

Finance and Personnel Committee Meeting - July 3, 2019

1. Agenda Packet

Documents:

[190703 AGENDA PACKET.PDF](#)



SWEETWATER AUTHORITY

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GOVERNING BOARD

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JENNIFER H. SABINE
ASSISTANT GENERAL MANAGER

SWEETWATER AUTHORITY FINANCE AND PERSONNEL COMMITTEE

AGENDA

DATE: Wednesday, July 3, 2019

TIME: 4:00 p.m.

1. CALL MEETING TO ORDER AND ROLL CALL.

2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED IN THE AGENDA.

3. PUBLIC COMMENT.

Opportunity for members of the public to address the Committee. (Government Code Section 54954.3).

4. ACTION AGENDA.

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

A. Consideration of Membership to the Water Conservation Garden Authority for FY 2020-21

B. Consideration to Support Assembly Constitutional Amendment (ACA) 1

5. CLOSED SESSION.

At any time during the regular session, the Committee 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.)

6. NEXT MEETING DATE: Wednesday, July 17, 2019 at 4:00 p.m.

7. 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.

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BOARD ACTION

TO: Governing Board (Finance and Personnel Committee)
FROM: Management
DATE: June 28, 2019
SUBJECT: Consideration of Membership to the Water Conservation Garden Authority for FY 2020-21

SUMMARY

Sweetwater Authority (Sweetwater) is currently a member of the Water Conservation Garden Authority (The Garden), a Joint Powers Authority (JPA). Membership with The Garden is on an annual basis. Any changes to the membership require a one-year notification, with the changes taking effect the following fiscal year.

Background

The Garden, located adjacent to Cuyamaca College, was founded in 1992 as a JPA between Otay Water District, Helix Water District, and Grossmont-Cuyamaca College District. In 2003, the JPA agreement was amended to add the City of San Diego and Padre Dam Water District as member agencies. In 2006, Sweetwater joined the JPA. The current members of the JPA are the City of San Diego, San Diego County Water Authority (CWA), Helix Water District, Otay Water District, Grossmont-Cuyamaca College District, and Sweetwater. In 2011, the operation of The Garden was transferred to the Friends of the Water Conservation Garden (Friends). The Garden staff includes an Executive Director who reports directly to the Friends Board, as well as various support, teaching, and maintenance staff members, and volunteers. The JPA continues to exist, meets on a quarterly basis unless otherwise needed, and has no direct responsibility to operate The Garden. Director Castaneda is currently the Sweetwater representative to the JPA, and Director Sotelo-Solis is Sweetwater's alternate representative.

Membership Fees and JPA Agreement Obligations

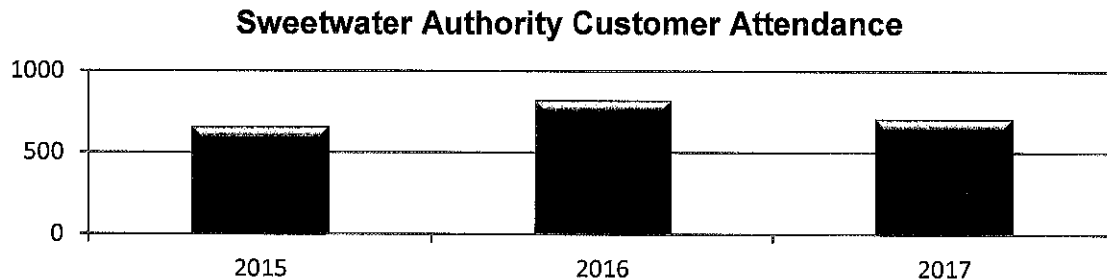
Each JPA member is contractually required to pay an annual membership fee. The payment amount is set up on a tiered system, which is based on the geographic location relative to The Garden. CWA pays the highest proportion; the City of San Diego and Sweetwater pay a lower proportion. The FY 2018-19 membership payment made by Sweetwater was \$71,243; the FY 2019-20 membership payment will be \$67,680; and the FY 2020-21 payment would be \$60,912 should the Board decide to stay with The Garden.

Memo to: Governing Board (Finance and Personnel Committee)
Subject: Consideration of Membership to the Water Conservation Garden Authority for
FY 2020-21
June 28, 2019
Page 2 of 3

In accordance with the latest JPA Agreement, any member may withdraw its membership by providing a written notice of its intent to withdraw by the end of July of the fiscal year, with withdrawal occurring by the end of that fiscal year; however, membership payment for that fiscal year is still required.

Sweetwater Authority Customer Attendance

The Garden has nearly six acres of displays that showcase water conservation through a series of beautiful themed gardens, such as native plant vegetable gardens, as well as how-to displays such as mulch and irrigation exhibits. Most recent available information on attendance is provided in the following chart.



Since 2016, Sweetwater has investigated opportunities to invest in a local demonstration garden within its service area. No viable projects have resulted from this effort.

FISCAL IMPACT

Should the Board decide to continue membership with the Garden, the fiscal impact is \$60,912 in FY 2020-21 plus staff time to promote and support The Garden and its events.

Ms. Smarty-Plant's educational field trips and assemblies are not included in this fee and represent an additional cost to Sweetwater.

POLICY

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

- Objective ES2: Increase conserved water supplies through water efficiency education and assistance program and outreach efforts, strategic partnerships with public and private agencies, and developing effective rate setting strategies.

Memo to: Governing Board (Finance and Personnel Committee)

Subject: Consideration of Membership to the Water Conservation Garden Authority for
FY 2020-21

June 28, 2019

Page 3 of 3

ALTERNATIVES

1. Maintain membership: Direct the General Manager to include funds to remain a member of the Water Conservation Garden Authority when preparing the FY 2020-21 Budget.
2. End membership: Direct the General Manager to provide notice to withdraw from the Water Conservation Garden Authority and not include membership funds when preparing the FY 2020-21 Budget.
3. End membership, but continue to provide some financial contribution: Direct the General Manager to provide notice to withdraw from the Water Conservation Garden Authority and to include funds of an amount directed by the Board when preparing the FY 2020-21 Budget.

RECOMMENDATION

Staff seeks the direction of the Governing Board.



BOARD ACTION

TO: Governing Board (Finance and Personnel Committee)
FROM: Management
DATE: June 28, 2019
SUBJECT: Consideration to Support Assembly Constitutional Amendment (ACA) 1

SUMMARY

Currently, the California Constitution requires a two-thirds vote at the local level for both General Obligation (G.O.) bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for.

Assembly Constitutional Amendment (ACA) 1 creates a new constitutional vote threshold of 55 percent for both G.O. bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for those purposes. The bill also specifies requirements for voter protection, public notice, and financial accountability.

ACA 1 defines "public infrastructure" to include (but not limited to) projects that provide the following:

- Water or protect water quality, sanitary sewer, treatment of wastewater or reduction of pollution from storm water runoff
- Protection of property from impacts of sea level rise
- Open space, parks and recreation facilities
- Improvements to transit and streets and highways
- Flood control
- Broadband internet access service expansion in underserved areas
- Local hospital construction
- Public safety buildings or facilities and equipment
- Public library facilities

In practice, local officials propose a local bond or special tax, and then the voters in that community decide whether they support the idea or not. The voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts, cities, counties, and special districts, so that all local governments have a viable financing tool to address community needs.

Memo to: Governing Board (Finance and Personnel Committee)
Subject: Consideration to Support Assembly Constitutional Amendment (ACA) 1
June 28, 2019
Page 2 of 2

However, local school districts must only achieve 55 percent voter approval for school bonds to fund the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of schools, or the acquisition or lease of real property vote (Proposition 39, 2000).

From 2001 to 2013, over 2,200 local revenue measures have been placed before voters concerning school, city, county, or special district taxes or bonds. Majority vote tax measures have proven to be much more likely to pass, while just half of two-thirds vote measures succeeded. School bonds with a 55 percent have been the most successful, with four out of every five passing. In contrast, just half of two-thirds vote measures succeeded. A 55 percent voter threshold for special taxes would have made a dramatic difference. Nearly 80 percent of all two-thirds supermajority measures garnered more than 55 percent of “yes” votes.

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects. ACA 1 would provide viable financing options while providing robust public accountability. If ACA 1 should pass both houses of the Legislature with two-thirds vote, it would then go before the voters in 2020 in order to take effect.

FISCAL IMPACT

There is no fiscal impact associated with this item.

POLICY

Strategic Plan Goal 3: Financial Viability – Ensure long-term financial viability of the agency through best practices, operational efficiency, and maximizing assets.

ALTERNATIVES

1. Support: Support ACA1 by sending letter of support.
2. Not Support: Take no action.
3. Other direction as provided by the Board.

RECOMMENDATION

Staff seeks the direction of the Governing Board.

ATTACHMENT(S)

Draft Letters of Support



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ASSISTANT GENERAL MANAGER

July 10, 2019

The Honorable Lorena Gonzalez-Fletcher
California State Assembly
State Capitol
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Assembly Member Gonzalez Fletcher:

On behalf of the Sweetwater Authority, I am writing to support ACA 1 (Aguiar- Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and public infrastructure projects. Sweetwater Authority, a joint powers public agency, provides safe and reliable water service to approximately 190,000 people residing in National City and the South Bay Irrigation District (which includes portions of Chula Vista and most of Bonita).

ACA 1 targets the urgent needs of local communities. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing, and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing. The California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of the purpose a city, county, or special district is seeking those funds. ACA 1 will provide mechanisms for cities, counties, and special districts to have a viable financing tool to help address important community needs for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

The proposed legislation would help Sweetwater Authority find critical funding for the infrastructure necessary to treat and deliver water to our constituents while ensuring that every drop of water we deliver continues to meet all health standards.

If approved by the Legislature, ACA 1 would then have to achieve voter approval during a statewide election. This would further solidify the fact that voters support this change.

*A Public Water Agency
Serving National City, Chula Vista and Surrounding Areas*

Assembly Member Gonzalez Fletcher
Subject: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT
July 10, 2019
Page 2 of 2

Californians want to have an impact on their communities, because they know best what their families and neighbors need.

For these reasons, Sweetwater Authority is pleased to support Assembly Constitutional Amendment 1. Please feel free to contact me if you have any questions.

Sincerely,

Steve Castaneda, Chair
Sweetwater Authority

cc: Anthony Tannehill, Legislative Representative, California Special Districts Association



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July 10, 2019

The Honorable Ben Hueso
California State Assembly
State Capitol
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Senator Hueso:

On behalf of the Sweetwater Authority, I am writing to support ACA 1 (Aguiar- Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and public infrastructure projects. Sweetwater Authority, a joint powers public agency, provides safe and reliable water service to approximately 190,000 people residing in National City and the South Bay Irrigation District (which includes portions of Chula Vista and most of Bonita).

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