Regular Board Meeting - April 10, 2019

1. Agenda Packet
   
   Documents:
   
   190410 AGENDA PACKET.PDF

2. Related Agenda Items
   
   Documents:
   
   PUBLIC COMMENT - FROM MIKE SAMPSEL.PDF
   AGENDA ITEM NO. 5 - FROM DAVE SCHLESINGER.PDF
   AGENDA ITEM NO. 11. A - PRESENTATION.PDF
AGENDA

Regular Meeting
Governing Board of Sweetwater Authority
Wednesday, April 10, 2019 – 6:00 p.m.

- Call Meeting to Order and Roll Call
- Pledge of Allegiance to the Flag
  Director Sotelo-Solis
- Opportunity for Public Comment
  Opportunity for members of the public to address the Board (Government Code Section 54954.6)
- Chair’s Presentation

ACTION CALENDAR AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined, including items listed for information.

1. Items to be Added, Withdrawn, or Reordered on the Agenda

2. Approval of Minutes
   A. Special Meeting of March 22, 2019
   B. Regular Meeting of March 27, 2019

Consent Calendar Items

Items to be acted upon without discussion, unless a request is made by a member of the Board, the Staff, or the Public to discuss a particular item, including items listed for information. All consent calendar items are approved by a single motion.

3. Approval of Demands and Warrants

4. Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act (Operations Committee Meeting of 4/3/19, Item 4. A.)
   Recommendation: Adopt Resolution 19-08.
Action and Discussion Items

5. Consideration to Create a Citizens Advisory Committee (Ad Hoc Citizen Engagement Committee of 3/28/19)
   Recommendation: Create a Citizens Advisory Committee and direct staff to include effort, labor, and other costs in the proposed FY 2019-20 Strategic Plan Work Plan and Budget.

6. Old Business
   Consider Request to Appeal Board Decision on One-time Adjustment to Customer Water Bill

7. New Business
   A. Consideration to Adopt Resolution 19-09, Supporting Assembly Bill 1588 (Gloria/Gray)
   B. Discussion and Possible Direction on Use of ACWA/JPIA Liability, Property, and Worker's Compensation Programs Refund (No Enclosure)
   C. Discussion and Possible Direction on Proposal from Laing Strategic Communications

8. Approval of Directors’ Attendance at Meetings and Future Agenda Items
   A. Per diem approval for Director Castaneda to attend the Chula Vista Chamber of Commerce Utilities Subcommittee Meeting – April 24, 2019
   B. Association of California Water Agencies (ACWA) 2019 Spring Conference, Monterey, CA – May 7-10, 2019 (Note: Conflict with May 8 Board meeting, registration deadline April 19)
   C. California Special Districts Legislative Days, Sacramento, CA – May 21-22, 2019 (Note: Conflict with May 22 Board meeting, early registration deadline April 26)

REPORTS AND INFORMATIONAL ITEMS
The following Agenda items are placed on the Agenda to allow the persons designated to provide information to the Board and the Public. There is no action called for in these items. The Board may engage in discussion on any report upon which specific subject matter is identified on the Agenda, but may not take any action other than to place the matter on a future Agenda.


10. Report of Legal Counsel

11. Management Report
   A. Report of Assistant General Manager
   B. Report of General Manager

12. Reports by Directors on Events Attended
   Reports and discussion relating to events attended by the Directors.
   A. WELL Annual Conference – March 28-29, 2019
B. CA Water Policy Conference – April 4-5, 2019

13. Directors’ Comments
Directors’ comments are comments by Directors concerning Authority business that may be of interest to the Board. Directors’ comments are placed on the Agenda to enable individual Board members to convey information to the Board and the Public. There is no discussion or action taken on comments made by Board members.

CLOSED SESSION
At any time during the regular session, the Governing Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Government Code Section 54954.5.

A. Conference with Labor Negotiator pursuant to Government Code Section 54957.6
Agency Negotiators: Alison Alpert, Legal Counsel
Employee Organizations: Sweetwater Authority Employees’ Committee, Sweetwater Authority Middle Management Group, Sweetwater Authority Confidential Employees’ Group

B. Conference with Labor Negotiator pursuant to Government Code Section 54957.6
Agency Negotiators: Alison Alpert, Legal Counsel
Unrepresented Employees: Assistant General Manager, Director of Administrative Services, Director of Engineering, Director of Distribution, Director of Finance, Director of Water Quality

C. Public Employee Performance Evaluation pursuant to Government Code Section 54957:
Title: General Manager

D. Conference with Legal Counsel – Significant Exposure to Litigation pursuant to Government Code Section 54956.9 (d)(2): One Case

E. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 (d)(1):

14. Adjournment

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority’s office and it is also posted on the Authority’s website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2.
Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

To e-subscribe to receive meeting agendas and other pertinent information, please visit www.sweetwater.org.

PUBLIC COMMENT PROCEDURES
Members of the general public may address the Board regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Governing Board. Speakers are asked to state name, address, and topic, and to observe a time limit of three (3) minutes each. Public comment on a single topic is limited to twenty (20) minutes. Anyone desiring to address the Governing Board regarding an item listed on the agenda is asked to fill out a speaker’s slip and present it to the Board Chair or the Secretary. Request to Speak forms are available at the Speaker’s podium and at www.sweetwater.org/speakerform.
The Governing Board of Sweetwater Authority held a Special meeting on Friday, March 22, 2019, at the Sweetwater Authority Administrative Office, 505 Garrett Avenue, Chula Vista, California. Chair Castaneda called the meeting to order at 4:02 p.m.

- **Roll Call**

  Directors Present: Josie Calderon-Scott, Jerry Cano, Steve Castaneda, *Jose F. Cerda (4:04 p.m.)*, Hector Martinez, *Jose Preciado (4:07 p.m.)*, and Alejandra Sotelo-Solis

  Directors Absent: None

  Management, General Manager Tish Berge, Assistant General Manager Jennifer Staff and Others Sabine, Legal Counsel Paula de Sousa Mills, and Acting Board Present: Secretary Michael Garcia. Others Present: Mike Sampsel.

- **Pledge of Allegiance to the Flag**

- **Opportunity for Public Comment** (Government Code Section 54954.3)

  Mike Sampsel commented on the Authority’s recent purchase of a backhoe. *(Note: Director Cerda entered the meeting at 4:04 p.m.) (Note: Director Preciado entered the meeting at 4:07 p.m.)*

**ACTION CALENDAR AGENDA**

- **Second Workshop on Work Plan Development**

  General Manager Berge provided an overview of the Annual Work Plan process. The Board participated in a prioritization exercise and had general discussion on Automated Metering Infrastructure (AMI); exploring alternative energy initiatives; expanding community partnerships; expanding the Authority’s water portfolio; and maximizing reservoir assets. The Board asked that the following items be added for future consideration: Citizens Advisory Committee as part of Community Partnerships; information on rates and funding of projects; and staffing considerations. Ms. Berge informed the Board that the direction provided would be incorporated into the Strategic Plan Work Plan and presented to the Board at a future meeting for consideration.

  *(Note: Director Cerda left the meeting at 5:49 p.m. and reentered the meeting at 5:52 p.m.)*

  No action was required from the Governing Board.

- **Directors’ Comments**

  There were none. *(Note: Director Castaneda left the meeting at 6:07 p.m.)*
CLOSED SESSION

At 6:07 p.m., the Board convened to meet in closed session with legal counsel for:

- Conference with Legal Counsel – Anticipated Litigation – Significant exposure to Litigation pursuant to Government Code Section 54956.9 (d)(2): Two Cases

(Note: Director Castaneda reentered the meeting at 6:09 p.m.)

There were no minutes taken, and the session was not tape-recorded. The Board returned to open session at 6:36 p.m. On one item there was no reportable action.

On the other, Chair Castaneda made a motion, seconded by Director Sotelo-Solis, that the Board direct Legal Counsel de Sousa Mills to issue a letter to Director Martinez, on which the Board of Directors and General Manager will be copied, with a summary of Legal Counsel’s analysis of the impact of the 2014 Settlement Agreement on Director Martinez’s position on the Sweetwater Board. Legal Counsel concludes that there is no impact. The motion carried unanimously.

- Adjournment

With no further business before the Board, Chair Castaneda adjourned the meeting at 6:37 p.m.

________________________________________
Steve Castaneda, Chair

Attest:

________________________________________
Michael Garcia, Acting Board Secretary
SWEETWATER AUTHORITY GOVERNING BOARD
MINUTES OF THE REGULAR MEETING
March 27, 2019

The Governing Board of Sweetwater Authority held a Regular meeting on Wednesday, March 27, 2019, at the Sweetwater Authority Administrative Office, 505 Garrett Avenue, Chula Vista, California. Chair Castaneda called the meeting to order at 6:01 p.m.

• Roll Call
  Directors Present: Josie Calderon-Scott, Jerry Cano, Steve Castaneda, José F. Cerda, Hector Martinez, *Jose Preciado (6:31 p.m.)
  Directors Absent: Alejandra Sotelo-Solis
  Management, Staff, and Others Present: General Manager Tish Berge, Assistant General Manager Jennifer Sabine, Legal Counsel Paula de Sousa Mills, and Board Secretary Ligia Perez. Staff Member: Director of Engineering Ron Mosher. Others present: Mike Sampsel and Baron Willis.

• Pledge of Allegiance to the Flag

• Opportunity for Public Comment (Government Code Section 54954.3)
  Mike Sampsel requested a correction to his comment in the March 20, 2019 Operations Committee meeting minutes.

  The Board provided an opportunity for a member of the public who arrived after the Public Comment period to comment later in the meeting. See Opportunity for Public Comment following agenda item 4.

• Chair's Presentation
  Comments from the Public Regarding Agency Staff and Agency Recognition in the Press

ACTION CALENDAR AGENDA

1. Items to be Added, Withdrawn, or Reordered on the Agenda
   There were none.

2. Approval of Minutes
   A. Regular Meeting of March 13, 2019

   **Director Cano made a motion, seconded by Director Calderon-Scott, that the Governing Board approve the minutes of the March 13, 2019 Regular meeting. The motion carried unanimously, with Directors Preciado and Sotelo-Solis absent.**
Consent Calendar Items

Director Cano made a motion, seconded by Director Martinez that the Governing Board approve consent items 3 and 5. Director Martinez pulled item 4, and Director Calderon-Scott pulled items 6 and 7 for discussion. Director Castaneda recused himself from consideration of warrant numbers 150740 and 150779 due to his contract with Sempra Energy, parent company of SDG&E, which Director Castaneda disclosed on the record. The motion carried unanimously, with Directors Preciado and Sotelo-Solis absent.

3. Approval of Demands and Warrants – Check numbers 150712 through 150807 and electronic fund transfers 26652 through 26891

Recommendation: Approve the remote service request following the parcel map recordation, with the owner paying all costs associated with the installation of new water services.

Items Pulled from Consent Calendar for Discussion

Recommendation: Declare the bid for Item # 3 from Raceway Ford non-responsive; award contracts as follows: $108,438.67 to Penske Ford, La Mesa, CA., for bid items #1 ($33,973.10) and # 3 ($74,465.57); and $178,854.34 to Dion International Trucks, San Diego, CA., for the HX620 Ten-yard Dump Truck.

Mike Sampsel spoke to the Authority’s Vehicle Replacement Program, submitted a document for the record regarding vehicle replacement factors, and asked that this item be deferred to a future meeting. (Note: Director Preciado entered the meeting at 6:31 p.m.)

Director Martinez made a motion, seconded by Director Cano, that the Governing Board refer this item back to the Operations Committee. The motion carried, with Director Preciado abstaining, and Director Sotelo-Solis absent.

Opportunity for Public Comment (Government Code Section 54954.3)

Baron “Barry” Willis, a candidate to the San Diego Local Agency Formation Commission Regular Seat, introduced himself to the Board and submitted his resume for the record.

6. Consideration to Modify Approval Requirements in Purchasing Policy (Finance and Personnel Committee Meeting of 3/20/19, Item 4. A.)
Recommendation: Revise the Procurement Policy to increase the approval requirement for purchases to $75,000 for the General Manager.

Director Preciado made a motion, seconded by Director Cano, that the Governing Board revise the Procurement Policy to increase the approval requirement for purchases to $75,000 for the General Manager. The motion carried unanimously, with Director Sotelo-
Solis absent.

7. Review of Board Policies and Procedures – Policies 512 through 516, 518, 519, and 521 (Finance and Personnel Committee Meeting of 3/20/19, Item 4. B.)

Recommendation: Approve the recommended changes.

Director Preciado made a motion, seconded by Chair Castaneda, that the Governing Board approve the recommended changes to Policies 512 through 516, 518, 519, and 521 as presented. The motion carried unanimously, with Director Sotelo-Solis absent.

Action and Discussion Items

8. Old Business

A. Review of Board Policies and Procedures – Policies 504 and 506

Director Preciado made a motion, seconded by Chair Castaneda, that the Governing Board approve the recommended changes to Policy 504. The motion carried, with Director Calderon-Scott opposing, and Director Sotelo-Solis absent.

Director Preciado made a motion, seconded by Chair Castaneda, that the Governing Board approve the recommended changes to Policy 506. The motion carried, with Director Calderon-Scott opposing, and Director Sotelo-Solis absent.

B. Consideration to Approve Revisions to 2019 Board Calendar Policy 507

Director Martinez made a motion, seconded by Director Preciado, that the Governing Board approve the revised 2019 Board Calendar and recommended changes to Policy 507. The motion carried unanimously, with Director Sotelo-Solis absent.

9. Approval of Directors’ Attendance at Meetings and Future Agenda Items

Per diem approval for Directors who wish to attend a tour of Sweetwater Authority with Councilmember Galvez – April 4, 2019 at 3:00 p.m. Directors who want to participate should contact the Board Secretary.

Director Preciado made a motion, seconded by Director Martinez, that the Governing Board approve per diem for Directors who wish to attend a tour of Sweetwater Authority with Councilmember Galvez – April 4, 2019. The motion carried unanimously, with Director Sotelo-Solis absent.

REPORTS AND INFORMATIONAL ITEMS

10. Discussion on Loveland Reservoir Emergency Storage (Information Item) (Finance and Personnel Committee Meeting of 3/20/19, Item 4. D.)

11. Committee Minutes

12. February 2019 Financial Reports

General Manager Berge reported being above budget on revenues and under budget on expenses. The recent rainfall led to a decrease in water purchase but expects revenues
to climb over the rest of the year.

   A. Report of Assistant General Manager
      There was none.
   
   B. Report of General Manager
      General Manager Berge spoke of Assembly Bill 1588 (Gloria/Gray) being placed on a future agenda for consideration of support; and the Authority’s attendance at the upcoming Olivewood Garden’s Cooking for Salud graduation luncheon.

14. Report of the South Bay Irrigation District Representative and the City of National City Representative to the San Diego County Water Authority
   
   Director Preciado reported on a presentation regarding escalating costs of construction; a presentation on the Metropolitan Water District’s Local Water Resources Program; a desire for a presentation by SDCWA at a future Board meeting on the complexities of access to the Colorado River water; state legislation related to water; and provided copies of the presentations to the Board Secretary to forward to all Directors.

15. Reports by Directors on Events Attended
   
   A. Local Government Commission Yosemite Leadership and Policy Conference – March 14-17, 2019
      (Note: Director Preciado left the meeting at 8:01 p.m. and reentered the meeting at 8:04 p.m.)
      
      The following Directors provided a report: Directors Calderon-Scott, Cano, Castaneda, and Martinez.
   
      B. Council of Water Utilities Meeting – March 19, 2019
      The following Directors provided a report: Directors Castaneda, Cerda, and Martinez.

16. Director’s Comments
   
   Director Martinez shared his great experience and graduation from the San Diego County Water Authority’s Citizens Water Academy.

   Director Cerda commented that he tweeted about the graduates from the San Diego County Water Authority’s Citizens Water Academy which were Director Martinez, Robert Moreno who works with Gil Galvez, Delfina Gonzalez, and his friend Nora Vargas.

   CLOSED SESSION
   
   At 8:29 p.m., the Board convened to meet in closed session with legal counsel for:

   A. Conference with Real Property Negotiators pursuant to Government Code Section 54956.8:
      Property:  
      Assessor Parcel Numbers:
      505-231-28, 580-010-48, 505-672-11,
There was no need for a closed session on item:

B. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 (d)(1):


There were no minutes taken, and the session was not audio-recorded. At 8:50 p.m., Chair Castaneda declared the meeting to be in open session. No reportable action was taken by the Governing Board.

17. Adjournment

With no further business before the Board, Chair Castaneda adjourned the meeting at 8:50 p.m.

Steve Castaneda, Chair

Attest:

Ligia Perez, Board Secretary
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SWEETWATER AUTHORITY
REVENUE FUND
Disbursements

April 10, 2019

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## SWEETWATER AUTHORITY
### REVENUE FUND DISBURSEMENTS

April 10, 2019

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Monthly health insurance premium
Monthly health insurance premium
Monthly vision insurance premium
Monthly life insurance premium
Void
Monthly long-term disability insurance
Monthly dental insurance premium
Hazardous waste removal
Laboratory testing
Monthly copier maintenance
Excavation permit fees
Monthly cable services
Delivery service
Professional services - Dam breach inundation mapping
Delivery services
Operating supplies
Maintenance supplies
Annual contract for termite control - Operations Center
Security maintenance - Perdue Plant
Biological monitoring - Loveland Reservoir
Pump station and booster replacement
Software license
Monthly janitorial services
Waste collection
Welding repairs
Gas and electric service
Professional certification
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Quarterly elevator maintenance
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Reimbursement - driver license
Customer refund
Customer refund
Customer refund
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- Employees' contributions
- Employees' and employer's contributions
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- Federal income and Social Security tax
- Employees' contributions
- Customer credit card fees
- Administrative fees - custodial account
- Employer's contributions
- Monthly legal fees and services
- Safety shoes
- Security patrol services
- Laboratory testing
- Door repairs - Administration Building
- Laboratory testing
- Laboratory supplies
- Laboratory supplies
- Laboratory supplies
- HVAC maintenance - Administration Building
- Vehicle maintenance supplies
- Water treatment chemicals
- Printing services
- Maintenance - Administration Building
- Safety supplies
- Laboratory supplies
- Laboratory supplies
- Temporary help
- Uniform service
- Software support renewal
- Monthly storage container rental - Desal Facility
- Monthly fuel purchase
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- Maintenance supplies
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$1,644,433.84  Warrant Disbursements
TO:    Governing Board
FROM:  Management
DATE:  April 3, 2019
SUBJECT: Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act

SUMMARY
The California Environmental Quality Act ("CEQA"), as contained in Public Resources Code sections 21000 et seq., is California's most comprehensive environmental law. It requires all public agencies within the state to evaluate the environmental effects of their actions before they are taken. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires all public agencies to adopt specific objectives, criteria, and procedures for evaluating public and private projects that are undertaken or approved by such agencies.

The Authority's Legal Counsel, Best Best & Krieger (BBK), has prepared a proposed updated set of Local CEQA Guidelines for 2019 in compliance with CEQA's requirements. The Sweetwater Authority Local Guidelines for Implementing the California Environmental Quality Act reflect recent changes in the Public Resources Code, the State CEQA Guidelines and relevant court opinions. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA.

The 2019 Local CEQA Guidelines are not attached due to the significant number of pages. However, a summary is attached identifying the changes that were made after the Board adopted the 2018 Local CEQA Guidelines. A copy of the entire 2019 Local CEQA Guidelines can be made available should the Directors so request.

PREVIOUS BOARD ACTION(S)
The Board considers the Local CEQA Guidelines on an annual basis.
Memo to: Governing Board  
Subject: Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act  
March 29, 2019  
Page 2 of 2

FISCAL IMPACT
There is no fiscal impact to implement this action.

POLICY
As a local public agency, the Authority must comply with CEQA in review and approval of all projects. As such, the Governing Board must adopt Local Guidelines and any revisions required to keep them up-to-date and consistent with the state Guidelines and Statutes.

Strategic Plan Goal 7: Environmental Stewardship: Provide core services while maintaining a balanced approach to human and environmental needs.

Adopting Local CEQA Guidelines is an essential aspect of achieving this goal.

ALTERNATIVES
1. Adopt Resolution 19-08, Sweetwater Authority Local Guidelines for Implementing the 2019 California Environmental Quality Act.
2. There are no other legal alternatives.

STAFF RECOMMENDATION
Staff recommends that the Governing Board adopt Resolution 19-08, Sweetwater Authority Local Guidelines for Implementing the 2019 California Environmental Quality Act.

COMMITTEE RECOMMENDATION
The Operations Committee concurs with staff recommendation.

ATTACHMENT(S)
1. Resolution 19-08
2. Summary of Changes to Local CEQA Guidelines for 2019
RESOLUTION 19-08

RESOLUTION OF THE GOVERNING BOARD OF SWEETWATER AUTHORITY
AMENDING AND ADOPTING LOCAL GUIDELINES
FOR IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT (PUB. RESOURCES CODE §§ 21000 ET SEQ.)

WHEREAS, the California Legislature has amended the California Environmental Quality Act ("CEQA") (Pub. Resources Code §§ 21000 et seq.), the Natural Resources Agency has amended the State CEQA Guidelines (Cal. Code Regs., Title 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA; and

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, Sweetwater Authority ("Authority") must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Sweetwater Authority:

SECTION 1. Adopts the "2019 Local Guidelines for Implementing the California Environmental Quality Act," a copy of which is on file at the offices of the Authority and is available for inspection by the public.

SECTION 2. Repeals all prior actions of the Authority enacting earlier guidelines.

APPROVED AND ADOPTED at a regular meeting of the Governing Board of Sweetwater Authority held on the 10th day of April, 2019, by the following vote, to wit:

AYES: ____________________________
NOES: ____________________________
ABSENT: ____________________________
ABSTAIN: ____________________________

Steve Castaneda, Chair

Attest:

Ligia Perez, Board Secretary
Revisions to Local CEQA Guidelines for 2019

Revised Sections

1. **SECTION 1.10 TIME OF PREPARATION**

   Section 1.10 was added to the Local Guidelines to reflect existing case law and revisions to the State CEQA Guidelines regarding when CEQA review must be completed. The revision emphasizes the need to complete CEQA review before project approval; it also addresses when CEQA review is necessary for activities preceding project approval.

2. **SECTION 3.08 EMERGENCY PROJECTS**

   Section 3.08 of the Local Guidelines has been amended to clarify the applicability of CEQA’s exemption for emergency projects. Among other things, the Section has been amended to explain that exempt emergency repairs may include those repairs that require a reasonable amount of planning to address an anticipated emergency.

3. **SECTION 3.19 EXEMPTION FOR INFILL PROJECTS IN TRANSIT PRIORITY AREAS**

   Section 3.19 has been amended to reflect the statutory exemption set forth in Public Resources Code section 21155.4. Section 3.19 exempts residential, mixed-use, and certain commercial projects from CEQA where the project is located within a transit priority area, is consistent with a specific plan, and is consistent with regional plans for reducing greenhouse gas emissions.

4. **SECTION 3.20 EXEMPTION FOR RESIDENTIAL PROJECTS UNDERTAKEN PURSUANT TO A SPECIFIC PLAN**

   Section 3.20 reflects the statutory exemption set forth in Government Code section 65457, which exempts certain residential projects undertaken to implement a specific plan.

5. **SECTION 3.22 CATEGORICAL EXEMPTIONS**

   The Class 1 categorical exemption—set forth in Local Guidelines section 3.22—generally exempts, among other activities, minor alterations to existing facilities, provided the activity involves negligible or no expansion of use. The Class 1 exemption has been revised to clarify that a lead agency may determine whether an activity involves negligible or no expansion of use based on the facility’s “existing or former use,” not just the use existing at the time of the lead agency’s determination.

6. **SECTION 4.03 COMPLETION AND ADOPTION OF NEGATIVE DECLARATION**

   Section 4.03 has been amended to reflect revisions to the State CEQA Guidelines regarding the time to complete a Negative Declaration. The revision provides that the Authority
must generally complete a Negative Declaration within 180 days of accepting a complete application, but that a one-time 90-day extension is permissible with the project applicant’s consent.

7. **SECTION 5.01 PREPARATION OF INITIAL STUDY**

   Section 5.01 has been amended to clarify the various arrangements the Authority, as Lead Agency, may use to prepare an Initial Study (e.g., preparing an Initial Study with Authority’s own staff, contracting with another entity to prepare an Initial Study, etc.).

8. **SECTION 5.09 DETERMINING THE SIGNIFICANCE OF TRANSPORTATION IMPACTS**

   One of the most significant revisions to the State CEQA Guidelines concerns a change in how transportation impacts must be analyzed under CEQA. A new section has been added to the State CEQA Guidelines, Section 15064.3, that provides that “vehicle miles traveled,” or VMT, shall be the most appropriate measure of transportation impacts. VMT refers to the amount and distance of automobile travel attributable to a project.

   Under Section 15064.3, VMT shall replace a proposed project’s effect on automobile delay—generally measured by “level of service” or LOS—as the appropriate measure for transportation impacts. Moreover, a project’s effect on automobile delay shall no longer constitute a significant transportation environmental impact under CEQA. Accordingly, a project that makes congestion worse but will not result in significant VMT will not be considered to have a significant environmental impact, and a project with no effect on congestion but with a significant VMT impact will normally be considered to have a significant environmental impact under Section 15064.3. Section 15064.3, however, provides that its provisions will not go into effect until July 1, 2020, unless a lead agency elects to be governed by its provisions earlier.

   Section 5.09 has been added to the Local Guidelines to acknowledge and address Section 15064.3. Section 5.09 makes clear that the Authority does not elect to be governed by the provisions of Section 15064.3 before July 1, 2020. Accordingly, the Authority may continue to engage in an LOS analysis to determine transportation impacts.

9. **SECTION 5.16 CONSULTATION WITH WATER AGENCIES REGARDING LARGE DEVELOPMENT PROJECTS**

   Section 5.16 has been amended to reflect the addition of a new subdivision (f) to State CEQA Guidelines section 15155; the new subdivision and Section 5.16 describe the content requirements for a water supply analysis under CEQA.

10. **SECTION 5.19 CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS**

    Section 5.19 has been revised to reflect a series of amendments to Section 15064.4 of the State CEQA Guidelines, which seeks to assist lead agencies in determining whether a project’s greenhouse gas emissions will have a significant effect on the environment. The Authority should review Section 5.19 when analyzing the significance of a project’s greenhouse gas emissions.
11. **Sections 6.04 & 7.03 Consultation with Public Transit Agencies**

Sections 6.04 and 7.03 have been supplemented with new language providing that the Authority should consult with public transit agencies before circulating a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration or a Notice of Preparation of Draft Environmental Impact Report (EIR) where (1) the public transit agency has facilities within one-half mile of the proposed project, and (2) the proposed project is one of statewide, regional, or area-wide significance.

12. **Section 7.19 Consideration and Discussion of Significant Environmental Impacts**

Section 7.19 has been supplemented with new language—added to State CEQA Guidelines section 15126.2—requiring analysis of a project’s energy impacts. The new language further requires mitigation for significant environmental impacts due to wasteful, inefficient, or unnecessary use of energy or energy resources.

13. **Section 7.20 Environmental Setting**

Section 7.20 is a new section that reflects revisions to State CEQA Guidelines section 15125 concerning an EIR’s description of the environmental baseline. The new language explains that while the environmental baseline should normally reflect conditions as they exist at the time the Notice of Preparation is published, a lead agency may define the environmental baseline by referencing historic or future conditions in certain circumstances. The new language additionally explains that lead agencies may not use a baseline based on hypothetical allowable conditions, such as those that might be allowed—but have never actually occurred—under existing permits or plans.

14. **Section 7.22 Analysis of Mitigation Measures**

Section 7.22 has been revised, consistent with revisions to State CEQA Guidelines section 15126.4, to clarify that a lead agency may not defer identification of mitigation measures, but that deferral of specific details of mitigation until after project approval may be permissible under certain circumstances.

15. **Section 7.30 Response to Comments on Draft EIR**

Section 7.30 has been revised to clarify the scope of a lead agency’s duty to respond to comments on a Draft EIR. In particular, the section has been revised to state that the Authority may respond to a general comment with a general response. The section has further been revised to provide that a lead agency may provide its proposed written response to a commenting public agency in an electronic format.
Changes to Local Guidelines Form “J”

The comprehensive update to the State CEQA Guidelines included substantial revisions to Appendix “G” – the Initial Study checklist form. In response, we have revised Form “J” of the Local Guidelines. The current iteration of Form “J” should be used to determine whether a proposed project may have a significant environmental impact for which an EIR is required. The most significant revisions to Form “J” are summarized below.

1. **SECTION VI. ENERGY**

A new section regarding a project’s energy impacts has been added to Form “J.” As a result, the Authority must now consider a proposed project’s energy impacts at the Initial Study stage.

2. **SECTION XVII, SUBDIVISION B. TRANSPORTATION**

As discussed above, Section 15064.3 of the State CEQA Guidelines now provides that VMT—not LOS—is the most appropriate measure of transportation impacts. To reflect this change, Appendix “G” of the State CEQA Guidelines has been revised to provide that a project may result in a potentially significant impact if the project conflicts or is inconsistent with Section 15064.3(b)—i.e., if the proposed project results in VMT exceeding an applicable threshold of significance.

Section 15064.3, however, does not apply until July 1, 2020, unless a public agency elects to be governed by its provisions earlier. Accordingly, we have revised the Transportation section of Form “J” to acknowledge Section 15064.3, but to explain that the Authority has not elected to be governed by its provisions and that a VMT analysis is thus not necessary to determine whether a proposed project will have a significant transportation impact. The Authority may continue to utilize the LOS analysis traditionally used to determine whether a project will have a significant transportation impact.

3. **SECTION XIX. WILDFIRE**

A new section regarding a project’s potential to result in or exacerbate wildfire impacts has been added to Form “J.” The Authority must analyze the questions posed within this section for any project “located in or near state responsibility areas or lands classified as very high fire hazard severity zones.”

**Other Changes**

**Department of Fish and Wildlife.** Effective January 1, 2019, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is $2,354.75. For an EIR, the new filing fee is $3,271.00. For an environmental document pursuant to a Certified Regulatory Program, the filing fee has been increased to $1,112.00.
TO: Governing Board
FROM: Management
DATE: April 5, 2019
SUBJECT: Consideration to Create a Citizens Advisory Committee

SUMMARY
At the January 23, 2019 meeting, Chair Castaneda established an Ad Hoc Citizen Engagement Committee; appointed Directors Cano, Martinez, and Cerda; and directed the committee to meet within 30 days.

The Ad Hoc Citizen Engagement Committee (Committee) met three times:
- February 22, 2019
- March 21, 2019
- March 28, 2019

During these meetings, the Committee discussed the mission of a Citizens Advisory Committee (CAC), selection of CAC members, and scope.

The following mission statement is proposed:

_The mission of the Citizens Advisory Committee is to advise the Authority on ways it could improve its efficiency with regard to executing its Strategic Plan._

The Committee agreed that the CAC should be diverse, both in location and expertise, and the Committee recommends the following process for selecting members to serve on the CAC:

1. Advertise the CAC to Authority ratepayers
2. Hold an Open House to allow interested members to interact with the Board
3. Each Board member nominates one individual from his/her service area
   a. Division for South Bay Irrigation District representatives
   b. City for City of National City representatives
4. The Communication Committee interviews the nominated individuals and provides a recommendation to the Board
5. The full Board votes on the CAC members

The Committee proposed that the scope of the CAC be limited to one of the following Strategic Plan goal areas, as determined by the Board:
Memo to: Governing Board  
Subject: Consideration to Create a Citizens Advisory Committee  
April 5, 2019  
Page 2 of 2

- Water Quality
- System Reliability
- Financial Viability
- Customer Service
- Staff Development
- Administrative Effectiveness
- Environmental Stewardship

The Committee recommends that the CAC meet for one year to learn about Authority operations and provide recommendations on how to improve efficiencies within the assigned Strategic Plan goal area. The CAC recommendations would then be considered by the Board as part of the next Strategic Plan Work Plan development process.

**PREVIOUS BOARD ACTION(S)**

None.

**FISCAL IMPACT**

The majority of cost would be labor, and if approved, the fiscal impact associated with this action would be included in the Proposed FY 2019-20 Strategic Plan Work Plan and Budget for consideration.

**POLICY**

Strategic Plan Goal 6: Administrative Effectiveness: Provide efficient and effective administrative systems and procedures in accordance with best management.

**ALTERNATIVES**

1. Approve the creation of a Citizens Advisory Committee and direct staff to include effort, labor, and other costs in the Proposed FY 2019-20 Strategic Plan Work Plan and Budget.

2. No action.

**COMMITTEE RECOMMENDATION**

The Ad Hoc Citizen Engagement Committee recommends that the Board approve the creation of a Citizens Advisory Committee and direct staff to include effort, labor, and other costs in the Proposed FY 2019-20 Strategic Plan Work Plan and Budget.
TO: Governing Board
FROM: Management
DATE: April 5, 2019
SUBJECT: Consider Request to Appeal Board Decision on One-time Adjustment to Customer Water Bill

SUMMARY
On March 25, 2019, Tom Hosepian, on behalf of Soapy Joe’s, officially appealed the February 27, 2019 decision of the Board pursuant to section 3.4 of Sweetwater Authority’s internal staff procedure on One-time Adjustments to Customers’ Water Bills (see attached letter of appeal). The purpose of this memo is to provide the Board the opportunity to consider the appeal.

PREVIOUS BOARD ACTION
At its February 27, 2019 meeting, the Board denied an adjustment and granted an extended payment plan to pay $37,583.48 over a twelve-month period.

FISCAL IMPACT
Granting the one-time adjustment would result in a loss of revenue of $10,806.60.

POLICY
It is the Board’s policy to set rules for adjusting customer’s water bills so as not to profit by a customer’s misfortune. Under this policy, the General Manager is authorized to approve adjustments up to $1,500; adjustments in excess of $1,500 shall be approved by the Board. In addition, all one-time adjustments are provided without a specific reason.

ALTERNATIVES
1. Consent to appeal the Board’s decision on February 27, 2019 and grant the one-time adjustment to Soapy Joe’s Bonita Inc.’s account in the amount of $10,806.60.

2. Grant a one-time adjustment to Soapy Joe’s Bonita Inc.’s account for an amount less than $10,806.60

3. Deny the request to appeal the Board’s decision on February 27, 2019.
Memo to: Governing Board
Subject: Consider Request to Appeal Board Decision on One-time Adjustment to Customer Water Bill
April 5, 2019
Page 2 of 2

**RECOMMENDATION**
Staff seeks direction from the Board.

**ATTACHMENT(S)**
Request to Appeal on behalf of Soapy Joe's dated March 25, 2019
March 25, 2019

Tish Berge
Sweetwater Authority
505 Garrett Avenue
P.O. Box 2328
Chula Vista, CA 91912

Re: Acct #: 2240540-001
Service Address: 3048 Bonita Rd., Bonita

Dear Ms. Berge:

I am writing to officially appeal the decision of the board on February 27, 2019 pursuant to section 3.4 of the Policy. I was unable to find the actual policy on your website so I am unaware if there are any special requirements to the appeal. Please let me know if you need any additional information and the next steps for Soapy Joe’s.

Thank you

Tom Hosepian
Consulting CFO
thosepian@signatureanalytics.com
858-204-8057
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RESOLUTION 19-09

RESOLUTION OF THE GOVERNING BOARD OF SWEETWATER AUTHORITY SUPPORTING ASSEMBLY BILL 1588 (GLORIA/GRAY)

WHEREAS, AB 1588 would ensure that military veterans transitioning from military service into civilian water and wastewater treatment operator occupations receive appropriate and satisfactory credit towards California certifications for the work experience, education, skills, and knowledge gained while working on water and wastewater treatment systems in military service; and

WHEREAS, water and wastewater treatment are essential and well-established industries with an aging infrastructure and workforce. Replacing critical infrastructure components, like 100-year-old pipes and pumps, while maintaining service to customers, is one of the greatest challenges in the industry today. Additionally, the high level of employee retirements, new technologies, and the increased demand for safe drinking water contribute significantly to the pressure on the industry to adapt to these ever-changing needs; and

WHEREAS, water and wastewater industries are experiencing an aging and retiring workforce, more than 250,000 U.S. military members leave service each year, according to the Department of Defense. Dozens of state offices and agencies and thousands of private organizations are focused on assisting service members, veterans, and their families to successfully reintegrate after military service, yet, despite the abundance of available resources, there continue to be missed opportunities to find, educate, certify, and employ veterans transitioning to civilian employment – particularly within the water and wastewater treatment operator field; and

WHEREAS, projections of the demand for water operators are fueled by a high level of expected retirements among the experienced workforce and the continued increase in the demand on water by both residential and commercial customers. According to recent industry reports, thousands of water employees are aging and expected to retire from their positions in coming years, which will lead to a huge workforce gap to fill for utilities and other water employers. New entrants to the industry need to have demonstrated education and training to obtain state certification and incumbent workers need additional credits when they seek higher levels of state certification; and

WHEREAS, several states including Washington, Texas, North Carolina, and Pennsylvania already provide paths for military veterans to navigate the civilian water system operator certification process and allow the application of equivalency standards to credit military experiences toward state or industry certifications in the water and wastewater treatment and distribution fields; and

WHEREAS, there is no similar pathway or equivalency standard process for military veterans in California, AB 1588 seeks to provide this critical pathway. The California water industry and other similar skilled trade industries would have a much larger pool of highly
skilled, motivated, and talented individuals eager to continue their service to the public and the community at large if military veterans were offered experience credit toward state or industry certifications.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board of Sweetwater Authority formally supports Assembly Bill 1588.

PASSED AND ADOPTED at a Regular meeting of the Governing Board of Sweetwater Authority held on the 10th day of April 2019, by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
Steve Castaneda, Chair

ATTEST:

______________________________
Ligia Perez, Board Secretary
April 4, 2019

Ms. Tish Berge  
Sweetwater Authority  
505 Garrett Ave.  
Chula Vista, California 91910

Dear Ms. Berge:

Laing Strategic Communications, LLC is pleased to provide Sweetwater Authority (Client) with communications services to support the agency’s outreach and communications.

ABOUT LAING STRATEGIC COMMUNICATIONS

Laing Strategic Communications develops and implements public affairs strategies to help your organization interact successfully with government, customers and the broader public. We specialize in complex and sensitive issues where strong relationships with media, community leaders and elected officials are critical to success. Clients include development projects, professional and civic organizations, government agencies and political action committees.

Rachel Laing, Principal

Rachel Laing has a 20-year career in business journalism and San Diego politics. Prior to forming her own firm, Laing was the director of communications for public affairs firm Public Policy Strategies, Inc., as well as communications director for the Recall Bob Filner and Fletcher for Mayor campaigns.

As deputy press secretary to San Diego Mayor Jerry Sanders from 2008-2012, Laing developed and executed communications strategies to advance the Mayor’s agenda, including major projects such as the new Central Library; energy policy and clean technology issues; development and land use issues; and economic development initiatives.

Prior to joining the Mayor’s Office, Laing was a public relations manager with Sempra Energy/SDG&E and the communications manager for the San Diego Regional Chamber of Commerce.

Laing’s career in strategic communications was preceded by nearly a decade in business and political journalism. Laing was editor in chief of The T Sector magazine and managing editor of the Daily Transcript. For several years, she was a business reporter for the San Diego Union-Tribune and was a regular contributor to Voice of San Diego, San Diego Magazine and national political and business publications.
Jeannie Kim, Director, Communications & Design
Over her seven-year career in visual communication, copywriting and public relations, Jeannie Kim has successfully positioned projects for favorable review by elected officials, municipal staff, community stakeholders and customers in the real estate, technology and life science sectors.

Prior to joining Laing Strategic Communications, Kim was the marketing and content development manager at Kilroy Realty Corp., a publicly traded Real Estate Investment Trust. Kim led the marketing and public relations efforts for the San Diego region and supported leasing efforts for the region's Class-A office and mixed-use properties totaling nearly 3 million square feet.

Additionally, Kim planned and executed regional events to promote the company, designed and coordinated production of marketing collateral and multimedia programs including websites, digital/print advertising, virtual open houses, presentation decks, briefing books, videos, social media and promotional materials.

DESCRIPTION OF SERVICES
Laing Strategic Communications will work with Client on an as-needed basis to develop and implement communications strategies that enhance Client's existing relationship with its customers and the South Bay community.

Scope of Work
LSC will develop and implement strategies to communicate Client's initiatives, policies and decisions accurately and effectively through media, social media and customer communications vehicles. This includes:

- Research and provide detailed background information.
- Develop accurate, complete and effective messages to communicate with the public.
- Plan and coordinate media briefings/interviews, including scheduling, preparation, remarks, and materials.
- Engage with reporters and editors to provide accurate information.
- Develop compelling social media posts and recommendations for boosting posts, when appropriate.
- Produce necessary collateral, including but not limited to press releases, fact sheets, op-eds, newsletters, infographics, and other materials as needed.
- Advise on community-engagement strategy and tactics.

Proposed Contractual Arrangements
Laing Strategic Communications proposes a special government/nonprofit rate of $195.00 per hour, with itemized invoices provided the first day of each month.

Should Client require services (i.e. photography or web development) beyond the capabilities of Laing Strategic Communications, Laing will, at the direction of the client, oversee the bidding/ordering those services from an outside vendor. Cost estimates for work undertaken...
by outside contractors will be presented to Client for approval prior to order. Client is responsible for paying all vendor invoices directly unless otherwise arranged.

Client will reimburse Laing Strategic Communications monthly for all out-of-pocket disbursements made in the performance of all duties under this Agreement. Laing Strategic Communications will acquire written approval from Client for any expenses over $25. Reimbursable out-of-pocket expenses include, but are not limited to: travel costs, photocopying, parking fees and postage.

Either party to this Agreement has the right to terminate the Agreement with 30 days advance written notice. Upon termination, all outstanding amounts are due.
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ACWA 2019 SPRING CONFERENCE & EXHIBITION


2019

MAY 7-10 | MONTEREY, CA
ACWA JPIA - MONDAY, MAY 6
8:30 – 10:00 AM
• ACWA JPIA Program Committee
10:15 – 11:15 AM
• ACWA JPIA Executive Committee
1:30 – 4:00 PM
• ACWA JPIA Board of Directors
4:00 – 5:00 PM
• ACWA JPIA Town Hall
5:00 – 6:00 PM
• ACWA JPIA Reception

TUESDAY, MAY 7
8:00 AM – 9:45 AM
• Agriculture Committee
8:00 AM – 6:00 PM
• Registration
8:30 AM – Noon
• ACWA JPIA Seminars
9:00 AM – 4:00 PM
• ACWA Legal Briefing & CLE Workshop
10:00 – 11:45 AM
• Groundwater Committee
• Local Government Committee
11:00 AM – Noon
• Outreach Task Force
Noon – 2:00 PM
• ACWA 101 & Luncheon
• Committee Lunch Break
1:00 – 2:45 PM
• Energy Committee
• Finance Committee
• Scholarship & Awards Subcommittee
• Water Management Committee
7:30 AM – 5 PM
• Registration
8:00 – 9:45 AM
• Opening Breakfast (Ticket Required)
8:30 AM – Noon & 1:30 – 6:00 PM
• Exhibit Hall
10:00 – 11:30 AM
• Attorneys Program
• Energy Committee Program
• Exhibitor Demos
• Finance Program
• Region Issue Forum
• Statewide Issue Forum
• Water Industry Trends Program
11:30 – 11:45 AM
• Networking in the Exhibit Hall
11:45 AM – 1:45 PM
• General Session Luncheon (Ticket Required)
2:00 – 3:15 PM
• Attorneys Program
• Exhibitor Demos
• Finance Program
• Region Issue Forum
• Statewide Issue Forum
• Water Industry Trends Program
3:30 – 4:45 PM
• Aquatic Resources Subcommittee
• Exhibitor Case Study
• Finance Program
• Local Government Committee
• Statewide Issue Forums
• Water Industry Trends Program
3:30 – 5:30 PM
• Legal Affairs Committee
5:00 – 6:00 PM
• Prize Drawing Fiesta Night in the Exhibit Hall
5:30 – 7:00 PM
• CalDesal Hosted Mixer
• Jacobs Hosted Reception

WEDNESDAY, MAY 8
7:30 AM – 3:30 PM
• Sexual Harassment Prevention for Board Members & Managers (AB 1825)
3:30 – 4:45 PM
• Communications Committee
• Federal Affairs Committee
• Membership Committee
• Water Quality Committee
5:00 – 6:30 PM
• Welcome Reception in the Exhibit Hall
7:30 AM – 5 PM
• Registration
8:00 – 9:45 AM
• Opening Breakfast (Ticket Required)
8:30 AM – Noon & 1:30 – 6:00 PM
• Exhibit Hall
10:00 – 11:30 AM
• Attorneys Program
• Exhibitor Demos
• Finance Program
• Region Issue Forum
• Statewide Issue Forum
• Water Industry Trends Program
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• Exhibitor Demos
• Finance Program
• Region Issue Forum
• Statewide Issue Forum
• Water Industry Trends Program
3:30 – 5:30 PM
• Legal Affairs Committee
5:00 – 6:00 PM
• Prize Drawing Fiesta Night in the Exhibit Hall
All conference programs are subject to change.
WHO IS ELIGIBLE FOR “ACWA ADVANTAGE” PRICING?
ACWA Advantage pricing is available to the following registrants:

- An officer or director of an ACWA member agency.
- A person directly employed by an ACWA public agency member, affiliate or associate organization. This does not include independent contractors, service providers, or third-party vendors.
- Any ACWA board member whose fee is paid for by member agency.
- Any state or federal administrative or legislative personnel in elected, appointed or staff positions.
- Staff of ACWA/JPIA and Water Education Foundation.
- Any individual or honorary life member of ACWA.

MEMBERSHIP INFORMATION – Become a Member & Save on ACWA Events
If you are interested in learning more about becoming an ACWA Associate, contact Ashley Kravchuk at AshleyK@acwa.com. For public agency membership, please contact Tiffany Giammona at TiffanyG@acwa.com.

CANCELLATIONS & CHANGES
All registration changes and cancellations must be made in writing by the event registration deadline. Valid cancellation requests will receive a refund of any registration fees paid minus a $75 processing charge. For payments originally made by credit card, refunds can be issued back onto the credit card within 60 days. Otherwise, a refund will be issued by check. No refunds or registration changes will be granted after the registration deadline. Submit request in writing to Teresa Taylor at TeresaT@acwa.com.

SPECIAL REQUESTS & ACCOMMODATIONS
Special requests must be submitted in writing to Teresa Taylor at TeresaT@acwa.com. Participants are encouraged to submit changes and special requests as soon as possible. If you have a disability that requires an accommodation, please contact Teresa Taylor at TeresaT@acwa.com or call toll free at (888) 666-2292 to discuss your needs.

REFUNDS
Except as otherwise provided in this document, all payments and fees are nonrefundable after the registration deadline.

MEAL TICKETS
After the registration deadline, meal tickets are not eligible for exchange, refund or credit after the event registration deadline.

NONATTENDANCE
Registrants who fail to attend the event, in part or in whole, are not eligible for a refund or credit and will be billed for any balance due.

GUEST REGISTRATION
Guest registration is available to a spouse, companion or guest of an ACWA event registrant. Guest registration is not available to any employees of a public agency, associate or affiliate/mutual water company. Guest registration is also not available to anyone with a professional reason to attend for purposes of learning or business. The guest registration includes admission to the receptions and the ability to purchase meal tickets and attend meal functions.

CONSENT
Registration and attendance at, or participation in, this event constitutes an agreement by the registrant to ACWA’s use and distribution (both now and in the future) of the registrant’s name, title, organization and mailing address as well as the registrant’s image or voice in photographs, videotapes, electronic reproductions and audiotapes.
**REGISTER ONLINE**
Register online by **April 19, 2019** at [www.acwa.com](http://www.acwa.com) to take advantage of the advance pricing.

**REGISTER ON SOMEONE’S BEHALF**
Select from a list of people affiliated with your company in your account. If the registrant is not listed, you will need to create a Portal profile for the registrant before registering.

**REGISTRATION OPTIONS**

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<th>Plan Description</th>
<th>ADVANCE DEADLINE: 4/19/19</th>
<th>ONSITE</th>
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<td><strong>ADVANTAGE</strong> pricing applies to ACWA public agency members, associates &amp; affiliates.</td>
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<tr>
<td>Full Conference Registration &amp; Meals Package</td>
<td>$725</td>
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<tr>
<td>Full Conference Registration Only (meals sold separately)</td>
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**MEAL FUNCTIONS**

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<td>Thursday Networking Continental Breakfast – May 9</td>
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<td>Thursday Luncheon – May 9</td>
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<td>Thursday Dinner – May 9</td>
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<td>Friday Breakfast – May 10</td>
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<td>$55</td>
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**HOTEL INFORMATION**

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. **Conference special rate is available February 18 – April 15**, based on availability.

- **Monterey Marriott** (350 Calle Principal)
  - Single/Double $226/night + taxes & fees

- **Portola Hotel** (2 Portola Plaza)
  - Single/Double $215/night* + taxes & fees

- **Hotel Pacific** (300 Pacific Street)
  - Single/Double $225/night* + taxes & fees

**DEADLINE FOR HOTEL GROUP RATE IS APRIL 15, 2019**

**QUESTIONS?**
Contact us at (888) 666-2292
SPECIAL DISTRICTS

LEGISLATIVE DAYS

 Gain the edge on policy changes impacting your agency and exchange ideas with California’s top decision-makers at the 2019 Special Districts Legislative Days, an interactive and informative two-day legislative conference in our State’s Capitol.
Tuesday, May 21 – Advocacy Day

Get updated on what’s happening in the Capitol, then join special district leaders from throughout California to take action on the priority issues facing special districts.

7:30–8:30 A.M.  
Registration and District NetWorks Café at the Sacramento Convention Center  
1400 J Street, Sacramento, CA 95814

Enjoy a light breakfast with your network’s special district leaders

8:30–10:00 A.M.  
Legislative Briefing
  • Presentation of CSDA Legislator of the Year Award
  • Capitol Office Visit Preparation

10:00 A.M.–12:30 P.M.  
Capitol Office Visits – Round One
Participate in pre-arranged meetings with State Legislators and staff in their Capitol offices, followed by a private reception. Between office visits, attendees can grab a water bottle, rest legs, and hear insights from veteran Capitol staffers in a designated Capitol committee room.

12:30–2:30 P.M.  
Lunch Briefing
Hear directly from State leadership on hot topics affecting government finances, local services, and infrastructure:
  • Gabriel Petek, California Legislative Analyst
  • Keely Bosler, California Director of Finance
  • Debrief First Round of Capitol Office Visits

2:30–5:00 P.M.  
Capitol Office Visits – Round Two

Wednesday, May 22 – Policy Day

Gain insights from legal experts and CSDA lobbyists on the newest laws and legal challenges to come out of Sacramento.

8:00–9:30 A.M.  
Policy Briefing with Breakfast
Get your fill on the major legislative and voter initiatives facing special districts. Gain insights from legal experts and CSDA lobbyists on the newest laws and legal challenges to come out of Sacramento.

9:30–11:30 A.M.  
In-Depth Policy Breakouts
Expert practitioners present the most significant court rulings and legislative actions impacting special districts in 2019 and proposed for 2020.

State and Local Partnership on Disaster Prevention, Preparation, and Recovery
Mark Ghilarducci, Director, Governor’s Office of Emergency Services
Learn from recent events in Oroville, Paradise, Sonoma, Santa Barbara, and elsewhere. We will detail best practices in working with OES and FEMA and overview the key policy and funding elements within the 2019-20 State Budget.

Special District Revenue Trials and Trends (MCLE Credit)
Lutfi Kharuf, Associate, Best Best & Krieger
Understand how developments in recent court decisions affect Prop 218 rate setting and explore what may be in store for local property tax revenues. We will discuss the ramifications of major legal cases, such as Upland, and pending ballot initiatives on commercial property taxes and voter thresholds. This session qualifies for minimum continuing legal education by the State Bar of California in the amount of one (1) hour of General Participatory credit.

Fallout from the Housing Crisis: RDAs, EIFDs, ADUs, DIFs, and More
Russell Powell, Senior Vice President, Economic & Planning Systems, Inc.
Discover the legislative ramifications of California’s housing crisis and what it means for special districts providing communities with essential services and infrastructure. We will examine proposals to use, borrow against, and curtail local fees and taxes in an effort to promote housing and development.

11:30–11:45 A.M.  
Closing Comments

Don’t miss the May 21 Lunch Briefing! Hear directly from California Legislative Analyst Grabriel Petek and California Director of Finance Keely Bosler regarding hot topics affecting government finances, local services, and infrastructure.
EARLY BIRD PRICING – REGISTER ON OR BEFORE APRIL 26, 2019

- CSDA Member - $275 EARLY BIRD
- Non-Member - $365 EARLY BIRD

Three Ways to Register
- **Online**: Visit legislativedays.csda.net
- **Fax number**: 916.520.2465. All faxed forms must include credit card payment.
- **Mail**: CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form and payment.

Checks should be made payable to: California Special Districts Association.

Who qualifies for “member” rates?
All California Special Districts Association and Special District Risk Management Authority members.
Not sure if you are a member? Simply contact Cathrine Lemaire at cathrine@csda.net or call toll-free at 877-924-2732.
It’s not too late to become a CSDA member.

Registration includes the evening reception, legislative visits arranged by CSDA, written materials, and meals as indicated in the agenda.
Payment must accompany registration in order to process.

☐ CSDA Member: $275 EARLY BIRD  ☐ Non-Member: $365 EARLY BIRD
☐ CSDA Member: $325 AFTER APRIL 26  ☐ Non-Member: $440 AFTER APRIL 26

Total $:

Name/Title:
District:
Address:
City: State: ZIP:
Phone: Fax:
Email:

Emergency Contact Name/Phone Number:

LEGISLATIVE OFFICE VISITS
CSDA will make every attempt to schedule meetings, for you and other attendees from your region, with your region’s legislative representatives or staff. You will advocate as a group on the top issues facing special districts.

☐ Yes, I want to participate in prearranged meetings in the Capitol.
☐ No, I do not want to participate in prearranged meetings in the Capitol.

PAYMENT
☐ Check  ☐ Visa  ☐ MasterCard  ☐ Discover  ☐ American Express

Acct. name:  Acct. Number:
Expiry date:  Authorized Signature:

SPECIAL NEEDS
☐ Vegetarian  ☐ Other:

Cancellation Policy: Cancellations must be made in writing and received via fax, mail or email no later than three days prior to the event. All cancellations made within the specified time will be refunded less a $75 processing fee.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA’s use and distribution (both now and in the future) of the registrant or attendee’s image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under “CSDA Transparency” at www.csda.net/about-csda/who-we-are.
SPECIAL DISTRICTS LEGISLATIVE DAYS
2 Day Event: Advocacy & Policy Days

May 21-22, 2019
REGISTER & JOIN US IN SACRAMENTO

Event Map

Hotel Information
Hyatt Regency Sacramento, 1209 L Street, Sacramento, CA 95814
Room rate of $206 single/double plus tax.
Room rate includes complimentary standard wi-fi in guest rooms.
Call 877.803.7534 and ask for the CSDA room rate.
Room reservation cut-off is: April 29, 2019

Event Location - Sacramento Convention Center
1400 J Street, Sacramento, CA 95814

City Parking Information
For parking information, visit the City of Sacramento website at www.cityofsacramento.org.
TO: Governing Board
FROM: Management
DATE: April 5, 2019
SUBJECT: Overview of Financial Policies – Part 1 of 3, Reserve Policy

SUMMARY
In order to provide policy background for the budget process for Fiscal Year 2019-2020, the financial policies will be reviewed in three parts:

1. Reserve Policy – April 10, 2019 Board Meeting
2. Budget Policy – April 24, 2019 Board Meeting
3. Debt, Disclosure Procedures, and Investment Policy – May 8, 2019 Board Meeting

PREVIOUS BOARD ACTION(S)
June 13, 2018 – Adopted Resolution 18-12, Adopting a Budget for the Fiscal Year 2018-19.

FISCAL IMPACT
This item is informational only.

POLICY
Strategic Plan Goal 3: Financial Viability – Ensure long-term financial viability of the agency.

- Objective FV1: Develop an annual budget that determines yearly expenditures, incorporates a five-year projection to track fiscal stability, and guides rate-setting decision-making.

ALTERNATIVES
This item is informational only.
Memo to: Governing Board
Subject: Overview of Financial Policies – Part 1 of 3, Reserve Policy
April 5, 2019
Page 2 of 2

STAFF RECOMMENDATION
This item is informational only.

COMMITTEE RECOMMENDATION
This item is informational only.

ATTACHMENT(S)
Financial Policies – Reserve Policy
Proposition 218 Notice of Public Hearing and Rate Adjustment for August 20, 2018
Reserve Policy

Introduction

This Reserve Policy (Policy) documents the Sweetwater Authority’s (Authority) use and safekeeping of reserve funds. A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Sweetwater Authority (Authority) will at all times strive to have sufficient funding available for its operations to meet its operating, capital, and debt service obligations. Reserve Funds (Reserves) will be accumulated and maintained to allow the Authority to fund these needs and avoid significant customer rate fluctuations due to changes in cash flow requirements.

The Policy directives outlined in this document are intended to ensure the Authority has sufficient funds to meet current and future needs to maintain continuing operations. The Board of Directors of the Authority ("Board") shall designate specific reserve accounts and maintain minimum reserve balances consistent with the Fund definitions and funding levels outlined in the Policy. The Board will annually review the level of Reserves. For the purposes of compliance with this Policy, the Authority may use the amounts on deposit in the Reserves as of the final day of each fiscal year for such calculations.

Through certain policy documents and plans, the Authority has set forth a number of long-term goals for its operations. A fundamental purpose of the Authority’s policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

Definitions

There are two general types of Reserves:

I. RESTRICTED RESERVES: Restrictions on the use of these funds are imposed by an outside source such as creditors, contracts, grantors, contributors, laws, or regulations governing use.

II. DESIGNATED RESERVES: Established by action of the Board to ensure financial flexibility and stability, including stable customer charges and rates from year to year, and for future capital needs, including both new and replacement projects. DESIGNATED Reserves may be funded from accumulated revenues and grants.

Adopted by Resolution 16-12
General Provisions

The Authority may maintain its Reserves in separate, designated sub-accounts in a clearly identifiable manner that provides transparency to its ratepayers. The Reserves and related Policy are necessary to maintain a prudent financial position and adequately provide for:

- Compliance with applicable statutory requirements
- Financing of future capital facilities and repair and replacement of existing assets
- Maintenance or improvements in credit ratings
- Cash flow requirements
- Economic uncertainties, fluctuations in local water runoff, local disasters, and other financial hardships or downturns in the local or national economy
- Contingencies or unforeseen operating or capital needs
- Contractual obligations

In assessing the funding of future capital facilities and maintaining and replacing existing assets, the Authority will analyze the benefits and tradeoffs of utilizing pay-as-you-go and/or debt financing and determine the optimal funding strategy. The analysis should consider the Authority’s current and projected liquidity level. The Authority may measure its liquidity position by calculating “days cash” (the number of days of current or upcoming annual expenses in available Reserves). Additionally, the Authority may include, when appropriate, any lines of credit, revolving loans, or other such similar loan structure, or commercial paper (“Liquidity Facility”) that permits the Authority to borrow money for operating expenses to calculate its liquidity position.

The Authority will separate and hold moneys that are legally restricted in Restricted Reserves such as reserves required by bond covenants. There are currently no Restricted Reserve accounts.

The Authority will separate and hold moneys that are not legally restricted into unrestricted accounts and funds. These are the Authority’s Designated Reserves.

Interest income may be credited to the fund on which it was earned until the fund’s maximum balance is achieved. Once the maximum balance is reached within a specific reserve fund, the surplus interest earnings will be reallocated to other reserve funds whose funding level is below the minimum or maximum requirement recommended by this Policy.

The Board shall approve any reallocation of funds or any transfers among Reserves.

Adopted by Resolution 18-12
Reserve Target Levels and Management

Reserve balances will be reviewed, at a minimum, on an annual basis to ensure compliance with this Policy. The Board will make a determination regarding the reallocation of excess monies in the event the Reserve balances exceed the established maximum.

The minimum established for each Reserve represents the baseline financial condition that is acceptable to the Authority from risk and long-range financial planning perspectives. Maintaining Reserves at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various revenue generating alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: fees and charges, energy usage, capital financing, investment of funds, and levels of capital expenditures.

RESTRICTED RESERVES

Water Revenue Bond 2017A
The Authority issued the Water Revenue Bond 2017A on December 12, 2018. Proceeds from this debt issue were deposited in a reserve account for use as described in the bond covenant.

DESIGNATED RESERVES

The balance in the Designated Reserves will fluctuate depending on annual operating expenses and capital assets. To establish and preserve its credit ratings and prudent financial operations, in every fiscal year the Authority will strive to maintain Designated Reserves equal to a minimum of 60 days of annual operating expenses. Should the Authority determine to target a higher credit rating level, these minimums will be adjusted accordingly.

Vista del Lago
This reserve was established in the early 1980s, and includes an original payment of $80,000 from the developer of the Vista del Lago subdivision near Sweetwater Reservoir. Charges to the reserve include the operation, maintenance, and rehabilitation of a catch basin/interceptor tank and pump station built by the developer as a condition of the subdivision for the purpose of preventing "first flush" and low-flow runoff from entering Sweetwater Reservoir.

Debt Service
The balances in the Debt Service reserve is available for annual debt payments upon approval by the Board. The Debt Service reserve is also used to receive the annual debt

Adopted by Resolution 18-12
and principle payments on the Water Revenue Bonds Series 2016A and 2017A which are subsequently transferred out of the reserve to the bond trustee.

Sweetwater Dam Probable Maximum Flood and South Spillway Improvements (Sweetwater Dam PMF Project)

Pursuant to Board action on November 9, 2016, the Board designated the Sweetwater Dam PMF Project reserve and transferred the Administration and Operations Center Office, the Source of Water Supply, and Grant Funding reserve balances to this reserve specifically to fund the Sweetwater Dam PMF Project as required by State of California Division of Safety of Dams. The funds in this reserve were designated by the Board to fund the Authority's portion of the remaining costs of the Reynolds Desalination Facility Phase II Expansion project and to fund the entirety of the Sweetwater Dam PMF Project.

Administration and Operations Center Office

The Governing Board approved in the FY 1995-96 budget the creation of a 15-year sinking fund reserve for purchasing property and constructing a new office building and Operations Center for Administrative and Operations staff. This was in response to the City of Chula Vista's desire to acquire the Authority's Distribution and Administration office properties for future development. On November 9, 2016, the Board approved the transfer of the entire $2,823,273.16 balance in this reserve to the Sweetwater Dam PMF Project. Funding for this reserve has been suspended since FY 2011-12 and will recommence pending a future Board decision as to need for the reserve.

Rate Stabilization Reserve

On June 13, 2018 the Authority established a Rate Stabilization Reserve to accumulate funds to mitigate increases in the amount of the Municipal and Industrial (M&I) wholesale water that must be purchased from the San Diego County Water Authority (SDCWA). Conditions that require the Authority to purchase water from SDCWA include:

- Local water supply is not available
- Unplanned treatment facility downtime

The Board developed the Wholesale Water Purchase Pass-through Rate for its Wholesale Water Purchase Pass-through Charge to cover M&I wholesale water purchase costs from SDCWA, and to build a Rate Stabilization Reserve to mitigate against future fluctuation due to reduced local water supply. This Wholesale Water Purchase Pass-through Rate will be set at a maximum amount not to exceed the rate imposed by SDCWA for purchasing such M&I wholesale water.

The actual Wholesale Water Purchase Pass-through Rate charged by the Authority can fluctuate from year-to-year based on the availability of the Authority's local water supply that

Adopted by Resolution 18-12
includes surface and ground water reservoirs, as well as the amount deposited in the Rate Stabilization Reserve. For example, if the Authority has sufficient local water supply and does not need to purchase M&I wholesale water from SDCWA, and has achieved its Rate Stabilization Reserve target, the Authority shall not charge the Wholesale Water Purchase Pass-through Charge. The Authority shall not be permitted to charge the Wholesale Water Purchase Pass-through Charge at a rate that exceeds the maximum Wholesale Water Purchase Pass-through Rate adopted by the Board.

Once established, the Rate Stabilization Reserve will be available, subject to criteria set forth by the Board within this policy, to meet a portion of the Authority’s revenue requirement and to smooth out rate impacts to customers caused by fluctuations in local water supply. The Rate Stabilization Reserve balance is maintained by adjusting the Wholesale Water Purchase Pass-through Rate in response to variations in the amounts of annual M&I wholesale water purchases. This established methodology results in the potential to mitigate multi-year droughts and smooth rate impacts to customers.

The Board sets the minimum and maximum Rate Stabilization Reserve balance as follows:

1. The minimum Rate Stabilization Reserve balance (Minimum Balance) is established with each annual budget and is equal to the volume of M&I wholesale water purchases for a six month period multiplied by the most current SDCWA Treatment Rate and rounded to the nearest one-hundred thousand.

2. The maximum Rate Stabilization Reserve balance (Maximum Balance) is established with each annual budget and is equal to the volume of M&I wholesale water purchases required for a 24 month period when no surface reservoir water is available multiplied by the most current SDCWA Melded Untreated M&I Supply Rate and Transportation Rate, rounded to the nearest one-hundred thousand.

The Board authorizes accumulation of funds in the Rate Stabilization Reserve as follows:

1. On an annual basis, any excess funds collected by the Wholesale Water Purchase Pass-through Charge will be deposited in the Rate Stabilization Reserve. Prior to any adjustment of the Wholesale Water Purchase Pass-through Rate in response to a change in future M&I wholesale water purchases, the collection of the Wholesale Water Purchase Pass-through Charge will continue at an amount necessary to achieve and maintain the Maximum Balance. The Wholesale Water Purchase Pass-through Rate will not be increased solely to achieve the Maximum Balance, but may be increased to maintain the Minimum Balance. Once the Maximum Balance is attained, the Wholesale Water Purchase Pass-through Rate will be adjusted commensurate with the Wholesale Water Purchase Pass-through revenue requirement.

The Board authorizes use of funds from the Rate Stabilization Reserve as follows:

1. Up to 50% of the available Rate Stabilization Reserve may be utilized in any single year to mitigate increases in the Wholesale Water Purchase Pass-through Rate

Adopted by Resolution 18-12
when the Authority is required to purchase more M&I wholesale water than projected in order to meet customer demands. The 50% limitation allows use of the Rate Stabilization Reserve in the event of a subsequent consecutive year of M&I wholesale water purchases above projections. The Rate Stabilization Reserve balance will not be drawn down below the minimum balance to offset the M&I wholesale water purchase pass-through revenue requirement.

The Rate Stabilization Reserve may be used in the event of unplanned treatment facility downtime to cover the necessary costs to purchase treated water during the time the facility is unable to treat water. The Rate Stabilization Reserve balance may be drawn down below the minimum balance to offset treated water purchases that are a result of treatment facility failures.

Source of Water Supply
The Source of Water Supply reserve is intended to fund projects that relate to the attainment or maintenance of local water supplies.
On November 9, 2016, the Board approved the transfer of the entire balance in this reserve to the Sweetwater Dam PMF Project.

Grant Funding
The Grant Funding reserve is established to pay for reimbursable capital investment expenditures on various projects that are awarded federal, state, and local grant funding (U.S. Department of Housing and Urban Development, U.S. Department of the Interior, Bureau of Reclamation (Title XVI), Proposition 50, and Local Investigations and Studies Assistance Program). All of the future reimbursements pertaining to the respective grant agreements will replenish the Grant Funding reserve when they are received by the Authority. On November 9, 2016, the Board approved the transfer of the entire balance in this reserve to the Sweetwater Dam PMF Project.

Other Temporary Funds
From time-to-time other temporary funds may be established by the Board to allocate funds to future year’s projects.

Construction Fund
The purpose of the Construction Fund is to carryover unspent capital funds to the following fiscal year. Funds are only carried over for projects that are budgeted for the following year.

Operating Fund

Adopted by Resolution 18-12
The purpose of the Operating Fund, also commonly termed the "General Fund," is to provide working capital for the annual Capital Investment Budget and bond coverage. The Operating Fund also provides the working capital to fund day-to-day operations and water purchases.

The Authority's guidelines are to maintain the Operating Fund at a target prescribed in the annual Five-Year Projection. The Operating Fund will be targeted to maintain a minimum reserve equivalent to two months of operating expense. Water rates are set annually to achieve this targeted minimum ending balance; however, it is acknowledged that this fund balance will fluctuate from month-to-month and year-to-year.

**Investment Guidelines**

The Authority will manage the funds and moneys described herein in accordance with its Investment Policy.

**Delegation of Authority**

The Board has sole authority to amend or revise the Reserve Policy. Through approval of this Policy, the Board has established written procedures for staff to follow in the management of the Authority's reserves.

Adopted by Resolution 18-12
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NOTICE OF PUBLIC HEARING AND RATE ADJUSTMENTS

August 20, 2018
6:00 p.m.

505 Garrett Avenue
Chula Vista, California 91910

The Governing Board of Sweetwater Authority (Authority) will conduct a public hearing on August 20, 2018 at 6:00 p.m., in the Board Room of the Authority’s administrative office, located at 505 Garrett Avenue, Chula Vista, California 91910, to consider adjusting the rates for its water service charges. The proposed rates are described in this notice.

Any property owner of a parcel upon which the water service charges are proposed for imposition or any tenant directly liable for the payment of water service charges (i.e., a water customer who is not a property owner) may submit a written protest to the proposed adjustments to the rates of the Authority’s water service charges described in this notice; however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed rate adjustments; (2) provide the location of the identified parcel (by street address or assessor’s parcel number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the Board Secretary at Sweetwater Authority, 505 Garrett Avenue, Chula Vista, California 91910, or at the public hearing, so long as they are received prior to the close of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted.

The Governing Board will accept and consider all written protests and hear and consider all oral comments to the proposed rate adjustments at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the Governing Board will consider adoption of the proposed changes to the rates for water service charges as described herein. If written protests against the proposed rates, as outlined above, are not presented by a majority of the property owners or tenants of the identified parcels subject to the water service charges, the Governing Board will be authorized to adopt the rate adjustments to the water service charges. If approved, the Governing Board will be able to increase rates for a five-year period commencing January 1, 2020, through December 31, 2024, to account for inflation and wholesale cost increases.

REASONS FOR THE RATE ADJUSTMENTS

The Authority provides water service to its customers, and continually strives to maximize cost reductions and better utilization of its assets. The Authority must also be fiscally responsible to ensure financial stability in the years to come. To this end, the Authority engaged an independent consultant to perform a cost of service analysis and rate study for its water service charges. Based on the rate study, the Authority anticipates that rate adjustments to the water service charges are necessary to:

- Recover current and projected costs of operations and maintenance, and capital infrastructure improvements needed to repair and update the Authority’s aging water system
- Recover the costs of imported wholesale water and prepare for periods of reduced local water supply
- Maintain operational and financial stability
- Comply with state mandated regulatory requirements
- Meet and comply with annual debt service requirements
- Avoid operational deficits and depletion of reserves

The Authority gets its water primarily through locally developed sources of supply, including local surface water and groundwater. The Authority also purchases water from the San Diego County Water Authority (SDCWA). The amount of water that the Authority must purchase from SDCWA varies from year to year, and depends on the condition and availability of local supply. During wet years, local supply may be sufficient to fully meet all of the Authority’s needs. In dry years, however, the Authority will have to purchase significantly more water from SDCWA. Water purchased from SDCWA is more expensive than local water supply.

As a result, the proposed rate structure for the water service charges includes a surcharge equal to the additional cost per unit to purchase water from SDCWA. This charge is necessary to pay for the cost of purchasing SDCWA water during periods of reduced local supply, and to build a rate stabilization reserve to be used to offset future increases in times of reduced local supply.

A copy of the rate study and cost of service analysis providing justification for the proposed rates for water service charges is on the Authority’s website and on file at the Authority’s Administrative Office. You may also call Customer Service to request a copy.

619-420-1413
www.sweetwater.org
HOW RATES ARE CALCULATED

The Authority’s water service charges are billed on a bi-monthly basis. The proposed rate structure for the water service charges has four customer classes: (1) Single-Family Residential; (2) Multi-Family Residential, which includes apartments, condominiums, and mobile homes; (3) Commercial, which includes industrial and institutional; and (4) Public Agency. The proposed rate structure for each customer class is comprised of two components: (1) a Readiness-to-Serve Charge and (2) a Commodity Charge, which includes the Authority’s Commodity Charge and the SDCWA Wholesale Water Purchase Charge. Customers with a separate fire service lateral will also have a private fire service charge. In addition, the Authority pays certain charges to the Metropolitan Water District of Southern California (MWD) and SDCWA, which are directly passed through to customers as separate charges, all as described in further detail below.

Readiness-to-Serve Charge (Table A)

The proposed Readiness-to-Serve Charge is a fixed charge that recovers a portion of the Authority’s fixed costs in providing water service. The rates for the Readiness-to-Serve Charge are the same for all customer classes, and are determined based on the size of the meter serving the property.

The proposed rates for the Readiness-to-Serve Charge are set forth in Table A at the end of this notice, and are proposed to take effect on January 1, 2019. To keep up with rising costs due to inflation, the Authority is proposing to authorize the Governing Board to increase the rates for the Readiness-to-Serve Charge for a five-year period commencing January 1, 2020, and on each January 1 thereafter through and including January 1, 2024, in an amount equal to the twelve-month change in the Consumer Price Index for the San Diego Area as of June 30 of the preceding year; provided, however, (1) any increase to the rates for the Readiness-to-Serve Charge may not exceed 10 percent per year; (2) in no event will the rates be increased in any year by more than the cost of providing the respective water service; and (3) the Authority shall provide all customers at least 30 days’ written notice prior to implementing any such increase.

Commodity Charge (Table B)

The Authority is proposing two commodity charge components: (1) the Authority’s Commodity Charge, which covers the cost of supplying, treating and distributing water from any of the Authority’s sources, including imported water, and (2) the SDCWA Wholesale Water Purchase Charge, which includes the SDCWA Municipal and Industrial Untreated Supply Rate, Transportation Rate, and Treatment Rate, and covers the cost of purchasing and importing water from SDCWA when necessary. The SDCWA Wholesale Water Purchase Charge also recovers revenue to fund the Authority’s rate stabilization fund, which will be used exclusively to offset impacts of reduced local water supply on rates. Once the Authority has met its rate stabilization fund target, the SDCWA Wholesale Water Purchase Charge will only be imposed to cover the cost of imported water the Authority must purchase from SDCWA, and the Governing Board of the Authority may apply funds in the revenue stabilization fund to offset such charge. The Authority’s Commodity Charge and the SDCWA Wholesale Water Purchase Charge are collectively referred to as the Commodity Charges.

For Single-Family Residential customers, the Commodity Charge is a variable water usage charge and consists of four tiers which impose higher rates per one hundred cubic feet (HCF) of water usage as the level of water consumption increases. (One hundred cubic feet is equal to 748 gallons of water.) The rates within each tier are designed to proportionately allocate the incrementally higher costs of providing service to those whose water usage creates greater demands and burdens on the Authority’s water system and water resources and therefore generates additional costs to the Authority for providing water service. The incremental costs incurred by the Authority to meet this additional demand include: sizing, operating and maintaining the water system; developing additional water supplies; and funding water conservation programs.

For the Multi-Family Residential, Commercial, and Public Agency customer classes, the Commodity Charge is a distinct uniform rate per HCF of water usage, because of similarities in usage and demand characteristics for such customers.

The proposed rates for the Commodity Charges are set forth in Table B at the end of this notice, and are proposed to take effect on January 1, 2019. To keep up with rising costs due to inflation, the Authority is proposing to authorize the Governing Board to increase the rates for the Authority’s Commodity Charge for a five-year period commencing January 1, 2020, and on each January 1 thereafter through and including January 1, 2024, in an amount equal to the twelve-month change in the Consumer Price Index for the San Diego Area as of June 30 of the preceding year.

To keep up with wholesale increases by SDCWA in the cost of purchasing water, the Authority is also proposing to authorize the Governing Board to increase the SDCWA Wholesale Water Purchase Charge, commencing January 1, 2020, and at any time thereafter through and including December 31, 2024, to pass through any cost increases by SDCWA.

These amounts are the maximum authorized rate for the Commodity Charges in each respective year, but the Governing Board may impose the Commodity Charges at a lower rate. However, (1) any increase to the rates for the Commodity Charges may not exceed 10 percent per year; (2) in no event will the rates be increased in any year by more than the cost of providing the respective water service; and (3) the Authority shall provide all customers at least 30 days’ written notice prior to implementing any such increase.

Private Fire Service Charge (Table C)

The Authority imposes the Private Fire Service Charge on certain properties that have a private fire protection lateral. The payment of the charge is a condition of providing water service upon the request of the customer or property owner for delivery of water to the property for the purpose of fire protection service. The Private Fire Service Charge is a bi-monthly fixed charge, and is determined by the size of the separate private fire protection lateral serving the property. The proposed rates for the Private Fire Service Charge are set forth in Table C at the end of this notice, and are proposed to take effect on January 1, 2019.

To keep up with rising costs due to inflation, the Authority is proposing to authorize the Governing Board to increase the rates for the Private Fire Service Charge for a five-year period commencing January 1, 2020, and on each January 1 thereafter through and including January 1, 2024, in an amount equal to the twelve-month change in the Consumer Price Index for the San Diego Area as of June 30 of the preceding year; provided, however, (1) any increase to the rates for the Private Fire Service Charge may not exceed 10 percent per year; (2) in no event will the rates be increased in any year by more than the cost of providing the respective water service; and (3) the Authority shall provide all customers at least 30 days’ written notice prior to implementing any such increase.

SDCWA/MWD Pass-Through (Table A & D) Charges and Increases

The Authority indirectly purchases wholesale water from MWD through SDCWA. Regardless of how much water is purchased from SDCWA, SDCWA imposes on the Authority: (1) an Infrastructure Access Charge (IAC); (2) a Customer Service Charge (CSC); (3) an Emergency Storage Charge (ESC); and (4) a Supply Reliability Charge (SRC and, together with the IAC, CSC, ESC, and SRC, the SDCWA Pass-Throughs). The IAC is a fixed charge that is determined...
mined based on meter size, and is imposed on the Authority as an additional source of revenue to SDCWA to provide better coverage for SDCWA’s projected fixed costs. The CSC is imposed on the Authority as an allocation of SDCWA’s customer service related costs. The ESC is imposed on the Authority as an allocation of SDCWA’s costs for its emergency and carryover water storage program to provide sufficient water to the region in the event of an emergency. The SRC is imposed on the Authority as an allocation of SDCWA’s cost to maintain reliable water supplies. These latter three charges are determined on the basis of a multi-year average of the amount of water purchased by the Authority from SDCWA.

MWD imposes on the Authority: (1) a Readiness-to-Serve charge (MWD-RTS) and (2) a Capacity Charge (MWD-CC and, together with the MWD-RTS, the MWD Pass-Throughs). The MWD-RTS is imposed on the Authority as an allocation of MWD’s cost to provide peak capacity within the MWD’s distribution system. The MWD-CC is imposed on the Authority as an allocation of MWD’s costs associated with standby and peak conveyance capacity and system emergency storage capacity. These MWD charges are determined on the basis of multi-year averages of the amount of water purchased by the Authority from SDCWA.

Effective January 1, 2019, the Authority proposes to pass-through the SDCWA IAC to customers based on meter size, as set forth in Table A at the end of this notice. The remaining SDCWA Pass-Throughs, and the MWD Pass-Throughs, are proposed to be passed-through to customers effective January 1, 2019 per HCF of water used, in the amounts set forth in Table D at the end of this notice. The Authority anticipates that MWD and SDCWA will increase the MWD Pass-Throughs and the SDCWA Pass-Throughs in the future, and the Authority is proposing to authorize automatic pass-throughs of any future increases to customers. If approved, the Governing Board may implement any increase to the MWD Pass-Throughs and SDCWA Pass-Throughs for the five-year period commencing January 1, 2020, through and including December 31, 2024, provided, however, that (1) any increase in the rates of the MWD Pass-Throughs or SDCWA Pass-Throughs described above shall not exceed 10 percent per year; (2) in no event shall the rates be increased by more than the cost of providing water service; and (3) the Authority shall provide all customers at least 30 days’ written notice prior to implementing any MWD or CWA Pass-Through adjustment.

Questions regarding the SDCWA Pass-Throughs should be directed to the Finance Department: San Diego County Water Authority - 4677 Overland Avenue, San Diego, CA 92123 or via telephone at (858) 522-6684.

For more information about regional water wholesale agencies, visit www.sdcwa.org and www.mwdh2o.com.

### Table A: Readiness-to-Serve Charge and SDCWA Infrastructure Access Charge

<table>
<thead>
<tr>
<th>All Customer Classes</th>
<th>Proposed Rates Effective 1/1/2019</th>
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</thead>
<tbody>
<tr>
<td><strong>Meter Size</strong></td>
<td><strong>Sweetwater Authority Rates for Bi-Monthly Fixed Charge</strong></td>
</tr>
<tr>
<td>5/8 (1)</td>
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<tr>
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<td>$27.88</td>
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<tr>
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<td>10</td>
<td>$1,013.03</td>
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### Table B: Commodity Charges

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Single-Family Residential Proposed Rates Effective 1/1/2019</th>
<th>Variable Rate for Bi-Monthly Sweetwater Authority Charge</th>
<th>Variable Rate for Bi-Monthly SDCWA Wholesale Water Purchase Charge</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Uniform Rate for Water Served</td>
<td>$/HCF (1)</td>
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<tr>
<td>Tier 1 0 - 10 HCF</td>
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<td>Tier 4 28+ HCF</td>
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### Table C: Private Fire Service Charge

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<th>Lateral Size</th>
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<td>10 inch</td>
<td>$434.78</td>
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<tr>
<td>12 inch</td>
<td>$702.30</td>
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(1) Typical residential meter size
(2) HCF = one hundred cubic feet or 748 gallons of water

### Table D: SDCWA and MWD Volumetric Pass-Through Charges

<table>
<thead>
<tr>
<th>Uniform Rate for Bi-Monthly Pass Through Charge Proposed Rates Effective 1/1/2019</th>
<th>SDCWA Customer Service Charge</th>
<th>SDCWA Emergency Storage Charge</th>
<th>SDCWA Supply Reliability Charge</th>
<th>MWD Readiness To Serve Charge</th>
<th>MWD Capacity Charge</th>
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To estimate your water bill, please visit www.sweetwater.org/billestimator.
COMMUNITY OPEN HOUSE
Drop in and learn about how Sweetwater Authority is working for your water

August 9, 2018
4 PM - 7 PM

Richard A. Reynolds
Groundwater Desalination Facility
3066 N. Second Avenue
Chula Vista, CA 91910

SWEETWATER AUTHORITY IS WORKING FOR YOUR WATER!
Water rates fund more than just water…

$0.27 Administration costs (technology, public outreach, safety and overhead)
$0.03 Customer service
$0.13 Infrastructure improvements and replacements
$0.25 Purchase of additional water supplies
$0.17 Water distribution system maintenance and repair
$0.15 Water service (storage, treatment, and delivery of water)

Important notice to water users in the Sweetwater Authority service area
Large format version of this notice is available by calling (619) 420-1413

Sweetwater Authority aviso de audiencia pública
Para información en Español, o si desea obtener este informe con letra más grande llamenos al (619) 420-1413
Public Comment - From Mike Sampsel

Backhoe Loader

Cost Analysis

  Category 1. $13,561.32  31%  oil
  Category 2. $6,731.85  16%  wear
  Category 3. $23,070.43  53%  form, fit and function
  Total   $43,363.60

Age    15 years
Mileage / Engine hours – Unknown
Future Repairs Needed – Not Specified
Current Equipment – John Deere
Replacement Equipment – John Deere
Comments to Sweetwater Authority Board of Directors Meeting
April 10, 2019

Good evening. My name is Dave Schlesinger. I am a Board Member of the Sweetwater Authority Ratepayers Association (SARPA). Many of you are familiar with our organization. This is the 7th time I have addressed you on the subject of a Citizens Advisory Committee in the past 4 years. SARPA has been very encouraged by recent actions of your Board. Credit is especially due to the leadership of Board Members Castaneda, Martinez, and Calderon-Scott. An Ad Hoc SWA Committee has been formed and met 3 times this year. Concurrently we have met individually with 3 members of your Board as well as your General Manager. During these meetings SARPA has provided in depth recommendations on committee scope, selection, and relationship to your agency and management. Additional suggestions on potential areas of review with respect to financial management, engineering, operations, and functional organization were discussed. This is the good news.

Now for the bad news. SARPA was not invited to any of the Ad Hoc Committee meetings. We were surprised and very disappointed by the report provided to your Board for consideration today. First the recommendation that the Citizen Advisory Committee meet for one year to learn about Authority Operations. This is ludicrous. There is an immediate need for the Citizen Advisory Committee to begin providing suggestions to your Board. SARPA has already identified Short Term (1-2 months), Medium Term (3-6 months), and Long Term (7-12 months) objectives. It is not necessary to spend a year to learn where improvements to the benefit of your rate payers lie. The average annual employee salary and benefits has now risen to $183,000 for Sweetwater Authority. This issue must be addressed immediately. Our second issue of concern is that the scope of the CAC be limited to only one of the Strategic Plan Goals as determined by the Board. Again this makes no sense. The entire concept of a Citizen Advisory Committee is to bring together experts in finance, engineering, contracting, and organizational effectiveness. These rate payers will work pro bono to look at all aspects of your organization. Your predecessors have brought the Authority to its current condition which cannot continue on this course. It is long past time for change. Please look at your organization chart. Staff works in a defined organization structure led by the GM. The GM works for the Board. The Board works for the rate payers, the public citizens who elected you and placed their trust in you.

Thank you.
Sweetwater Authority Advocacy Trip to Washington DC (April 2-3, 2019)

Jennifer Sabine, Assistant General Manager
Agenda

1. Promote Sweetwater Authority – Who we are, what we do and importance to the region
2. Celebrate completion of Desalination Facility Expansion and express appreciation for support
3. Seek funding for preliminary studies of pipeline from Lake Loveland to Sweetwater Reservoir
4. Seek support for FEMA Grant to fund a portion of the Sweetwater Reservoir Dam Improvement
5. Invite leaders for a tour of Sweetwater Authority Facilities
U.S. House Committee on Natural Resources
(Natural Resources Committee)
Chair:  Rep. Raul Grijalva (Arizona)

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<thead>
<tr>
<th>Subcommittees</th>
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<td>Energy and Mineral Resources</td>
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<td>Indigenous People of U.S.</td>
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<td>National Parks, Forests and Public Lands</td>
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<td>Oversight and Investigations</td>
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<td>Water, Oceans and Wildlife</td>
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U.S. House Committee on Natural Resources  
(Natural Resources Committee)  
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<tr>
<td>Energy and Mineral Resources (Oversees U.S.G.S)</td>
<td>Rep. Mike Levin</td>
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| Water, Oceans and Wildlife                            | Rep. Mike Levin  
Marnie Kremer, Professional Staff                    |
# Meetings (April 2, 2019)

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Contact Person</th>
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<tbody>
<tr>
<td>Organizational Meeting</td>
<td>Don Gilchrest, Thomas Walters and Associates</td>
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<tr>
<td>Representative Duncan Hunter</td>
<td>Reed Linsk, Legislative Director</td>
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<tr>
<td>Representative Susan Davis</td>
<td>Michael Perez, Legislative Assistant</td>
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<tr>
<td>Senator Kamala Harris</td>
<td>Catherine Pomposi, Congressional Fellow</td>
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<tr>
<td>U.S. Bureau of Reclamation</td>
<td>Bob Wolf, Director of Program &amp; Budget, Sandy Eto, Lower Colorado Regional Liaison</td>
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<td>Representative Juan Vargas</td>
<td>Hannah Ceja, Legislative Staff</td>
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# Meetings (April 3, 2019)

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Contact Person</th>
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<tbody>
<tr>
<td>House Subcommittee on Water, Oceans and Wildlife (Natural Resources Committee)</td>
<td>Marnie Kremer, Professional Staff</td>
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<tr>
<td>Representative Mike Levin</td>
<td>Jonathan Gilbert, Legislative Director</td>
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<tr>
<td>Representative Scott Peters</td>
<td>Anais Borja, Professional Staff</td>
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<tr>
<td>Senator Dianne Feinstein</td>
<td>John Watts, Sr. Legislative Counsel</td>
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Outcome

1. Positive reception; good relationship building
2. No funding identified at this time for the pipeline from Lake Loveland to Sweetwater Reservoir
3. Possible joint letter of support for grant to FEMA
4. Issued multiple invitations for tours and will follow up with local offices