

RESOLUTION NO. 2018-06
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-01

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, February 28, 2018
1:00 p.m.

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. 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.

3a Approve to Declare District Vehicles and Equipment Surplus
(Jeffrey Meyer, Director of Administrative Services)

RES 2018-_____

BOARD OF DIRECTORS

Scott Ratterman, President Russ Thomas, Vice President
Terry Strange, Director Bertha Underhill, Director Jeff Davidson, Director

- 3b Approve Position of “Oppose Unless Amended” on SB 623 (Monning) Water Quality: Safe and Affordable Drinking Water Fund; and the Safe and Affordable Drinking Water Act Budget Trailer Bill
(Joel Metzger, Mgr. of External Affairs, Conservation, and Grants)

4. **NEW BUSINESS**

- 4a Discussion / Action Regarding State Legislation in 2018-19 Session:
(Joel Metzger, Mgr. of External Affairs, Conservation, and Grants)
- Resolution of “Support” of the 2018 Water Bonds: Proposition 68 California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018, and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018 **RES 2018-_____**

5. **OLD BUSINESS**

- 5a Discussion / Direction Regarding Cost of Service and Rate Design Analysis
(Jeffrey Meyer, Director of Administrative Services)
- 5b* Update on Actions of the Eastside Groundwater Sustainability Agency and JPA
(Peter Martin, Manager of Water Resources / Russ Thomas, Director)

6.* **GENERAL MANAGER REPORT**

7.* **BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

8. **NEXT BOARD MEETINGS**

- Wednesday, March 14, 2018, 1:00 p.m., Regular Board Meeting
- Wednesday, March 28, 2018, 1:00 p.m., Regular Board Meeting

9. **CLOSED SESSION**

- 9a Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a)
La Contenta Investors, LTD vs. CCWD (Calaveras County Superior Court #11CV37713)
- 9b Conference with Legal Counsel – Initiation of Litigation
Government Code § 54956.9(c) – 1 case

10. **REPORTABLE ACTION FROM CLOSED SESSION**

11. **ADJOURNMENT**

CALAVERAS COUNTY WATER DISTRICT

Board of Directors

District 1 Scott Ratterman
District 2 Terry Strange
District 3 Bertha Underhill
District 4 Russ Thomas
District 5 Jeff Davidson

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

Auditor

Richardson & Company, LLP

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee
Executive Committee (*ad hoc*)
Cost of Service Study Committee (*ad hoc*)

Membership**

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

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)

Ratterman (alt. Dave Eggerton)
All Board Members
Ratterman / Underhill (alt. Strange)
Peter Martin (alt. Dave Eggerton)
Russ Thomas
Strange (alt. Thomas)
Davidson (alt. Ratterman)

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)


Ratterman / Strange
Thomas (alt. Underhill)
Thomas / Underhill
All Board Members
All Board Members
Peter Martin (alt. Metzger)

* 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: February 28, 2018

TO: Dave Eggerton, General Manager 

FROM: Jeffrey Meyer,  Director of Administrative Services

SUBJECT: Approve Declaring District Vehicles and Equipment Surplus

RECOMMENDED ACTION:

Motion _____ / _____ adopting Resolution No. 2018 - ____ Declaring District Vehicles and Equipment Surplus.

SUMMARY:

As per Section 5.09.00 - *Stewardship of Public Assets*, of the District's Surplus Equipment Policy (Financial Management Policy 5.09):

Assets purchased with tax or ratepayer money must be conserved and properly accounted for during their useful life. The proper disposal of items no longer useful to Calaveras County Water District is part of the District's responsibility to preserve the public trust.

Section 1 of the District's Vehicle and Equipment Replacement and Purchasing Policy, states that vehicles are eligible to be replaced after 120,000 miles. The vehicles designated for surplus (see attached) have either exceeded the District's mileage replacement guidelines or have varying degrees of maintenance requirements; all at substantial cost. The equipment identified for surplus are in various stages of disrepair and require significant repair and/or maintenance, also at substantial cost, and are no longer needed or can be operated safely.

FINANCIAL CONSIDERATIONS:

The vehicles will be disposed of by using either a commercial auction company or through trade-in as part of the purchase of a new vehicle as per Financial Management Policy Number 5.09.10. All revenues received will be considered as General Fund revenue.

Attachments: - Resolution 2018-____ Declaring District Vehicles and Equipment Surplus
- Vehicle and Equipment Surplus List 18-01

RESOLUTION NO. 2018-

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

DECLARING DISTRICT VEHICLES AND EQUIPMENT SURPLUS

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2010-72 on October 27, 2010 Financial Management Policy 5.09, Surplus Equipment; and

WHEREAS, the Financial Management Policy 5.09 sets forth the conditions under which assets that are no longer useful to the District are to be disposed of; and

WHEREAS, per Section 5.09.03, the District Board of Directors will take formal action to declare items surplus if the estimated value of the property exceeds \$2,500.

NOW, THEREFORE BE IT RESOLVED the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT declares the equipment and vehicles listed on the Vehicle and Equipment Surplus List 18-01, attached hereto and made a part hereof, surplus.

PASSED AND ADOPTED this 28th day of February, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Scott Ratterman
President, Board of Directors

ATTEST:

Mona Walker, Clerk to the Board

Vehicle and Equipment Surplus List 18-01

Vehicle Number	Year	Make/ Model	Serial Number / Vehicle ID Number	Mileage
	n/a	ATLAS/ Air Compressor	CD3179D	N/A
	n/a	Kohler Generator Skid Mount Propane	261529	N/A
	n/a	Kohler Generator Trailer Mounted		N/A
	n/a	Cushman Snowcat Trailer	306965	N/A
	1988	Fruehauf Belly Dump Trailer	4H02022KJ015109 Plate #4BC6433	N/A
	Not Found	Belly Dump Trailer Yellow	FRM411102 Plate #1274965	N/A
	1994	Pup Dump Trailer	1W9203625RW	N/A
V-113	1991	Toyota Pickup	JT4VNI3DGM5070235	201,484
V-118	1999	Ford Ranger	1FT2R15VXXPA96017	168,742
V-117	1999	Dodge Durango	1B4HS2820XF512258	142,206
V-120	1999	Dodge Minivan	2B4FPZ5B9XR406478	107,388
V-521	2003	Ford F350 4X4	1FDSF31P53EC75130	145,538
V-532	2008	Ford F350 4X4 - Cab&Chassis	1FDWF35R98EC53894	103,667
V-705	1999	Ford Ranger, 4X4	1FTYR14VIXPA1001	129,085
V-610	2001	Ford Ranger	1FTZR15E11PA63463	112,000
V-109	1986	GMC Pumper Truck	1GDM7D1F8HV500540	337,739

Agenda Item

DATE: February 28, 2018

TO: Dave Eggerton, General Manager

FROM: Joel Metzger, Manager of External Affairs, Conservation and Grants

SUBJECT: Approve Position of "Oppose Unless Amended" on SB 623 (Monning) Water Quality: Safe and Affordable Drinking Water Fund; and the Safe and Affordable Drinking Water Act Budget Trailer Bill

RECOMMENDED ACTION:

Motion: _____ / _____ by Minute Entry Approve Position of "OPPOSE UNLESS AMENDED" on SB 623 (Monning) Water quality: Safe and Affordable Drinking Water Fund; and the Safe and Affordable Drinking Water Act budget trailer bill.

SUMMARY:

SB 623 (Monning) Water quality: Safe and Affordable Drinking Water Fund

In March 2017, Senator William Monning (D-Carmel) introduced SB 623, a bill aimed at funding drinking water solutions for disadvantaged communities. The bill was amended at various times throughout the year, however, language proposing the tax on drinking water was added to the bill on August 21 – just two days before the bill was scheduled to be heard in the Assembly Appropriations Committee.

CCWD is committed to providing safe and reliable water and supports the intent of the bill. However, District staff believes that taxing Californians' drinking water is not the solution. Taxing water would set a dangerous precedent that could lead to a slippery slope of other taxes being added to water bills, and the District has significant concerns about the unfunded mandate placed on water agencies to become tax collectors for the State and the negative impact this tax would have on CCWD's relationship with customers.

After extensive advocacy and an unprecedented outreach campaign by the Association of California Water Agencies, of which CCWD was an active participant, SB 623 was made a two-year bill on September 1, 2017. The Assembly Appropriations Committee referred the bill to the Assembly Rules Committee, where it has remained. The

Assembly Rules Committee could refer the bill to one or more policy committees, or move the bill directly to the Assembly floor at any time.

In January 2018, Gov. Brown released his proposed 2018-'19 budget, and the summary document signaled that the administration will be advancing statutory language consistent with the framework of SB 623. The California Department of Finance posted Safe and Affordable Drinking Water Act budget trailer bill language on Feb. 1, 2018, that is essentially the SB 623 language with some changes, which do not change CCWD staff's position on this bill.

If the Brown Administration is not successful with the budget trailer bill, Sen. Monning will likely try to move forward with SB 623. Regardless of whether the vehicle is a budget trailer bill or a policy bill, a proposal for a new tax requires a two-thirds majority vote of both the Assembly and the Senate.

CCWD's concerns about SB 623 and the budget trailer bill, along with alternative solutions to solve the problem of safe drinking water for low income communities, are articulated in a joint letter that was drafted by ACWA and sent out on February 6, 2018, (see attached).

In August 2017, the CCWD Board authorized a letter to be sent to the Assembly Appropriations Committee with an "OPPOSE UNLESS AMENDED" position. Since that letter was sent, the bill author added additional language that included a water tax.

Staff recommends the CCWD Board take an "OPPOSE UNLESS AMENDED" on the current version of SB 623 along with the Brown Administration's budget trailer bill that contains similar language.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachments: *SB 623 ACWA Coalition Letter*

Updated: February 6, 2018 / Originally Sent: August 18, 2017

The Honorable Lorena Gonzalez Fletcher
Chair, Assembly Appropriations Committee
California State Assembly
State Capitol, Room 2114
Sacramento, CA 95814

Re: SB 623 (Monning): Safe Drinking Water Funding/TAX ON WATER
Position: OPPOSE UNLESS AMENDED (As Amended August 21, 2017)

Alameda County Water District	Fallbrook Public Utility District	Rancho California Water District
Amador Water Agency	Foothill Municipal Water District	Regional Water Authority
Anderson-Cottonwood Irrigation District	Georgetown Divide Public Utility District	Richvale Irrigation District
Antelope Valley – East Kern Water Agency	Glenn-Colusa Irrigation District	Rincon del Diablo Municipal Water District
Association of California Water Agencies	Helix Water District	Rio Alto Water District
Bella Vista Water District	Hidden Valley Lake Community Services District	Rio Linda Elverta Community Water District
Brooktrails Township Community Services District	Humboldt Bay Municipal Water District	Rowland Water District
Browns Valley Irrigation District	Humboldt Community Services District	Sacramento Suburban Water District
Calaveras County Water District	Indian Wells Valley Water District	San Diego County Water Authority
CalDesal	Indio Water Authority	San Gabriel Valley Municipal Water District
California Municipal Utilities Association	Irvine Ranch Water District	San Juan Water District
California Special Districts Association	Kern County Water Agency	Santa Fe Irrigation District
Calleguas Municipal Water District	Kinneloa Irrigation District	Santa Margarita Water District
Camrosa Water District	Laguna Beach County Water District	Scotts Valley Water District
Carmichael Water District	Lake Hemet Municipal Water District	Shasta Community Services District
Casitas Municipal Water District	Las Virgenes Municipal Water District	South Coast Water District
Citrus Heights Water District	Long Beach Water Department	South Tahoe Public Utility District
City of Beverly Hills	Malaga County Water District	Southern California Water Committee
City of Fairfield	Mammoth Community Water District	Stockton East Water District
City of Garden Grove	McKinleyville Community Services District	Tahoe City Public Utility District
City of Glendale Water and Power	Merced Irrigation District	Three Valleys Municipal Water District
City of Newport Beach	Mesa Water District	Tulare Irrigation District
City of Oceanside	Mid-Peninsula Water District	Tuolumne Utilities District
City of Redding	Mission Springs Water District	United Water Conservation District
City of Roseville	Mojave Water Agency	Upper San Gabriel Valley Municipal Water District
City of San Diego	Monte Vista Water District	Vallecitos Water District
City of Santa Rosa	Municipal Water District of Orange County	Valley Center Municipal Water District
Coachella Valley Water District	Northern California Water Association	Valley of the Moon Water District
Contra Costa Water District	Olivenhain Municipal Water District	Vista Irrigation District
Crescenta Valley Water District	Orange County Water District	Walnut Valley Water District
Cucamonga Valley Water District	Orchard Dale Water District	Westlands Water District
Del Paso Manor Water District	Otay Water District	Western Canal Water District
Desert Water Agency	Padre Dam Municipal Water District	Western Municipal Water District
Dublin San Ramon Services District	Palm Ranch Irrigation District	Wheeler Ridge-Maricopa Water Storage District
East Orange County Water District	Palmdale Water District	Yolo County Flood Control Water Conservation District
East Valley Water District	Paradise Irrigation District	Yorba Linda Water District
Eastern Municipal Water District	Pico Water District	Yuba County Water Agency
El Dorado Irrigation District	Placer County Water Agency	
El Toro Water District	Quartz Hill Water District	
Elsinore Valley Municipal Water District	Rainbow Municipal Water District	
Fair Oaks Water District		

Dear Chair Gonzalez Fletcher:

The above-listed organizations are OPPOSED UNLESS AMENDED to SB 623 (Monning) and **OPPOSE THE TAX ON WATER BEING ADDED TO SB 623.**

This bill would establish a fund to be administered by the State Water Resources Control Board (SWRCB) to assist those who do not have access to safe drinking water. The organizations listed on this letter agree with the intent of the bill. The lack of access to safe drinking water in certain disadvantaged communities is a public health issue and a social issue that the State needs to address.

As the Legislature departed Sacramento for Summer Recess, the intended funding sources for SB 623 had yet to be identified in the bill. The Author is adding the funding sources just prior to the Assembly Appropriations Committee voting on the measure. Senator Monning is adding two types of funding: 1) fees related to fertilizer and dairies to address nitrate contamination; and 2) a state-mandated tax on water that the bill would require local water agencies to assess on their local ratepayers and send to Sacramento. The above-listed organizations oppose the proposal for a tax on water.

PROBLEMS WITH A TAX ON WATER: Following are examples of problems with a tax on water:

- 1) Requiring local water agencies and cities across the state to impose a tax on water for the State of California is highly problematic and is not the appropriate response to the problem;
- 2) State law sets forth a policy of a human right to water for human consumption that is safe, clean, affordable and accessible. It is not sound policy to tax something that is a human right;
- 3) Adding a tax on water works against keeping water affordable for all Californians; and
- 4) It is inefficient for local water agencies across the state to collect the tax and send it to Sacramento.

Instead of turning local water agencies into taxation agencies for the state, the above-listed organizations suggest the following funding solution:

FUNDING SOLUTION:

- 1) **Safe Drinking Water State Revolving Fund (SRF)** – this federal funding can be used to fund capital costs;
- 2) **General Obligation (G.O.) Bonds** – SB 5 (de León) proposes \$175 million for safe drinking water and two new bond initiatives have been filed with the Attorney General which both propose \$500 million for safe drinking water. All of these bonds propose to prioritize the drinking water funding to disadvantaged communities (DACs);
- 3) **Ag Funding** – the nitrate-related fee(s) that is expected to be added to the bill can be used for replacement water, including point-of-use and point-of-entry treatment, for nitrate contamination; and
- 4) **General Fund** – General Fund funding can fund the non-nitrate operation and maintenance (O&M) costs needs at public water systems in certain DACs.

Everyone in California should have access to safe drinking water. The fact that a small percentage of Californians do not makes this issue a public health and social issue for which the General Fund is an appropriate source of funding as part of the above-suggested funding package.

AMENDMENTS: In addition to including the General Fund as a funding source instead of a tax on water, the organizations listed above are suggesting the amendments shown on the attachment to address various concerns regarding this funding measure.

The above-listed organizations urge your "No" vote on SB 623 unless the bill does not include a tax on water and these concerns are addressed.

If you have questions, please contact Cindy Tuck, Deputy Executive Director for Government Relations, Association of California Water Agencies at (916) 441-4545 or at cindy@acwa.com.

cc: The Honorable William W. Monning
Honorable Members, Assembly Appropriations Committee
Ms. Kathy Smith, Senior Legislative Consultant, Office of Senator William W. Monning
Ms. Jennifer Galehouse, Deputy Chief Consultant, Assembly Appropriations Committee
Mr. Jared Yoshiki, Consultant, Assembly Republican Caucus

Attachment

SB 623 (MONNING) AMENDMENTS SUGGESTED BY WATER AGENCIES AND WATER ORGANIZATIONS LISTED ON THIS LETTER

- 1) Do NOT include a tax on water (i.e., the proposed drinking water “fee.”) Instead, the bill should propose General Fund funding as the non-nitrate funding source in the bill.
- 2) Exclude capital costs as an eligible funding category and focus on funding operation and maintenance (O&M) costs, which are difficult to fund through G.O. bonds and cannot be funded with Safe Drinking Water State Revolving Fund (SRF) dollars. (G.O. bonds and the SRF are effective in funding capital costs.)
- 3) Limit the funding to disadvantaged communities (DACs) and low income individual domestic well users that do not have access to safe drinking water, consistent with 4) below.
- 4) Exclude individual domestic wells and “state small water systems” (with 5 to 14 connections) as eligible funding categories (with one exception for nitrate). Data is lacking to support a credible needs assessment. For example, the state does not require owners of private wells to sample their wells, and consequently a comprehensive database for these groundwater sources does not exist. The bill should explicitly exclude these two categories from funding with the exception that funding could be made available for replacement water for individual domestic wells or state small water systems in rural areas of the state for which the local health officer has certified that data documents that the wells for which funding is being sought in that area are contaminated with nitrate. The proposed definition of “replacement water” should be narrowed to make this exception workable. (Bottled water, point-of-use treatment and point-of-entry treatment are reasonable parts of this proposed definition.)
- 5) Make sure the funding goes to address situations where the water is not safe. The proposed language in Section 116769 references: A) “systems and populations potentially in need of assistance”; and B) systems that “may be at risk of failing.” Funding for safe drinking water should go to where there are real problems as opposed to going to where there is a chance of a problem.
- 6) Focus on safe drinking water and recognize that affordability issues are being discussed in the SWRCB’s AB 401 implementation process. The language should be deleted from Section 116769 which would include in the needs assessment all community water systems in DACs that charge fees that exceed the affordability threshold in the Clean Water State Revolving Fund Intended Use Plan (i.e., fees that equal or exceed 1.5 percent of the median household income). The SWRCB is currently developing a plan for a low-income water rate assistance program pursuant to AB 401 (Dodd, 2015), and there many questions being raised about how affordability thresholds should be determined.
- 7) Clarify what is intended by the proposed authority for the SWRCB to take incidental action as may be appropriate for adequate administration and operation of the fund. Instead of simply including this rather vague provision, the bill should be specific as to what this proposed authority is intended to cover.

Agenda Item

DATE: February 28, 2018
TO: Dave Eggerton, General Manager
FROM: Joel Metzger, Manager of External Affairs, Conservation and Grants
SUBJECT: Discussion/action regarding 2018 water bonds

RECOMMENDED ACTION:

Motion: _____ / _____ to adopt Resolution No. 2018-____ to formally support the California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018.

SUMMARY:

Water Bonds: California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68); and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018

Proposition 68 is a \$4.1 billion bond that will appear on the June 2018 ballot and would provide \$1.6 billion to fund water-related projects, if approved by voters.

This legislative bond measure resulted from the passage with bipartisan support of SB 5 (de León, 2017). This measure would authorize billions in general obligation bonds to finance water and park projects, coastal protection, and other purposes. Examples of its water project funding include money for safe drinking water for disadvantaged communities and funding for Sustainable Groundwater Management Act (SGMA) implementation (see attached 2018 Water Bonds Overview).

The State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration and Drinking Water Protection Act of 2018 (known as the November bond) is an \$8.9 billion water bond initiative measure. Initiative backers, (namely Jerry Meral, former Natural Resources Agency secretary) are currently completing the signature collection process to qualify the measure for placement on the November 2018 ballot. This bond would fund a wide range of water projects from safe

drinking water projects to SGMA implementation and watershed improvements (see attached 2018 Water Bonds Overview)

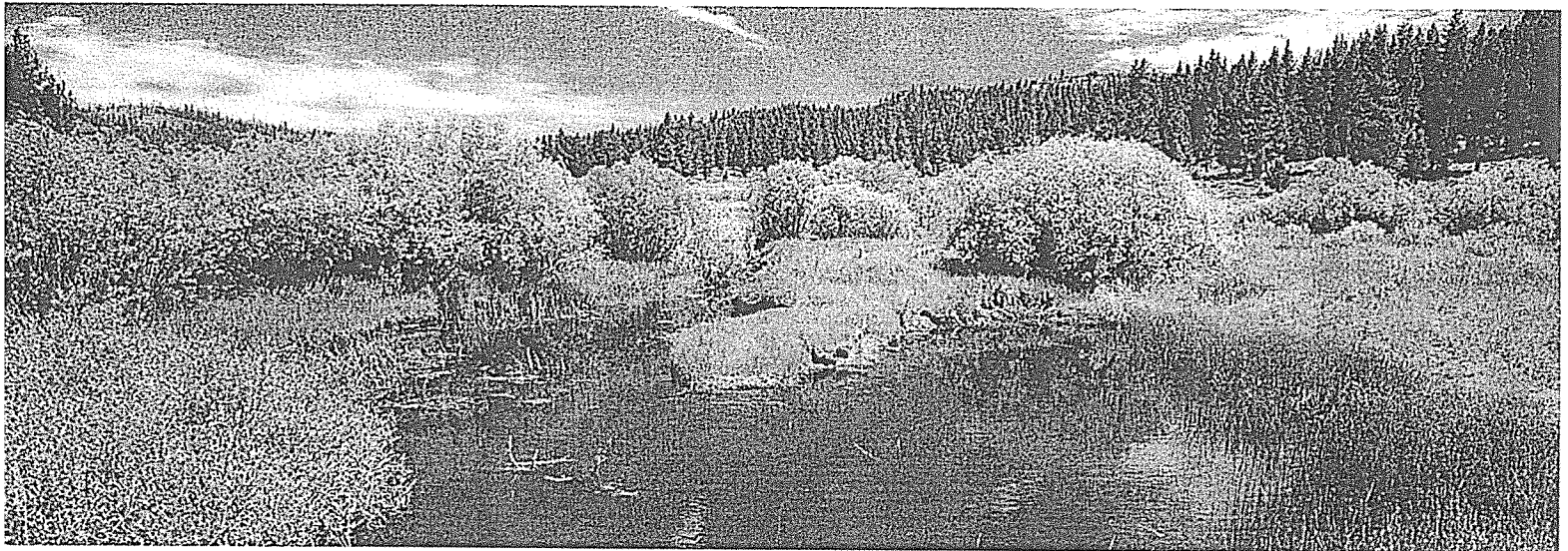
Though two separate measures, both bonds would work together as a complementary pair to appropriate funding to a variety of needed projects. Together, they would provide more than \$10 billion for drought preparedness projects, flood protection, safe drinking water, implementation of SGMA, watershed management and other projects that will improve water supply reliability and ecosystem health.

Staff recommends the Board formally support the California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachments: *2018 Water Bonds Overview*
 CCWD Resolution of Support for Water Bonds



TWO COMPLEMENTARY WATER BONDS WILL GO BEFORE VOTERS IN 2018

As securing California's water future becomes increasingly challenging, ensuring funding to mitigate the results of climate change, aging infrastructure, natural disasters and population growth are more important than ever. In response to those challenges, voters will have the opportunity to approve two general obligation bonds in 2018. One measure will appear on the June 2018 ballot, and the other measure will likely appear on the November 2018 ballot.

The two measures are complementary and, if approved, would work together to fund water-related projects intended to provide safe drinking water to disadvantaged communities, improve water supply reliability, help implement the Sustainable Groundwater Management Act (SGMA) and restore watersheds.

In recognition of the need for this funding, the Association of California Water Agencies (ACWA) Board of Directors voted unanimously to support both bonds.

The California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018, will be placed on the June 2018 ballot as Proposition 68. This legislative bond measure resulted from the passage with bipartisan support of SB 5 (de León, 2017). This measure would authorize \$4.1 billion in general obligation bonds to finance water and park projects, climate change preparedness, coastal protection, and outdoor access.

Examples of its water project funding include money for safe drinking water for disadvantaged communities and funding for SGMA implementation.

The State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration and Drinking Water Protection Act of 2018 (the November bond) is an \$8.9 billion water bond initiative measure. Initiative backers are currently completing the signature collection process to qualify the measure for placement on the November 2018 ballot. This bond would fund a wide range of water projects from safe drinking water projects to SGMA implementation and watershed improvements.

Though two separate measures, both would work together as a complementary pair to appropriate funding to a variety of needed projects. Together, they would provide more than \$10 billion for drought preparedness projects, flood protection, safe drinking water, implementation of the Sustainable Groundwater Management Act, and other projects that will improve water supply reliability and ecosystem health.

The Association of California Water Agencies Board of Directors voted unanimously to support both bonds.

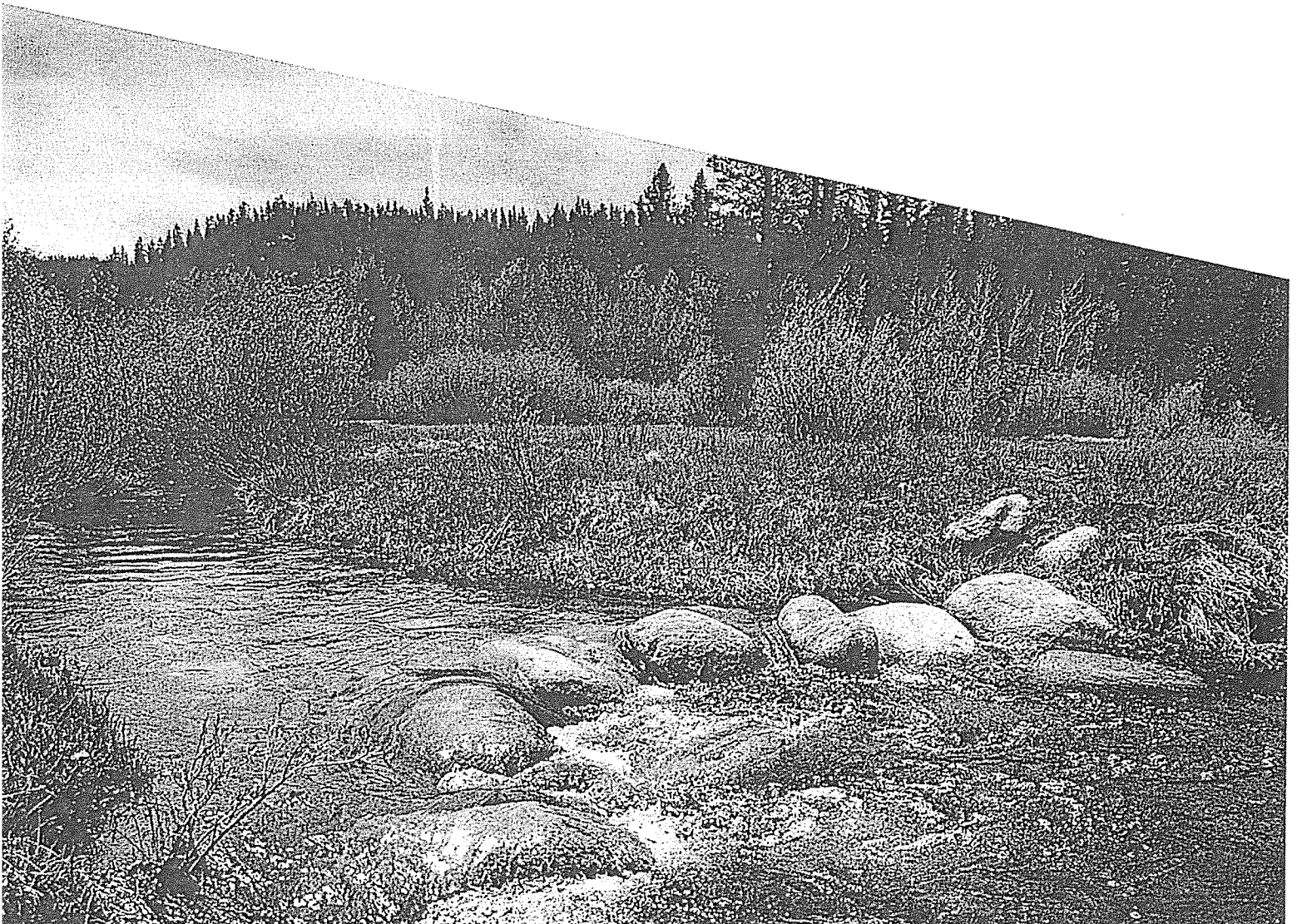
INVESTMENT IN THE CALIFORNIA WATER ACTION PLAN

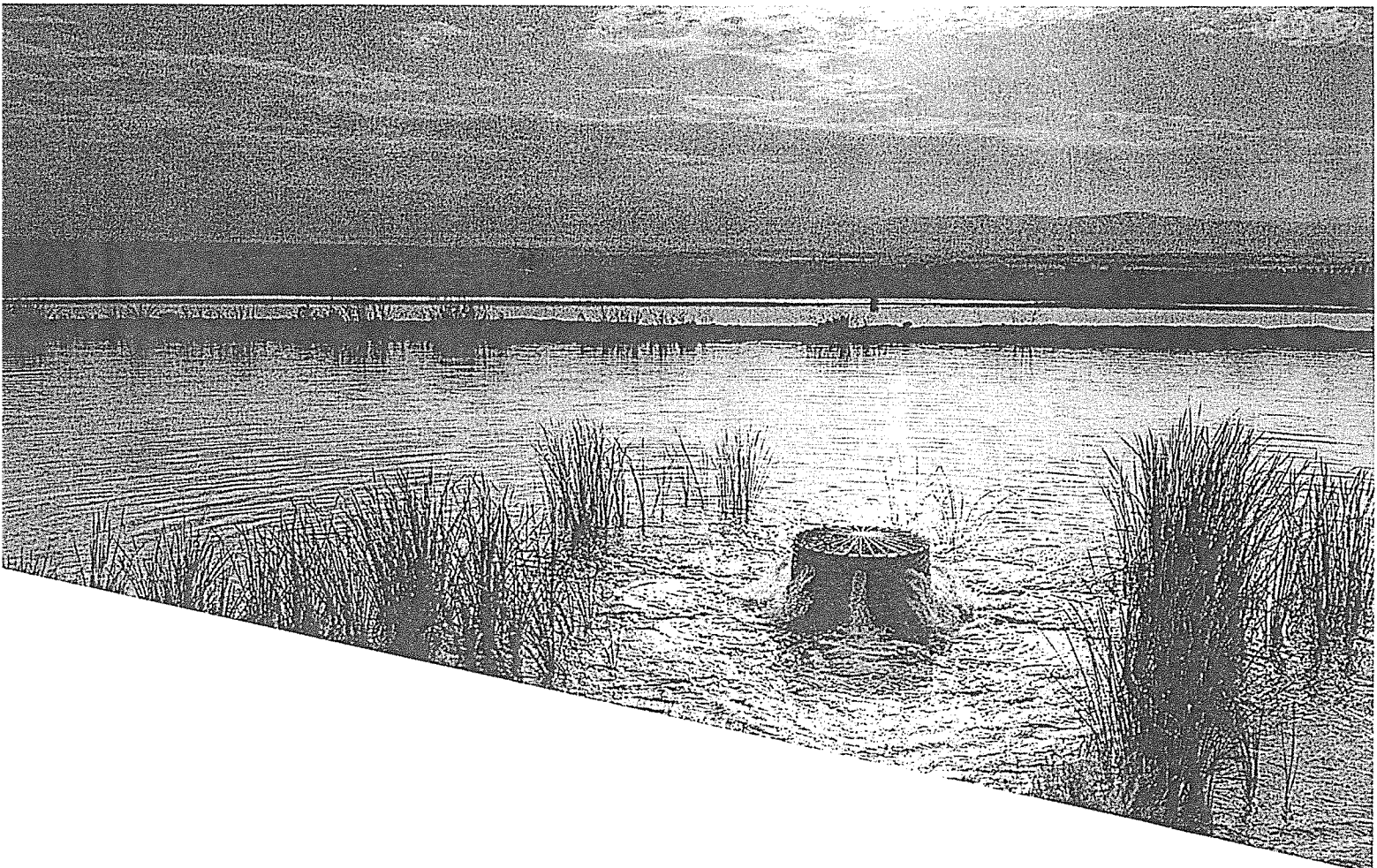
The California Water Action Plan of 2014, was a major step in the right direction during California's most severe drought in recent history. The multi-prong plan, whose roots stem from ACWA's Statewide Water Action Plan (SWAP), outlines priority actions addressing water conservation, groundwater management, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more.

Since 2014, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (also known as Proposition 1) has provided much needed investment in water supply reliability and ecosystem health projects and has also leveraged local and federal cost share funds.

Much like Proposition 1, both 2018 bonds, if approved, would result in an influx of local investment. Except for the storage component, pending qualification for bond funds, it's expected most of the money from Proposition 1 will be committed by 2019. As such, Proposition 68 and the November bond will help replenish the soon-to-be depleted funding source.

ACWA believes the two bonds are complementary initiatives that would serve California tremendously and help build upon the successes of Proposition 1. Enactment of the measures would secure further investment in the California Water Action Plan.





FUNDING THE FUTURE OF SUSTAINABLE GROUNDWATER MANAGEMENT

The Sustainable Groundwater Management Act of 2014 (SGMA) established a new program for management of California's groundwater. SGMA required the formation of local Groundwater Sustainability Agencies (GSAs). It requires GSAs to develop and implement Groundwater Sustainability Plans (GSPs) that are consistent with Department of Water Resources' GSP regulations. This is a complex program that is very challenging and costly to implement.

The Legislature passed SGMA and the bill (AB 1471, Rendon, 2014) that became Proposition 1 (the 2014 Water Bond) in the same year. Because the bills that comprised SGMA and AB 1471 were being written and

moved through the Legislature at the same time, the funding for SGMA implementation was added late in the bond negotiation process. As a result, Proposition 1 included only \$100 million for SGMA implementation. The Legislature recognized then that more funding was needed. Essentially all of the remaining Proposition 1 SGMA funding is being committed in 2018.

The writers of Proposition 68 and the November bond recognized that additional bond funding was needed for SGMA implementation. Proposition 68 and the November bond would provide \$50 million and \$640 million, respectively, for SGMA implementation.

Essentially all of the remaining Proposition 1 SGMA funding is being committed in 2018.

WATER BONDS FUNDING COMPARISON

Funding Category	Proposition 68 \$4.1 B (June Ballot)	November Bond \$8.9 B
	Funding in Millions	Funding in Millions
Forest Protection	\$110	\$120
Recycled Water and Desalination	\$80	\$800
Safe Drinking Water (and Wastewater)	\$330	\$750
SGMA Implementation	\$50	\$640
Conservation	\$20	\$365
Flood Management	\$550	\$500
Stormwater	\$100	\$400
Oroville Dam Safety	\$0	\$222
Madera & Friant-Kern Canals Improvements	\$0	\$750

This is a highlight comparison of the funding categories in the two water bonds. This is not a complete list of the funding categories.

This publication is intended to provide general information about how Proposition 68 and the proposed November water bond would affect ACWA member agencies. Readers are encouraged to research the opponents' and proponents' views on both bonds.

FOR MORE INFORMATION

Questions about the two water bonds may be directed to ACWA Deputy Executive Director for Government Relations **Cindy Tuck** at cindyt@acwa.com.

RESOLUTION NO. 2018 -

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

**IN SUPPORT OF THE 2018 WATER BONDS: PROPOSITION 68 AND THE STATE
WATER SUPPLY INFRASTRUCTURE, WATER CONVEYANCE, ECOSYSTEM AND
WATERSHED PROTECTION AND RESTORATION, AND DRINKING WATER
PROTECTION ACT OF 2018**

WHEREAS, California faces a new climate reality and a growing list of challenges associated with aging infrastructure, natural disasters, climate change, population growth and other factors; and

WHEREAS, the water community agrees that funding is needed to improve water supply reliability and ecosystem health in California; and

WHEREAS, the Legislature passed SB 5 (de León) that will be on the June 2018 ballot as Proposition 68 and which would set forth The California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018; and

WHEREAS, a diverse group of stakeholders including water managers has developed The State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018, which will likely appear on the November 2018 ballot; and

WHEREAS, if approved by voters, these complementary measures would provide more than \$10 billion in General Obligation bond funding for drought preparedness projects, flood protection, safe drinking water, implementation of the Sustainable Groundwater Management Act, watershed restoration, forest management and other projects that will improve water supply reliability and ecosystem health; and

WHEREAS, projects funded through these bonds would provide substantial benefits for California communities and help ensure safe and reliable water for California's future; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Calaveras County Water District formally supports Proposition 68 (June ballot) and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018 (November ballot).

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PASSED AND ADOPTED on the 28th day of February, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT


Scott Ratterman, President
Board of Directors

ATTEST:

Mona Walker
Clerk to the Board

Agenda Item

DATE: February 28, 2018

TO: Dave Eggerton, General Manager 

FROM: Jeffrey Meyer, Director of Administrative Services 

SUBJECT: Discussion/Direction Regarding Cost of Service and Rate Design Analysis

RECOMMENDED ACTION:

Discussion/Direction Regarding Cost of Service and Rate Design Analysis.

SUMMARY:

At the February 14, 2018 Board meeting Shawn Koorn of HDR Engineering, Inc. presented a detailed overview of the Cost of Service and Rate Design Analysis for the water and sewer utilities, including preliminary cost of service results. Additionally, Mr. Koorn discussed the water and sewer rate structure options and requested direction from the Board on finalizing the Cost of Service study rate design alternatives.

The Board directed HDR prepare rate plan options for water and sewer and report back to the Finance Committee and the full Board with their findings and recommendations.

Shawn Koorn of HDR Engineering, Inc. will present an updated Cost of Service and Rate Design Analysis, discuss the proposed water and sewer rate design options, and request direction from the Board on finalizing the Cost of Service study rate design.

FINANCIAL CONSIDERATIONS:

None at this time.