sponsored by a local District or a group of local agencies for use by other local agencies.

Mark-to-Market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security. The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Merrill Lynch 1 - 3 Year Treasury Index - Represents all U.S. Treasury securities with maturities ranging from 1-3 years.

Modified Duration - A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100-basis point change in the securities' (portfolio's) yield.

Moody's - Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Funds - An investment company that pools money and can invest in a variety of securities; including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 5.01

Adopted 03/28/07
Revised 10/08/14 (Res. 2014-61)
Revised 02/27/19 (Res. 2019-09)
Revised 08/14/19 (Res. 2019-60)
Revised 12/11/19 (Res. 2019-xx)

2. Disseminate timely and accurate information regarding the fund's holdings, performance, and management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus, which is updated and filed by the SEC annually.

National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below) $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

Negotiable Certificate of Deposit - A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

New Issue - Term used when a security is originally "brought" to market.

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

New Issue - Term used when a security is originally "brought" to market.

No Load Fund - A mutual fund, which does not levy a sales charge on the purchase of its shares.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal, which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

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Revised 12/11/19 (Res. 2019-xx)

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prime Rate - A preferred interest rate charged by commercial banks to their most credit worthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements also known as an "official statement".

Prudent Investor Standard aka as Prudent Person Rule - A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller agrees *to* buy back from the buyer (District) the securities at an agreed upon price on demand *or* at a specified date.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (District) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree *of* uncertainty of return on an asset.

Rule 2a-7 of the Investment Company Act - Applies to all money market mutual funds and mandates such funds ≤ 0 maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value *of* one dollar (\$1.00).

Rule G-37 of the Securities Rulemaking Board - Federal regulations to sever any connection between the making of political contributions and the awarding *of* municipal securities business.

Safekeeping - Holding *of* assets (e.g., securities) by a financial institution.

Safekeeping Service - Offers storage and protection *of* assets provided by an institution serving as an agent.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale *of* outstanding issues following the initial distribution.

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Adopted 03/28/07
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Revised 12/11/19 (Res. 2019-xx)

Securities and Exchange Commission (SEC) - The federal District responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery *of* securities against funds.

Serial Bond - A bond issue, usually *of* a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund - Money, accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Standard and Poor's Corporation (S&P) - One *of* the three best *known* rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Swap - Trading one asset for another.

Tax and Revenue Anticipation Notes (TRANS) - Notes issued in anticipation *of* receiving tax proceeds *or* other revenues at a future date.

Term Bond - Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Certificate of Deposit - A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

Treasury Bills - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter - A dealer which purchases a new issue of municipal securities for resale.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular District.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the form of Bills, Notes, and Bonds. Bills are short-term obligations that mature in one year or less and are sold on the basis of a rate of discount. Notes are obligations, which mature between one (1) year and ten (10) years. Bonds are long-term obligations, which generally mature in ten (10) years or more.

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio

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that is typically expressed in days or years.

Yield - The rate of annual income returns on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income returns on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve - A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

RESOLUTION 2019 –

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING DISTRICT FINANCIAL MANAGEMENT
POLICY NO. 5.01 – INVESTMENT POLICY**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted an Investment Policy by Resolution No. 93-27 on March 30, 1993, which policy has been amended in part or in its entirety since that time, and

WHEREAS, the Board most recently adopted Financial Management Policy No. 5.01 – Investment Policy by Resolution No 2019-60 on August 14, 2019; and

WHEREAS, the Board of Directors is required review and amend as appropriate the District’s Investment Policy; and

WHEREAS, recent changes to the State Treasurer policy on deposit limits in the Local Agency Investment Fund (LAIF) has necessitated the District to update its Investment Policy.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby amend Financial Management Policy No. 5.01 – Investment Policy, adopted by Resolution 2019-60, as attached hereto and made a part hereof, to be effective January 1, 2020.

PASSED AND ADOPTED this 11th day of December 2019 by the following vote:

AYES:
NOES;
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: December 11, 2019

TO: Michael Minkler, General Manager

FROM: Damon Wyckoff, Director of Operations

SUBJECT: Recognition of Bill Cardinal for his receipt of the California / Nevada Section of the American Waterworks Association's (CA-NV AWWA) George A. Elliott Memorial Award

RECOMMENDED ACTION:

None. Informational only.

SUMMARY:

Bill Cardinal, Senior Supervisor of Water and Wastewater Treatment, was the recipient of the George A. Elliott Memorial Award at the recently held Cal-Nevada AWWA Fall Conference. The George A. Elliott Memorial Award is the highest Ca-NV Section award.

"An award to recognize outstanding service to the CA-NV Section, by presentation of the best paper, unusual contribution to committee activity, exceptional effort to improve member and public relations, and outstanding innovations in the water works field."

Bill was recognized for his many years of dedication to the CA-NV Section of the AWWA, especially within the Operator Division. He has continually improved the technical sessions at AWWA conferences by facilitating compelling dialog, writing questions for and judging the "Top Ops Challenge", and encouraging operator participation throughout all aspects of the Organization. Bill is a leader within the CA-NV Section. His willingness to teach others and share experiences from his thirty-plus years in the field of water and wastewater treatment, distribution, collections, and disposal have provided the Membership of the CA-NV Section of the AWWA with a wealth of knowledge and experience. Bill has been a catalyst in furthering the objectives of the Section through his effective involvement of Operators from different backgrounds and operational experiences.

The CA-NV Section's recognition of Bill as a tireless, conscientious, devoted, and experienced Operator only furthers what CCWD understands and appreciates about Bill. His devotion to the facilities he operates and his willingness to help all staff

regardless of discipline are great benefits to CCWD. Bill's a wonderful ambassador for CCWD and his involvement in the CA-NV Section of the AWWA is a direct illustration of that fact.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachments: *Photo*



American Water Works Association
California-Nevada Section

**GEORGE A. ELLIOTT
MEMORIAL
AWARD**

In recognition of outstanding
achievement in the water utility
industry, as evidenced by the recipient's
effort and dedication, which have
resulted in a significant and lasting
benefit to the water utility industry
of the American West.

BILL CARDINAL
2019

Kevin J. ...



MEMBER
BOARD MEMBER

Agenda Item

DATE: Wednesday, December 11, 2019
TO: Board of Directors
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Presentation of the Audited Financial Statements for the Fiscal Year Ending June 30, 2019 by Richardson & Company, LLP

RECOMMENDED ACTION:

Motion: _____ / _____ to receive and file the Audited Financial Statements for the Fiscal Year Ending June 30, 2019 by the auditing firm of Richardson & Company, LLP.

SUMMARY:

Staff is pleased to present the Independent Auditor's Report and Financial Statements for the Calaveras County Water District for the fiscal year ending June 30, 2019, completed by Richardson & Company, LLP, Certified Public Accountants. The purpose of the report is to provide the Board of Directors, District staff, rate-payers, bondholders and other interested parties with useful information concerning the District's operations and financial position. The District is responsible for the accuracy, completeness, and fairness of the data presented in this report.

Report Format

There are three main sections of this report:

Basic Financial Statements – The introductory sections contain the Table of Contents, the Independent Auditor's Report, and the Management's Discussion and Analysis (MD&A). The financial section, which is comprised of the Balance Sheet, the Statement of Revenues, Expenses, and Changes in Net Positions – Proprietary Funds, the Statement of Cash Flows, the Statement of Fiduciary Net Position – Assessment District Agency Fund, and the Notes to Financial Statements.

Required Supplementary Information – The Schedules of Proportional Share of Net Pension Liability and Contributions to the Pension Plan, and the Schedule of changes in the Net Other Postemployment Benefits (OPEB) liability and related ratios, and Schedule of Contributions to OPEB.

Other Supplementary Information – The Combining Schedule of Fiduciary Net Position,

and the Debt Service Coverage Ratios for the Water and Sewer Funds.

Compliance Report – Independent Auditor’s Report on Internal Control over Financial Reporting, Compliance, and other matters based on the audit.

Audit Opinion

At the conclusion of the District’s audit, the auditor renders an opinion on the overall financial statements. The auditors have issued an “unqualified” opinion for the FY 2018-19 audit, which is a “clean” opinion, or one in which the independent auditors can state without reservation that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles and government accounting standards.

Brian Nash, CPA, of Richardson & Company will make a presentation to the Board and will answer any questions the Board or general public may have regarding the FY 2018-19 Audited Financial Statements.

FINANCIAL CONSIDERATIONS:

None.

Attachment: Audited Financial Statement for the Fiscal Year Ending June 30, 2019

CALAVERAS COUNTY WATER DISTRICT

AUDITED FINANCIAL STATEMENTS

June 30, 2019

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CALAVERAS COUNTY WATER DISTRICT

AUDITED FINANCIAL STATEMENTS

June 30, 2019

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550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Calaveras County Water District
San Andreas, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund and the fiduciary funds of the Calaveras County Water District (the District) as of and for the year ending June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the fiduciary funds of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Calaveras County Water District

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 18, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Calaveras County Water District's (“District”) Audited Financial Statements provides management’s discussion and analysis of the District’s financial performance for the period ending June 30, 2019. Readers are encouraged to consider the information presented here as complementary to the information contained in the accompanying financial statements.

The Management’s Discussion and Analysis is presented under the following headings:

- Organization and Business
- Overview of the Basic Financial Statements
- Financial Analysis of the District
- Capital Assets and Debt Administration
- Economic Condition and Outlook
- Requests for Information

ORGANIZATION AND BUSINESS

The District has operated continuously since 1946 under the laws of the State of California as a county water district for the purpose of providing water and wastewater services to residents and businesses of Calaveras County. The District is a political subdivision of the State of California and is not a part of, or under the control of, Calaveras County.

Under State law, the District has broad general powers over the use of the water within its boundaries, including the right of eminent domain, authority to acquire, control, distribute, store, spread, sink, treat, purify, reclaim, process and salvage any water for beneficial use, to provide sewer service, to sell treated or untreated water, to acquire or construct hydroelectric facilities and sell the power and energy produced to public agencies or public utilities engaged in the distribution of power, to contract with the United States, other political subdivisions, public utilities, or other persons, and, subject to Article XIII A of the California State Constitution, to levy taxes for improvements.

The District is located in the central Sierra Nevada foothills, approximately 100 miles east of San Francisco and 60 miles southeast of Sacramento. The District’s boundaries encompass approximately 1,037 square miles of land ranging from the San Joaquin valley to the Sierra Nevada mountains. With elevations ranging from 200 feet in the west to over 8,000 feet in the east, the District’s facilities cover a diverse geographical area with numerous water, wastewater and hydroelectric projects.

The District currently provides water service to approximately 13,130 residential and commercial customer accounts in five major water service areas. This is an increase of 32 accounts from 2017-18. With the exception of the Wallace service area, the District uses surface water from the Mokelumne, Calaveras and Stanislaus rivers to service its customers. Wallace customers are served by groundwater pumped from wells owned and operated by the District. The District also operates and maintains five major wastewater service areas that provide sanitary sewer services to approximately 4,875 customers. This is an increase of 19 accounts from 2017-18.

In addition to water and wastewater operations, the District owns hydroelectric facilities inclusive of major dams, reservoirs, tunnels and generation facilities which are governed and licensed by the Federal Energy Regulatory Commission (“FERC”) and operated by other entities, and aside from augmenting revenues these assets are not addressed in this report.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District is a proprietary entity and uses enterprise fund accounting to report its activities for financial statement purposes in accordance with the Government Accounting Standards Board (“GASB”). Proprietary funds are reported using the accrual basis of accounting and account for activities in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed primarily through user rates, fees, and charges.

The Audited Financial Statements provide readers with a broad overview of the District’s finances, and include the following four sections: the Basic Financial Statements, Required Supplementary Information, Other Supplementary Information, and the Compliance Report (see below for further details). Another key component of the Audit is this section, Management’s Discussion and Analysis.

REQUIRED FINANCIAL STATEMENTS

The required financial statements include the Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows, which when taken in its totality offer both short and long-term financial information about the District’s activities.

The *Balance Sheet* includes all of the District’s assets, deferred outflows, liabilities, and deferred inflows, which provide information about the nature, and amounts, of investments in assets and obligations to District creditors. The *Statement of Revenues, Expenses and Changes in Net Position* accounts for current year’s revenues and expenses and measures the District’s operations over the past year, and can be used to determine the extent to which the District has successfully recovered its costs through its rates, fees, facility capacity charges, and other charges.

The *Statement of Revenues, Expenses and changes in Net Position – Proprietary Funds* accounts for current year’s operating revenue, operating expenses, nonoperating revenues and expenses, capital contributions, and the changes associated with the net position. It can be used to explain the changes in the beginning and ending balances and changes from year over year.

The *Statement of Cash Flows* provides information about the District’s cash receipts and payments during the reporting period, as well as net changes in cash resulting from operations, investing, and financing activities, while excluding such non-cash accounting measures as the depreciation of assets. The statement explains where cash came from, where cash was used, and the change in the cash balance during the reporting period.

The *Statement of Fiduciary Net Position – Assessment District Agency Fund* accounts for the assets and liabilities associated with the Assessment District.

NOTES TO BASIC FINANCIAL STATEMENTS

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Basic Financial Statements are an integral part of, and can be found immediately following, the financial statements.

OTHER INFORMATION

The Basic Financial Statements also present certain required supplemental information. This includes a *Schedule of the District's Proportionate Share of the Net Pension Liability*, a *Schedule of Contributions to the Pension Plan*, a *Schedule of Changes in the Net OPEB Liability and Related Ratios*, a *Schedule of Contributions to the OPEB Plan*, a *Combining Statement of Fiduciary Net Position Assessment District Agency Fund*, and the *Debt Service Coverage Ratios for the Water and Sewer Funds*.

FINANCIAL ANALYSIS OF THE DISTRICT

The District historically analyzed changes in its major funds (water, sewer and public financing authority) "in total." For this reporting period, the District has separated the analysis into water fund and sewer fund, as well as in total. The public financing authority is included in the water fund totals.

Below are some of the key financial highlights for the fiscal year ending June 30, 2019 and how they compare to the prior fiscal year (FY 2017-18). The source documents for the following condensed tables (A-1 through A-7) can be found in the *Basic Financial Statements*. A detailed analysis of the tables' categories and year-to-year changes follows each table.

- The District's Net Position, total assets and deferred outflows less total liabilities and deferred inflows, increased by \$6.4 million
- Operating Revenues increased by \$0.5 million
- Non-operating Revenues increased by \$1.8 million
- Operating Expenses decreased by \$32 thousand
- Non-operating Expenses decreased by \$0.2 million
- Capital assets, net of depreciation, are \$110 million, a \$1.7 million increase
- Long-term liabilities, as reported in Note D, increased 43%, or \$3.7 million
 - This was primarily due to the Umpqua bank loan to paydown the CalPERS UAL (unfunded actuarial liability), February 2019. This liability would have historically been reported only as part of Note I.

BALANCE SHEETS

The District's condensed balance sheets are displayed below:

Table A-1
Condensed Balance Sheets
(in millions)
As of June 30

	Water*	Sewer	Total	Water	Sewer	Total	Dollar	Percent
	2019	2019	2019	2018	2018	2018	Change	Change
Current assets	\$ 13.1	\$ 1.3	\$ 14.4	\$ 12.2	\$ 1.2	\$ 13.4	\$ 1.0	8.0%
Noncurrent assets	17.6	9.8	27.4	17.7	8.4	26.1	1.3	5.0%
Other noncurrent and OPEB assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0%
Interfund Loans	1.0	0.0	1.0	0.0	0.0	0.0	1.0	100.0%
Capital assets, net of accumulated depreciation	69.9	40.1	110.0	67.6	40.7	108.3	1.7	2.0%
Deferred outflows of resources	6.9	3.0	9.9	3.4	1.2	4.6	5.3	112.0%
Total assets and deferred outflows of resources	108.5	54.2	162.7	100.9	51.5	152.4	10.3	7.0%
Current liabilities	3.2	1.1	4.3	2.3	1.0	3.3	1.0	27.0%
Noncurrent liabilities	21.6	7.7	29.3	19.9	6.6	26.5	2.8	11.0%
Deferred inflows of resources	0.5	0.2	0.7	0.5	0.1	0.6	0.1	9.0%
Net position	83.2	45.2	128.4	78.2	43.8	122.0	6.4	5.0%
Total liabilities, deferred inflows and net position	108.5	54.2	162.7	100.9	51.5	152.4	10.3	7.0%
Detail of net position								
Net investment in capital assets	68.7	39.8	108.5	65.7	40.2	105.9	2.6	2.0%
Restricted for expansion and construction	14.7	9.5	24.2	13.6	8.2	21.8	2.4	11.0%
Unrestricted	(0.2)	(4.1)	(4.3)	(1.1)	(4.6)	(5.7)	1.4	-25.0%
Total net position:	\$ 83.2	\$ 45.2	\$ 128.4	\$ 78.2	\$ 43.8	\$ 122.0	\$ 6.4	5.0%

*Includes Public Financing Authority Fund

Current Assets

Includes unrestricted cash and investments, receivables, inventory, and prepaid expenses.

As of June 30, 2019, current assets totaled \$14.4 million, \$1 million higher than the prior year. This increase was due in part to cash and cash equivalents, utility billing accounts receivable and grant receivables.

Noncurrent Assets

Includes restricted cash and investments, and other receivables.

As of June 30, 2019, noncurrent assets totaled \$27.4 million, which is \$1.3 million higher than FY 2017-18. The two main categories, restricted cash and investments, experienced the largest increases as collections of restricted revenue outpaced spending.

Other Noncurrent

Other noncurrent assets totaled \$49 thousand. This is made up of deferred charges for the New Hogan Fiscal Year 2019-20 debt service payments and a note receivable from the New Hogan/La Contenta Assessment District in the amount of \$10,741.

Net Capital Assets

Includes property, plants, equipment, and construction in progress, net of accumulated depreciation.

As of June 30, 2019, net capital assets totaled \$110 million. There were increases of \$4.7 million in capital assets, less depreciation of \$3.9 million, for a net increase of \$1.7 million. The largest contributor was related to Work in Progress of \$4.5 million. The two main projects were the Jenny Lind Pretreatment Plant, and the Ebbetts Pass Reach 1 project.

Deferred Outflows of Resources

Deferred outflows of resources are classified as a consumption of net assets that are applicable to a future reporting period.

Deferred outflows of resources totaled \$9.9 million. The increase of \$5.3 million is related to the payment of the CalPERS UAL after the measurement period. For more information on pension liability, see Note I of the *Notes to the Basic Financial Statements*.

Current Liabilities

Liabilities that are due within one year are considered current liabilities. They include accounts payable, accrued liabilities, and the current portion of long-term liabilities.

As of June 30, 2019, current liabilities totaled \$4.3 million, \$1 million higher than the prior year. This increase is a combination of higher than prior year Accounts Payable accruals related to project costs, and the current portion of the Districts new CalPERS UAL Loan.

Noncurrent Liabilities

Noncurrent liabilities are liabilities net of current portion. They include long-term debt and loans due after one year and net pension liability.

Noncurrent liabilities totaled \$29.3 million as of June 30, 2019. This is an increase over 2017-18 of \$2.8 million. This is primary due to the CalPERS UAL Loan.

Deferred Inflows of Resources

An acquisition of resources that is applicable to a future reporting period, or deferred pension inflows.

Deferred inflows of resources totaled \$0.7 million, which is almost the same as last year. For more information on the pension plan, see Note I of the *Notes to the Basic Financial Statements*.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The table below displays a condensed version of the Statement of Revenues, Expenses and Changes in Net Position for the year ending June 30, 2019. The District's Net Position in 2019 increased from \$122 million to \$128.4 million, or \$6.4 million. This is a combination of increased revenues, reduction in expenditures, and increases related to capital contributions.

Table A-2
Condensed Statement of Revenues, Expenses and Changes in Net Position
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.2	\$ 0.5	3.0%
Nonoperating revenues	4.7	1.4	6.1	3.3	1.0	4.3	1.8	44.0%
Total revenues	12.8	6.0	18.8	11.2	5.3	16.5	2.3	14.0%
Operating expenses	11.1	5.1	16.2	10.7	5.6	16.3	(0.1)	0.0%
Depreciation	2.7	1.2	3.9	2.7	1.2	3.9	0.0	3.0%
Nonoperating expenses	0.3	0.1	0.4	0.5	0.1	0.6	(0.2)	-62.0%
Total expenses	14.1	6.4	20.5	13.9	6.9	20.8	(0.3)	-2.0%
Net (Loss) income before capital contributions	(1.3)	(0.4)	(1.7)	(2.7)	(1.6)	(4.3)	2.6	-60.0%
Expansion fees	0.5	0.5	1.0	0.4	0.1	0.5	0.5	78.0%
Capital renovation and replacement (R&R) fees	3.3	1.2	4.5	3.3	1.2	4.5	0.0	0.0%
Other capital contributions	2.5	0.2	2.7	0.8	0.0	0.8	1.9	254.0%
Ebbetts Pass Reach 3a Pipeline (USDA) Grant	0.0	0.0	0.0	0.6	0.0	0.6	(0.6)	-100.0%
Total capital contributions and transfers	6.3	1.9	8.2	5.1	1.3	6.4	1.8	28.0%
Change in net position	5.0	1.5	6.5	2.4	(0.3)	2.1	4.4	133.0%
Net position at beginning of year as previously reported	78.2	43.7	121.9	81.1	45.9	127.0	(5.1)	-4.0%
Restatement	0.0	0.0	0.0	(5.3)	(1.8)	(7.1)	7.1	-100.0%
Net position at beginning of year - as restated	78.2	43.7	121.9	75.8	44.1	119.9	2.0	2.0%
Net position at end of year	\$ 83.2	\$ 45.2	\$ 128.4	\$ 78.2	\$ 43.8	\$ 122.0	\$ 6.4	5.0%

Operating Revenues

Operating revenues account for approximately sixty-three percent (68%) of the District's revenues. The majority of the revenues come from water sales, including base rates and consumptive revenues.

Table A-3
Operating Revenues
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Water sales and sewer charges	\$ 7.7	\$ 4.5	\$ 12.2	\$ 7.6	\$ 4.2	\$ 11.8	\$ 0.4	3.0%
Water and sewer fees	0.4	0.1	0.5	0.3	0.1	0.4	0.1	3.0%
Total operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.2	\$ 0.5	3.0%

A growth in new accounts and increased customer water consumption in FY 2018-19 led to a \$0.5 million increase in operating revenues over the prior fiscal year.

Nonoperating Revenues

Nonoperating revenues include property taxes, hydroelectric power sales, and investment income.

Nonoperating revenues, increased \$1.8 million, from \$4.3 million in FY 2017-18 to \$6.1 million in FY 2018-19. Increases in investment income and an accounting change related reimbursable federal and state regulatory fees. At the request of our auditors, Richardson & Company, effective Fiscal Year 2018-19 the District now recognizes an expense when the government agency is paid, and revenue when the reimbursing agency is invoiced.

Table A-4
Nonoperating Revenues
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Property taxes and assessments	\$ 2.5	\$ 0.7	\$ 3.2	\$ 2.3	\$ 0.6	\$ 2.9	\$ 0.3	10.0%
Investment income	0.6	0.2	0.8	0.3	0.1	0.4	0.4	111.0%
Power sales	0.6	0.2	0.8	0.6	0.2	0.8	0.0	6.0%
Other income	1.0	0.3	1.3	0.1	0.1	0.2	1.1	602.0%
Grant revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-59.0%
Total nonoperating revenues	\$ 4.7	\$ 1.4	\$ 6.1	\$ 3.3	\$ 1.0	\$ 4.3	\$ 1.8	44.0%

Operating Expenses, Excluding Depreciation

Approximately sixty percent (60%) of the District's operating expenses are salaries and benefits, followed by other operating expenses and professional services. Other significant operating expenses include other utility services and repairs and maintenance.

Table A-5
Operating Expenses, Excluding Depreciation
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Salaries and benefits	\$ 6.8	\$ 2.9	\$ 9.7	\$ 7.0	\$ 3.2	\$ 10.2	\$ (0.5)	-4.0%
Repairs and maintenance	0.6	0.3	0.9	0.7	0.3	1.0	(0.1)	-7.0%
Materials and supplies	0.5	0.3	0.8	0.5	0.5	1.0	(0.2)	-9.0%
Utility services	0.7	0.4	1.1	0.7	0.5	1.2	(0.1)	-3.0%
Professional services	0.8	0.3	1.1	1.0	0.4	1.4	(0.3)	-21.0%
Vehicle and equipment	0.2	0.1	0.3	0.2	0.1	0.3	0.0	23.0%
Other operating expenses	1.4	0.8	2.2	0.5	0.5	1.0	1.2	88.0%
Travel and training	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.0%
Director costs	0.1	0.0	0.1	0.1	0.0	0.1	0.0	5.0%
Postemployment benefits	0.0	0.0	0.0	0.0	0.1	0.1	(0.1)	-148.0%
Total operating expenses, excluding depreciation	\$ 11.1	\$ 5.1	\$ 16.2	\$ 10.7	\$ 5.6	\$ 16.3	\$ (0.1)	0.0%

Total FY 2018-19 operating expenses, excluding depreciation, were \$16.2 million. While there were increases and decreases throughout this category, the overall change compared to the prior year was a decrease of \$32 thousand.

Nonoperating Expenses

Includes gain/(loss) on the sale of capital assets, and debt service interest expense.

Table A-6
Nonoperating Expenses
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
(Gain)/loss on sale of capital assets	\$ -	\$ -	\$ -	\$ 0.3	\$ -	\$ 0.3	\$ (0.3)	-101.0%
Interest expense	0.3	0.1	0.4	0.2	0.1	0.3	0.1	-4.0%
Total nonoperating expenses	\$ 0.3	\$ 0.1	\$ 0.4	\$ 0.5	\$ 0.1	\$ 0.6	\$ (0.2)	-69.0%

Nonoperating expenses were \$0.4 million, There was a small gain on sale of capital assets compared to a much larger loss in the prior year. The interest expense remains relatively unchanged from the prior year.

Net Operating Income (Loss), Excluding Depreciation and Amortization

An important measure of an organization's performance.

Table A-7
Net Operating Income, Excluding Depreciation
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.2	\$ 0.5	3.0%
Operating expenses	(11.1)	(5.1)	(16.2)	(10.7)	(5.6)	(16.3)	0.1	0.0%
Net operating income/(loss), excluding depreciation	\$ (3.0)	\$ (0.5)	\$ (3.5)	\$ (2.8)	\$ (1.3)	\$ (4.1)	\$ 0.6	-10.0%

In spite of increased water sales, a FY 2018-19 net operating loss still exists. Overall, Operating Revenues increased \$0.5 million while Operating Expenses remained flat.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

Additions and deletions to capital assets encompass a broad range of infrastructure, including water and sewer plants, recycled water facilities, construction in progress, and other assets such as vehicles, equipment, and office equipment. All capital asset increases are consistent with the District's implementation of its capital improvement program. Details of the District's capital assets, net of accumulated depreciation, are listed in the following table:

Table A-8
Capital Assets, Net of Accumulated Depreciation
(in millions)
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Capital assets, not being depreciated								
Land	\$ 4.2	\$ 9.4	\$ 13.6	\$ 4.1	\$ 9.3	\$ 13.4	\$ 0.2	1.0%
Construction in progress	6.9	0.5	7.4	2.3	0.6	2.9	4.5	154.0%
Total capital assets, not being depreciated	11.1	9.9	21.0	6.4	9.9	16.3	4.7	29.0%
Capital assets, being depreciated								0.0%
Buildings	6.0	1.2	7.2	6.3	1.3	7.6	(0.4)	-4.0%
Utility system - infrastructure	51.5	28.2	79.7	53.6	28.6	82.2	(2.5)	-3.0%
Machinery and equipment	1.3	0.8	2.1	1.3	0.9	2.2	(0.1)	-5.0%
Total capital assets, being depreciated	58.8	30.2	89.0	61.2	30.8	92.0	(3.0)	-3.0%
Total capital assets, net	\$ 69.9	\$ 40.1	\$ 110.0	\$ 67.6	\$ 40.7	\$ 108.3	\$ 1.7	2.0%

Additional information about capital assets is presented in Note C of the *Notes to the Basic Financial Statements*.

Net capital assets totaled approximately \$110 million, \$1.7 million higher than the prior year. An increase of \$4.5 million in capital assets and \$0.7 million in equipment and utility, was offset by reductions of \$3.9 million in accumulated depreciation.

The major capital asset additions for fiscal year 2018-19 include:

- \$3.4 million for the Jenny Lind Water Treatment Plant Pretreatment Project
- \$1.0 million for the Ebbetts Pass Reach 1 Water Line Replacement Project

LONG-TERM DEBT AND LOANS

As of June 30, 2019, the District had \$11.6 million in long-term debt and loans outstanding, and a compensated absences balance of \$0.8 million. Total long-term liabilities increased \$3.7 million, or 43% from FY 2017-18 as the District closed the CalPERS UAL loan with Umpqua Bank.

A condensed summary of the District's long-term liabilities are as follows:

Table A-9
Condensed Long Term Liabilities
(in millions)
As of June 30

	2019	2018	Dollar Change	Percent Change
Water Fund:				
Water Revenue Loans	\$ 2.3	\$ 3.4	\$ (1.1)	-33.0%
U.S. Bureau of Reclamation Note	0.2	0.3	0.0	-15.0%
Pension Loans	3.8	0.2	3.6	2105.0%
Total Water Fund loans and notes	6.3	3.9	2.5	64.0%
Compensated absences	0.5	0.6	0.0	-6.0%
Total Water Fund liabilities	6.8	4.5	2.5	55.0%
Sewer Fund:				
Sewer Revenue Loans	0.8	1.1	(0.4)	-33.0%
U.S. Bureau of Reclamation Note	0.1	0.1	0.0	-15.0%
Pension Loans	1.9	0.1	1.8	2105.0%
Total Sewer Fund loans and notes	2.8	1.3	1.4	105.0%
Compensated absences	0.3	0.3	(0.1)	-23.0%
Total Sewer Fund liabilities	3.1	1.6	1.3	79.0%
Public Financing Authority				
Water Revenue Bonds	2.5	2.6	0.0	-2.0%
Total long-term liabilities	\$ 12.4	\$ 8.7	\$ 3.7	43.0%

Additional information on the District's debt and loans can be found in Note D of the *Notes to the Basic Financial Statements*.

ECONOMIC CONDITION AND OUTLOOK

Calaveras County's employment picture continued to improve as the unemployment rate dropped from an adjusted 4.1 percent (4.1%) in June 2018 to 3.2 percent (3.2%) in June 2019. The county has now reached a "full employment" scenario where future job growth will be minimal and the unemployment rate will not experience significant declines. Approximately 25% of our available workforce is commuting to external counties, with San Joaquin and Amador being the two largest draws. Furthermore, the county's population is projected to decline annually 0.2 percent (0.2%) from 2019 to 2023. As a result, wage growth is expected to slow to 1.3 percent (1.3%) per year between 2019 and 2023.

While the public sector remains the County's largest employer, accounting for approximately twenty-eight percent (28%) of all jobs, future job gains are expected to occur in leisure services, healthcare and education, and retail trade. It is likely that a portion of these new jobs will be filled by non-county residents due to the aging of the county's current workforce and projected county population declines. With fewer people moving into the county, demand for construction of new housing units will likely remain low. Thus, the number of new water and sewer service connections will also remain low, as will capacity fee revenues. Conversely, slower growth does delay the need to expand the water and sewer systems to accommodate new connections. The County of Calaveras did approve the General Plan in November 2019. However, it is unknown what overall impacts that will have on growth in the county at this point.

The District, through its Capital Renovation and Replacement ("Capital R&R") water and sewer rates, continues its commitment to fund the renovation and replacement of its capital infrastructure – pipeline, lift stations, storage tanks, etc. The Capital R&R rate revenues, in conjunction with the water and sewer loans and grants, have provided the much-needed funding for capital projects. The District's Board of Directors annually reviews and adopts the District's Five-Year Capital Improvement Program (CIP), which is the basis for the subsequent year's CIP budget.

The state recently passed SB 606 and AB 1668 which establishes an indoor, per person water use goal of 55 gallons per day starting in 2022 and lowers it to 50 gallons per day starting in 2030. Targets for outdoor water use will be set differently for each area taking into account factors like local precipitation and climate zone. It is unknown at this time how consumptive water sales and revenues will be affected. Although the District has ample water supplies to meet customer demands, the District's customers have yet to return to pre-drought consumptive levels.

The District adopted a five-year water and sewer rate plan that runs from 2018 through 2023. These additional operating revenues will help offset the costs of operating and maintaining water and sewer systems on a 24/7 basis, as much of the treatment and regulatory costs are fixed. Although the District remains vigilant in implementing cost-cutting and efficiency measures to reduce expenses, these measures cannot be allowed to compromise the District's ability to meet public health and safety requirements. As always, the District is committed to monitoring its fiscal condition as well as the state of the local economy.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the District at (209) 754-3543 or via our website at www.cwd.org.

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BASIC FINANCIAL STATEMENTS

CALAVERAS COUNTY WATER DISTRICT

BALANCE SHEET - PROPRIETARY FUNDS

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public	2019	2018
			Financing Authority		
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and cash equivalents	\$ 9,470,429	\$ 145,681		\$ 9,616,110	\$ 9,133,048
Investments	500,628			500,628	578,161
Accounts receivable	2,093,099	996,038		3,089,137	2,815,931
Taxes receivable	134,513	35,319		169,832	185,253
Grants receivable	784,010	68,612		852,622	488,324
Interest receivable	82,288	19,083		101,371	66,468
Prepaid expenses and other assets	65,073	48,484		113,557	113,940
Deposits	4,015	7,835		11,850	4,500
TOTAL CURRENT ASSETS	13,134,055	1,321,052		14,455,107	13,385,625
NONCURRENT ASSETS					
Restricted Assets:					
Cash and cash equivalents	16,561,291	7,250,179		23,811,470	20,841,341
Investments	960,516	549,933		1,510,449	1,720,634
Interest receivable	59,125	26,271		85,396	57,825
Due from other funds					1,126,267
Interfund loans		1,981,870		1,981,870	2,351,139
Total Restricted Assets	17,580,932	9,808,253		27,389,185	26,097,206
Other noncurrent assets	28,034	10,368		38,402	38,109
Notes receivable	7,841	2,900		10,741	10,742
Interfund loans	1,023,409			1,023,409	
Capital assets:					
Nondepreciable	11,109,590	9,860,632		20,970,222	16,308,540
Depreciable, net	58,799,294	30,210,644		89,009,938	91,966,094
Total Capital Assets, Net	69,908,884	40,071,276		109,980,160	108,274,634
TOTAL NONCURRENT ASSETS	88,549,100	49,892,797		138,441,897	134,420,691
TOTAL ASSETS	101,683,155	51,213,849		152,897,004	147,806,316
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	5,812,419	2,605,516		8,417,935	3,405,469
Other postemployment benefits	1,038,458	384,087		1,422,545	1,228,844
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 108,534,032	\$ 54,203,452	\$ -	\$ 162,737,484	\$ 152,440,629

CALAVERAS COUNTY WATER DISTRICT

BALANCE SHEET - PROPRIETARY FUNDS (Continued)

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public	2019	2018
			Financing Authority		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 1,239,297	\$ 362,989		\$ 1,602,286	\$ 670,448
Deposits payable	56,098	19,309		75,407	92,983
Accrued interest payable	62,463	27,867	\$ 18,914	109,244	56,896
Current portion of long-term liabilities	1,803,937	710,340	44,700	2,558,977	2,607,349
TOTAL CURRENT LIABILITIES	3,161,795	1,120,505	63,614	4,345,914	3,427,676
NONCURRENT LIABILITIES					
Unearned revenue	15,221	5,630		20,851	
Due to other funds					1,126,267
Interfund loans	1,981,870	1,023,409		3,005,279	2,351,139
Retention payable	145,206			145,206	12,723
Noncurrent portion of long-term liabilities	5,053,473	2,284,180	2,490,900	9,828,553	6,067,806
Net pension liability	7,339,341	2,714,550		10,053,891	10,242,016
Net other postemployment benefits liability	4,606,892	1,703,919		6,310,811	6,662,940
TOTAL NONCURRENT LIABILITIES	19,142,003	7,731,688	2,490,900	29,364,591	26,462,891
TOTAL LIABILITIES	22,303,798	8,852,193	2,554,514	33,710,505	29,890,567
DEFERRED INFLOWS OF RESOURCES					
Pension plan	454,598	168,139		622,737	489,307
Other postemployment benefits	46,441	17,176		63,617	141,332
TOTAL DEFERRED INFLOWS OF RESOURCES	501,039	185,315		686,354	630,639
NET POSITION					
Net investment in capital assets	68,743,782	39,786,866		108,530,648	105,913,689
Restricted for expansion and construction	14,731,307	9,486,645		24,217,952	21,844,647
Unrestricted	2,254,106	(4,107,567)	(2,554,514)	(4,407,975)	(5,838,913)
TOTAL NET POSITION (DEFICIT)	85,729,195	45,165,944	(2,554,514)	128,340,625	121,919,423
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 108,534,032	\$ 54,203,452	\$ -	\$ 162,737,484	\$ 152,440,629

The accompanying notes are an integral part of these financial statements

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

For the Year Ended June 30, 2019
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
OPERATING REVENUE					
Water sales and sewer charges	\$ 7,721,769	\$ 4,464,513		\$ 12,186,282	\$ 11,830,690
Water and sewer fees	350,113	115,654		465,767	452,173
TOTAL OPERATING REVENUE	8,071,882	4,580,167		12,652,049	12,282,863
OPERATING EXPENSES					
Salaries and benefits	6,764,124	2,930,770		9,694,894	10,141,876
Repairs and maintenance	643,460	318,491		961,951	1,031,641
Materials and supplies	510,172	312,466		822,638	905,074
Utility services	682,315	409,695		1,092,010	1,121,399
Professional services	792,560	331,969		1,124,529	1,420,125
Vehicle and equipment	244,914	137,709		382,623	310,449
Other operating expenses	1,409,914	648,903		2,058,817	1,094,973
Travel and training	44,054	21,491		65,545	52,684
Director costs	94,824	35,384		130,208	124,211
Postemployment benefits	(44,407)	(8,681)		(53,088)	109,764
Depreciation	2,749,810	1,241,799		3,991,609	3,866,861
TOTAL OPERATING EXPENSES	13,891,740	6,379,996		20,271,736	20,179,057
NET LOSS FROM OPERATIONS	(5,819,858)	(1,799,829)		(7,619,687)	(7,896,194)
NONOPERATING REVENUES (EXPENSES)					
Property taxes and assessments	2,519,303	656,297		3,175,600	2,884,008
Investment income	583,502	240,259		823,761	390,753
Power sales	586,131	216,788		802,919	756,360
Other income	1,018,897	316,878		1,335,775	190,166
Grant revenues	23,207	8,583		31,790	78,018
Gain/(loss) on sale of capital assets	2,395	843		3,238	(553,508)
Interest expense	(171,281)	(89,500)	\$ (57,218)	(317,999)	(272,674)
TOTAL NONOPERATING REVENUES (EXPENSES)	4,562,154	1,350,148	(57,218)	5,855,084	3,473,123
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,257,704)	(449,681)	(57,218)	(1,764,603)	(4,423,071)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Expansion fees	510,219	498,226		1,008,445	567,667
Capital renovation and replacement (R & R) fees	3,264,713	1,181,826		4,446,539	4,449,341
Other capital contributions	2,541,819	189,002		2,730,821	770,880
Ebbetts Pass Reach 3A Pipeline (USDA) grant					629,795
Transfers in		18,957	101,243	120,200	4,212,982
Transfers (out)	(120,200)			(120,200)	(4,212,982)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	6,196,551	1,888,011	101,243	8,185,805	6,417,683
CHANGE IN NET POSITION	4,938,847	1,438,330	44,025	6,421,202	1,994,612
Net position (deficit) at beginning of year - as previously reported	80,790,348	43,727,614	(2,598,539)	121,919,423	127,035,501
Restatement					(7,110,690)
Net position at beginning of year - as restated	80,790,348	43,727,614	(2,598,539)	121,919,423	119,924,811
NET POSITION (DEFICIT) AT END OF YEAR	\$ 85,729,195	\$ 45,165,944	\$ (2,554,514)	\$ 128,340,625	\$ 121,919,423

The accompanying notes are an integral part of these financial statements

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2019
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 7,896,749	\$ 4,469,855		\$ 12,366,604	\$ 12,152,165
Cash paid to suppliers for goods and services	(3,210,208)	(2,052,442)		(5,262,650)	(5,581,339)
Cash paid to employees for services	(7,180,942)	(3,152,036)		(10,332,978)	(9,929,248)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(2,494,401)</u>	<u>(734,623)</u>		<u>(3,229,024)</u>	<u>(3,358,422)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes and assessments	2,531,670	659,351		3,191,021	2,932,942
Power sales	586,131	216,788		802,919	756,360
Other income	1,018,898	316,878		1,335,776	190,166
Operating grants from outside agencies	23,207	(34,499)		(11,292)	(8,921)
Proceeds from noncapital pension loan	3,795,550	1,869,450		5,665,000	
Principal paid on noncapital pension loan	(172,133)	(84,783)		(256,916)	
Contribution of pension loan proceeds to CalPERS	(3,714,857)	(1,829,705)		(5,544,562)	
Interfund transfers	(285,368)	285,368			
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>3,783,098</u>	<u>1,398,848</u>		<u>5,181,946</u>	<u>3,870,547</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions received	5,995,535	1,869,054		7,864,589	7,272,556
Acquisition of capital assets	(4,972,140)	(616,007)		(5,588,147)	(3,642,643)
Proceeds from disposals of capital assets	19,781	6,952		26,733	144,132
Interfund capital transfers	(101,243)		101,243		
Principal paid on long-term liabilities	(1,153,334)	(389,226)	(43,700)	(1,586,260)	(1,926,718)
Interest payments on long-term liabilities	(136,900)	(71,208)	(57,543)	(265,651)	(283,757)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(348,301)</u>	<u>799,565</u>		<u>451,264</u>	<u>1,563,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Maturities of investments	210,104	77,614		287,718	1,103,739
Purchases of investments					1,055,815
Interest received	542,279	219,008		761,287	325,717
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>752,383</u>	<u>296,622</u>		<u>1,049,005</u>	<u>2,485,271</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	1,692,779	1,760,412		3,453,191	4,560,966
Cash and cash equivalents at beginning of year	24,338,941	5,635,448		29,974,389	25,413,423
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 26,031,720</u>	<u>\$ 7,395,860</u>	<u>\$ -</u>	<u>\$ 33,427,580</u>	<u>\$ 29,974,389</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET					
Cash and cash equivalents	\$ 9,470,429	\$ 145,681		\$ 9,616,110	\$ 9,133,048
Restricted cash and cash equivalents	16,561,291	7,250,179		23,811,470	20,841,341
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 26,031,720</u>	<u>\$ 7,395,860</u>	<u>\$ -</u>	<u>\$ 33,427,580</u>	<u>\$ 29,974,389</u>

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

For the Year Ended June 30, 2019
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:					
Net loss from operations	\$ (5,819,858)	\$ (1,799,829)		\$ (7,619,687)	\$ (7,896,194)
Adjustments to reconcile net loss from operations to net cash used for operating activities:					
Depreciation	2,749,810	1,241,799		3,991,609	3,866,861
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	(162,087)	(111,119)		(273,206)	(136,382)
Prepaid expenses and other assets	18,103	(17,720)		383	(13,095)
Deposits	(730)	(6,620)		(7,350)	(4,500)
Deferred charges	(215)	(78)		(293)	(2,345)
Net pension liability and related deferred inflows and outflows of resources	(63,184)	(82,960)		(146,144)	758,214
Accounts payable and accrued expenses	813,745	118,093		931,838	68,970
Deposits payable	(12,831)	(4,745)		(17,576)	8,029
Unearned revenue	15,221	5,630		20,851	
Compensated absences	(32,375)	(77,074)		(109,449)	(7,980)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (2,494,401)</u>	<u>\$ (734,623)</u>	<u>\$ -</u>	<u>\$ (3,229,024)</u>	<u>\$ (3,358,422)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:					
Change in unrealized gain/loss on investments	\$ 6,450	\$ 3,212		\$ 9,662	\$ 52,319
Capital asset purchases payable	\$ 939,181	\$ 58,596		\$ 997,777	\$ (56,506)
Developer donated assets	\$ 178,650	\$ 132,224		\$ 310,874	

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
ASSESSMENT DISTRICT AGENCY FUND

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	<u>Agency Funds</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,119,036	\$ 1,141,438
Interest receivable	3,770	2,956
Due from County of Calaveras	24,228	21,999
Restricted assets:		
Cash and cash equivalents with fiscal agents	<u>531,858</u>	<u>527,289</u>
TOTAL ASSETS	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>
LIABILITIES		
Notes payable	\$ 10,742	\$ 10,742
Due to other governments	263,761	327,322
Due to bond holders	<u>1,404,389</u>	<u>1,355,618</u>
TOTAL LIABILITIES	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Calaveras County Water District (the District) was formed on September 6, 1946 under the County Water District Law (California Water Code Sections 30000-33901) for the purpose of assisting residents of Calaveras County in establishing and protecting their water resources. The District's boundaries are the same as the boundary lines of the County of Calaveras, which encompasses approximately 640,000 acres. The District provides retail water services to approximately 13,100 municipal, residential and commercial customers; retail sewer services to approximately 4,900 customers; and provides wholesale treated water to two independent retail water service providers. Water and sewer services are provided to five major operational areas and three smaller service areas within the boundaries of the District. The District is also engaged in the development of hydroelectric power for financial support and maximizing its water supply. The District has 76,300 acre-feet of post-1914 water rights on the North Fork of the Stanislaus River, 1,830 acre-feet of water rights on the Bear Creek tributary to the Middle Fork of the Mokelumne River, a contractual allocation of 31,278 acre-feet of the U.S. Bureau of Reclamation's water rights in the New Hogan Reservoir on the Calaveras River and water rights from various other sources. The District's facilities consist of five water treatment plants, twenty-eight treated water storage facilities and thirteen sewer treatment facilities.

The District has two power generating facilities operated by other governmental agencies under contracts where the District receives a contractual monthly payment and the other agencies receive the rights to power generated and are responsible for the operating costs of the hydroelectric power generating facilities. The Northern California Power Agency is responsible for the power generating facility on the North Fork of the Stanislaus River. The other power generating facility is at the New Hogan Reservoir, which is operated by the Modesto Irrigation District. However, in the case of the New Hogan Reservoir, the District and the Stockton East Water District reimburse the Army Corps of Engineers proportional shares of the operating and maintenance costs of the reservoir's dam and water storage.

The District's Federal Energy Regulatory Commission (FERC) license for both of these facilities expire in 2032. The FERC relicensing costs will be reported as part of construction in progress and will result in an intangible asset being reported when the license is issued that will be amortized over the license period.

The financial statements include the financial activities of the Calaveras County Water District Public Financing Authority (the Authority), which was formed under a joint exercise of power agreement between the District and the Independent Cities Finance Authority (ICFA). The Authority was established on April 4, 2016 to provide assistance to the District in the issuance of debt (see Note D). The Authority is a component unit of the District because the District's Board of Directors serves as the Board of Directors of the Authority and the District is financially accountable for the Authority. The JPA agreement provides that the liabilities of the Authority do not constitute liabilities of the District or ICFA, but requires the District and Authority to indemnify the ICFA for any and all costs and liabilities arising directly or indirectly from the Authority's activities. The District has a residual interest in any property held by the Authority upon its dissolution. The activity of the Authority is reported as the Public Financing Authority Enterprise Fund due to the separate reporting requirements under the joint exercise of powers agreement. The Authority does not issue separate financial statements.

The District is also a member of the following joint power authorities/agencies (JPAs) where the District is not responsible for the liabilities of the JPAs under the JPA agreements and only has a residual interest in any assets held by the JPAs upon termination of the agreements: Association of California Water Agencies (ACWA) and ACWA Joint Powers Insurance Authority, Calaveras-Amador Mokelumne River Authority, Calaveras Public Power Agency, Tuolumne-Stanislaus Integrated Regional Water Management Joint Powers Authority, Upper Mokelumne River Watershed Authority, and Eastern San Joaquin Groundwater Authority.

Basis of Presentation – Fund Accounting: The District's resources are allocated to and accounted for in these basic financial statements using the enterprise fund type of the proprietary fund group. A fund is a self-balancing set of accounts. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Net position for the enterprise fund represents the amount available for future operations.

The District reports the following major proprietary funds:

Water Fund — This fund accounts for the activities of providing water to rate payers of the District.

Sewer Fund — This fund accounts for the activities of providing sewer management to rate payers of the District.

Public Financing Authority Fund— This fund accounts for the activities of the Calaveras County Water District Public Financing Authority. The Authority was established to assist the District in the issuance of certain debt used for a water pipeline project, as discussed in Note D.

The District also reports the following fiduciary fund:

Agency Fund — This fund is used to account for assets held by the District as an agent for nine special assessment districts within its boundaries used to finance improvements within the special assessment districts, including improvements financed with special assessment bonds.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on the flow of economic resources measurement focus and agency funds have no measurement focus. Under the flow of economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the balance sheet. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Enterprise funds and agency funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District, including providing water service, water supply development and planning, wastewater treatment and disposal and recycling. Operating revenues consist primarily of water sales, sewer charges and related fees. Operating expenses consist of the cost of sales and services, administration and depreciation on capital assets. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. Cost reimbursement grant revenues are recognized as revenue when the reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturity of three months or less, including restricted assets, to be cash equivalents, which includes investments in the California Local Agency Investment Fund (LAIF), money market mutual funds and certificates of deposit.

Accounts Receivable: Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Receivables include a year-end accrual for water and sewer utility services provided through the end of the fiscal year that were not billed at year-end. Accounts receivable are reported net of an allowance for uncollectible accounts of \$33,975 and \$16,765 for the Water and Sewer Funds, respectively.

Restricted Assets: Restricted assets consist of unspent expansion and capital renovation and replacement (R & R) fees that are restricted to certain expansion and construction projects. Restricted assets also include unspent

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

bond proceeds that are restricted to future bond payments. Fiscal agent cash and cash equivalents in the Agency Funds represents amounts required to be held for future debt payments by the related bond indenture. Amounts payable from restricted assets in the Water and Sewer Funds at June 30, 2019 totaled \$3,241,337 and \$831,659, respectively, including accounts payable and principal payable on the Umpqua Bank 2014 Water and Sewer Revenue Loans as described in Note D.

Interfund Transactions: During the course of operations, numerous transactions occur between individual enterprise funds that may result in an amount owed between funds. “Due to and from other funds” represents short-term interfund receivables and payables. Interfund loans represent the noncurrent portion of interfund borrowings. The interfund loans outstanding between the Water and Sewer Fund at year-end includes a building loan for the District’s operations headquarters project, a loan to cover debt service for the Jenny Lind water expansion funds loan and a long-term borrowing by the Sewer Fund from the Water Fund to cover cash deficits. Repayment terms are discussed in Note E.

Capital Assets: Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives.

	<u>Years</u>
Buildings	50
Improvements other than buildings	15 - 50
Machinery and equipment	4 - 10
Vehicles	8 - 10
Computer equipment and software	3 - 4

It is the District’s policy to capitalize assets with a cost of \$5,000 or more with useful lives in excess of one year. The cost of assets sold or retired (and the related amounts of accumulated depreciation) is eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Deferred Inflows and Outflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the District’s pension plan under GASB Statement No. 68 as described in Note I and OPEB plan under GASB Statement No. 75 as described in Note J.

Compensated Absences: A total of 22 to 32 days of Personal Time Off (PTO) leave per year may be accumulated by each employee. Compensation time and holiday hours are also accrued as compensated absences. Employees are paid 100% of their PTO leave hours upon death, termination or retirement. The liability for compensated absences is recorded as a liability in the statement of net position. The current portion of this liability is estimated based on historical trends. The cost of compensated absences is recorded in the period it is incurred and is liquidated in the Water and Sewer Funds.

Pension Plan: For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense related to the pension plan, information about the fiduciary net position of the District’s CalPERS plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Other Postemployment Benefits Plan (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the plan held by PARS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgetary Principles: The Board of Directors does not operate under any legal budgeting constraints. Budget integration is employed as a management control device. Budgets are formally adopted by the Board and take effect on each July 1.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. The District allocates general and administrative expenses 73% to the Water Fund and 27% to the Sewer Fund according to the relative number of water and sewer accounts.

Property Taxes: Secured and unsecured property taxes are levied on July 1 by the County of Calaveras. Secured property taxes are due in two installments, the first installment is due on November 1 and delinquent with penalties after December 10; the second installment is due February 1 and delinquent with penalties after April 10th, on property taxes assessed on July 1. Unsecured property taxes are payable in one installment on or before August 31. Property tax revenues are recognized in the fiscal year in which they are levied.

Comparative Totals: The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Reclassifications: The District reclassified unrestricted cash and net position of \$520,464 and \$192,500 in the Water and Sewer Fund, respectively, that was inadvertently reported as restricted for debt service in 2018. In addition, it was determined in 2019 that the amount restricted for expansion and construction and the net investment in capital assets was misstated due to not accounting for unspent debt proceeds appropriately. This resulted in an increase in the net investment in capital assets of \$2,578,308 offset by a decrease in net position restricted for expansion and construction of \$984,438 and a decrease in unrestricted net position of \$1,593,870. These reclassifications had no effect on total assets, liabilities, net position or change in net position.

New Pronouncements: In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease’s guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in the notes to government financial statements and clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. For notes to the financial statement there is a requirement that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018.

The District will fully analyze the impact of these new Statements prior to the effective dates listed above.

NOTE B – CASH AND INVESTMENTS

Cash and investments were reported in the financial statements as follows at June 30, 2019:

	Proprietary Funds	Fiduciary Funds	Total
Cash and cash equivalents	\$ 9,616,110	\$ 1,119,036	\$ 10,735,146
Investments	500,628		500,628
Restricted cash and cash equivalents	23,811,470		23,811,470
Restricted cash and cash equivalents with fiscal agents		531,858	531,858
Restricted investments	1,510,449		1,510,449
	<u>\$ 35,438,657</u>	<u>\$ 1,650,894</u>	<u>\$ 37,089,551</u>
Total cash and investments			

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

Cash and investments were classified according to GASB Statement No. 40 as follows at June 30, 2019:

	Proprietary Funds	Fiduciary Funds	Total
Cash on hand	\$ 600		\$ 600
Bank deposits	4,546,968	\$ 672,410	5,219,378
Total cash and deposits	<u>4,547,568</u>	<u>672,410</u>	<u>5,219,978</u>
Medium term corporate notes	23,798		23,798
Local Agency Investment Fund (LAIF)	28,880,011	446,625	29,326,636
Non-negotiable certificates of deposit	1,987,280		1,987,280
Investments with fiscal agents:			
Money market mutual funds		203,831	203,831
Local Agency Investment Fund (LAIF)		328,028	328,028
Total investments	<u>30,891,089</u>	<u>978,484</u>	<u>31,869,573</u>
Total cash and investments	<u>\$ 35,438,657</u>	<u>\$ 1,650,894</u>	<u>\$ 37,089,551</u>

Investment policy: California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The District’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality
Local district bonds	5 years	50%	AA
U.S. Treasury obligations	5 years	100%	N/A
State of California obligations	5 years	100%	A
Other state obligations	5 years	20%	AA
California local district obligations	5 years	50%	AA
U.S. agency securities	5 years	100%	AAA
Bankers acceptances	180 days	40%	A
Commercial paper	270 days	25%	AA
Negotiable certificates of deposit	5 years	30%	N/A
Repurchase agreements	1 year	20%	None
Reverse repurchase agreements	92 days	20% of base	A
Medium term corporate notes	5 years	30%	A
Money market mutual funds	N/A	20%	(1)
Joint Powers Authority	N/A	20%	None
Collateralized bank deposits	5 years	20%	AA
Time deposits	2 years	20%	N/A
Local Agency Investment Fund (LAIF)	N/A	No limit	N/A
County pooled investment funds	N/A	30%	None
Non-negotiable certificates of deposit	2 years	40%	None

(1) Must be the highest rating by 2 of the 3 nationally recognized rating agencies.

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt agreements. These funds are unexpended bond proceeds or are pledged reserves to be used if the District fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with District resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality
Local district bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
State of California obligations	5 years	100%	None
Other state obligations	5 years	None	None
California local district obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Bankers acceptances	180 days	40%/30%	None
Commercial paper	270 days	25% or 10%	A1/P1/F1
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	Various
Reverse repurchase agreements	92 days	20% of base	A
Medium term corporate notes	5 years	30%	A or >
Money market mutual funds	N/A	20%	(1)
Joint Powers Authority	N/A	None	None
Collateralized bank deposits	5 years	None	AA
Time deposits	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County pooled investment funds	N/A	None	None
Non-negotiable certificates of deposit	5 years	100%	None

(1) Must be highest rating by 2 of 3 of the nationally recognized rating agencies.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the District's investments by maturity at June 30, 2019:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
Medium term corporate notes	\$ 23,798	\$ 23,798		
LAIF	29,326,636	29,326,636		
Non-negotiable certificates of deposit	1,987,280			\$ 1,987,280
Investments with fiscal agent:				
Money market mutual funds	203,831	203,831		
LAIF	328,028	328,028		
Total Investments	\$ 31,869,573	\$ 29,882,293	\$ -	\$ 1,987,280

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type at June 30, 2019.

Investment Type	Total	Minimum Rating	Ratings as of Year End Not Rated
Medium term corporate notes ⁽¹⁾	\$ 23,798	A	\$ 23,798
LAIF	29,326,636	N/A	29,326,636
Non-negotiable certificates of deposit	1,987,280	N/A	1,987,280
Investments with fiscal agent:			
Money market mutual funds	203,831	N/A	203,831
LAIF	328,028	N/A	328,028
Total Investments	\$ 31,869,573		\$ 31,869,573

⁽¹⁾ Investment in Lehman Brothers note. Corporation filed for bankruptcy in 2008 and rating was withdrawn.

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer by the California Government Code. The California Government Code limits the amount that may be invested in any one issuer, as disclosed in the preceding table. GASB Statement No. 40 requires disclosure of investments with one issuer exceeding 5% of total investments, with the exception of U.S. Treasury obligations, mutual funds and external investment pools. The District’s non-negotiable certificate of deposit with Wells Fargo Bank NA in the amount of \$1,987,280 exceeded 5% of total investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2019, the carrying amount of the District’s deposits, including Agency Fund deposits and certificates of deposit, was \$7,206,658 and the balance in financial institutions was \$7,280,496. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and the remaining amount of \$6,780,496 was secured by a pledge of securities by the financial institution, but not in the name of the District. The California local district obligations, medium term corporate notes and money market mutual funds are held by the same broker-dealers (counterparty) used by the District to buy the securities.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

On September 15, 2008, Lehman Brothers Holdings Inc. declared bankruptcy, which has had a direct and negative impact on the District's investment holdings. After consultation with the District's investment broker, the District decided to permanently write-down the carrying amount of the securities to the estimated recoverable market value and hold the securities through the bankruptcy proceedings. There is a market for selling the security and the District is able to determine a fair value. As of June 30, 2019, the District carried the Lehman securities at the estimated recoverable fair value provided by the investment broker of \$23,798. The amount ultimately recovered may differ from this estimate. The District recovered \$13,141 on the securities during the year-ended June 30, 2019.

California Local Agency Investment Fund (LAIF): LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$105,814,483,092, which is managed by the State Treasurer. Of that amount, 1.77 percent is invested in structured notes and asset-backed commercial paper. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 173 days at June 30, 2019.

Fair Value Measurements: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

- Medium term corporate notes of \$23,798 are valued based on the estimated recoverable value based on information learned during the Lehman Brothers Holdings Inc. bankruptcy, which includes unobservable inputs (Level 3 inputs).

The District's investment in LAIF, non-negotiable certificates of deposit and money market mutual funds are not subject to fair value measurements or are measured at the net asset value of the underlying investments.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Retirements	Transfer	Balance at June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 13,389,343	\$ 178,127			\$ 13,567,470
Construction in progress	2,919,197	4,866,606		\$ (383,051)	7,402,752
Total capital assets, not being depreciated	<u>16,308,540</u>	<u>5,044,733</u>		<u>(383,051)</u>	<u>20,970,222</u>
Capital assets, being depreciated:					
Buildings	17,732,474				17,732,474
Utility system - infrastructure	161,220,852	330,876		383,051	161,934,779
Machinery and equipment	17,541,965	345,021	\$ (33,160)		17,853,826
Total capital assets, being depreciated	<u>196,495,291</u>	<u>675,897</u>	<u>(33,160)</u>	<u>383,051</u>	<u>197,521,079</u>
Less accumulated depreciation for:					
Buildings	(10,114,883)	(339,720)			(10,454,603)
Utility system - infrastructure	(79,072,940)	(3,225,534)			(82,298,474)
Machinery and equipment	(15,341,374)	(426,355)	9,665		(15,758,064)
Total accumulated depreciation	<u>(104,529,197)</u>	<u>(3,991,609)</u>	<u>9,665</u>		<u>(108,511,141)</u>
Total capital assets, being depreciated, net	<u>91,966,094</u>	<u>(3,315,712)</u>	<u>(23,495)</u>	<u>383,051</u>	<u>89,009,938</u>
Total capital assets, net	<u>\$ 108,274,634</u>	<u>\$ 1,729,021</u>	<u>\$ (23,495)</u>	<u>\$ -</u>	<u>\$ 109,980,160</u>

NOTE D – LONG-TERM LIABILITIES

The activity of the District's long-term liabilities during the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019	Current Portion
Water Fund:					
Umpqua Bank 2014 Water Revenue Loan	\$ 3,411,593		\$ (1,113,008)	\$ 2,298,585	\$ 1,136,957
U.S. Bureau of Reclamation Note - Hogan	277,609		(40,326)	237,283	40,327
Umpqua Bank 2012 Pension Loan	172,133		(172,133)		
Umpqua Bank Series 2019 Taxable Revenue Refunding Loan		\$ 3,795,550		3,795,550	179,560
Total Water Fund loans and notes	<u>3,861,335</u>	<u>3,795,550</u>	<u>(1,325,467)</u>	<u>6,331,418</u>	<u>1,356,844</u>
Compensated absences	558,367	525,992	(558,367)	525,992	447,093
Total Water Fund liabilities	<u>4,419,702</u>	<u>4,321,542</u>	<u>(1,883,834)</u>	<u>6,857,410</u>	<u>1,803,937</u>
Sewer Fund:					
Umpqua Bank 2014 Sewer Revenue Loan	1,147,374		(374,311)	773,063	382,377
U.S. Bureau of Reclamation Note - Hogan	102,677		(14,915)	87,762	14,915
Umpqua Bank 2012 Pension Loan	84,783		(84,783)		
Umpqua Bank Series 2019 Taxable Revenue Refunding Loan		1,869,450		1,869,450	88,440
Total Sewer Fund loans and notes	<u>1,334,834</u>	<u>1,869,450</u>	<u>(474,009)</u>	<u>2,730,275</u>	<u>485,732</u>
Compensated absences	341,319	264,245	(341,319)	264,245	224,608
Total Sewer Fund liabilities	<u>1,676,153</u>	<u>2,133,695</u>	<u>(815,328)</u>	<u>2,994,520</u>	<u>710,340</u>
Public Financing Authority Fund:					
Series 2016 Water Enterprise Revenue Bonds	2,579,300		(43,700)	2,535,600	44,700
Total long-term liabilities	<u>\$ 8,675,155</u>	<u>\$ 6,455,237</u>	<u>\$ (2,742,862)</u>	<u>\$ 12,387,530</u>	<u>\$ 2,558,977</u>

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE D – LONG-TERM LIABILITIES (Continued)

Description of Water Fund Loans and Notes – Direct Borrowing:

Umpqua Bank 2014 Water Revenue Loan: In April 2014, the District obtained a loan from Umpqua Bank for \$4,061,933 to fund various water improvement projects. The loan is payable from a pledge on the District's net water revenue as defined in the agreement and the District must collect rates, fees and charges during the term of the loan that are at least equal to 125% of the debt service payments on this loan and all other parity debt. The loan agreement defines events of default as 1) failure to pay any principal and interest payment when due; 2) failure to observe and perform a covenant for a period of 30 days after written notice is provided by the Bank; 3) default on any parity obligation; 4) bankruptcy; 5) material misrepresentation made in the execution of the loan; 6) an event causing the loan to cease to be a legal, valid and binding obligation of the District; and 7) dissolution or termination of the District. The Loan is subject to an acceleration clause upon default of the District causing the principal and accrued interest to be immediately due and payable. The Bank also has the right under the agreement to apply to and obtain from a court a decree or order necessary to require the District to charge and collect rates for water services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$587,005 to \$593,385 are due each September 1 and March 1 at 2.12% through March 1, 2021. In the event of default, the interest rate increases 3%.

Description of Sewer Fund Loans and Notes – Direct Borrowing:

Umpqua Bank 2014 Sewer Revenue Loan: In April 2014, the District obtained a loan from Umpqua Bank for \$2,337,528 to fund various wastewater improvement projects. The loan is payable from a pledge on the District's net wastewater revenue as defined in the agreement and the District must collect rates, fees and charges during the term of the loan that are at least equal to 125% of the debt service payments on this loan and all other parity debt. The events of default and remedies for default are identical to those disclosed for the Umpqua Bank 2014 Water Revenue Loan above except the Bank has the right to require the District to charge and collect rates for wastewater services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$197,428 to \$199,582 are due each September 1 and March 1 at 2.12% through March 1, 2021. In the event of default, the interest rate increases 3%.

Description of Shared Water Fund and Sewer Fund Loans and Notes – Direct Borrowings:

U.S. Bureau of Reclamation Note: Under the terms of a contract dated August 25, 1970, between the United States of America, the Stockton-East Water District and Calaveras County Water District, the two districts agreed to repay the United States of America 36.2% of the construction cost of the New Hogan Dam, excluding recreation features. Under the terms of a side agreement, the payment of all obligations under the Bureau contract is split between the two districts, whereby Stockton-East Water District is responsible for 43.5% of the repayments and Calaveras County Water District is responsible for 56.5% of the payments. The agreement required the Calaveras County Water District to make annual payments based on a variable computation to Stockton-East Water District through 2010 with no interest. The unpaid balance at September 2010 began to bear interest at 4.5%. The agreement contains a provision requiring a penalty of 0.5% per month on delinquent payments over 30 days past-due. Annual principal payments range from \$48,837 to \$55,242 and annual interest payments range from \$2,198 to \$14,687 through June 10, 2025. The remaining balance on the contract at June 30, 2019 was \$325,045.

The contract also requires the District to make payments to Stockton-East Water District for the Calaveras County Water District's share of expenses for operations, maintenance, replacements and contract administration. These costs are expensed as incurred.

Umpqua Bank 2012 Pension Loan: On March 28, 2012, the District obtained a loan from Umpqua Bank for \$1,974,792 in order to pay off its side-fund with CalPERS in the same amount. The side fund represented the District's unfunded pension liability when the District joined a CalPERS cost-sharing pension plan. The loan is paid in monthly payments of \$26,051 including interest at 2.9%, maturing on April 1, 2019. The loan was paid off in April 2019.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE D – LONG-TERM LIABILITIES (Continued)

Umpqua Bank Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project): On February 1, 2019, the District obtained a \$5,665,000 loan from Umpqua Bank in order to reduce and refinance the District's Water and Sewer Fund unfunded accrued actuarial pension liability (UAL) in the District's defined benefit pension plan administered by the California State Public Employees' Retirement System (CalPERS). \$5,544,652 was deposited directly with CalPERS under the loan agreement, with the remaining amount funding issuance costs. The District's future UAL payments to CalPERS will be reduced due to this deposit. The loan is payable from a pledge on the District's net water and wastewater revenue as defined in the agreement and the District must collect rates, fees and charges during the term of the loan that are at least equal to 125% of the debt service payments on this loan and all other parity debt. The events of default and remedies for default are identical to those disclosed for the Umpqua Bank 2014 Water Revenue Loan above except the Bank has the right to require the District to charge and collect rates for both water and wastewater services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$176,591 to \$259,240 are due beginning on September 1, 2019 through March 1, 2036. The interest rate on the loan is 3.32%. In the event of default, the interest rate increases 3%.

Description of Public Financing Authority Fund Debt – Direct Placement:

U.S. Department of Agriculture Bonds: On June 16, 2016, the Calaveras County Water District Public Financing Authority issued Series 2016 Water Enterprise Revenue Bonds with a borrowing limit of \$2,622,000 to assist in the funding of the Ebbetts Pass Reach 3A Pipeline Replacement Project. The Bonds will be paid solely from installment sale payments made from the District's net water system revenues to purchase the project assets. The bonds will be paid annually each September 1 in principal amounts ranging from \$44,700 to \$99,500 and semi-annual interest payments ranging from \$1,119 to \$28,526 at 2.25% through September 1, 2055.

The annual requirements to amortize the outstanding loans and notes payable at June 30, 2019 were as follows:

Years Ending June 30	Water Fund			Sewer Fund			Public Financing Authority Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,356,844	\$ 180,410	\$ 1,537,254	\$ 485,732	\$ 80,782	\$ 566,514	\$ 44,700	\$ 56,548	\$ 101,248
2021	1,421,715	145,879	1,567,594	513,841	67,839	581,680	45,700	55,531	101,231
2022	276,837	117,857	394,694	131,405	57,184	188,589	46,700	54,492	101,192
2023	265,447	108,279	373,726	125,795	52,689	178,484	47,700	53,430	101,130
2024	266,787	98,991	365,778	126,455	48,337	174,792	48,800	52,344	101,144
2025-2029	1,163,930	366,784	1,530,714	568,905	180,458	749,363	260,900	244,558	505,458
2030-2034	1,099,470	179,598	1,279,068	541,530	88,459	629,989	291,700	213,508	505,208
2035-2039	480,388	20,420	500,808	236,612	10,058	246,670	325,900	178,748	504,648
2040-2044							364,400	140,013	504,413
2045-2049							407,200	96,649	503,849
2050-2054							455,100	48,194	503,294
2055-2059							196,800	4,453	201,253
	<u>\$ 6,331,418</u>	<u>\$ 1,218,218</u>	<u>\$ 7,549,636</u>	<u>\$ 2,730,275</u>	<u>\$ 585,806</u>	<u>\$ 3,316,081</u>	<u>\$ 2,535,600</u>	<u>\$ 1,198,468</u>	<u>\$ 3,734,068</u>

Description of Shared Water Fund and Sewer Fund Capital Lease:

Enterprise Fleet Management Lease Program: On June 7, 2019, the District entered into a multi-year capital lease program for vehicle replacement with Enterprise Fleet Management. Each year, vehicles in the fleet are evaluated and proposed additions and retirements are taken to the Board for approval. The District makes monthly rental payments according to the lease schedule and the lease agreement. The term of the lease schedule begins on the date each vehicle is delivered to the District. The District agrees to pay within 30 days after the end of the term for each vehicle an additional rent amount equal to the excess, if any, of the book value of a leased vehicle greater than the wholesale value of the vehicle. As of June 30, 2019, the District has not leased any vehicles. In the event of default, the interest rate will increase to 18% or the highest rate permitted by law.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE D – LONG-TERM LIABILITIES (Continued)

Pledged Revenues: The District has pledged future Water Fund and Sewer (wastewater) Fund revenues, net of specified operating expenses, to repay each of its Water Fund, Sewer Fund and Public Financing Authority loans and bonds as described above. Proceeds from the loans and bonds were used to fund certain water and sewer improvements, to purchase capital assets or refund certain prior debt issuances as described above. The loans and bonds are payable through September 1, 2055. Annual principal and interest on the loans and bonds are expected to be 75% or less of net revenues as required by the loan and bond covenants. Total principal and interest remaining to be paid on the loans and bonds are reported in the “Total” column for the Water Fund and Sewer Fund on the table above. Total principal and interest paid on all debt payable from net revenues in the Water and Sewer Funds was \$1,932,425 and \$647,908, respectively, and total water and sewer system net revenues were \$5,292,517 and \$2,571,201 for the year ended June 30, 2019. At June 30, 2019, the District’s total water and sewer system net revenues were 274% and 397% of debt service payments, respectively, as described in the debt service coverage ratio calculation in the Other Supplementary Information section of the financial statements.

NOTE E – INTERNAL LOANS

On January 11, 2012, the Board of Directors approved a building loan of \$3,000,000 from certain water and sewer expansion funds to pay for the construction of the District’s operations headquarters. This resulted in the total loans outstanding of \$1,570,731 from the Sewer Fund to the Water Fund at June 30, 2019. The internal loan will be repaid with operating funds over ten years at an interest rate of 2.5% or the weighted average of the District’s current return on investments each year, whichever is higher. The internal loan will be repaid on an "interest only" basis for the first five years and then principal payments of \$645,741 will be made each year thereafter in addition to yearly interest payments. As part of the fiscal year 2017-18 budget adoption (June 28, 2017), the Board approved delaying the start of the principal pay down one year (to fiscal year 2018-19), which extends the “interest only” period to six years. Thus, the revised term will be eleven years, including six years with interest only payments and five years with principal and interest payments.

On June 13, 2012, the Board of Directors approved a loan from special project funds in the District’s interest reserve funds to cover debt service payments for the Jenny Lind water expansion funds loan. The outstanding loan balance as of June 30, 2019 was \$1,522,736. This resulted in an internal loan of \$411,139 from the Sewer Fund to the Water Fund at June 30, 2019. The Jenny Lind water expansion funds debt service obligation ended September 2017. The internal loan is non-interest bearing and will be repaid from new water connection fees from the Jenny Lind service area as available.

On August 8, 2018, the Board of Directors approved a loan from the Water Fund to the Sewer Fund to fund a cash deficit of \$1,126,267 at June 30, 2018. The internal loan will be repaid by the Sewer Fund each June 30 from June 30, 2019 to June 30, 2028 in amounts of \$125,383, including interest at 2% per year. The outstanding balance at June 30, 2019 was \$1,023,409.

NOTE F – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount</u>
Water Fund	Sewer Fund	\$ 18,957
Water Fund	Public Financing Authority Fund	<u>101,243</u>
Total interfund transfers		<u>\$ 120,200</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them, (2) move receipts restricted to debt service from the Funds collecting the receipts to the debt service fund as debt service payments become due and (3) subsidize operating losses.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE G – SPECIAL ASSESSMENT DISTRICT DEBT

The District acts as agent for the bondholders of five of the nine special assessment districts in the District’s service area. Each of these special assessment districts has issued bonds to finance improvements within the related district. The bonds are secured solely by liens on real property in the related assessment district. The County of Calaveras collects special assessments from the property owners in these special assessment districts. The special assessments collected are forwarded to the District, which directs payment to the bondholders through the designated paying agent. The District is not obligated in any manner in the event of default of this debt, which is not included in the District's financial statements. The outstanding principal amounts of these special assessment bonds at June 30, 2019, were as follows:

<u>District</u>	<u>Amount</u>
Westpoint Acres #3A	\$ 9,000
Arnold Sewer #9S4 A/B	120,000
Saddle Creek Refinance 2001	1,045,000
DaLee/Cassidy	750,000
Fly-In Acres	<u>1,760,000</u>
Total	<u>\$ 3,684,000</u>

Additionally, the La Contenta Assessment District (AD 604) remains in default/foreclosure. The District will continue to act as the agent for La Contenta as foreclosure counsel works with the remaining two delinquent property owners. The two properties are in foreclosure and have had summary judgements filed against them. At this time the value of the properties (both unimproved) are significantly less than the lien amounts.

NOTE H – NET POSITION

Net Position: Net position is categorized as the net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Net position restricted for expansion and construction consisted of unspent capital renovation and replacement (R&R) and expansion fee revenues, offset by liabilities recorded at year-end.

Unrestricted Net Position – This category represents net position not restricted for any project or other purpose.

Designations of Unrestricted Net Position: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District’s unrestricted net position.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE H – NET POSITION (Continued)

Designations of unrestricted net position consisted of the following designations limited to the amount of unrestricted net position available to designate in each fund and the amounts as approved by the Board of Directors at June 30, 2019:

	Limited to Unrestricted Net Position			As Approved		
	Water Fund	Sewer Fund	Public Financing Authority Fund	Water Fund	Sewer Fund	Public Financing Authority Fund
Designated:						
90 Day Emergency Operating Reserve				\$ 2,920,000	\$ 1,080,000	
Water Rights Reserve				3,000,000		
CIP Cash Flow Reserve	\$ 1,167,467			1,241,000	459,000	
Special Projects Reserve	1,086,639			1,086,639	401,907	
Total designated	2,254,106					
Undesignated		\$ (4,107,567)	\$ (2,554,514)	\$ 8,247,639	\$ 1,940,907	\$ -
Total unrestricted net position	\$ 2,254,106	\$ (4,107,567)	\$ (2,554,514)			

NOTE I – PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees’ Retirement System (CalPERS). The District participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous Plan First Tier
- Miscellaneous Plan Second Tier
- PEPRA Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the Optional Settlement 2W Death Benefit. The cost of living adjustments for each rate plan are applied as specified by the Public Employees’ Retirement Law. Plan provisions and benefits in effect for the year ended June 30, 2019 are summarized as follows:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

	Miscellaneous Plan First Tier (Prior to August 1, 2012)	Miscellaneous Plan Second Tier (August 1, 2012 to December 31, 2012)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Hire date			
Benefit formula (at full retirement)	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.00-2.70%	1.092%-2.418%	1.0% to 2.5%
Final average compensation period	One year	Three years	Three years
Required employee contribution rates	7.952%	6.912%	6.250%
Required employer contribution rates	12.212%	7.634%	6.842%

The first-tier rate plan is closed to all new participants while the second-tier rate plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2019 the employer contributions for the Plan (all rate plans combined) were \$6,676,136, including the contribution for the employer unfunded accrued liability and a contribution made from the proceeds of the 2019 pension loan described in Note D of \$5,544,562.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2019 the District reported a net pension liability for its proportionate share of the net pension liability of the Plan (all rate plans combined) of \$10,053,891.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan as of June 30, 2019 is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures as required by GASB Statement No. 68. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2019 was as follows:

Proportion - June 30, 2018	0.25981%
Proportion - June 30, 2019	0.26677%
Change - Increase (Decrease)	0.00696%

For the year ended June 30, 2019 the District recognized pension expense of \$1,608,975. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,676,136	
Differences between actual and expected experience	385,750	\$ (131,268)
Changes in assumptions	1,146,172	(280,905)
Differences between the employer's contributions and the employer's proportionate share of contributions		(205,019)
Change in employer's proportion	160,173	(5,545)
Net differences between projected and actual earnings on plan investments	<u>49,704</u>	
Total	<u>\$ 8,417,935</u>	<u>\$ (622,737)</u>

The amount in the table above reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as net deferred outflows (inflows) of resources related to pensions will be recognized as pension expense as follows as of June 30, 2019:

<u>Year Ended June 30</u>	
2020	\$ 986,438
2021	558,761
2022	(335,707)
2023	<u>(90,430)</u>
Total	<u>\$ 1,119,062</u>

Actuarial Assumptions: The total pension liabilities in the June 30, 2018 actuarial valuations for each of the rate plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	7.150%
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Varying by service, including inflation.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions: The demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions in December 2017. There were no changes in the discount rate.

Discount Rate: The discount rates used by CalPERS to measure the total pension liability was 7.15% in the June 30, 2018 accounting valuation. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated per each PERF C fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for each of the rate plans as of the measurement date of June 30, 2018. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	(0.92)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	<u>\$ 15,587,656</u>	<u>\$ 10,053,891</u>	<u>\$ 5,485,858</u>

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2019 the District had no outstanding contributions payable to the Plan.

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District’s other postemployment benefits (OPEB) plan (the Plan) is an agent-multiple employer defined benefit healthcare plan administered by Public Agency Retirement Services (PARS). PARS maintains the Plan’s assets in a trust fund that complies with Section 115 of the Internal Revenue Code and provides administration of benefits and investment services. The Plan assets are invested by PARS together with assets of other participating employers. The Plan provides medical, dental and vision insurance benefits to eligible retirees and surviving spouses. Employees who retire directly from the District and their dependents are eligible for the District paid benefits if they meet the following criteria under Board Resolution 2007-106:

Medical Post Retirement Benefits: Employees hired by the District on or before July 31, 2001 who retire from the District with a minimum of five (5) years of service credit for work performed at the District may elect to be provided post-employment medical insurance coverage.

Employees hired by the District on or after August 1, 2001 who retire from the District with a minimum of five (5) years of service at the District and ten (10) years of CalPERS service credit are eligible to be provided post-employment medical coverage under the vesting schedule and provisions of Government Code 22893.

Dental and Vision Post Retirement Benefits: Employees hired on or before December 31, 2007 who retire from the District with at least five (5) years of service at the District may elect to be provided post-employment dental and vision coverage at no cost to the retiree. Employees hired on or after January 1, 2008 are not eligible to receive any post-employment dental or vision coverage.

The District’s Board of Directors establishes and amends benefit provisions. The Plan itself and PARS do not issue separate publicly available financial statements.

Employees Covered by Benefit Terms: At June 30, 2018, the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active employees	65
Inactive employees or beneficiaries currently receiving benefit payments	47

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Contributions: The District’s Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under the authority granted to it under the California Water Code. The District has a policy of contributing to the PARS trust based on the actuarially determined contribution (ADC) in addition to paying premiums due on a pay-as-you-go basis. Employees are not required to contribute to the Plan. During the fiscal year ended June 30, 2019, the District’s cash contributions to the trust were \$851,958 and the benefit payments were \$570,587, resulting in total payments of \$1,422,545.

The District contributes, at a minimum, a percentage of the weighted average cost of the four basic health benefit plans that had the largest state enrollment in the previous benefit year. This percentage is based upon each participant’s years of service according to the following scale:

<u>Credited Years of Service</u>	<u>Percentage of the Weighted Average Cost</u>	<u>Credited Years of Service</u>	<u>Percentage of the Weighted Average Cost</u>
Less than 10	0%	15	75%
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

Net OPEB Liability: The District’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.26%
Aggregate salary increases	3.25%
Investment rate of return	7.00%
Healthcare cost trend rates	8.40% and 5.00% in the first year for pre-65 and post-65, respectively, trending down to 5.00% until 2033 and thereafter.
Mortality rates	Derived using CalPERS membership data
Participation rate	100%

Mortality was based on the 2014 CalPERS Mortality study and morbidity factors were based on the 2013 CalPERS study. It was assumed 100% of eligible participants would participate in the Plan and 80% of future retirees would cover spouses at retirement. Retirement rates used were the rates in the most recent CalPERS Miscellaneous 2% at 55 Risk Pool for active employees hired before January 1, 2013 and the 2% at 62 Risk Pool for active employees hired on or after January 1, 2013.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of the measurement date for each major asset class are summarized in the following table:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Investment Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	48.25%	5.65%
Fixed income	45.00%	1.39%
REITs	1.75%	5.06%
Cash	5.00%	0.00%
Total	<u>100.00%</u>	

The table above shows the target asset allocation in the PARS Moderate investment portfolio.

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will continue based upon the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018	\$ 13,077,306	\$ 6,414,366	\$ 6,662,940
Changes for the year:			
Service cost	356,032		356,032
Interest on the total OPEB liability	921,936		921,936
Differences between expected and actual experience	(13,392)		(13,392)
Contribution - employer		1,228,844	(1,228,844)
Net investment income		405,162	(405,162)
Benefit payments	(534,668)	(534,668)	
Administrative expense		(17,301)	17,301
Net changes	<u>729,908</u>	<u>1,082,037</u>	<u>(352,129)</u>
Balance at June 30, 2019	<u>\$ 13,807,214</u>	<u>\$ 7,496,403</u>	<u>\$ 6,310,811</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	\$ 8,259,206	\$ 6,310,811	\$ 4,711,108

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease 7.40% decreasing to 4.00%	Current Healthcare Cost Trend Rates 8.40% decreasing to 5.00%	1% Increase 9.40 decreasing to 6.00%
Net OPEB liability	\$ 4,703,425	\$ 6,310,811	\$ 8,125,809

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2019, the District recognized OPEB expense of \$799,000. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,422,545	
Differences between actual and expected experience		\$ 11,325
Net differences between projected and actual earnings on OPEB plan investments		52,292
Total	<u>\$ 1,422,545</u>	<u>\$ 63,617</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2020	\$ (23,973)
2021	(23,973)
2022	(23,973)
2023	11,359
2024	(2,067)
Thereafter	(990)
	<u>\$ (63,617)</u>

There were no amounts payable to the Plan at year-end.

NOTE K – RISK MANAGEMENT

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), a public entity risk pool of water agencies in California, for general, automobile, public officials' errors and omissions liability, property damage and business interruption coverage. Through its membership in the JPIA, the District is provided with excess coverage for these items through commercial insurance. Loss contingency reserves established by the JPIA are funded by contributions from member agencies. The District pays an annual premium to the JPIA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPIA. Financial statements for the JPIA may be obtained at 2100 Professional Drive, Roseville, California 95661-3700 or www.acwajpia.com.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE K – RISK MANAGEMENT (Continued)

The District’s self-insured retention levels and limits on coverage under the JPIA were as follows at June 30, 2019:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General liability	\$ 5,000,000	\$ 55,000,000	None
Auto liability	5,000,000	55,000,000	\$ 1,000
Public officials liability	5,000,000	55,000,000	None
Property damage, including buildings, personal property, fixed equipment, mobile equipment and other	100,000	500,000,000	1,000 to 50,000
Crime	100,000	1,000,000	1,000
Workers compensation	2,000,000	Statutory	None
Employers liability	2,000,000	Statutory	None
Cyber liability		3,000,000/5,000,000 occurrence/aggregate	None

Settled claims have not exceeded insurance coverage in any of the past three fiscal years and no significant changes or reductions in insurance coverage have occurred.

NOTE L — COMMITMENTS AND CONTINGENT LIABILITIES

The District had the following capital project commitments outstanding as of June 30, 2019:

Reach 1 Water Line Replacement	\$ 6,229,499
Jenny Lind Pre-Treatment Facility	352,794
Copper Cove Lift Station Rehabilitation	164,083
Copper Cove Force Main Rehabilitation	<u>164,083</u>
Total	<u>\$ 6,910,459</u>

Grant Contingency: Amounts received or receivable under grant agreements are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, could possibly need to be returned to the granting agency. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Legal Contingencies: A claim was filed by La Contenta Investors, Ltd. (La Contenta), a local golf course, against the District where La Contenta claimed it is entitled to \$1.8 million in sewer credits under a contract provision that provides La Contenta with sewer credits in exchange for its use of recycled water for irrigation. If La Contenta prevails in the claim, the District would be required to provide up to \$1.8 million of credits for future sewer hookups to the District’s system, less any credits previously exercised. Management does not believe La Contenta is due the full \$1.8 million of sewer credits.

Various other claims and suits are filed against the District in the normal course of business. Although the outcome of these claims is not presently determinable, in the opinion of the District’s management, after consultation with counsel, the resolution of any claims outstanding will not have a material adverse effect on the financial condition of the District.

Contingent Revenue from Settlement Agreement: In June 2019, the District accepted a mediator’s proposal of \$3 million from Pacific Gas & Electric Company (PG&E) to resolve the District’s claims resulting from the 2015 Butte Fire. The proposed settlement is subject to confirmation by the Bankruptcy Court in a planned reorganization to be filed by PG&E under Chapter 11 of the Bankruptcy Code. Because the amount is contingent upon a future event, the District will not recognize revenue for the amount until the contingency is resolved as required by paragraph 112 of GASB Statement No. 62. If the settlement is approved in PG&E’s bankruptcy proceedings, the District intends to use a large portion of the amount to reimburse expenses the District incurred as a result of the Butte Fire, namely the construction and operation of the Jenny Lind Water Treatment Plant Pretreatment Facility.

REQUIRED SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the Net Pension Liability	0.26677%	0.25981%	0.25186%	0.25186%	0.21557%
Proportionate Share of the Net Pension Liability	\$ 10,053,891	\$ 10,242,016	\$ 8,797,338	\$ 6,909,619	\$ 5,327,739
Covered Payroll - Plan Measurement Period	\$ 5,379,180	\$ 5,526,427	\$ 5,155,786	\$ 4,776,189	\$ 4,868,194
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	186.90%	185.33%	170.63%	144.67%	109.44%
Plan Fiduciary Net Position	\$ 30,854,793	\$ 28,867,804	\$ 25,711,678	\$ 25,880,156	\$ 26,064,984
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.41%	83.65%	74.51%	78.93%	83.03%

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,131,574	\$ 1,012,621	\$ 946,214	\$ 535,436	\$ 725,590
Contributions in Relation to the Actuarially Determined Contributions	6,676,136	1,012,621	946,214	535,436	725,590
Contribution Deficiency (Excess)	\$ (5,544,562)	\$ -	\$ -	\$ -	\$ -
Covered Payroll - Employer Fiscal Year	\$ 5,373,055	\$ 5,379,180	\$ 5,256,427	\$ 5,155,786	\$ 4,776,189
Contributions as a Percentage of Covered Payroll	124.25%	18.82%	18.00%	10.39%	15.19%

Notes to Schedule:

Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Date contributions were calculated:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Investment rate of return and discount rate used to compute contribution rates	7.375%	7.500%	7.50%	7.50%	7.50%

Benefit Changes: There were no changes to benefit terms.

Contributions: During 2019, the District contributed the proceeds of the Umpqua Bank Series 2019 Taxable Revenue Refunding Loan in the amount of \$5,544,562.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Method	Entry Age Normal Cost Method
Amortization Method	Difference Between Projected and Actual Earnings is Amortized Straight-line Over 5 Years. All Other Amounts are Amortized Straight-line Over Average Remaining Service Life of Participants
Remaining Amortization Period	Not Stated
Asset Valuation Method	5-year Smoothed Market
Inflation	2.75%
Salary Increases	Varies depending on Entry Age and Service
Retirement Age	50-67 Years. Probabilities of Retirement are Based on the 2014 CalPERS Experience Study for the Period 1997 to 2011.
Mortality	CalPERS Specific Data from January 2014 Actuarial Experience Study for the Period 1997 to 2011 that Uses 20 Years of Mortality Improvements Using Society of Actuaries Scale BB.

Covered payroll in the first table above was revised in 2017 to be the covered payroll at the measurement date.

Omitted Years: GASB Statement No. 68 was Implemented During the Year Ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

CALAVERAS COUNTY WATER DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

	June 30, 2019	June 30, 2018
Total OPEB liability:		
Service cost	\$ 356,032	\$ 339,078
Interest	921,936	873,640
Differences between expected and actual experience	(13,392)	
Benefit payments	(534,668)	(544,601)
Net change in total OPEB liability	729,908	668,117
Total OPEB liability - beginning	13,077,306	12,409,189
 Total OPEB liability - ending (a)	 \$ 13,807,214	 \$ 13,077,306
 Plan fiduciary net position:		
Contributions - employer	\$ 1,228,844	\$ 1,156,609
Net investment income	405,162	564,907
Benefit payments	(534,668)	(544,601)
Administrative expenses	(17,301)	(15,813)
Net change in plan fiduciary net position	1,082,037	1,161,102
Plan fiduciary net position - beginning	6,414,366	5,253,264
 Plan fiduciary net position - ending (b)	 \$ 7,496,403	 \$ 6,414,366
 Net OPEB liability - ending (a)-(b)	 \$ 6,310,811	 \$ 6,662,940
 Plan fiduciary net position as a percentage of the total OPEB liability	 54.29%	 49.05%
 Covered-employee payroll - measurement period	 \$ 5,379,180	 \$ 5,256,427
 Net OPEB liability as percentage of covered-employee payroll	 117.32%	 126.76%
 Notes to schedule:		
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017

Benefit changes. None.

Changes in assumptions. None

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CALAVERAS COUNTY WATER DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	June 30, 2019	June 30, 2018
Actuarially determined contribution - employer fiscal year	\$ 851,958	\$ 746,759
Contributions in relation to the actuarially determined contributions	<u>(1,422,545)</u>	<u>(1,156,609)</u>
Contribution deficiency (excess)	<u>\$ (570,587)</u>	<u>\$ (409,850)</u>
Covered-employee payroll - employer fiscal year	\$ 5,373,055	\$ 5,379,180
Contributions as a percentage of covered-employee payroll	26.48%	21.50%

Notes to Schedule:

Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017
Actuarial cost method	Entry age normal cost method	
Amortization method	Straight-line amortization. 5 years for investment gains and losses	
Discount rate	7.00%	
Inflation	2.26%	
Aggregate salary increases	3.25%	
Investment rate of return	7.00%	
Retirement age	CalPERS Miscellaneous Risk Pool age	
Mortality	CalPERS 2014 study	
Healthcare cost trend rates	8.40% and 5.00% in the first year for pre-65 and post-65, respectively, trending down to 5.00% in 2033 and thereafter.	

An actuarially determined contribution rate was not calculated. The required contributions reported represent the actuarially determined contributions.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

OTHER SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY WATER DISTRICT
 OTHER SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ASSESSMENT DISTRICT AGENCY FUND

June 30, 2019
 (With Prior Year Data for Comparative Purposes Only)

	West Point Acres Fund	Wilseyville Fund	Arnold Sewer Fund	New Hogan/ La Contenta Fund	Lake Tulloch Fund
ASSETS					
Cash and cash equivalents	\$ 26,810	\$ 5	\$ 73,117	\$ 102,162	\$ 1
Interest receivable	90		246	344	
Due from County of Calaveras	236		1,435		
Restricted assets:					
Cash and cash equivalents with fiscal agents				6	
TOTAL ASSETS	\$ 27,136	\$ 5	\$ 74,798	\$ 102,512	\$ 1
LIABILITIES					
Notes payable					\$ 10,742
Due to other governments		\$ 5			
Due to (from) bond holders	\$ 27,136		\$ 74,798	\$ 102,512	(10,741)
TOTAL LIABILITIES	\$ 27,136	\$ 5	\$ 74,798	\$ 102,512	\$ 1

Saddle Creek Fund	DaLee/ Cassidy Fund	Fly in Acres Fund	Wallace Fund	Totals for Comparative Purposes Only	
				2019	2018
\$ 480,625	\$ 71,104	\$ 104,686	\$ 260,526	\$ 1,119,036	\$ 1,141,438
1,619	240	353	878	3,770	2,956
9,988	3,559	6,658	2,352	24,228	21,999
<u>328,368</u>	<u>69,752</u>	<u>133,732</u>		<u>531,858</u>	<u>527,289</u>
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>	<u>\$ 263,756</u>	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>
				\$ 10,742	\$ 10,742
			\$ 263,756	263,761	327,322
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>		<u>1,404,389</u>	<u>1,355,618</u>
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>	<u>\$ 263,756</u>	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>

CALAVERAS COUNTY WATER DISTRICT
OTHER SUPPLEMENTARY INFORMATION
DEBT SERVICE COVERAGE RATIO - WATER FUND

For the Years Ended June 30, 2019 and 2018

	2019	2018
REVENUES		
Water operating revenues	\$ 8,071,882	\$ 7,934,981
Property taxes	2,519,303	2,289,765
Investment income	583,502	263,827
Expansion Fees	510,219	430,858
Power sales	586,131	552,143
Capital R&R fees	3,264,713	3,272,222
Other income	1,018,897	183,699
TOTAL REVENUES	16,554,647	14,927,495
EXPENSES		
Total Operating Expenses	13,891,740	13,375,253
<i>Less: Depreciation</i>	(2,749,810)	(2,656,687)
Transfers (in), excluding noncash transfers		(55,191)
Transfers out	120,200	190,576
TOTAL EXPENSES	11,262,130	10,853,951
NET REVENUES	5,292,517	4,073,544
Debt Service Payments *	1,281,559	1,280,923
Debt Coverage Ratio - Actual	4.13	3.18
Required Ratio - 2014 Water Revenue Loans and 2016 Water Enterprise Revenue Bonds	1.25	1.25
<i>Annual Debt Service Payments</i>		
<i>* Includes Umpqua Bank (Series 2014 Water Revenue Loan) and USDA (Series 2016 Water Enterprise Revenue Bonds).</i>		
NET REVENUES	\$ 5,292,517	\$ 4,073,544
Debt Service Payments (ALL)**	1,932,425	1,598,316
Debt Coverage Ratio - Actual	2.74	2.55
Required Ratio - 2014 Water Revenue Loans, 2016 Water Enterprise Revenue Bonds and 2019 Taxable Revenue Refunding Loan	1.25	1.25

** Includes all debt payments.

CALAVERAS COUNTY WATER DISTRICT
OTHER SUPPLEMENTARY INFORMATION
DEBT SERVICE COVERAGE RATIO - SEWER FUND

For the Years Ended June 30, 2019 and 2018

	2019	2018
REVENUES		
Sewer operating revenues	\$ 4,580,167	\$ 4,347,882
Property taxes	656,297	594,243
Investment income	240,259	126,926
Expansion Fees	498,226	136,809
Power sales	216,788	204,217
Capital R&R fees	1,181,826	1,177,119
Other income	316,878	6,467
TOTAL REVENUES	7,690,441	6,593,663
EXPENSES		
Total Operating Expenses	6,379,996	6,803,804
<i>Less: Depreciation</i>	(1,241,799)	(1,210,174)
Transfers (in)	(18,957)	(90,057)
Transfers out		49,712
TOTAL EXPENSES	5,119,240	5,553,285
NET REVENUES	2,571,201	1,040,378
Debt Service Payments *	396,969	397,010
Debt Coverage Ratio - Actual	6.48	2.62
Required Ratio - 2014 Sewer Revenue Loans	1.25	1.25
<i>Annual Debt Service Payments</i>		
<i>* Includes payments on loan from Umpqua Bank (Series 2014 Sewer Revenue Loan).</i>		
NET REVENUES	\$ 2,571,201	\$ 1,040,378
Debt Service Payments (ALL)**	647,908	623,031
Debt Coverage Ratio - Actual	3.97	1.67
Required Ratio - 2014 Sewer Revenue Loans and 2019 Taxable Revenue Refunding Loan	1.25	1.25

** Includes all debt payments.

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Agenda Item

DATE: December 11, 2019
TO: Michael Minkler, General Manager
FROM: Joel Metzger, External Affairs Manager
RE: Discussion/Action regarding SB 998 Policy Update

RECOMMENDED ACTION:

Motion: _____/_____ adopting Resolution No. 2019 - ____ amending the Calaveras County Water District Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 21 B.

Motion: _____/_____ adopting Resolution No. 2019 - ____ amending the Calaveras County Water District Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 22.

SUMMARY:

On February 1, 2020, the Calaveras County Water District is required by law to implement new policies consistent with SB 998 (Dodd) Discontinuation of residential water service: urban and community water systems, which was passed in 2018. This legislation requires CCWD to change policies and procedures regarding delinquent account notifications, fee assignments, discontinuation and restoration of service.

BACKGROUND INFORMATION:

This bill applies to all urban and community water systems, public or private, that provide water to more than 200 service connections.

The legislation requires CCWD to provide customers with written discontinuation of service policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more of the residents who live within the District's service areas.

Additionally, the legislation requires the following:

- Water service may not be discontinued until the customer has been delinquent for 60 days
- Offer customers alternative payment plans, if they are unable to pay the bill.
- Provide customers with a formal process to appeal bills
- At least seven days before discontinuing service, CCWD must contact the customer by telephone, email or in writing and provide the occupant with the District's written policy on discontinuation of service, discuss ways to avoid service being discontinued, inform them of alternative payment plans and the appeals process.
- If a customer cannot be contacted remotely, the District must make a good faith effort to visit the physical residence with information.
- Allow tenants to become CCWD customers and waive past-due balances accrued when they were not official customers.
- Limit customers' reconnection fees to no more than \$50 during regular business hours, and \$150 during non-regular hours.
- Report the number of lock-offs, due to inability to pay, on CCWD's website and provide this information to the State Water Resources Control Board.
- If CCWD does not comply with this law, it will be subject to enforcement by the State Water Board and the California Attorney General.
- Utilities in violation of this legislation face a penalty up to \$1,000 for each day in which the violation occurs, and would require the enforcement fees collected by the State Water Board to be deposited in the Safe Drinking Water Fund.

FINANCE COMMITTEE REVIEW

On Monday November 25, 2019, staff presented a draft policy document to the CCWD Finance Committee that amends CCWD's existing and delinquency policy in order to address the new legal requirements imposed by SB 998. Staff also prepared a payment plan agreement form and a bill appeal form.

Staff also prepared suggested amendments to CCWD's existing deposit policy, which will ensure that the District has some level of protection in the event that a non-legal-deeded owner decides to become a CCWD customer and fails to pay their bill.

After review and discussion, the Finance Committee recommended that the full CCWD Board approve the draft deposit and delinquency policies with one suggested change, which is to extend the payment plan duration from six months to 12 months.

PUBLIC OUTREACH AND EDUCATION PLAN

If the Board adopts the recommended policy on December 11, staff will begin a public outreach campaign to educate existing customers and the community at large about this new policy.

The campaign will include multiple press releases sent to local media outlets, a billing insert sent to every CCWD customer, the development of a one-page flyer that can be

posted on bulletin boards throughout the county, presentations at community meetings, a new Web page with detailed information per SB 998 requirements, updates to CCWD's reminder notice, door tag and billing statement and a concerted effort by Customer Service representatives to educate customers about the new policies and procedures.

NEXT STEPS

The drafting of this new policy has consumed a great deal of staff time over past months and this is expected to continue as implementation efforts continue through the February 1, 2020, implementation deadline and beyond.

In addition to the public outreach and education campaign, Customer Service will work with Springbrook to utilize as many options as possible to streamline the new processes and procedures required by SB 998. Additionally, staff will work with Dataprose (the company that prints and mails CCWD's bills) to update the back of the billing statements with new information. Staff will also work to have key information on reminder notices and door tags translated into the required languages.

Staff intends to implement this policy starting on February 1, 2020. The Board will be kept up to date on the implementation progress.

FINANCIAL CONSIDERATIONS:

The changes to CCWD's delinquency policy are expected to increase the burden on the Customer Service Department staff with regard to manual tracking and increased customer contacts, including letters, phone calls, emails and other correspondence. These changes may also add an additional burden to field staff, who will be required to make good faith efforts to contact customers at their residences and may be required to lock of and restore services on an irregular schedule, due to payment plans. The appeals process will require the Customer Service Manager, Director of Administrative Services and General Manager to spend additional time reviewing and processing requests. Additionally, the District expects costs to increase related to postage and printing.

Finally, payments from customers who are on payment plans will come in more slowly over a number of months, which will require Finance Department staff to perform additional work.

Attachments: *Resolution 2019- ____ Amending the CCWD Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 21B*
Resolution 2019- ____ Amending the CCWD Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, Article III, Application for Service Rates and Billing, Section 22
SB 998 (Dodd) Bill Text
SB 998 Policy Update (redline)
SB 998 Policy Update (clean)
CCWD Deposit Policy Update (redline)
CCWD Bill Appeal Form
CCWD Payment Plan Agreement Form

RESOLUTION 2019 - _____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE DISTRICT RULES AND REGULATIONS
GOVERNING THE FURNISHING OF WATER AND/OR WASTEWATER
SERVICES - ARTICLE III, SECTION 21 B**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers on December 7, 1954; and

WHEREAS, the Board passed Resolution 2492 on January 25, 1979, that included Section 21 B, Deposits; and

WHEREAS, Senate Bill 998 (Dodd) was passed into law in 2018, and this new law requires CCWD to change portions of its delinquency policy and allow non-legal-deeded property owners to become District customers; and

WHEREAS, in light of these new state-mandated requirements, the District requires additional delinquency and default protection from non-legal-deeded owners who choose to become CCWD customers; and

WHEREAS, for the purpose of updating said policy, amendments to the current policy have been considered by the Board.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors does hereby amend Section 21 B of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service, adopted by Resolution 2492 on January 25, 1979; and

BE IT FURTHER RESOLVED, that Section 21 B of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service per the policy attached hereto and so incorporated into Article III, is hereby approved by the Board of Directors and shall become effective on February 1, 2020:

BE IT FURTHER RESOLVED, that the remainder of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers adopted December 7, 1954, and thereafter amended shall remain in full force and effect.

PASSED AND ADOPTED this 11th day of December 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

RESOLUTION 2019 - ____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE DISTRICT RULES AND REGULATIONS
GOVERNING THE FURNISHING OF WATER AND/OR WASTEWATER
SERVICES - ARTICLE III, SECTION 22**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers on December 7, 1954; and

WHEREAS, the Board has passed administrative fees and established procedures related to fees for returned payments and the collection of late payments on water and wastewater related fees in Resolution 2006-70, adopted on June 28, 2006, Adoption of New and Revised Administrative Fees in Regard to Delinquent Water and/or Wastewater Service Bills; and

WHEREAS, the Board amended Sections 22 A, B, C, D and E of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services in Resolution 2017-14, adopted on March 22, 2017; and

WHEREAS, Senate Bill 998 (Dodd) was passed into law in 2018, and this new law requires CCWD to change portions of its delinquency policy; and

WHEREAS, for the purpose of updating said policy, amendments to the current policy have been considered by the Board.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors does hereby amend Section 22 of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service, adopted by Resolution 2017-14 on March 22, 2017; and

BE IT FURTHER RESOLVED, that Section 22 of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is per the policy attached hereto and so incorporated into Article III, is hereby approved by the Board of Directors and shall become effective on February 1, 2020:

BE IT FURTHER RESOLVED, that the remainder of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers adopted December 7, 1954, and thereafter amended shall remain in full force and effect.

PASSED AND ADOPTED this 11th day of December 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Senate Bill No. 998

CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

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 discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal

poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

DIGEST KEY

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS
FOLLOWS:

SECTION 1.

The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

SEC. 2.

Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. Discontinuation of Residential Water Service

116900.

This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

116902.

For the purposes of this chapter, the following definitions apply:

- (a) "Board" means the State Water Resources Control Board.
- (b) "Public water system" has the same meaning as defined in Section 116275.
- (c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.
- (e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

116904.

(a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

116906.

(a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

- (1) A plan for deferred or reduced payments.
 - (2) Alternative payment schedules.
 - (3) A formal mechanism for a customer to contest or appeal a bill.
 - (4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.
- (b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

116908.

(a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

(i) The customer's name and address.

(ii) The amount of the delinquency.

(iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.

(iv) A description of the process to apply for an extension of time to pay the delinquent charges.

(v) A description of the procedure to petition for bill review and appeal.

(vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

116910.

(a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

116912.

An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

116914.

(a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

116916.

(a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

116918.

An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

116920.

(a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

116922.

All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

116924.

Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

116926.

This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.

CALAVERAS COUNTY WATER DISTRICT
RULES AND REGULATIONS GOVERNING THE FURNISHING OF WATER
AND/OR WASTEWATER SERVICES
ARTICLE III

APPLICATION FOR SERVICE RATES AND BILLING

Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of ~~Discontinuance~~ Discontinuation of Water and/or Wastewater Service.

22.00.01 Delinquent Account Definition

A delinquent account is any account that remains unpaid by the close of business 25 calendar days after the date of issuance of the water or wastewater bill, unless the customer has made alternative payment arrangements.

22.00.02 Late Fees

If a bill is not paid by the due date, the District will apply a ten dollar (\$10), first late fee to the delinquent account and mail a reminder notice to the customer explaining the delinquent amount and providing a due date that is ten (10) days from the date printed on the notice.

~~The District may refuse to furnish water and/or wastewater service(s) to any property / parcel having a delinquent water and/or wastewater account. Whenever a bill for such services remains delinquent and unpaid for twenty five (25) calendar days from the date of mailing, the District may act accordingly, applying a ten dollar (\$10) late fee to the customer's billing account and mailing a ten (10) calendar day "reminder notice" to the delinquent account's deeded property owner or any other person / entity permitted by the owner. Such notice shall sstate: (a) the delinquent amount, and (b) the reminder notice due date bringing the account current following the "reminder notice" late fee will not relieve a customer of this fee.~~

If the delinquent account is not paid within the ten (10) calendar day reminder notice period, a second past-due penalty of eighteen dollars (\$18) will be applied to the customer's account and a physical tag, giving providing the date when servicea minimum of 48 hours' notice of servicewill be disconnectiondisconnected if payment has not been received, shall will be placed in a prominent location at the property ~~where the disconnection of services will occur.~~ This tag will include the delinquent amount due, information about payment plan and appeal options and the date the service will be discontinued if payment is not received. ~~Bringing the account current following the second past-due penalty will not relieve a customer of this fee.~~

22.00.03 Alternative Payment Plans

Residential customers who are unable to pay for water or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider the request and make a determination as to whether the alternative payment plan is warranted. Alternative payment plans will only be granted under the following circumstances:

22.00.03.1 Threat to Health or Safety

An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life threatening or pose a serious threat to the health and safety of any resident. The request for an alternative payment plan must include certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

22.00.03.2 Financial Inability to Pay

The ~~if a~~ customer or occupant must demonstrate that they are financially unable to pay for residential service(s) within the normal billing cycle. Acceptable forms of income verification are:

- o Documentation from The Resource Connection, producing showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children.
- o The customer or occupant declares the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed 6 (six) months from the date of the account becoming delinquentdate the account becomes delinquent. The amortized payments will be combined with and subject to the due date of the customer's regular bills. The customer must comply with the terms of the amortization plan

and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan, or becoming delinquent on the current charges for more than sixty (60) days, will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuation of service.

22.00.04 Appeals

~~Customers~~ A customer may dispute a bills, or request an adjustment of bills charges through the GCWD-District's Customer Service Department Mmanager, within the 25 days days between the date listed on the bill following the billing date and the date of the account becoming delinquent. If there is no satisfactory resolution by the Customer Service Manager denies the request or, fails to respond within fifteen (15) days of the District's receipt of the appeal, the customer may submit a written appeal to the Director of Administrative Services within 60-30 days of the date the account becomes delinquent, or ten (10) days after the receipt of the denial from the Customer Service Manager, whichever is later. If there is no satisfactory resolution to the appeal by

The Director of Administrative Services will issue a written determination within 15 days. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within 15 days of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within 30 days from the date the written request was received. Late appeals will not be considered.

~~the Director of Administrative Services within 30 days of a written appeal being received, the customer may appeal to the General Manager. This final appeal must be submitted to the General Manager in writing no more than 15 days following the date of the appeal denial by the Director of Administrative Services. The General Manager will provide the customer with a final determination on the appeal within 30 days from the date the written appeal request was received. The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If a customer misses any of the appeal deadlines, they give up the right to file an appeal through the formal appeals process.~~

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If the final appeal is denied by the General Manager, a

notice will be issued to the occupant at least five days prior to the discontinuation of service.

22.00.05 Fee Waivers

“In good standing” is defined as an account that does not have more than one past-due fee during the period of time being reviewed.

Once every two (2) years, District Customer Service Department staff may waive the reminder notice past-due penalty ~~of ten dollars (\$10)~~ on ~~legal-deeded owner’s customers’~~ accounts, if the accounts are in good standing, no previous late fees have been waived within the past two (2) years and the account balances have been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty ~~of eighteen dollars (\$18)~~ on ~~legal-deeded owner’s customers’~~ accounts if the accounts are in good standing, no previous second past-due fees have been waived within the past five (5) years and the account balances have been brought current.

~~“In good standing” is defined as an account that does not have more than one past-due fee during the period of time being reviewed.~~

~~For accounts that have water service only, the District shall will allow no more than \$20 to be rolled to the next billing cycle. For accounts with water and sewer service, the District shall will allow no more than \$40 to be rolled to the next billing cycle. Exceptions to these amounts may be approved by aM department head.~~

Additional adjustments that are requested by the ~~legal-deeded owner~~customer will fall under Ordinance 2000-03 Credit Adjustment Policy.

22.01 Section 22(A). Disconnection—Charges.Service Discontinuation

22.01.01 Service Discontinuation Fee

~~—A charge of thirty-six dollars (\$36.00) shall be due~~A customer will be charged a thirty-six-dollar (\$36) fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

22.01.02 Service Disconnection Notifications

The District shall will not discontinue water service unless payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 10 (ten) days before discontinuation of service(s) for nonpayment. The written warning of discontinuation of service(s) will be sent to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- Customer's name and address
- Amount of the delinquency
- Date by which payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for payment arrangements
- Description of the process to dispute or appeal a bill
- District contact information

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone.

22.01.03 Notice to Residential Occupants in Individually Metered Residence

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a signed owner authorization form or a rental agreement.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account establishment fee and deposit (per Article III, Section 21 B. of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service). ~~or proof of rent payments.~~

The act of a residential dwelling occupant becoming a CCWD customer, does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property.

22.01.04 Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 (ten) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity, connection and new account establishment fees.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment. Lock-off authority (per Government Code 60372):

~~“No district shall terminate a residential service for nonpayment in the following situation: On the written certification of a licensed physician and surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the district with respect to all charges that the customer is unable to pay prior to delinquency. Any customer meeting these requirements shall, upon written request, be permitted to amortize, over a period not to exceed twelve (12) months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period of payment.”~~

22.02Section 22(B)- Reconnection—Charges-Service Reconnection

~~—A disconnected service line shall will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) theretofore furnished to the property, has been made. A charge of thirty-six dollars (\$36.00) fee shall will be made charged for each such reconnection during normal business hours, not to exceed fifty dollars (\$50.00) (fifty). A higher fee will be charged if reconnection is requested outside of normal business~~

hours, not to exceed \$150.00 (one hundred and fifty) through 2020. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

22.03~~Section 22(C).~~ **Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments.**

—For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution, ~~the following~~ a twenty five dollar \$25 charge will be added to that account:

~~Returned Check Fee: — \$25~~

—Once a payment has been returned by a financial institution, the District will require payment by certified funds (no checks accepted) for that ~~payment~~ account for the following 12-month period. If payment is denied twice within a 12-month period, regardless of payment method, the District will require payment by certified funds for the following 24 months.

22.04~~Section 22(D).~~ **Annual Review of Charges.**

—~~Except for the initial ten dollar (\$10.00) late fee, all~~ All ~~other~~ fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

22.05~~Section 22(E).~~ **Responsibilities and Authorities.**

—The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder or any other notice from the District.

22.06~~Section 22 (F).~~ **Tampering**

Any person who, with intent to obtain water without paying the full, lawful charge ~~therefore~~, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids or abets any of the following ~~shall~~ will be guilty of a crime (misdemeanor). All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines, meters and/or equipment.

(1) Diverts or causes to be diverted water services, by any means.

(2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.

(3) Tampers with any property owned by or used by the District to provide water services.

(4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.

(5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.

(6) Provides access to District water to any unauthorized user.

The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied.

Resolution 2017-14, March 22, 2017

Resolution 2019- , December 11, 2019

CALAVERAS COUNTY WATER DISTRICT
RULES AND REGULATIONS GOVERNING THE FURNISHING OF WATER
AND/OR WASTEWATER SERVICES
ARTICLE III

APPLICATION FOR SERVICE RATES AND BILLING

Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of Discontinuation of Water and/or Wastewater Service.

22.00.01 Delinquent Account Definition

A delinquent account is any account that remains unpaid by the close of business 25 calendar days after the date of issuance of the water or wastewater bill, unless the customer has made alternative payment arrangements.

22.00.02 Late Fees

If a bill is not paid by the due date, the District will apply a ten dollar (\$10), first late fee to the delinquent account and mail a reminder notice to the customer explaining the delinquent amount and providing a due date that is ten (10) days from the date printed on the notice.

If the delinquent account is not paid within the ten (10) calendar day reminder notice period, a second past-due penalty of eighteen dollars (\$18) will be applied to the customer's account and a physical tag, providing the date when service will be disconnected if payment has not been received, will be placed in a prominent location at the property. This tag will include the delinquent amount due, information about payment plan and appeal options and the date the service will be discontinued if payment is not received.

22.00.03 Alternative Payment Plans

Residential customers who are unable to pay for water or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider the request and make a determination as to whether the alternative payment plan is warranted. Alternative payment plans will only be granted under the following circumstances:

22.00.03.1 Threat to Health or Safety

An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life threatening or pose a serious threat to the health and safety of any resident. The request

for an alternative payment plan must include certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

22.00.03.2 Financial Inability to Pay

The customer or occupant must demonstrate that they are financially unable to pay for residential service(s) within the normal billing cycle. Acceptable forms of income verification are:

- Documentation from The Resource Connection, showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children.
- The customer or occupant declares the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed 6 (six) months from the date of the account becoming delinquent. The amortized payments will be combined with and subject to the due date of the customer's regular bills. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan, or becoming delinquent on the current charges for more than sixty (60) days, will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuation of service.

22.00.04 Appeals

A customer may dispute a bill, or request an adjustment of charges through the District's Customer Service Department Manager, within 25 days following the billing date. If the Customer Service Manager denies the request or fails to respond within fifteen (15) days of the District's receipt of the appeal, the

customer may submit a written appeal to the Director of Administrative Services within 30 days of the date the account becomes delinquent, or ten (10) days after the receipt of the denial from the Customer Service Manager, whichever is later. The Director of Administrative Services will issue a written determination within 15 days. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within 15 days of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within 30 days from the date the written request was received. Late appeals will not be considered.

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If the final appeal is denied by the General Manager, a notice will be issued to the occupant at least five days prior to the discontinuation of service.

22.00.05 Fee Waivers

"In good standing" is defined as an account that does not have more than one past-due fee during the period of time being reviewed.

Once every two (2) years, District Customer Service Department staff may waive the reminder notice past-due penalty on customers' accounts, if the account is in good standing, no previous late fees have been waived within the past two (2) years and the account balance has been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty on customers' accounts if the account is in good standing, no previous second past-due fees have been waived within the past five (5) years and the account balance has been brought current.

Additional adjustments that are requested by the customer will fall under Ordinance 2000-03 Credit Adjustment Policy.

22.01 Service Discontinuation

22.01.01 Service Discontinuation Fee

A customer will be charged a thirty-six-dollar (\$36) fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

22.01.02 Service Disconnection Notifications

The District will not discontinue water service unless payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 10 (ten) days before discontinuation of service(s) for nonpayment. The written warning of discontinuation of service(s) will be sent to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- Customer's name and address
- Amount of the delinquency
- Date by which payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for payment arrangements
- Description of the process to dispute or appeal a bill
- District contact information

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone.

22.01.03 Notice to Residential Occupants in Individually Metered Residence

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a signed owner authorization form or a rental agreement.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account establishment fee and deposit (per Article III, Section 21 B. of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service).

The act of a residential dwelling occupant becoming a CCWD customer, does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property.

22.01.04 Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 (ten) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity, connection and new account establishment fees.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment.

22.02 Service Reconnection

A disconnected service line will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) has been made. A thirty-six dollar (\$36.00) fee will be charged for each such reconnection during normal business hours, not to exceed fifty dollars (\$50.00). A higher fee will be charged if reconnection is requested outside of normal business hours, not to exceed \$150.00 (one hundred and fifty) through 2020. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

22.03 Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments.

For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution, a twenty five dollar \$25) charge will be added to that account:

Once a payment has been returned by a financial institution, the District will require payment by certified funds (no checks accepted) for that account for the following 12-month period. If payment is denied twice within a 12-month period, regardless of payment method, the District will require payment by certified funds for the following 24 months.

22.04 Annual Review of Charges.

All fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

22.05 Responsibilities and Authorities.

The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder or any other notice from the District.

22.06 Tampering

Any person who, with intent to obtain water without paying the full lawful charge, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids or abets any of the following will be guilty of a misdemeanor crime. All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines, meters and/or equipment.

- (1) Diverts or causes to be diverted water services, by any means.
- (2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.
- (3) Tampers with any property owned by or used by the District to provide water services.
- (4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.
- (5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.
- (6) Provides access to District water to any unauthorized user.

The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied.

Resolution 2017-14, March 22, 2017

Resolution 2019-___, December 11, 2019

Section 21 B.

Deposits. This District, in connection with deposits, as a condition for water and/or sewer service, makes a distinction between the direct billing of the owner of real property within the District as the service address and the bill of the non-owner. Deposits are originally required only when the direct billing is to the non-owner. Deposits are required of all applicants whose service has been disconnected for non-payment of charges.

Each non-owner customer receiving service who is to be billed directly will be required to pay an account establishment fee and a cash deposit of \$50 equal to the current bimonthly base rate for service(s) provided to the parcel.

~~A customer's water and/or sewer service may be discontinued if the total charges applicable thereto are not paid (as set forth in Section 22). Service will not be discontinued however until the amount of the deposit, if any, has been fully applied toward the bill. Before re-establishment of these services, a new cash deposit will be required.~~

Upon establishment of one year's credit during which a customer has paid all bills promptly without disconnection for nonpayment, the deposit plus interest at ___% per annum will be applied to the customer's account or refunded upon final notice of discontinuance discontinuation of service by the customer.

Resolution 2492
January 25, 1979



CALAVERAS COUNTY WATER DISTRICT

120 Toma Court • PO Box 608 • San Andreas, CA 95249 • Main line (209) 754-3543

Bill Appeals

Per Senate Bill 998 (Dodd), customers may dispute bills or request an adjustment of bills. This process begins with a written request to the Calaveras County Water District (CCWD) Customer Service Department. Detailed information about the appeals process can be found on the back side of this form. To file an appeal, please fill out the form and sign below.

Name:	Account number:	
Owner <input type="checkbox"/> Tenant <input type="checkbox"/>	Service address:	
Mailing address:	City:	Zip:
Email address:	Phone: Cell <input type="checkbox"/> Home <input type="checkbox"/>	

What are the charges on the bill you are disputing? \$ _____

Please describe your reasons for appealing your CCWD water and/or wastewater bill – if needed, more space is available on the back of this form.

By signing below, I agree that the information listed on this form is true and correct and agree to the above terms.

Signature: _____

Date: _____

CCWD Internal Staff Use Only	
Request: <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
Customer Service Manager signature: _____	Date: _____
Request: <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
Director of Admin. Services signature: _____	Date: _____
Request: <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
General Manager signature: _____	Date: _____



CALAVERAS COUNTY WATER DISTRICT

120 Toma Court • PO Box 608 • San Andreas, CA 95249 • Main line (209) 754-3543

Alternative Payment Plan Agreement

The Calaveras County Water District (CCWD) offers alternative payment plans to customers who meet certain requirements (see page 2). If granted, the payment plan will not exceed six months. If the terms of the agreement are violated, water service will be locked off within five (5) days of the violation, which will impact CCWD Customer Assistance Program (CAP) eligibility. To apply for an alternative payment plan, please complete the following fields.

Please list the circumstances that qualify you for a payment plan:

Medical Financial Government Assistance Other _____

Name:	Account number:	
Owner <input type="checkbox"/> Tenant <input type="checkbox"/>	Service address:	
Mailing address:	City:	Zip:
Email address:	Phone: Cell <input type="checkbox"/> Home <input type="checkbox"/>	

Past-due balance: \$_____ (this amount will be divided into three equal parts, see below)

Payment plan duration: 6 months

Minimum bimonthly payment amount: \$_____ + regular bill by the due date. No exceptions.

I am unable to pay the past-due balance owed to the Calaveras County Water District, but I agree to pay the balance noted above in regular installments. I acknowledge that future bills issued during the term of this agreement must be paid in full by their respective due dates, or this contract becomes null and void. I also acknowledge that I may not request further amortization of any subsequent, unpaid charges while paying the past-due balance mentioned above, pursuant to the amortization plan.

By signing below, I agree that the information listed on this form is true and correct and agree to the above terms.

Signature: _____

Date: _____

CCWD Internal Staff Use Only	
Request: <input type="checkbox"/> Accepted <input type="checkbox"/> Denied Processed by: _____	Date: _____

CCWD Policy Regarding Alternative Payment Plans

Customers who are unable to pay for water and/or wastewater services within the normal payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider all circumstances surrounding the request and make a determination as to whether the alternative payment plan is warranted. Considerations will include the following:

- Primary Care Provider Certification: The District will be obligated to enter into an amortized alternative payment plan if any resident of the premises where water and/or wastewater services are provided by CCWD provides certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service(s) will be life-threatening or pose a serious threat to the health and safety of any resident.
- Financial Inability to Pay: The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle by providing income verification from The Resource Connection, providing documentation showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer, not to exceed 6 (six) months from the date of the account becoming delinquent. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill(s). The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuance of service.

Agenda Item

DATE: December 11, 2019

TO: Michael Minkler, General Manager

FROM: Peter Martin, Manager of Water Resources

SUBJECT: Adoption of the Eastern San Joaquin Groundwater Subbasin Groundwater Sustainability Plan

RECOMMENDED ACTION:

Motion: _____ / _____ to adopt Resolution No. 2019-_____ adopting the Eastern San Joaquin Groundwater Subbasin Groundwater Sustainability Plan

SUMMARY:

The Eastern San Joaquin Subbasin has been listed by the Department of Water Resources (DWR) as a “critically overdrafted” basin since 1980. For more than a decade, CCWD has played a local agency administrative role with regard to the management and stewardship of the approximately 70 square mile portion of the Eastern San Joaquin groundwater subbasin (ESJ subbasin) that extends into western Calaveras County. In general, the groundwater basin extent within Calaveras County is bounded to the west by the Calaveras-San Joaquin County line and to the northwest by the Mokelumne River; and includes the vicinities of Burson, Wallace, and Valley Springs.

In 2014, the California State Legislature began a very public investigation into the extent of groundwater overdraft issues statewide. A widening body of scientific evidence showed that annual rate of overdraft statewide was approaching unsustainable levels, with the rate of subsidence in the greater Central Valley creating problems that could become irreversible. The state was already experiencing a multi-year drought, and the overuse of groundwater basins to supplement diminished surface water supplies was causing unprecedented rates of groundwater elevation loss. The legislature spent the better part of 2014 developing three pieces of legislation that would ultimately become the Sustainable Groundwater Management Act (SGMA), which became effective in early 2015. SGMA gave local agencies the necessary authorities to manage their groundwater in sustainable manner and allowed for some state intervention in certain

limited scenarios, mostly as a “backstop” to protect groundwater resources. SGMA includes several mandates, including the opportunity to form Groundwater Sustainability Agencies (GSAs). In 2017, the Board of Directors of CCWD elected to join in the formation of a multi-agency GSA comprised of Calaveras County Water District (CCWD), Rock Creek Water District, and Stanislaus County called the Eastside San Joaquin GSA (Eastside GSA). On February 13, 2018, Calaveras County joined the Eastside GSA via an amendment to the governing MOU. The Eastside GSA covers the unmanaged areas of the ESJ subbasin within Calaveras and Stanislaus Counties.

It should be noted that SGMA allowed for the following scenarios insofar as the creation of a GSP is concerned:

1. A single GSA may create a single GSP.
2. Multiple GSAs may create a single GSP.
3. Multiple GSAs may create multiple GSPs. In this case a formal Coordination Agreement is required among the parties creating the various GSPs to ensure that coordinated is achieved.

Through several coordination meetings of potential GSAs within the entire subbasin occurring in the 2016-17 timeframe, it was collectively decided that while there were to be multiple GSAs in the basin, the preference was to create one GSP to cover the entire basin within Calaveras, San Joaquin and Stanislaus Counties as a cost-effective solution to meeting the requirements of SGMA. To facilitate this effort, a Joint Powers Authority (JPA) was created; the Eastern San Joaquin Groundwater Authority (ESJ GWA) made up of 16 individual GSAs. The overarching goal of ESJ GWA is to have an inclusive, consensus-based governance structure for the purpose of coordinating the various groundwater management activities within the ESJ Subbasin, including the development and implementation of a single, integrated GSP for the entire basin. In 2017, CCWD approved the JPA Agreement and authorized the District to execute the Agreement on behalf of the Eastside GSA, while electing to designate Board Member Russ Thomas as the representative of the Eastside GSA on the ESJ GWA.

Since that time, the ESJ GWA has met regularly in pursuit of the drafting of a comprehensive GSP. In addition to the regularly scheduled and publically noticed monthly meetings of the ESJ GWA, four public workshops were held during the development period of the ESJ GSP as follows:

- August 29, 2018 (6:30-8 PM) – Robert J. Cabral Agricultural Center, Stockton, CA
- November 7, 2018 (6:30-8 PM) – Manteca Transit Center, Manteca, CA
- February 12, 2019 (6-8 PM) – Lockeford Community Center, Lockeford, CA
- July 18, 2019 (5-8 PM) – Robert J. Cabral Agricultural Center, Stockton, CA

Pursuant to California Water Code Section 10728.4, Adoption or Amendment of Plan Following Public Hearing, a GSA may take the following action:

“A groundwater sustainability agency may adopt or amend a groundwater sustainability plan after a public hearing, held at least 90 days after providing notice to a city or county within the area of the proposed plan or amendment. The groundwater sustainability agency shall review and consider comments from any city or county that receives notice pursuant to this section and shall consult with a city or county that requests consultation within 30 days of receipt of the notice. Nothing in this section is intended to preclude an agency and a city or county from otherwise consulting or commenting regarding the adoption or amendment of a plan.”

A Notice of Intent was circulated on August 15, 2019 opening that 90 day noticing window for the GSAs to adopt the GSP. In the case of the Eastside GSA, this requirement is rather perfunctory in that there are no cities within the footprint of that portion of the GSAs coverage area within the basin and the only other county is Calaveras County, which is a member agency of the same GSA. Nevertheless, the required written notice will be made available to Calaveras County within the mandated timeframe.

Furthermore, pursuant to California Water Code Section 10728.6, Division 13 (commencing with Section 21000) of the Public Resources Code, the provisions of the California Environmental Quality Act (CEQA) do not apply to the preparation and adoption of plans pursuant to SGMA.

Due to the structure of the MOU governing the administration of the Eastside GSA, all member agencies must approve and adopt the Eastern San Joaquin Subbasin Groundwater Sustainability Plan by (ESJ GSP) their respective governing bodies. Calaveras County, Rock Creek Water District and Stanislaus County will be taking the same action as CCWD relative to the approval and adoption of the ESJ GSP. Attached to this memo are selected excerpts from the November 2019 ESJ GSP. Staff recommends the Board adopt the ESJ GSP.

A copy of the complete ESJ GSP may be found at the following address:

<http://esjgroundwater.org/>

FINANCIAL CONSIDERATIONS:

None at this time

*Attachments: Selected Excerpts from November 2019 ESJ GSP: Cover, Table of Contents and Executive Summary
Resolution 2019-____ - Adopting the 2019 Eastern San Joaquin Groundwater Subbasin Groundwater
Sustainability Plan*

RESOLUTION NO. 2019 - ____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**ADOPTING THE 2019 EASTERN SAN JOAQUIN GROUNDWATER SUBBASIN
GROUNDWATER SUSTAINABILITY PLAN**

WHEREAS, in August 2014, the California Legislature passed, and in September 2014 the Governor signed the Sustainable Groundwater Management Act of 2015 (“SGMA”) “to provide local groundwater sustainability agencies with the authority and technical and financial assistance necessary to sustainably manage groundwater” (Wat. Code, § 10720, (d)); and

WHEREAS, SGMA requires sustainable management through the development of groundwater sustainability plans (“GSPs”), which can be a single plan developed by one or more groundwater sustainability agencies (“GSAs”) or multiple coordinated plans within a basin or subbasin (Wat. Code, § 10727); and

WHEREAS, SGMA requires a GSA to manage groundwater in all basins designated by the California Department of Water Resources (“DWR”) as medium or high priority, which includes the Eastern San Joaquin Subbasin (designated basin number 5-022.01); and

WHEREAS, the Eastside San Joaquin GSA was formed on April 17, 2017 by the County of Stanislaus, the County of Calaveras, Calaveras County Water District, and Rock Creek Water District by and through a Memorandum of Understanding, as amended and restated, for the purposes of sustainably managing groundwater in the Eastern San Joaquin Subbasin and within the jurisdictional boundaries of the Eastside San Joaquin GSA, pursuant to the requirements of SGMA; and

WHEREAS, the Eastside San Joaquin GSA has the authority to draft, adopt, and implement a GSP (Wat. Code, § 10725 *et seq.*); and

WHEREAS, the Eastside San Joaquin GSA is a member of the Eastern San Joaquin Groundwater Authority (“GWA”) formed for the purpose developing a GSP and coordinating sustainable groundwater management in the Eastern San Joaquin Subbasin (Wat. Code, § 10723.6(i)); and

WHEREAS, the GWA submitted an Initial Notification to DWR on behalf of its members to jointly develop a GSP for the Eastern San Joaquin Subbasin on February 8, 2017; and

WHEREAS, the Eastside San Joaquin GSA has coordinated with the GWA and all other GSAs overlying the Eastern San Joaquin Subbasin to draft a single GSP for its members; and

WHEREAS, on behalf of its members the GWA developed the draft Eastern San Joaquin Groundwater Subbasin GSP (“ESJ GSP”) and released the draft ESJ GSP for public comment on July 10, 2019;

WHEREAS, the GWA reviewed and responded to comments on the ESJ GSP on behalf of its members; and

WHEREAS, on August 16, 2019, the GWA provided a Notice of Intent on behalf of its members pursuant to Water Code section 10728.4; and

WHEREAS, the GWA released the final ESJ GSP on November 5, 2019; and

WHEREAS, on November 13, 2019, the GWA recommended each of its members adopt the final ESJ GSP for its respective jurisdiction.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT, as a member of the Eastside San Joaquin GSA, finds as follows:

1. Calaveras County Water District hereby approves and adopts the final ESJ GSP
2. Calaveras County Water District authorizes the GWA, its consultants, and the Plan Manager (the San Joaquin County Public Works Director) to take such other actions as may be reasonably necessary to submit the ESJ GSP to DWR by no later than January 31, 2020, and implement the purpose of this Resolution.

PASSED AND ADOPTED this 11th day of December, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk of the Board



**EASTERN SAN JOAQUIN
GROUNDWATER AUTHORITY**



Eastern San Joaquin
Groundwater Subbasin
**GROUNDWATER
SUSTAINABILITY PLAN**



November
2019



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Eastern San Joaquin Groundwater Subbasin

Groundwater Sustainability Plan

Prepared by:



**EASTERN SAN JOAQUIN
GROUNDWATER AUTHORITY**



November 2019

11/5/2019

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Acronyms

µg/L	micrograms per liter
µmhos/cm	micromhos per centimeter
1,2,3-TCP	1,2,3-Trichloropropane
AB	Assembly Bill
ACS	American Community Survey
AF	acre-feet
AF/day	acre-feet per day
AF/year	acre-feet per year
AMI	Advanced Metering Infrastructure
AWMP	Agricultural Water Management Plan
AWMPs	Agricultural Water Management Plans
B.P.	before present
Bay-Delta Plan	Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary
bgs	below ground surface
BMP	best management practice
BTEX	benzene, toluene, ethylbenzene, and xylenes
Cal Water	California Water Service Company Stockton District
California State Parks	California Department of Parks and Recreation
CALSIMETAW	California Simulation of Evapotranspiration of Applied Water
CASGEM	California Statewide Groundwater Elevation Monitoring
CCR	California Code of Regulations
CCWD	Calaveras County Water District
CDEC	California Data Exchange Center
CDFW	California Department of Fish and Wildlife
CDP	census designated place
CDPH	California Department of Public Health
CDPR	California Department of Pesticide Regulation
CDWA	Central Delta Water Agency
CEDEN	California Environmental Data Exchange Network
CEQA	California Environmental Quality Act
cfs	cubic feet per second
CGPF	CalSim II Generated Perturbation Factors
CGPS	continuously operating Global Positioning System
CNRA	California Natural Resources Agency
CSJWCD	Central San Joaquin Water Conservation District
CVFPB	Central Valley Flood Protection Board
CVRWQCB	Central Valley Regional Water Quality Control Board
CV-SALTS	Central Valley Salinity Alternatives for Long-Term Sustainability
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DACs	Disadvantaged Communities
DBCP	1,2-dibromo-3-chloropropane
DDW	Division of Drinking Water
Delta	Sacramento-San Joaquin River Delta
DER	Department of Environmental Resources
DFW	Department of Fish and Wildlife
DMS	Data Management System
DOGGR	Division of Oil, Gas, and Geothermal Resources
DPR	Department of Pesticide Regulation

DTSC	Department of Toxic Substances Control
DWR	Department of Water Resources
Eastside GSA	Eastside San Joaquin GSA
EBMUD	East Bay Municipal Utility District
EC	electrical conductivity
EDB	ethylene dibromide
EPA	Environmental Protection Agency
ERTs	Encoder Receiver Transmitters
ESJ	Eastern San Joaquin
ESJGWA	Eastern San Joaquin Groundwater Authority
ESJGWA Board	Eastern San Joaquin Groundwater Authority Board of Directors
ESJWRM	Eastern San Joaquin Water Resources Model
ETo	evapotranspiration
EWMPs	efficient water management practices
ft. bgs	feet below ground surface
GAMA	Groundwater Ambient Monitoring and Assessment
GBA	Groundwater Basin Authority
GCM	global climate model
GDE	Groundwater Dependent Ecosystem
GDEs	Groundwater-Dependent Ecosystems
GICIMA	Groundwater Information Center Interactive Mapping Application
GIS	Geographic Information System
GMP	Groundwater Management Plan
gpm	gallons per minute
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCM	Hydrogeologic Conceptual Model
ICU Program	Integrated Conjunctive Use Program
ILRP	Irrigated Lands Regulatory Program
InSAR	Interferometric Synthetic Aperture Radar
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Plan
IWFM	Integrated Water Flow Model
JPA	Joint Powers Agreement
LCSD	Lockeford Community Services District
LCWD	Linden County Water District
LLNL	Lawrence Livermore National Laboratory
LOCA	local analogs
MAC	Mokelumne-Amador-Calaveras
MAF	million acre-feet
MAR	managed aquifer recharge
MCL	maximum contaminant level
mg/L	milligrams per liter
MGD	million gallons per day
MHI	median household income
MOA	memorandum of agreement
MokeWISE	Mokelumne Watershed Interregional Sustainability Evaluation
MSL	mean sea level
MtBE	methyl tertiary-butyl ether
MUD	Municipal Utilities Department
MWH	Montgomery Watson Harza

NAD 83	North American Datum of 1983
NAVD 88	North American Vertical Datum of 1988
NCCAG	Natural Communities Commonly Associated with Groundwater
NDWA	North Delta Water Agency
NEPA	National Environmental Policy Act
NOI	Notice of Intent
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resource Conservation Service
NSJWCD	North San Joaquin Water Conservation District
NWIS	National Water Information System
OID	Oakdale Irrigation District
OSWCR	Online System for Well Completion Reports
PCE	perchloroethylene
PDA	Protest Dismissal Agreement
pdf	portable document format
PFOA	perfluorooctanoic acid
PFOS	perfluorooctanesulfonic acid
PG&E	Pacific Gas and Electric Company
PRISM	Precipitation-Elevation Regressions on Independent Slopes Model
PS	persistent scatter
RCP	representative climate pathways
RD	Reclamation District
RL	Reporting Limit
RWQCB	Regional Water Quality Control Board
SAGBI	Soil Agricultural Groundwater Banking Index
SB	Senate Bill
SCWSP	South County Water Supply Program
SDACs	Severely Disadvantaged Communities
SDWA	South Delta Water Agency
SEWD	Stockton East Water District
SGM	Sustainable Groundwater Management
SGMA	the Sustainable Groundwater Management Act
SJC	San Joaquin County
SJCFCWCD	San Joaquin County Flood Control and Water Conservation District
SJV	San Joaquin Valley
SMCL	secondary maximum contaminant levels
SNMP	Salt and Nutrient Management Plan
SRA	State Recreation Area
SS	specific storage
SSJ GSA	South San Joaquin GSA
SSJ	South San Joaquin
SSJID	South San Joaquin Irrigation District
SVRA	State Vehicular Recreation Area
SWRCB	State Water Resources Control Board
SWTF	Surface Water Treatment Facility
SY	specific yield
TCE	trichloroethene
TDS	total dissolved solids
TNC	The Nature Conservancy
TSS	Technical Support Services
UNAVCO	University NAVSTAR Consortium



USACE	U.S. Army Corps of Engineers
USBR	United States Bureau of Reclamation
USDA	United States Department of Agriculture
USEPA	U.S. Environmental Protection Agency
USFWS	United States Fish & Wildlife Service
USGS	United States Geological Survey
UTM	Universal Transverse Mercator
UWMP	Urban Water Management Plan
UWMPs	Urban Water Management Plans
VIC	Variable Infiltration Capacity
VOC	volatile organic compound
Water Code	California Water Code
WDL	Water Data Library
WDR	waste discharge requirement
WID	Woodbridge Irrigation District
Workgroup	Groundwater Sustainability Workgroup
WPCF	Water Pollution Control Facility
WRFP	Water Recycling Funding Program
WRIMS	Water Resource Integrated Modeling System

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EXECUTIVE SUMMARY

ES-1. INTRODUCTION

In 2014, the California legislature enacted the Sustainable Groundwater Management Act (SGMA) in response to continued overdraft of California’s groundwater resources. The Eastern San Joaquin Groundwater Subbasin (Eastern San Joaquin Subbasin, or Subbasin) is one of 21 basins and subbasins identified by the California Department of Water Resources (DWR) as being in a state of critical overdraft. SGMA requires preparation of a Groundwater Sustainability Plan (GSP) to address measures necessary to attain sustainable conditions in the Subbasin. Within the framework of SGMA, sustainability is generally defined as long-term reliability of the groundwater supply and the absence of undesirable results.

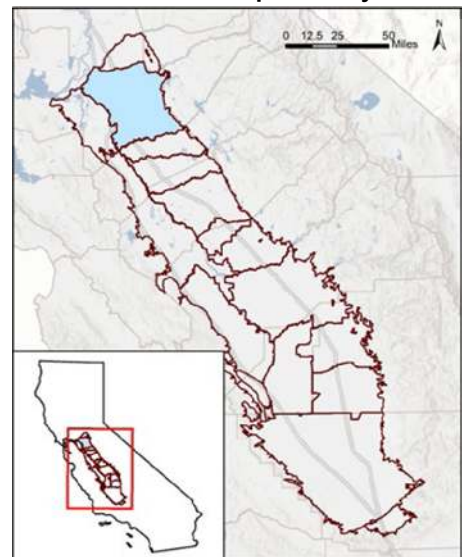
Critical Dates for the Eastern San Joaquin Subbasin

- 2020 By January 31: Submit GSP to DWR
- 2025 Evaluate GSP and update if warranted
- 2030 Evaluate GSP and update if warranted
- 2035 Evaluate GSP and update if warranted
- 2040 Achieve sustainability for the Subbasin

The Eastern San Joaquin Groundwater Authority (ESJGWA) was formed in 2017 in response to SGMA. A Joint Exercise of Powers Agreement establishes the ESJGWA, which is composed of 16 Groundwater Sustainability Agencies (GSAs): Central Delta Water Agency (CDWA), Central San Joaquin Water Conservation District (CSJWCD), City of Lodi, City of Manteca, City of Stockton, Eastside San Joaquin GSA (Eastside GSA) (composed of Calaveras County Water District [CCWD], Stanislaus County, and Rock Creek Water District), Linden County Water District (LCWD), Lockeford Community Services District (LCSD), North San Joaquin Water Conservation District (NSJWCD), Oakdale Irrigation District (OID), San Joaquin County No. 1, San Joaquin County No. 2 (with participation from California Water Service Company Stockton District [Cal Water]), South Delta Water Agency (SDWA), South San Joaquin GSA (composed of South San Joaquin Irrigation District [SSJID] including Woodward Reservoir, City of Ripon, and City of Escalon), Stockton East Water District (SEWD), and Woodbridge Irrigation District (WID). The ESJGWA is governed by a 16-member Board of Directors (ESJGWA Board), with one representative from each GSA. The Board is guided by an Advisory Committee, also with one representative from each GSA, that is tasked with making recommendations to the ESJGWA Board on technical and substantive matters.

SGMA requires development of a GSP that achieves groundwater sustainability in the Subbasin by 2040. The GSP outlines the need to reduce overdraft conditions and has identified 23 projects for potential development that either replace groundwater use (offset) or supplement groundwater supplies (recharge) to meet current and future water demands. Although current analysis indicates that groundwater pumping offsets and/or recharge on the order of 78,000 acre-feet per year (AF/year) may be required to achieve sustainability, additional efforts are needed to confirm the level of pumping offsets and/or recharge required to achieve sustainability. These efforts include collecting additional data and a review of the Subbasin groundwater model, along with other efforts as outlined in the GSP.

Figure ES-1: GSP Plan Area within the San Joaquin Valley



A Public Draft GSP was prepared and made available for public review and comment on July 10, 2019 for a period of 45 days ending on August 25, 2019. The ESJGWA received numerous comments from the public, reviewed and prepared responses to comments, and revised the Draft GSP. This Final GSP includes those edits and revisions. Comment letters and responses are included as appendices to the GSP.

ES-2. PLAN AREA

The ESJGWA’s jurisdictional area is defined by the boundaries of the Eastern San Joaquin Subbasin in DWR’s 2003 Bulletin 118 as updated in 2016 and 2018. The Subbasin underlies the San Joaquin Valley, as shown in Figure ES-1.

ES-3. OUTREACH EFFORTS

A stakeholder engagement strategy was developed to enable the interests of beneficial users of groundwater in the Subbasin to be considered. The strategy incorporated monthly Groundwater Sustainability Workgroup (Workgroup) meetings, monthly Advisory Committee meetings, monthly ESJGWA Board meetings, approximately quarterly informational open house events, outreach presentations to community groups, and information distribution to property owners and residents in the Subbasin. Figure ES-2 shows attendees at one of the informational open house events conducted during development of the GSP.

Figure ES-2 - Informational Open House Events



Public Meeting Type	Number of Meetings
ESJGWA Board Meetings	25
Advisory Committee Meetings	17
Groundwater Sustainability Workgroup Meetings	13
Informational Open House Events	4
Outreach Presentations to Community Groups	10

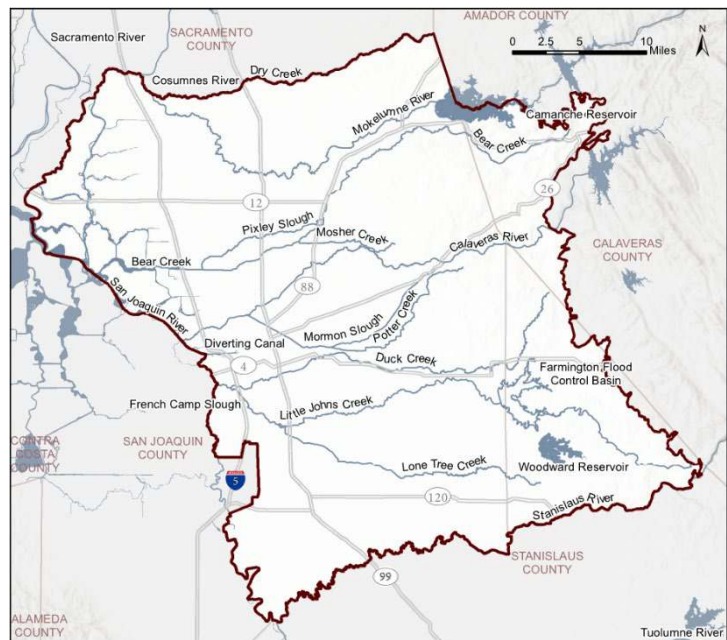
The Workgroup was established to encourage active involvement from diverse social, cultural, and economic elements of the population in the Subbasin. The 23 Workgroup members represent large and small landowners and growers from different geographic locations in the Subbasin, long-time residents, representatives from non-governmental organizations, disadvantaged community policy advocates, and outreach coordinators. Spanish

translation was provided at informational open house events, creating an opportunity for local Spanish-speaking individuals to engage in the GSP development process. Input from the Workgroup was presented to the ESJGWA Board and has also been incorporated into the GSP.

ES-4. BASIN SETTING

The Subbasin is located to the west of the Sacramento-San Joaquin River Delta (Delta) and is bounded by the Sierra Nevada foothills to the east, the San Joaquin River to the west, Dry Creek to the north, and Stanislaus River to the south. In the eastern portion of the Subbasin, groundwater flows from east to west and generally mirrors the eastward sloping topography of the geologic formations. In the western portion of the Subbasin, groundwater flows eastward toward areas with relatively lower groundwater elevation. Surface water generally flows from east to west, with the major river systems traversing the Subbasin being the Calaveras, Mokelumne, and Stanislaus rivers. Multiple smaller streams flow into the San Joaquin River, which flows from south to north. The location of the Subbasin is shown in Figure ES-3.

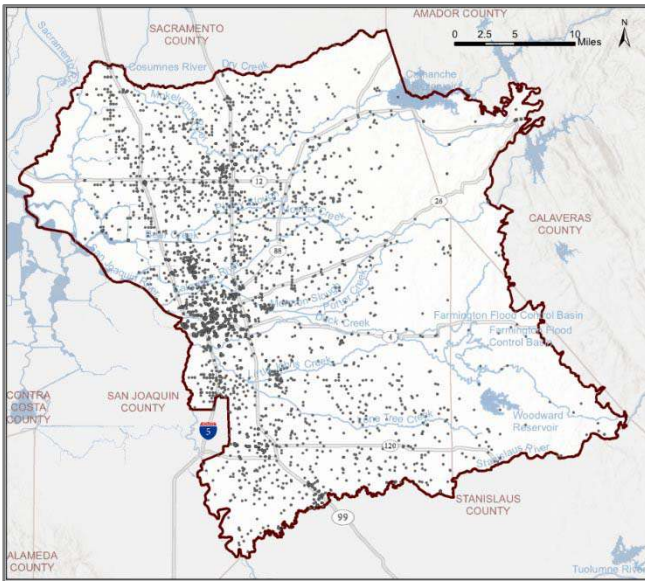
Figure ES-3: Basin Setting



ES-5. EXISTING GROUNDWATER CONDITIONS

Groundwater levels in some portions of the Subbasin have been declining for many years, while groundwater levels in other areas of the Subbasin have remained stable or increased in recent years. The change in groundwater levels varies across the Subbasin, with the greatest declines occurring in the central portion of the Subbasin. The western and southern portions of the Subbasin have experienced less change in groundwater levels, in part due to the minimal groundwater pumping in the Delta area to the west and the import of surface water for agricultural and urban uses.

Figure ES-4: GAMA Water Quality Sampling Locations



Groundwater quality in the Subbasin varies by location. Areas along the western margin have historically had higher levels of salinity. Salinity may be naturally occurring or the result of human activity. Sources of salinity in the Subbasin include Delta sediments, deep saline groundwater, and irrigation return water. Total dissolved solids (TDS), which is a measure of all inorganic and organic substances present in a liquid in molecular, ionized, or colloidal suspended form, is commonly used to measure salinity. The Groundwater Ambient Monitoring and Assessment (GAMA) Program includes numerous water quality monitoring sites in the Subbasin compiled from different sources, shown in Figure ES-4. Maximum TDS concentrations across the Subbasin have been reported as high as 2,500 milligrams per liter (mg/L) along portions of the Subbasin's western boundary. For drinking water, California has three secondary maximum contaminant level (SMCL) standards for TDS, all based on aesthetic considerations such as taste and odor, not public health concerns. These are 500 mg/L (recommended limit), 1,000 mg/L (upper limit), and 1,500 mg/L (short-term limit). TDS concentrations decrease significantly to the east, to typically less than 500 mg/L (the recommended limit for aesthetic considerations). Elevated concentrations of other constituents, such as nitrate, arsenic, and point-source contaminants, are generally localized and not widespread and are generally related to natural sources or land use activities. The GSP establishes ongoing monitoring of salinity, arsenic, nitrate, and a number of other common water quality constituents to fill data gaps and identify potential trends of concern.

While the total volume of groundwater in storage in the Subbasin has declined over time, groundwater storage reduction has not historically been an area of concern in the Subbasin, as there are large volumes of fresh water stored in the aquifer. The total fresh groundwater in storage was estimated at over 50 million-acre-feet (MAF) in 2015. The amount of groundwater in storage has decreased by approximately .01 percent per year between 1995 and 2015. As such, it is highly unlikely the Subbasin will experience conditions under which the volume of stored groundwater poses a concern, although the depth to access that groundwater does pose a concern.

Land subsidence has not historically been an area of concern in the Subbasin, and there are no records of land subsidence caused by groundwater pumping in the Subbasin.

Seawater intrusion is not present in the Subbasin. While the Delta ecosystem evolved with a natural salinity cycle that brought brackish tidal water in from the San Francisco Bay, current management practices endeavor to maintain freshwater flows through a combination of hydraulic and physical barriers and alterations to existing channels.

Surface waters can be hydraulically interconnected with the groundwater system, where the stream baseflow is either derived from the aquifer (gaining stream) or recharged to the aquifer (losing stream). If the water table beneath the stream lowers as a result of groundwater pumping, the stream may disconnect entirely from the underlying aquifer. Major river systems in the Subbasin are highly managed to meet instream flow requirements for fisheries, water quality standards, and water rights of users downstream.

ES-6. SUSTAINABLE MANAGEMENT CRITERIA

SGMA introduces several terms to measure sustainability, including:

Sustainability Indicators – Sustainability indicators refer to any of the effects caused by groundwater conditions occurring throughout the Subbasin that, when significant and unreasonable, cause undesirable results. The six sustainability indicators identified by DWR are the following:

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality
- Significant and unreasonable land subsidence that substantially interferes with surface land uses
- Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water

Sustainability Goal – This goal is the culmination of conditions resulting in a sustainable condition (absence of undesirable results) within 20 years.

Undesirable Results – Undesirable results are the significant and unreasonable occurrence of conditions that adversely affect groundwater use in the Subbasin, including reduction in the long-term viability of domestic, agricultural, municipal, or environmental uses of the Subbasin's groundwater. Categories of undesirable results are defined through the sustainability indicators.

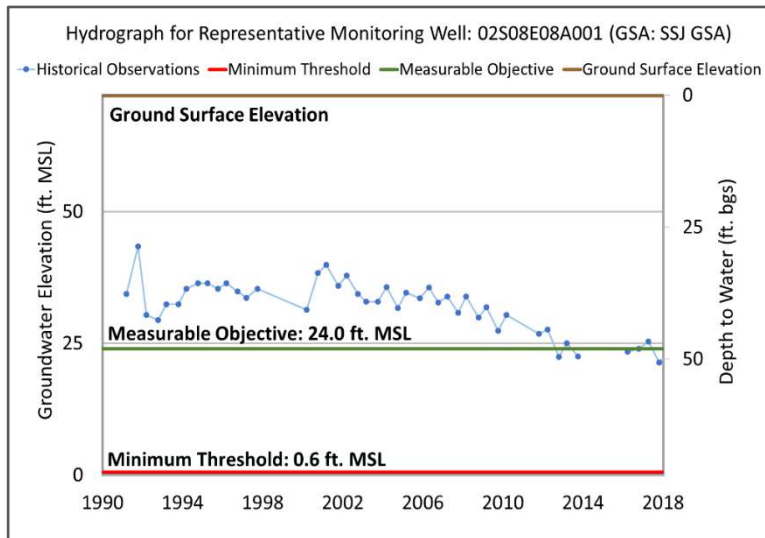
Minimum Thresholds – Minimum thresholds are numeric values for each sustainability indicator and are used to define when undesirable results occur. Undesirable results occur if minimum thresholds are exceeded in an established percentage of sites in the Subbasin's representative monitoring network.

Measurable Objectives – Measurable objectives are a specific set of quantifiable goals for the maintenance or improvement of groundwater conditions.

The method prescribed by SGMA to measure undesirable results involves setting minimum thresholds and measurable objectives for a series of representative wells. Representative wells are identified to provide a basis for measuring groundwater conditions throughout a basin or subbasin without having to measure each well, which would be cost prohibitive. In the Eastern San Joaquin Subbasin, representative wells were selected based on history of recorded groundwater levels and potential to effectively represent the groundwater conditions.

A total of 20 representative wells were identified for measurement of groundwater levels in the Subbasin, and 10 representative wells were identified for groundwater quality monitoring. The GSP uses groundwater quality data as the basis for evaluating conditions for seawater intrusion and uses groundwater level data as the basis for evaluating conditions for groundwater storage, depletions of interconnected surface water, and land subsidence. As such, these representative wells provide the basis for measuring the six sustainability indicators across the Subbasin.

Figure ES-5: Sample Relationship Between Minimum Threshold and Measurable Objective



Minimum thresholds and measurable objectives were developed for each of the representative wells. Figure ES-5 shows a typical relationship of the minimum thresholds, measurable objectives, and historical groundwater level data for a sample groundwater level representative monitoring well.

Minimum thresholds for groundwater levels were developed with reference to historical drought low conditions and domestic well depths. Specifically, minimum thresholds were established based on the deeper of the historical drought low plus a buffer of the historical fluctuation or the 10th percentile domestic well depth, whichever is shallower – establishing levels that are protective of 90 percent of domestic wells. In municipalities with ordinances requiring the use of City water (water provided by the City’s municipal wells), the

10th percentile municipal well depth is used in place of the 10th percentile domestic well depth criteria.

Measurable objectives were established based on the historical drought low and provide a buffer above the minimum threshold. A table summarizing minimum thresholds and measurable objectives is included in the GSP. Graphs showing the minimum threshold and measurable objective for each of the representative wells are contained in an appendix to the GSP.

Minimum thresholds for water quality were defined by considering two primary beneficial uses at risk of undesirable results related to salinity: drinking water and agriculture uses. Minimum thresholds are 1,000 mg/L for each representative monitoring well, consistent with the upper limit SMCL for TDS. Crop tolerances in the Subbasin range by crop type from 900 mg/L TDS for almonds up to 4,000 mg/L TDS for wheat, assuming a 90 percent yield.

The minimum threshold for seawater intrusion is a 2,000 mg/L chloride isocontour line established near the western edge of the Subbasin, between sentinel monitoring locations. 2,000 mg/L chloride is approximately 10 percent of seawater chloride concentrations (19,500 mg/L) and was developed as a minimum threshold based on consideration of existing management practices in other areas of the state.

For depletions of interconnected surface water, the minimum thresholds and measurable objectives for groundwater levels are used. There is significant correlation between groundwater levels and depletions, and the groundwater levels minimum thresholds are found to be protective of depletions.

Similarly, the minimum thresholds and measurable objectives for groundwater levels are used for the land subsidence and groundwater storage sustainability indicators, as both are strongly linked to groundwater levels. The groundwater levels minimum thresholds are found to be protective of land subsidence and groundwater storage.

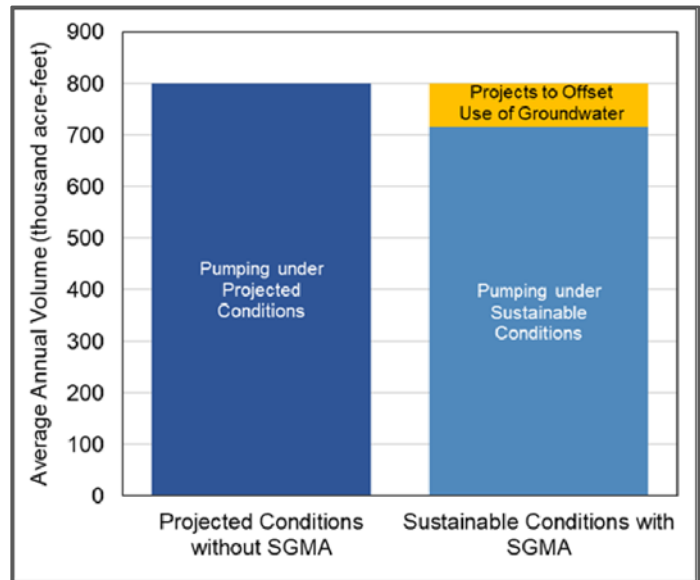
ES-7. WATER BUDGETS

The Eastern San Joaquin Subbasin has been in an overdraft condition for many years. Overdraft occurs when the amount of groundwater extracted exceeds the long-term average groundwater recharged.

The groundwater evaluations conducted as a part of GSP development have provided estimates of the historical, current, and projected groundwater budget conditions. The current analysis was prepared using the best available information and through development of a new groundwater modeling tool, the Eastern San Joaquin Water Resources Model (ESJWRM). It is anticipated that as additional information becomes available, the model can be updated, and more refined estimates of annual pumping and overdraft can be developed.

Based on these analyses, at projected groundwater pumping levels, the long-term groundwater pumping offset and/or recharge required for the Subbasin to achieve sustainability is approximately 78,000 AF/year. Groundwater levels are expected to continue to decline based on projections of current land and water uses. Projects that offset groundwater pumping and/or increase recharge will help the Subbasin reach sustainability, as illustrated in Figure ES-6.

Figure ES-6: Subbasin-Wide Total Groundwater Pumping and Offsets Required to Achieve Sustainability



The projected Subbasin water budget was also evaluated under climate change conditions, which simulate higher demand requiring increased groundwater pumping despite more precipitation and streamflows. The climate change scenario used for the analysis was the 2070 central tendency climate change scenario prescribed by DWR. The overdraft modeled under climate change conditions is simulated to increase above projected conditions without climate change.

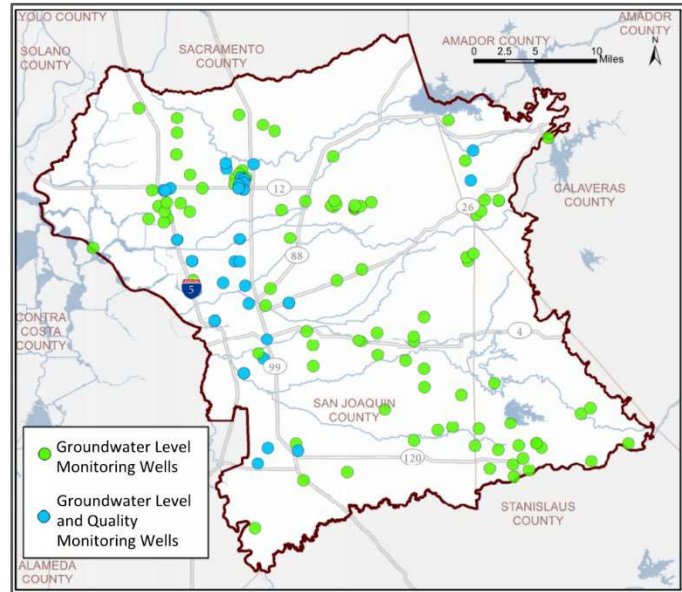
ES-8. MONITORING NETWORKS

The GSP outlines the monitoring networks for the six sustainability indicators. The objective of these monitoring networks is to monitor conditions across the Subbasin and to detect trends toward undesirable results. Specifically, the monitoring network was developed to do the following:

- Monitor impacts to the beneficial uses or users of groundwater
- Monitor changes in groundwater conditions relative to measurable objectives and minimum thresholds
- Demonstrate progress toward achieving measurable objectives described in the GSP

There are four monitoring networks in the Eastern San Joaquin Subbasin: a representative network for water levels, a broad network for water levels, a representative network for water quality, and a broad network for water quality. Representative networks are used to determine compliance with the minimum thresholds, while the broad networks collect data for informational purposes to identify trends and fill data gaps. The two monitoring networks for water quality will additionally be used to develop a chloride isocontour to monitor for potential seawater intrusion and water levels data will inform depletions of interconnected surface water.

Figure ES-7: Groundwater Monitoring Wells



The monitoring networks were designed by evaluating data from the DWR’s California Statewide Groundwater Elevation Monitoring (CASGEM) Program, the United States Geological Survey (USGS), and participating GSAs. The monitoring network consists largely of wells that are already being used for monitoring in the Subbasin. Additional wells are being added, including two new deep, multi-completion monitoring wells awarded under DWR’s Technical Support Services (TSS) program. Figure ES-7 shows the location of existing groundwater monitoring wells in both the representative and broad monitoring networks.

Wells in the monitoring networks will be measured on a semi-annual schedule. Historical measurements have been entered into the Subbasin Data Management System (DMS), and future data will also be stored in the DMS.

A summary of the wells in the monitoring networks is shown in the table below.

Summary of Monitoring Network Wells	
Representative Networks	Well Count
Groundwater Level	20
Groundwater Quality	10
Broad Networks	
CASGEM (Groundwater Levels)	76
Nested or Clustered Wells (Groundwater Levels & Quality)	16
Agency Wells (Groundwater Levels & Quality)	5

ES-9. DATA MANAGEMENT SYSTEM

The Eastern San Joaquin DMS was built on a flexible, open software platform that uses familiar Google maps and charting tools for analysis and visualization. The DMS serves as a data-sharing portal that enables use of the same data and tools for visualization and analysis. These tools support sustainable groundwater management and create transparent reporting about collected data and analysis results.

The DMS is web-based; the public can easily access this portal using common web browsers such as Google Chrome, Firefox, and Microsoft Edge. The DMS is currently populated with available historical data. Future data will also be entered into the system as it is collected.

The DMS portal provides easy access and the ability to query information stored in the system. Groundwater data can be plotted for any of the available data points, providing a pictorial view of historical and current data.

The DMS can be accessed at this link using the Guest Login:

<https://opti.woodardcurran.com/esj/>

Figure ES-8: Opti DMS Screenshot

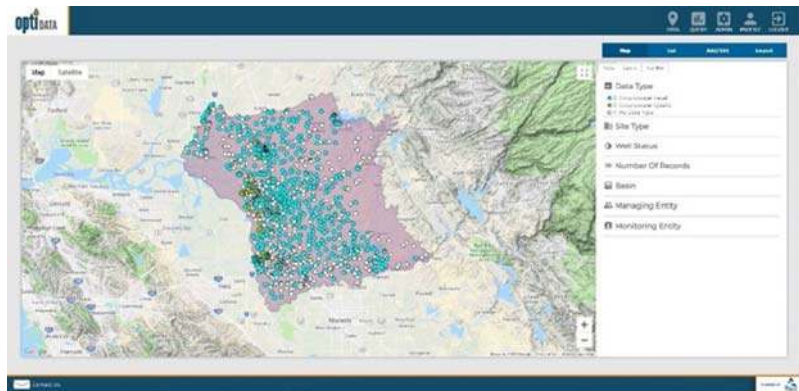


Figure ES-9: Typical DMS Data Display



ES-10. PROJECTS AND MANAGEMENT ACTIONS

Achieving sustainability in the Subbasin requires implementation of projects and management actions. The Subbasin will achieve sustainability by implementing water supply projects that either replace groundwater use or supplement groundwater supplies to attain the current estimated pumping offset and/or recharge need of 78,000 AF/year. It should be noted that this number will be reevaluated after additional data are collected and analyzed. In addition, three projects have been identified that support demand conservation activities, including water use efficiency upgrades. Currently, no pumping restrictions have been proposed for the Subbasin; however, GSAs maintain the flexibility to implement such demand-side management actions in the future if need is determined.

Although the ESJGWA does not have direct authority to require GSAs to implement projects, the ESJGWA will coordinate analysis of GSA-level demands and will compile annual or biannual reports to evaluate progress. If projects do not progress, or if monitoring efforts demonstrate that the projects are not effective in achieving stated recharge and/or offset targets, the GWA will convene a working group to evaluate supply-side and demand-side management actions such as the implementation of groundwater pumping curtailments, land fallowing, etc.

Projects to increase water supply availability in the Subbasin were identified by individual GSAs. The initial set of projects was reviewed with the ESJGWA Board, Advisory Committee, and Workgroup. A final list of 23 potential projects are included in the GSP, representing a variety of project types including direct and in-lieu¹ recharge, intra-basin water transfers, demand conservation, water recycling, and stormwater reuse. Projects are classified into three categories based on project status: Planned, Potential, and Longer-term/Conceptual. Planned projects are anticipated to be completed and implemented prior to 2040. Planned projects are anticipated to provide enough water to meet the 78,000 AFY of groundwater pumping offset and/or recharge needed to reach sustainability. Potential projects provide a menu of options for additional water supply projects that can be implemented in the Subbasin. These projects require further analysis and permitting to determine feasibility and cost effectiveness. Longer-term/Conceptual projects are in the early conceptual planning stages and would require significant additional work to move forward. Projects are summarized in the table below.

Additionally, a study has been proposed by NSJWCD to evaluate reaches of the Mokelumne River downstream of Camanche Reservoir to support model refinement and validation and to inform SGMA basin accounting.

¹ In-lieu recharge refers to the use of surface water or recycled water supplies for applications where groundwater is currently used. This “in-lieu” use reduces groundwater pumping and allows groundwater to remain in the aquifer.

Project Description	Project Type	Project Proponent	Estimated Demand Reduction (AF/year)
Planned Projects:			
Lake Grube In-lieu Recharge	In-lieu Recharge	Stockton East Water District	10,000
SEWD Surface Water Implementation Expansion	In-lieu Recharge	Stockton East Water District	19,000
City of Manteca Advanced Metering Infrastructure	Conservation	City of Manteca	272
City of Lodi Surface Water Facility Expansion & Delivery Pipeline	In-lieu Recharge	City of Lodi	4,750
White Slough Water Pollution Control Facility Expansion	Recycling/In-lieu Recharge	City of Lodi	115
CSJWCD Capital Improvement Program	In-lieu Recharge	Central San Joaquin Water Conservation District	5,000
NSJWCD South System Modernization	In-lieu Recharge	North San Joaquin Water Conservation District	4,500
Long-term Water Transfer to SEWD and CSJWCD	Transfers/In-lieu Recharge	South San Joaquin GSA	45,000
Potential Projects			
BNSF Railway Company Intermodal Facility Recharge Pond	Direct Recharge	Central San Joaquin Water Conservation District	1,000
City of Stockton Advanced Metering Infrastructure	Conservation	City of Stockton	2,000
South System Groundwater Banking with EBMUD	In-lieu Recharge	North San Joaquin Water Conservation District	4,000
NSJWCD North System Modernization/Lakso Recharge	In-Lieu Recharge/Direct Recharge	North San Joaquin Water Conservation District	2,600
Manassero Recharge Project	Direct Recharge	North San Joaquin Water Conservation District	8,000
Tecklenburg Recharge Project	Direct Recharge	North San Joaquin Water Conservation District	8,000
City of Escalon Wastewater Reuse	Recycling/In-lieu Recharge/Transfers	South San Joaquin GSA	672
City of Ripon Surface Water Supply	In-lieu Recharge	South San Joaquin GSA	6,000
City of Escalon Connection to Nick DeGroot Water Treatment Plant	In-lieu Recharge	South San Joaquin GSA	2,015
Longer-term/Conceptual Projects			
Farmington Dam Repurpose Project	Direct Recharge	Stockton East Water District	30,000
Recycled Water Transfer to Agriculture	Recycling/Transfers/In-lieu Recharge	City of Manteca	5,193
Mobilizing Recharge Opportunities	Direct Recharge	San Joaquin County	Not determined
NSJWCD Winery Recycled Water	Recycling/In-Lieu Recharge/Direct Recharge	North San Joaquin Water Conservation District	750
Pressurization of SSJID Facilities	Conservation	South San Joaquin GSA	30,000
SSJID Storm Water Reuse	Stormwater/In-lieu Recharge/Direct Recharge	South San Joaquin GSA	1,100

ES-11. GSP IMPLEMENTATION

The overdraft condition in the Subbasin requires projects to offset groundwater pumping and/or increase recharge. The exact amount of required offset/recharge will be reevaluated after additional data are collected and analyzed.

Projects will be administered by the GSA project proponents. GSAs may elect to implement projects individually or jointly with one or more GSAs or with the ESJGWA.

Implementing the GSP will require numerous management activities that will be undertaken by the ESJGWA, including the following:

- Monitoring and recording of groundwater levels and groundwater quality data
- Maintaining and updating the Subbasin DMS with newly collected data
- Annual monitoring of progress toward sustainability
- Annual reporting of Subbasin conditions to DWR as required by SGMA
- Refining Subbasin model and water budget planning estimates
- Evaluating the GSP once every 5 years and updating if warranted

The ESJGWA Board adopted a preliminary schedule for project implementation. Project implementation is scheduled to begin in 2020, with full implementation by 2040. This approach provides adequate time to put in place methods necessary to refine model estimates and verify project cost effectiveness.

Implementation of the eight identified Planned Projects will begin prior to 2030 and will continue through 2040. Evaluation and possible implementation of the nine Potential Projects and six Longer-term/Conceptual Projects will be based on long-term management or changing needs of the GSA or Subbasin. Further evaluation is necessary to determine technical, economic, and institutional feasibility.

ES-12. FUNDING

Implementation of the GSP requires funding sources. To the degree they become available, outside grants will be sought to assist in reducing cost of implementation to participating agencies, residents, and landowners of the Subbasin. However, there will be a need to collect funds to support implementation.

The areas associated with ESJGWA-wide management and GSP implementation will be borne by the ESJGWA through contributions from the member GSAs, under a cost-sharing arrangement to be developed following GSP adoption. These costs include:

- ESJGWA administration
- Groundwater level monitoring and reporting
- Groundwater quality monitoring and reporting
- Water use estimation

- Data management
- Stakeholder engagement
- Annual report preparation and submittal to DWR
- Developing and implementing a funding mechanism
- Grant applications
- GSP evaluation and updates, if warranted (every 5 years)

For budgetary purposes, the estimated initial cost of these activities is on the order of \$600,000 to \$1 million per year excluding projects and management actions costs and costs associated with the installation of new monitoring wells and grant writing. Additional one-time costs, such as model refinement, are estimated to be on the order of \$315,000.

GSAs will individually fund implementation of projects in their respective areas. Options for GSA funding include fees based on groundwater pumping, acreage, or combinations of these, and pursuit of any available grant funds. The GSAs will evaluate options for securing the needed funding on an individual basis.

The estimated initial costs of projects range from on the order of \$50,000 to \$328 million, depending on the project. Annual project costs range from \$3,000 to \$9 million per year to provide funds for operations and maintenance.

1. AGENCY INFORMATION, PLAN AREA, AND COMMUNICATION

1.1 INTRODUCTION AND AGENCY INFORMATION

1.1.1 Purpose of the Groundwater Sustainability Plan

The purpose of this Groundwater Sustainability Plan (GSP) is to meet the regulatory requirements set forth in the three-bill legislative package consisting of Assembly Bill (AB) 1739 (Dickinson), Senate Bill (SB) 1168 (Pavley), and SB 1319 (Pavley), collectively known as the Sustainable Groundwater Management Act (SGMA). SGMA defines sustainable groundwater management as “management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results”, which are defined by SGMA as any of the following effects caused by groundwater conditions occurring throughout the basin (CA DWR, 2018):

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies
- Significant and unreasonable land subsidence that substantially interferes with surface land uses
- Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water

The Eastern San Joaquin Groundwater Subbasin (Eastern San Joaquin Subbasin or Subbasin) has been identified by the Department of Water Resources (DWR) as critically overdrafted. The Eastern San Joaquin Groundwater Sustainability Plan (Eastern San Joaquin GSP, GSP, or the Plan) has been developed to meet SGMA regulatory requirements by the January 31, 2020 deadline for critically-overdrafted basins while reflecting local needs and preserving local control over water resources. The Eastern San Joaquin GSP provides a path to achieve and document sustainable groundwater management within 20 years following Plan adoption, promoting the long-term sustainability of locally-managed groundwater resources now and into the future.

While the Eastern San Joaquin GSP offers a new and significant approach to groundwater resource protection, it was developed within an existing framework of comprehensive planning efforts. Throughout the Eastern San Joaquin Region, several separate yet related planning efforts have occurred previously or are concurrently proceeding. The following figure (Figure 1-1) shows flagship reports from these efforts, which include integrated regional water management, urban water management, agricultural water management, watershed management, habitat conservation, and general planning. The Eastern San Joaquin GSP fits in with these prior planning efforts, building on existing local management and basin characterization. A description of prior planning efforts can be found in Section 1.2.2.7 of this document.

Figure 1-1: Interconnected Planning and Modeling Efforts for Water Resource Protection



1.1.2 Sustainability Goal

A sustainability goal is the culmination of conditions resulting in a sustainable condition (absence of undesirable results) within 20 years. The sustainability goal reflects this requirement and succinctly states the GSP's objectives and desired conditions of the Subbasin.

The sustainability goal description for the Eastern San Joaquin Subbasin is *to maintain an economically-viable groundwater resource for the beneficial use of the people of the Eastern San Joaquin Subbasin by operating the Subbasin within its sustainable yield or by modification of existing management to address future conditions. This goal will be achieved through the implementation of a mix of supply and demand type projects consistent with the GSP implementation plan* (see Chapter 6: Projects and Management Actions).

Additional discussion of the sustainability goal can be found in Chapter 3: Sustainable Management Criteria.

1.1.3 Contact Information

The San Joaquin County Department of Public Works Director has been designated as Plan Manager and record keeper. As Plan Manager, the Public Works Director is tasked with submitting a single, jointly-composed GSP to DWR on behalf of the entire Subbasin. Contact information for the submitting agency and Plan Manager is provided in Figure 1-2.

Figure 1-2: Plan Manager and Agency Contact Information

Agency Contact

Eastern San Joaquin Groundwater Authority
 1810 E. Hazelton Avenue,
 P.O. Box 1810
 Stockton, CA 95201
 info@esjgroundwater.org
 www.esjgroundwater.org

Plan Administrator

Kris Balaji, PMP, P.E.
 Director
 San Joaquin County Department of Public Works
 1810 E. Hazelton Ave.,
 Stockton, CA 95201
 (209) 468-3100
 kbalaji@sjgov.org

1.1.4 Agency Information

The Eastern San Joaquin GSP was developed jointly by the Eastern San Joaquin Groundwater Authority (ESJGWA), which is a joint powers authority formed by the 16 groundwater sustainability agencies (GSAs) within the Eastern San Joaquin Subbasin. The ESJGWA includes the Central Delta Water Agency (CDWA), Central San Joaquin Water Conservation District (CSJWCD), City of Lodi, City of Manteca, City of Stockton, Eastside San Joaquin GSA (Eastside GSA) (composed of Calaveras County Water District [CCWD], Stanislaus County, and Rock Creek Water District), Linden County Water District (LCWD), Lockeford Community Services District (LCSD), North San Joaquin Water Conservation District (NSJWCD), Oakdale Irrigation District (OID), San Joaquin County No. 1, San Joaquin County No. 2, South Delta Water Agency (SDWA), South San Joaquin GSA (composed of South San Joaquin Irrigation District [SSJID] including Woodward Reservoir, City of Ripon, and City of Escalon), Stockton East Water District (SEWD), and Woodbridge Irrigation District (WID). Collectively, these 16 GSAs will be referred to as “GSAs”. Figure 1-3 below indicates the jurisdictional boundaries of the individual GSAs.

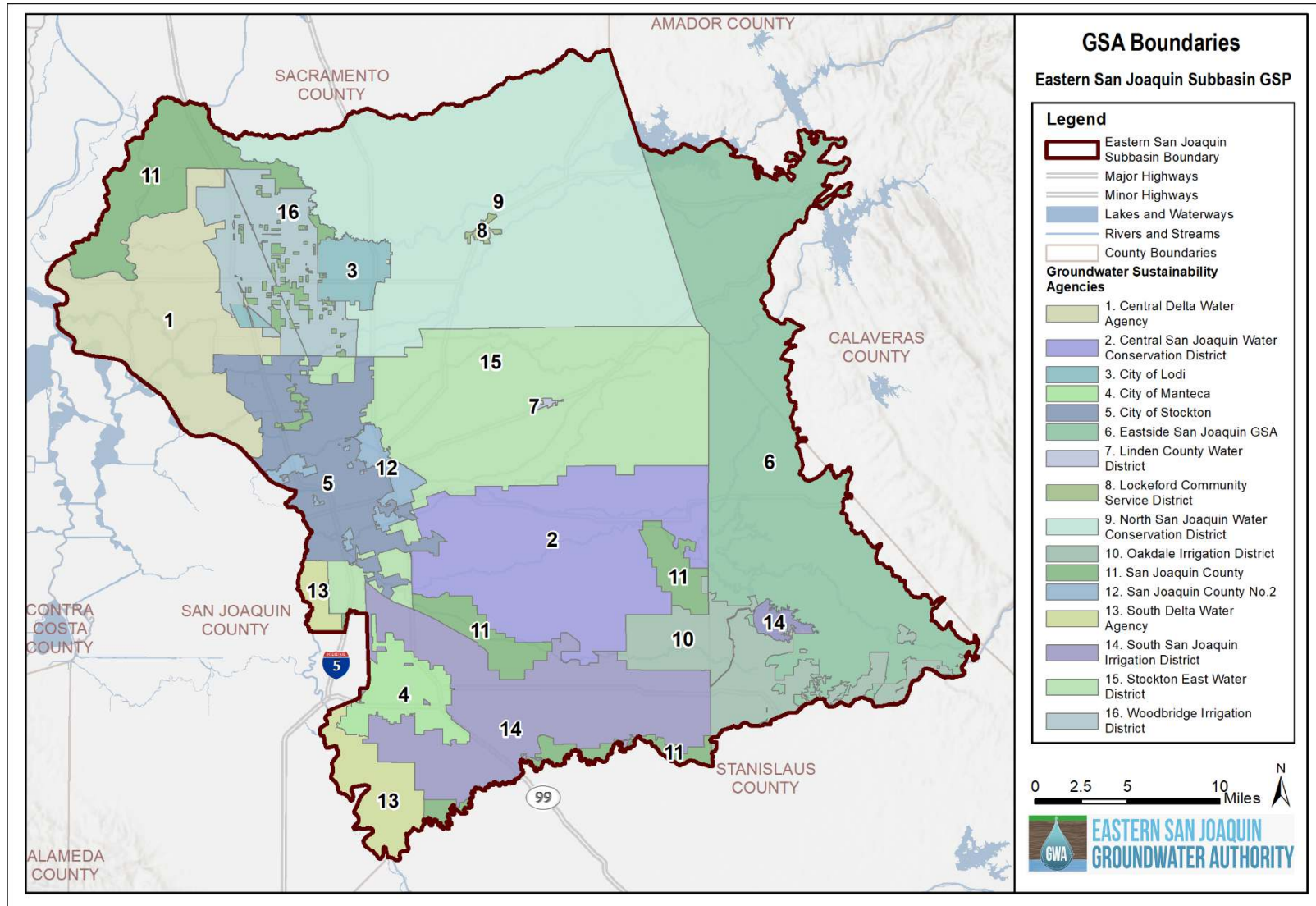
The GSAs represent a diverse range of water management organizations. The agencies include water agencies, irrigation districts, water conservation districts, and local governments at the city and county level. The GSAs will work through the ESJGWA to implement this GSP to cover the entire geographic extent encompassed by the boundaries of the Eastern San Joaquin Subbasin.

California Water Service Company Stockton District (Cal Water) has formed a partnership with San Joaquin County to participate in the process as part of the San Joaquin County No. 2 GSA, since its status as an investor-owned utility prohibited it from forming its own GSA under SGMA regulations until later amendments under SB 13 (Pavley). As a major purveyor of water in the Stockton region, Cal Water’s participation is considered essential to the development of a comprehensive plan for sustainable groundwater management in the Subbasin.

The portion of the City of Lathrop located east of the San Joaquin River was initially involved in the Eastern San Joaquin Subbasin GSP development process as a 17th GSA (City of Lathrop GSA) and was part of the ESJGWA. The City of Lathrop GSA voluntarily withdrew its status from the ESJGWA in March 2019 following DWR’s approval of their request for a basin boundary modification between the Eastern San Joaquin Subbasin and the neighboring Tracy Subbasin, which moved the City of Lathrop entirely within the Tracy Subbasin.

Additionally, WID voluntarily withdrew its status as a GSA and its membership in the ESJGWA in December 2018; WID reinstated its status as a GSA and its membership in the ESJGWA in October 2019.

Figure 1-3: Eastern San Joaquin Groundwater Sustainability Agencies



1.1.4.1 Eastern San Joaquin Groundwater Authority Joint Powers Agreement

The Joint Powers Agreement (JPA) provides the basis for forming the ESJGWA. The ESJGWA submitted an Initial Notification to jointly develop a GSP for the Eastern San Joaquin Subbasin on February 8, 2017. The agreement and bylaws are provided in Appendix 1-A.

The purpose of the ESJGWA is to act as the coordinating agency and cooperatively carry out the purposes of SGMA in the Eastern San Joaquin Subbasin. The ESJGWA is a public entity separate from the member organizations and holds the authority to coordinate and exercise the common powers of its members within the geographical area of the Eastern San Joaquin Subbasin consistent with the terms and conditions of the JPA.

Since its formation, the ESJGWA has employed a consensus-based approach in its goal to provide a dynamic, cost-effective, and collegial organization to achieve initial and ongoing SGMA compliance within the Subbasin. Collaboration among the ESJGWA member agencies has strengthened the potential for broad public support for groundwater management activities as well as the ability to leverage local, state, and federal funds (Eastern San Joaquin GWA, 2017b).

1.1.4.2 Organization and Management Structure of the GSAs

The governing body of the ESJGWA, the ESJGWA Board of Directors (ESJGWA Board), convenes every second Wednesday of the month at 11:00 a.m. to formulate the GSP by debating and finalizing key discussion points and decisions incorporated into the Plan. Each of the 16 GSAs has a voice on the ESJGWA Board and has appointed two representatives to serve: one Board member and one Alternate member to attend in the Board member's absence.

The ESJGWA Board is tasked with developing actions including, but not limited to, the following:

- Approving budget(s) and appropriate cost sharing for any project or program that requires funding from the ESJGWA
- Proposing guidance and options for obtaining grant funding
- Adopting rules, regulations, policies, and procedures related to the JPA
- Approving any contracts with consultants or subcontractors that would undertake work on behalf of the GSAs and/or relate to Basin-wide issues and, if applicable, recommend the funding that each GSA should contribute towards the costs of such contracts
- Reporting to the GSAs' respective governing boards
- Approving and implementing a GSP

The ESJGWA Board is guided by an Advisory Committee that is made up of one representative from each GSA and convenes every second Wednesday of the month at 9:00 a.m. The Advisory Committee is responsible for developing recommendations on technical and substantive Subbasin-wide matters. The Advisory Committee is tasked with developing actions including, but not limited to, the following:

- Recommending the action and/or approval of technical or policy elements for the development of a GSP, including groundwater conditions, thresholds, and projects and management actions
- Recommending the action and/or approval of a GSP

The ESJGWA Board is also informed by a Groundwater Sustainability Workgroup (Workgroup) which consists of 23 community representatives of agricultural communities, groundwater users, environmental groups, businesses, industry, and the community at large. The Workgroup is tasked with reviewing groundwater conditions, management

issues and needs, and projects and management actions to improve sustainability in the Subbasin. The Workgroup meets approximately monthly in sessions that provide a forum for the exchange of information and feedback from members and their respective organizations. An application to join the Workgroup was disseminated in early 2018. 22 applications were received, and all applicants were approved based on their ability to represent the broad interests and geography of the region. An additional member was added with approval of the Workgroup members after attending the first meeting, totaling to 23 members. Additional information on the Workgroup can be found in Section 1.3.4.2.

Decisions of the ESJGWA Board are made by an affirmative majority of Board members, except in the following cases which require a two-thirds supermajority vote: approval or modification or amendment of the ESJGWA annual budget; decisions related to the levying of taxes, assessments, or property-related fees and charges; decisions related to the expenditure of funds by the ESJGWA beyond expenditures approved in the annual budget; adoption of rules, regulations, policies, bylaws, and procedures related to the function of the ESJGWA; decisions related to the establishment of the members' percentage obligations for payment of the ESJGWA's operating and administrative costs; approval of any contract over \$250,000 or contracts for terms that exceed two years; decisions regarding the acquisition and the holding, use, sale, letting, and disposal of real and personal property including water rights, and the construction, maintenance, alteration, and operation of works or improvements; decisions related to the limitation or curtailment of groundwater pumping; and approval of a GSP. Each member of the ESJGWA Board has one vote. A process for dispute resolution and noncompliance, including internal resolution and mediation prior to judicial or administrative remedies, is set forth in the ESJGWA Bylaws in Appendix 1-A.

GSAs share in the general operating and administrative costs of the ESJGWA in accordance with percentages determined by the ESJGWA Board.

1.1.4.3 Description of Participating Agencies

A brief description of each of the GSAs that make up the ESJGWA is provided in the sections below.

Central Delta Water Agency – The Central Delta Water Agency (CDWA) service area encompasses a total of 52,000 acres in the northwestern portion of the Eastern San Joaquin Subbasin. The primary land use in this area is agriculture with crops such as vineyards, fruit and nut trees, row crops, and field crops. CDWA protects water supply within its service area (which extends outside of the Subbasin), assists landowners and reclamation districts with water issues, and represents landowners in flood control matters. CDWA does not own any facilities, and surface water from the Delta is the area's only utilized source of water, along with limited private groundwater pumping. Approximately 5,000 acres of the GSA overlap with the sphere of influence of the City of Stockton (Eastern San Joaquin County GBA, 2014).

Central San Joaquin Water Conservation District – The Central San Joaquin Water Conservation District (CSJWCD) was formed in 1959 under provisions of the California Water Conservation Act of 1931. The CSJWCD includes approximately 73,000 largely agricultural acres, of which 6,300 acres are within the sphere of influence of the City of Stockton. To mitigate declining groundwater levels, the CSJWCD contracted with the United States Bureau of Reclamation (USBR) for 80,000 acre-feet per year (AF/year) from New Melones Reservoir on the Stanislaus River. Irrigation facilities have been installed and operated by individual landowners through a surface water incentive program sponsored by the CSJWCD. At the regional level, CSJWCD has participated as a member agency of the Eastern Water Alliance and the Groundwater Basin Authority (GBA), two preceding efforts to the ESJGWA that focused on groundwater management (Eastern San Joaquin County GBA, 2014).

City of Lodi – The City of Lodi is located northeast of the City of Stockton along Highway 99. The City of Lodi relies on both groundwater and surface water to satisfy customer needs. In 2003, Lodi entered into a 40-year agreement with WID for up to 6,000 AF/year of Mokelumne River water. The City of Lodi built the Lodi Surface Water Treatment Plant and associated conveyance facilities necessary to deliver this supply, which were completed and operational at the end of 2012. The City of Lodi currently provides up to 3,000 AF/year of treated wastewater to agricultural land in

the vicinity of the wastewater treatment plant, White Slough Water Pollution Control Facility. The GSA for the City of Lodi covers 9,000 acres and includes the White Slough Water Pollution Control Facility area (City of Lodi, 2015).

City of Manteca – The approximately 13,000 acres of the City of Manteca straddles Highway 99 south of the City of Stockton. Potable water supplies consist of a combination of groundwater and treated surface water from the South County Water Supply Program (SCWSP). Manteca currently receives up to 11,500 AF/year of treated surface water and ultimately can receive up to 18,500 AF/year in Phase II of the SCWSP. Up to 4,000 AF/year of reclaimed wastewater is applied to fodder crops on City-owned and leased lands (City of Manteca, 2015).

City of Stockton – The City of Stockton Municipal Utilities Department (MUD) service area generally encompasses portions of the City of Stockton north of the Calaveras River and south of the Cal Water service area. Water use measured in 2015 shows approximately 27 percent of the Stockton MUD's water deliveries come from groundwater, with 73 percent from treated surface water from SEWD and the Delta Water Supply Project. The Delta Water Supply Project came online in 2012 and utilizes surface water both from the San Joaquin River (City of Stockton water right) and Mokelumne River through a 40-year agreement with WID initiated in 2008 for up to 6,500 AF/year with more water as the City of Stockton grows. The City of Stockton GSA (approximately 39,000 acres) overlaps with the extent of the Cal Water service area (City of Stockton, 2015).

Eastside San Joaquin GSA – Eastside San Joaquin GSA (Eastside GSA) is a partnership between Calaveras County Water District, Stanislaus County, and Rock Creek Water District. The area covers over 126,000 acres, stretching into the western portion of Calaveras County and northern portion of Stanislaus County.

- **Calaveras County Water District** – The Calaveras County Water District (CCWD) serves a population of 20,700 people through 17,000 service connections and shares the same boundaries as Calaveras County. Supply for CCWD comes from reservoir releases on the Calaveras, Stanislaus, and Mokelumne Rivers for a total of approximately 6,000 AF/year for primarily agricultural and residential use. Though not a reliable source of supply in Calaveras County, groundwater does provide the sole supply for residential use in some areas. CCWD also relies heavily on recycled water to reduce potable water demand. Calaveras County had one of the fastest growing annual percent increase in populations in California between 2000 and 2010 (CCWD, 2015). For the portion of Calaveras County that falls within the Eastern San Joaquin Subbasin, the land is mostly unirrigated with the few crops irrigated by either riparian rights along the Calaveras River or private groundwater wells. The population is estimated to be small and served by private residential pumping.
- **Stanislaus County** – Stanislaus County has a total area of 973,000 acres and nine incorporated cities and extends beyond Eastern San Joaquin Subbasin. There are approximately 30 water suppliers that serve water to Stanislaus County for domestic, commercial, and agricultural uses. The majority of the county's population resides in incorporated cities due to urban development and steady population growth within city boundaries. These incorporated cities are outside of the Subbasin. The portions of Stanislaus County that fall within the Eastern San Joaquin Subbasin not already included in a GSA have partnered with the CCWD and Rock Creek Water District as the Eastside GSA. The land is mostly unirrigated, and water needs are met by private pumping.
- **Rock Creek Water District** – Rock Creek Water District was formed in 1941 and covers approximately 1,800 acres in northeastern Stanislaus County. Through the Salt Spring Valley Reservoir in Calaveras County, Rock Creek Water District delivers agricultural water for irrigation (Stanislaus LAFCO, 2018).

Linden County Water District – Linden County Water District (LCWD) provides water and wastewater services to the 300 acres of the unincorporated community of Linden, located approximately 12 miles northeast of the City of Stockton along State Route 26. LCWD lies entirely within the boundaries of the SEWD. Between 2000 and 2010, the population in Linden increased by 61 percent from approximately 1,100 to 1,800 residents. LCWD relies on groundwater to meet residential demands in Linden (SJC, 1992).

Lockeford Community Services District – Lockeford Community Services District (LCSD) was established in 1976 and superseded the San Joaquin County Water Works District No. 1 and Lockeford Sanitary District. LCSD provides water and wastewater services to approximately 3,200 residents (as of 2010) in the unincorporated urban community of Lockeford located 17 miles northeast of the City of Stockton on State Routes 12 and 88. LCSD lies within the boundaries of the NSJWCD; however, LCSD’s jurisdiction area is its own GSA and is not part of the NSJWCD GSA. LCSD’s GSA area is approximately 800 acres and encompasses primarily residential and agricultural land uses. LCSD anticipates that, as community build-out occurs, it may serve over 5,000 residents. Groundwater from the Eastern San Joaquin Subbasin is LCSD’s only source of potable water (SJC, 2016a).

North San Joaquin Water Conservation District GSA – North San Joaquin Water Conservation District (NSJWCD), organized in 1948 under provisions of the Water Conservation District Act of 1931, includes approximately 149,000 acres east of the City of Lodi, including about 70,000 acres of irrigated agriculture. NSJWCD also includes approximately 4,740 acres within the Lodi city limits and the community of Lockeford. Pursuant to agreements between NSJWCD, Lockeford, and Lodi, the Lodi and Lockeford acreage is excluded from the NSJWCD GSA. NSJWCD straddles the Mokelumne River and has Dry Creek as its northern boundary. Prior to a basin boundary modification approved in 2016, NSJWCD was located in both the Cosumnes and the Eastern San Joaquin Subbasins. NSJWCD has a 20,000 AF Mokelumne River surface water right which is generally available in normal to wet years. NSJWCD provides surface water deliveries to irrigated acreage and conducts groundwater recharge, but much of the NSJWCD area relies on private groundwater pumping. At the regional level, NSJWCD has participated as a member agency of the Eastern Water Alliance and the GBA, two preceding efforts to the ESJGWA that focused on groundwater management (Eastern San Joaquin County GBA, 2014).

Oakdale Irrigation District – Oakdale Irrigation District (OID) comprises about 81,000 acres, primarily located in the northern portion of Stanislaus County, but with a small portion located within San Joaquin County. A little less than 40 percent of the District’s area overlies the Eastern San Joaquin Subbasin (over 31,000 acres), and the remaining portion overlies the Modesto Subbasin. SSJID and OID jointly own facilities to provide water from the Stanislaus River for agricultural use (Eastern San Joaquin County GBA, 2014).

San Joaquin County – The San Joaquin County GSA consists of 51,000 acres of areas within the Eastern San Joaquin Subbasin not covered by the other GSAs. Overlapping agencies include North Delta Water Agency (NDWA), unincorporated county, riparian land along Stanislaus River, and areas in the City of Stockton served by the City of Stockton MUD. In collaboration with the Northeast San Joaquin County Groundwater Banking Authority, San Joaquin County led the development of the Eastern San Joaquin Groundwater Basin Groundwater Management Plan in 2004 to review, enhance, and coordinate existing groundwater management policies and programs in the region and to develop new policies and programs for the long-term sustainability of groundwater resources. San Joaquin County has also supported the development of studies and plans in the region, such as the Groundwater Basin Authority System Plan and San Joaquin County Water Management Plan.

- **North Delta Water Agency** – The NDWA was formed by a special act of the Legislature in 1973 to protect the water supply against seawater intrusion and to ensure a reliable water supply to meet current and future water needs. The NDWA service area now includes approximately 277,000 acres within the counties of Sacramento, San Joaquin, Solano, and Yolo. Most of the land is devoted to agriculture use and supplied with surface water from the Delta (NDWA, 2015). The reclamation districts within the NDWA and the Eastern San Joaquin Subbasin include Reclamation District (RD) 38 – Staten Island, RD 2086 – Canal Ranch, and RD 348 – New Hope Tract.

San Joaquin County No. 2 (Cal Water) – San Joaquin County No. 2 GSA includes approximately 7,000 acres of the unincorporated San Joaquin County portion of the Cal Water Service Area. Cal Water is an investor-owned public utility regulated by the California Public Utilities Commission; it is a signatory to the California Urban Water Conservation Council. Cal Water has approximately 42,000 connections in the greater Stockton area, primarily south of the Calaveras River. Cal Water utilizes surface water delivered from SEWD and groundwater pumped by Cal Water wells to meet

customer demands. Cal Water's Stockton District was formed in 1927 with the purchase of the water system from Pacific Gas and Electric Company (PG&E).

South Delta Water Agency – The South Delta Water Agency (SDWA) was originally formed to address local water supply and water quality concerns in the south Delta area. The SDWA encompasses a total of approximately 150,000 acres within its boundaries, and almost 18,000 acres overlap with the southwestern portion of the Eastern San Joaquin Subbasin. The SDWA does not own any facilities or water rights. Instead, the SDWA protects property owners who have individual water rights. Surface water is the primary source of water used within the agency boundaries given that most of the groundwater is highly saline (Eastern San Joaquin County GBA, 2014).

South San Joaquin GSA – South San Joaquin GSA's 64,000 acres encompass most of the South San Joaquin Irrigation District (SSJID), including Woodward Reservoir and canals leading to SSJID; the City of Ripon; and the City of Escalon. The portion of SSJID within the incorporated City of Manteca is included in the City of Manteca GSA.

- **South San Joaquin Irrigation District** – SSJID was formed in 1909 under the Irrigation District Act and covers approximately 72,000 acres in the southeastern portion of San Joaquin County located within the Eastern San Joaquin Subbasin boundaries. The cities of Manteca, Ripon, and Escalon account for approximately 20,000 acres of the SSJID area. SSJID in 2005 began the delivery of up to 32,000 AF/year currently (and up to 43,000 AF/year in Phase II) of treated surface water from Woodward Reservoir to the cities of Manteca, Lathrop, and Tracy for the SCWSP, with Escalon to receive water in the future (Eastern San Joaquin County GBA, 2014).
- **City of Ripon** – The City of Ripon is located at the southern edge of San Joaquin County along Highway 99. The population in 2015 was approximately 14,700 people and is expected to grow to about 30,800 people by 2040. The city's potable water is provided by city groundwater wells and supplied over 4,000 acre-feet (AF) in 2015. Non-potable groundwater and surface water from SSJID are used for irrigation purposes and recharge (City of Ripon, 2015).
- **City of Escalon** – The City of Escalon is located within the San Joaquin County boundaries along State Route 120. Incorporated in 1957, the City of Escalon was home to approximately 7,400 residents in 2015. The City of Escalon has an allotment of 2,015 AF of treated water from the SSJID and the SCWSP; however, the city is not utilizing its allotment and currently relies solely on groundwater wells to serve the city's population as well as commercial customers. The City of Escalon is selling its allotment of treated water to the City of Tracy but intends to construct a pipeline to convey SSJID water to meet domestic and industrial needs in the City of Escalon (SSJID, 2015b).

Stockton East Water District – Stockton East Water District (SEWD) was formed in 1948, includes a total of 143,300 acres, overlaps with portions of WID, and includes the entire City of Stockton and the entire Cal Water service area. The SEWD GSA covers 101,000 acres of the district, with the remaining SEWD areas covered by the City of Stockton, San Joaquin County, and San Joaquin County No. 2 GSAs. SEWD is guaranteed 56.5 percent of New Hogan Reservoir's yield and is provided a total amount of 75,000 AF/year from New Melones Reservoir through agreements with USBR. SEWD delivers wholesale drinking water to the City of Stockton, Cal Water, San Joaquin County, and Woodbridge Irrigation District (WID) areas in the Stockton MUD (Eastern San Joaquin County GBA, 2014). At the regional level, SEWD has participated as a member agency of the Eastern Water Alliance and the GBA, two efforts preceding the current ESJGWA that focused on groundwater management (Eastern San Joaquin County GBA, 2014).

Woodbridge Irrigation District – WID, organized in 1924 under the California Irrigation District Act, encompasses a gross area of approximately 42,900 acres with over 29,000 acres covered by the WID GSA. WID is discontinuous, resulting in patches of non-district lands within its boundary, and overlaps with portions of NSJWCD, SEWD, and the City of Lodi. WID owns and operates the Woodbridge Diversion Dam, located on the Lower Mokelumne River northeast of the City of Lodi, as well as an extensive canal system serving approximately 13,000 acres west of Lodi and north of Stockton. Recent improvements made to the new Woodbridge Diversion Dam include state-of-the-art fish and

diversion works which enable WID to keep Lodi Lake full year-round. At the regional level, WID has participated as a member agency in regional groundwater management efforts, including the GBA.

1.1.4.4 Legal Authority

Any local public agency that has water supply, water management, or land use responsibilities in a basin can decide to become a GSA under SGMA. A single local agency can become a GSA, or a combination of local agencies can decide to form a GSA by using either a JPA, a memorandum of agreement (MOA), or other legal agreement (CA DWR, 2016a).

In the Eastern San Joaquin Subbasin, the ESJGWA has legal authority to jointly prepare, adopt, and implement a GSP consistent with the terms of the JPA Agreement and the ESJGWA Bylaws (Eastern San Joaquin GWA, 2017a).

The ESJGWA's JPA calls out the following powers granted to GSAs by SGMA:

- Become a GSA individually or collectively;
- Approve any portion, section, or chapter of the GSP adopted by the ESJGWA;
- Act through GSAs to implement SGMA and the GSP; and
- Exercise the powers conferred to GSAs by SGMA.

Each GSA that is a member of the ESJGWA has its own legal authorities. For example, NSJWCD has the legal authorities granted to a GSA under the California Water Code (Water Code) as well as the legal authorities granted to a Water Conservation District pursuant to Water Code § 74000 et seq. The legal authorities of each GSA are listed in Appendix 1-B. Agency resolutions to become GSAs are provided in Appendix 1-C.

1.1.4.5 Estimated Costs and Approach to Meeting Costs

Implementation of the GSP requires funding sources. To the degree they become available, outside grants will be sought to assist in reducing cost of implementation to participating agencies, residents, and landowners of the Subbasin. However, there will be a need to collect funds to support implementation.

For budgetary purposes, the estimated initial cost of these activities is on the order of \$600,000 to \$1 million per year excluding projects and management actions costs and costs associated with the installation of new monitoring wells and grant writing. Additional one-time costs, such as model refinement, are estimated to be on the order of \$315,000. The ESJGWA Board will evaluate options for securing the needed funding. Additional detail on GSP implementation costs and funding sources are detailed in Chapter 7: Plan Implementation.

1.1.5 GSP Organization

This GSP is organized according to DWR's "GSP Annotated Outline" for standardized reporting (CA DWR, 2016b). The Preparation Checklist for GSP Submittal in DWR formatting can be found in Appendix 1-D (CA DWR, 2016d).

1.2 PLAN AREA

1.2.1 Description of Plan Area

This section provides a detailed description of the Eastern San Joaquin Subbasin, including major streams and creeks, institutional entities, agricultural and urban land uses, locations of groundwater wells, and locations of state lands. The Plan Area document also describes existing surface water and groundwater monitoring programs, existing water management programs, and general plans in the Plan Area.

1.2.1.1 Summary of Jurisdictional Areas and Other Features

The Eastern San Joaquin Subbasin falls within the larger San Joaquin Valley Groundwater Basin (see Figure 1-4). Basin designations by DWR were first published in 1952 in Water Quality Investigations Report No. 3, *Ground Water Basins in California*, and subsequently updated in Bulletin 118 in 1975, 1980, and 2003. The San Joaquin River Hydrologic Region contains 11 distinct subbasins, where the Eastern San Joaquin Subbasin (Bulletin 118 Basin Number 5-022.01) is bordered to the north by the Cosumnes Subbasin (Bulletin 118 Basin Number 5-022.16), the South American Subbasin (Bulletin 118 Basin Number 5-021.65), and the Solano Subbasin (Bulletin 118 Basin Number 5-021.66); to the south by the Modesto Subbasin (Bulletin 118 Basin Number 5-022.02); and to the west by the Tracy Subbasin (Bulletin 118 Basin Number 5-022.15) and East Contra Costa Subbasin (Bulletin 118 Basin Number 5-022.19) (see Figure 1-5).

The Eastern San Joaquin Subbasin includes lands south of Dry Creek between the San Joaquin River on the west and the crystalline basement rock of the Sierra Nevada foothills on the east. The Eastern San Joaquin Subbasin boundary to the south stretches along the San Joaquin County line and continues along the Stanislaus River into Calaveras County to the east. Geologic units in the Eastern San Joaquin Subbasin consist of consolidated rocks and unconsolidated deposits (CA DWR, 2006).

No adjudicated areas or areas covered by an alternative to a GSP exist within the Eastern San Joaquin Subbasin.

Figure 1-4: Placement within the San Joaquin Valley Groundwater Basin

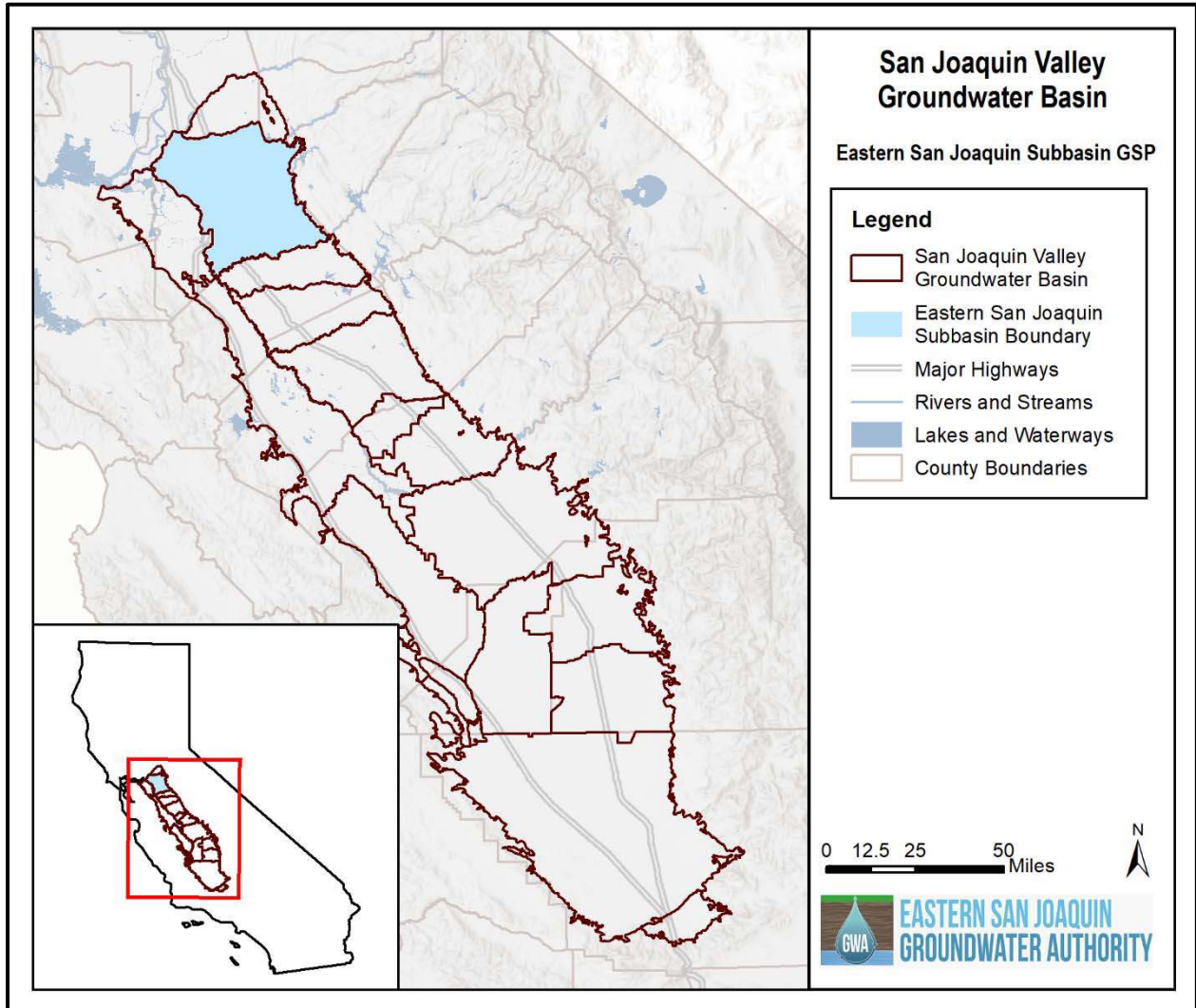
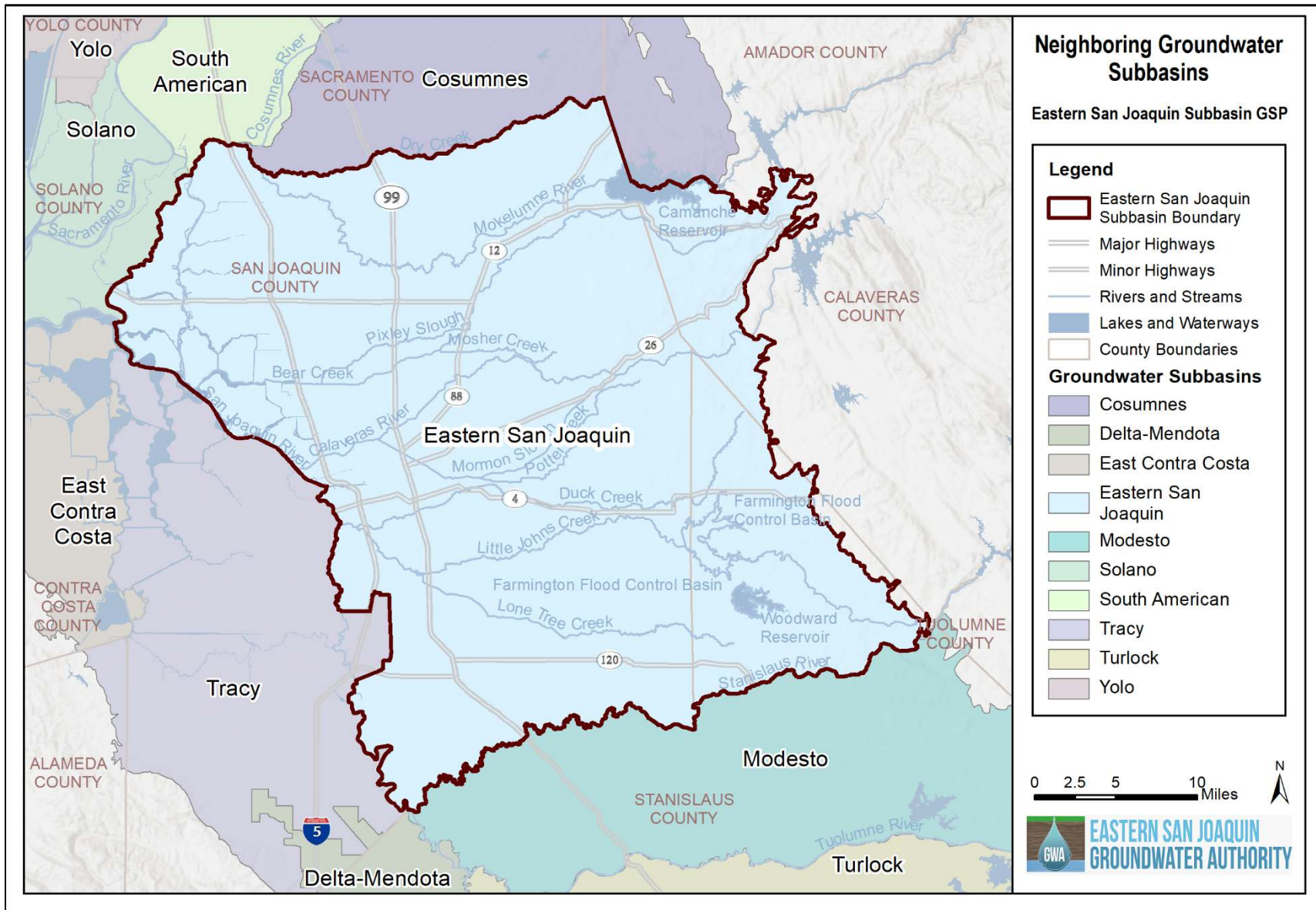


Figure 1-5: Neighboring Groundwater Subbasins



The Eastern San Joaquin Subbasin underlies areas of San Joaquin, Stanislaus, and Calaveras Counties. Figure 1-6 shows the location of these three counties within the State of California as well as the three other counties bordering the Eastern San Joaquin Subbasin: Sacramento, Amador, and Contra Costa.

Figure 1-6: Underlying and Surrounding Counties

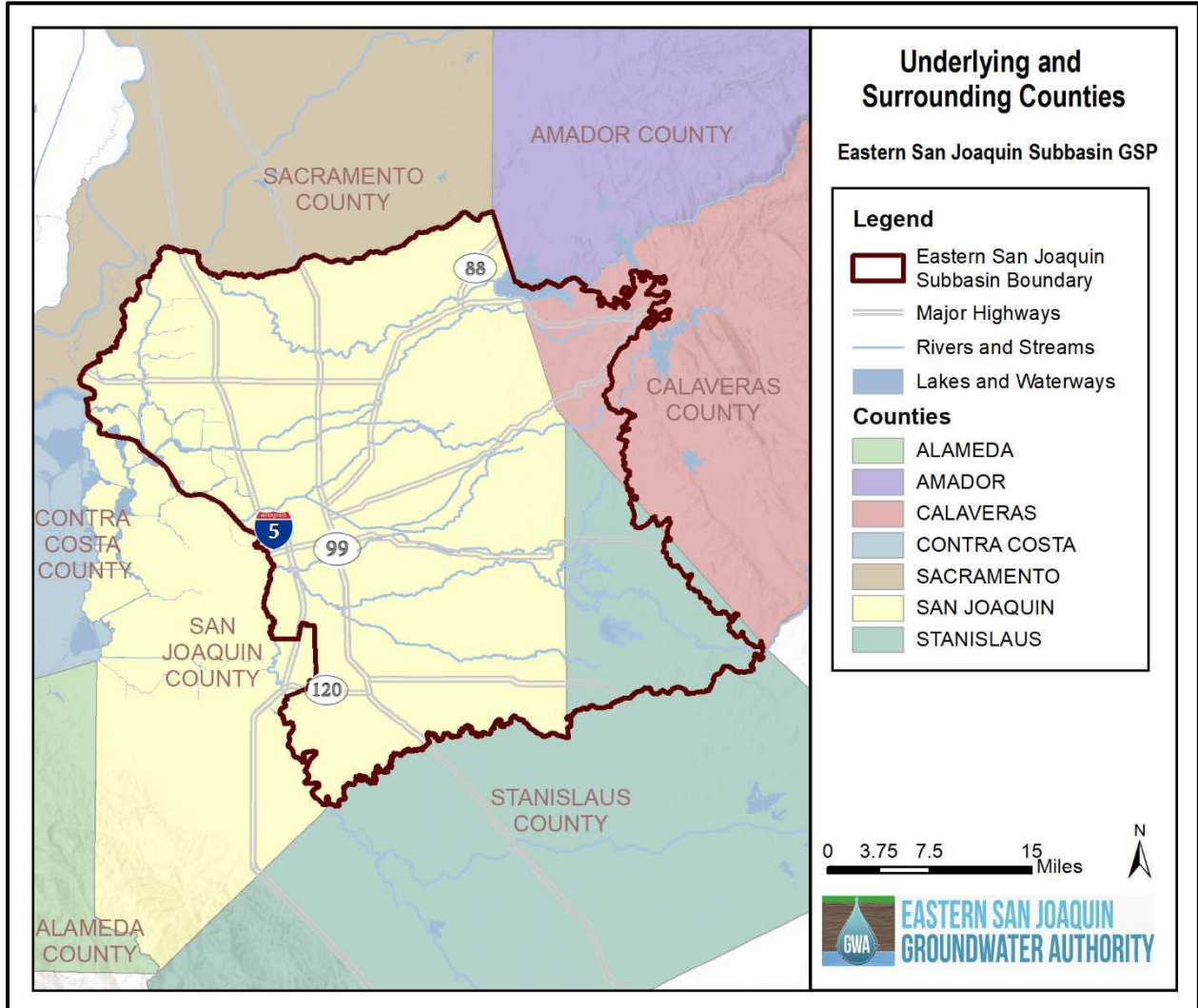


Figure 1-7 shows the Eastern San Joaquin Subbasin and the Subbasin's key geographic features. The Subbasin encompasses an area of about 1,195 square miles. There are eight entities within the region with land use jurisdiction: the County of San Joaquin, the County of Calaveras, the County of Stanislaus, the City of Stockton, the City of Lodi, the City of Manteca, the City of Escalon, and the City of Ripon. The cities of Lodi, Escalon, Manteca, and Ripon are contained entirely within the Subbasin, while western portions of San Joaquin County and the City of Stockton, and eastern portions of Calaveras and Stanislaus counties, lie in neighboring subbasins or outside of groundwater subbasins altogether. The Eastern San Joaquin Subbasin encompasses the following unincorporated communities: Acampo, Adela, Atlanta, August, Bear Creek, Burson, Clements, Collierville, Country Club, Dogtown, East Oakdale, Eugene, Farmington, French Camp, Garden Acres, Goodmans Corner, Jenny Lind, Kennedy, Knights Ferry, Lake Camanche Ranches, Lincoln Village, Linden, Lockeford, Milton, Morada, Mormon, Oak Grove, Peters, South Camanche Shore, Taft Mosswood, Terminous, Thornton, Valley Home, Valley Springs, Victor, Wallace, Waterloo, Woodbridge, and Youngstown.

Figure 1-7: City Boundaries

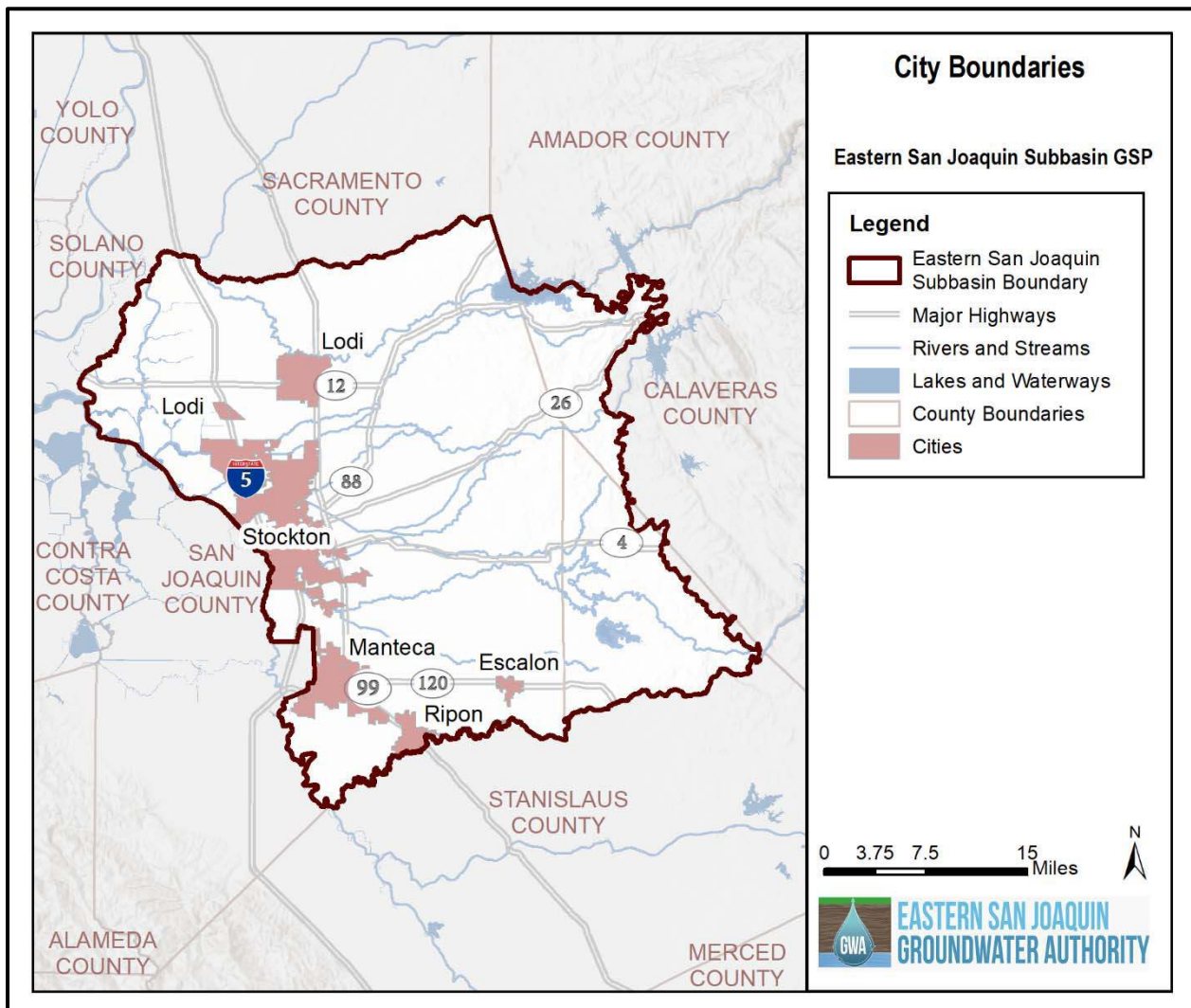


Figure 1-8 shows the spatial extent of Disadvantaged Communities (DACs) and Severely Disadvantaged Communities (SDACs) in the Eastern San Joaquin Subbasin. DWR defines DACs as census geographies (census tracts, census block groups, and census-designated places) with an annual median household income (MHI) that is less than 80 percent of the statewide annual MHI. SDACs are defined as census geographies with an MHI less than 60 percent of the statewide annual MHI. DWR uses the most recently available 5-year American Community Survey (ACS) dataset to identify these areas. For this GSP, the 2012-2016 ACS dataset was used, establishing statewide MHI as \$63,783 (CA DWR, Mapping Tools).

Figure 1-8: Disadvantaged Communities (DACs)

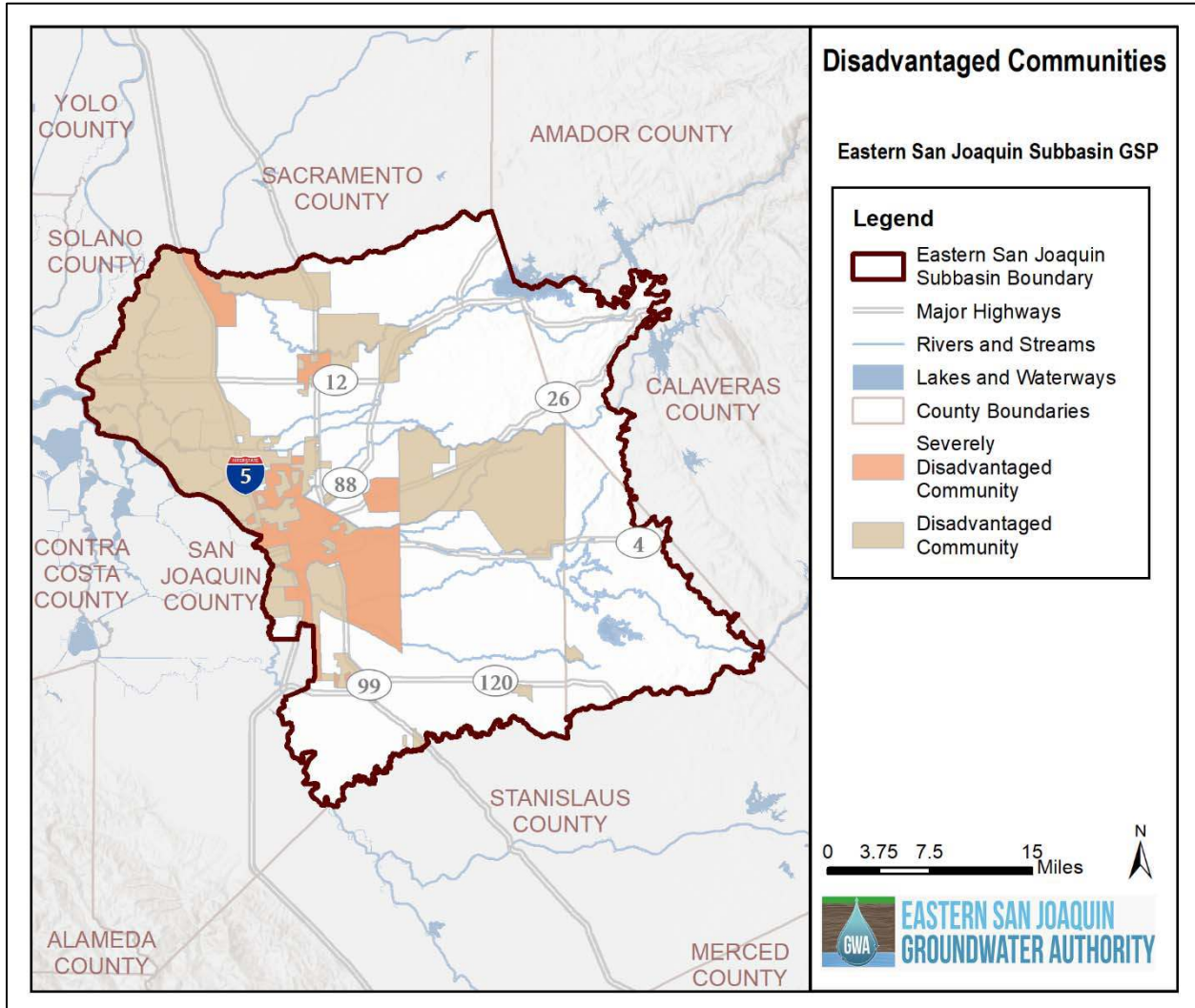
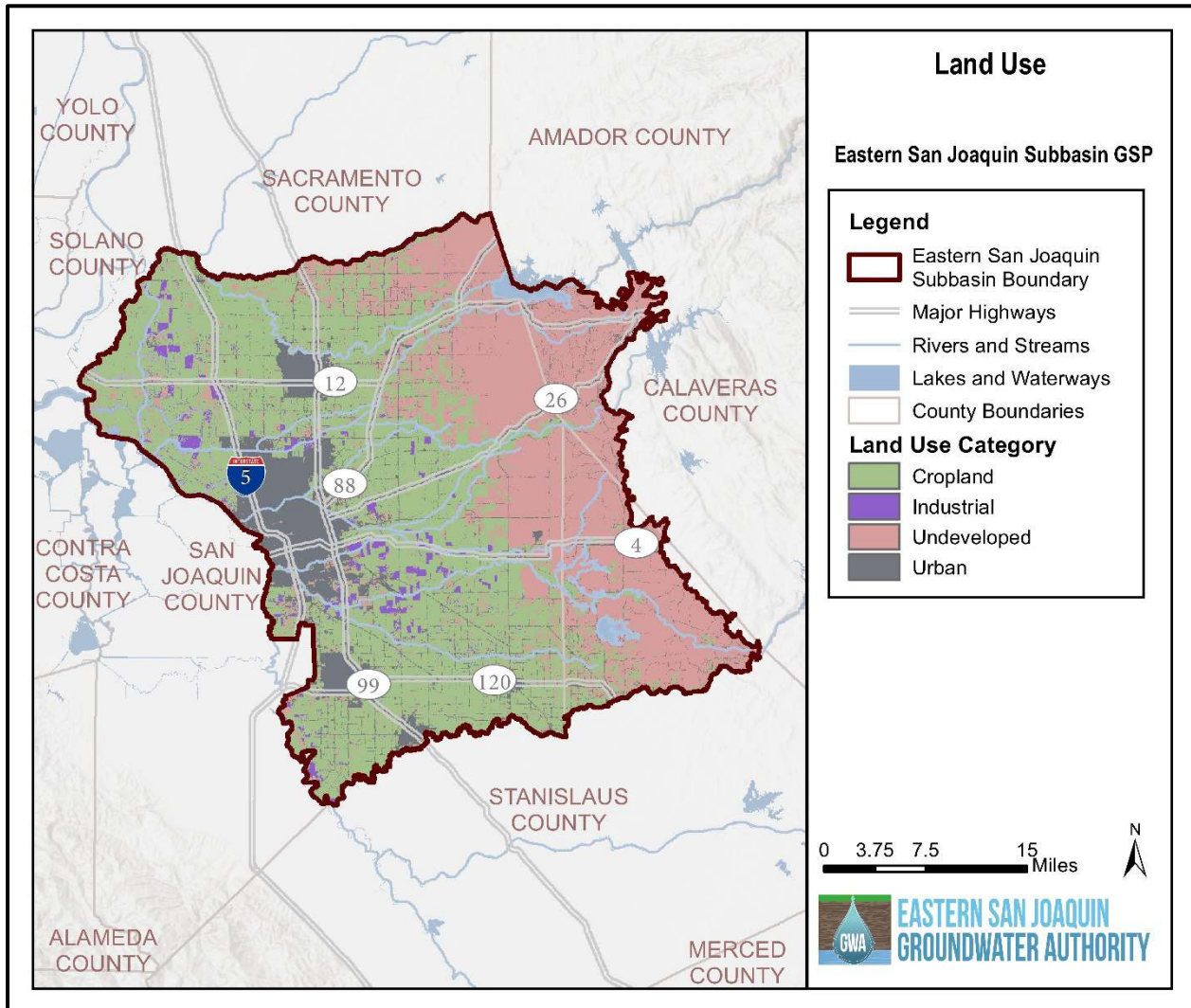


Figure 1-9 shows a map of land use in the Eastern San Joaquin Subbasin across four general categories: cropland, industrial, undeveloped, and urban. These categories were mapped based on categories provided by 2015 land use from the United States Department of Agriculture’s (USDA) CropScape 2015 dataset.

Land use patterns in the Eastern San Joaquin Subbasin are dominated by agricultural uses, including nut and fruit trees, vineyards, row crops, grazing, and forage. Both agricultural and urban land use rely on a combination of surface water and groundwater, with some agricultural lands using recycled or reusing water. Land use is primarily controlled by local agencies. Land use patterns in the low foothills to the east are dominated by native vegetation and unirrigated pasture lands (USDA, 2015).

Figure 1-9: Land Use



Crop type varies by region, with fruit and nut trees and vine crops comprising the majority of agriculture in the Subbasin. Almond orchards dominate the southern portion of the Subbasin, cherry and walnut orchards dominate the central portion of the Subbasin, and vineyards dominate the northern portion (Figure 1-10). Irrigated crop acreage in the Subbasin are 37 percent fruit and nut trees, 24 percent vineyards, and 11 percent alfalfa and irrigated pasture, according to the 2015 CropScape dataset (USDA, 2015).

Figure 1-10: Land Use by Crop Type

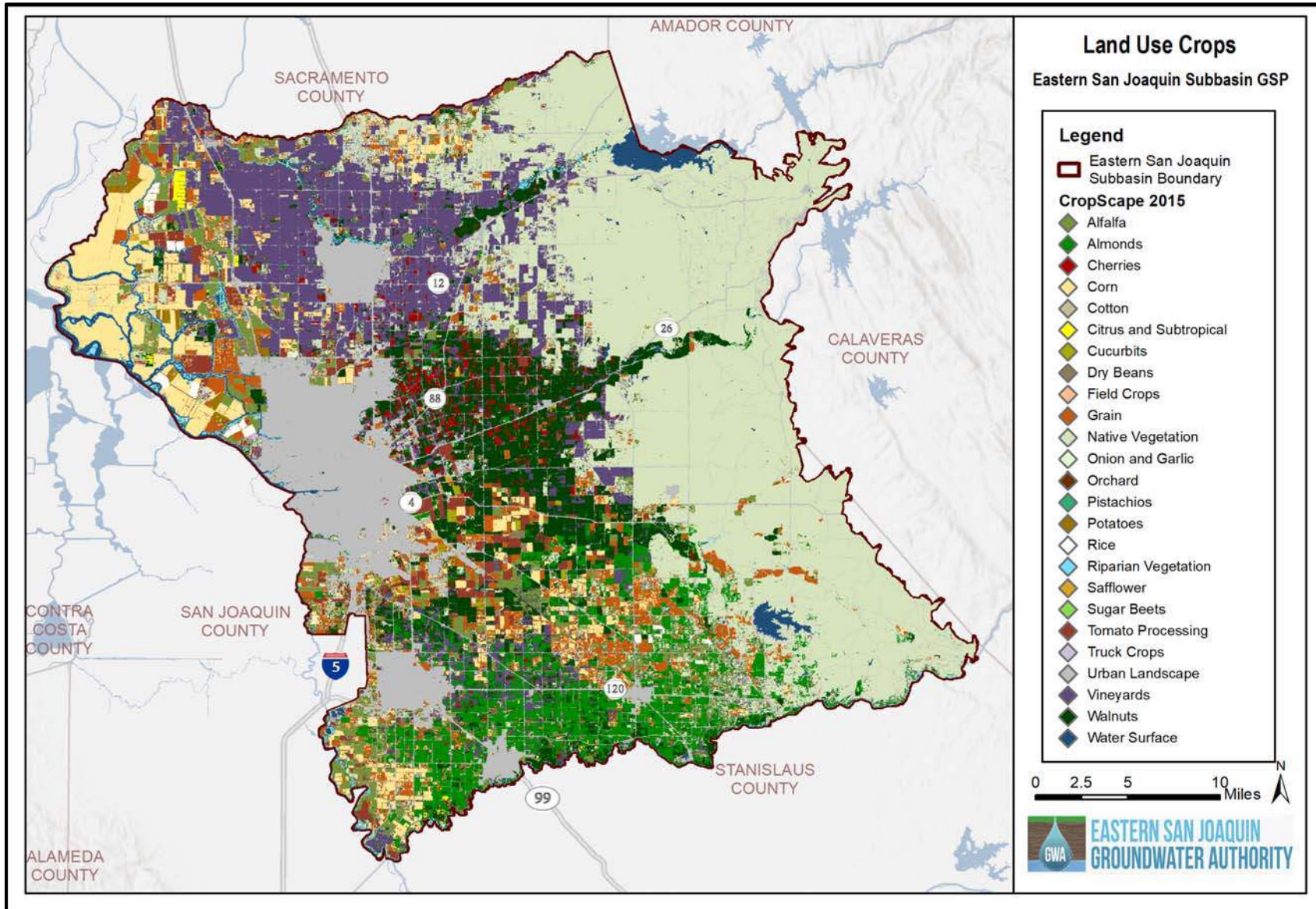


Figure 1-11 shows a map with boundaries of federal and state public lands within the region that includes the Eastern San Joaquin Subbasin. The United States Fish and Wildlife Service (USFWS) manages the San Joaquin River National Wildlife Refuge situated in Stanislaus County where the Tuolumne, Stanislaus, and San Joaquin rivers meet. Established in 1987 to provide habitat for migratory birds and endangered species, the refuge is 7,000 acres and is located just outside the southern boundary of the Subbasin (USFWS, 2012).

The California Department of Parks and Recreation (California State Parks, 2019) maintains the Caswell Memorial State Park located along the Stanislaus River near Ripon. The Caswell Memorial State Park protects a riparian oak woodland and is home to the riparian brush rabbit, an endangered species (California State Parks, 2019). This is the only state park within the Eastern San Joaquin Subbasin boundary. The Franks Tract State Recreation Area (SRA) and the Carnegie State Vehicular Recreation Area (SVRA) are also managed by California State Parks; however, both of these areas are located outside of the Subbasin boundary.

The California Department of Fish and Wildlife (CDFW) owns 880 acres of man-made ditches, canals, and marshes with both grassland and riparian habitat, recognized as the White Slough Wildlife Area. The property was designated by the Fish and Game Commission in 1980 and provides recreational opportunities such as fishing, hunting, and hiking (CDFW, 2019a). CDFW also maintains the 353-acre Woodbridge Ecological Reserve to protect primarily the sandhill crane population, but also other migratory waterfowl. The sandhill crane was listed as a threatened species in 1983. Woodbridge Ecological Reserve and the greater Stockton Delta wetlands make up the largest freshwater marsh in California (CDFW, 2019b). Lastly, Vernalis Ecological Reserve is also shown in Figure 1-11. It serves as a public access area owned by CDFW for hunting and wildlife viewing (CDFW, 2019c).

Figure 1-11: US Fish and Wildlife Service, California State Parks, and California Department of Fish and Wildlife Boundaries

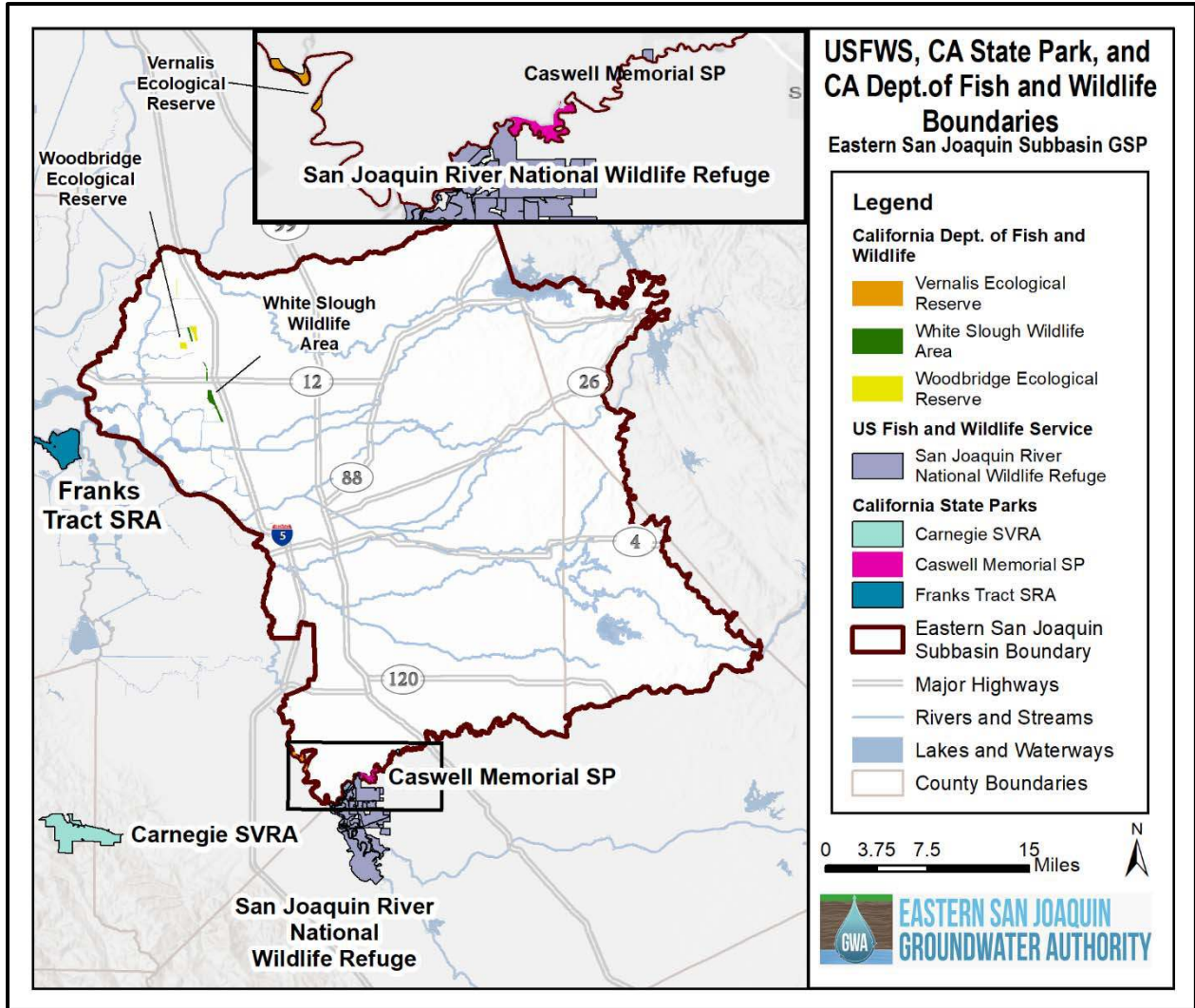


Figure 1-12 to Figure 1-14 shows the density of domestic, public, and production wells per square mile in the Eastern San Joaquin Subbasin, as classified by the DWR Online System for Well Completion Reports (OSWCR), which is discussed in Section 1.2.2.1. This includes approximately 1,000 unique wells collected primarily from DWR’s Water Data Library (WDL), but also other state, regional, and local monitoring entities. Though there are overlaps and discrepancies in the designation of wells, domestic wells are largely private residential wells, public wells are municipal-operated wells, and production wells are for irrigation, municipal, public, and industrial purposes (CA DWR, 2019). Areas with few wells exist in the Subbasin, particularly in the northwestern corner of the Subbasin and to the east. Wells containing groundwater level data are described further in Section 1.2.2.1. Community water systems, defined by the State Water Resources Control Board (SWRCB) as wells serving 15 or more connections or more than 25 people per day, are identified in Appendix 1-F.

Figure 1-12: Density of Domestic Wells per Square Mile

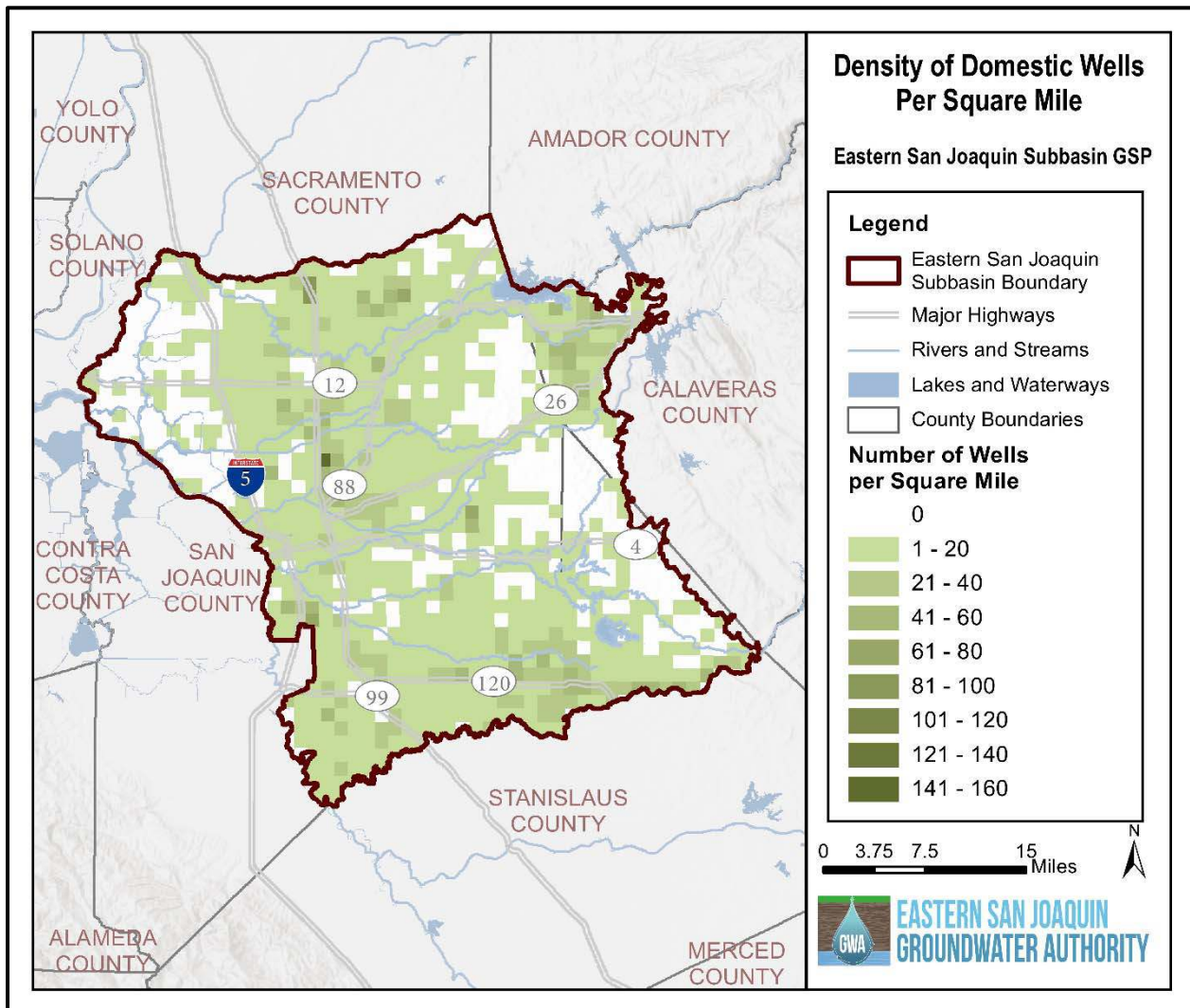


Figure 1-13: Density of Public Wells per Square Mile

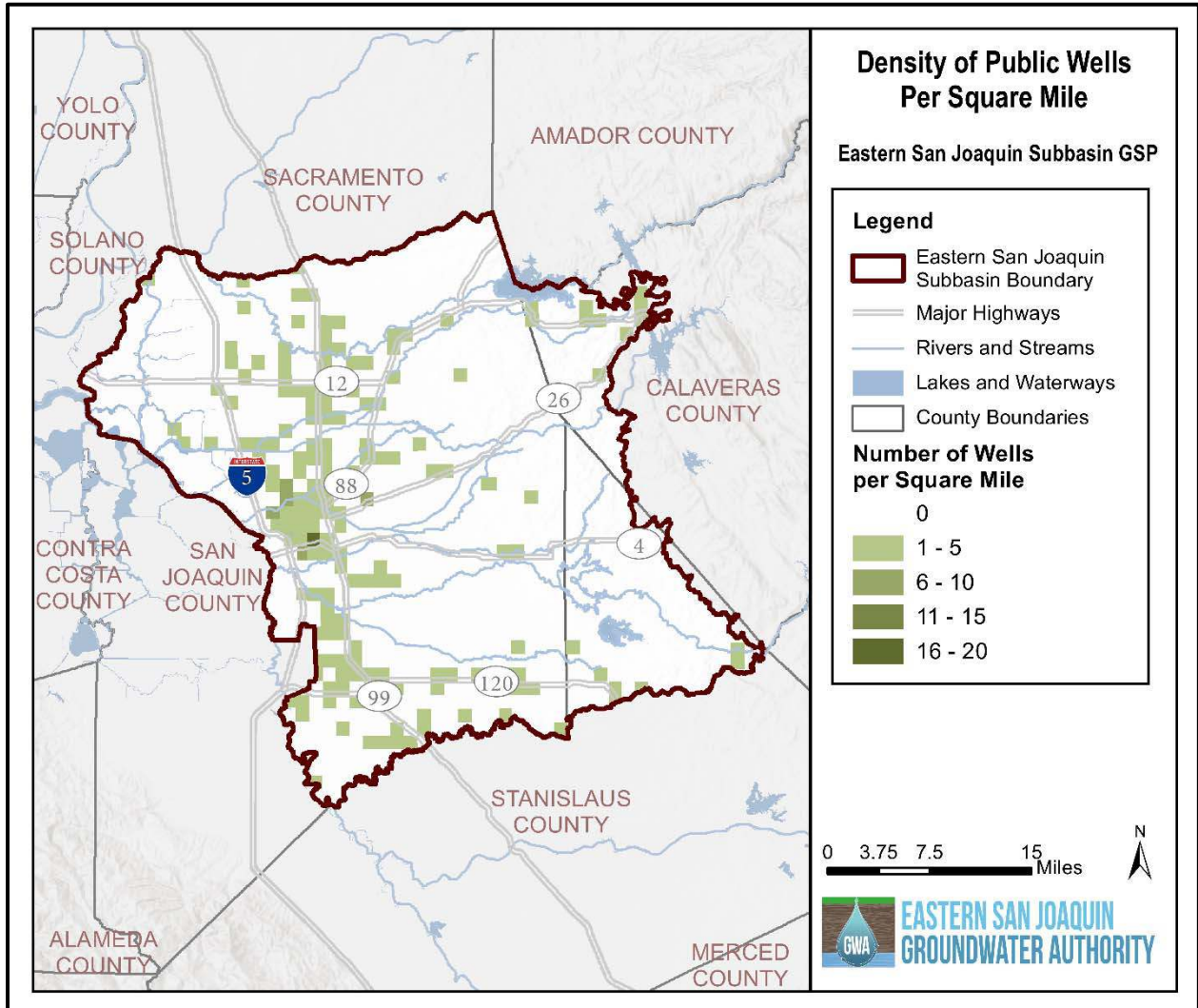
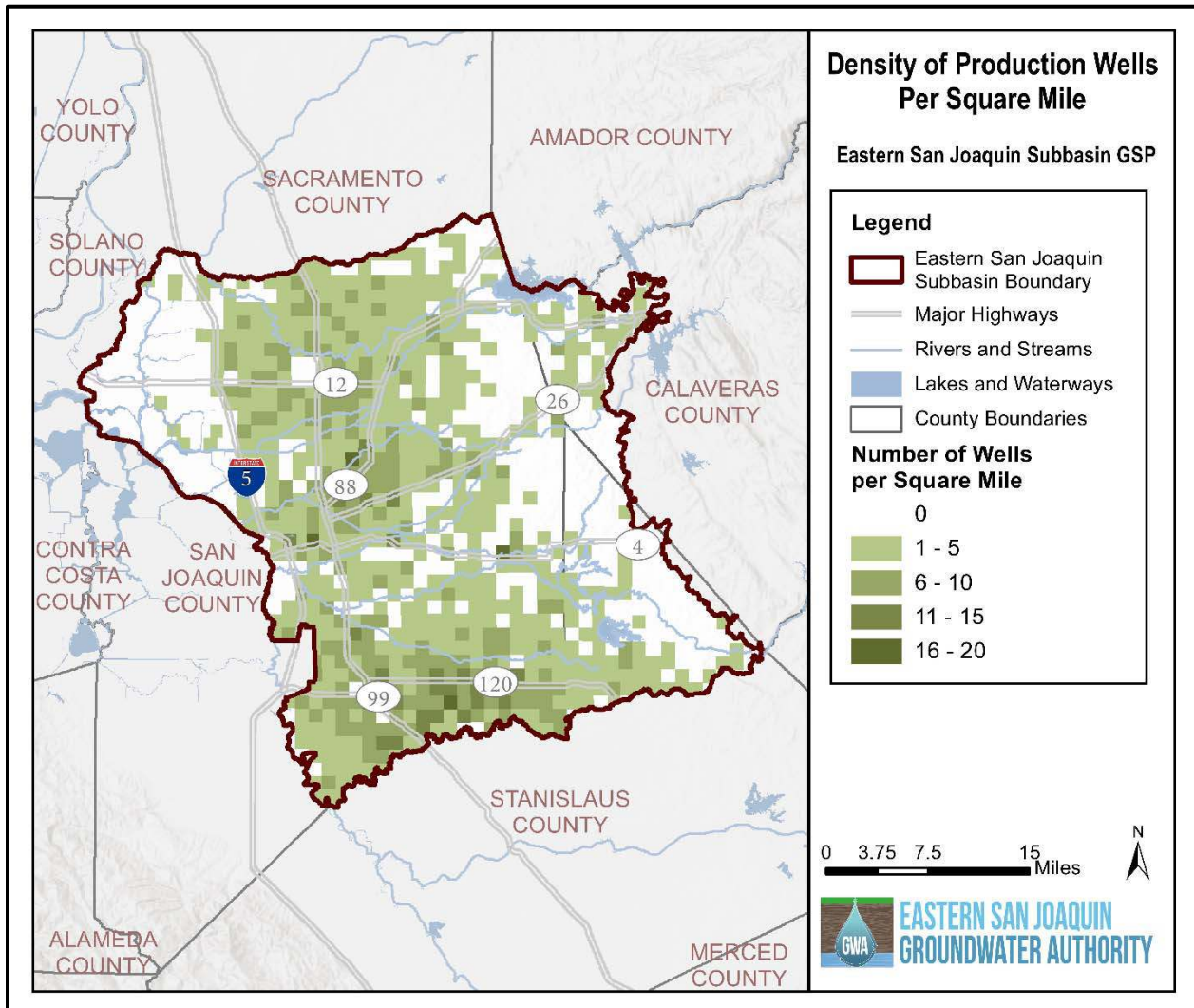


Figure 1-14: Density of Production Wells per Square Mile



1.2.2 Water Resources Monitoring and Management Programs

The existing monitoring and management landscape within the Eastern San Joaquin Subbasin is a patchwork of local, regional, state, and federal programs, each serving its own specific function. This patchwork provides valuable data that have supported past needs and will assist in meeting monitoring needs under SGMA. This patchwork of programs includes redundancies, inconsistent protocols, and inconsistent timing of monitoring that may be improved during SGMA implementation.

Existing monitoring within the Eastern San Joaquin Subbasin is extensive, complex, and performed for a variety of purposes by a variety of entities. During a review of existing groundwater monitoring data and programs, data were collected from the following agencies and programs. Programs and agencies are listed by the jurisdiction they operate across: statewide, regional, or local. The sections that follow describe in detail the programs most heavily relied upon in the development of the GSP and are organized by data type. Section 1.2.2.3 addresses the interconnection between databases.

Statewide Monitoring Programs (Agencies and Databases):

- California Data Exchange Center (CDEC)
- California Department of Pesticide Regulation (CDPR)
- California Environmental Data Exchange Network (CEDEN)
- California State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW)
- Department of Water Resources (DWR):
 - California Statewide Groundwater Elevation Monitoring (CASGEM)
 - California Statewide Groundwater Elevation Monitoring Groundwater Information Center Interactive Mapping Application (GICIMA)
 - Online System for Well Completion Reports (OSWCR)
 - Water Data Library (WDL)
- Groundwater Ambient Monitoring and Assessment (GAMA) Program
- GeoTracker
- University NAVSTAR Consortium (UNAVCO)
- United States Bureau of Reclamation (USBR)
- United States Geological Survey (USGS)

Regional Monitoring Programs:

- Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS)
- California Department of Public Health (CDPH)
- Central Valley Regional Water Quality Control Board (CVRWQCB) Waste Discharge Requirement (WDR) dairy data, Dairy Cares
- USGS's National Water Information System (NWIS)
- Central Valley Dairy Representative Monitoring Program
- EnviroStor
- Groundwater Quality Trend Monitoring Program through SWRCB Irrigated Lands Regulatory Program (ILRP)
- San Joaquin River Restoration Program

Local Monitoring Agencies

- Cal Water
- Calaveras County Water District

- City of Lodi
- City of Manteca
- City of Stockton
- Linden County Water District
- Lockeford Community Services District
- North San Joaquin Water Conservation District
- Oakdale Irrigation District
- San Joaquin County
- South San Joaquin Irrigation District
- Stockton East Water District

A description of the monitoring programs that will be used in GSP implementation is provided in Chapter 4: Monitoring Networks.

1.2.2.1 Groundwater Level Monitoring and Data Sources

1.2.2.1.1 CASGEM

DWR maintains several groundwater level monitoring programs, tools, and resources covering California. The California Statewide Groundwater Elevation Monitoring (CASGEM) Program is DWR's primary resource for groundwater level data and has been used extensively in the development of this GSP. The CASGEM Program was authorized in 2009 by SB X7-6 to establish collaboration between local monitoring parties and DWR to collect and make public statewide groundwater elevation data. The program provides the framework for local agencies or other organizations to "assume responsibility for monitoring and reporting groundwater elevations in all or part of a basin or subbasin" (Water Code §10927). Three CASGEM monitoring entities exist in the Eastern San Joaquin Subbasin: CCWD, San Joaquin County Flood Control and Water Conservation District (SJCFCWCD), and Stanislaus County. These three agencies have completed separate CASGEM Monitoring Plans, which are included in the references section.

- **CCWD CASGEM Monitoring Plan:** CCWD adopted a CASGEM Monitoring Plan in November 2012, with the following objectives:
 - Collect semi-annual groundwater levels from a selected monitoring well network
 - Upload groundwater levels to the CASGEM website after data quality steps have been completed
 - Maintain and update the monitoring well network plan documents including additions and removals from the monitoring network

These objectives are helpful to this planning effort, as they include regular monitoring of groundwater levels and data upload to CASGEM. The CCWD plan also includes a description of the CASGEM monitoring network and groundwater level measurements. The monitoring network includes two USGS nested monitoring wells equipped with pressure transducers, which continuously monitor groundwater levels. The monitoring network also includes seven other wells that are not USGS wells. These wells are not equipped with pressure transducers, and manual groundwater elevation measurements are taken at all wells twice a year. As stated

in the CCWD CASGEM plan, the non-USGS wells are owned by private landowners, and additional wells may need to be added in the future if owners opt out of the monitoring network (CCWD, 2012). This monitoring network covers the portion of Calaveras County within the Eastern San Joaquin Subbasin.

- **SJCFCWCD CASGEM Monitoring Plan:** The SJCFCWCD CASGEM Monitoring Plan provides a description of the CASGEM monitoring network and groundwater conditions in San Joaquin County. This plan covers the portions of the Eastern San Joaquin and Tracy Subbasins within San Joaquin County. The SJCFCWCD has been taking semi-annual water level measurements since 1971 at wells owned by a variety of entities and by private individuals. A large portion of wells in the district's network are privately owned (SJCFCWCD, 2006). SJCFCWCD sent out consent forms to these private well owners to release well information to CASGEM; about 40 of these forms were signed and returned, and construction information for these wells was uploaded to CASGEM. This information includes attributes such as well depth, coordinates, reference point elevation, and depth of screened interval.
- **Stanislaus County CASGEM Monitoring Plan:** The Stanislaus County Department of Environmental Resources (DER) established a CASGEM monitoring plan in 2016 to cover the portion of Stanislaus County within the Eastern San Joaquin Subbasin, often referred to as the northern triangle. This plan details the groundwater level monitoring history, protocols, and network for the northern triangle portion of Stanislaus County. This area is rural and most of the development exists between the Stanislaus River and near the Woodward Reservoir. Wells selected for the CASGEM program are in the developed areas. 17 wells are included in this CASGEM plan to be measured semi-annually, consisting of one domestic and ten irrigation wells, plus six wells that are of unknown type. Well information such as depth and screened interval was uploaded to CASGEM for these wells (Stanislaus County DER, 2016).

1.2.2.1.2 San Joaquin County Flood Control and Water Conservation District

The SJCFCWCD publishes semi-annual groundwater reports covering groundwater conditions in San Joaquin County. These reports include tables, hydrographs, and maps on groundwater levels. Groundwater level results from each semi-annual report are compared with values from the previous period. Groundwater level data collected by the district include the data mentioned in the CASGEM section, above, and additional data that are not incorporated into CASGEM. The data are maintained by the SJCFCWCD.

1.2.2.1.3 Water Data Library

DWR's WDL contains measurements of groundwater elevations from water supply and monitoring wells monitored by numerous entities, such as DWR and local agencies. Groundwater level measurements available from the WDL are either continuously or periodically measured. Continuous measurements are provided by automatic water level measuring devices that take readings at wells; periodic measurements are manual recordings typically occurring at monthly or semi-annual time intervals. Measurements displayed through the WDL are taken through other programs, such as CASGEM. The WDL lists the organization responsible for collecting each water level measurement. The WDL water level measurements are available through the California Natural Resources Agency (CNRA) Open Data website as a bulk download, or through the WDL website on a per station basis.

1.2.2.1.4 USGS – National Water Information System

The NWIS is a USGS program comprising several water datasets, including groundwater level measurements, river flow, and river stage data. Like the WDL, NWIS contains continuous and periodic water measurements for recent and historical conditions. Within the Eastern San Joaquin Subbasin, there are only a few active NWIS sites and many inactive sites with historical records. For stream measurements, active sites are largely along major streams, such as the Mokelumne River, the Stanislaus River, and the San Joaquin River; along Delta waterways; or in the Sierra Nevada foothills, upstream of reservoirs.

1.2.2.1.5 Data Received Directly from GSAs

A number of the GSAs collect water level and water quality information within their GSAs of varying frequencies and detail. These data were provided as part of the Eastern San Joaquin Water Resources Model (ESJWRM) data collection effort and were compared with and included in groundwater level and water quality datasets analyzed for the preparation of this GSP.

The development of the ESJWRM took place in an open and transparent process. Coordination efforts took place through the Eastern San Joaquin County GBA, the organizational structure for agency coordination that preceded SGMA regulations and the formation of the ESJGWA. Through this effort, many of the staff and consultants representing GSAs forming the ESJGWA, participated in a prior group through the GBA, which acted as a forum to review model input data and assumptions. The group facilitated major modeling decisions and provided input data, including groundwater pumping records, surface water delivery records, urban demand, and local water levels and quality data.

Local agencies with consistent representation in meetings related to the development of the ESJWRM included San Joaquin County, WID, City of Lodi, NSJWCD, LCSD, CCWD, City of Stockton, Cal Water, SEWD, City of Lathrop, City of Manteca, SSJID, City of Escalon, OID, and Stanislaus County. Other agencies contributed local data to information collection efforts later in the GSP development process.

Online System for Well Completion Reports – The OSWCR is a DWR program used to document and compile boring or well completion records throughout California. There are as many as 2 million domestic, irrigation, and monitoring water wells in California included in this dataset, including approximately 10,000 domestic wells located in the Eastern San Joaquin Subbasin. When a well is constructed, modified, or destroyed, drilling contractors are required to submit a Well Completion Report to DWR for upload to the interactive OSWCR web site. OSWCR is used as a data source for wells identified for monitoring. In this GSP, the OSWCR database was used to describe the Plan area and identify sustainable management criteria.

1.2.2.2 Groundwater Quality Monitoring and Data Sources

1.2.2.2.1 Groundwater Ambient Monitoring and Assessment Program

The GAMA Program is an extensive groundwater quality monitoring program that was established by the SWRCB in 2000. The program compiles groundwater quality data from several agencies including the DWR, USGS, Department of Pesticide Regulations (DPR), Lawrence Livermore National Laboratory (LLNL), and others. Agencies submit data from monitoring wells for 258 constituents including total dissolved solids (TDS), nitrates and nitrites, arsenic, and manganese. GAMA data for the Eastern San Joaquin Subbasin contains water quality results collected by the SWRCB-DDW (formerly DHS-DDW), DPR, DWR, LLNL, and USGS from the 1940s to present. Figure 2-3 in Chapter 2: Basin Setting shows the GAMA well locations throughout the Eastern San Joaquin Subbasin, roughly 6,800 monitoring points.

1.2.2.2.2 Water Data Library

DWR's WDL contains groundwater quality data in addition to the groundwater level records described previously. This information includes data from discrete groundwater quality samples collected by DWR and other cooperating entities. These water quality data list the entity responsible for taking the sample but do not specify what program the sample was taken under. The WDL water quality measurements are available through the CNRA Open Data website as a bulk download, or through the WDL website on a per-station basis. WDL water quality measurements in this GSP are utilized for basin characterization but are acquired from the other programs.

1.2.2.2.3 National Water Information System

The USGS NWIS contains groundwater quality data, in addition to the groundwater level measurements previously discussed. Groundwater quality results in NWIS relate to GAMA records, but there is no direct link between the two

databases. Some NWIS sites have a State ID listed, which is a common identifier used for wells. This indicates these wells can be connected to other databases using the State ID information. However, differences in the format of the State ID between NWIS and other databases create challenges in cross referencing between databases. In this GSP, NWIS water quality measurements are utilized for basin characterization but are acquired from the other programs.

1.2.2.2.4 Division of Drinking Water

The SWRCB DDW monitors public water system wells for Title 22 requirements such as organic and inorganic compounds, metals, microbial, and radiological analytes. Data are available for active and inactive drinking water sources for water systems that serve the public – defined as wells serving 15 or more connections or more than 25 people per day. Data are electronically transferred from certified laboratories to DDW daily. Data generated from this program are used for regulatory compliance by water purveyors and become part of Consumer Confidence Reports (CCR) and GAMA.

1.2.2.2.5 GeoTracker

GeoTracker, operated by the SWRCB, contains records for sites that require cleanup, such as leaking underground storage tank sites, Department of Defense sites, and cleanup program sites. GeoTracker also contains records for various unregulated projects as well as permitted facilities including: ILRP, future CV-SALTS, oil and gas production, operating permitted underground storage tanks, and land disposal sites. GeoTracker receives records and data from SWRCB programs and other monitoring agencies.

1.2.2.2.6 Irrigated Lands Regulatory Program

The Irrigated Lands Regulatory Program (ILRP) is a program established by the CVRWQCB focused on monitoring and regulating the concentration of pesticides, toxicity, and nutrients (such as TDS and nitrates) in surface and groundwater. General orders under the ILRP require agricultural users in the Central Valley to prevent sediment, fertilizer, pesticides, manure, and other materials used in farming from leaving the field in irrigation or stormwater and entering surface waters or leaching below the root zone to groundwater. Agricultural users biannually sample and submit data for irrigation and domestic wells. As part of the ILRP, the San Joaquin County & Delta Water Quality Coalition members monitor drinking water wells on enrolled parcels for nitrates. This requirement began January 1, 2019, based on the February 7, 2018 revision of ILRP WDR (Order) for the Eastern San Joaquin River Watershed by the SWRCB. The ILRP program is in the process of developing a comprehensive monitoring network for future use to address the ILRP data objectives. The San Joaquin County & Delta Water Quality Coalition members also monitor domestic wells for nitrate in high vulnerability areas.

1.2.2.2.7 Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS)

The Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) program was launched by the CVRWQCB in 2006 in an effort to develop sustainable salinity and nitrate management plans and solutions to the salinity problem in the Central Valley. CV-SALTS is a coalition of agricultural, business, and industry parties along with local, regional, and state governments which facilitate and fund efficient management systems of salinity, technical studies, and the 2017 Final Salt and Nitrate Management Plan (SNMP). The 2017 SNMP was developed based on a detailed water quality analysis conducted for salinity (represented by TDS) and nitrates using measurements from wells across multiple agencies from 2000-2016. Appendices to the SNMP and supporting documents contain summary information about these constituents by Subbasin, including Eastern San Joaquin. Basin Plan Amendments identify specific actions and recommendations for individual basins in the Central Valley. Efforts are underway to implement a salinity monitoring program and the CV-SALTS program will likely require monitoring and data submittal.

1.2.2.3 Interconnection of Databases

Several of the databases discussed above utilize the same water level or water quality data. These records often specify the monitoring entity responsible for the measurement. Although these data overlap between databases, the correlation between databases is not specified. For example, water level data in the WDL are also in CASGEM, but this link is not mentioned in WDL records. This lack of connection poses problems for gathering water level and quality data in the Eastern San Joaquin Subbasin and throughout California. For instance, if certain water level data are gathered through CASGEM but not uploaded to NWIS, users who gather water level measurements through NWIS would miss the CASGEM data. Efforts have been made in the development of this Plan to overcome the issue related to overlap and poor correlation between databases, but the issue remains. It is recommended that agencies work together to utilize a common unique identifier to ease use of multiple datasets.

1.2.2.4 Land Subsidence Monitoring

Subsidence monitoring is performed using continuous global positioning system (CGPS) stations.

UNAVCO's Plate Boundary Observatory Program – Reporting since 2004, the UNAVCO (formerly University Navigation Satellite Timing and Ranging or NAVSTAR Consortium) Plate Boundary Observatory network consists of a network of about 1,100 continuous global positioning system (CGPS) and meteorology stations in the western United States to measure deformation resulting from the constant motion of the Pacific and North American tectonic plates in the western United States. Stations located within the Subbasin contain data from at least 2006 to current and include station P309 located east of Linden and station P273 located west of Lodi. Other stations are also available in nearby Subbasins.

Subsidence analyses have also been conducted using satellite-based methods over limited time periods, as described below.

United States Geological Survey – The USGS report *Land Subsidence along the Delta-Mendota Canal in the Northern Part of the San Joaquin Valley, California, 2003-10* (Sneed et al., 2013) presents land subsidence data in the southwestern portion of the Eastern San Joaquin Subbasin from 2007 to 2010. Data for about 100 square miles of the Subbasin were recorded using Interferometric Synthetic Aperture Radar (InSAR) processing, a satellite-based remote sensing technique that can detect ground-surface deformation. Two InSAR techniques were used: conventional InSAR and persistent scatter (PS) InSAR. Both sources of data were collected from the Japanese Aerospace Exploration Agency's Advanced Land Observing Satellite.

Other – DWR has made two InSAR datasets available for SGMA application: TRE Altamira InSAR point and raster data and NASA JPL raster data. Vertical displacement approximations in both datasets are collected by the European Space Agency's Sentinel-1A satellite. The two different datasets represent two different processing results, one by TRE Altamira Inc. and one by NASA JPL. The TRE Altamira data have coverage between January 2015 and June 2018. Both annual and total raster datasets from TRE Altamira are available and represent interpolations of the vertical displacement point features. The NASA JPL processed dataset spans Spring of 2015 to Summer of 2017 (CA DWR, 2019). The TRE Altamira dataset is mapped in Figure 2-64 and discussed in Section 2.2.5.

1.2.2.5 Groundwater Storage Monitoring

There are no existing programs that conduct regular monitoring specific to groundwater storage in the Eastern San Joaquin Subbasin. The ESJWRM historical model was used to generate estimates for historical groundwater storage based on a series of inputs including historical groundwater elevation data. The ESJWRM generated estimates for current and projected volumes of groundwater in storage based on assumptions for how future conditions may change relative to historical conditions.

1.2.2.6 Interconnected Surface Water Monitoring

There are no existing programs that conduct regular monitoring specific to the interconnection of surface water to groundwater in the Eastern San Joaquin Subbasin. However, surface water monitoring and groundwater level monitoring will be integrated to characterize spatial and temporal exchanges between surface water and groundwater and to estimate potential depletions of surface water caused by groundwater extractions. Additional information on how the depletions monitoring network was developed, monitoring frequency, and summary protocols is provided in Chapter 4: Monitoring Networks. Sources of groundwater level data are described in Section 1.2.2.1. Surface water data on stream flows and levels from stream gages are available from the USGS, CDEC, and local agencies.

1.2.2.7 Existing Water Management Programs and Plans

The subsections below contain descriptions of existing water management programs and plans, including Integrated Regional Water Management Plans (IRWMPs), Agricultural Water Management Plans (AWMPs), and Urban Water Management Plans (UWMPs) that apply to the Eastern San Joaquin Subbasin.

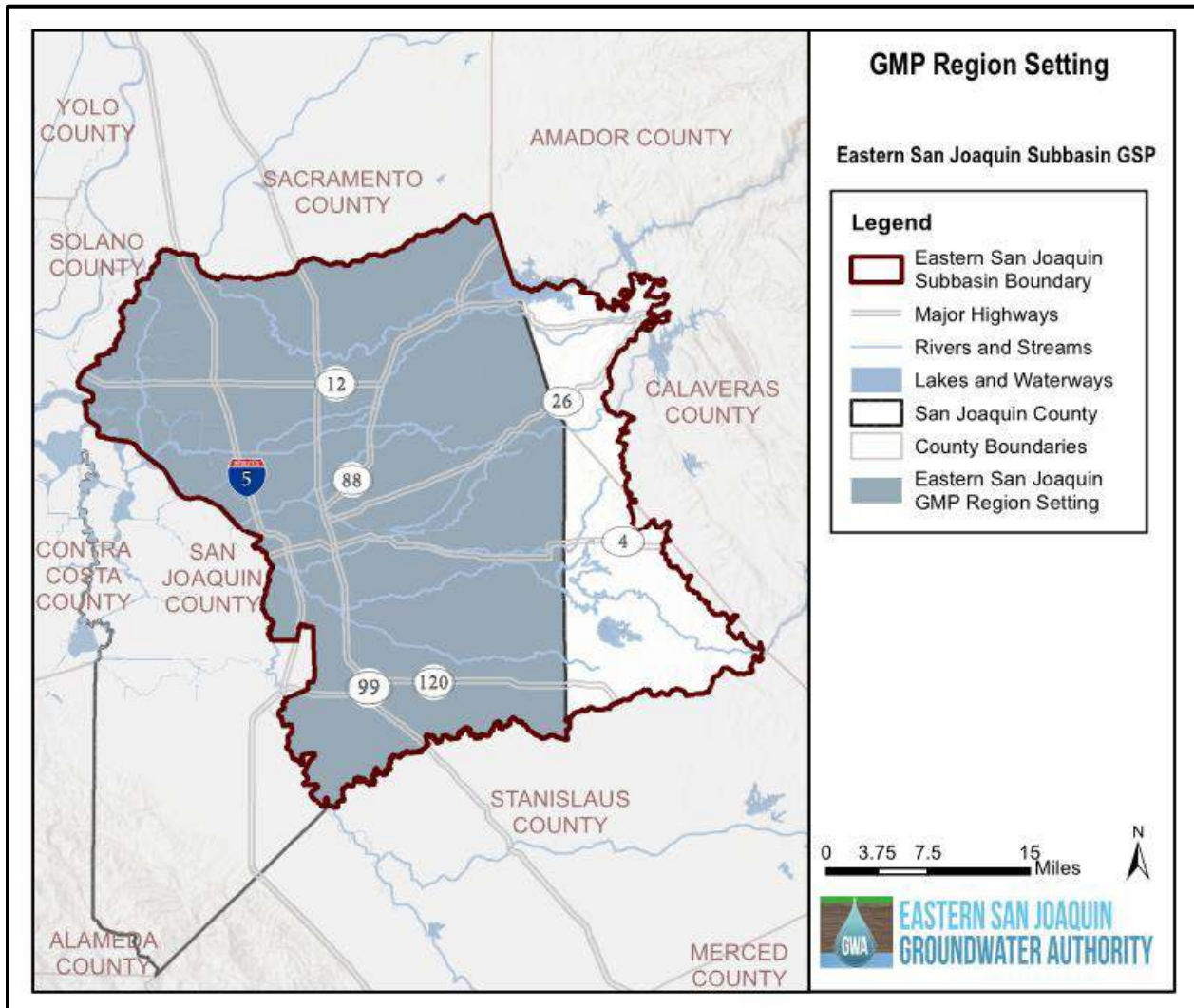
1.2.2.7.1 Groundwater Management Plan

The Eastern San Joaquin Groundwater Basin Groundwater Management Plan (GMP), developed by the Northeastern San Joaquin County Groundwater Banking Authority in September 2004, was a collaborative effort between local water interests with historically diverse viewpoints to reinforce local control and provide direction for the sustainable development of groundwater resources. The GMP covers a geographic region that includes the entire Eastern San Joaquin Subbasin that falls within San Joaquin County but excludes portions within Calaveras and Stanislaus counties to the east. The GMP boundaries are generally defined by the San Joaquin County line to the east, the San Joaquin River to the west, Dry Creek to the north, and the Stanislaus River to the south. A map of the Eastern San Joaquin GMP Region is shown in Figure 1-15.

The 2004 GMP provides valuable resources related to potential concepts, projects, and monitoring strategies that are leveraged in this GSP (Northeastern San Joaquin County Groundwater Banking Authority, 2004). The following management objectives will influence implementation of the GSP:

- Maintain or enhance groundwater elevations to meet the long-term needs of groundwater users within the Groundwater Management Area
- Maintain or enhance groundwater quality underlying the Basin to meet the long-term needs of groundwater users within the Groundwater Management Area
- Minimize impacts to surface water quality and flow due to continued Basin overdraft and planned conjunctive use
- Prevent inelastic land subsidence due to continued groundwater overdraft

Figure 1-15: Eastern San Joaquin GMP Region Setting



1.2.2.7.2 Integrated Regional Water Management Plan

The Eastern San Joaquin Integrated Regional Water Management Plan (Eastern San Joaquin IRWMP) is a collaborative regional planning document that was published in June 2014. The IRWMP defines and integrates key water management strategies to establish protocols and courses of action to implement the Eastern San Joaquin Integrated Conjunctive Use Program (ICU Program). The ICU Program was designed to implement a comprehensive, prioritized set of projects and management actions to meet adopted Best Management Objectives, moving the Eastern San Joaquin County Region toward the goal of sustainable and reliable water supplies (Eastern San Joaquin County GBA, 2014).

The following 2014 IRWMP objectives related to groundwater use would potentially influence implementation of the GSP:

- Minimize adverse impacts to agriculture, communities, and the environment
- Maximize efficiency and beneficial use of supplies

- Protect and enhance water rights and supplies

An update to the 2014 IRWMP is currently underway.

1.2.2.7.3 Mokelumne Interregional Sustainability Program Report

The Mokelumne Watershed Interregional Sustainability Evaluation (MokeWISE) was formed following efforts made by the Mokelumne River Forum over seven years by a diverse set of stakeholders in the Upper and Lower Mokelumne River watersheds, with the objective to develop and evaluate alternatives to optimize water resources management within the Mokelumne-Amador-Calaveras (MAC) and Eastern San Joaquin IRWM planning regions. The plan offers a bi-regional approach by bringing together stakeholders, and it brings together the interregional sections of two IRWM regions identified as the Mokelumne River Forum (San Joaquin GBA, 2015).

The following MokeWISE objectives related to groundwater use would potentially influence implementation of the GSP:

- Groundwater is not considered a viable additional source in Amador and Calaveras counties
- The Eastern San Joaquin Subbasin is considered critically overdrafted
- Groundwater is not considered a viable additional supply source in Amador and Calaveras counties due to low yield, unreliability, age of groundwater, and limited storage options, although conjunctive use and recharge opportunities may be available

1.2.2.7.4 Agricultural Water Management Plans

AWMPs were developed and adopted by OID, SEWD, SSJID, and WID in 2015 in compliance with SB X7-7 of 2009, which requires certain agricultural water suppliers to prepare an AWMP and implement Efficient Water Management Practices (EWMPs). The Critical EWMPs include:

- Measure the volume of water delivered to customers with sufficient accuracy to comply with requirements of the Water Code
- Adopt a pricing structure based at least in part on quantity delivered (Volumetric Pricing)

Applicable Conditional EWMPs that have the benefit of less applied water or increasing system efficiency include:

- Facilitate alternative land use for lands with exceptionally high water duties
- Facilitate use of available recycled water
- Facilitate financing of capital improvements for on-farm irrigation systems
- Implement an incentive pricing structure that promotes one or more of the goals identified in the Water Code
- Expand line or distribution systems, construct regulating reservoirs to increase distribution system flexibility and capacity, decrease maintenance, and reduce seepage
- Increase flexibility in water ordering by, and delivery to, water customers within operational limits
- Construct and operate supplier spill and tailwater recovery systems
- Increase planned conjunctive use of surface water and groundwater
- Automate canal control structures

- Facilitate or promote customer pump testing and evaluation
- Designate a water conservation coordinator who will develop and implement the water management plan and prepare progress reports
- Provide for the availability of water management services to water users
- Evaluate the policies of agencies that provide the supplier with water to identify the potential for institutional changes to allow more flexible water deliveries and storage
- Evaluate and improve the efficiencies of the supplier's pumps

The 2015 AWMPs provide a framework of management practices to help meet water management goals that align with the goals of the Eastern San Joaquin GSP.

1.2.2.7.5 Urban Water Management Plans

UWMPs were developed by Cal Water, CCWD, City of Lodi, City of Manteca, City of Ripon, City of Stockton, SSJID, and SEWD, according to requirements of the Water Code.

Agencies acting as GSAs use the following actions to encourage conservation and efficient use of water:

- Water waste prohibition ordinances
- Metered distribution systems
- Tiered water rates and conservation pricing
- Public education and outreach efforts
- Water conservation program coordination and staffing support
- Free residential plumbing retrofit devices
- Washing machine rebate program

1.2.2.8 Canal Diversions and Seepage

Canal seepage in the Eastern San Joaquin Subbasin is tracked on a district-by-district basis. All of the major irrigation districts utilize a combination of natural watercourses, canals, and pipelines to distribute surface water diversions to their customers.

OID diverts water from the Stanislaus River at Goodwin Reservoir through the Joint Main Canal on the north side and the South Main Canal on the south side. Approximately 330 miles of laterals carry water to landowners off of the main canals. While the entire lateral system historically consisted of open, unlined ditches, 100 miles of the laterals have been converted to pipelines; 105 miles are open, concrete-lined ditches; and the rest remain unlined. Approximately 40 percent of the OID service area is within the Eastern San Joaquin Subbasin. According to the district-wide water balance developed by OID as part of the 2015 Agricultural Water Management Plan, canal seepage is calculated to be 33,746 AF on average in wet years and 37,647 AF in dry years. Drain seepage is estimated to be 5,579 AF and 6,219 AF for wet and dry years, respectively. Deep percolation of applied water contributes about 27,474 AF of recharge on average overall. Within OID, approximately 44 percent of all recharge is due to canal seepage, and an additional 33 percent of all recharge is due to deep percolation of applied water (OID, 2015).

In SSJID, similarly, the primary source of recharge in the groundwater system is conveyance seepage and deep percolation of applied water. SSJID diverts from the Stanislaus River initially and then sends the water through a system of lateral canals to its customers. Like OID, the entire system was open and unlined, but over time it has been slowly concrete lined and replaced with buried pipelines. By 2015, SSJID used 312 miles of piped laterals and 38 miles of concrete-lined ditches. The 18 miles of the Main Distribution Canal is the only unlined portion. Recharge from canal seepage and deep percolation are estimated to be 144,000 AF/year, with 34 percent of total recharge from canal seepage and 66 percent from deep percolation (SSJID, 2015a).

SEWD uses two unlined canal systems to deliver water from the Stanislaus River: Upper Farmington Canal and Lower Farmington Canal. SEWD also uses natural watercourses to distribute their water, such as rivers, creeks, and sloughs. SEWD's two canals are estimated to lose about 5 percent of their flow to seepage, and natural water courses within the district may lose as much as 40 percent of their flow to seepage during the irrigation/delivery season. CSJWCD also uses the Upper Farmington Canal for distribution, as well as natural watercourses within its boundaries. SEWD estimates that 26,000 AF overall is recharged through canal and natural watercourse seepage within district boundaries for an average year (SEWD, 2015).

Historically, WID has also made efforts to improve the efficiency of the delivery infrastructure it maintains. Water for WID is diverted from the Mokelumne River and from the Delta at the end of Beaver Slough. In 2015, WID had about 100 miles of lined and unlined canals, and pipelines. Approximately 60,000 AF/year of Mokelumne River water is recharged through deep percolation and in-lieu recharge in WID. To address these losses, the District has imposed a \$2 per acre fee on land benefiting from the use of unlined portions of the canal network (WID, 2016).

Canal seepage, generally considered a loss to districts in the short term, provides groundwater recharge and has played and will continue to play a crucial role in the long-term sustainability of groundwater resources in the Eastern San Joaquin Subbasin.

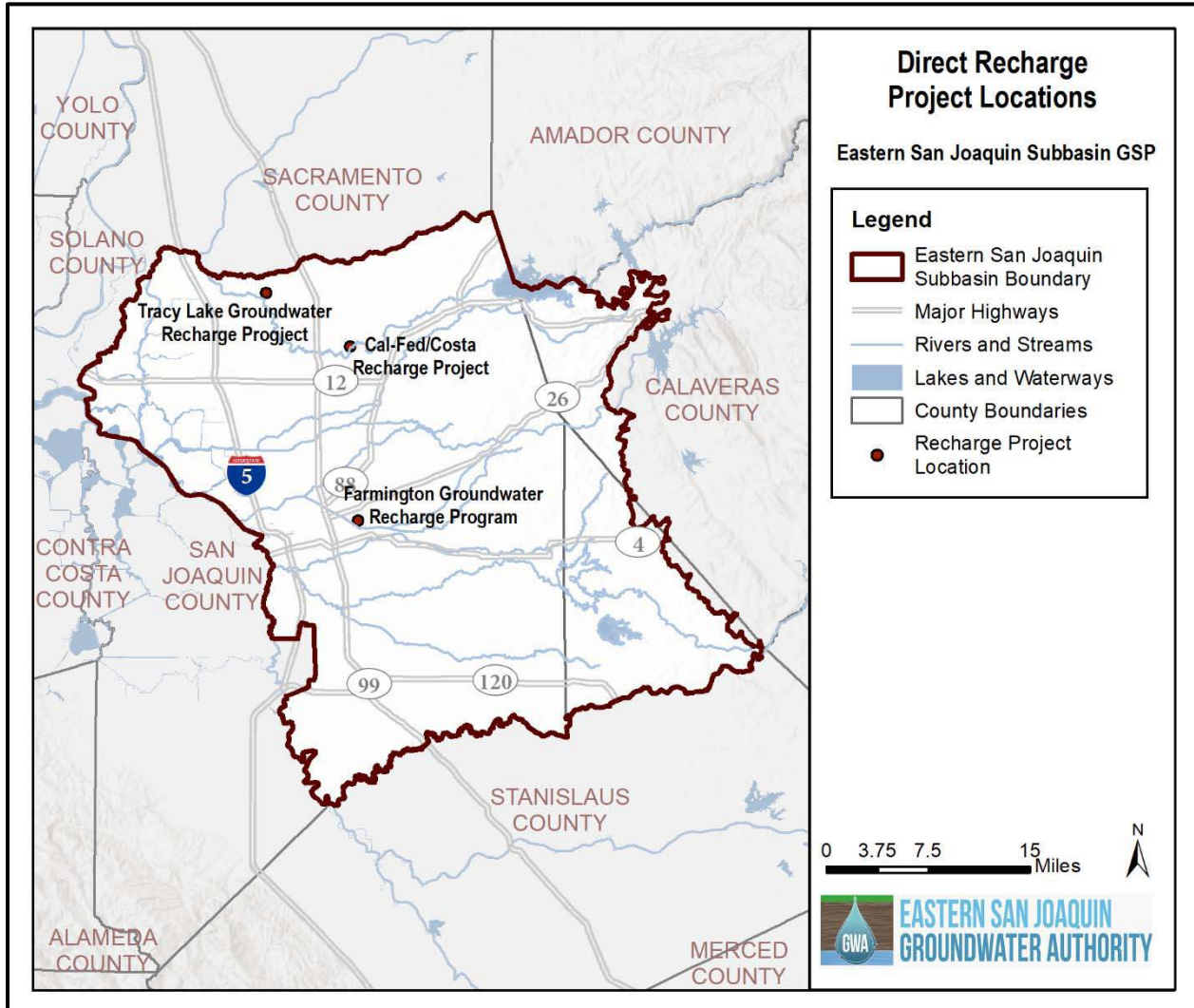
1.2.2.9 Conjunctive Use Programs

Conjunctive use is the use of surface water to allow the Subbasin to recharge and store additional water supply, either through in-lieu use or direct recharge. This section describes conjunctive use programs in the Eastern San Joaquin Subbasin, including both in-lieu recharge and direct recharge projects.

In-lieu recharge occurs for both agricultural and municipal purposes wherever surface water is being delivered to offset the use of groundwater. Agencies conducting in-lieu recharge include CCWD, City of Lodi, City of Manteca, City of Stockton, CSJWCD, OID, SEWD, SSJID, and WID. Riparian users of surface water are also benefitting from in-lieu recharge.

Direct recharge projects exist in NSJWCD and SEWD, as shown below in Figure 1-16. NSJWCD's Tracy Lake Groundwater Recharge Project includes direct recharge of 500 to 1,000 AF/year by placing surface water in the bed of South Tracy Lake to allow for percolation. The Cal-Fed/Costa Recharge project includes direct recharge of about 300 AF/year by flooding about 20 acres of vineyards post-harvest. NSJWCD is in the process of looking to expand all of these programs and add additional in-lieu and direct recharge projects in its service area. SEWD's Farmington Groundwater Recharge Program was developed in 2001 with a conceptual plan to recharge surface water via field flooding on about 1,200 acres. SEWD has operated a 60-acre recharge site since 2003 as a result of the Farmington Program with additional 73 acres coming online in 2019. The observed recharge amount ranges from 2,800 AF/year to 5,800 AF/year with an average of 4,400 AF/year for a total recharge volume of about 65,000 AF since the inception of the project. SEWD also has several wells to pump some of this recharged water for municipal supply during especially dry years.

Figure 1-16: Locations of Existing Groundwater Recharge Projects



1.2.3 Land Use Elements or Topic Categories of Applicable General Plans

1.2.3.1 General Plans in the Plan Area

San Joaquin County has jurisdiction over land use planning for the majority of the surface area of the Subbasin. Stanislaus County, Calaveras County, and the incorporated cities of Stockton, Manteca, Lodi, Ripon, and Escalon make up the remaining area. Implementation of the Eastern San Joaquin GSP may be affected by the policies and regulations outlined in the San Joaquin County General Plan, as well as the General Plans for the five cities, given that the long-term land use planning decisions that would affect the Subbasin are under the jurisdiction of the counties and respective cities.

This section describes how implementation of the various General Plans may change water demands in the Subbasin, how the General Plans may influence the GSP's ability to achieve sustainable groundwater use, and how the GSP may affect implementation of General Plan land use policies. Policies outlined in the General Plans that will potentially influence implementation of the GSP are discussed below and listed in Appendix 1-E.

1.2.3.1.1 San Joaquin County General Plan

The San Joaquin County General Plan describes the official county “blueprint” on the location of future land use, type of development encouraged, and decisions regarding resource conservation. Stakeholder input informed the development of the county’s vision and guiding principles, which represent the county’s core values and establish benchmarks for the General Plan’s goals and policies. The General Plan encourages preservation of the San Joaquin County’s groundwater resources and states that future urban and agricultural growth should occur within the sustainable capacity of these resources (SJC, 2016b).

1.2.3.1.2 Calaveras County General Plan

The Calaveras County General Plan has provided a framework for growth and development in Calaveras County. The Calaveras County General Plan was developed in 1996 in collaboration with local stakeholders and policymakers to understand the challenges facing the community and to enact a common vision for the future. The Calaveras County Planning Commission has been working since 2008 to revise the General Plan, which is now more than 20 years old.

The Calaveras County General Plan recognizes that water is a limited and valuable resource and that the region is experiencing localized problems with both water supply and quality. To mitigate these issues, the General Plan delineates policies and goals that promote sustainable water resources management in the region (Calaveras County, 1996).

1.2.3.1.3 Stanislaus County General Plan

The Stanislaus County General Plan provides a comprehensive, long-term plan to guide development within the Stanislaus County boundaries through 2035. The General Plan was updated and adopted in 2016 to reflect the evolving conditions of the region. While Stanislaus County’s economic base remains predominantly agricultural, the county’s land use and economy continue to diversify in response to increased pressure to convert productive agricultural lands to non-agricultural uses. To address the region’s changing water needs, the Stanislaus County General Plan supports goals, policies, and implementation measures that promote sustainable water management and protect the local groundwater sources (Stanislaus County, 2016).

1.2.3.1.4 City of Stockton General Plan

The City of Stockton General Plan establishes the City’s 2040 vision and provides supporting goals, policies, and actions needed to achieve it. The General Plan for the 2040 vision was built upon the prior 2035 Stockton General Plan (adopted in 2007) and was a collaborative process that involved a diverse group of stakeholders and interests. The General Plan update incorporated feedback from City Council study sessions, Planning Commission study sessions, community workshops, and numerous other public meetings and outreach events (City of Stockton, 2016).

The City of Stockton’s General Plan recognizes that groundwater supplies are vital to Stockton’s ability to meet current and future water demands. The city has focused attention on optimizing available surface water supplies and cooperating with agencies in the region to manage the groundwater resources at a sustainable yield and to address regulatory pressures, droughts, and saline intrusion (City of Stockton, 2016).

1.2.3.1.5 City of Lodi General Plan

The City of Lodi General Plan Update, published in 2010, outlines a vision for Lodi’s future and provides a set of policies and programs that guide community growth and development. The 2010 General Plan Update replaced the 1991 General Plan and was informed by input from community members and stakeholders who participated in the planning process through different avenues, including public workshops and meetings, mail surveys, interviews, presentations, and newsletters (City of Lodi, 2010).

The General Plan recognizes that groundwater contamination and overdraft in the Eastern San Joaquin Subbasin can threaten the city's ability to meet current water demands and limit future development (City of Lodi, 2010).

1.2.3.1.6 City of Manteca General Plan

The City of Manteca adopted the current Manteca General Plan in 2003 and is currently working on the Manteca General Plan Update to reflect the current conditions of the city. The Manteca General Plan Update is anticipated to conclude in 2020 and is a collaborative process between community members, city staff, and decision-makers to produce a General Plan that is current, progressive, flexible, and viable. The General Plan Update also reevaluates the existing vision for Manteca through 2040, incorporates new planning strategies, and brings the General Plan into compliance with recent social and environmental justice policies and laws (City of Manteca, 2017).

The Manteca General Plan Update recognizes that groundwater is a large source of potable water supply for the city and that the Eastern San Joaquin Subbasin is in overdraft. To address groundwater overdraft in the city, a significant number of policies in the General Plan promote increased understanding of the Eastern San Joaquin Subbasin.

1.2.3.1.7 City of Escalon General Plan

The Escalon General Plan was developed by the city in 1994 and updated in 2010 to reflect the most current conditions of the city and to provide comprehensive planning for future development. The Escalon General Plan was developed through a cooperative effort involving the City Council and Planning Commission, city staff and their consultants, and stakeholders (City of Escalon, 2010). The Escalon General Plan delineates policies that support the long-term preservation of water supplies and water quality in the Eastern San Joaquin Subbasin (City of Escalon, 2010).

1.2.3.1.8 City of Ripon General Plan

The City of Ripon's General Plan was updated in 2006 to guide the use of private and public lands within the community's boundaries through 2040. The General Plan update provides a framework for promoting growth and reevaluates where growth should be located. The General Plan development process was informed by community members representing a wide variety of interests, city department heads, and staff representatives of public agencies (City of Ripon, 2006).

The General Plan supports the preservation of groundwater quantity and quality as it is an important source of water supply for the City of Ripon. Future development within the planning area is expected to have minimal effects on groundwater supplies, although it is unknown how development will impact groundwater quality. The General Plan predicts that the City of Ripon may have to abandon a large number of wells as sources of potable water due to localized contamination, and, as a result, additional development may be prohibited until an adequate source of potable water can be identified. Surface water is expected to meet water demands for surrounding agricultural uses (City of Ripon, 2006).

1.2.3.2 Effect of GSP Implementation on Applicable General Plans

The General Plans in the Subbasin provide guidelines to facilitate anticipated growth within the sustainable capacity of existing resources. Successful land use planning also promotes sustainable water supply and use within the region. Due to the complementary nature of the General Plans and the GSP, the goals and policies in the General Plans support the ability of the GSAs to achieve sustainability.

Implementation of the GSP, including changes in groundwater management, may influence the type of land use and location of future development, depending on the level of changes set forth by the GSP, such as enacted programs, plans, and policies. While General Plan implementation may result in land use changes and changes in water consumption, minimal change in water demand is expected from GSP implementation. The potential for future management actions, which could impact water supplies and development, is discussed in Section 6.5. Most of the land within the Eastern San Joaquin Subbasin is currently developed to some use, and conversion from agricultural

uses to urban uses is not anticipated to increase water demand. However, conversion from agriculture to urban use may have an effect on water source, depending on the location in the Subbasin, and may shift supply from groundwater to surface water.

1.2.3.3 Land Use Plans Outside the Plan Area

Land use decisions in neighboring areas experiencing overdraft are likely to affect groundwater conditions in the Eastern San Joaquin Subbasin. Ongoing coordination with neighboring groundwater subbasins will include updates on major land use planning that may impact the groundwater system. The cities of Tracy, Lathrop, Modesto, Galt, and Elk Grove are the largest urban areas neighboring the Eastern San Joaquin Subbasin. The portions of the Tracy and the Delta-Mendota Subbasins that are adjacent to the Eastern San Joaquin Subbasin are also located within San Joaquin County. These land use planning areas are covered by the San Joaquin County General Plan described in Section 1.2.3.1.1.

The City of Tracy, located within San Joaquin County and the Tracy Subbasin, updated its General Plan in 2011. The City of Tracy General Plan identifies the Tracy Subbasin as a source of water supply for the city. The City of Tracy is working towards reducing its reliance on groundwater and reserving its use for emergency situations and droughts (City of Tracy, 2011).

The City of Lathrop, located within San Joaquin County and the Tracy Subbasin, relies on potable water supplies consisting of a combination of groundwater and treated surface water from the South County Water Supply Program. The General Plan for the City of Lathrop was first adopted in 1991 and last amended in 2004. The General Plan reflects the city's long-range aspirations by defining goals and policies for current and future development and by providing guidance on proposed projects.

The City of Modesto, located in Stanislaus County, relies on the Modesto and Turlock Subbasins for its groundwater supplies. The City of Modesto General Plan identifies declining groundwater levels as an environmental concern for the City of Modesto as a result of increased urban demands. The General Plan calls for continued protection and conservation of groundwater sources while pursuing additional water supplies (City of Modesto, 2008).

The City of Galt, located in Sacramento County, is on the southern edge of the Cosumnes Subbasin and last updated its General Plan in 2009. Groundwater from the Cosumnes Subbasin is the sole source of water supply for the city. The General Plan outlines policies to ensure groundwater availability and protection (City of Galt, 2009).

The City of Elk Grove, located in Sacramento County, relies heavily on groundwater from the South American Subbasin. To address years of drought conditions and low precipitation, the City of Elk Grove Draft General Plan outlines several goals and policies to protect groundwater supplies while meeting increased water demands from agricultural production and a growing population (City of Elk Grove, 2018).

1.2.3.4 Well Permitting

1.2.3.4.1 San Joaquin County

San Joaquin County oversees a well permitting program for any new, replacement, back-up, and de minimis well construction. The purpose of this program is to prevent groundwater contamination and safety hazards by regulation of the location, construction, repair, and destruction of water supply, monitoring, and geophysical wells and borings. Pursuant to Water Code §13808, all new wells that do not meet the exemption criteria must submit additional information prior to the issuance of a permit by the Environmental Health Department. The permit program is enforced by Ordinance Code of San Joaquin County §9-1115, and Municipal Codes of Stockton, Lodi, Manteca, Tracy, Escalon, and Ripon. Applicants must provide information about groundwater elevation estimates, land elevation estimates, extraction volume estimates, depth of Corcoran Clay, and other basic well characteristics.

San Joaquin County has established water well standards for new wells that define property line setbacks (at least 10 feet depending on well type), casing perforations, gravel packing, well seals, backflow prevention, disinfection requirements, sampling taps, and more, as well as the requirement for installing monitoring device(s) for groundwater extraction, elevation, and/or water quality. Other setbacks for potential sources of contamination or pollution require at least 50 feet depending on the contamination source and well type.

The San Joaquin County Well Standards outline well grouting and construction standards to prevent contamination, pollution, and degradation of water wells and of the groundwater by intrusion of poor-quality water. Wells must have a watertight annular seal near the land surface to keep surface water and other potential contamination out of the well. The minimum depth of the annular seal depth for wells in San Joaquin County is summarized in Table 1-1 (San Joaquin County, 1993).

Table 1-1: Minimum Depth of Seal Below Ground Surface for Wells in San Joaquin County

Well Type	Feet
Public Water Supplies	100
Individual Domestic Well	100
Industrial Wells	100
Agricultural Wells	50

1.2.3.4.2 Calaveras County

The Calaveras County Board of Supervisors adopted a well construction and destruction ordinance in 1998. The ordinance mandates that a permit must be obtained from the Calaveras County Environmental Health Department prior to development or modification of any well within the Calaveras County boundaries. The purpose of the program is to regulate the construction, alteration, abandonment, and destruction of wells such that groundwater will not be contaminated and that groundwater supplies will not jeopardize the health, safety, or welfare of Calaveras County residents.

To prevent polluted or contaminated water from entering the well, the well program established a minimum depth at which the annular space should be filled as well as minimum horizontal setback requirements. Horizontal setbacks from property lines range from 10 feet (for small parcels) to 150 feet (for underground storage with nearby wells at least 25 feet away). The minimum annular seal depths for wells in Calaveras County are summarized in Table 1-2 (Calaveras County Board of Supervisors, 2008).

Table 1-2: Minimum Depth of Seal Below Ground Surface for Wells in Calaveras County

Well Type	Feet
Public drinking water well	50
Commercial well	50
Industrial well	50
Individual domestic well	20
Agricultural well	20
Vertical geothermal exchange wells	20
Wells within 25 feet of a water way	20 feet below the bed of the water way

1.2.3.4.3 Stanislaus County

Pursuant to Chapter 9.36 of the Stanislaus County Code, well owners must first receive a valid permit from Stanislaus County to construct, install, repair, or destroy any well or well seal within the county. Stanislaus County DER is responsible for reviewing the applications and issuing permits. The Stanislaus County Code also states that all wells must have an annular seal, except for agricultural wells that are not used for domestic purposes and are located more than 300 feet from a domestic well (Stanislaus County, 2019a).

In 2014, the DER adopted a groundwater ordinance to prohibit unsustainable extraction of groundwater in unincorporated areas of the county. The DER reviews each well permit application and determines whether the well is subject to, or exempt from, the prohibitions in the Groundwater Ordinance. Permit applications for wells intended to extract 2 AF/year of groundwater or less are exempt from the prohibitions in the groundwater ordinance (Stanislaus County, 2019b). If the permit applicant is not exempt, a non-exempt wells supplemental application must be submitted and show that the groundwater pumped from the well is being sustainably extracted and will not cause any of the “Undesirable Results” listed in § 97.030 (9) of the groundwater ordinance. Additional permit application fees may be required, and the application review is conducted at the expense of the applicant (Stanislaus County, 2019c).

The minimum annular seal depths for wells in Calaveras County are summarized in Table 1-3, and are consistent with the state well standards (CA DWR, 1991).

Table 1-3: Minimum Depth of Seal Below Ground Surface for Wells in Stanislaus County

Well Type	Feet
Community water supply well	50
Industrial well	50
Individual domestic well	20
Agricultural well	20
Air conditioning well	20
All other types	20

1.2.3.4.4 Sacramento County

Sacramento County, which borders the northern boundary of the Eastern San Joaquin Subbasin (see Figure 1-6), oversees well permitting within their jurisdiction and requires property owners to obtain a permit for work including well construction, modification, repair, inactivation, destruction, installation, and replacement. Each well or pump requires its own permit application and fee, but waivers can be considered for multiple wells or exploratory borings of similar construction (Sacramento County, 2019).

The Sacramento County Code water well standards are designed to meet or exceed the water well standards in DWR’s Bulletin 74-81 and 74-90. These standards apply to all types of monitoring wells, vapor extraction wells where applicable, and any other well installed in an area where special precautions are necessary to protect groundwater quality. The Sacramento County Environmental Management Department has the power under special circumstances to grant a variance from provisions in Chapter 6.28 of the Sacramento County Code and to prescribe alternative requirements in their place (Sacramento County, 2019).

The minimum annular seal depth for wells in Sacramento County is 50 feet for all well types, except for in cases of special approval (Sacramento County, 2019).

1.2.4 Additional GSP Elements

The Additional GSP Elements section of the GSP provides GSAs with the opportunity to discuss “any additional Plan elements included in Water Code §10727.4 that the Agency determined to be appropriate”. These additional elements include:

- Control of saline water intrusion
- Wellhead protection areas and recharge areas
- Migration of contaminated groundwater
- A well abandonment and well destruction program
- Replenishment of groundwater extractions
- Activities implementing, opportunities for, and removing impediments to, conjunctive use or underground storage
- Well construction policies
- Measures addressing groundwater contamination cleanup, groundwater recharge, in-lieu use, diversions to storage, conservation, water recycling, conveyance, and extraction projects
- Efficient water management practices, as defined in Water Code §10902, for the delivery of water and water conservation methods to improve the efficiency of water use
- Efforts to develop relationships with state and federal regulatory agencies
- Processes to review land use plans and efforts to coordinate with land use planning agencies to assess activities that potentially create risks to groundwater quality or quantity
- Impacts on groundwater dependent ecosystems

Each of the Additional Elements listed are relevant and important to the Eastern San Joaquin Subbasin, and are discussed throughout this GSP, as identified below.

Control of saline water intrusion – Section 2.2.3 describes the current status of saline water intrusion in the Subbasin. Section 3.2.4 addresses seawater intrusion as a sustainability indicator and identifies minimum thresholds, measurable objectives, and interim milestones. Actions to identify and monitor for saline water intrusion early is described in Section 3.2.4.4.

Wellhead protection areas and recharge areas – Section 1.2.3.4 addresses wellhead protection programs in San Joaquin County, Calaveras County, and Stanislaus County.

Migration of contaminated groundwater – The migration of contaminated groundwater that may impair water supplies is addressed in Section 3.2.3.

A well abandonment and well destruction program – Requirements and procedures for well destruction and abandonment are discussed in Section 1.2.3.4.

Replenishment of groundwater extractions – Proposed projects and management actions that will facilitate replenishment of groundwater extraction are discussed in Chapter 6: Projects and Management Actions. Areas where potential groundwater replenishment could occur through direct recharge are described in Section 2.1.4.5.

Activities implementing, opportunities for, and removing impediments to, conjunctive use or underground storage – Existing conjunctive use projects are identified in Section 1.2.2.9. The proposed projects and management actions that will address implementing, opportunities for, and removing impediments to, conjunctive use or underground storage projects in the Subbasin are discussed in Chapter 6: Projects and Management Actions.

Well construction policies – Section 1.2.3.4 addresses well construction policies in San Joaquin County, Calaveras County, and Stanislaus County. Annular well seal depth requirements are tabulated in Tables 1-1, 1-2, and 1-3.

Measures addressing groundwater contamination cleanup, groundwater recharge, in-lieu use, diversions to storage, conservation, water recycling, conveyance, and extraction projects – Proposed projects and management actions that address groundwater recharge, in-lieu use, diversions to storage, conservation, and water recycling are discussed in Chapter 6: Projects and Management Actions.

Efficient water management practices, as defined in Section 10902, for the delivery of water and water conservation methods to improve the efficiency of water use – Ongoing efforts to implement efficient water management practices are described in Section 1.2.2.7. Conservation methods and efficiency of water use are also noted in many local or regional general plans, detailed in Section 1.2.3. Projects relevant to this topic are discussed in Chapter 6: Projects and Management Actions.

Efforts to develop relationships with state and federal regulatory agencies – A strong relationship between the GSAs and existing regulatory agencies is valuable to the success of this GSP. Efforts to develop this relationship are described in Chapter 7: Plan Implementation.

Processes to review land use plans and efforts to coordinate with land use planning agencies to assess activities that potentially create risks to groundwater quality or quantity – Summaries of land use plans both inside the Subbasin and in nearby Subbasins can be found in Section 1.2.3. Efforts are being made at the local level to develop a formal opportunity for GSAs to provide input on the land use and water-related elements of future General Plans and CEQA documentation to promote consistency with the GSP.

Impacts on groundwater dependent ecosystems – Groundwater dependent ecosystems (GDEs) are defined in Section 2.2.7. The methodology for identifying GDEs can be found in Section 2.2.7.1. A map of identified GDEs in the Subbasin is shown in Section 2.2.7.2. Adverse impacts to GDEs are described under Depletions of Interconnected Surface Water, Section 3.2.6, as part of the undesirable results discussion.

1.3 NOTICE AND COMMUNICATION

1.3.1 Beneficial Uses and Users in the Basin

The CVRWQCB designates all groundwaters in the Sacramento River Basin and San Joaquin River Basin as suitable or potentially suitable, at a minimum, for municipal and domestic water supply, agricultural supply, industrial service supply, and industrial process supply (CA RWQCB Central Valley Region, 2016).

As listed in Water Code §10723.2, beneficial uses and users of groundwater in the region include the following interests:

- Agricultural users and domestic well owners that hold overlying groundwater rights.
- Public water systems/municipal well operators in the Subbasin.
- Community water systems (wells serving 15 or more connections or more than 25 people per day). 433 community water systems were identified in the Eastern San Joaquin Subbasin and are presented in Appendix 1-F. Of these 433 community water systems, 182 are located in DAC or SDAC areas, shown also in Appendix 1-F.
- Local agencies that have land use planning jurisdiction. These include counties of San Joaquin, Calaveras, and Stanislaus, and cities of Stockton, Lodi, Manteca, Escalon, and Ripon.
- Environmental users of groundwater, including species and habitat reliant on instream flows, as well as wetlands and GDEs. Identified GDEs are mapped in Figure 2-69 in Section 2.2.7.2. Freshwater species in the Eastern San Joaquin Subbasin are listed in Appendix 1-G.

- Irrigation districts in the Subbasin that divert surface water to deliver to their customers.
- Lands managed by the federal government. The San Joaquin River National Wildlife Refuge lies just outside of the Subbasin boundary. While managed by the State of California, Caswell Memorial SP is in the Subbasin and Carnegie SVRA and Franks Tract SRA are situated just outside of the Subbasin.
- DACs and SDACs. DACs and SDACs are mapped in Figure 1-8 and are primarily in the western portions of the Subbasin. Approximately 33 percent of the Subbasin area is considered disadvantaged and 7 percent is considered severely disadvantaged. 55 percent of the Subbasin population is considered either DAC or SDAC; within that, 25 percent of the population is SDAC. DACs include the following census designated places (CDPs)¹: Stockton City CDP, Collierville CDP, Lockeford CDP, Terminous CDP, and Valley Home CDP. Severely disadvantaged communities include: Kennedy CDP, August CDP, French Camp CDP, Taft Mosswood CDP, and Thornton CDP.
- Entities that monitor and report groundwater elevations. Monitoring in the Subbasin is extensive. A list of monitoring agencies can be found in Section 1.2.2.
- California Native American tribes

1.3.2 List of Public Meetings Where the GSP was Discussed

During the development of this GSP, meetings of the ESJGWA Board, Advisory Committee, and Workgroup were open to the public, with meeting information noticed, as appropriate, and posted to the ESJGWA website (discussed below in Section 1.3.4.1). In addition, informational open house events were held throughout GSP development (see Section 1.3.2.4).

Below is a list of the public meetings where the GSP was discussed. The following includes the public meetings held from June 2017 through July 2019.

1.3.2.1 ESJGWA Board Meetings

In 2017, ESJGWA Board meetings were held on June 14, July 12, August 9, September 13, October 11, and November 8.

In 2018, ESJGWA Board meetings were held on February 14, March 14, April 11, May 9, June 13, July 11, August 8, September 12, October 10, and November 14.

In 2019, ESJGWA Board meetings were held on February 13, March 13, April 10, May 8, June 12, July 10, August 14, September 11, and October 17.

ESJGWA Board meetings are anticipated for November 13, 2019; December 11, 2019; and January 8, 2020 prior to GSP submittal.

1.3.2.2 ESJGWA Advisory Committee Meetings

In 2018, Advisory Committee meetings were held on May 9, June 13, July 11, August 8, September 12, October 10, and November 14.

¹ A census designated place is a concentration of population identified by the United States Census Bureau for statistical purposes. CDPs are delineated for each decennial census as the statistical counterparts of incorporated places, such as cities, towns, and villages.

In 2019, Advisory Committee meetings were held on January 9, February 13, March 13, April 10, April 24, May 8, June 12, July 10, September 11, and October 17.

ESJGWA Advisory Committee meetings are anticipated for November 13, 2019; December 11, 2019; and January 8, 2020 prior to GSP submittal.

1.3.2.3 Groundwater Sustainability Workgroup Meetings

In 2018, Workgroup meetings were held on June 12, July 10, August 15, September 11, October 9, and November 13.

In 2019, Workgroup meetings were held on January 9, February 13, March 13, April 10, May 8, June 12, and September 11.

1.3.2.4 Informational Open House Events

In 2018, informational open house events were held on August 29 and November 7.

In 2019, informational open house events were held on February 12 and July 18.

1.3.2.5 Outreach Presentations to Community Groups

In 2018, presentations to community groups were conducted for targeted outreach on May 10 (Manteca Kiwanis Sunrise Club), August 8 (San Joaquin County Farm Bureau Federation), August 27 (NSJWCD Board of Directors), September 24 (Delta-Sierra Group), and November 14 (San Joaquin County Hispanic Chamber of Commerce).

In 2019, presentations to community groups were conducted for targeted outreach on February 20 (Manufacturers Council of the Central Valley), and September 25 (Stanislaus County Board of Supervisors).

In 2019, GSAs conducted informational community meetings, which included outreach presentations, on March 26 (City of Lodi), August 7 (French Community), August 8 (Thornton Community), and August 16 (Mokelumne River Association).

1.3.3 Decision-Making Process

The ESJGWA Board is tasked with the vote and approval of policy decisions for the development and implementation of this GSP. The ESJGWA Board receives input from an Advisory Committee, the Workgroup, and the public, as described in Section 1.1.4.2.

The governing bodies of each of the individual GSAs take action and provide direction to their Board member representatives and must individually approve the final GSP. Projects will be administered by the GSA project proponents. Although the ESJGWA does not provide direct authority to require GSAs to implement projects, the GWA will be working on GSA-level water budgets and will be requesting annual or biannual progress reports to evaluate progress. A description of the agencies that comprise the GSAs can be found in Section 1.1.4.3.

1.3.4 Opportunities for Public Engagement and How Public Input was Used

Throughout the process of GSP development, the ESJGWA has engaged stakeholders and the public in the development of the GSP, including the actions listed below. This effort has been greatly aided by the facilitation support provided through DWR's Facilitation Support Services Program. This included a Situation Assessment to determine stakeholder concerns related to the GSP development process. The Situation Assessment is discussed in more detail in Section 1.3.4.6.

1.3.4.1 ESJGWA Website

The ESJGWA website has been online since 2018 and continues to be maintained on a regular basis at www.esjgroundwater.org. It contains an introduction to SGMA, details on member agencies, and ESJGWA Board updates with meeting information and materials posted regularly. There are detailed sections for GSP resources, technical reports and data, educational materials, and meeting notices with the accompanying presentation materials and minutes. A section of the website is devoted to press releases, newsletters, public notices, and other major events and accomplishments. Contact information is readily available for interested parties to communicate with ESJGWA members and staff, and members of the public can subscribe to the ESJ GWA mailing list to receive updates on GSP development and outreach events.

1.3.4.2 Groundwater Sustainability Workgroup

The ESJGWA developed a Workgroup in order to promote stakeholder input and relied upon the Workgroup when developing the GSP. The Workgroup began with an application process to ensure a diverse cross section of populations were represented to serve on the Workgroup. Workgroup members participated and provided valuable input throughout the GSP development process.

Applications were distributed to organizations within every GSA to establish a Workgroup that represented the region's broad interests, perspectives, and geography. The Workgroup included members from a variety of organizations who represent one or more of the interested parties' groups. Table 1-4 lists the organizations and interests represented on the Workgroup.

Table 1-4: Groundwater Sustainability Workgroup Interests

Eastern San Joaquin Groundwater Authority Groundwater Sustainability Workgroup – Interests Represented																	
AG	Agricultural	BUS	Business	CM	Community Neighborhood	DAC	Disadvantaged Communities	ENV	Environmental	INST	Institutional	FM	Flood Management	NA	Native American	GU	Groundwater User
Role/Organization		AG	BUS	CM	DAC	ENV	FM	GU	INST	NA	Application Notes						
2Q Farming		✓		✓			✓				2Q Farming is interested in making a difference for agriculture and communities, and in preserving water rights for future generations so they will have the ability to irrigate and access the water necessary for life.						
Agricultural Business – Farmer Representative		✓	✓	✓	✓	✓	✓	✓			As a representative of agricultural business, this member sees SGMA as an opportunity to manage the Subbasin while keeping jurisdiction, implementation, monitoring, and oversight at the local level.						
Calaveras County Resource Conservation District		✓		✓	✓	✓	✓	✓	✓		Calaveras County RCD hopes to partner with groundwater users in the western part of Calaveras County to address sustainability and recharge.						
California Sportfishing Protection Alliance		✓				✓	✓	✓	✓		California Sportfishing Protection Alliance, longtime Mokelumne River stakeholder, is interested in reducing groundwater overdraft, managing surface water responsibly, and resolving longstanding conflicts. Representative is interested in the technical aspects of groundwater management and gaining a better understanding of recharge.						

Eastern San Joaquin Groundwater Authority Groundwater Sustainability Workgroup – Interests Represented															
AG	Agricultural	BUS	Business	CM	Community Neighborhood	DAC	Disadvantaged Communities	ENV	Environmental	INST	Institutional				
FM	Flood Management	NA	Native American	GU	Groundwater User	AG	BUS	CM	DAC	ENV	FM	GU	INST	NA	Application Notes
	Catholic Charities of the Diocese of Stockton			✓	✓	✓	✓	✓							The Environmental Justice Program of the Catholic Charities of the Diocese of Stockton works with disadvantaged communities. Some of these communities have concerns regarding drinking water quality and toxic contamination of groundwater supplies.
	Environmental Justice Coalition for Water			✓	✓			✓	✓						The Environmental Justice Coalition for Water is interested in ensuring that environmental justice interests are present, informed, and meaningfully engaged in a process that bears considerable importance for health, wealth, and growth.
	J.R. Simplot Co.	✓	✓			✓									As a local industry representative with a stake in groundwater quality, this representative sees benefit in being part of the stakeholder process.
	Lima Ranch	✓	✓			✓	✓	✓							Lima Ranch views water as a precious commodity that must be conserved and used sustainably. Representative values preserving water rights and using water efficiently.
	Machado Family Farms	✓		✓							✓				Representative manages a family farm and brings agricultural experience and experience with the California Public Utilities Commission to provide a balanced perspective.
	Manufacturers Council of the Central Valley	✓	✓			✓	✓	✓							Through their involvement as a stakeholder, Manufacturer's Council of the Central Valley provides resources to manufacturers impacted by the implementation of GSPs and to GSAs looking to work with the sector.

Eastern San Joaquin Groundwater Authority Groundwater Sustainability Workgroup – Interests Represented															
AG	Agricultural	BUS	Business	CM	Community Neighborhood	DAC	Disadvantaged Communities	ENV	Environmental	INST	Institutional				
FM	Flood Management	NA	Native American	GU	Groundwater User	AG	BUS	CM	DAC	ENV	FM	GU	INST	NA	Application Notes
Restore the Delta				✓	✓	✓	✓	✓							Representative is interested in the link between surface water flows for the Sacramento-San Joaquin Delta and groundwater management. Additionally, this member brings connections for broad environmental justice outreach.
San Joaquin Audubon						✓									San Joaquin Audubon is interested in overall water use and environmental issues.
San Joaquin County Environmental Health Department				✓		✓				✓					The San Joaquin County Environmental Health Department plays a role in protecting the area's groundwater resource, drinking water, and public health.
San Joaquin Farm Bureau	✓	✓	✓					✓	✓						The San Joaquin Farm Bureau is interested in helping manage and utilize the groundwater reservoir to better supply all needs for the short and long term.
Sequoia ForestKeeper						✓									Sequoia ForestKeeper has been submitting comments on water-related issues to the SWRCB since 2015.
Sierra Club - Delta-Sierra Group	✓		✓	✓	✓	✓	✓	✓							Sierra Club cares about the future of the Eastern San Joaquin Subbasin and sustainability. They believe that representation of individuals is lacking and there is insufficient outreach.
Spring Creek Golf & Country Club		✓	✓		✓	✓	✓								Representative is golf course superintendent at Spring Creek Golf & Country Club and is interested in groundwater rights and contributing to the stakeholder Workgroup.

Eastern San Joaquin Groundwater Authority Groundwater Sustainability Workgroup – Interests Represented																	
AG	Agricultural	BUS	Business	CM	Community Neighborhood	DAC	Disadvantaged Communities	ENV	Environmental	INST	Institutional	FM	Flood Management	NA	Native American	GU	Groundwater User
Role/Organization		AG	BUS	CM	DAC	ENV	FM	GU	INST	NA	Application Notes						
The Hartmann Law Firm		✓	✓	✓			✓	✓			Representative is Advisory Water Commissioner, District Counsel for multiple reclamation districts.						
The Wine Group		✓	✓			✓		✓			The Wine Group has technical knowledge and provides a unique viewpoint that supports the successful development of a GSP for the Eastern San Joaquin Subbasin.						
Trinchero Family Estates and Sutter Home Winery		✓	✓	✓		✓		✓			Trinchero Family Estates and Sutter Home Winery is interested in helping develop a balanced approach for communities and businesses.						
University of the Pacific			✓	✓			✓				Representative is an Emeritus Professor of Operations/Engineering Management at the University of the Pacific and is engaged in research on stream flow diversion for groundwater recharge.						

The Groundwater Sustainability Workgroup meetings were held approximately monthly, typically on the second Tuesday or Wednesday of each month. The meetings were open to the public and provided opportunities for attendees to learn more about the process and provide input.

1.3.4.3 Stakeholder Outreach and Engagement Plan

With the support of the Workgroup, the ESJGWA developed an initial Stakeholder Outreach and Engagement Plan (see Appendix 1-H) for the San Joaquin Subbasin detailing a stakeholder engagement strategy has been developed to achieve the following goals:

- Keep interested list of stakeholders informed and aware of opportunities for involvement through email communications and/or their preferred mode of communication
- Engage DWR for facilitated support to aid in the development of the GSP
- Open ESJGWA planning efforts to the public with agendas and meeting minutes published on the ESJGWA website
- Inform and obtain comments from the general public through public meetings held on an approximately quarterly basis
- Facilitate productive dialogue among participants at Advisory Committee, Workgroup, and public meetings through the use of qualified facilitators to obtain, consider, and integrate feedback accordingly throughout the planning process
- Seek the input of interest groups during the implementation of the GSP and any future planning efforts
- Obtain input from the Workgroup about preferred locations to conduct public informational meetings to reach diverse audiences and disadvantaged communities
- Provide timely and accurate public reporting of planning milestones through the distribution of outreach materials and posting of materials on the ESJGWA website for the GSP
- Secure quality media coverage that is accurate, complete, and fair
- Maintain an active communications tracking tool to capture stakeholder engagement and public outreach activities and to demonstrate the reporting of GSP outreach activities

1.3.4.4 Stakeholder Database

The ESJGWA developed a database of stakeholders who represent the region's interests, perspectives, and geography. The database was developed by leveraging existing stakeholder lists and databases from prior Eastern San Joaquin Subbasin engagement efforts, conducting new research, and obtaining referrals from key stakeholders and stakeholder groups.

During the initial development of the stakeholder database, the ESJGWA worked with those responsible for implementing the GSP to obtain contact lists of interested parties within the Subbasin as well as other diverse contact lists they maintain.

This robust stakeholder list of interested parties includes, but is not limited to, the following:

- Community water systems
- Agricultural well owners

- Domestic well owners
- Municipal well operators
- Groundwater users (including agricultural)
- Local land use planning agencies
- Government agencies
- Nonprofit organizations
- Environmental organizations
- Higher education institutions
- Community based organizations
- Neighborhood organizations
- California Native American Tribes
- Disadvantaged communities
- Private citizens

The Stakeholder Database was regularly updated by adding additional parties who expressed interest at public meetings and through website signups. Contacts were updated or removed as needed. The database served as the foundation for targeted outreach and communication throughout the project and was also used to:

- Provide a single repository to collect, store, and organize information on Subbasin stakeholders
- Allow individuals to self-identify their SGMA interests when they sign up as an interested stakeholder
- Identify the interests and concerns of organization contacts and individual stakeholders
- Plan meetings and send notices to stakeholders based upon their identified interests and role
- Document all stakeholders invited to GSP development meetings and their primary input at the meetings
- Post meeting agendas and minutes
- Produce communication and engagement summary reports

Table 1-5 provides a summary breakdown of the number of parties and interests represented in the Stakeholder Database.

Table 1-5: Stakeholder Database Summary

Eastern San Joaquin Groundwater Authority Stakeholder Database	
Interest Represented	Number of Stakeholders
Agricultural	31
Government Agency	19
Groundwater	152
Business	33
Nonprofit	5
Higher Education	1
Community Based Organization/Neighborhood Association	14
Disadvantaged Communities	21
Environmental	30
Flood Control	6
Community Water Systems	433
Native American Tribe	4
Private Citizen	17
Total	766

Outreach materials promoting informational open house events were distributed via email to the stakeholder database, and hard copies were distributed to the 433 community water systems, in August 2018, October 2018, January 2019, and July 2019.

1.3.4.5 Stakeholder Education and Outreach

Recognizing that an inclusive outreach and education process supports the success of a well-prepared GSP, the ESJGWA has prioritized stakeholder involvement and outreach in plan development and implementation, dedicating staff and financial resources for this high-priority effort.

- The ESJGWA held four informational open house events devoted to SGMA outreach and providing information to the public on the GSP development process. The purpose was to provide participants with information on GSP development, seek feedback from stakeholders and the public, provide a forum for the public to interact with their GSA representatives, and address questions in a transparent manner. These events were held on an approximately quarterly basis in different locations throughout the Subbasin, as listed below.
 - **August 2018** – Robert J. Cabral Agricultural Center, Stockton (51 attendees)
 - **November 2018** – Manteca Transit Center, Manteca (25 attendees)
 - **February 2019** – Lockeford Community Center, Lockeford (61 attendees)
 - **July 2019** – Robert J. Cabral Agricultural Center, Stockton (38 attendees)
- Targeted outreach presentations were given at community meetings to the following groups:
 - Delta-Sierra Group (September 2018)
 - Manteca Kiwanis Sunrise Club (May 2018)
 - Manufacturers Council of the Central Valley (February 2019)

- North San Joaquin Water Conservation District Board of Directors (August 2018)
- San Joaquin County Hispanic Chamber of Commerce (November 2014)
- San Joaquin Farm Bureau Federation (August 2018)
- Stanislaus County Board of Supervisors (September 2019)
- Additionally, GSA member agencies hosted local informational community meetings related to the SGMA process and to publicize the release of the Public Draft GSP for public comment.
 - City of Lodi – City of Lodi Public Outreach Event (Hutchins Street Square, Lodi) (March 2019)
 - San Joaquin Public Works Department – French Community SGMA Outreach Event (Robert J. Cabral Agricultural Center, Stockton) (August 2019)
 - San Joaquin Public Works Department – Thornton Community SGMA Outreach Event (Thornton Community Center, Thornton) (August 2019)
 - Stanislaus County – Mokelumne River Association Meeting SGMA Outreach Opportunity (Hotel Leger, Mokelumne Hill) (August 2019)
- Individually, member GSAs provided targeted outreach materials to their constituencies through the distribution of outreach and informational materials.
- The ESJGWA distributed SGMA outreach materials at various programs and events to reach growers. Outreach flyers containing information on SGMA and GSA contact information were distributed at the San Joaquin County Pesticide Applicator Permitting meetings in November 2018.
- Factsheets and email announcements were used to raise awareness about topics and events relevant to the GSP development process. Outreach included providing overviews of participation opportunities for GSP planning processes.
- Social media channels, such Facebook, were used to distribute targeted information relevant to the GSP planning process and ways to get involved. A Facebook page for the ESJGWA was developed, and social media templates were distributed to members of the ESJGWA Board, Advisory Committee, and Workgroup for use on their agency social media accounts.
- Comment cards, provided in postcard format at every public informational open house, allowed the public and stakeholders to contribute written comments, solicit additional information, make suggestions, and submit other feedback as appropriate.
- News releases were distributed to regional media agencies, including local newspapers and radio stations, to draw attention to important ESJGWA events such as workgroup and public meetings.

1.3.4.6 Situation Assessment

The ESJGWA applied for and received facilitation support through DWR's Facilitation Support Services Program to conduct a Situation Assessment, the purpose of which was to facilitate the stakeholder engagement process by determining stakeholder concerns related to the GSP development process. The facilitation services supported third-party interviews conducted with the members of the Workgroup in the winter of 2018 as part of the Situation Assessment. All Workgroup members were invited to participate in the Situation Assessment, and 17 were interviewed during a series of in-person and phone interview sessions. Assessment summary and highlights are available on the ESJGWA website.

Situation Assessment questions covered topics including:

- Outreach and engagement approach
- Meeting presentations
- Meeting discussions
- Strengthening the Workgroup process
- Decision making and input
- GSP development and plan content
- Resource and management conditions data
- Implementation considerations

Situation Assessment findings were presented to the Workgroup, the Advisory Committee, and the ESJGWA Board. Changes, including those to the Workgroup process, meeting presentations and discussions, and draft GSP development and review schedule were made based on feedback from the Workgroup members.

1.3.4.7 Incorporation of Stakeholder Feedback

The development of this GSP was informed and supported by stakeholder feedback, which was documented, addressed, and incorporated at numerous points throughout the development process. The public was invited to provide input at each Advisory Committee and ESJGWA Board meeting, including the Projects and Management Actions Workshop, which featured a public feedback survey. Information provided for GSP development was refined based on input from public meetings. Stakeholder involvement was additionally supported through monthly meetings of the Workgroup, a 23-member multidisciplinary stakeholder group that was formed for the specific purpose of soliciting input on GSP development from a wide range of beneficial users of groundwater in the Subbasin. Questions raised by participants at these meeting were addressed, with follow-up content presented and discussed at subsequent meetings.

Ideas generated at the Workgroup meetings were directed to decision makers at the ESJGWA Board meetings. Input was captured in monthly meeting summaries, which were reviewed by Workgroup members prior to being presented to the ESJGWA Board in meeting agenda packets and posted to the ESJGWA website. In addition, summaries of prior month Workgroup meetings, as well as highlights and key takeaways from those meetings, were presented regularly as a standing agenda item at ESJGWA Board meetings.

In addition to influencing GSP development and decisions related to groundwater management, feedback from stakeholders played a key role in enhancing education and outreach efforts, and the stakeholder involvement process more broadly. Changes were made to the Open House format following stakeholder comment, and outreach events with community groups (as referenced in Section 1.3.4.5 above) were added based on feedback to further spread the word about SGMA and local GSP development efforts. Changes to the Workgroup meeting structure and process were also made based on findings of the Situation Assessment.

1.3.4.8 Draft GSP Public Comment Review Period

The Public Draft GSP was posted on the ESJGWA website for a 45-day public comment period from July 10 through August 25, 2019. Notices and press releases were provided in English and Spanish publicizing the public comment period and inviting members of the public to attend the July 2019 informational open house event for more information. This event was scheduled to align with the release of the Draft GSP to provide a forum for the public to receive

information, ask questions, and provide input. Hard copies of the Draft Plan were placed in libraries and at GSA main offices for public viewing and were available by request.

The following libraries received hard copies of the Public Draft GSP:

- Lodi Public Library
- Cesar Chavez Central Library
- Margaret Troke Library
- Maya Angelou Library
- Fair Oaks Branch Library
- Weston Ranch Library

The ESJGWA received 19 public comment submissions from a range of interested parties, including non-government organizations, neighboring subbasins, ESJGWA GSAs, state and federal agencies, and others. These individuals and organizations are listed below, and comments are provided in Appendix 1-l.

- California Department of Fish and Wildlife, North Central Region
- California Poultry Federation
- California Sportfishing Protection Alliance, including comments by Greg Kamman (Kamman Hydrology & Engineering, Inc.)
- Collective comments by The Nature Conservancy, Audubon California, Clean Water Action, Clean Water Fund, American Rivers, and Union of Concerned Scientists
- Collective comments by The League of Women Voters of San Joaquin County; Environmental Justice Coalition for Water; Sierra Club, Delta Sierra Group; Puentes; and Restore the Delta
- Cosumnes Subbasin
- East Bay Municipal Utility District (EBMUD)
- Jane Wagner-Tyack (Communication Consultant)
- Larry Walker Associates, on behalf of agricultural interests
- North San Joaquin Water Conservation District
- Restore the Delta
- Sierra Club, Delta-Sierra Group
- South San Joaquin GSA
- Stockton East Water District
- Terra Land Group, LLC

- The Freshwater Trust, on behalf of Northern Delta GSA and associate member Staten Island-Conservation farms and ranches
- The Nature Conservancy
- The Wine Group
- Tracy Subbasin

The ESJGWA appointed an Ad-Hoc Committee to review and summarize public comments, and to draft proposed response to comment recommendations for approval by the ESJGWA Board. The Comment Review Ad-Hoc Committee convened for three workshops on September 19, September 24, and October 4, 2019. The ESJGWA reviewed the Ad-Hoc Committee's recommendation and took action to approve functional changes to the Public Draft GSP on October 17, 2019. The ESJGWA's responses to comments are provided in Appendix 1-J.

1.3.5 Inter-basin Coordination

As part of the SGMA process, stakeholder outreach includes inter-basin coordination efforts. To date, there have been initial meetings between representatives of the ESJGWA and the neighboring subbasins to initiate this process. The purpose of these coordination meetings was to share and discuss elements included in the Eastern San Joaquin Draft GSP, including water budget estimates, boundary flow assumptions, and minimum thresholds. Participants discussed next steps for data sharing and ongoing coordination.

A summary of the initial inter-basin coordination meetings with neighboring subbasins is below.

- Cosumnes Subbasin – April 15, 2019
- Tracy Subbasin – June 20, 2019
- Modesto Subbasin – July 10, 2019
- South American, Solano, and East Contra Costa Subbasins – July 19, 2019

The ESJGWA plans to reach out to neighboring subbasins as part of GSP implementation to increase coordination as neighboring subbasins further GSP development.

1.3.6 Notice of Intent to Adopt the GSP

A notice of intent (NOI) to adopt a GSP was signed by the GSAs and distributed on August 16, 2019. The NOI was posted to the ESJGWA website homepage and hard copies were mailed cities and counties within the Subbasin, including the following:

- County of Calaveras
- County of Stanislaus
- County of San Joaquin
- City of Escalon
- City of Ripon
- City of Manteca
- City of Oakdale

- City of Ripon
- City of Stockton
- Linden County Water District
- Lockeford Community Services District

The signed NOI is provided in Appendix 1-K.

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Agenda Item

DATE: Wednesday, December 11, 2019
TO: Michael Minkler, General Manager
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Discussion/Action Amending the Fiscal Year 2019-20 Personnel Allocation

RECOMMENDED ACTION:

Motion: _____/_____ to adopt Resolution 2019-_____ amending Fiscal Year 2019-20 Personnel Allocation

SUMMARY:

District management has been working to resolve an issue raised by our three Senior Treatment Plant Operators (STPOs) regarding their compensation. Currently, the STPOs are a range 19 even though they have responsibilities equivalent to the Senior Supervisor of Operations at range 22. After review and consideration of the data and options, management seeks to reclassify the three STPOs to Senior Supervisors of Operations and needs the approval from the Board to amend the personnel allocation accordingly.

District management recognizes our treatment plant operators are in unique positions as they are required to hold state licenses for water treatment, wastewater treatment, and distribution. No other classifications are required to hold three unique certifications. In the case of the STPOs and the Senior Supervisor of Operations, they are required to hold W4, WW4, and D3 licenses (dependent upon water /wastewater career tract).

The STPOs and the Senior Supervisor of Operations all operate multiple treatment plants and supervise staff who also operate those facilities. They also have regulatory testing and reporting responsibilities as well as other supervisory and compliance functions. Combined, the four of them are responsible for 85% of the operations and maintenance of the District's six drinking water treatment facilities and 13 wastewater treatment facilities.

The fact that the STPOs are paid less than the Senior Supervisor of Operations has been a source of frustration for them for several years. Management agrees that this disparity should be addressed. In reviewing the District's options, management reviewed the recently completed salary survey, which found that the STPOs total compensation is 3.3% below the median of the comparators. The salary survey also

found that the Senior Supervisor of Operations total compensation is 6.7% below the median of our comparators. Management agrees with the STPOs that they are performing functions equivalent to the Senior Supervisor of Operations and there is nothing in that job description that they aren't qualified to do or are not already doing. Accordingly, the more relevant comparison is to evaluate the STPO total compensation against the median of comparators for the Senior Supervisor of Operations position. In that analysis, the STPOs current total compensation is 16% below the median of our comparators. Management feels that it is in the District's best interest to close a gap that large to remain competitive.

These changes are consistent with other agencies in the industry and will improve the District's ability to recruit and retain treatment plant operators.

FINANCIAL CONSIDERATIONS:

The position allocation will need to be adjusted to increase the total Senior Supervisor of Operations to a total of 4 and reduce the Senior Treatment Plant Operators to 9, effective December 16, 2019. The current Fiscal Year 2019-20 operating budget has savings primarily due to vacancies. Due to the saving in Salaries and Benefits, no additional budget appropriation will be required for fiscal year 2019-20.

Fiscal Year	Range Tier	Additional Budget Increase	Revised Full Budget Costs
2019-20	3	\$18,267	\$486,066
2020-21	3 to 4	\$21,108	\$522,915
2021-22	4 to 5	\$32,616	\$545,304
2022-23	5	\$38,603	\$550,598

Attachment: *Amended FY 2019-20 Personnel Allocation by Department
Resolution 2019-_____ Amending Fiscal Year 2019-20 Personnel Allocation*

Calaveras County Water District
PERSONNEL ALLOCATION BY DEPARTMENT
 FISCAL YEARS 2017 - 2020

	Adopted 2017-18	Adopted 2018-19	Amended 2018-19	Adopted 2019-20	Proposed 2019-20
<u>Utility Services</u>					
Director of Operations	1.00	1.00	1.00	1.00	1.00
Director of Utility Services and Engineering	-	-	-	-	-
Regulatory Programs Manager	-	-	-	-	-
Plant Operations Manager	1.00	1.00	1.00	1.00	1.00
Operations, Senior Supervisor	1.00	1.00	1.00	1.00	4.00 (11)
Water/Wastewater Plant Operator OIT/I/II/III/Sr	12.00	12.00	12.00	12.00	9.00 (11)
Construction/Inspection I/II/III/Sr	2.00	-	(2)	-	-
Construction Worker I/II/III/Sr	3.00	3.00	3.00	7.00 (6)	7.00
Controls/Communication Senior Supervisor	1.00	1.00	1.00	1.00	1.00
Controls/Communication Technician I/Sr	2.00	2.00	2.00	2.00	2.00
Electrician I/II/Sr	2.00	2.00	2.00	1.00 (8)	1.00
Facilities Maintenance Worker	-	-	-	1.00 (9)	1.00
Mechanic I/II/Sr	3.00	3.00	3.00	3.00	3.00
Collection System Worker I/II/III/IV/Sr	5.00	5.00	5.00	5.00	5.00
Distribution Worker I/II/III/Sr	10.00	10.00	10.00	7.00 (6/7)	7.00
Meter Reader Trainee/I/II	2.00	2.00	2.00	2.00	2.00
Purchasing Agent	-	-	-	1.00 (8)	1.00
Administrative Technician I/II/Senior	1.00	1.00	1.00	1.00	1.00
Total - Utility Services	46.00	44.00	44.00	46.00	46.00
<u>General Management</u>					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant to the General Manager	-	-	-	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Manager of Human Resources	-	-	1.00 (4)	1.00	1.00
Director of Human Resources/Customer Service	1.00	1.00	-	(4)	-
Human Resources Manager	-	-	-	-	-
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total - General Management	4.00	4.00	4.00	4.00	4.00
<u>Engineering/Technical Services</u>					
District Engineer	1.00	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00
Civil Engineer	-	-	1.00 (3)	1.00	1.00
Construction Inspector I/II/III/Sr	-	2.00 (2)	2.00	1.00 (7)	1.00
Engineering Analyst	1.00	1.00	1.00	-	(10)
Engineering Technician I/II/Sr	1.00	1.00	1.00	2.00 (10)	2.00
Administrative Technician I/II/Sr	1.00	1.00	1.00	1.00	1.00
Total - Engineering/Technical Services	5.00	7.00	8.00	7.00	7.00
<u>Administrative Services</u>					
Director of Administrative Services	1.00	1.00	1.00	1.00	1.00
Accountant I/II/III	2.00	2.00	2.00	2.00	2.00
Accounting Technician I/II/Sr	-	(1)	-	-	-

Calaveras County Water District
PERSONNEL ALLOCATION BY DEPARTMENT
 FISCAL YEARS 2017 - 2020

	Adopted 2017-18	Adopted 2018-19	Amended 2018-19	Adopted 2019-20	Proposed 2019-20
Manager of External Affairs	-	-	1.00 (5)	1.00	1.00
Customer Service Representative I/II/III/Sr	3.00	3.00	3.00	3.00	3.00
Facilities Maintenance Worker	1.00	1.00	1.00	- (9)	-
Information System Administrator	1.00	1.00	1.00	1.00	1.00
Total - Administrative Services	8.00	8.00	9.00	8.00	8.00
Water Resources					
Manager of Water Resources	1.00	1.00	1.00	1.00	1.00
Manager Ex Affairs, Conservation & Grants I/II	1.00	1.00	- (5)	-	-
Total - Water Resources	2.00	2.00	1.00	1.00	1.00
Total - Personnel Allocation	65.00	65.00	66.00	66.00	66.00

Notes

FY 2017-18

- (1) Deleted 0.5 FTE Accounting Technician I/II/III in Administrative Services

FY 2018-19

- (2) Moved 2.0 FTE Construction Inspector I/II/III/Sr from Utilities to Engineering/Technical Services
- (3) Added 1.0 FTE Civil Engineer in Engineering/Technical Services
- (4) Deleted 1.0 FTE Director of Human Resources/Customer Service and added 1.0 FTE Manager of Human Resources
- (5) Deleted 1.0 FTE PIO/Community Relations Manager and added 1.0 FTE Manager of External Affairs

FY 2019-20

- (6) Reclassed 4.0 FTE Distribution Worker I/II/III/Sr in Utilities to 4.0 FTE Construction Worker I/II/III/Sr
- (7) Moved 1.0 FTE Construction Inspector I/II/III/Sr from Engineering/Technical Services to Utilities and reclassified position to 1.0 FTE Distribution Worker I/II/III/Sr
- (8) Deleted 1.0 FTE Electrician/II/Sr in Utilities and added 1.0 FTE Purchasing Agent in Utilities
- (9) Moved 1.0 FTE Facilities Maintenance Worker from Administrative Services to Utilities
- (10) Deleted 1.0 FTE Engineering Analyst and added 1.0 FTE Engineering Technician I/II/Sr
- (11) Deleted 3.0 FTE Water/Wastewater Plant Operator OIT/I/II/III/Sr and added 3.0 FTE Operations Senior Supervisor 12/16/19

RESOLUTION NO. 2019 - __

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALAVERAS COUNTY WATER DISTRICT TO AMEND THE FISCAL YEAR 2019-20
PERSONNEL ALLOCATION**

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2019-45 on June 26, 2019 approving Fiscal Year 2019-20 Operating Budget in the amount of \$20,588,852 ; and

WHEREAS, the Board of Directors also adopted Resolution 2019-46 on June 26, 2019 approving the Fiscal Year 2019-20 Personnel Allocation; and

WHEREAS, the Board of Directors also adopted Resolution 2019-64 on September 11, 2019 amending the Fiscal Year 2019-20 Personnel Allocation; and

WHEREAS, the Finance Committee reviewed the proposed Personnel Allocation changes and agreed with the request; and

WHEREAS, the Board of Directors of the Calaveras County Water District does hereby find that it is in the best interest of the District to amend the adopted FY 2019-20 Personnel Allocation Budget accordingly, effective December 16, 2019.

NOW, THEREFORE BE IT RESOLVED, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT authorizes an amendment to the Fiscal Year 2019-20 Personnel Allocation, attached hereto and made a part hereof, is hereby approved and adopted.

PASSED AND ADOPTED this 11th day of December, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

Agenda Item

DATE: December 11, 2019
TO: Michael Minkler, General Manager
FROM: Joel Metzger, External Affairs Manager
RE: U.S. Forest Service Wood Innovations Program Funding Opportunity

RECOMMENDED ACTION:

Information/discussion only.

SUMMARY:

The United States Forest Service (USFS) is offering up to \$8 million in nationwide, competitive grant funding in 2020 through its Wood Innovations Funding Opportunity (Grant Program). The program is designed to substantially expand and accelerate wood energy and wood products markets throughout the United States to support forest management needs on National Forest System and other forest lands. The program prioritizes funding projects that:

- Reduce hazardous fuels and improve forest health on National Forest System and other forest lands.
- Reduce costs of forest management on all land types.
- Promote economic and environmental health of communities.

These funds are intended for planning, and awards are generally limited to \$250,000 for each project.

The Calaveras County Water District became interested in this grant because of its ongoing efforts through the Upper Mokelumne River Watershed (UMRWA), Cal Fire, fire safe councils and community groups to manage forests and watersheds. CCWD sees the clear benefits of increasing water quality and quantity, along with reducing the chances of catastrophic wildfires.

One of the biggest challenges to managing forests is the lack of nearby facilities that will accept the biomass materials that are removed from the forests as part of management operations. One promising solution to this problem is the construction of biomass plant on the Highway 4 Corridor that could utilize these forest products and generate electricity. It should be noted that there is an operating biomass facility in Chinese Camp, and facilities have been proposed in Sonora and Wilseyville. However, a

biomass facility on upper Highway 4 would be considerable closer than the existing or proposed facilities, which would reduce trucking costs and the resulting pollution.

CCWD is considering the submission of an application to the Forest Service Wood Innovations Program seeking funding for a feasibility study that would analyze the construction of a 3 MW biomass plant on the upper Highway 4 Corridor. This application would be developed of the next month and submitted by the January 15, 2020 deadline.

BACKGROUND INFORMATION:

CCWD's mission statement includes a commitment to "... protecting, enhancing and developing our rich water resources ...". The construction of a biomass plant helps facilitate these goals, as it supports forest management that improves water quality and quantity and reduces the likelihood of catastrophic wildfire and the resulting air pollution. As wildfires have increases in size, intensity and frequency over the past decade, forest management has become increasingly critical, and water Districts throughout California are taking more active roles in forest health projects.

As evidenced by a Utica Water and Power Authority (UWPA) report prepared in 2016 by TSS Consultants, there is a clear need for a biomass facility on the Highway 4 corridor. However, there are significant challenges that would need to be overcome before constructing such a facility. In order to analyze these challenges and highlight opportunities, CCWD staff is proposing an application seeking funds for a feasibility study of a 3 MW biomass plant. This study could include the following:

- Forest feedstock analysis
- Site location
- Interconnection with PG&E
- Power purchase agreement
- Environmental studies
- Zoning
- Permitting
- Traffic
- Air pollution
- Long-term biomass provider contracts
- Economic analysis
- Impact on existing or proposed biomass facilities in the region

Per Forest Service guidelines, applicants must contribute at least 50% of requested funds. For every \$2 of Federal funding requested, applicants must provide at least \$1 in match (this can be in-kind). The Board would not need to make the decision on whether to commit to this funding match until after an official grant award had been announced.

Projects that receive grant funding generally must be completed within two-to-three years.

NEXT STEPS

Forest Service staff informed CCWD staff that it is very important to have broad-based support for funding applications to have a high chance of success. In order to increase the chances of being funded, CCWD staff will reach out to groups across the County to seek letters of support, including:

- Calaveras County Board of Supervisors, UMWRA, Stanislaus National Forest supervisor, CalFire, Sierra Pacific Industries, local fire departments/districts, fire safe councils, business associations, Calaveras County Chamber of Commerce, Assemblyman Bigelow, Senator Borgeas, Congressman McClintock and utility districts.

CCWD staff plans to continue to analyze this funding opportunity, meet with stakeholders, seek broad-based support and determine whether it makes sense to submit a grant application to conduct a feasibility study for a biomass plant on upper Highway 4.

If staff moves forward, the proposal would be submitted to the Forest Service for review no later than January 15, 2020. The Forest Service will announce applicant selections in May 2020, and funding awards will be distributed in August 2020.

FINANCIAL CONSIDERATIONS:

The preparation of a grant application to the Forest Service will take a significant amount of staff time leading up to the January 15 deadline. Based on preliminary estimates, staff expects the feasibility study would cost between \$100,000 and \$150,000. If the application is approved by the Forest Service, CCWD staff would come back to the CCWD Board to seek approval for matching funds.

*Attachments: U.S. Forest Service Wood Innovations Proposal Instructions
Frequently Asked Questions
USFS Grant Application
UWPA Forest Feedstock Review*

U.S. Forest Service Wood Innovations Fiscal Year 2020 Request for Proposals & Instructions

I. FUNDING OPPORTUNITY

A. Background

The U.S. Forest Service (Forest Service) requests proposals to substantially expand and accelerate wood products markets and wood energy markets throughout the United States to support forest management needs on National Forest System and other forest lands.

The agreements awarded under this announcement will support the Agriculture Improvement Act of 2018 ([Pub. L. 115-334](#)), Rural Revitalization Technologies ([7 U.S.C. 6601](#)), and the nationwide challenge of disposing of hazardous fuels and other wood residues from the National Forest System and other forest lands in a manner that supports wood products markets and wood energy markets.

B. Dates

The application deadline is **Wednesday, January 15, 2020**, at 5:00 p.m. local time in the region you submit (see [Section III, Part C](#)). The Forest Service will hold an informational **Pre-Application Webinar on November 7, 2019, at 1:00 p.m. Eastern Standard Time** to present this funding opportunity and answer questions. The link is <https://usfs.adobeconnect.com/wood-innovations/>. For audio, dial in by phone: 888-844-9904; use access code 7240140.

Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Relay Service (FRS) at 800-877-8339, 24 hours a day, every day of the year, including holidays.

C. For More Information

Information on application requirements, eligibility, and prerequisites is available at the [Wood Innovations home page](#).

Please direct all questions regarding this announcement to the appropriate [Forest Service Regional Coordinator](#) listed in Section V of these instructions. **Applicants are strongly encouraged to work with their designated Regional Coordinator early in the application process to determine whether project ideas will be competitive.** Regional Coordinators may have additional tools and resources to help with your application development process.

A link to *Frequently Asked Questions and Definitions* is on the [Wood Innovations homepage](#) under the 2020 Wood Innovations Program Request for Proposals link.

D. Available Funding

The Forest Service plans to award up to \$8 million under this announcement.

E Goals

The Forest Service seeks proposals that significantly stimulate or expand wood products markets and wood energy markets that support the long-term management of National Forest System and other forest lands.

This Request for Proposals focuses on these Wood Innovations goals:

1. Reduce hazardous fuels and improve forest health on National Forest System and other forest lands.
2. Reduce the costs of forest management on all land types.
3. Promote economic and environmental health of communities.

F. Intent and Examples

The intent of the Wood Innovations Funding Opportunity is to stimulate, expand, and support wood products markets and wood energy markets.

Projects can include, *but are not limited to*:

1. Completing requirements, such as engineering designs, cost analyses, and permitting necessary, in the later stages of commercial construction projects that use wood as a primary building material and in the later stages of wood energy project development to secure financing. Early phase project development proposals will not be competitive.
2. Developing manufacturing capacity, other necessary wood products infrastructure, and markets for wood products that support forest ecosystem restoration.
3. Showcasing quantifiable environmental and economic benefits of using wood as a sustainable building material in an actual commercial building and the projected benefits achieved if replicated across the United States based on commercial construction market trends.
4. Establishing statewide wood utilization teams and statewide wood energy teams. Only proposals from States without an existing (or former) team will be considered. Current teams are found on this [map](#).
5. Developing a cluster of wood energy projects in a geographic area or specific sector (e.g., prisons, hospitals, universities, manufacturing sector, or industrial sector).
6. Overcoming market barriers and stimulating expansion of wood energy in the commercial sector.

[View examples of projects funded in prior years](#). Click on “Search by Region, State, Project Type, and/or Fiscal Year” after entering the appropriate search criteria and then click “View Results.”

G. Preferences

Preference will be given to proposals that:

- Make use of wood generated from National Forest System and other forest lands with high wildfire risk.
- Collaborate with industry partners.
- Support commercial building markets or other markets that use innovative wood products.
- Bundle or address multiple wood energy projects.

Note:

1. Proposals incorporating technologies that are commercially viable will be competitive.
2. Basic research, construction, and equipment purchases **except for stationary wood energy equipment** will NOT be considered; however, applied research and demonstration projects will be considered. Applied versus basic research: applied research helps address a real world problem with the potential to lead to commercial value, while basic research fills in data/knowledge gaps to help answer a scientific theory.
3. Expenses for self-marketing and self-promotion are not an eligible expense (company brochures, company business cards, company display materials, etc.).
4. Proposals should align with Forest Service regional priorities and State Forest Action Plans.

H. Award Information

The Forest Service plans to award up to \$8 million under this announcement. The maximum for each award is generally \$250,000; however, the Forest Service may consider awarding more to a proposal that shows significant impact, where the project closely aligns with program goals and yields significant hazardous fuels reduction in a timely manner. All awards are based on availability of funding.

Awards under this announcement are typically 2 to 3 years in length. Projects of greater complexity may be awarded for a longer period of time. The Forest Service will notify a recipient if their proposal is selected for an award and indicate whether any additional forms or information is required and an estimate of when the recipient may proceed. The Federal government will incur no legal obligation until appropriated funds are available and a Forest Service Grant Officer returns a fully executed award letter to a successful applicant.

If your proposal is selected for an award, 10 percent of the Federal funds may be held by the administrator until final reporting is completed and approved.

Note: *An award to a for-profit entity will generate an Internal Revenue Service (IRS) Form 1099 Miscellaneous Income that will be filed with the IRS and provided to the awardee. The Forest Service expresses no opinion on the taxability, if any, of the awarded grant funds.*

II. ELIGIBILITY INFORMATION

A. Eligible Applicants

Eligible applicants are for-profit entities; State, local, and Tribal governments; school districts; communities; not-for-profit organizations; institutions of higher education; and special purpose districts (e.g., public utilities districts, fire districts, conservation districts, and ports).

Your organization must be registered in the [System for Award Management \(SAM\)](#) to apply. You must include a screenshot of the SAM registration page to be eligible for an award. There is no charge for registration. Active registration must be maintained throughout the life of the award.

B. Cost Sharing/Matching

Applicants must contribute at least 50% of the Forest Service requested funds. For every \$2 of Federal funding requested, applicants must provide at least \$1 in match. For example, if the requested Federal amount is \$100,000, the applicant match must be at least \$50,000. The applicant's match must come from non-Federal sources. The match may include cash or in-kind contributions. All matching funds must be directly related to the proposed project. *Please note: Applicants must submit letters of support from third-party organizations confirming the amount of cash or in-kind services to be provided, up to the minimum required match.* Additional funds can be shown as leverage, but letters of financial commitment are not required.

The match must be met by eligible and allowable costs and is subject to match provisions in Federal regulations. For information about Federal cost principles and related topics, go to the [Government Publishing Office website](#).

Forest Service funds cannot be used to fund Forest Service involvement in the project.

Applicants can use this [budget detail worksheet](#) as a guide to help determine project costs.

Applicants should list all other funds (Federal, State, private) received for this project and closely related projects within the last 5 years (include agency, program name, and dollar amount).

III. APPLICATION SUBMISSION INFORMATION

A. Application Package

This announcement contains all instructions to complete an application package and includes web links to required financial forms. In addition, this information and related web links can be viewed and downloaded by visiting the [Wood Innovations home page](#).

B. Content and Form of Application Submission

The proposal package must include all of the materials listed below.

1. Project Application, Part 1: Cooperator Contact Information and Narrative, including Appendices

Requirements for the application include:

- a. Formatted to print on 8½- by 11-inch plain paper with 1-inch margins.
- b. 11-point font (Arial, Calibri) or larger.
- c. Page numbers.
- d. Each “page” of the application is one side of a single-spaced, typed page.
- e. E-mail submittal of all parts of the application at one time, including letters of support and appendices. Separate letters of support, appendices, etc., will not be accepted. No proposals will be accepted by fax machine or hard copy.
- f. Each submittal must consist of two separate, searchable PDF (or Word) files, as follows:
 1. Part 1: Cooperator Contact Information, Narrative, and any Appendices
 2. Part 2: Required Financial Forms
- g. A maximum of **five pages** per proposal for Part 1 of the Application, not including the Cooperator Contact Information page or appendices:
 1. Basic Project Information
 2. Project Goals and Objectives
 3. Project Description
 4. Project Impact
 5. Qualifications of Team and Partners
 6. Annual Progress Reports and Final Reports
 7. Budget Summary and Justification in Support of SF-424A

Documentation exceeding the maximum five-page limit will not be considered.
- h. Appendices should be well organized with an index so reviewers can readily find information of interest. Include only relevant information in the appendices that will help the review panel better understand and evaluate your project. Below are examples of information that can be included in the appendices:
 1. Letters of support from partners, individuals, or organizations, especially those playing a key role or providing matching funds, including Forest Service units if National Forest System lands will directly benefit from the project. Letters of support should display the degree of collaboration occurring between the different entities engaged in the project. ***Applicants must submit letters of support from third-party organizations confirming the amount of cash or in-kind services to be provided, up to the minimum required match.***
 2. List of all other funds (Federal, State, private) received for this project and closely related projects within the last 5 years (include agency, program name, and dollar amount).

3. Short resume or vitae for key team members.
4. Feasibility Assessments.
5. Woody Biomass Resource Supply Assessment (recommended for larger wood energy proposals).
6. Quotes for professional engineering services and rationale for selection of contractor, if already selected.
7. Miscellaneous items, such as schematics, engineering designs, or executive summaries of reports.

2. Project Application, Part 2: Required Financial Forms [all]

The following forms need to be completed and submitted with your proposal. Forms a-f below are located at the [Grants.gov website](#). Search the “Form Name” column for the appropriate form.

- a. SF-424: Application for Federal Assistance
- b. SF-424A: Budget Information for Non-Construction Programs
- c. SF-424B: Assurances for Non-Construction Programs
- d. USDA AD-1047: Certification Regarding Debarment and Suspension
- e. USDA AD-1049: Certification Regarding Drug-Free Workplace (or USDA AD-1052 for States and State agencies)
- f. USDA AD-3030: Representations Regarding Felony Conviction and Tax Delinquent Status for Corporation Applicants
- g. [FS-1500-35: Certificate Regarding Lobbying Activities](#)
- h. [FS-1500-22: Financial Capability Questionnaire](#)
- i. Your organization must be registered in the [System for Award Management \(SAM\)](#) to apply (see Section V, Part B1). You must include a screenshot of your registration page to be eligible for an award.

C. Submission Date and Time

Applications must be **received** electronically at the individual e-mail address for the respective [Forest Service Regional Coordinator](#) listed in the Agency Contacts section of this announcement by *5:00 p.m. in the region you submit* on **January 15, 2020**. NO EXCEPTIONS. No proposals will be accepted by fax or hard copy.

Incomplete proposals and those received past the official deadline will not be accepted. If any part of the application is missing, the proposal will not be accepted.

D. Funding Restrictions

To develop an application and budget consistent with Forest Service grants and agreements requirements, use [these guidelines](#).

E. Confidentiality

Materials submitted to the Forest Service, such as grant applications and progress reports, are subject to the Freedom of Information Act (FOIA). Upon request, the Forest Service may be obligated to disclose such records. However, documents or portions of documents will be protected if they satisfy the requirements of one or more FOIA exemptions. FOIA Exemption 4 protects commercial and financial information that constitutes a trade secret, or whose release would cause competitive harm to the organization that provided the information. FOIA Exemption 6 protects information whose release “would reasonably be expected to constitute an unwarranted invasion of personal privacy.”

In the event that the Forest Service receives a FOIA request seeking information provided by your organization, Executive Order 12600 requires the Forest Service to consult with you regarding the potential release of this information. When assembling your Wood Innovations Application, you may wish to highlight any information that constitutes a trade secret, whose release would cause you competitive harm, or whose release would impact personal privacy. For more information about the FOIA and its exemptions, please consult the Department of Justice [Guide to the Freedom of Information Act](#).

IV. APPLICATION REVIEW INFORMATION

A. Evaluation Criteria

Reviewers will assign points to each proposal based on its ability to meet the following criteria. Each proposal can earn a maximum of 100 total points.

1. Project Goals and Objectives (15 points total)

- a. Alignment with goals of the Wood Innovations Program (5 points)
- b. Alignment with preferences and the intent of the Wood Innovations Funding Opportunity (10 points)

2. Project Description (35 points total)

- a. Components of section adequately addressed (30 points)
- b. Reporting requirements addressed (5 points)

3. Project Impact (35 points total)

- a. Clear and reasonable deliverables and outcomes given funds requested (15 points)
- b. Realistic presentation of impacts and assumptions; extent of impact on market or sector (15 points)
- c. Leveraged activities and actions and/or leveraged funds above the minimum required match that maximize proposed project benefits (5 points)

4. Qualifications of Staff, Organization, and Partners (15 points)

- a. Team member(s) qualifications and past performance (15 points)

B. Review and Selection Process

Applications will be evaluated against the criteria listed in [Section IV, Part A](#). All applications will be screened to ensure compliance with the administrative requirements as set forth in this Request for Proposals. **Applications that do not follow the directions for submission or incomplete applications will be disqualified without appeal.**

Forest Service Regional Foresters will rank proposals according to regional priorities. A panel of Federal experts or their designees will perform a thorough technical review of eligible proposals and evaluate the proposals according to the criteria outlined in this announcement. Reviewers independently evaluate each proposal for merit and assign a score using the criteria listed in [Section IV, Part A](#). Regional Foresters and the review panel will submit their recommendations to Forest Service national leadership for a final decision. In addition, the Forest Service may consider performance and status of previous or ongoing Wood Innovations Grants and other Federal grants and awards in making awards under this program and authority.

C. Anticipated Announcement and Award Date

October 22, 2019	Issuance of Request for Proposals
January 15, 2020	Proposal submission deadline
May 1, 2020	Approximate date for award announcement
August 1, 2020	Approximate date of award

v. AWARD ADMINISTRATION INFORMATION

A. Award Notices

It is expected that applicants will be notified about funding decisions on or around **May 1, 2020**, by e-mail. Successful applicants will receive notification from the appropriate Forest Service Grants and Agreements Office.

B. Administrative and National Policy Requirements Financial Checklist

This checklist will help recipients in the processing of an award.

1. Register in the System for Award Management

You must be registered in the System for Award Management (SAM) to apply for funding. Please go to www.sam.gov. This process can take time; please ensure your registration is up to date.

2. Dun & Bradstreet (DUNS) Number

Do you have a DUNS number that identifies your organization as listed on your application, or do you "share" this number with other parts of a larger organization? Do you have more than one DUNS number? If so, please use the DUNS number that matches the Employer Identification Number (EIN) assigned by the IRS.

3. Employer Identification Number (EIN)

Do you have an EIN that is specifically assigned to your organization, or do you "share" this number with other parts of a larger organization? Do you have more than

one EIN? If so, please provide the one EIN that matches the IRS letter required in Part 1 of this section showing your current not-for-profit or for-profit tax status.

4. Indirect Costs

- a. Do you have a Negotiated Indirect Cost Rate Agreement (NICRA) with your cognizant agency if you intend to show indirect costs for reimbursement with Federal funds or as a component of your match? If not, you can use the de minimis rate of 10% and avoid the negotiation process.
- b. For university applications, indirect costs should be at the **non-research rate** (if one is assigned). This grant does not support basic research.

C. Reporting

1. Annual Progress Reports

Annual Progress Reports are required on a calendar-year basis. An [Annual Progress Report template](#) is provided as a guide. The reports provide an overview of accomplishments of the goals and objectives listed in the approved project narrative, success stories, and documentation of media events or activities generated by the award.

2. Annual Financial Report

Federal Financial Reports ([SF-425](#)) are required. Specific requirements will be provided in the official Award letter if your proposal is selected for funding.

3. Final Progress Reports

A detailed Final Progress Report is required. Suggested templates for the Final Progress Report are on the [reporting requirements page](#) of the [Wood Innovations homepage](#). The Final Progress Report includes the following two items:

- a. Final Summary Report – A brief overview of accomplishments by goals and objectives included in the approved agreement. This document includes outcomes, such as impact to National Forest System and other forest lands, jobs created, impacts to the local and/or national economy and markets, and any other notable successes deemed significant to this project. Final summaries will be added to the [Wood Innovations homepage](#).
- b. Final Accomplishment Report – A detailed report that includes a project overview; goals and objectives; methodology; results, discussion, and findings; summary, conclusion, and recommendations; and photographs (if appropriate). This report can include various assessments, reports, success stories, case studies, and related documents that resulted from the project's activities.

4. Required Statements on All Documents, Publications, Audiovisual Material, and Electronic Media

The following statements need to be included on all documents, publications, audiovisual material, electronic media, and related informational pieces for public distribution that result from projects funded by this U.S. Forest Service Wood Innovations Funding Opportunity:

The work upon which this project is based was funded in whole or in part through a grant awarded by U.S. Forest Service Wood Innovations.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free voice (866) 632-9992, TDD (800) 877-8339, or voice relay (866) 377-8642.

USDA is an equal opportunity provider, employer, and lender.

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text: *"This institution is an equal opportunity provider."*

5. Communication About Publicity

Communication about ALL media events, activities, and reports generated by the award should be provided to the [Forest Service Regional Coordinator](#) *in advance of the event, media release, or release to the public* and also be included in the Annual Progress Report. This ongoing communication about media activity will enable the Forest Service to raise the visibility of the work completed from this award.

D. Agency Contacts

For questions regarding this Request for Proposals or administrative regulations, contact your respective Forest Service Regional Coordinator listed below. **Applicants are strongly encouraged to consult with their designated Coordinator to determine whether a project idea will be competitive and develop proposals.** Coordinators may have additional tools and resources to help with your application development process and are the main point of contact for questions, application submittals, final awards, reporting requirements, and ongoing communication about award progress, including any media events or activities generated by the award.

Note: *Your Forest Service Region is generally determined by the State where the majority of the proposed work will be conducted. Two Forest Service regions may exist in one State. [Locate your Forest Service region](#). Consult with a Regional Coordinator if you are not certain which Region applies.*

Forest Service Region 1 (Northern Region)

(MT, ND, Northern ID, & Northwestern SD)

ATTN: Julie Kies

Building 26 Fort Missoula Road

Missoula, MT 59807

julie.kies@usda.gov (406) 329-3680

Forest Service Region 2 (Rocky Mountain Region)

(CO, KS, NE, SD, & WY)

ATTN: Laura Wolf

1617 Cole Boulevard, Building 17

Lakewood, CO 80401-3305

laura.wolf@usda.gov (303) 275--5115

Forest Service Region 3 (Southwestern Region)

(AZ & NM)

ATTN: Buck Sanchez

333 Broadway Boulevard, SE

Albuquerque, NM 87102

buck.sanchez@usda.gov (505) 842-3498

Forest Service Region 4 (Intermountain Region)

(Southern ID, NV, UT, & Western WY)

ATTN: Julie Kies

Building 26 Fort Missoula Road

Missoula, MT 59807

julie.kies@usda.gov (406) 329-3680

Forest Service Region 5 (Pacific Southwest Region)

(CA, HI, Guam, and Trust Territories of the Pacific Islands)

ATTN: Larry Swan

1323 Club Drive

Vallejo, CA 95492-1110

larry.swan@usda.gov (707) 562-8917

Forest Service Region 6 (Pacific Northwest Region)

(OR & WA)

ATTN: Jim Archuleta

1220 SW 3rd Avenue

Portland, OR 97204

SM.FS.spfr6-wig@usda.gov (503) 808-2346

Forest Service Region 8 (Southern Region)

(AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX, VA, Virgin Islands, & Puerto Rico)

ATTN: Kevin Naranjo

1720 Peachtree Road NW

Atlanta, GA 30309

kevin.naranjo@usda.gov (404) 347-4034

Forest Service Region 9 (Eastern Region)

(CT, DE, DC, IL, IN, IA, ME, MD, MA, MI, MN, MO, NH, NJ, NY, OH, PA, RI, VT, WV, WI)

ATTN: Lew McCreery

180 Canfield Street

Morgantown, WV 26505

lew.mccreery@usda.gov (304) 285-1538

Forest Service Region 10 (Alaska Region)

(AK)

ATTN: Daniel Parrent*

161 East 1st Avenue, Door 8

Anchorage, AK 99501

SM.FS.spf10-wig@usda.gov (907) 743-9467

**After December 24, 2019, please contact the Region 6 contact, Jim Archuleta*

Fiscal Year 2020 Wood Innovations Funding Opportunity

Frequently Asked Questions and Definitions of Terms

A. Questions

1. Are basic or fundamental research proposals acceptable under this funding opportunity?

No. See [Definition of Terms](#) for basic and applied research.

2. What is considered a “cluster” for this funding opportunity?

A cluster for the purpose of this funding opportunity is a wood energy system that serves multiple buildings at a single location (e.g., district heating) or wood energy systems installed at multiple locations in close proximity in an attempt to further expand the use of commercially available technology and/or expand wood fuel markets. A grant provided under this opportunity can support final engineering of the wood energy systems or production facilities prior to construction.

3. Which States are eligible to apply for Statewide Wood Energy Team funding?

All States except AK, AZ, CA, CO, ID, KY, MA, ME, MI, MN, MT, NE, NH, NM, NY, OR, PA, VA, VT, WA, WI, and WV. The States listed have already received funding to establish a Statewide Wood Energy Team. See this [map](#) for current Statewide Wood Energy Teams.

4. Which States are eligible to apply for Statewide Wood Utilization Team funding?

All States except for AL, AR, HI, MI, MN, MT, NC, OR, PR, SC, VA, and WI. The States listed have already received funding to establish a Statewide Wood Utilization Team. See this [map](#) for current Statewide Utilization Energy Teams.

5. How many Statewide Wood Energy Teams or Statewide Wood Utilization Teams could be funded per State?

Only one team per State will be funded for each specific team type. Regional coordination across State lines can make a team more effective. Teams should cover the entire State unless there is adequate justification for a geographic location smaller than an entire State (e.g., specific fire-prone region within a State).

6. Are multistate proposals eligible?

Yes, multistate proposals will be considered. An applicant can submit individual proposals for multiple States but must have letters of support from officials in each State.

7. Can Federal funds from this funding opportunity be used to provide technical assistance to private enterprises?

Yes.

8. Can applicants submit more than one application under this RFP in Fiscal Year 2020?

Yes. An applicant can submit multiple applications.

9. Are equipment purchases allowed through this grant opportunity?

Only stationary wood energy equipment is allowable, specifically for new wood energy systems or to expand/modify existing wood energy systems.

10. Can Forest Service funds be used for construction?

No.

11. Can equipment be used as match?

Equipment is allowable as a match as long as the regulations for [2 CFR 200.306](#) are followed. If the value of a piece of equipment is used as match, then that piece of equipment has all of the regulations in 2 CFR 200 attached, just as it would if it were purchased with Federal funds. While it still belongs to the recipient, it must only be used for the grant-funded purposes and cannot be disposed of without consent of the Federal awarding agency.

A better solution might be to use the actual allowable costs of operating the equipment as match (salary, fringe, fuel, maintenance, etc.).

12. Can unrecovered indirect cost be used as match?

Yes.

13. Can Federal funds be used for infrastructure improvement costs such as site preparation or road improvements?

Yes, if the infrastructure work does not significantly increase the value of the real property. For example, road grading or site preparation may be temporary in nature and those costs are allowable. Site preparation in advance of construction may also be allowed because it would not in and of itself improve the value of the real property.

Infrastructure improvements that are permanent and increase the value of real property will not be funded or used as match under these awards.

B. Definition of Terms

Applied Research

Applied research is a form of [systematic inquiry](#) involving the practical application of [science](#). It accesses and uses some part of the research communities' ([academia's](#)) accumulated theories, knowledge, methods, and techniques, for a specific, often [state-](#), [business-](#), or [client-driven](#) purpose. Applied research is contrasted with [pure research](#) (basic research) in discussion about research ideals, methodologies, programs, and projects.^[1] Applied research deals with solving practical problems^[2] and generally employs [empirical](#) methodologies. Because applied research resides in the messy real world, strict research protocols may need to be relaxed. ([Wikipedia](#))

Basic Research

Basic research, also called pure research or fundamental research, is scientific research aimed to improve scientific theories for improved understanding or prediction of natural or other phenomena.^[1] [Applied research](#), in turn, uses scientific theories to develop technology or techniques to intervene and alter natural or other phenomena. Though often driven by curiosity,^[2] basic research fuels applied science's innovations.^[3] The two aims are often coordinated in [research and development](#). ([Wikipedia](#))

Another definition for basic research is, "Fundamental research means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical application or use in view." ([Community Framework for State Aid for Research and Development and Innovation](#) (2006/C 323/01))

Budget Information (SF-424A)

Overall project costs, including summary of matching funds, in-kind contributions, Federal share, and project expenditures over the life of the grant.

Commercially Available (Proven) System

A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practices. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate the system. An established warranty exists for parts, labor, and performance. ([Code of Federal Regulations, Title 7 – Agriculture, Regulations of the Department of Agriculture](#))

Construction Costs

Costs associated with construction of buildings, roads, and infrastructure that are permanent are not allowed to receive Federal funds under this funding opportunity; however, construction funds can be part of the non-Federal cost share.

Cost Principles for Federal Awards

[PART 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards.](#)

Cross-Laminated Timber (CLT)

CLT is a wood panel typically consisting of three, five, or seven layers of dimension lumber oriented at right angles to one another and then typically glued to form structural panels with exceptional strength, dimensional stability, and rigidity. CLT can be manufactured to customized dimensions, and panel sizes vary by manufacturer while length is usually limited by transportation restrictions. ([Think Wood](#))

Direct/Indirect Costs

Direct costs are those directly associated with project activities. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. For additional information see Cost Principle information beginning on page 133 of [PART 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards](#).

Environmental Product Declaration

An Environmental Product Declaration, EPD®, is a verified document that reports environmental data of products based on life cycle assessment (LCA) and other relevant information and in accordance with the international standard ISO 14025 (Type III Environmental Declarations). ([EPD International AB](#))

Equipment

Equipment is defined as tangible personal property with a useful life of more than one year with an acquisition cost of \$5,000 or more.

Feasibility Study

An analysis of the economic, resource, market, technical, financial, and management feasibility of a proposed project.

Glue Laminated Timber (Glulam)

Glulam is composed of individual wood laminations (dimension lumber), specifically selected and positioned based on their performance characteristics, and then bonded together with durable, moisture-resistant adhesives. The grain of all laminations runs parallel with the length of the member. ([Think Wood](#))

Green Building

Green building is the practice of creating structures and using processes that are environmentally responsible and resource efficient throughout a building's life cycle from siting to design, construction, operation, maintenance, renovation, and deconstruction. This practice expands and complements the classical building design concerns of economy, utility, durability, and comfort. Green building is also known as a sustainable or high-performance building. ([EPA Green Building](#))

Hourly Wages or Salary

Only the actual cost of wages paid to the employee and the associated benefits may be charged to the grant or used as match. Recipients are not allowed to include profit in a Federal award, no matter how it might be captured. Only reimbursement for actual costs incurred and documented expenses will be paid.

Indirect or Intangible Benefits

Indirect or intangible benefits can include job creation; improved air quality (reduced air emissions from point and non-point sources); enhanced water quality; improved fire regime condition class; and reduced wildfire risk to homes, watersheds, and wildlife habitat.

In-Kind Contributions

In-kind contributions are property or services that benefit a federally assisted project or program and are contributed by non-Federal grantees and their partners without charge to the grantee, or a cost-type contractor under the grant agreement.

Life Cycle Assessment

Life cycle assessment (LCA) is a systems-based approach to quantifying the human health and environmental impacts associated with a product's life from "cradle to grave." A full LCA addresses all stages of the product life cycle and should take into account alternative uses as well as associated waste streams, raw material extraction, material transport and processing, product manufacturing, distribution and use, repair and maintenance, and wastes or emissions associated with a product, process, or service as well as end-of-life disposal, reuse, or recycling. ([EPA Sustainability](#))

Mass Timber Processing

Mass timber processing is the manufacturing of large panelized timber products that include cross-laminated timber products and glue-laminated timbers used in building framing and flooring. ([Think Wood](#))

Matching Funds

Applicants must contribute at least 50% of the Forest Service requested funds. For every \$2 of Federal funding requested, applicants must provide at least \$1 in match. For example, if the requested Federal amount is \$250,000, the applicant match must be at least \$125,000. The applicant's match must come from non-Federal sources. The match may include cash or in-kind contributions. All matching funds must be directly related to the proposed project. Applicants must submit letters of support from third-party organizations confirming the amount of cash or in-kind services to be provided, up to the minimum required match.

National Forest

Lands managed by the U.S. Department of Agriculture, Forest Service under the National Forest System, which represents 193 million acres of National Forests and Grasslands.

Non-merchantable

The portion of the byproducts of preventive forest treatments that would not otherwise be used for higher product values.

Project Costs

Project costs are all allowable costs, as set forth in the applicable Federal cost principles, that are incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period. ([PART 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards](#))

Public Utility District

Municipal corporations organized to provide electric service to both incorporated cities and towns and unincorporated rural areas. ([U.S. Energy Information Administration](#))

Renewable Energy

Energy derived from a wind, solar, biomass, or geothermal source. For this grant program, only projects using woody biomass as a primary source of renewable energy are considered.

Wildland Fire

Any nonstructure fire, other than prescribed fire, that occurs in the wildland. ([Glacier National Park Flathead National Forest Fire Information](#) – include other fire terminology)

Woody Biomass

The trees and woody plants, including limbs, tops, needles, leaves, and other woody parts, grown in a forest, woodland, or rangeland environment, that are the by-products of forest management or hazardous fuel treatments ([U.S. Forest Service Wood Innovations](#)). In addition, woody biomass also includes woody waste materials generated from manufacturing processes.

Woody Biomass Utilization

The harvest, sale, offer, trade, and/or utilization of woody biomass to produce any of the full range of wood products, including timber, engineered lumber, paper and pulp, furniture and value-added commodities, and bioenergy and/or biobased products such as plastics, ethanol, diesel, and biofuel.

Wood Energy System

A renewable energy system that produces fuel, thermal energy, cooling, or electric power from woody biomass.

U.S. Forest Service Wood Innovations Application – FY 2020

Part 1: Cooperator Contact Information

1. Project Title:

2. Check one:

- Wood Products
- Wood Energy

3. Project Cost & Cooperator Funding

- A. Cooperator Funding (Match, \$):
- B. Requested Forest Service Funding (\$):
- C. Cooperator Funding as a Percentage of Requested Forest Service Funding (A/B x 100, %):
- D. Total Project Cost (A + B, \$):

4. Contact Information

Financial Agreement Applicant (*Responsible official for the financial administration of the project*)

Name:

Title:

Organization/Company:

Bureau/Division:

Section/Program:

Street Address/P.O. Box:

City, State Zip:

Phone:

E-mail Address:

Project Contact (*Responsible for management/coordination of project; if listed above, check box*)

Name:

Title:

Organization/Company:

Bureau/Division:

Section/Program:

Street Address/P.O. Box:

City, State Zip:

Phone:

E-mail Address:

U.S. Forest Service Wood Innovations Application – FY 2020

Application Instructions: Address each of the following items listed under each section. There is a maximum of **5 pages** per proposal for Part 1 of the Application, not including the Cooperator Contact Information page or appendices. **Note:** Delete instruction details that are not part of your narrative.

Requirements:

- a. Formatted to print on 8½- by 11-inch plain paper with 1-inch margins.
- b. 11-point font (Arial, Calibri) or larger.
- c. Page numbers.
- d. Each “page” of the application is one side of a single-spaced, typed page.
- e. E-mail submittal of all parts of the application at one time, including letters of support and appendices. Separate letters of support, appendices, etc., will not be accepted. No proposals will be accepted by fax machine or hardcopy.
- f. Each submittal must consist of two separate, searchable PDF (or Word) files, as follows:
 1. Part 1: Cooperator Contact Information, Narrative, and any Appendices
 2. Part 2: Required Financial Forms

Part 1 (cont.): Narrative

A. Basic Project Information

- Project Title: Name of the project.
- Project Length: Typical award is for 2-3 years (projects of greater complexity may be awarded for a longer period of time).
- Abstract: Provide a brief description of the project. If funded, the abstract will be posted on the [Wood Innovations website](#). Be concise and clear.

B. Project Goals and Objectives

- Statement of need.
- Specific goals and objectives in bullet format.
- Describe how the proposed project responds to the Wood Innovations Program goals and intent listed in the instructions.

C. Project Description

- Describe the work plan with specific activities to be accomplished, organized according to the goals and objectives listed in Section B.
- Describe how the budget aligns with these activities.
- Describe the timeline for project activities.
- Describe how progress will be measured.
- Describe industry involvement.
- Describe any subgrant or subcontracting activity.
- Describe communication and outreach activities.

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D. Project Impact

- List anticipated project outcomes, deliverables, and desired results.
- Describe anticipated project impacts, such as 1) magnitude of impact on wood products market or wood energy market, 2) benefits to National Forest System and other forest lands, and 3) job creation and retention. Include your assumptions used to determine these impacts.
- Describe leveraged activities and actions and/or leveraged funds above the minimum required match that maximize proposed project benefits.

E. Qualifications of Team and Partners

- List key personnel qualifications and role(s) in the project. Describe their capabilities and certifications as well as experience on related projects that demonstrate your team has the appropriate skill set and experience for success. List experience and performance of prior-funded U.S. Forest Service project(s) (if any). If appropriate, please include a short resume or vitae in the appendix.

F. Annual Progress Reports and Final Reports

- Describe planned reports, documents, and success stories that will be provided during and at the end of the project for posting on the [Wood Innovations website](#).
- List the contact information for the person(s) responsible for reporting (reports should be submitted via e-mail as Word documents, preferably in a 508-compliant format).

Annual Progress Reports are required at a minimum on a calendar-year basis. The [Annual Progress Report template](#) is provided as a guide. The reports provide an overview of accomplishments of the goals and objectives listed in the approved project narrative, success stories, and documentation of media events or activities generated by the award. A detailed Final Progress Report is required. The [Final Progress Report template](#), located on the [Wood Innovations website](#), is provided as a guide. The Final Progress Report must include the following two items:

- *Final Summary Report*: A brief overview of accomplishments by goals and objectives included in the approved award narrative. This document includes outcomes, such as impact to National Forest System and other forest lands, jobs created, impacts to the local and/or national economy and markets, and any other notable successes deemed significant to this project. Final Summaries will be added to the [Wood Innovations website](#).
- *Final Accomplishment Report*: A detailed report that includes a project overview; goals and objectives; methodology; results, discussion, and findings; summary, conclusion, and recommendations; and photographs (if appropriate). It can include various assessments, reports, success stories, case studies, and related documents that resulted from the project's activities.

G. Budget Summary and Justification in Support of SF-424A

- Address proposed expenditures in relation to the proposed project description.
- Include cash and in-kind match, other Federal funds, and staff time that may help accomplish the project.

Please complete the following two budget tables. The budget should support the narrative statements and reflect needed costs. This [budget detail worksheet](#) can be used as a guide.

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Applicants must contribute at least 50% of the Forest Service requested funds. For every \$2 of Federal funding requested, applicants must provide at least \$1 in match. For example, if the requested Federal amount is \$100,000, the applicant match must be at least \$50,000. The applicant’s match must come from non-Federal sources. The match may include cash or in-kind contributions. All matching funds must be directly related to the proposed project.

Applicants must submit letters of support from third-party organizations confirming the amount of cash or in-kind services to be provided, up to the minimum required match. The match needs to be provided within the agreement timeframe.

Forest Service funds cannot be used to fund Forest Service involvement in the project.

Proposals selected for funding should begin around August 1, 2020.

Basic research, construction, and equipment purchases except for stationary wood energy equipment will NOT be funded under this funding opportunity.

1. Budget Table

Categories	I. Forest Service Share	II. Cooperator’s Share	III. Total
1. Personnel			
2. Fringe benefits			
3. Travel			
4. Equipment			
5. Supplies/Materials			
6. Contractual (identify below)			
7. Construction	N/A		
8. Other (identify below)			
9. Direct charges			
10. Indirect charges			
11. Total			
12. Percentage of Total			

Instructions for the Budget Table:

- Lines 1-8: Enter the dollar amount for each item.
- Line 4: Only stationary wood energy equipment is eligible.
- Lines 6 and 8: Identify costs below.
- Line 9: Sum of 1 – 8.
- Line 10: Costs not directly attributable to accomplishing the project, such as overhead.
- Line 11: Sum of 9 and 10.
- Line 12: Use the total in Line 11, Column III to determine the percentage of each share.

Explanation and details for use of Forest Service Requested Funds in Category 6 (Contractual):

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Explanation and details for use of Forest Service Requested Funds in Category 8 (Other):

2. Cooperator (Matching) Contributions Table

*NOT including Forest Service contributions

Cooperator Name	Cash	Materials	In-Kind Services	Total
Totals				

Instructions for the Cooperator Contributions Table:

Identify the value of *matching contributions to satisfy the minimum*, which must equal **at least 50% of the Forest Service requested funds**. Please value in-kind contributions and materials at reasonable and acceptable rates.

H. Appendices

Appendices should be well organized with an index so reviewers can readily find information of interest. Include only relevant information in the appendices that will help the review panel better understand and evaluate your project. Letters of support should be included as the first appendix if multiple appendices are included. Below are examples of information that can be included in the appendices:

- Letters of support from partners, individuals, or organizations, especially those playing a key role or providing matching funds, including Forest Service units if National Forest System lands will directly benefit from the project. Letters of support should display the degree of collaboration occurring between the different entities engaged in the project. ***Applicants must submit letters of support from third-party organizations confirming the amount of cash or in-kind services to be provided, up to the minimum required match.***
- List of all other funds (Federal, State, private) received for this project and closely related projects within the last 5 years (include agency, program name, and dollar amount).
- Resume or short vitae for team members.
- Feasibility Assessments.
- Woody Biomass Resource Supply Assessment (recommended for larger wood energy proposals).
- Quotes for professional engineering services and rationale for selection of contractor, if already selected.
- Miscellaneous items, such as schematics, engineering designs, or executive summaries of reports.

U.S. Forest Service Wood Innovations Application – FY 2020

Part 2: Required Financial Forms

Guidelines for Fiscal Year 2020

Application for Federal Assistance

The following forms need to be completed and submitted with your proposal. Forms a-f below are located at the [Grants.gov website](https://www.grants.gov). Search the “Form Name” column for the appropriate form.

- a. SF-424: Application for Federal Assistance
- b. SF-424A: Budget Information for Non-Construction Programs
- c. SF-424B: Assurances for Non-Construction Programs
- d. USDA AD-1047: Certification Regarding Debarment and Suspension
- e. USDA AD-1049: Certification Regarding Drug-Free Workplace (or USDA AD-1052 for States and State agencies)
- f. USDA AD-3030: Representations Regarding Felony Conviction and Tax Delinquent Status for Corporation Applicants
- g. [FS-1500-35: Certificate Regarding Lobbying Activities](#)
- h. [FS-1500-22: Financial Capability Questionnaire](#) (see Financial Capability section)
- i. Your organization must be registered in the [System for Award Management \(SAM\)](#) to apply (see Note below). You must include a screenshot of your registration page to be eligible for an award. There is no charge for registration. Active registration must be maintained throughout the life of the award.

Items to note when completing the SF-424 and SF-424A:

- Catalog of Domestic Assistance number is 10.674
- CFDA Title is Wood Utilization Assistance
- Funding Opportunity number is USDA-FS-WERC-2020
- Funding Opportunity Title is 2020 Wood Innovations Funding Opportunity
- Anticipated project start date should be around August 1, 2020

Note: If your proposal is funded, you must obtain a DUNS number from Dun & Bradstreet and also register your organization at the [System for Award Management \(SAM\) website](#). To verify that your organization has a DUNS number, or to take steps needed to obtain one, call the dedicated toll-free DUNS number request line at (866) 705-5711 or go to the [Dun & Bradstreet website](#). The SAM registration process can take time; please ensure your registration is up to date, if awarded.

If your proposal is funded, 10 percent of the Federal funds may be held by the administrator of the grant or agreement until final reporting is completed and approved.

HIGH-LEVEL REVIEW OF FOREST FEEDSTOCK AVAILABILITY AND SITE OPTIONS FOR A COMMUNITY-SCALE BIOENERGY FACILITY WITHIN CALAVERAS COUNTY

**Prepared for:
Utica Water & Power Authority**



**Prepared by:
TSS Consultants
Rancho Cordova, California**



**September 21, 2016
Final Report**



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INTRODUCTION

Utica Water and Power Authority (UWPA) is a joint powers authority comprised of two member agencies, the city of Angels Camp and the Union Public Utilities District. UWPA is the sole source of water for the communities it serves and many of the agricultural irrigators. UWPA maintains and operates 27 miles of water conveyance, five dams, and two hydroelectric facilities. One of UWPA's reservoirs, and a portion of the water conveyance system, is located in the Stanislaus National Forest near the town of Avery. Renewable power generation from the small-scale hydro facilities is UWPA's primary source of revenue.

UWPA's service territory is located in close proximity to the area damaged by the 2015 Butte Fire. Many of UWPA's ratepayers are very concerned about drought and insect impacted forests in the area. These conditions are decimating the forests and unfortunately there are currently very limited markets for disposal of sawlogs or excess forest materials (limbs, tops, small trees) generated as a byproduct of forest fuels treatment activities. Downed trees are literally piling up in numerous locations within communities in the region and there is an immediate need for a facility that can process and dispose of trees and other forest materials. A community-scale bioenergy facility within UWPA's service territory would provide a long-term home for excess forest biomass, improve air quality by reducing the amount of open burning that takes place in the region and provide new family-wage jobs while generating renewable energy.

This high-level review¹ is meant to provide a fatal flaw analysis of two important factors:

- Forest feedstock availability tributary to the UWPA service territory.
- Candidate site tributary to the UWPA service territory and that is located adjacent to a PG&E electrical distribution circuit with capacity for additional generation.

¹ Also known as an opportunity scan.

TARGET STUDY AREA

Forest biomass availability for any given region is dependent on vegetation cover, topography, and land ownership. Land ownership is very important as it drives land management objectives which in turn determines how vegetation is managed over time. This forest biomass supply review focused on these key factors within a 30 mile radius of Angels Camp. Known as the Target Study Area (TSA), this constitutes the core feedstock supply area for a potential bioenergy facility located at the candidate site near the Highway 49/Whittle Road junction in Angels Camp.

Vegetation Cover

The major vegetation cover classes were mapped and their acreages calculated using ARCGIS software. Vegetation types were mapped from the CAL FIRE, Fire and Resource Assessment Program (FRAP) vegetation classification for the state of California (new 2015 version²). Table 1 provides an acreage summary of the major vegetation cover types found in the TSA. Almost 53% of the TSA is forested (conifer and hardwood vegetation cover), amounting to approximately 956,461 acres. The other significant vegetation cover category is grassland (showing as herbaceous) at almost 28% and 505,373 acres. Only land management activities within the conifer and hardwood cover types are likely to generate forest biomass material.

Table 1. Major Vegetation Types Within the TSA

Vegetation Cover Category	Acres	Percentage of total
Agriculture	109,809	6.1%
Conifer	417,055	23.0%
Hardwood	539,406	29.8%
Herbaceous	505,373	27.9%
Shrub	139,925	7.7%
Urban	35,338	2.0%
Water	54,330	3.0%
Wetland	2,018	0.1%
No vegetation	6,262	0.3%
Totals	1,809,516	100%

Figure 2 highlights the vegetation cover distribution.

² CAL FIRE, Fire and Resource Assessment Program (FRAP); http://frap.fire.ca.gov/data/frapgisdata-sw-fveg_download

Figure 2. Vegetation Cover Distribution

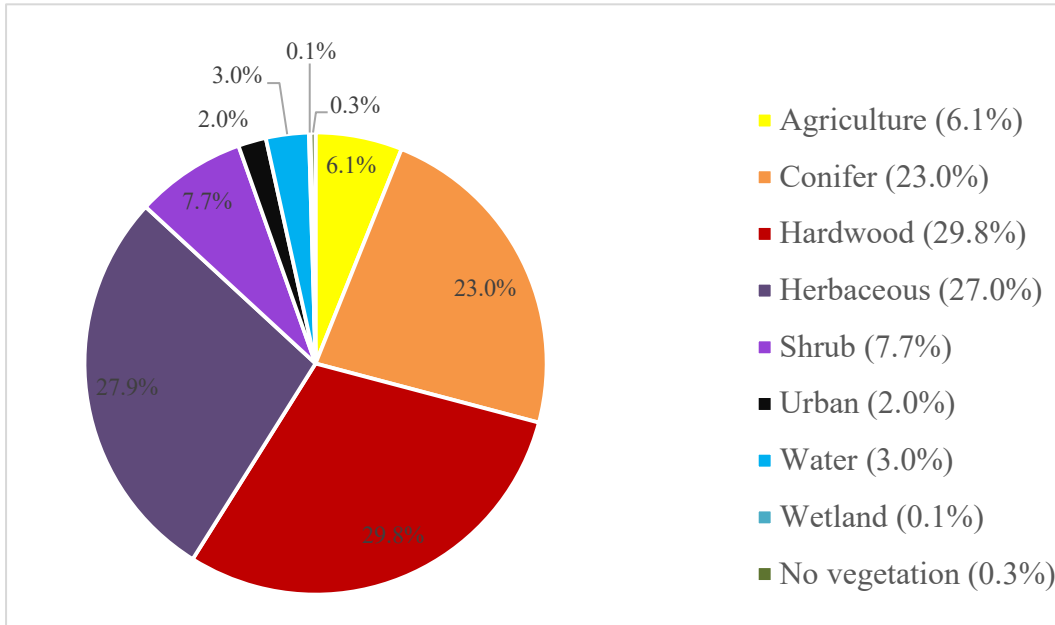
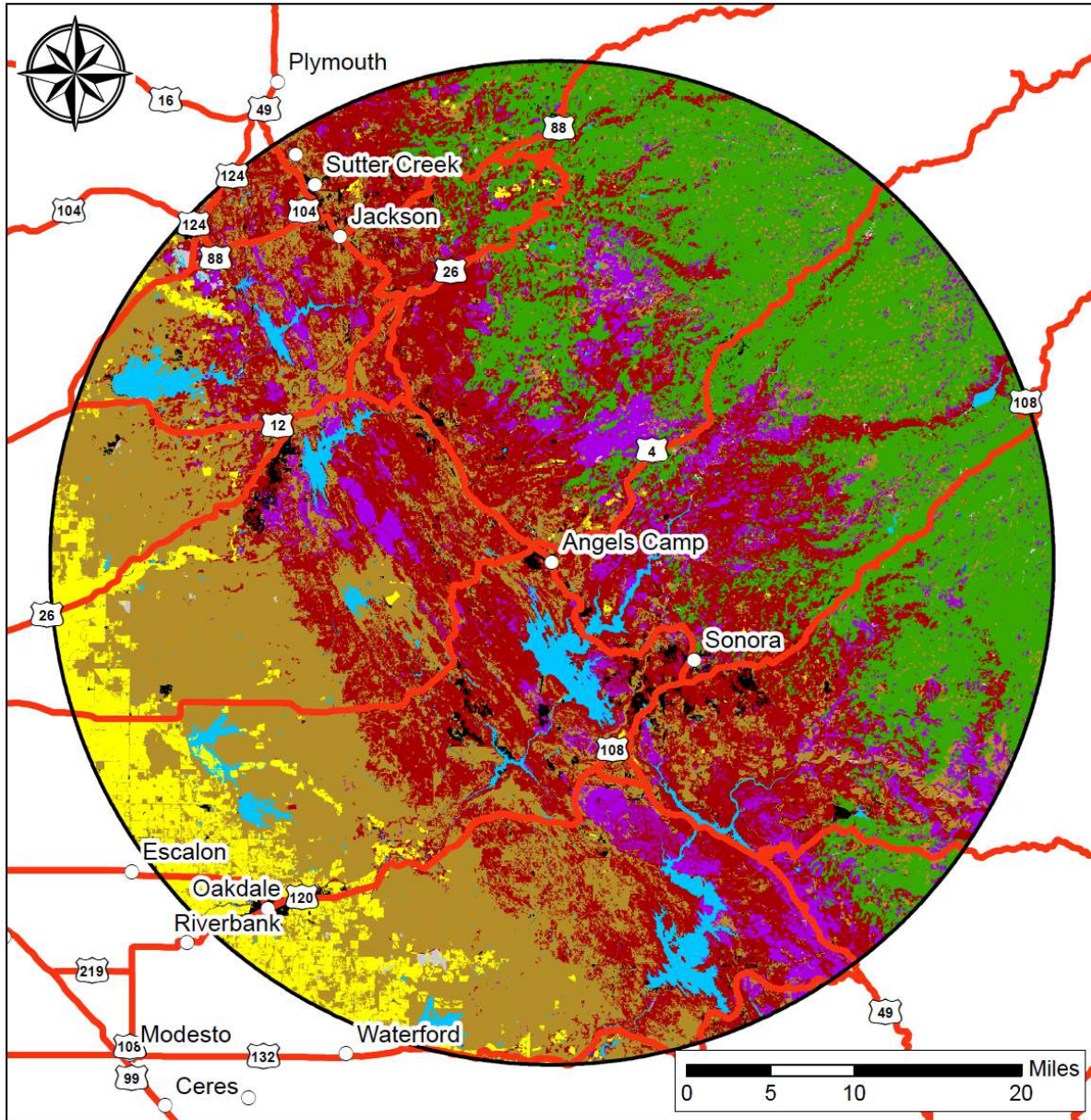


Figure 3 is a map showing the location of the various vegetation cover types within the TSA.

Figure 3. Vegetation Cover Map



**Vegetation Cover Types
30-Mile Radius of Angels Camp**

Source: Cal Fire FRAP, 2015
Scale: 1:500,000



Land Ownership

Major landowners were mapped (Figure 5) and their acreages calculated using ARCGIS software. The single largest landowner category is private at 76% and 1,379,181 acres, followed by US Forest Service at 14.5% and 261,960 acres.

Table 2. Ownership and Acreages Within the TSA

Land Ownership Category	Acrees	Percentage of total
Local Government	30,110	1.7%
BLM	95,346	5.3%
Other Federal	31,870	1.8%
USFS Eldorado NF	3,151	0.2%
USFS Stanislaus NF	258,809	14.3%
Conservancy	83	0.005%
Private	1,379,181	76.2%
State	8,506	0.5%
Tribal Lands	2,173	0.1%
Totals	1,809,227	100%

Figure 4 highlights the vegetation cover distribution.

Figure 4. Land Ownership Distribution

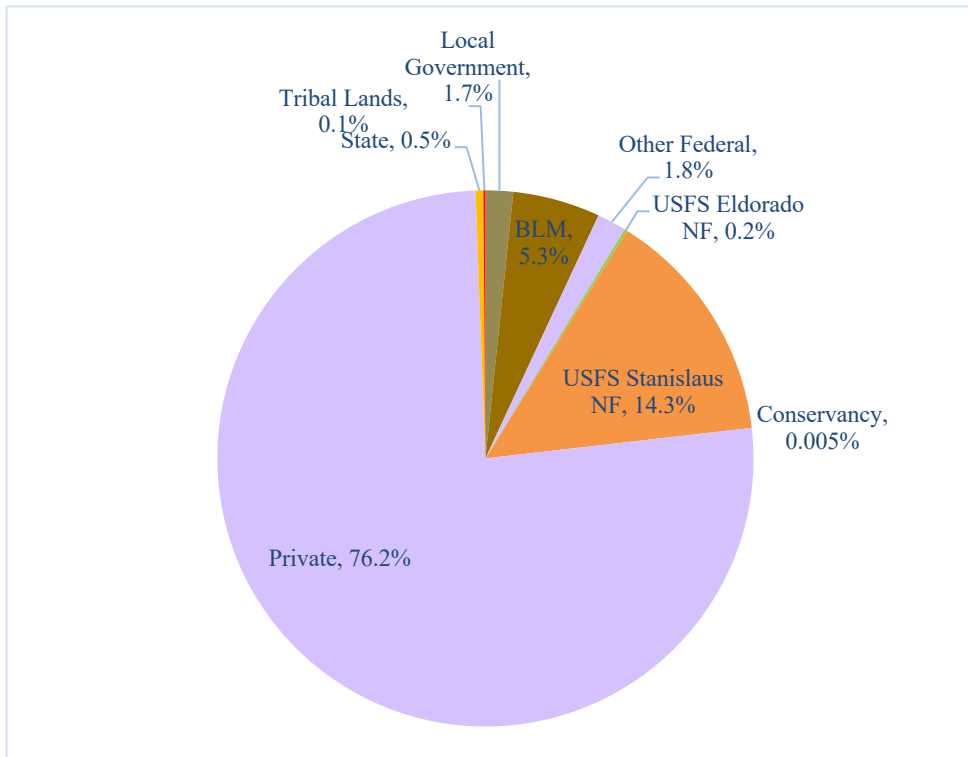
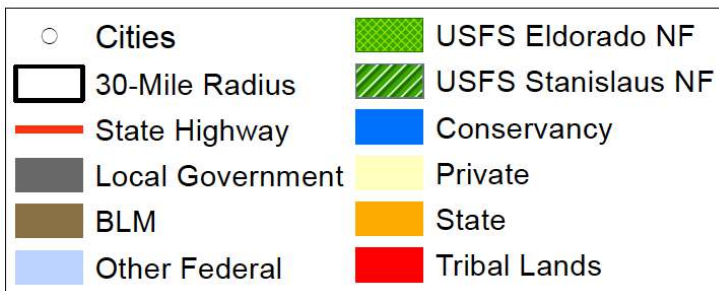
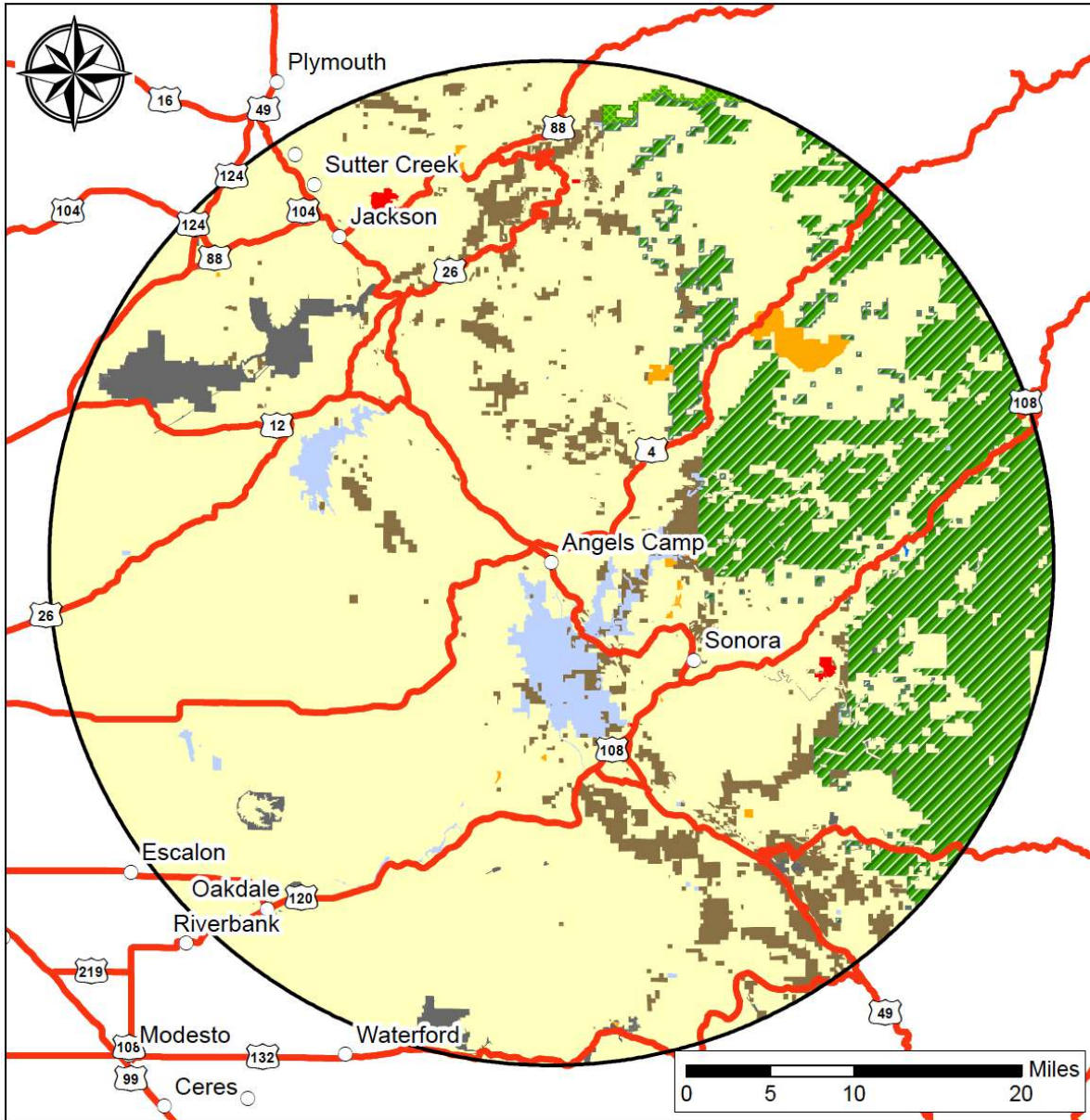


Figure 5. Land Ownership Map



**Major Landowners
30-Mile Radius of Angels Camp**

Source: Cal Fire FRAP, 2015
Scale: 1:500,000



Merging land ownership data with vegetation data, Table 3 confirms that private ownership of forested acreage constitutes over 69% of the TSA, followed by the US Forest Service at 22%.

Table 3. Forest Vegetation Cover and Ownership Within the TSA

Land Ownership	Conifer Acres	Hardwood Acres	Total Forested Acres	Percent of Total Forested Acres
Local Government	101	6,891	6,992	0.73%
BLM	17,213	35,509	52,722	5.51%
Other Federal	179	11,396	11,574	1.21%
USFS Eldorado NF	1,523	1,483	3,006	0.31%
USFS Stanislaus NF	155,069	56,009	211,079	22.07%
Conservancy	30	18	47	0.00%
Private	236,218	425,073	661,290	69.15%
State	6,479	1,210	7,689	0.80%
Tribal Lands	138	1,777	1,916	0.20%
Totals	416,950	539,366	956,317	100%
Adjust for Slope (> 35%)	-44,260	-56,196	-100,456	
Grand Totals	372,690	483,171	855,861	

Not all topography will readily accommodate forest biomass harvest and collection equipment. Topography over 35% slope gradient is considered (by most land managers) too steep to safely and effectively deploy equipment. Table 3 adjusts forested acres to account for steep topography that is not likely accessible. Approximately 855,861 forested acres within the TSA are on topography that will accommodate biomass harvest and collection equipment.

FOREST FEEDSTOCK SUPPLY REVIEW

With an understanding of vegetation types, land ownership and topography within the TSA, TSS conducted a biomass feedstock supply analysis. Outlined below are the methodologies used to generate feedstock supply estimates and annual wood waste estimates generated as a result of the analysis. Note that the common unit of measure for wood waste is bone dry ton (BDT).³

Timber Harvest Residuals

Timber harvest residuals can provide significant volumes of woody biomass material. Typically available as limbs, tops and unmerchantable logs,⁴ these residuals are byproducts of commercial timber harvest operations. As such, residuals have very limited market value, but they can be a relatively economic raw material feedstock source for bioenergy production (e.g., power or thermal energy).

Timber harvest activity in California is monitored by the California Board of Equalization (BOE). The BOE tracks timber harvest levels and makes this data available by year and county. The TSA includes portions of six counties: Amador, Calaveras, Mariposa, San Joaquin, Stanislaus, and Tuolumne. All harvest level volumes are reported in thousand board feet (MBF).⁵ A review of the 2011 through 2015 BOE timber harvest data was conducted to analyze historic timber harvest activities within the TSA. Only Amador, Calaveras, Mariposa and Tuolumne counties are actively managed for timber production.

Due to the 2013 Rim Fire and 2014 Butte Fire, timber harvest activities by county were not representative of long-term harvest levels. Timber harvest levels within Amador, Calaveras and Tuolumne counties commencing in 2013 were skewed due to elevated harvests. For this reason, TSS relied on the 2011 and 2012 BOE timber harvest records as representative.

Vegetation management objectives vary between public and privately managed lands. Private timberlands are typically more actively managed with higher volumes of timber harvested annually. Public lands are usually managed for a variety of management objectives including recreation, wildlife habitat, and timber. Summarized below are descriptions of private and public landownerships within the TSA that are harvesting commercial timber.

- Private. Ownerships classed as private include industrial private (Industry), nonindustrial private forests, and Native American Tribes (Tribal).
- Public. Ownerships considered public include USDA Forest Service (USFS) and the Bureau of Land Management (BLM).

³ One bone dry ton represents 2,000 dry pounds of wood.

⁴ Unmerchantable logs are typically too small or defective (diseased or dead) for manufacturing into lumber.

⁵ MBF = thousand board foot measure. One board foot is nominally 12" long by 12" wide and 1" thick.

Table 4 summarizes commercial timber harvest data for 2011 through 2012 by county and land ownership type (public/private) within the TSA.

Table 4. 2011 and 2012 Commercial Timber Harvest Within the TSA

County	Percent of County within TSA	Two Year Timber Harvest Average		Two Year Timber Harvest Average (MBF/Yr)
		Private (MBF/Yr)	Public (MBF/Yr)	
Amador	47%	4,189	646	4,835
Calaveras	93%	31,906	2,094	34,000
Mariposa	3%	110	3	114
San Joaquin	14%	0	0	0
Stanislaus	24%	0	0	0
Tuolumne	42%	13,916	2,779	16,696
Total	100%	50,122	5,523	55,645

Clearly, private landowners are more actively harvesting commercial timber than the public land management agencies (USFS, BLM). This is consistent with private land ownership managing almost 70% of the forested landscape within the TSA. TSS’s past experience in Northern California with collection and processing of timber harvest residuals confirms a recovery factor of approximately 0.9 BDT/MBF is potentially available as biomass byproduct (limbs/tops) during commercial harvest. Assuming a two-year average commercial harvest on public lands of 5,523 MBF per year, then approximately 4,970 BDT per year is potentially available from public lands (USFS, BLM). Assuming a two-year average commercial harvest on private lands of 50,122 MBF per year, then approximately 49,110 BDT per year is potentially available from private lands.

Senate Bill 1122 Compliance

The UWPA has confirmed that the bioenergy facility considered for siting at Angels Camp will likely participate in the BioMAT program, consistent with Senate Bill 1122. SB 1122 designates CAL FIRE as the lead agency to determine forest feedstocks that qualify as byproducts of sustainable forest management operations. CAL FIRE convened a series of workshops during the fall of 2013 and developed guidelines to meet the intent of SB 1122. In December 2014, the full California Public Utilities Commission (CPUC) accepted the SB 1122 implementation decision which included the CAL FIRE sustainability guidelines.

Forest biomass that qualifies as feedstock consistent with SB 1122 must be sourced as one of four forest sources:

- **Fire Threat Reduction**
 - Consistent with Fire Plan approved by CAL FIRE

- Consistent with fuels treatment activities on federal lands
- **Fire Safe Clearance Activities**
 - Near homes, businesses, consistent with state Public Resources Code sections requiring defensible space clearance
 - Also applies to 150' Fuel Reduction Exemption
- **Infrastructure Clearance Projects**
 - Power lines, substations, roads, railways, switchyards
- **Other Sustainable Forest Management**
 - Must meet at least 12 of 16 items that address:
 - Habitat, temporal, and spatial diversity objectives
 - Habitat elements
 - Forest health and fire management objectives
 - Air and water quality protection
 - Societal and economic benefits

As noted above, the SB 1122 guidelines suggest that forest biomass material sourced from sustainable forest management activities must meet at least 12 of 16 eligibility criteria listed (Section II of the guidelines). Some of the private land management activities within the FSA are carried out using even-age management prescriptions. Even-age management will not meet 12 of the eligibility criteria.

The SB 1122 guidelines require that at least 80 percent of the forest feedstock meet the sustainability criteria. The remaining 20 percent of the feedstock can be made up of byproducts from even-age management activities, agricultural operations and/or urban wood waste (no treated or painted wood). Due to the more cost-effective nature and wintertime availability of agricultural byproducts (e.g., orchard removals) and urban wood waste (e.g., residential tree trimmings, clean construction/demolition wood), TSS recommends the 20 percent feedstock blend not include material sourced from even-age forest management activities (even though this is currently allowed by SB 1122 guidelines).

Interviews with foresters managing private forestlands within the TSA confirmed that about 70 percent of the commercial timber harvest is from even-age management activities. Interviews with foresters managing public lands confirmed that no even-age management activities occur on publicly managed forests within the FSA.

Accounting for technical availability of forest biomass material, TSS found that approximately 10% of the TSA landscape is too steep (> 35% slope gradient) to accommodate forest biomass collection operations. Table 5 summarizes timber harvest residuals potentially and technically available annually within the TSA adjusted for both slope and even-age management.

Table 5. Timber Harvest Residuals Potentially and Technically Available

County	Private (BDT/Yr)	Public (BDT/Yr)
Amador	3,770	581
Calaveras	28,716	1,885
Mariposa	99	3
San Joaquin	0	0
Stanislaus	0	0
Tuolumne	12,525	2,501
Potentially Available	45,110	4,970
Adjust for Slope	-4,511	-497
Adjust for Even-Age Management	-28,419	
Technically Available	12,180	4,473

SB 1122 compliant forest feedstock from timber harvest residuals, technically available within the TSA, totals approximately 16,653 BDT per year.

Fuels Reduction Residuals

Due to high fire danger conditions and overstocked forests, there are concerted efforts across all forest ownerships within the TSA to proactively reduce hazardous forest fuels in support of fire resilient forest ecosystems and fire defensible communities. Forest landowners, agencies and organizations like Fire Safe Councils are conducting forest thinning activities to achieve fuels treatment and stocking control (reduce the number of trees per acre as plantations or wild stands age over time and tree size increases). Almost all of the forest thinning operations are currently conducted using hand crews that pile and burn, masticate or chip, and scatter excess forest biomass.

TSS' experience with forest restoration and fuels treatment operations confirms a recovery factor of approximately 14 BDT per acre applies for pre-commercial forest thinning and fuels reduction operations in forest stands within the TSA. For utility corridor maintenance, TSS assumes a recovery factor of about 8 BDT per acre. Table 6 shows results for potential feedstock availability from forest fuels reduction activities on both private and public lands.

Table 6. Fuels Reduction Residuals

Feedstock Source	Acres/Yr	BDT/Acre	Total BDT/Yr
US Forest Service	2,900	14	40,600
Private	800	14	11,200
Fire Safe Councils	250	14	3,500
Utility Line Clearance	100	8	800
Potentially Available	4,050		56,100
Adjust for Slope			-5,610
Technically Available			50,490

Forest feedstock from fuels reduction activities within the TSA, considered technically available, total approximately 50,490 BDT per year.

Sawmill Residuals and Other Forest Feedstock

In addition to timber harvest residuals and fuels reduction residuals, there are other sources of forest feedstock that, while relatively minor, do represent a consistent supply located within the TSA. TSS is aware of several small-scale sawmills working within the Highway 4 corridor that currently generate about 1,560 BDT per week of sawmill residuals. In addition, TSS anticipates that homeowners within the TSA, especially those located close-in to Angels Camp, will be very interested in delivering forest biomass in the form of limbs, small stems, and logs removed as a result of tree mortality removal and/or fuels reduction. While it is very hard to estimate precisely what volume of forest feedstock might be delivered by homeowners, recent discussions with area foresters indicate that current tree mortality is significant and could continue to be an issue for at least the next three to five years. For the purposes of this high-level review, a one load per day estimate is used to quantify forest feedstock availability from homeowners. Assuming 14 BDT per load and 250 days of deliveries results in 3,500 BDT per year from homeowners. TSS anticipates that much of this forest feedstock will be delivered in log form.

FOREST FEEDSTOCK SUPPLY AVAILABILITY

Summarized in Table 7 is the TSS estimate of forest feedstock supply considered technically available on an annual basis from within the TSA.

Table 7. Forest Feedstock Supply Technically Available

Feedstock Source	Forest Feedstock Technically Available (BDT/Yr)
Timber Harvest Residuals	16,653
Fuels Reduction Residuals	50,490
Sawmill Residuals (Hwy 4 Corridor)	1,560
Homeowners	3,500
Total	72,203

While TSS high-level review findings suggest that there are approximately 72,203 BDT per year of forest feedstock technically available within the TSA that is compliant with SB 1122, it should be noted there will likely be competition for this material from existing and proposed biomass power generation facilities. Table 8 provides information for the two proposed biomass power facilities and two existing facilities that are located within and tributary to the TSA.

Table 8. Existing and Proposed Biomass Power Plants Located Within the TSA

Facility	Scale (MW)	Location	Haul Distance From Angels Camp (Miles)
CHIPS (proposed)	3	Wilseyville	36
Mariposa Biomass (proposed)	2	Mariposa	47
Chinese Station	20	Chinese Camp	21
SPI Standard	8	Standard	21
Total	33		

Current and Potential Competition

Summarized below are observations regarding proposed and existing biomass power plants that are located within or tributary to the TSA.

CHIPS - Wilseyville

This proposed 3 MW SB 1122 compliant facility will source most of its forest feedstock from timber harvest and fuels treatment activities along Highways 88 and 26.

Mariposa Biomass

This proposed 2 MW SB 1122 compliant facility will source most of its forest feedstock from timber harvest and fuels treatment activities along Highways 140, 120 and 41. Also, the road conditions along Highway 49 south of the junction with Highway 120 do not readily accommodate chip trucks, so very little forest feedstock from the TSA will be available for the Mariposa Biomass facility.

Chinese Station

Over the last three decades, forest feedstock from parts of the TSA has been transported on occasion to the Chinese Station biomass power plant at Chinese Camp. However, the Chinese Station plant is about to reach the end of their power sales agreement (PPA) with PG&E and may close, unless the PPA is extended. This extension is a real possibility, as PG&E is currently reviewing offers from biomass power plants as part of the BioRAM initiative. In addition, Governor Brown just signed into law Senate Bill 859 (September 14, 2016), which requires California electric corporations to procure 125 MW of biomass power generation from facilities that utilize forest biomass from high hazard zones. Chinese Station is likely to participate in the BioRAM or SB 859 programs, which means that the facility will likely continue to operate for at least another five years (until 2022). Some of the forest feedstock required for Chinese Station to meet BioRAM or SB 859 requirements will likely be sourced from the TSA.

Sierra Pacific Industries - Standard

The Sierra Pacific Standard facility utilizes sawmill residuals generated on site as the primary fuel source. Very seldom will this facility procure fuel from outside sources within the TSA.

Findings

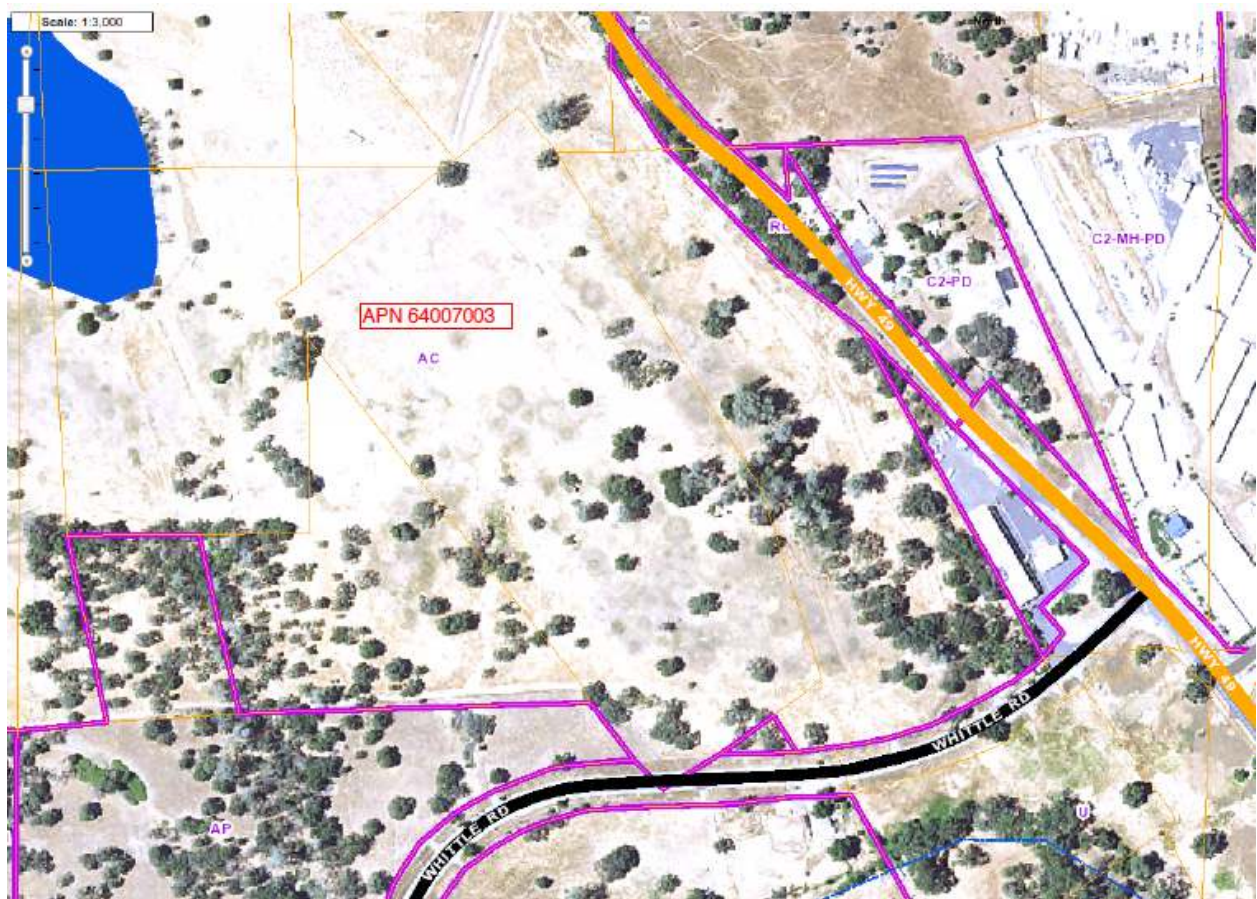
For the purposes of this high-level review, TSS anticipates that between 42,000 and 62,000 BDT per year of forest feedstock available from the TSA will be purchased by competing biomass power plants. This results in an average of 52,000 BDT per year, and most of this volume is forecast to be procured by the Chinese Station facility. Because Chinese Station is not held to SB 1122 compliance standards for feedstock, it is anticipated that all of the timber harvest residuals from even-age management activities (28,419 BDT per year) will be sourced by this plant. This leaves about 23,500 BDT per year of SB 1122 compliant feedstock to be sourced from the 72,203 BDT per year considered technically available (see Table 7). This results in a balance of approximately 48,703 BDT per year ($72,203 - 23,500 = 48,703$) of economically available forest feedstock for the Angels Camp facility.

Assuming a 3 MW facility is developed at Angels Camp, the annual feedstock demand will be 24,000 BDT. With 48,703 BDT per year available, this results in a feedstock coverage ratio of 2.03:1.

SITE REVIEW

Several site locations were considered, with an 18 acre site near the junction of Whittle Road and Highway 49 selected as the preferred candidate. Other sites nearby could also serve as a preferred location (meeting all of the critical site attributes listed on page 19). The preferred site is owned by the City of Angels Camp, and is primarily grassland (with scattered oaks) and is currently utilized as a spray field for wastewater. Figure 6 provides an aerial image of the site relative to Highway 49.

Figure 6. Aerial Image of Preferred Candidate Site
(Parcel # 64007003)



Land Use Zoning

Land use zoning for the site is Public Service; see excerpt below from the City Zoning Code.

Section 17.36.040: Uses subject to a conditional use permit.

In the PS district, the following uses are subject to the issuance of a conditional use permit:

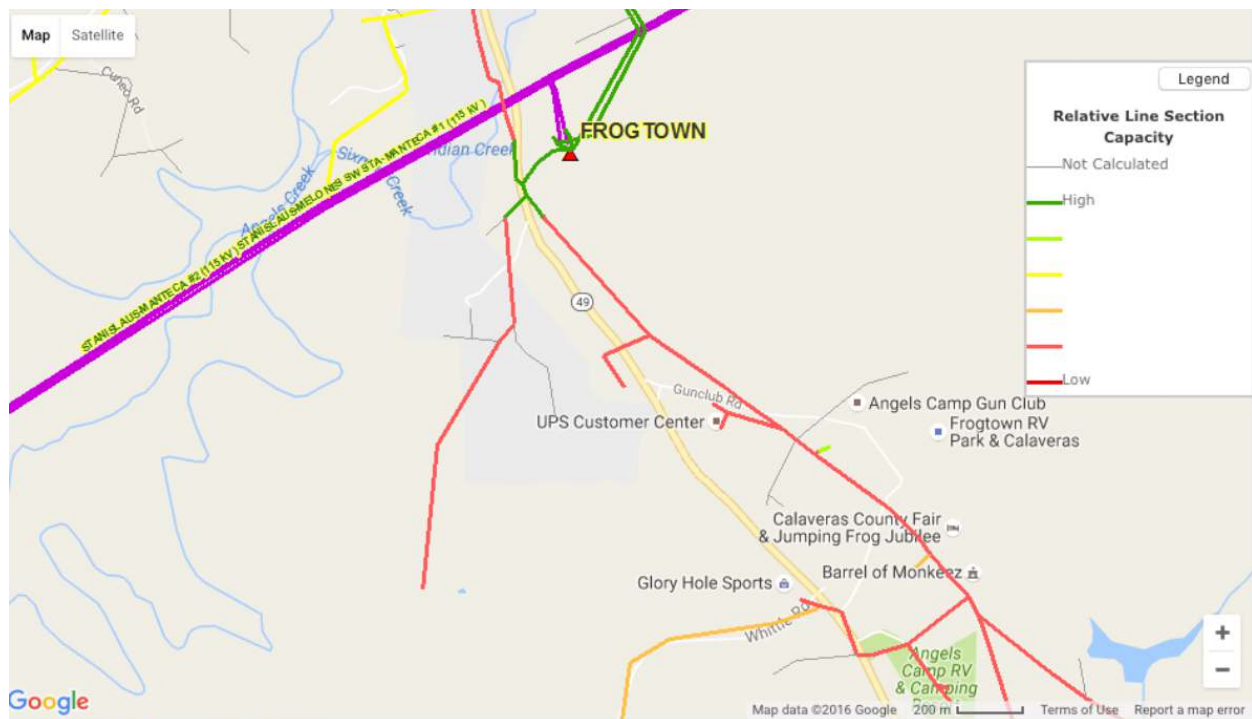
- A. *All government agency uses and structures;*
- B. *Public utility uses and structures. (Ord. 270 (part), 1984)*

Fortunately, UWPA is a public utility and therefore qualifies for a compliant land use pending the issuance of a conditional use permit.

PG&E Circuit Capacity

UWPA submitted a Rule 21 Pre-Application Report Request to PG&E regarding potential interconnection with PG&E distribution system. Results are shown in Figure 7. The Frog Town substation currently has high capacity and can accommodate the 3 MW of power that an SB 1122 compliant facility at the candidate site would generate. UWPA staff estimate that approximately 2,700 feet of aerial power line will be needed to connect to the Frog Town substation.

Figure 7. Relative Line Capacity for PG&E Circuits Near Preferred Candidate Site



Findings

The Whittle Road site appears to have all of the key site attributes needed for development of an SB 1122 biomass power generation facility as noted below.

- Land use zoning compliant (with issuance of CUP)
- Adjacent to PG&E circuit with appropriate capacity
- Near major transport system (Highway 49)
- Enough acreage to accommodate feedstock storage (18 acres)
- Water availability
- Fairly level site

Agenda Item

DATE: December 11, 2019
TO: Board of Directors
FROM: Michael Minkler, General Manager
SUBJECT: Update on the Slurry Line

RECOMMENDED ACTION:

Information Only

SUMMARY:

In 1973, the Flintkote Company built a 17.4 mile pipeline from its limestone quarry near Murphys to its cement plant near San Andreas. As reported in the September 1973 edition of California Geology, the “pipe has an outer diameter of 7.625 inches and the pipe walls are .25 inch thick. The pipe is fabricated of seamless high-test steel and has an outer protective coating of polypropylene.” The pipe was designed to transport limestone slurry at pressures that reached 900 psi but it had no valves or other appurtenances. In 1983, Flinkote ceased operations of the slurry line and has not been in operation since that time.

The land along the slurry line is predominantly large multi-acre parcels that are suitable for agricultural uses but that have no access to a reliable water supply. CCWD acquired the slurry line and the associated easements in 2018 for the purpose of providing water to those parcels. CCWD staff have recently conducted tests to verify the integrity of the slurry line and are adding valves and other appurtenances to convert it into a raw water distribution line. Preliminary tests indicate the line is in good condition, however, additional testing is still underway.

CCWD has consumptive water rights from the Stanislaus River to serve the area and a point of diversion from the Utica Ditch for up to 1,000 acre-feet per year. Staff is conducting a survey of the owners of property along the slurry line to determine the demand for agricultural water and is planning a community meeting to answer any questions the property owners might have. The results of the demand analysis will provide staff with the data needed to determine the adequacy of the water supply and develop a water distribution plan. A hydraulic analysis will also be needed to determine the delivery capacity of the pipeline.

In addition to the infrastructure improvements and the demand analysis, staff is working with legal counsel to establish connection fees and a water rate for prospective slurry line customers. The District's current rates for water don't apply to raw water for agriculture.

FINANCIAL CONSIDERATIONS:

None at this time.

Agenda Item

DATE: December 11, 2019
TO: Michael Minkler, General Manager
FROM: Damon Wyckoff, Director of Operations
RE: Report on the November 2019 Operations Department

RECOMMENDED ACTION:

Receive Report on the Operations Department Report for Divisions 1 through 5.

SUMMARY:

Attached is the monthly Operations Department Report for November 2019. This report will review the operational status and work completed by departmental administration and each of the five Divisions. The report will cover the following:

- Administration
- Water treatment plants
- Wastewater treatment plants
- Distribution
- Collections
- Construction
- Electrical
- Mechanical

Staff will be present the report to the Board of Directors and will available for questions

FINANCIAL CONSIDERATIONS:

None.

Attachment: November 2019 Operations Department Report for Division 1 through 5

Operations Department Report

November 1st 2019 through November 30th 2019

Director of Operations:

1. Worked to develop FEMA funded Hazard Mitigation Grant applications for two District Projects. 1 - Critical Facility Standby Generator Replacement Project and 2 – Middle Fork Mokelumne River Pump Station Rehabilitation Project
2. Provided a tour of the Hunter's Water Treatment Plant to attendees of Mountain Counties Water Resources Association's Stanislaus River Watershed Tour
3. Provided Staff Report's to the District's Engineering Committee regarding the status of the District's heavy on-road truck fleet as it relates to the States Air Resources Board (CARB) Emissions Program
4. Provided a Staff Report to the District's Engineering Committee regarding the status of the District's Potable Water Storage Tanks
5. Worked with District Staff to provide input RE the Development of plans for a District Shop and Warehouse
6. On-going work associated with the District's FEMA funded projects stemming from damages experienced during the Feb 13-15 Atmospheric River Storms
7. Worked with the Engineering Department to facilitate a tour of the West Point Regulating reservoir for Calaveras Healthy Impact Solutions (CHIPS) representatives in contemplation of the District's submission of an application for a Cal Fire fuels reduction grant

Administrative Technician:

1. November Spray Reporting
2. Maintained Field Calendar
3. Daily Distribution of Line Locates (USA Notifications)
4. Operations Work Order Tracking
5. Facilitated with Employee Reimbursements & Certificate Renewals
6. Training – Including Registrations & Travel Arrangements
7. Operations Shipping/ Returns
8. On Call Reminders, Transfers, Logs
9. Continued Work Efforts pertaining to Annual Backflow Testing
10. Electronic Lab Report Filing
11. Training New Purchasing Agent on Purchase Order process
12. Organizing and Archiving Operations Department Documents
13. Attended Various Meetings
14. Continued work on the 2020 On Call Schedule

Plant Operations Manager:

1. Completed review of the District's monthly water reports and submitted them to the State
2. Completed review of the District's monthly wastewater reports and submitted them to the State

3. Finalized Lead and Copper Reports for Jenny Lind and Ebbett's Pass and submitted them to the State
4. Worked with District Operators to facilitate the operation of the Copper Cove Reclaim Plant Pilot Study
5. Attended Western Underground Utilities Association (WUUA) Meeting
6. Worked to ensure samples taken related to the Unregulated Contaminant Monitoring Rule 4(UCMR 4)
7. Reviewed and approved District purchase orders
8. Attended routine Operator Supervisors and Operators meeting
9. Met with PG&E at White Pines to coordinate tree removal
10. Worked with the Operator at the La Contenta WWTP to facilitate the cleanout of the sludge lagoon
11. Met with NCPA to coordinate District Operations in anticipation of their annual tunnel shutdown
12. Worked with Operators at the Jenny Lind WTP and Engineering Staff to plan startup testing of the Jenny Lind Pre-Treatment Project
13. Worked with the District's Consultant to facilitate the development of the Arnold Wastewater Treatment Plant Disposal Study
14. On-going work associated with the facilitation of the completion of Customer's Backflow Prevention Device testing and certification

Purchasing Agent:

1. Continued to gather invoices associated with October's PSPS events
2. Developed material lists for Mobile MMS
3. Received new leased vehicles from Enterprise (7 1-Ton Svc Trucks) and coordinated proper fit-up (Safety equipment, signage, and radios) for deployment and issued to field staff
4. Researched replacement valve and piping for the Jenny Lind WTP Pre-Treatment Project and ordered
5. Purchased new rigging for District cranes
6. Coordinated a crane delivery to the Copper Cove Maintenance Shop in anticipation of PRV delivery and the need to offload (PRV is approximately 14,000 pounds)
7. Continued on-going coordination with the Director of Operations on various topics and work efforts including purchases, vehicles, Mobile MMS, material and parts inventory, and the California Air Resources Board's (CARB) Large Truck and Bus Emissions program
8. Researched multiple items for purchase and issued PO's for those items including; mixer for lift station 40 in Copperopolis, and brushes for the Arnold WWTP Headworks.
9. Reviewed multiple quotes for leak repair material
10. Review and compilation of PO's and associated invoices in preparation to provide to finance
11. Coordinated ultrasonic meter purchases for routine replacements
12. Met with various vendors RE multiple items including control valves, meters, and repair parts

Water Treatment Plants:

Copper Cove Water Treatment Plant:

1. Operations as usual

Hunter's (Ebbett's Pass) Water Treatment Plant:

1. Operations as usual
2. Gave Water Treatment plant tour to members of a Mountain Counties Water Resources Association (MCWRA) sponsored watershed tour

Jenny Lind Water Treatment Plant:

1. Operations as usual
2. Acti-Flo startup/Phase 1 on hold due to incorrect influent valve on unit

Sheep Ranch Water Treatment Plant:

1. Operations as usual

Wallace Lake Estates Well System:

1. Operations as usual

West Point Water Treatment Plant:

1. Operations as usual
2. First snowfall of the season – no issues

Wastewater Treatment Plants:

Arnold Wastewater Treatment Plant:

1. Operations as usual
2. Worked with Mechanical Staff to ensure repair of the Clarifier's rotating arm

Copper Cove Wastewater Treatment Plant:

1. Routine operations as required by permit.
2. On-going operation of a Nitrification / De-Nitrification Pilot Plant

Copper Cove Wastewater Reclamation Plant:

1. Plant idle

Country House Wastewater Facility:

1. Operations as usual

Forest Meadows Wastewater Treatment Plant:

1. Operations as usual

Indian Rock Vineyards Wastewater Facility:

1. Operations as Usual - Weekly inspection of facility. Switched leach fields, tested pumps, changed chart, weekly reads for state compliance

La Contenta Wastewater Treatment Plant:

1. Operations as usual
2. Met with the Construction Supervisor and the Plant Operations Manager to discuss construction of a septage receiving grate over the Plant's sludge lagoon

Mountain Retreat / Sequoia Woods Wastewater Facility:

1. Operations as usual

Six Mile Wastewater Collection System:

1. Monthly reads taken and report submitted to the City of Angels Camp

Southworth Wastewater Treatment Plant:

1. Operations as usual

Vallecito / Douglas Flat Wastewater Treatment Plant:

1. Operations as usual
2. On-going troubleshooting and repair of the UV System – continuing to have faults and trip breakers while operating
3. Ran Belt Press

West Point Wastewater Treatment Plant:

1. Operations as usual
2. First snowfall of the season – no issues

Wilseyville Wastewater Facility:

1. Operations as usual
2. First snowfall of the season – no issues

Distribution:

Copperopolis Distribution System:

SERVICE LINE WORK

1. Fox ct. 1" 4 gpm
2. Quail Hill 1" 3 gpm
3. Cheyenne 1" 4gpm
4. Foothill 1" 4gpm
5. Foothill 1" 3gpm
6. Foothill 1" 4gpm
7. Foothill Park 1" 2 gpm

MAIN LINE WORK

None at this time

Additional Work

1. Installed Storm Water Pollution Protection (SWPP) for the Copper Cover Raw Water Pump Station (RWPS) Project

2. USA's
3. Received delivery of the Sawmill PRV
4. Installed 12 new 1" meters in the DeNova Homes subdivision
5. Cleaned up the construction site post the Copper Cove RWPS Project
6. Replaced approximately 150ft. of 1" service Line off Foothill Rd.

Ebbett's Pass Distribution System:

SERVICE LINE WORK

1. Crystal 5 gpm
2. Stampede Canyon 5 gpm
3. Chumash 5 gpm
4. Dardanelle Vista 5 gpm
5. Pine Drive 5 gpm

MAIN LINE WORK

1. None at this time

Additional Work

1. Customer Service Work Orders
2. USA Line Locates
3. Prepped snow removal equipment for the Winter

Jenny Lind Distribution System:

SERVICE LINE WORK

1. Brooks, **3 different leaks**, 2- 1" x 3" wrap arounds and replaced 1 curb stop, 2 gpm
2. Baldwin, 1" x 3" wrap around, 3 gpm
3. Dunn, 1" x 3" wrap around, 3 gpm
4. Gabor, **2 leaks**, Cut in 4 feet of new 1" line, 4 gpm
5. Hautley, **2 leaks**, re flared leaking 1" {flare at the main and cut in 1 foot of new 1" line. 3 gpm
6. Ormes, Re flare 1" at the main, .5 gpm
7. Baldwin, cut in 3 feet of new 1" line, line split in half, 5 gpm
8. Cane, 1" x 3" wrap around, Leak in road, 2 gpm
9. Cane, 1" x 3" wrap around, Leak near meters, .5 gpm
10. Rice Ct, **2 leaks**, 1" x 6" wrap around and 1" x 3" wrap around, 4 gpm
11. Owens, replaced 18 feet of 1"-line, 2 curb stops and a tee that had **4 leaks** going on it, 3 gpm
12. Siegel, 1" x 3" wrap around, 1 gpm
13. Wallace Lake Dr, Cut in 3 feet of new 1" line, .5 gpm
14. Baldwin, 1" x 3" wrap, 1.5 gpm
15. Baldwin, 1" x 3" wrap, 1 gpm
16. Pardini, replaced curb stop, 2 gpm
17. Pardini, 1" x 3" wrap around, 2 gpm
18. Hartvickson, 1" x 3" wrap around, 2.5 gpm
19. Hartvickson, 1" x 6" wrap around, 4 gpm
20. Baldwin, replaced curb stop, 1 gpm
21. Baldwin, 1" x 3" wrap around, 2 gpm

MAIN LINE WORK

1. Wong Ct, 2" mainline, 2" x 3" wrap around, 2 gpm
2. McNeil Ct, 2" mainline, 2" x 3" wrap around, .5 gpm
3. Hautly, 2" mainline, 2" x 3" wrap around, shutdown, 1.5 gpm
4. Hautly, 2" mainline, Cut in 3-foot section of new 2", shutdown, 2 gpm
5. Pastorello/Friedman, replace leaking 2" valve for Pastorello off of the 6"-line, Large shutdown & samples, 2 gpm
6. Pastorello Ct, **2 2" mainline leaks**, repaired both leaks with 2" x 3" wrap arounds, shutdown, 3 gpm
7. Ormes/Seigel, Replaced 2" valve for Ormes Ct, shutdown.
8. Pastorello Ct, another 2" mainline leak, cut in 8 feet of new 2" pipe that split on us while digging it up. 3 gpm.

ADDITIONAL WORK

1. USA line locates

2. Customer Service Work Orders for various items including but not limited to: check meter function, re-read, replace meter, restore service, etc.
3. -11 Service requests for the West Point area
4. -Install portable fuel tank into service truck for refueling
5. -Put tools in and set up new service truck
6. -Take radio and lights off service truck that is going away
7. -Clean and organize main leak service truck
8. -Clean up and put cold patch on 2 spots on McNeil Ct
9. -Clean up and put cold patch on 2 spots on Hautely

West Point Distribution System:

SERVICE LINE WORK

1. Hwy 26, 1" x 3" wrap around, 1 gpm,

MAIN LINE WORK

1. None during this time period

ADDITIONAL WORK

1. Repaired ARV at the Acorn Pump Station
2. Repaired leaking pumps at the Middle Fork Pump Station
3. USA Line locates
4. Multiple work efforts associated with re-fueling generators and facilitating System Operations while under PG&E's multiple PSPS events

Collections:

1. Started and finished hydro flushing the entire Vallecito collections system
2. Pulled pump 3 at Huckleberry lift station and determined that the VFD had failed. New one has been ordered.
3. New sewer service connection to property line at 1138 Heather Dr. in Forest Meadows completed
4. Weekly pumping of the mat at LS 22 in Copperopolis until a mixer pump is purchased and installed
5. Pump and cleaned wet well at LS 18 in Copper
6. Pulled pump 1 at Mountain Retreat LS and sent out for repair. Repairs were made and pump was installed and put back in to service
7. Poured pad around electrical panel at LS 19 in Copperopolis after repairs to the conduit had been made to stop the I&I problem we were experiencing there last winter
8. Assisted the mechanical crew with a confined space entry in to a pump well at Arnold waste water treatment plant
9. Installed a new pump in the wet well at Sequoia Woods LS and put back in to service
10. Continued hydro flushing and CCTV of the Arnold collections system
11. Unplugged a sewer line between the digester and clarifier at Arnold waste water treatment plant for the operators
12. Snaked and unplugged a service lateral at 75 Poker Flat Dr. in Copperopolis that was blocked by roots. We established flow but will need to return and dig up both this line and the neighboring line to make permanent repairs.
13. Called out to multiple septic tank issues in Southworth, Vallecito, West Point, and Millwoods
14. Weekly lift station checks District wide
15. USA line locates District wide
16. Weekly safety tailgate meetings
17. No spill reports through CIWQS

Construction:

1. Excavated the trench and helped electricians lay cable then back filled the trench for the Copper Raw Water Pump Replacement Project
2. Excavated and installed sewer service Forest Meadows Wastewater System
3. Provided assistance to the Utica Water and Power Authority (UWPA) in the repair of their flume
4. Repaired the lower road at the Copper Cove WWTP

5. Helped the Copper Cove Distribution Crew install the SWPP post the Copper Cove Raw Water Pump Repair Project
6. Provided the Ebbett's Pass Distribution Crew with service line leak repair assistance
7. Worked with the Copperopolis Distribution Crew to replace approximately 150ft of service line on Foothill Road
8. Provided the Copperopolis Distribution Crew with service line leak repair assistance
9. Provided the Jenny Lind Distribution Crew with service line leak repair assistance
10. Completed work orders, door tags, and lock offs in West Point
11. Assisted the Copperopolis Distribution Crew with the installation of 12 1" meters for DeNova Homes
12. Worked with the Engineering Department to identify potential locations for valve, PRV, and ARV installations along the Slurry Line

Electrical:

1. Replaced bad micro relay in Bummerville Pump station control system restoring function of Pump #3
2. Helped operator to adjust pump speed to overcome head pressure from the Bummerville Tank
3. Repaired pump crane at Huckleberry sewer lift station
4. Pulled pump #3 at Huckleberry sewer lift station, determined problem was a failed variable frequency drive
5. Restored function of raw water flow meter at Copper Cove reclaim clearwell
6. Troubleshoot Copper Cove sewer lift station #4, took it out of backup
7. Reset overloads restoring function of the plant air system at JLWTP
8. Worked with construction crew to get the new Copper Cove Raw water pump wire buried underground
9. Ordered new vehicle two-way voice radios
10. Replaced damaged underground electrical conduits at Copper Cove sewer lift station #19
11. Replaced damaged remote I/O unit at CCWWTP catch pond
12. Replaced 24-volt power supply at the CCWWTP catch pond control panel
13. Reprogrammed ultrasonic flow meter at Copper Cove headworks bypass flume
14. Replaced failed UPS at Big Trees 8 tank, restoring proper communications with Hunters WTP
15. Worked with contractor to replace failed Copper Cove Raw Water pump station automatic transfer switch
16. Repaired failed Pump #1 at Huckleberry sewer lift station, pump was ragged up
17. Set up wireless network access for operator at WPWTP on his surface pro for the new MMS system
18. Diagnosed a problem with the effluent pumps at AWWTP, not an electrical problem
19. Disconnected electrical feed for Mountain Retreat sewer lift station pump #2 after failure for replacement
20. Replaced communications cable from Flow meter transmitter to mag unit at Sheep Ranch pump station
21. Removed failed wiper motor for replacement at VWWTP UV system
22. Used new Boot P utility that I received from Schneider electric tech support to permanently assign an IP address to the remote I/O unit at the CCWWTP catch pond
23. Worked with contractor to replace a failed MPAC1000 transfer switch controller with a new MPAC 1500 controller at Copper Cove sewer lift station #20
24. Worked with contractor to replace failed coolant hoses and throttle mechanisms on the generator at Copper Cove sewer lift station #20
25. Installed low bay lighting fixtures at the new Vallecito storage building
26. After hours repair of the control system at Copper Cove sewer lift station #20 after the low-level float failed
27. After hours phone walk through with collections to repair the control system of Copper Cove sewer lift station #8
28. Replaced sewer pump #2 at Sequoia Woods sewer lift station after failure
29. Pulled all electrical wiring inside the new Vallecito storage building
30. Wrote a new district wide voice radio program and uploaded it to 10 new truck radios

Mechanical:

1. Verified operation of the Old Hunters Raw Pump Station to feed the Hunter's WTP during the NCPA Tunnel Tap outage
2. Replaced the oil pan on the Connor's Main Lift Station (40) Generator
3. Troubleshoot and cleaned the impellers of the Arnold WWTP's effluent pumps – dramatically increased their pumping capacity
4. Generator checks in the Copperopolis and Valley Springs area
5. Conducted a backflow prevention device test for the Murphy's Bridge Project
6. Troubleshoot Lift Station 20 generator in Copperopolis – determined controller is bad – provided information to the electrical department
7. Truck #126 (VacCon) replaced power steering pump, truck 706 (Ranger) replaced fuel fill pipe due to theft damage, Truck 512 (Ranger) replaced fuel fill pipe due to theft damage, replaced failed brakes on Vehicle #129 (meter reader jeep), replaced ignition switch on truck #519 (F-350), repaired hard-starting issue on truck #142 (Ranger)
8. Repaired Avery Pump Station Control Valve #2 – failed check valve
9. Installed Radio in Truck #726 (New Ford F350)
10. Continued to work on improving the operation of the La Contenta WWTP's Sludge Rake
11. Ebbett's Pass Generator Checks
12. Mobile MMS Training
13. La Contenta / Jenny Lind area Generator Checks
14. Serviced the Generator at the Administrative Building
15. Pulled and cleaned the pump at Arnold Lift Station #2
16. Received new Pumps from Ace Electric – one for Arnold L/S #2, and one for the West Point WTP
17. Serviced District generators in the Wallace Lake Estates Service Area
18. Serviced District Generators in the Ebbett's Pass and West Point Service Areas
19. Re-filled Generators on the Pass during extended PG&EW outage
20. Ordered new motor for the sludge rake at the La Contenta WWTP

Prepared by: Damon Wyckoff, Director of Operations