

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

Wednesday, May 20, 2020 – 8:00 a.m.

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

<https://attendee.gotowebinar.com/register/6219906898869286414>

(Dial-in instructions are provided after registering at the link above)

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Roll Call

**Executive
Assistant**

Item 3 – Additions to Agenda [Government Code Section 54954.2(b)(2)]

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 4 – Reorder Agenda

Kuhn

Item 5 – Public Comment (Government Code Section 54954.3)

Kuhn

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker’s card and provide it to the Executive Assistant.

We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Item 6 – Consent Calendar

Kuhn

The Board will consider consent calendar items 6.A – 6.H listed below. Consent calendar items are routine in nature and approved by a single motion. Any member of the Board may request that a specific item be pulled from the consent calendar for further discussion.

6.A – Receive, Approve and File Minutes, April 2020 – [enc]

- April 1, 2020 – Regular Board Meeting
- April 15, 2020 – Regular Board Meeting

6.B – Receive, Approve and File Financial Reports and Investment Update, April 2020 - [enc]

- Change in Cash and Cash Equivalents Report
- Consolidated Listing of Investment Portfolio and Investment Report
- YTD District Budget Monthly Status Report
- Warrant List

6.C – Imported Water Sales, April 2020 – [enc]

The Board will review the imported water sales report for April 2020.

6.D – Miramar Operations Report, April 2020 – [enc]

The Board will review the Miramar Operations report for April 2020.

6.E – Approve Director Expense Reports, April 2020 – [enc]

The Board will consider approval of the April 2020 Director expense reports that include disclosure of per diem requests for meeting attendance and itemization of any expenses incurred by TVMWD.

6.F – FY 2019-20 Third Quarter Reserve Update – [enc]

The Board will be provided a FY 2019-20 third quarter update of TVMWD’s reserve schedule.

6.G – Resolution No. 20-05-876 Tax Sharing Exchange County Sanitation District No. 22, Annexation No. 22-437 – [enc]

Approval of Resolution No. 20-05-876 signifies acceptance of the tax sharing exchange by the County Sanitation District No. 22.

6.H – Resolution No. 20-05-877 Responsibilities and Authority of the General Manager and TVMWD Purchasing Policy – [enc]

The Board will contemplate revisions to the General Manager’s purchasing authority by considering approval of Resolution No. 20-05-877 Responsibilities and Authority of the General Manager and the TVMWD Purchasing Policy.

Items 6.A – 6.H – Board Action Required

Staff recommendation: Approve as presented

Item 7 – General Manager’s Report

Litchfield

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

7.A – Legislative Update, May 2020 – [enc]

Howie

The Board will be provided a current legislative status update.

7.B – Award Miragrand Well (Phase 1 – Drilling/Development) Construction Contract, Project No. 58463 – [enc]

Peralta

The Board will consider approval of the Miragrand Well (Phase 1 – Drilling/Development) construction contract.

Item 7.B – Board Action Required

Staff Recommendation: Approve as presented

7.C – Approve Miragrand Well Equipping (Phase 2 – Design) Professional Services Agreement, Project No. 58463 – [enc]

Peralta

The Board will consider approval of the Miragrand Well Equipping (Phase 2 – Design) professional services agreement.

Item 7.C – Board Action Required

Staff Recommendation: Approve as presented

Item 8 – Directors’ / General Manager’s Oral Reports

Kuhn

Directors and the Managers may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD, and on other areas of interest.

Item 9 – Future Agenda Items

Kuhn

Item 10 – Adjournment and Next Meeting

Kuhn

The Board will adjourn to a Regular Board Meeting on Wednesday, June 3, 2020 at 8:00 a.m.

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting

Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
VIA TELECONFERENCE**

**Wednesday, April 1, 2020
8:00 a.m.**

1. Call to Order

The Board meeting was called to order at 8:01 a.m. at the District office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was President Bob Kuhn.

2. Pledge of Allegiance

The flag salute was led by President Kuhn.

3. Roll Call

Roll call was taken with a quorum of the Board present.

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Carlos Goytia, Secretary
Brian Bowcock, Treasurer
Denise Jackman, Director
John Mendoza, Director
Jody Roberto, Director –
(via teleconference)

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor -
(via teleconference)
Nadia Aguirre, Executive Assistant
Liz Cohn, Senior Financial Analyst -
(via teleconference)
Maria Contreras, Admin./Communications Assistant -
(via teleconference)
Wendy Galarneau, Human Resources Manager -
(via teleconference)
Karen Harberson, Compliance Specialist -
(via teleconference)
Kirk Howie, Chief Administrative Officer
Tim Kellett, Chief Water Resources Officer
Steve Lang, Chief Operations Officer -
(via teleconference)
James Linthicum, Chief Finance Officer -
(via teleconference)
Robert Peng, I.T. Manager
Ben Peralta, Project Manager - (via teleconference)

Virtual Attendees: John Brettl, Suburban Water Systems; Victor Carno; Tom Coleman, Rowland Water District; Ted Ebenkamp, Walnut Valley Water District; Gregory Foster, Southern California Group; Dean Gipson, HDR, Inc.; Victoria Hahn, resident; Rick Hansen, resident; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Michael Holmes, PWAG; Rich Kikuchi, LSL CPA's; Ben Lewis, Golden State Water Company; William Lim, Claris Strategy; Tony Lima, Rowland Water Company; Szu Pei Lu, Rowland Water District; Jennifer Stark, City of Claremont; Ludd Trozpek, resident; Dave Warren, Rowland Water District; Edward Chavez.

4. Additions to Agenda

No additions to the agenda were requested.

5. Reorder Agenda

No reorder to the agenda was requested.

6. Public Comment

President Kuhn called for public comment. Mr. Ted Ebenkamp submitted a public comment card stating, "listen only mode". President Kuhn called for Mr. Ebenkamp to address the Board. It seemed that Mr. Ebenkamp had technical difficulties and we were not able to hear him.

7. Presentations

Mr. Robert Peng, Information Technology Manager, previewed the new District website. Website improvements are part of the District's Strategic Plan, objective 3.2. The new website will incorporate ADA requirements and improved site navigation. Board members would like to see improvement to the projects page such as a timeline and milestones on current projects. The goal for the new website is to go live before the end of FY 2020.

Mr. Rich Kikuchi from LSL CPA's reviewed the upcoming audit process for FY 2019-20. The scope of audit, responsibilities of the firm and district responsibilities were discussed. The financial audit will commence the week of April 6, 2020 and the year end audit will commence August 17, 2020.

8. General Manager's Report

8.A – American Water Infrastructure Act (AWIA) Update

Mr. Kirk Howie advised the Board that the initial phase of the American Water Infrastructure Act has been completed by conducting a Risk and Resilience Assessment of our water system. The final phase requires the completion of an Emergency Response Plan (ERP) by September 30, 2020. Mr. Dean Gibson of HDR, Inc., and Mr. William Lin of Claris Strategy, gave a PowerPoint presentation

of the process the District has gone through and the ERP development process. Another updated will be provided in September 2020.

8.B – Approval of Support for Senate Bill (SB) 1352 (Portantino)

Senate Bill 1352 is sponsored by Senator Portantino and will require California natural gas utilities to procure at least 20% of gas for residential and small to medium sized businesses from renewable sources. Replacing fossil fuels with biomethane and making it cost effectively accessible will reduce demand for natural gas and ultimately help California achieve its 2030 climate target. A letter in support of SB 1352 will be mailed to The Honorable Ben Hueso, Chair, Senate Energy, Utilities and Communications Committee.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for a roll call vote.

Moved: Director Bowcock Second: Director Roberto
Motion No. 20-04-5270 – Approval of Support for SB 1352
Motion passed unanimously by a 7-0 vote.

8.C – Review of the FY 2020-21 Budget

Mr. James Linthicum presented the second draft of the FY 2020-21 budget. Minor changes were made to the budget since the first draft was presented in March and are outlined in the staff report. The District will reduce the current \$10 per acre foot surcharge discount to \$12 for 2021. A discussion ensued on MWD's budget meetings and ongoing changes due to COVID-19. This item will be brought back to the April 15, 2020 Board meeting for consideration of adoption.

8.D – Resolution No. 20-04-DRAFT Adopting Water Rates and Charges for CY 2021

The draft rate resolution reflecting the rates and charges that will go into effect January 1, 2021 was reviewed. Based on the assumptions for the District's FY 2020-21 Budget Version 2.0, TVMWD will apply a surcharge discount of -\$12 per AF to treated water delivered during calendar year 2021. The District will apply a \$0 surcharge to all untreated water delivered during calendar year 2021. This information is assuming no changes from MWD moving forward. This item will be brought back to the April 15, 2020 Board meeting for consideration of adoption.

8.E – Review FY 2020-21 Water Standby Charge

Mr. Linthicum reviewed the proposed schedule to implement the FY 2020-21 Water Standby Charge. A Public meeting to consider the resolution to adopt standby charges is scheduled for June 3, 2020. A Public Hearing to consider the resolution to adopt standby charges is scheduled for June 17, 2020. The full schedule is included in the staff report. The proposed standby charge for FY 2020-21 will increase from \$19.25 to \$20.62 per equivalent dwelling units (EDU). The maximum amount per EDU is \$29.41.

8.F – Review FY 2019-20 Encumbrance Carryforward

A list of projects that are expected to be incomplete as of June 30, 2020 is listed on the staff report. Staff requested funds for these projects be carried forward to FY 2020-21 to allow for completion. This item will be brought back to the April 15, 2020 Board meeting for consideration of adoption.

8.G – Board of Directors Meeting Compensation Discussion

President Kuhn brought forth for discussion Board Member compensation during the COVID-19 pandemic. He asked Board members to give detailed descriptions of teleconferences on expense forms along with the agenda from that agency. President Kuhn asked the Board to be cognizant of meetings expensed during the pandemic, especially because of the high unemployment rate developing in the country. President Kuhn reminded all directors that meetings should have a direct value to Three Valleys MWD.

9. Closed Session

The Board convened into closed session at 9:50 a.m. to discuss the following items:

9.A – Conference with Legal Counsel – Anticipated Litigation

- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
- One potential case

9.B – Conference with Labor Negotiators (Government Code Section 54957.6)

- District Designated Representative: Steven M. Kennedy General Counsel
- Unrepresented Employee: Matthew H. Litchfield, General Manager

The Board reconvened into regular session at 10:55 a.m. No reportable action was taken on any of the items.

10. Future Agenda Items

None.

11. Adjournment

The Board adjourned at 10:55 a.m. to its next regular Board meeting scheduled for Wednesday, April 15, 2020 at 8:00 a.m.

Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District

Recorded by: Nadia Aguirre
Executive Assistant

DRAFT

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
VIA TELECONFERENCE**

**Wednesday, April 15, 2020
8:00 a.m.**

1. Call to Order

The Board meeting was called to order at 8:01 a.m. via teleconference. The presiding officer was President Bob Kuhn.

2. Roll Call

Roll call was taken with a quorum of the Board present. Director Bowcock experienced technical difficulties and was not able to participate in the roll call. Mr. Robert Peng confirmed Director Bowcock was logged in to the meeting and was muted.

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Carlos Goytia, Secretary
Brian Bowcock, Treasurer
Denise Jackman, Director
John Mendoza, Director
Jody Roberto, Director

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Nadia Aguirre, Executive Assistant
Liz Cohn, Senior Financial Analyst
Maria Contreras, Admin./Communications Assistant
Wendy Galarneau, Human Resources Manager
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Tim Kellett, Chief Water Resources Officer
Steve Lang, Chief Operations Officer
James Linthicum, Chief Financial Officer
Robert Peng, I.T. Manager
Ben Peralta, Project Manager

Virtual Attendees: John Brettl, Suburban Water Systems; Ted Ebenkamp, Walnut Valley Water District; Gregory Foster, Southern California Group; Kelly Gardner, Main San Gabriel Basin Watermaster; Victoria Hahn, resident; Rick Hansen, resident; Ed Hilden, Walnut Valley Water District; Erick Hitchman, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Tony Lima, Rowland Water District; Szu Pei Lu, Rowland Water District; Steve Patton, City of Glendora; Jennifer Stark, City of Claremont; Brian Teuber, Walnut Valley Water District; Ludd Trozpek, resident; Dave Warren, Rowland Water District.

3. Additions to Agenda

No additions to the agenda were requested.

4. Reorder Agenda

No reorder to the agenda was requested.

5. Public Comment

President Kuhn called for public comment. Mr. Ludd Trozpek submitted an electronic speaker's card at 7:47 a.m. Mr. Trozpek's speakers card went undetected by staff and did not have the opportunity to participate in public comment.

6. Consent Calendar

The Board was asked to consider consent calendar items (6.A - 6.G) for the April 15, 2020 Board meeting that included: (6.A) Receive, Approve and File Minutes, March 4, 2020 and March 18, 2020; (6.B) Receive, Approve and File Revised Minutes February 24, 2020; (6.C) Receive, Approve and File Financial Reports and Investment Update, March 2020; (6.D) Imported Water Sales, March 2020; (6.E) Miramar Operations Report, March 2020; (6.F) Approve Director Expense Reports, March 2020; (6.G) FY 2019-20 Encumbrance Carryforward.

Upon motion, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote. Director Bowcock experienced technical difficulties and was unable to participate in the vote.

Moved: Director Jackman Second: Director Goytia
Motion No. 20-04-5271 – Approval of Consent Calendar Items 6.A –
6.G for April 15, 2020
Motion passed by a 6-0 vote.

7. General Manager's Report**7.A – Legislative Update, April 2020**

Mr. Kirk Howie provided the Board with a brief update on legislative activities TVMWD engaged in through to April 2020. The State Legislature is due back in Sacramento on May 4, 2020, which is three weeks later than the original, attached schedule due to the statewide and global effects of COVID-19. The new state budget is due by June 15, 2020. The monthly Legislative Status Report was prepared by our state lobbyist and includes bills we are watching, supporting, or opposing. President Kuhn requested the annual legislative trip be cancelled due to the current COVID-19 pandemic.

7.B – FY 2020-21 Budget Approval

Mr. James Linthicum presented the third draft of the FY 2020-21 budget. The budget is based on MWD Rates and Charges Option 1 as outlined in the staff report. MWD Option 1 includes 50,000 acre feet of additional treated water sales, a reduction from 90% to 80% for the CIP planned completion, and debt funding increased from 40% to 45% for FY 2020-21.

Director De Jesus briefed the Board on MWD's April 14, 2020 Board meeting approving Option 1. MWD will reevaluate the budget again by August 31, 2020 and make recommendations based on the status of the COVID-19 pandemic and the financial impact it has on the country.

At this point, Director Bowcock confirmed he was able to hear the meeting from commencement, but was not able to unmute his microphone. Upon motion and second on moving forward with budget version 3.0 as presented in the staff report, President Kuhn called for discussion. There being no further discussion, President Kuhn called for a roll call vote.

Moved: Director Bowcock Second: Director Roberto
Ayes: Bowcock, De Jesus, Goytia, Jackman, Kuhn, Mendoza, Roberto
Noes:
Abstain:
Motion No. 20-04-5272 – Approval FY 2020-21 Budget
Motion passed by a 7-0 vote.

7.C – Resolution No. 20-04-872 Adopting CY 2021 Water Rates and Charges

Based on TVMWD's FY 2020-21 budget version 3.0 and MWD's Rates and Charges Option 1, the District will apply a surcharge discount of \$6 per acre feet to treated water delivered during calendar year 2021. The District will apply a \$0 surcharge to all untreated water delivered during calendar year 2021.

Upon motion and second, President Kuhn called for discussion. There being no further discussion, President Kuhn called for a roll call vote.

Moved: Director Goytia Second: Director Bowcock
Ayes: Bowcock, Goytia, Jackman, Kuhn, Mendoza, Roberto
Noes:
Abstain: De Jesus
Motion No. 20-04-5273 – Approval of Resolution No. 20-04-872
Motion passed by a 6-0-1 vote.

7.D – Resolution No. 20-04-873 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge

Mr. Linthicum reported that the adoption of Resolution No. 20-04-873 will initiate procedures to fix, adjust, levy, and collect a water standby charge. The District will hold a Public Meeting on June 3, 2020 and a Public Hearing on June 17, 2020. The Standard Engineer's Report contains some minor discrepancies that will be resolved with Willdan Financial Services.

Upon motion and second, President Kuhn called for discussion. There being no further discussion, President Kuhn called for the vote.

Moved: Director De Jesus Second: Director Bowcock
Ayes: Bowcock, De Jesus, Goytia, Jackman, Kuhn, Mendoza, Roberto
Noes:
Abstain:
Motion No. 20-04-5274 – Approval of Resolution No. 20-04-873
Motion passed by a 7-0 vote.

7.E – Chino Basin Watermaster 2020 Optimum Basin Management Program Update (OBMPU) Progress Report, February 2020

Mr. Litchfield briefed the Board on the status of the OBMPU through February 2020. The OBMPU team completed the Initial Study and the Notice of Preparation of an Environmental Document. On February 27, 2020 IEUA hosted a Public Scoping meeting where a presentation about the project was made to the public. A draft version of the OBMP Implementation Plan Update was circulated to all stakeholders.

7.F – Resolution No. 20-04-874 Adopting Personnel Policies Due to COVID-19

Ms. Wendy Galarneau presented the District's new Personnel Policies due to COVID-19. The President of the United States signed the Families First Coronavirus Response Act (FFCRA) which is in effect from April 1, 2020 to December 31, 2020. This is in response to the growing health and economic crisis with provisions for paid sick leave and job-protected time off for certain reasons relating to the COVID-19 pandemic. This item will need to be brought back to the Board if the Department of Labor extends the FFCRA past December 31, 2020.

Upon motion and second, President Kuhn called for discussion. There being no further discussion, President Kuhn called for the vote.

Moved: Director Goytia Second: Director Roberto
Ayes: Bowcock, De Jesus, Goytia, Jackman, Mendoza, Roberto
Noes: Kuhn
Abstain:
Motion No. 20-04-5275 – Approval of Resolution No. 20-04-874
Motion passed by a 6-1-0 vote.

7.G – Discussion and Possible Action of Approval of General Manager’s Employment Agreement

The Board discussed approval of General Manager Matthew Litchfield’s employment agreement. The employment agreement is from July 1, 2020 to June 30, 2023. The annual base salary is \$250,000.

Mr. Litchfield thanked the Board for working with him on the agreement and recognized staff for their team effort and support.

Upon motion and second, President Kuhn called for discussion. There being no further discussion, President Kuhn called for the vote.

Moved: Director Goytia Second: Director De Jesus
Ayes: Bowcock, De Jesus, Goytia, Jackman, Kuhn, Mendoza, Roberto
Noes:
Ayes:
Motion No. 20-04-5276 – Approval of General Manager’s Employment Agreement
Motion passed by a 7-0 vote.

8. Directors’ / General Manager’s Oral Reports

Director Jackman reported several local hotels in the San Gabriel Valley will provide housing to the homeless during the COVID-19 pandemic

Director Mendoza participated in an ACWA webinar last week on the COVID-19 crisis. Essential versus non-essential projects were discussed.

Director Roberto participated in the Regional Chamber of Government Affairs teleconference meeting. Local hotels are being used to house the homeless during the COVID-19 crisis. Director Roberto virtually attended the Rowland Water District Board meeting yesterday.

Director Bowcock advised the Main San Gabriel Basin Watermaster (MSGBWM) Board meeting will be held next week.

Director Kuhn reported the WQA will meet today to discuss the approval of the new General Manager’s contract. Director Kuhn asked Directors Mendoza and Goytia to participate in the Chino Basin Watermaster meetings. Director Kuhn congratulated Mr. Litchfield on his employment agreement and thanked Ms. Galarneau for her time at the district.

Director De Jesus reported on the legal status of water supply affecting the farming communities in California.

Director Goytia had nothing to report. President Kuhn requested to discuss the District's involvement with the SGV Council of Governments at the next Board workshop.

Mr. Litchfield reported Ms. Galarneau has relocated out of state and will stay on remotely until the Human Resources Manager position is filled. The Miragrand Well pre bid meeting is scheduled next week at well site. The District continues to work on a modified work schedule. Mr. Litchfield continues to work with MWD on the 10-year MSGBWM cyclic storage agreement and the extension of the current 1-year agreement that is set to expire June 2020.

Mr. Tony Lima congratulated Mr. Litchfield on the approval of his employment agreement.

9. Future Agenda Items

No future agenda items were requested.

10. Adjournment


The Board adjourned at 9:23 a.m. to its next regular meeting scheduled for Wednesday, May 6, 2020.

Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District

Recorded by: Nadia Aguirre
Executive Assistant



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: Change in Cash and Cash Equivalents Report

<input type="checkbox"/>	For Action	<input type="checkbox"/>	Fiscal Impact	\$
<input checked="" type="checkbox"/>	Information Only	<input type="checkbox"/>	Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the Change in Cash and Cash Equivalents Report for the period ending April 30, 2020.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – Change in Cash and Cash Equivalents Report

Meeting History:

None

NA/LC



CHANGE IN CASH AND CASH EQUIVALENTS REPORT

April 1 through April 30, 2020

		<u>CASH</u>	<u>CASH EQUIVALENTS</u>
SUMMARY 04/30/2020			
	Petty Cash	6,000.00	
	Local Agency Investment Fund		66,452.19
	California Asset Management Program(CAMP)		11,551.42
	General Checking	1,301,059.43	
	Sweep Account	1,436,750.12	
	U.S. Bank	5,000.00	
	TOTAL CASH IN BANKS & ON HAND	\$ 2,748,809.55	\$ 78,003.61
	TOTAL CASH IN BANKS & ON HAND 04/30/20	\$ 2,748,809.55	\$ 78,003.61
	TOTAL CASH IN BANKS & ON HAND 03/31/20	\$ 1,321,871.96	\$ 59,775.37
	PERIOD INCREASE (DECREASE)	\$ 1,426,937.59	\$ 18,228.24
CHANGE IN CASH POSITION DUE TO:			
	Water Sales/Charges Revenue	3,757,909.60	
	Interest Revenue	351.21	
	Subvention/RTS Standby Charge Revenue	1,627,867.77	
	Hydroelectric Revenue		
	Other Revenue	12,616.14	
	Cadiz Water Project Peer Review		
	Investment Xfer From Chandler Asset Mgt		
	LAIF Quarterly Interest		18,218.96
	California Asset Mgmt Program Interest		9.28
	Transfer from LAIF		
	Transfer to LAIF		
	INFLOWS	5,398,744.72	18,228.24
	Expenditures	(4,039,319.72)	
	Current Month Outstanding Payables	129,085.01	
	Prior Month Cleared Payables	(59,085.13)	
	Bank/FSA Svc Fees	(175.00)	
	HRA/HSA Payment	(2,312.29)	
	PARS Pension Trust		
	Investment Xfer to CA Asset Mgt Pgm		
	Transfer from LAIF		
	Transfer From CAMP		
	OUTFLOWS	(3,971,807.13)	-
	PERIOD INCREASE (DECREASE)	1,426,937.59	18,228.24



THREE VALLEYS MUNICIPAL WATER DISTRICT
CONSOLIDATED LISTING OF INVESTMENT PORTFOLIO
 April 30, 2020

ITEM	BOOK YIELD	BOOK VALUE	PAR VALUE	MARKET VALUE
Chandler Asset Management				
ABS - Asset Backed Securities	3.03%	231,280.16	231,287.05	234,254.65
Bonds - Agency	1.87%	1,185,232.09	1,172,000.00	1,232,845.33
Commercial Paper	0.00%	0.00	0.00	0.00
Money Market Fund	0.01%	27,567.45	27,567.45	27,567.45
Supranational	0.00%	0.00	0.00	0.00
US Corporate	3.01%	860,610.89	870,000.00	897,855.34
US Treasury	1.86%	862,805.02	855,000.00	907,638.37
	2.25%	3,167,495.61	3,155,854.50	3,300,161.14
Local Agency Invest Fund TVMWD	1.79%	66,452.19	66,452.19	66,452.19
California Asset Management Program	0.98%	11,551.42	11,551.42	11,551.42
Reserve Fund		\$ 3,245,499.22	\$ 3,233,858.11	\$ 3,378,164.75
Checking (Citizens)	0.65%	1,301,059.43	1,301,059.43	1,301,059.43
Sweep Account (Citizens)	0.40%	1,436,750.12	1,436,750.12	1,436,750.12
Emergency Checking (U.S. Bank)	0.00%	5,000.00	5,000.00	5,000.00
Petty Cash Fund	0.00%	6,000.00	6,000.00	6,000.00
Working Cash		\$ 2,748,809.55	\$ 2,748,809.55	\$ 2,748,809.55
TOTAL PORTFOLIO	1.46%	\$ 5,994,308.77	\$ 5,982,667.66	\$ 6,126,974.30

I certify that this report accurately reflects all investments of Three Valleys Municipal Water District and that all investments and this report are in conformity with Sections 53600 et seq of the California Government Code and the District's annual statement of investment policy (Resolution 19-02-845). The District's investment program herein shown provides sufficient cash flow and liquidity to meet all budgeted expenditures for the next six months.

 MATTHEW H. LITCHFIELD, General Manager/Assistant Treasurer

Three Valleys Municipal Water District - Account #10065

MONTHLY ACCOUNT STATEMENT

APRIL 1, 2020 THROUGH APRIL 30, 2020

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.

PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.52
Average Coupon	2.30%
Average Purchase YTM	2.25%
Average Market YTM	0.60%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.79 yrs
Average Life	2.62 yrs

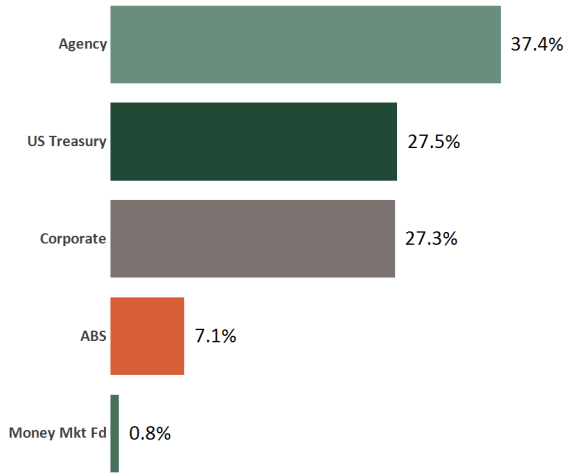
ACCOUNT SUMMARY

	Beg. Values as of 3/31/20	End Values as of 4/30/20
Market Value	3,282,113	3,300,161
Accrued Interest	12,846	17,414
Total Market Value	3,294,959	3,317,575
Income Earned	6,166	5,974
Cont/WD		-433
Par	3,153,618	3,155,855
Book Value	3,165,622	3,167,496
Cost Value	3,162,505	3,164,539

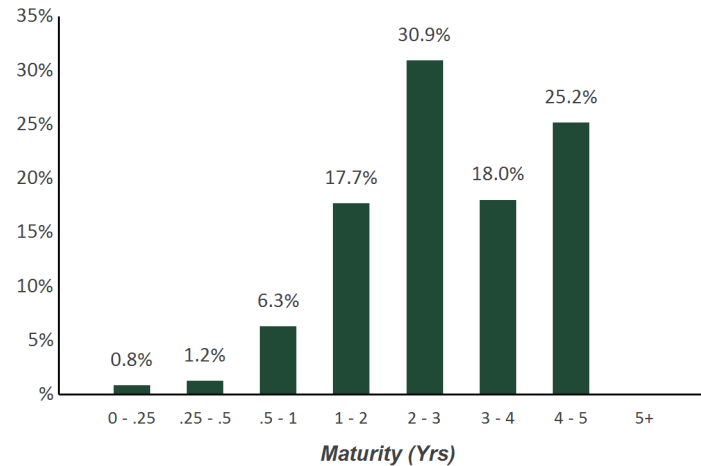
TOP ISSUERS

Government of United States	27.5%
Federal Home Loan Bank	11.5%
Federal Home Loan Mortgage Corp	10.2%
Federal National Mortgage Assoc	9.2%
Federal Farm Credit Bank	6.5%
Paccar Financial	4.0%
Apple Inc	4.0%
Charles Schwab Corp/The	4.0%
Total	76.8%

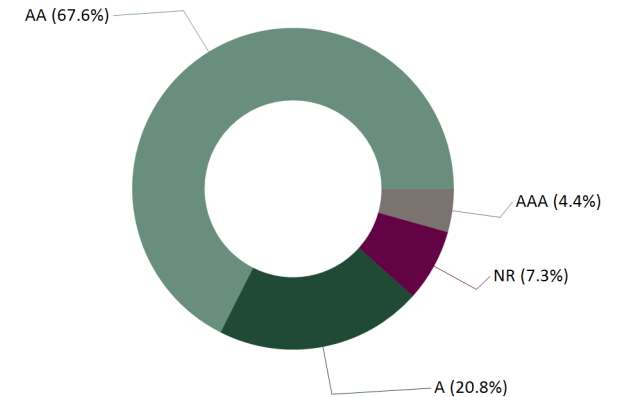
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/2009
Three Valleys Municipal Water District	0.70%	2.47%	3.35%	6.63%	5.22%	3.33%	2.43%	2.20%	2.26%
ICE BAML 1-5 Year US Treasury/Agency Index	0.09%	2.96%	3.85%	6.73%	5.18%	3.17%	2.26%	1.96%	1.99%

Statement of Compliance

As of April 30, 2020



Three Valleys Municipal Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Municipal Securities/ Local Agency Bonds	Bonds issued by TVMWD; Issued by local agency within the state of California, including pooled investment accounts sponsored by the state of California, County Treasurers, or Joint Power Agencies	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Banker's Acceptances	"A" rated or higher by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer must be organized and operating within the US, have AUM >\$500 mil	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Certificates of Deposits/Time Deposit	Collateralized/ FDIC insured	Complies
Money Market Mutual Funds	"AAA" rated by 2 NRSROs; 20% maximum; 10% per fund	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA" rated or higher by a NRSRO; 20% maximum; 5% max per issuer	Complies
Local Agency Investment Fund - LAIF	Max program limitation	Complies
Repurchase Agreements	102% Collateralized; 1year max maturity	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Max Per Issuer	5% of portfolio per issuer (except U.S. Government, Agencies/GSEs, Supranationals, Money Market Mutual Funds, LAIF, LGIP)	Complies
Maximum maturity	5 years	Complies

Reconciliation Summary

As of April 30, 2020



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$3,165,621.93
Acquisition		
+ Security Purchases	\$99,768.00	
+ Money Market Fund Purchases	\$16,471.96	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$116,239.96
Dispositions		
- Security Sales	\$100,897.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$432.51	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$13,803.28	
Total Dispositions		\$115,132.79
Amortization/Accretion		
+/- Net Accretion	(\$132.89)	
		(\$132.89)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$899.40	
		\$899.40
ENDING BOOK VALUE		\$3,167,495.61

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$11,528.00
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$100,897.00	
Accrued Interest Received	\$236.81	
Interest Received	\$1,299.70	
Dividend Received	\$10.11	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$13,803.28	
Total Acquisitions	\$116,246.90	
Dispositions		
Withdrawals	\$432.51	
Security Purchase	\$99,768.00	
Accrued Interest Paid	\$6.94	
Total Dispositions	\$100,207.45	
ENDING BOOK VALUE		\$27,567.45

Holdings Report

As of April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	4,298.19	07/11/2017 1.83%	4,297.88 4,298.08	100.16 1.04%	4,305.07 3.48	0.13% 6.99	Aaa / NR AAA	1.46 0.20
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	19,684.75	02/21/2018 2.68%	19,683.34 19,684.08	100.61 1.22%	19,804.14 23.27	0.60% 120.06	Aaa / NR AAA	1.97 0.42
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	35,104.73	05/22/2018 3.03%	35,103.97 35,104.34	101.15 1.11%	35,508.21 38.16	1.07% 403.87	NR / AAA AAA	2.05 0.60
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	92,199.38	07/18/2018 3.10%	92,192.39 92,195.26	101.19 1.43%	93,293.31 126.21	2.82% 1,098.05	Aaa / NR AAA	2.55 0.71
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	80,000.00	07/17/2018 3.08%	79,997.41 79,998.40	101.68 1.14%	81,343.92 108.80	2.46% 1,345.52	Aaa / AAA NR	2.87 0.86
Total ABS		231,287.05	3.03%	231,274.99 231,280.16	1.25%	234,254.65 299.92	7.07% 2,974.49	Aaa / AAA AAA	2.52 0.71
AGENCY									
3135G0K69	FNMA Note 1.25% Due 5/6/2021	100,000.00	06/29/2016 1.18%	100,340.00 100,071.03	101.10 0.16%	101,104.20 607.64	3.07% 1,033.17	Aaa / AA+ AAA	1.02 1.01
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	100,000.00	08/30/2016 1.33%	99,019.00 99,745.93	101.12 0.25%	101,119.50 246.88	3.06% 1,373.57	Aaa / AA+ AAA	1.28 1.27
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	100,000.00	10/27/2016 1.50%	99,391.00 99,823.20	101.64 0.23%	101,644.10 91.67	3.07% 1,820.90	Aaa / AA+ AAA	1.44 1.42
3130AABG2	FHLB Note 1.875% Due 11/29/2021	50,000.00	12/28/2016 2.10%	49,485.00 49,834.55	102.56 0.25%	51,282.00 395.83	1.56% 1,447.45	Aaa / AA+ AAA	1.58 1.55
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	100,000.00	01/27/2017 2.03%	101,596.70 100,549.00	103.55 0.29%	103,546.90 712.50	3.14% 2,997.90	Aaa / AA+ AAA	1.71 1.67
3133EAYP7	FFCB Note 1.95% Due 7/19/2022	100,000.00	07/28/2017 1.92%	100,138.00 100,061.54	103.50 0.37%	103,496.30 552.50	3.14% 3,434.76	Aaa / AA+ AAA	2.22 2.17
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	100,000.00	09/27/2018 3.03%	98,785.00 99,194.23	107.46 0.35%	107,463.20 1,008.33	3.27% 8,268.97	Aaa / AA+ AAA	3.14 3.00
313383YJ4	FHLB Note 3.375% Due 9/8/2023	100,000.00	02/26/2019 2.57%	103,413.00 102,527.77	109.94 0.39%	109,937.50 496.88	3.33% 7,409.73	Aaa / AA+ NR	3.36 3.19

Holdings Report

As of April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	100,000.00	01/16/2019 2.74%	103,486.00 102,574.75	110.70 0.53%	110,699.90 1,273.61	3.38% 8,125.15	Aaa / AA+ AAA	3.64 3.41
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	100,000.00	06/18/2019 1.96%	104,323.00 103,570.86	109.47 0.55%	109,468.00 1,094.10	3.33% 5,897.14	Aaa / AA+ NR	4.13 3.88
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	100,000.00	10/21/2019 1.69%	105,547.00 104,951.35	109.96 0.56%	109,960.60 383.33	3.33% 5,009.25	Aaa / AA+ AAA	4.38 4.13
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	22,000.00	03/24/2020 0.95%	22,571.34 22,559.50	104.44 0.56%	22,975.83 70.58	0.69% 416.33	Aaa / NR AAA	4.79 4.61
3135G03U5	FNMA Note 0.625% Due 4/22/2025	100,000.00	04/27/2020 0.67%	99,768.00 99,768.38	100.15 0.59%	100,147.30 12.15	3.02% 378.92	NR / NR AAA	4.98 4.89
Total Agency		1,172,000.00	1.87%	1,187,863.04 1,185,232.09	0.39%	1,232,845.33 6,946.00	37.37% 47,613.24	Aaa / AA+ AAA	2.85 2.74

CORPORATE									
857477AS2	State Street Bank Note 2.55% Due 8/18/2020	40,000.00	06/28/2017 1.86%	40,839.20 40,079.82	100.47 0.97%	40,188.84 206.83	1.22% 109.02	A1 / A AA-	0.30 0.30
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	125,000.00	02/06/2017 2.16%	125,588.75 125,068.51	100.52 1.06%	125,653.75 1,421.53	3.83% 585.24	A3 / A A	0.51 0.42
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 3/15/2021	80,000.00	03/23/2018 2.69%	78,880.00 79,671.44	101.17 0.71%	80,939.12 224.89	2.45% 1,267.68	Aa2 / AA A+	0.87 0.78
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	125,000.00	12/28/2017 2.60%	122,780.00 123,886.76	103.04 0.89%	128,802.25 404.86	3.89% 4,915.49	A2 / A NR	2.36 2.29
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	125,000.00	10/30/2018 3.73%	121,335.00 122,641.71	102.87 1.27%	128,588.50 1,093.86	3.91% 5,946.79	A2 / A- AA-	2.71 1.66
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	125,000.00	06/01/2018 3.31%	121,453.75 122,909.91	104.38 0.97%	130,476.25 883.33	3.96% 7,566.34	A2 / A A	2.74 2.55
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	125,000.00	11/29/2018 3.49%	119,456.25 121,234.37	104.83 0.77%	131,032.25 1,483.33	3.99% 9,797.88	Aa1 / AA+ NR	3.01 2.88

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	125,000.00	09/10/2018 3.37%	125,177.50 125,118.37	105.74 1.59%	132,174.38 968.06	4.01% 7,056.01	A1 / A+ NR	3.28 3.09
Total Corporate		870,000.00	3.01%	855,510.45 860,610.89	1.05%	897,855.34 6,686.69	27.27% 37,244.45	A1 / A+ A+	2.21 1.95
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	27,567.45	Various 0.01%	27,567.45 27,567.45	1.00 0.01%	27,567.45 0.00	0.83% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		27,567.45	0.01%	27,567.45	0.01%	27,567.45 0.00	0.83% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828T34	US Treasury Note 1.125% Due 9/30/2021	100,000.00	11/09/2016 1.48%	98,308.93 99,510.21	101.36 0.16%	101,359.40 95.29	3.06% 1,849.19	Aaa / AA+ AAA	1.42 1.41
912828N30	US Treasury Note 2.125% Due 12/31/2022	100,000.00	01/31/2018 2.54%	98,109.37 98,974.11	105.02 0.23%	105,023.40 712.23	3.19% 6,049.29	Aaa / AA+ AAA	2.67 2.59
9128284D9	US Treasury Note 2.5% Due 3/31/2023	200,000.00	04/29/2019 2.29%	201,578.13 201,173.40	106.55 0.24%	213,109.40 423.50	6.44% 11,936.00	Aaa / AA+ AAA	2.92 2.83
912828XT2	US Treasury Note 2% Due 5/31/2024	50,000.00	07/25/2019 1.83%	50,384.77 50,323.94	106.84 0.31%	53,417.95 418.03	1.62% 3,094.01	Aaa / AA+ AAA	4.09 3.91
912828XX3	US Treasury Note 2% Due 6/30/2024	225,000.00	08/26/2019 1.43%	230,932.62 230,100.91	106.94 0.32%	240,609.38 1,508.24	7.30% 10,508.47	Aaa / AA+ AAA	4.17 3.99

Holdings Report

As of April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration	
US TREASURY										
9128282Y5	US Treasury Note 2.125% Due 9/30/2024	180,000.00	11/12/2019 1.77%	183,009.38 182,722.45	107.84 0.33%	194,118.84 323.98	5.86% 11,396.39	Aaa / AA+ AAA	4.42 4.23	
Total US Treasury		855,000.00	1.86%	862,323.20 862,805.02	0.28%	907,638.37 3,481.27	27.46% 44,833.35	Aaa / AA+ AAA	3.45 3.32	
TOTAL PORTFOLIO				3,155,854.50	2.25%	3,164,539.13 3,167,495.61	0.60%	100.00% 132,665.53	Aa1 / AA AAA	2.79 2.52
TOTAL MARKET VALUE PLUS ACCRUED						3,317,575.02				

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/01/2020	31846V203	10.11	First American Govt Obligation Fund Class Y	1.000	0.12%	10.11	0.00	10.11	0.00
Purchase	04/07/2020	31846V203	687.50	First American Govt Obligation Fund Class Y	1.000	0.12%	687.50	0.00	687.50	0.00
Purchase	04/15/2020	31846V203	204.00	First American Govt Obligation Fund Class Y	1.000	0.12%	204.00	0.00	204.00	0.00
Purchase	04/15/2020	31846V203	1,158.27	First American Govt Obligation Fund Class Y	1.000	0.12%	1,158.27	0.00	1,158.27	0.00
Purchase	04/15/2020	31846V203	2,088.34	First American Govt Obligation Fund Class Y	1.000	0.12%	2,088.34	0.00	2,088.34	0.00
Purchase	04/15/2020	31846V203	8,057.29	First American Govt Obligation Fund Class Y	1.000	0.12%	8,057.29	0.00	8,057.29	0.00
Purchase	04/20/2020	31846V203	2,907.58	First American Govt Obligation Fund Class Y	1.000	0.12%	2,907.58	0.00	2,907.58	0.00
Purchase	04/28/2020	3135G03U5	100,000.00	FNMA Note 0.625% Due 4/22/2025	99.768	0.67%	99,768.00	6.94	99,774.94	0.00
Purchase	04/28/2020	31846V203	1,358.87	First American Govt Obligation Fund Class Y	1.000	0.12%	1,358.87	0.00	1,358.87	0.00
Subtotal			116,471.96				116,239.96	6.94	116,246.90	0.00
TOTAL ACQUISITIONS			116,471.96				116,239.96	6.94	116,246.90	0.00
DISPOSITIONS										
Sale	04/28/2020	3135G0J20	100,000.00	FNMA Note 1.375% Due 2/26/2021	100.897	1.34%	100,897.00	236.81	101,133.81	899.40
Subtotal			100,000.00				100,897.00	236.81	101,133.81	899.40
Paydown	04/15/2020	47788BAD6	1,150.01	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		1,150.01	8.26	1,158.27	0.00
Paydown	04/15/2020	47788CAC6	2,040.18	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	100.000		2,040.18	48.16	2,088.34	0.00
Paydown	04/15/2020	47788EAC2	7,800.62	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		7,800.62	256.67	8,057.29	0.00

Transaction Ledger

As of April 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	04/15/2020	65479GAD1	0.00	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	100.000		0.00	204.00	204.00	0.00
Paydown	04/20/2020	43814UAG4	2,812.47	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	100.000		2,812.47	95.11	2,907.58	0.00
Subtotal			13,803.28				13,803.28	612.20	14,415.48	0.00
Security Withdrawal	04/03/2020	31846V203	328.34	First American Govt Obligation Fund Class Y	1.000		328.34	0.00	328.34	0.00
Security Withdrawal	04/27/2020	31846V203	104.17	First American Govt Obligation Fund Class Y	1.000		104.17	0.00	104.17	0.00
Subtotal			432.51				432.51	0.00	432.51	0.00
TOTAL DISPOSITIONS			114,235.79				115,132.79	849.01	115,981.80	899.40
OTHER TRANSACTIONS										
Interest	04/07/2020	3135G0Q89	100,000.00	FNMA Note 1.375% Due 10/7/2021	0.000		687.50	0.00	687.50	0.00
Subtotal			100,000.00				687.50	0.00	687.50	0.00
Dividend	04/01/2020	31846V203	11,528.00	First American Govt Obligation Fund Class Y	0.000		10.11	0.00	10.11	0.00
Subtotal			11,528.00				10.11	0.00	10.11	0.00
TOTAL OTHER TRANSACTIONS			111,528.00				697.61	0.00	697.61	0.00

Income Earned

As of April 30, 2020

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
FIXED INCOME						
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/03/2020	02/06/2017 02/09/2017 125,000.00	125,081.77 0.00 0.00 125,068.51	1,181.94 0.00 1,421.53 239.59	0.00 13.26 (13.26) 226.33	226.33
037833AK6	Apple Inc Note 2.4% Due 05/03/2023	11/29/2018 11/30/2018 125,000.00	121,131.39 0.00 0.00 121,234.37	1,233.33 0.00 1,483.33 250.00	102.98 0.00 102.98 352.98	352.98
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 03/15/2021	03/23/2018 03/27/2018 80,000.00	79,640.44 0.00 0.00 79,671.44	78.22 0.00 224.89 146.67	31.00 0.00 31.00 177.67	177.67
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	06/18/2019 06/19/2019 100,000.00	103,642.04 0.00 0.00 103,570.86	854.51 0.00 1,094.10 239.59	0.00 71.18 (71.18) 168.41	168.41
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	10/21/2019 10/22/2019 100,000.00	105,044.42 0.00 0.00 104,951.35	143.75 0.00 383.33 239.58	0.00 93.07 (93.07) 146.51	146.51
3130AABG2	FHLB Note 1.875% Due 11/29/2021	12/28/2016 12/29/2016 50,000.00	49,825.94 0.00 0.00 49,834.55	317.71 0.00 395.83 78.12	8.61 0.00 8.61 86.73	86.73
313383YJ4	FHLB Note 3.375% Due 09/08/2023	02/26/2019 02/27/2019 100,000.00	102,589.67 0.00 0.00 102,527.77	215.63 0.00 496.88 281.25	0.00 61.90 (61.90) 219.35	219.35
3133EAYP7	FFCB Note 1.95% Due 07/19/2022	07/28/2017 07/31/2017 100,000.00	100,063.83 0.00 0.00 100,061.54	390.00 0.00 552.50 162.50	0.00 2.29 (2.29) 160.21	160.21
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	01/16/2019 01/17/2019 100,000.00	102,632.92 0.00 0.00 102,574.75	981.94 0.00 1,273.61 291.67	0.00 58.17 (58.17) 233.50	233.50

Income Earned

As of April 30, 2020

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3135G03U5	FNMA Note 0.625% Due 04/22/2025	04/27/2020 04/28/2020 100,000.00	0.00 99,768.00 0.00 99,768.38	0.00 (6.94) 12.15 5.21	0.38 0.00 0.38 5.59	5.59
3135G0J20	FNMA Note Due 02/26/2021	Various Various 0.00	99,997.39 0.00 99,997.60 0.00	133.68 236.81 0.00 103.13	2.86 2.65 0.21 103.34	103.34
3135G0K69	FNMA Note 1.25% Due 05/06/2021	06/29/2016 06/30/2016 100,000.00	100,076.79 0.00 0.00 100,071.03	503.47 0.00 607.64 104.17	0.00 5.76 (5.76) 98.41	98.41
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	10/27/2016 10/28/2016 100,000.00	99,813.08 0.00 0.00 99,823.20	664.58 687.50 91.67 114.59	10.12 0.00 10.12 124.71	124.71
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	01/27/2017 01/30/2017 100,000.00	100,575.48 0.00 0.00 100,549.00	514.58 0.00 712.50 197.92	0.00 26.48 (26.48) 171.44	171.44
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	08/30/2016 08/31/2016 100,000.00	99,729.64 0.00 0.00 99,745.93	153.13 0.00 246.88 93.75	16.29 0.00 16.29 110.04	110.04
3137EAEN5	FHLMC Note 2.75% Due 06/19/2023	09/27/2018 09/28/2018 100,000.00	99,173.10 0.00 0.00 99,194.23	779.17 0.00 1,008.33 229.16	21.13 0.00 21.13 250.29	250.29
3137EAEP0	FHLMC Note 1.5% Due 02/12/2025	03/24/2020 03/25/2020 22,000.00	22,569.10 0.00 0.00 22,559.50	43.08 0.00 70.58 27.50	0.00 9.60 (9.60) 17.90	17.90
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 05/18/2022	05/22/2018 05/30/2018 35,104.73	37,916.76 0.00 2,812.47 35,104.34	41.21 95.11 38.16 92.06	0.05 0.00 0.05 92.11	92.11

Income Earned

As of April 30, 2020

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
44932HAC7	IBM Credit Corp Note 2.2% Due 09/08/2022	12/28/2017 12/28/2017 125,000.00	123,847.93 0.00 0.00 123,886.76	175.69 0.00 404.86 229.17	38.83 0.00 38.83 268.00	268.00
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	07/11/2017 07/18/2017 4,298.19	5,448.06 0.00 1,150.01 4,298.08	4.41 8.26 3.48 7.33	0.03 0.00 0.03 7.36	7.36
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 04/18/2022	02/21/2018 02/28/2018 19,684.75	21,724.16 0.00 2,040.18 19,684.08	25.68 48.16 23.27 45.75	0.10 0.00 0.10 45.85	45.85
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	07/18/2018 07/25/2018 92,199.38	99,995.39 0.00 7,800.62 92,195.26	136.89 256.67 126.21 245.99	0.49 0.00 0.49 246.48	246.48
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	10/30/2018 10/31/2018 125,000.00	122,570.18 0.00 0.00 122,641.71	784.28 0.00 1,093.86 309.58	71.53 0.00 71.53 381.11	381.11
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 03/15/2023	07/17/2018 07/25/2018 80,000.00	79,998.35 0.00 0.00 79,998.40	108.80 204.00 108.80 204.00	0.05 0.00 0.05 204.05	204.05
69371RP59	Paccar Financial Corp Note 3.4% Due 08/09/2023	09/10/2018 09/12/2018 125,000.00	125,121.34 0.00 0.00 125,118.37	613.89 0.00 968.06 354.17	0.00 2.97 (2.97) 351.20	351.20
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 01/25/2023	06/01/2018 06/05/2018 125,000.00	122,847.14 0.00 0.00 122,909.91	607.29 0.00 883.33 276.04	62.77 0.00 62.77 338.81	338.81
857477AS2	State Street Bank Note 2.55% Due 08/18/2020	06/28/2017 06/29/2017 40,000.00	40,101.79 0.00 0.00 40,079.82	121.83 0.00 206.83 85.00	0.00 21.97 (21.97) 63.03	63.03

Income Earned

As of April 30, 2020

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
912828Y5	US Treasury Note 2.125% Due 09/30/2024	11/12/2019 11/13/2019 180,000.00	182,773.09 0.00 0.00 182,772.45	10.45 0.00 323.98 313.53	0.00 50.64 (50.64) 262.89	262.89
912828D9	US Treasury Note 2.5% Due 03/31/2023	04/29/2019 04/30/2019 200,000.00	201,206.48 0.00 0.00 201,173.40	13.66 0.00 423.50 409.84	0.00 33.08 (33.08) 376.76	376.76
912828N30	US Treasury Note 2.125% Due 12/31/2022	01/31/2018 01/31/2018 100,000.00	98,942.51 0.00 0.00 98,974.11	537.09 0.00 712.23 175.14	31.60 0.00 31.60 206.74	206.74
912828T34	US Treasury Note 1.125% Due 09/30/2021	11/09/2016 11/10/2016 100,000.00	99,481.78 0.00 0.00 99,510.21	3.07 0.00 95.29 92.22	28.43 0.00 28.43 120.65	120.65
912828XT2	US Treasury Note 2% Due 05/31/2024	07/25/2019 07/26/2019 50,000.00	50,330.45 0.00 0.00 50,323.94	336.07 0.00 418.03 81.96	0.00 6.51 (6.51) 75.45	75.45
912828XX3	US Treasury Note 2% Due 06/30/2024	08/26/2019 08/27/2019 225,000.00	230,201.52 0.00 0.00 230,100.91	1,137.36 0.00 1,508.24 370.88	0.00 100.61 (100.61) 270.27	270.27
			3,154,093.93	12,846.39	427.25	
			99,768.00	1,529.57	560.14	
			113,800.88	17,413.88	(132.89)	
Total Fixed Income		3,128,287.05	3,139,928.16	6,097.06	5,964.17	5,964.17

Income Earned

As of April 30, 2020

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH & EQUIVALENT						
31846V203	First American	Various	11,528.00	0.00	0.00	10.11
	Govt Obligation Fund Class Y	Various	16,471.96	10.11	0.00	
		27,567.45	432.51	0.00	0.00	
			27,567.45	10.11	10.11	
			11,528.00	0.00	0.00	
			16,471.96	10.11	0.00	
			432.51	0.00	0.00	
Total Cash & Equivalent		27,567.45	27,567.45	10.11	10.11	10.11
			3,165,621.93	12,846.39	427.25	
			116,239.96	1,539.68	560.14	
			114,233.39	17,413.88	(132.89)	
TOTAL PORTFOLIO		3,155,854.50	3,167,495.61	6,107.17	5,974.28	5,974.28

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Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.


Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Index	Disclosure
ICE BAML 1-5 Year US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: YTD District Budget Status Report

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the YTD District Budget Status Report for the period ending April 30, 2020.

The final two payments due in FY 2019-2020 for the ***MWD RTS Charge*** and ***MWD Capacity Charge*** were billed this month.

Membership Dues & Fees exceeds budget slightly as a result of LAFCO fees increasing more than was planned.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – YTD District Budget Status Report

Meeting History:

None


NA/LC

THREE VALLEYS MUNICIPAL WATER DISTRICT				
DISTRICT BUDGET - FISCAL YEAR 2019-2020				
Month Ending April 30, 2020				
	2019-2020 YTD Actual	Annual Budget All Funds	2019-2020 Percent of Budget	2019-2020 Balance Remaining
REVENUES				
OPERATING REVENUES				
Water Sales	50,375,144	58,985,405	85.4%	8,610,261
MWD RTS Standby Charge	3,139,687	3,551,583	88.4%	411,896
MWD Capacity Charge Assessment	963,572	1,173,600	82.1%	210,028
TVMWD Fixed Charges	570,511	685,623	83.2%	115,112
Hydroelectric Revenue	56,030	276,609	20.3%	220,579
NON-OPERATING REVENUES				
Property Taxes	2,159,289	2,300,944	93.8%	141,655
Interest Income	257,297	212,900	120.9%	(44,397)
Pumpback O&M/Reservoir #2 Reimbursement	3,981	20,000	19.9%	16,019
Grants and Other Revenue	335,521	202,798	165.4%	(132,723)
TOTAL REVENUES	57,861,032	67,409,462	85.8%	9,548,430
EXPENSES				
OPERATING EXPENSES				
MWD Water Purchases	45,906,353	52,837,522	86.9%	6,931,169
MWD RTS Standby Charge	3,573,064	3,551,583	100.6%	(21,481)
Staff Compensation	3,496,018	4,200,756	83.2%	704,738
MWD Capacity Charge	1,172,280	1,173,600	99.9%	1,320
Operations and Maintenance	1,420,468	1,728,532	82.2%	308,064
Professional Services	435,527	477,982	91.1%	42,455
Directors Compensation	233,992	331,520	70.6%	97,528
Communication and Conservation Programs	115,300	178,000	64.8%	62,700
Planning & Resources	270,399	304,628	88.8%	34,229
Membership Dues and Fees	83,516	81,054	103.0%	(2,462)
Hydroelectric Facilities	10,286	39,000	26.4%	28,714
Board Elections	-	-	0.0%	-
NON OPERATING EXPENSES				
Pumpback O&M/Reservoir #2 Expenses	19,562	20,000	97.8%	438
RESERVE EXPENSES				
Reserve Replenishment	-	238,181	0.0%	238,181
CAPITAL INVESTMENT				
Capital Repair & Replacement	254,228	734,297	34.6%	480,069
Capital Investment Program	3,537,427	5,024,508	70.4%	1,487,081
TOTAL EXPENSES	60,528,420	70,921,163	85.3%	10,392,743
NET INCOME (LOSS) BEFORE TRANSFERS		(3,511,701)		
TRANSFER FROM/(TO) CAPITAL RESERVES		1,217,269		
TRANSFER IN FROM OPPORTUNITY RESERVE		150,000		
TRANSFER IN FROM ENCUMBERED RESERVES		2,276,692		
NET INCOME (LOSS) AFTER TRANSFERS		\$ 132,260		

****This budget is prepared on a modified cash-basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP).**



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: Warrant List

<input checked="" type="checkbox"/> For Action	<input checked="" type="checkbox"/> Fiscal Impact	\$ 4,036,083.95
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Receive and file the Warrant List for the period ending April 30, 2020 as presented.

Discussion:

The monthly warrant list is provided for your information.

General checks 50323 through 50403 totaling \$618,807.06 are listed on pages 1 to 4.

MWD February water invoice totaling \$3,155,829.30 is listed on page 4.

Wire transfers for taxing agencies, benefit payments and PERS totaling \$92,927.76 are listed on pages 4 to 5.

Total payroll checks 13244 through 13298 totaling \$168,519.83 are listed on page 5.

Umpqua Bank invoices details are listed on pages 6 to 7.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health

Attachment(s):

Exhibit A – Warrant List

Meeting History:

None

NA/LC



THREE VALLEYS MUNICIPAL WATER DISTRICT
Warrant List
April 2020

General Checks 50323 through 50403
Payroll Wire Transfer 2874 through 2887
Payroll Checks 13244 through 13298

Check Number	Vendor	Description	Paid Amount
50323	CIVILTEC ENGINEERING INC.	STANDARD DRAWING DEVELOPMENT	1,565.00
50324	DE LAGE LANDEN FIN SVCS, INC.	POSTAGE METER LEASING CHARGES 3/15/20 - 4/14/20	114.85
50325	HACH COMPANY	TOTAL CHLORINE/NITRITE/CHLORINE REAGENT SETS/AMMONIA/MONOCHLORAMINE/FREE AMMONIA	2,886.07
50326	HARRINGTON IND PLASTICS, LLC	NIPPLE/HOLE PIPE CLAMPS	96.16
50327	LIGHT BULBS ETC.	LIGHT BULBS	95.58
50328	MYERS & SONS HI-WAY SAFETY INC	TRAFFIC SAFETY SIGNS	2,169.06
50329	P&D VENTURES INC, DBA JAN-PRO CLEANING SYST	JANITORIAL SERVICE - APR	414.20
50330	PRIME SYSTEMS IND AUTOMATION	GRAND AVE WELL SYSTEM INTEGRATION & CONTROLS/PLC CONTROL PANEL HARDWARE	40,197.96
50331	R & B AUTOMATION, INC.	AUMA SWITCH KNOB/MECHANICAL OPERATION LOCK	366.64
50332	REGNL CHAMBER OF COMMERCE SGV	2/27/20 SALUTE TO HEROES PRAYER BREAKFAST - GOYTIA	50.00
50333	SOUTHERN CALIFORNIA EDISON	MIRAMAR - FEB	189.13
50334	THE PAPE GROUP INC	FORKLIFT HOSE AND FITTING REPLACED	600.04
50335	AQUILOGIC, INC.	CADIZ STUDY PLAN 2/01/20 - 2/28/20	14,713.40
50336	BRENNTAG PACIFIC, INC.	SODIUM HYDROXIDE	7,486.19
50337	CITY OF UPLAND	WATER PURCHASE 1002.2 AF	125,275.00
50338	CLS LANDSCAPE MANAGEMENT	PINE TREE REMOVAL	660.00
50339	ENVIRO CHEM INC.	BFP CAKE ANALYSIS	2,235.00
50340	HACH COMPANY	TOTAL AMMONIA/ALKALINITY/MONOCHLORAMINE/NITRITE/CHLORINE/CHLORINE REAGENT SET	1,545.64
50341	LA REGISTRAR-RECORDER/CO CLERK	NOTICE OF CATEGORICAL EXEMPTION FOR GRAND AVE WELL	75.00
50342	LANCASTER, CHRISTOPHER W.	SAFETY OF TAP WATER FROM COVID-19 AD	2,505.00
50343	OFFICE DEPOT	BATHROOM TISSUE PAPER	65.52
50344	PUBLIC WATER AGENCIES GROUP	ASSESSMENT FIRST & SECOND QUARTER 2020	1,750.00
50345	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON/PM-26/SCADA/PUMPBACK - MAR	1,050.82



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 April 2020

Item 6.B - Exhibit A

General Checks 50323 through 50403
 Payroll Wire Transfer 2874 through 2887
 Payroll Checks 13244 through 13298

Check Number	Vendor	Description	Paid Amount
50346	STETSON ENGINEERS, INC.	GLENDORA WELLS 3 & 4 OPPTYS & CONSTRAINTS ANALYSIS - FEB	2,314.00
50347	VIA PROMOTIONALS	WELLNESS SHIRTS	798.49
50348	BBVA COMPASS	OIL & FILTER CHANGE/MULTI-POINT INSPECTION & TIRE ROTATION FOR DISTRICT VEHICLE	60.97
50349	BRUNICK, MCELHANEY & KENNEDY	LEGAL FEES - MAR	14,660.00
50350	CELL BUSINESS EQUIPMENT	PLOTTER LEASE - APR	268.27
50351	CLS LANDSCAPE MANAGEMENT	LANDSCAPE MAINT - WEEDS REMOVAL	1,301.12
50352	ECOTECH SERVICES, INC.	CONTROLLERS & NOZZLES RETROFIT PROGRAM (REIMBURSED BY MWD)	200.00
50353	HACH COMPANY	FREE AMMONIA	311.47
50354	JERICO SYSTEMS, INC.	SIX BASIN STRATEGIC PLAN PROGRAMMATIC EIR - EIR DEVELOPMENT	15,190.00
50355	KEMIRA WATER SOLUTIONS, INC.	PAX-XL19	16,592.70
50356	LINCOLN FINANCIAL GROUP	401A DEFIRD: APRIL 5 PAYROLL	600.00
50357	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFIRD: APRIL 5 PAYROLL	8,702.50
50358	LOWE'S	WINDOW TREATMENT/HEX BOLTS/NUTS/PEEN HAMMER/GLOVES/DATA CABLES/CEILING GRILLES	1,429.95
50359	MC MASTER-CARR SUPPLY COMPANY	MASONRY DRILL BIT/STUD ANCHOR/STEEL HEX/MULTIDIAMETER DRILL BIT	193.18
50360	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON - MAR	11,738.38
50361	THOMAS HARDER & CO.	GRAND AVE WELL-ENGR DESIGN/ANALYSIS/CONSTRUCTION MGMT/INSPECTION	17,765.50
50362	CA DEPT OF TAX & FEE ADMIN	2020 USE TAX QUARTER 1	807.00
50363	CLARIS STRATEGY INC.	PHASE II RISK & RESILIENCE ASSESSMENT AMERICAN WATER INFRASTRUCTURE ACT OF 2018	17,260.57
50364	ECOTECH SERVICES, INC.	CONTROLLERS & NOZZLES RETROFIT PROGRAM (REIMBURSED BY MWD)	5,755.98
50365	LARRY BURKE ENTERPRISES	BATTERY FOR DISTRICT VEHICLE	137.63
50366	LSL CPAS	2020 AUDIT - INTERIM	10,000.00
50367	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	10,622.62
50368	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	39,719.62
50369	WEX BANK	FUEL 3/1/20 - 3/31/20	1,178.23



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 April 2020

Item 6.B - Exhibit A

General Checks 50323 through 50403
 Payroll Wire Transfer 2874 through 2887
 Payroll Checks 13244 through 13298

Check Number	Vendor	Description	Paid Amount
50370	ACWA/JPIA	ACWA EMPLOYEE BENEFITS - MAY 2020	48,675.66
50371	ACWA/JPIA	WORKER'S COMPENSATION 1/01/20 - 3/31/20	11,523.13
50372	AFLAC	AFLAC SUPP. INS: APRIL 2020 (EMPLOYEE REIMBURSED)	937.80
50373	CLS LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE - APR	2,965.00
50374	E.J. MEYER COMPANY, INC.	GRAND AVE WELL EQUIPPING - COORDINATION WITH PRIME SYSTEMS	7,125.00
50375	JOHN ROBINSON CONSULTING, INC	CONSULTING SERVICES - SIX BASINS GRANT FUNDING SUPPORT	600.00
50376	LINCOLN FINANCIAL GROUP	401A DEFRD: APRIL 19 PAYROLL	600.00
50377	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: BOARD-APRIL 2020	4,206.97
50378	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: APRIL 19 PAYROLL	8,702.50
50379	MATHISEN OIL CO., INC.	DYED DIESEL FUEL	635.12
50380	MICHAEL J ARNOLD & ASSOC, INC.	LEGISLATIVE CONSULTANT APR/MAR EXPENSES	6,084.00
50381	PACIFIC PREMIER BANK	GRAND AVE WELL EQUIPPING RETENTION - MAR	375.00
50382	POLYDYNE, INC	CLARIFLOC	5,475.38
50383	SAN GABRIEL VALLEY MWD	WATER DELIVERY TO NORTH AZUSA CONNECTION	6,245.00
50384	SOCALGAS	FULTON SERVICE 3/05/20 - 4/03/20	14.30
50385	SOUTHERN CALIFORNIA EDISON	MIRAMAR - MAR	599.56
50386	THOMAS HARDER & CO.	GRAND AVE WELL-ENGR DESIGN/ANALYSIS/CONSTRUCTION MGMT/INSPECTION	11,584.00
50387	RELIANCE STANDARD LIFE INS.	ST/LT DISAB: APRIL 19 PAYROLL	946.46
50388	CELL BUSINESS EQUIPMENT	INK CARTRIDGE FOR POSTAGE MACHINE	154.40
50389	CITY OF POMONA	5/2/20 FOOD DRIVE SPONSORSHIP	500.00
50390	CLARIS STRATEGY INC.	PHASE II RISK & RESILIENCE ASSESSMENT/PHASE III EMERGENCY RESPONSE PLAN - AWIA	70,189.93
50391	CLS LANDSCAPE MANAGEMENT	MIRAGRAND WELL TREES/SHRUBS REMOVAL	1,500.00
50392	DENALI WATER SOLUTIONS, LLC	SLUDGE REMOVAL - MAR	2,772.76
50393	ENVIRONMENTAL RESOURCE ASSOC.	SOURCE WATER MICROBE/HETEROTROPHIC PLATE COUNT/POTABLEWATR COLIFORM MICROBE	1,226.77



THREE VALLEYS MUNICIPAL WATER DISTRICT
Warrant List
April 2020

Item 6.B - Exhibit A

General Checks 50323 through 50403
Payroll Wire Transfer 2874 through 2887
Payroll Checks 13244 through 13298

Check Number	Vendor	Description	Paid Amount
50394	GEOSCIENCE SUPPORT SVCS INC	MIRAGRAND WELL DESIGN PROJECT/ WELL EFFICIENCY STUDY	27,656.75
50395	JERICO SYSTEMS, INC.	SIX BASIN STRATEGIC PLAN PROGRAMMATIC EIR - EIR DEVELOPMENT	6,780.00
50396	KENNEDY/JENKS CONSULTANTS	JWL CONTROL VALVE SERVICES THROUGH MARCH 27, 2020	1,500.00
50397	LARSON, JONATHAN	EMPLOYEE PERSONAL TECHNOLOGY LOAN PROGRAM	826.22
50398	LIGHTNING OIL COMPANY, INC.	HAZARDOUS WASTE DISPOSAL	715.00
50399	SOUTHERN CALIFORNIA EDISON	WILLIAMS/FULTON - MAR	1,363.67
50400	SYNCB/AMAZON	TELEPHONE/LIGHT BULBS/NOTEBOOK CALENDAR/HEADSET/WATER BOTTLES/CHARGER/ADAPTER	1,007.37
50401	EUROFINS EATON ANALYTICAL	LABORATORY TESTING - WTP	90.00
50402	REDI-RELIEF FIRST AID & SAFETY, INC.	DISPOSABLE FACE MASKS	328.50
50403	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON/PM-26/SCADA/PUMPBACK - APR	1,186.37
TOTAL AMOUNT OF CHECKS LISTED			\$ 618,807.06
12801	METROPOLITAN WATER DISTRICT	FEBRUARY 2020 MWD WATER INVOICE	3,155,829.30
TOTAL AMOUNT OF WIRE TRANSFERS			\$ 3,155,829.30
2874	FEDERAL TAX PAYMENT	FED TAX: APRIL 5 PAYROLL	16,159.42
2875	BASIC PACIFIC	HEALTH SAVINGS ACCT: APRIL 5 PAYROLL	1,412.50
2876	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: APRIL 5 PAYROLL	17,579.15
2877	STATE TAX PAYMENT	STATE TAX; APRIL 5 PAYROLL	6,409.97
2878	CALPERS-457 PLAN	PERS-457 DEFERRED COMP/EMPL LOAN: APRIL 5 PAYROLL	3,109.37
2879	FEDERAL TAX PAYMENT	FED TAX: BOARD-APRIL 2020	1,418.83
2880	BASIC PACIFIC	HEALTH SAVINGS ACCT: BOARD-APRIL 2020	516.66
2881	STATE TAX PAYMENT	STATE TAX: BOARD-APRIL 2020	319.18
2882	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: BOARD-APRIL 2020	930.00



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 April 2020

Item 6.B - Exhibit A

General Checks 50323 through 50403
 Payroll Wire Transfer 2874 through 2887
 Payroll Checks 13244 through 13298

Check Number	Vendor	Description	Paid Amount
2883	FEDERAL TAX PAYMENT	FED TAX: APRIL 19 PAYROLL	16,868.89
2884	BASIC PACIFIC	HEALTH SAVINGS ACCT: APRIL 19 PAYROLL	1,412.50
2885	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: APRIL 19 PAYROLL	17,477.85
2886	STATE TAX PAYMENT	STATE TAX: APRIL 19 PAYROLL	6,503.44
2887	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: APRIL 19 PAYROLL	2,810.00
TOTAL AMOUNT OF PAYROLL WIRE TRANSFERS LISTED			\$ 92,927.76
PAYROLL SUMMARY			
Check# 13244 - 13298	TOTAL AMOUNT OF PAYROLL CHECKS LISTED		\$ 168,519.83
TOTAL April 2020 CASH DISBURSEMENTS			\$ 4,036,083.95



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 April 2020
 Umpqua Bank Credit Cards Invoice Detail Check 50367
 Umpqua Bank E-Payables Invoice Detail Check 50368

Item 6.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
50367	AMERICAN FLAG & BANNER CO. INC.	WINDSOCK	101.10
50367	BRIGHT MARKET, LLC	COMPUTER SOFTWARE	274.00
50367	BROWN AND CALDWELL	RECRUITMENT AD FOR HR MANAGER	200.00
50367	CSDA	5/19-20/20 LEGISLATIVE DAYS - HOWIE / 11/15-18/20 LEADERSHIP ACADEMY - ROBERTO	925.00
50367	DEPARTMENT OF CONSUMER AFFAIRS	CPA LICENSE RENEWAL - LINTHICUM	250.00
50367	DISPLAYS2GO	SIGN STANDS FOR BUILDING	361.68
50367	FELLOWES BRANDS	WASTE BAGS AND OIL FOR SHREDDER	85.57
50367	HACH COMPANY	CHLORAMINATION DISINFECTION TRAINING - NELSON	150.00
50367	HOME DEPOT	SALT	713.54
50367	INDUSTRY BUSINESS COUNCIL	EXECUTIVE QUARTERLY LUNCHEON - ROBERTO	50.00
50367	LIEBERT CASSIDY WHITMORE	3/19/20 COVID-19 WEBINAR - GALARNEAU	75.00
50367	LOGMEIN USA, INC.	GO TO WEBINAR PRO ACCOUNT	2,388.00
50367	MISCELLANEOUS VENDORS	EVENTS REGISTRATIONS & EXPENSES - MAR	1,609.13
50367	NATIONAL BUSINESS FURNITURE	OFFICE CHAIRS - AGUIRRE/CONTRERAS/LITCHFIELD/ROMERO	1,253.77
50367	NEOGOV	RECRUITMENT AD HR MANAGER	175.00
50367	NATIONAL NOTARY ASSOCIATION	6/07-10/20 NOTARY CONFERENCE - CONTRERAS	675.00
50367	SHRM	RECRUITMENT AD FOR HR MANAGER	399.00
50367	SURFACE GENIUS INC.	SED BASIN TRAVELING BRIDGE BRACKETS	711.21
50367	TSC TRACTOR SUPPLY CO.	BLASTING GRIT FOR MEDIA	130.37
50367	WAYFAIR.COM	BEVERAGE DISPENSER	95.25
TOTAL AMOUNT OF UMPQUA BANK CARD SERVICES INVOICE			\$ 10,622.62
50368	ACCENT COMPUTER SOLUTIONS, INC.	IT SERVICES - MAR/PROTECH/BACKUP/SERVICE LICENSE/ADDT'L HARD DRIVES FOR SERVER DEPOSIT	6,450.58
50368	AIRGAS SPECIALTY PRODUCTS	AMMONIA/AMMONIUM HYDROXIDE	3,111.25
50368	ALS GROUP USA, CORP	LABORATORY TESTING FOR THM	222.00
50368	AZUSA LIGHT & WATER	ELECTRIC UTILITY 1/10/20 TO 2/06/20	26.79
50368	BURLINGTON SAFTY LAB OF CA, INC.	GLOVES RETESTED	17.50
50368	CANON FINANCIAL SERVICES, INC.	COPY MACHINE LEASE - MAR	1,931.11
50368	CITY OF CLAREMONT	REFUSE PICKUP/STREET SWEEPING - FEB	153.67



THREE VALLEYS MUNICIPAL WATER DISTRICT
Warrant List
April 2020
Umpqua Bank Credit Cards Invoice Detail Check 50367
Umpqua Bank E-Payables Invoice Detail Check 50368

Item 6.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
50368	CLAREMONT CHAMBER OF COMMERCE	STATE OF THE CITY LUNCHEON - BOWCOCK	45.00
50368	CLINICAL LABORATORY OF SB, INC	OUTSIDE LABORATORY TESTING - JAN	150.00
50368	CONSOLIDATED ELECTRICAL	ELECTRICAL SUPPLIES/FLEX CONNECTIONS/WIRE & RELAYS FOR FILTER ACID/HD PLUGS/PVC	529.09
50368	ENDRESS + HAUSER, INC.	CERABAR	1,791.77
50368	FRANCOTYP-POSTALIA, INC.	POSTAGE MACHINCE RENTAL 2/8/20 - 5/7/20	111.69
50368	FRONTIER	DSL FOR SCADA 2/10/20 - 3/09/20	95.98
50368	GRAINGER	NEODYMIUM MAGNET/KEYED PADLOCKS/CONDUIT COVER	157.34
50368	GROUND CONTROL SYSTEMS, INC.	IDIRECT EMERGENCY RESPONDER SERVICES FEE - MAR	279.00
50368	HD SUPPLY FACILITIES MAINT LTD	CARTRIDGES/HARDNESS STABILIZING UNIT	751.94
50368	INLAND VALLEY DAILY BULLETIN	NOTICE OF PUBLIC HEARING TO ADOPT INITIAL CEQA MIRAGRAND WELL	620.60
50368	IDEXX DISTRIBUTION, INC.	COMPARATORS	87.89
50368	INTERFACE SECURITY SYSTEMS LLC	EOC WIRELESS BROADBAND SERVICE 4/01/20 - 4/30/20	134.88
50368	MICROBIOLOGICS INC.	KIEBSIELLA PNEUMORIAE	163.00
50368	MIKE'S FITNESS EQUIPMENT	GYM EQUIPMENT	6,244.90
50368	MSDSOONLINE, INC.	ONLINE HQ ACCOUNT/E-BINDER LIBRARY BUILD PROJECT	3,113.00
50368	PREMIER FAMILY MEDICINE ASSOC	NEW RECRUIT/INTERN PHYSICAL PULMONARY/ RESPIRATORY CLEARANCE/BACK EVALUATION	300.00
50368	S.G. VALLEY NEWSPAPER GROUP	NOTICE OF PUBLIC HEARING TO ADOPT INITIAL CEQA MIRAGRAND WELL	605.00
50368	TELEPACIFIC COMMUNICATIONS	TELEPHONE SERVICE 2/16/20 - 3/15/20	1,503.04
50368	THE NELAC INSTITUTE	ETHICS TRAINING FOR THE ENV PROFESSIONAL WEBINAR - HARBERSON	60.00
50368	TIME WARNER CABLE	BROADBAND SERVICES - WILLIAMS/PLANT 2/FULTON 2/09/20 - 3/20/20	239.97
50368	UNDERGROUND SERVICE ALERT	CA STATE FEE FOR REGULATORY COSTS	287.99
50368	UPS	SHIPPING CHARGES	35.42
50368	VERIZON WIRELESS	CELLULAR/IPAD/HARNESS FLEET SERVICES/MOBILE BROADBAND/IPADS 2/26/20 - 3/25/20	788.93
50368	VIRTUAL GRAFFITI INC.	BACKUP SERVER APPL	7,228.35
50368	VWR INTERNATIONAL INC.	PETRI DISH/BUFFER SOLUTIONS	1,175.71
50368	WESTERN WATER WORKS SUPPORT	EMERALD METER REPLACEMENT PARTS	1,306.23
TOTAL AMOUNT OF UMPQUA BANK E-PAYABLES SERVICES INVOICE			\$ 39,719.62



**Tier 1 Balance (in Acre-Feet)
Calendar Year 2020
(through April 2020)**

Agency	Tier 1 Allocation					Balance
		Weymouth	Miramar	CIC	Spreading	
Boy Scouts of America	36	5.1	0.0	0.0	0.0	30.5
Cal Poly Pomona	269	35.6	0.0	0.0	0.0	233.4
Covina, City of *	1,568	0.0	0.0	989.7	0.0	578.3
Glendora, City of *	4,101	0.0	0.0	0.0	0.0	4,101.3
Golden State Water Company *	15,714	1,495.1	1,281.3	145.9	0.0	12,791.6
La Verne, City of	8,026	0.0	1,075.8	0.0	0.0	6,950.5
Mt San Antonio College	699	88.2	0.0	0.0	0.0	610.8
Pomona, City of *	7,052	4.7	1.2	0.0	0.0	7,046.4
Rowland Water District *	14,741	1,818.0	313.0	0.0	0.0	12,610.0
Suburban Water Systems *	1,961	0.0	0.0	503.3	0.0	1,457.7
Three Valleys MWD	NA				14.6	NA
Valencia Heights Water Co *	464	0.0	0.0	167.4	0.0	296.6
Walnut Valley Water District *	26,057	4,020.7	442.3	0.0	0.0	21,593.7

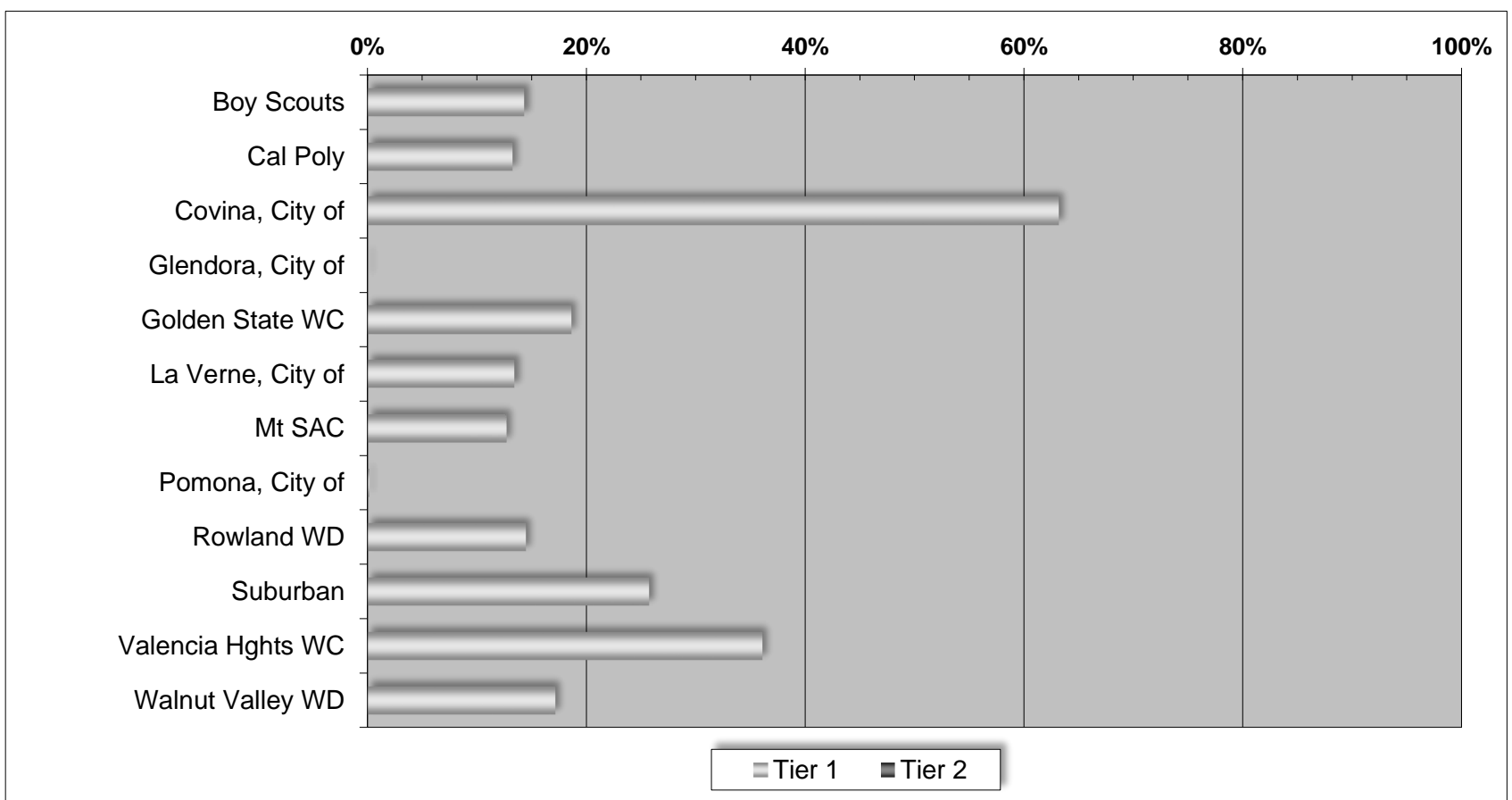
* Deliveries to JWL are assigned to Pomona, RWD, and WVWD.
 Deliveries to BGL are assigned to Suburban, VHWC, GSWC and WVWD.
 Deliveries to CIC are assigned to Covina, Glendora, GSWC, SWS, and VHWC.
 Quantities apportioned to above agencies are preliminary based on available data.

TVMWD Tier 1 Allowable = 80,688

MWD Tier 1 Deliveries = 12,525

TVMWD Tier 1 Balance = 68,163

Overage by Individual Agencies 0.0



**Three Valleys Municipal Water District
Miramar Operations Report**

APRIL 2020

Water Quality

The treatment plant produced treated water that met or exceeded state and federal drinking water standards.

Water quality data for the month of April

	Location	Results	Limits	Water Quality Goals
Turbidity	Raw	0.61	N/A	
Turbidity	Reservoir Effluent	0.05	0.3	0.04-0.08 NTU
MIB	Reservoir Effluent	N/A	N/A	<5 ng/L (Nov 2019 results)
Geosmin	Reservoir Effluent	8.2 ng/L	N/A	<5 ng/L (Nov 2019 results)
Total Trihalomethanes	Distribution System	56.6-58 µg/l	80	Ranges from 4 distribution locations (Mar 2020 results)
Haloacetic Acids	Distribution System	18-22.6 µg/l	60	
Nitrate	Reservoir Effluent	0.75 mg/L	10	<2.0 mg/L
Nitrite	Reservoir Effluent	0.020 mg/L	1	<0.008 mg/L
PFAS	Raw	ND µg/l	N/A	June 2019 results
Total Organic Carbon	RAA Ratio (Running Annual Average)	1.08	1.00	* RAA results should be greater than minimum limit to comply

Reportable violations made to SWRCB: **NONE**

Monthly Plant Production

Potable water produced from Miramar Plant	854.6 AF	<u>Capacity</u> 1785.1 AF	<u>Monthly %</u> 47.9%
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Monthly Well Production

	Days in service		Same month prior year	Days in service
Well #1	17	20.8 AF	32.7 AF	30
Well #2	17	48.2 AF	68.9 AF	30
Total monthly Well production		69.0 AF	101.6 AF	

Monthly Sales

La Verne	310.9 AF	33.7%
GSWC (Claremont)	243.9	26.4%
GSWC (San Dimas)	145.2	15.7%
PWR-JWL	222.0	24.0%
Pomona (Mills)	0.0	0.0%
TVMWD Admin	1.7	0.2%
Total Potable Water Sold	923.6 AF	100.0%

Year To Date 2019-20

	<u>Actual</u>	<u>Budget</u>	<u>% of Budget</u>
Potable Water Sold from Miramar Plant (93.1%)	12,770.1 AF	13,921.4 AF	91.7%
Total Well Production (6.9%)	951.9	1,140.0	83.5%
Total Potable Water Sold (Plant & Wells)	13,722.0 AF	15,061.4 AF	91.1%
Average monthly water sold	1,372.2 AF		

Hydroelectric Generation (kWh) FY 2019-20

	Monthly kWh		YTD kWh		
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>% of Budget</u>
Miramar					
Hydro 1	7,153	124,563	13,233	1,176,428	1.1%
Hydro 2	272	8,007	42,434	152,135	27.9%
Hydro 3	0	16,230	191,130	308,377	62.0%
Williams	14,560	74,356	714,560	677,464	105.5%
Fulton	0	34,808	280,920	328,739	85.5%
	21,985	257,964	1,242,277	2,643,143	47.0%

Operations/Maintenance Review

Special Activities

- ▶ Due to the COVID-19 Pandemic, all Administrative staff is now working remotely. Operations staff has been decreased to limit contact as much as possible. Distribution sampling and lab analysis continues as normal.
- ▶ All chemical suppliers have sent out their temporary mode of operations during this pandemic. Operations staff is closely monitoring all chemical supplies on hand and making adjustments as needed. Operations is running smoothly at this time.
- ▶ Operations staff installed a new light pole on the corner of the east gate.
- ▶ The JWL flow was increased to 6 CFS
- ▶ The west gate at the Fulton hydro was vandalized. Operations staff quickly cleaned and painted over the graffiti.
- ▶ The belt filter press wash water pump was replaced by Operations staff.
- ▶ Since staff is working remotely, the District vehicles have not been used and the batteries were dead. Operations staff replaced all the old batteries in the District vehicles and now drive them weekly to keep the batteries fresh.
- ▶ Some of the lab equipment was not working properly. Hach came out to make repairs to the ammonia/chlorine analyzer and the hand held analyzer.

Outages/Repairs

- ▶ None

Unbudgeted Activities

- ▶ None

Other

- ▶ All tours were canceled due to the COVID-19 Pandemic until further notice.

Submitted by: _____



Steve Lang
Chief Operations Officer



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: Brian Bowcock, Division 3

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	TVMWD BOD meeting	La Verne	Claremont	10.0	\$ 5.75	\$ 200.00
Regular monthly meeting to discuss issues within the district. This meeting is more of a workshop meeting.							
2	3	Citrus College Foundation meeting. Teleconference	La Verne				\$ 200.00
Committees for the foundation met to discuss a program to help students (because of the virus) with free tablets \$50,000. Also update on financial portfolio. Also our investments. And 2 Alumni projects for the campus. Along with our Veterans Center. +							
3	8	Active Claremont bod meeting teleconference	La Verne				\$ 200.00
Preparing for a meeting on Webinar to discuss better networking and be able to have more you tube presentations of things going on in the city. Including programs again from our GM on water in California and local issues. Matt has already been a speaker once for the group.							
4	14	ACWA membership Committee webinar	La Verne				\$ 200.00
This was our first meeting together this year as TVMWD representative. We're preparing for the next conference in July. Preparing for a new program to encourage other water agencies to help.							
5	15	TVMWD BOD meeting teleconference	La Verne				\$ 200.00
Regular monthly talking about issues within the district the agenda is on file.							
6	16	Active Claremont regular monthly meeting teleconference	La Verne				\$ 200.00
This is our first teleconference presentation to the membership. Our president made the presentation on networking and using social media as a tool.							
7	21	La Verne Chamber of Commerce Board Directors zoom connection.	La Verne				\$ 200.00
Regular monthly meeting of the board to discuss issues and financial issues because of the virus.							
8	23	ACWA webinar	La Verne				\$ 200.00
Water agency board meetings during COVID-19 DO's and Don'ts							
9	27	Citrus College Foundation teleconference	La Verne				\$ 200.00
Regular monthly meeting of the board to discuss the student program for laptops adding another \$50,000 to the program Along with the financial issues for the Foundation.							
10	24	Teleconference meeting with General Manager and President	La Verne				\$ 200.00
Discussion of outside professional service contract.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 5.75

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 2,005.75

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

TOTAL \$ 1,855.75

I certify the above is correct and accurate to the best of my knowledge

Signature _____

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: David De Jesus, MWD

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	Meeting with MWD GM Jeff Knightlinger					\$ 200.00
Scheduled meeting with GM to discuss items of interest. In depth discussion ensued regarding the formation of the budget, fees and charges to be imposed and alternative options under consideration. Discussion regarding the status (timing) of his retirement and the process to be used to for his ultimate replacement. The details to remain confidential until appropriately revealed.							
2	8	MWD rates and IRP Discussion hosted by Upper District Zoom Meeting					\$ 200.00
Attended and participated in the meeting with TVMWD Staff monitoring hosted by the USGVMWD led by GM Tom Love. Addressed issues posed by participants on MWD related matters currently under consideration (i.e. IRP) including MWDs proposed budget and rates and staff recommendations with alternatives (options 1&2) to be addressed at the MWD Finance Committee Meeting.							
3	9	Northern Caucus Meeting					\$ 200.00
Several board directors and their staffs heard an in depth discussion the GM Knightlinger and CFO Katano Kasine regarding possible alternatives to the increases outlined in the proposed budget. In addition, General Council							
4	13	Committee Meetings					\$ 200.00
Attended via ZOOM both the Finance and Insurance Committee, and Engineering and Operations committee meetings. Oral reports on the pertinent issues will be provided at the TVMWD Board Meeting.							
5	14	Board Meeting					\$ 200.00
Attended via ZOOM both the Legal and claims committee and Board Meetings. Oral reports on the pertinent issues will be provided at the TVMWD Board Meeting.							
6	22	IRP Staff Committee Meeting					\$ 200.00
Met with staff and committee chair Pressman to discuss the presentation to the IRP meeting later this month. Provided input as to the form and depth of the explanations to be offered to the Directors. Staff was to incorporate the chairmans and mine recommendations and present a draft for review/approval prior to the committee meeting.							
7	24	Meeting with Operations Manager Brent Yamasaki					\$ 200.00
Met with Ops Manager Yamasaki to discuss a number of timely items including the the anticipated increase in sales due to the potential shutdowns of local water wells with high PFOS/PFAS test results, delays in previously planned repair/replacement projects due to COVID-19 and how the April rains and snow pack, locally and up north would aid in the States allocation to Southern California.							
8	28	Exec Committee and IRP Special Committee Meetings					\$ 200.00
Attended the Special IRP committee as its assigned vice chairman. Staff took on many questions on the developing process of the IRP that we will need to hack through. But overall the plan itself is progressing well and staff was provided with additional guidance in its development. I also attended the Executive Committee with the Board to hear updates from its direct reports.							
9	30	Monthly update meeting with COO Upadhyay					\$ 200.00
Discussion regarding member issues, provided my feedback on the ongoing issues related to current operations, such as flows into the ground water basins in the area, and how future required revenues might impact some of the programs in place now. In addition, COO Upadhyay provided his perspective into the discussions at the IRP committee meeting.							
10							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 1,800.00

Subtotal All \$ 1,800.00

Mandatory Deferred Compensation @ 7.5% (\$ 135.00)

TOTAL \$ 1,665.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: David De Jesus, Division 2

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	Board Workshop Meeting	Walnut	Claremont	38.0	\$ 21.85	\$ 200.00
<p>The new District website was displayed for the boards review and will be rolled out in the next several weeks. The Budget was presented and will be presented for consideration and will presented in its final form once MWD has determined their pathway. The budget will dictate the rates and charges as well. Proper reporting on director monthly forms were also discussed and emphasized.</p>							
2	6	Meeting with GM, CFO, and CWRO	Walnut	Walnut			\$ 200.00
<p>Zoom meeting held to discuss developing MWD staff options to the budget. I updated staff on the details behind the upcoming presentations for MWD discussions. Additional insight was provided to staff and obtain their input for consideration. It was much appreciated and I look forward to the discussions and direction that MWD will present.</p>							
3	15	Board Meeting	Walnut	Walnut			\$ 200.00
<p>Attended the meeting via video conferencing and reported on matters of interest to the District and board. In addition, took action and voted were appropriate in representation of Division II.</p>							
4	16	Chino Basin Advisory Committee Meeting	Walnut	Walnut			\$ 200.00
<p>The committee heard concerns and discussed the process on the 2020 storage management plan. Considerable discussion was held regarding the resetting of the safe yield. The engineer recommended that the safe yield under the revised recalculation be set at 131,000 AF per year. Workshops and sidebars will be held to come to a consensus of the recommendation.</p>							
5	20	Walnut Board Meeting	Walnut	Walnut			\$ 200.00
<p>As the Districts representative to the Walnut Valley Water District, I attended the board meeting via teleconference and provide the Board of directors with a report on MWD activities. Focus was given in the reduced increases recently approved with the commitment for MWD to review those increases at the end of August for any adjustments that may be necessary.</p>							
6	23	Chino Basin Water Master Board Meeting	Walnut	Walnut			\$ 200.00
<p>As a result of the controversy of the setting of the safe yield and the recalculation the Water master board has set a special board meeting for next month allowing the parties to discuss the matter further and come to a consensus. Representative Kuhn will elaborate further in his oral report.</p>							
7	27	SGV Water Assoc	Walnut	Walnut			\$ 200.00
<p>Attended this meeting and provided those in attendance with the monthly MWD report. GM Litchfield was also in attendance and offered TVMWD's activities and the status of those common projects/agreements currently being explored with Water-master and MWD as it relates to storage agreements in the basin.</p>							
8	29	Chino Basin Safe Yield Reset Workshop					\$ 200.00
<p>A workshop was held to discuss the controversial recommendation to reduce the current safe yield for the next 10 years at 135,000 acre feet per year to 131,000 acre feet per year. Some of the producers of the Chino Basin did not share that opinion given the working history of the basin and questioned the science behind it.</p>							
9							
10							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 21.85

Subtotal Meeting Compensation \$ 1,600.00

Subtotal All \$ 1,621.85

Mandatory Deferred Compensation @ 7.5% (\$ 120.00)

TOTAL \$ 1,501.85

I certify the above is correct and accurate to the best of my knowledge

Signature _____

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: Carlos Goytia, Division 1

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	TVMWD BM Workshop	Pomona	Claremont	32.0	\$ 18.40	\$ 200.00
Attended and participated in board room deliberations and discussions - COVID-19							
2	8	TVMWD	Pomona	Chino	25.0	\$ 14.37	\$ 200.00
Met with our IT Tech Robert Peng for tutorial for teleconference for next board meeting. Returned previous tablet and due to technical issues and to pick up new device.							
3	13	Pomona COVID-19 Action Committee			0.0	\$ 0.00	\$ 200.00
Conference call with various Elected Officials from within our service area to discuss strategies and formation of subcommittee to deal with the current pandemic crisis. I was appointed to the basic needs committee by Mayor Tim Sandoval. Committee is comprised of County Supervisor, State Senator, Assembly Member, Pomona City Council, City Commissioners and various state holders							
4	15	TVMWD - Board Meeting			0.0	\$ 0.00	\$ 200.00
Attended and participated in board room deliberations and discussions							
5	22	Pomona COVID-19 Action Committee			0.0	\$ 0.00	\$ 200.00
Attended and participated in video teleconference for basic needs committee. Also coordinate and plan a regional food distribution for residents who basic food needs.							
6							
7							
8							
9							
10							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 32.77

Subtotal Meeting Compensation \$ 1,000.00

Subtotal All \$ 1,032.78

Mandatory Deferred Compensation @ 7.5% (\$ 75.00)

TOTAL \$ 957.77

I certify the above is correct and accurate to the best of my knowledge

Signature _____

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: Denise Jackman, Division 7

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	Three Valleys Municipal Water District Board meeting					\$ 200.00
Participated in business of the Board as Director of Division 7 in issues important to TVMWD.							
2	2	Puente Basin Meeting					\$ 200.00
Attended Board of Commissioners meeting regarding projects of local areas of Rowland Heights, Walnut.							
3	7	Terra Verde Webinar - Intro to Energy Resiliency Programs					\$ 200.00
Educated on some of the programs being offered in California to use alternative energy. Learned about benefits on using solar and batteries to run businesses on.							
4	8	Training with Robert & Tim					\$ 200.00
Training on how to do on-line virtual meetings instead of in person meetings with TVMWD staff.							
5	13	San Gabriel Valley Regional Chamber of Commerce					\$ 200.00
Attended board of chamber of commerce meeting regarding regional happenings. Updated on issues related to San Gabriel Valley							
6	14	Rowland Water District Board of Director Meetings					\$ 200.00
Attended Board of Directors meeting as a Three Valleys Municipal Director.							
7	15	Three Valleys Municipal Water District Board Meeting					\$ 200.00
Participated in business of the Board as Director of Division 7 in issues important to TVMWD.							
8	16	San Gabriel Valley Council of Governments					\$ 200.00
Attended board of council of Governments meeting regarding government issues in San Gabriel Valley. Updated on legislative issues related to San Gabriel Valley							
9	20	Walnut Valley Water District					\$ 200.00
Attended Board of Directors meeting as a Three Valleys Municipal Director.							
10	23	Chino Basin Watermaster Meeting					\$ 200.00
Attended Board of Directors meeting as a Three Valleys Municipal Director. Updated on issues related to the Valley.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

I certify the above is correct and accurate to the best of my knowledge

Signature

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 0.00
Subtotal Meeting Compensation	\$ 2,000.00
Subtotal All	\$ 2,000.00
Mandatory Deferred Compensation @ 7.5%	(\$ 150.00)
TOTAL	\$ 1,850.00

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: Bob Kuhn, Division 4

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	TVMWD Board Workshop	Glendora				\$ 200.00
General discussion of the business of the district							
2	15	TVMWD Board Meeting	Glendora				\$ 200.00
Business of the district discussion and decisions. See district agenda.							
3	16	Chino Basin Watermaster Meetings	Glendora				\$ 200.00
Participated in the Executive Committee and Pool Chair Meeting to discuss Watermaster's issues and challenges.							
4	24	Teleconference meeting with General Manager and President	Glendora				\$ 200.00
Discussion of outside professional service contract.							
5			Glendora				
6			Glendora				
7			Glendora				
8			Glendora				
9			Glendora				
10			Glendora				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 800.00

Subtotal All \$ 800.00

Mandatory Deferred Compensation @ 7.5% (\$ 60.00)

TOTAL \$ 740.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: John Mendoza, Division 6

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	TVMWD Board meeting	Pomona	Claremont			\$ 200.00
Attended and participated in directors meeting voting on issues important to the district.							
2	4	Pomona City Council meeting	Pomona	Pomona			\$ 200.00
Monitoring of Pomona City Council web cast.							
3	6	SBA Town Hall Meeting webinar Congresswoman Torres	Pomona	Pomona			\$ 200.00
Listen to webinar relating to COVID 19 federal funds for area businesses.							
4	9	TVMWD Teleconference conference Practice Session	Pomona	Walnut			\$ 200.00
Participated in practice session with Robert Peng on using GoToWebinar.							
5	15	TVMWD Board of Directors Meeting	Pomona	Pomona			\$ 200.00
Participated in voting on important issues and water infrastructure projects important to the District.							
6	20	Pomona City Council meeting	Pomona	Pomona			\$ 200.00
Monitoring of the City Council Meeting web cast Zoom.							
7	22	Chino Basin Watermaster	Pomona	Pomona			\$ 200.00
Teleconference meeting of the Chino Watermaster Zoom,							
8	27	SGV Board of Directors Water Association	Pomona	Pomona			\$ 200.00
Participated in listening of issues important to water agencies in the SGV. Important issues federal funding for water basin clean up and COVID19 water agencies employees work schedules conflict.							
9	30	COVID19 Telephone Town Hall Meeting					\$ 200.00
Assemblyman Rodriguez host of meeting participants included San Bernardino and Inland Empire businesses and funding availability.							
10							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

I certify the above is correct and accurate to the best of my knowledge

Signature _____

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 0.00
Subtotal Meeting Compensation	\$ 1,800.00
Subtotal All	\$ 1,800.00
Mandatory Deferred Compensation @ 7.5%	(\$ 135.00)
Voluntary Deferred Compensation <i>(negative entry; default @ 0)</i>	\$ 0.00
TOTAL	\$ 1,665.00

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 6.E

NAME: Jody Roberto, Division 5

MONTH / YEAR

April

2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	TVMWD Board Meeting	Diamond Bar	Webinar			\$ 200.00
Regular meeting of the board. Went over investment account and proposed budget.							
2	13	San Gabriel Valley Government Affairs Committee meeting	Diamond Bar	Zoom			\$ 200.00
Had update from several city representatives on what measures their cities were taking to handle Covid-19.							
3	14	Rowland Water District meeting	Diamond Bar	Webinar			\$ 200.00
Attended web meeting for RWD. The adopted draft audit for fy 2018/2019 as well as conducted district business.							
4	15	TVMWD Board Meeting	Diamond Bar	Webinar			\$ 200.00
Regular meeting of the board. We adopted the 20/21 budget as well as handled district business.							
5	16	SGV Cog Meeting	Diamond Bar	Webinar			\$ 200.00
There was a presentation from LAHSA regarding housing homeless in local hotels. Most cities voiced their opposition to the County moving homeless into their cities without informing city officials.							
6	20	WVWD Meeting	Diamond Bar	Webinar			\$ 200.00
Attended web meeting. The 20/21 budget was approved. Presentations were made on their pipeline mapping system and district building project.							
7	27	San Gabriel Valley Water Association Meeting	Diamond Bar	Webinar			\$ 200.00
Listened to the SGV Water Association Meeting David gave an update for MWD and Matt provided update from TVMWD.							
8	28	Ethics Training	Diamond Bar	Online			\$ 200.00
Completed mandatory ethics training online							
9			Diamond Bar				
10			Diamond Bar				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 1,600.00

Subtotal All \$ 1,600.00

Mandatory Deferred Compensation @ 7.5% (\$ 120.00)

TOTAL \$ 1,480.00

I certify the above is correct and accurate to the best of my knowledge


Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: **FY 19-20 3rd Quarter Reserve Schedule**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for Board review is the Reserve Schedule as of March 31, 2020. This schedule identifies encumbered reserves that have been set aside for specific projects and Board designated reserves.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – FY 19-20 3rd Quarter Reserve Schedule

Meeting History:

None

NA/LC

TVMWD RESERVES SCHEDULE

FUND BALANCE	June 30, 2019 BALANCE	SOURCES	USES	TRANSFERS	March 31, 2020 BALANCE
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RESERVE GOAL

RESERVED FOR ENCUMBRANCE

Vehicle Replacement	4,844	40,000	(43,672)	-	1,172
Admin Bldg Improvements		-	(43,509)	43,510	1
Bldg Modifications-Bathroom Upgrades		50,000	-	-	50,000
Bldg Modifications-Operations Interior	313,429	-	(4,964)	(43,510)	264,955
Filter Aid System Upgrades	85,089		-	-	85,089
6th/White Connection Upgrade	64,584		(16,753)	(18,649)	29,183
Miramar Plant - Site Paving		55,000	(49,178)	-	5,822
Miramar - PAC Room Remodel		140,000	(96,153)	-	43,847
Carports	226,972	-	(24,500)	-	202,472
TVMWD Well - Grand Ave. Claremont	407,050	2,532,259	(2,936,678)	295,828	298,459
TVMWD Well - West Baseline Claremont	295,828	-	-	(295,828)	-
CIP-Hydropneumatic Tank System Improvmts	-	-	(18,649)	18,649	0
Land Acquisitions	750,000	-	-	-	750,000
JWL Control Valve	128,896	53,640	(204,183)	22,000	353
MiraGrand Well		43,147	(105,133)	66,610	4,624
Miramar Plant-Alternative Disinfectn		124,167	-	-	124,167
Fulton Reservoir-Residual Contrl Sys		200,000	-	-	200,000
Miramar Reservoir Effluent-Cover Str		105,000	(30,617)	(74,383)	-
Excavation/Valve Turning Trailer		175,000	(124,673)	(50,327)	0
	\$ 2,276,692	\$ 3,518,213	\$ (3,698,660)	\$ (36,100)	\$ 2,060,145


BOARD DESIGNATED

Board Elections	\$ 83,637	38,181	-	-	\$ 121,818
Water Management	200,000	-	-	-	200,000
Water Rate Stabilization	1,353,755	-	-	-	1,353,755
Capital Asset R/R	5,549,353	-	-	-	5,549,353
Opportunity	2,500,000	-	-	(150,000)	2,350,000
Employee Benefits - Pension & OPEB	378,237	200,000	(200,000)	-	378,237
Emergency	-	-	-	-	-
	\$ 10,064,982	\$ 238,181	\$ (200,000)	\$ (150,000)	\$ 9,953,163

Lower	Upper
\$ 160,000	\$ 240,000
-	5,000,000
1,200,000	\$ 1,800,000
4,800,000	10,400,000
2,000,000	3,000,000
-	3,400,000
-	46,837
\$ 8,160,000	\$ 23,886,837



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: **Approval of Resolution No. 20-05-876 for County Sanitation District No. 22 Tax Sharing Resolution: Annexation No. 22-437**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	\$

Requested Action:

Approve the following:

- 1. Three Valleys Municipal Water District Resolution No. 20-05-876 for County Sanitation District No. 22 Tax Sharing Resolution Annexation No. 22-437; and**
- 2. Direct staff to return the documents back to the County Sanitation District of Los Angeles County with proper documentation.**

Alternative Action:

The TVMWD Board may deny the request, upon which the County Sanitation District will make this request to the County Board of Supervisors for a final determination.

Discussion:

The applicant for project has requested annexation of their respective property to the County Sanitation District to receive off-site disposal of sewage. The annexation process requires that a resolution for property tax revenue exchange be adopted by all of the affected agencies prior to approval.

Three Valleys will not lose any existing ad valorem tax revenue it currently receives from the affected territories; Three Valleys would give up a portion of the revenue received from future "increased assessed valuation only."

Listed below is a matrix and description for the pending tax sharing resolution that requires Board approval:

Project No.	TVMWD Current Tax Share	Percent	Adjustments	TVMWD Net Share
<i>The property consists of: Tax Rate Areas 03111</i>				
A-22-437	0.004509017	0.4509%	-0.000041284	0.004467733

Upon execution and receipt of the documents, fully conformed copies will be provided back to Three Valleys Municipal Water District.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 20-05-876

Meeting History:

None

NA/ML

TVMWD RESOLUTION NO. 20-05-876

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 22 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

City of Covina

Three Valleys Municipal Water District

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 22.

"ANNEXATION NO. 437"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 22 entitled *Annexation No. 437*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 22 in the annexation entitled *Annexation No. 437* is approved and accepted.
2. For each fiscal year commencing on and after July 1, 2019 or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 22 a total of 0.4854063 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 437* as shown on the attached Worksheet.
3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 22 as a result of annexation entitled *Annexation No. 437*.
4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

TVMWD RESOLUTION NO. 20-05-876

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 22 of Los Angeles County, and the governing bodies of City of Covina and Three Valleys Municipal Water District, signatory hereto.

THREE VALLEYS MUNICIPAL WATER DISTRICT

SIGNATURE

Bob Kuhn, President

PRINT NAME AND TITLE

ATTEST:

Secretary , Carlos Goytia

May 20, 2020

Date

(SIGNED IN COUNTERPART)

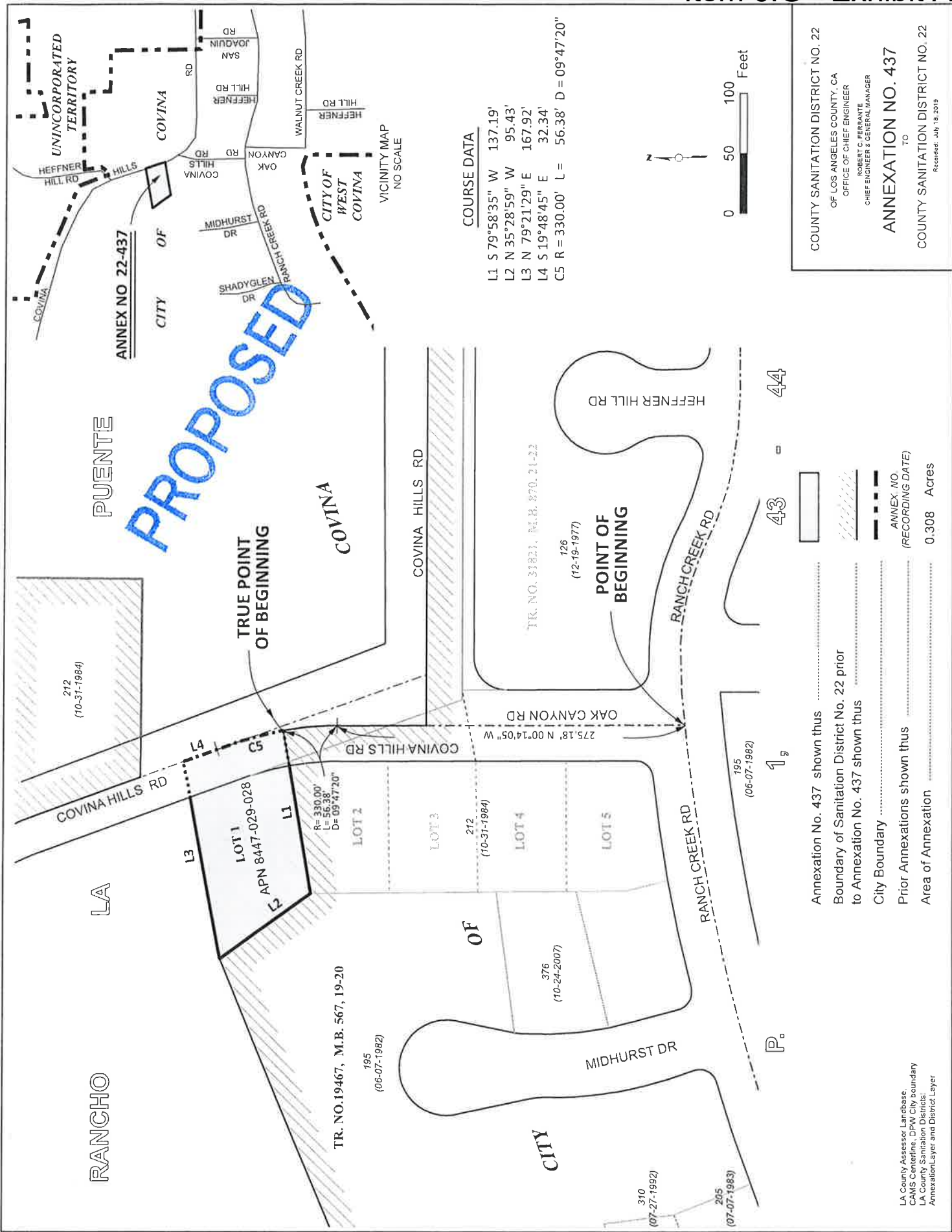
ANNEXATION TO: CO. SANITATION DIST. NO 22 DEBT S.
 ACCOUNT NUMBER: 066.85
 TRA: 03111
 EFFECTIVE DATE: 07/01/2019
 ANNEXATION NUMBER: 437
 PROJECT NAME: A-22-437
 DISTRICT SHARE: 0.009155954

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.321970320	32.1979 %	0.009155954	0.002947954	-0.003016737	0.318953583
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.0000118457	0.0118 %	0.009155954	0.0000001084	0.0000000000	0.0000118457
007.30	CONSOL. FIRE PRO. DIST. OF L.A. CO.	0.0000000000	0.0000 %	0.009155954	0.0000000000	0.0000000000	0.0000000000
007.31	L A C FIRE-FW	0.007394008	0.7394 %	0.009155954	0.000067699	0.0000000000	0.007394008
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001838866	0.1838 %	0.009155954	0.000016836	-0.000016836	0.001822030
030.70	LA CO FLOOD CONTROL MAINT	0.010406632	1.0406 %	0.009155954	0.000095282	-0.000095282	0.010311350
136.01	CITY-COVINA TD #1	0.183915807	18.3915 %	0.009155954	0.001683924	-0.001683924	0.1822231883
365.05	THREE VALLEY MWD ORIG AREA	0.004509017	0.4509 %	0.009155954	0.000041284	-0.000041284	0.004457733
400.00	EDUCATIONAL REV AUGMENTATION FD	0.069122953	6.9122 %	0.009155954	0.000632886	EXEMPT	0.069122953
400.01	EDUCATIONAL AUG FD IMPOUND	0.171005879	17.1005 %	0.009155954	0.001565721	EXEMPT	0.171005879
400.15	COUNTY SCHOOL SERVICES	0.001469035	0.1469 %	0.009155954	0.000013450	EXEMPT	0.001469035
400.21	CHILDREN'S INSTIL TUITION FUND	0.002915536	0.2915 %	0.009155954	0.000026694	EXEMPT	0.002915536
809.04	MT. SAN ANTONIO COMMUNITY COLLEGE	0.031465995	3.1465 %	0.009155954	0.000288101	EXEMPT	0.031465995
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000303719	0.0303 %	0.009155954	0.000002780	EXEMPT	0.000303719
847.03	COVINA-VALLEY UNIFIED SCHOOL DIS	0.183719318	18.3719 %	0.009155954	0.001682125	EXEMPT	0.183719318
847.06	CO.SCH.SERV.FD.- COVINA-VALLEY	0.008050098	0.8050 %	0.009155954	0.000073706	EXEMPT	0.008050098
847.07	DEV.CTR.HDCPD.MINOR-COVINA-VY.	0.000906707	0.0906 %	0.009155954	0.000008301	EXEMPT	0.000906707
847.20	COVINA-VALLEY CHILDREN,S CTR.FD.	0.000887653	0.0887 %	0.009155954	0.000008127	EXEMPT	0.000887653
***066.85	CO.SANITATION DIST.NO 22 DEBT S.	0.000000000	0.0000 %	0.009155954	0.000000000	0.0000000000	0.004854063

FISCAL YEAR 2019-2020

ANNEXATION NUMBER: 437 PROJECT NAME: A-22-437 TRA: 031111

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
		1.0000000000	100.0000 %		0.009155954	-0.004854063	1.0000000000
TOTAL:							



COURSE DATA

L1	S 79°58'35" W	137.19'
L2	N 35°28'59" W	95.43'
L3	N 79°21'29" E	167.92'
L4	S 19°48'45" E	32.34'
C5	R = 330.00' L = 56.38' D = 09°47'20"	



PROPOSED

COUNTY SANITATION DISTRICT NO. 22
 OF LOS ANGELES COUNTY, CA
 OFFICE OF CHIEF ENGINEER
 ROBERT C. FERRANTE
 CHIEF ENGINEER & GENERAL MANAGER

ANNEXATION NO. 437
 TO
 COUNTY SANITATION DISTRICT NO. 22

Recorded: July 19, 2019

Annexation No. 437 shown thus
 Boundary of Sanitation District No. 22 prior to Annexation No. 437 shown thus
 City Boundary
 Prior Annexations shown thus
 Area of Annexation 0.308 Acres


ANNEX. NO. (RECORDING DATE)

LA County Assessor Landbase.
 CA/MS Centerline, DPW City Boundary
 LA County Sanitation Districts
 Annexation/Layer and District Layer



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: May 20, 2020

Subject: **Resolution No. 20-05-877 Responsibilities and Authority of the General Manager and TVMWD Purchasing Policy**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:

Staff Recommendation:

Staff is recommending approval of:

- **Resolution No. 20-05-877 Responsibilities and Authority of the General Manager**
- **TVMWD Purchasing Policy**

Background:

Recently the Board inquired of increasing the limit at which the General Manager has the discretion to make decisions without bringing before the Board for approval. Such limits are granted by these two documents:

- Resolution No. 17-10-811 Responsibilities and Authority of the General Manager (Board approval October 18, 2017). This document establishes policies that provide guidance to the General Manager in managing daily operations.
- TVMWD Purchasing Policy (Board approval February 21, 2018). This document establishes policies that provide guidance for the purchase of goods and services.

Discussion:

Recommended changes are as follows:

- Responsibilities and Authority of the General Manager:
 - The discretionary spending limit has been increased from \$50,000 to \$75,000.
 - Minor changes to the remaining sections that are immaterial.
- TVMWD Purchasing Policy:
 - The General Manager's awarding authority has been increased from \$50,000 to \$75,000 for Sections B, C, D and E.

- For Section F, TVMWD complies with alternative procedure requirements of the California Public Contract Code which establishes thresholds for non-competitive, informal and formally bid public projects.
 - The General Manager's limit for awarding contracts without competitive offer has been increased from \$45,000 to \$60,000.
 - The General Manager's limit for change orders on informally bid public projects has been increased to the full amount of \$200,000. Previously the language stated the limit was up to 20% of the original contract price.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 20-05-877

Exhibit B – TVMWD Purchasing Policy

Meeting History:

Board of Directors Meeting, May 6, 2020, [Informational Item Only]

NA/JL

RESOLUTION NO. 20-05-877

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THREE VALLEYS MUNICIPAL WATER DISTRICT
ESTABLISHING THE RESPONSIBILITIES AND AUTHORITY
OF THE GENERAL MANAGER**

WHEREAS, the Board of Directors is charged with the responsibility of establishing policies providing guidance to the management of the District; and

WHEREAS, the District employs a General Manager who is responsible for the overall management of the District; and

WHEREAS, it is essential for the Board of Directors and the General Manager to work together effectively, with a jointly shared understanding of what is desired of the General Manager; and

WHEREAS, the Board desires to outline in general terms the responsibilities and authority of the General Manager;

NOW, THEREFORE, the Board of Directors of Three Valleys Municipal Water District does hereby resolve as follows:

Section 1: That the Board shall appoint a General Manager who shall serve at the pleasure of the Board of Directors, and shall be responsible to report to the Board of Directors concerning all aspects of management of the District.

Section 2: That the General Manager shall have the Responsibilities and Authority contained in the document attached hereto as Exhibit A and incorporated herein by this reference.

Section 3: This resolution shall take effect immediately upon adoption and shall supersede previously adopted versions of this document, including, but not limited to, Resolution 17-10-811 adopted by the TVMWD's Board of Directors on October 18, 2017.

ADOPTED and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors held via teleconference on this 20th day of May 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

Bob G. Kuhn, President
Board of Directors

ATTEST:

Carlos Goytia, Secretary
Board of Directors

SEAL:

**RESPONSIBILITIES AND AUTHORITY
OF THE GENERAL MANAGER**

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1. OPERATIONS

1. The Water Code Section 71362 states that the General Manager has “full charge and control” of the District’s system. The District’s definition of “full charge and control” includes technical aspects such as construction, operations, repair and maintenance, and engineering; as well as all administrative functions such as staffing, accounting, billing, financial services and management functions over employees, suppliers and consultants. The definition also includes the General Manager’s ability to accomplish these functions, and their accountability for the performance of employees, suppliers and consultants.
2. It is the responsibility of the Board of Directors to establish policy. The General Manager is responsible for the implementation and management of Board policy.
3. The General Manager is responsible for meeting all the requirements of the law with respect to District operations, such as OSHA, hazardous materials, sexual harassment, ethics, ADA, and so on. The General Manager is also responsible for acting in accordance with all applicable policies, and ordinances of the District. The Board’s role is to provide oversight over these responsibilities by action of the Board of Directors at official meetings of the Board, and through reports, attorney oversight, and similar means.
4. The General Manager has responsibility for the safety of all personnel, facilities and equipment of the District, including the personnel and equipment of other entities authorized to be on District property. They are responsible for the health and safety related to District operations. The Board’s role is to ensure that the General Manager has adequate resources for carrying out these responsibilities.
5. The General Manager is generally responsible for dealing with member agency complaints about District operations unless otherwise specified. The Board’s role is to be made aware when a complaint indicates a violation of a District policy or rule, or when the General Manager believes a violation may develop. The General Manager may delegate this responsibility to the extent it adds to the efficacy of the District. The General Manager shall advise the Board accordingly.

6. The Board wishes to receive timely information about operations events or activities such as, though not limited to, the following:

- Property damage (immediate notice)
- Personal injury (immediate notice)
- Water quality violation (immediate notice)
- Potential for a violation or litigation (immediate notice)
- Personnel issues (in reports)
- Budget amendments (in reports)

2. PERSONNEL

1. The General Manager is responsible for recruiting, employing, training and discharging employees of the District.
2. The General Manager defines the various classes and grades of employees, and prepares or causes to be prepared job classifications of same, subject to approval by the Board of Directors.
3. The General Manager recommends the number of employees in each job category, and the total number of employees required to meet the administrative and operational demands of the District, subject to approval by the Board of Directors.
4. The General Manager is responsible for administration of the District's compensation plan including establishing compensation levels and benefits for each employee classification, subject to approval by the Board of Directors.
5. The General Manager determines the need and extent of proposed disciplinary action for employees where appropriate and consistent with all applicable personnel rules and laws. Action may be delegated by the General Manager to appropriate management employees. The Board wishes to be kept informed about disciplinary actions: the cause, the act, the discipline administered and the reasons why, when merited and not infringing upon the due process rights of the affected employee, according to the TVMWD Personnel Manual, Section 6.
6. The General Manager recommends the structure and reporting relationships of the District. The organizational structure, reporting relationships, and any subsequent changes, are subject to approval by the Board of Directors.
7. The General Manager makes all decisions regarding promotions and demotions of employees within the same job classification or from one classification to another. The Personnel Manual, District Policy Manual, and related documents are periodically reviewed by the Board, and may affect such decisions. Any promotion or demotion that results in a change in the organizational structure, are subject to approval by the Board of Directors.

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8. The General Manager determines the appropriate level of training required of all District employees to effectively perform their jobs effectively. When it is necessary for an employee to travel out of the general area to obtain training, the General Manager shall approve all travel and related expenses.
9. The General Manager is responsible for compliance with all applicable requirements of labor laws, affecting such matters as, but not limited to, wrongful termination or other disciplinary action affecting an employee's property rights, including harassment, drug testing, equal opportunity, and age discrimination. On such matters, the General Manager shall consult the District's legal counsel.
10. The General Manager is responsible for managing employee complaints or grievances. If a complaint or grievance may lead to litigation, the matter will be reported to the Board of Directors and/or legal counsel promptly. (TVMWD Personnel Manual, Section 6.)
11. The rules governing employee conduct, including benefits – such as vacations, dress code, sick leave, holidays, drinking/smoking on the job – are included in the District's Personnel Manual, subject to approval by the Board of Directors. The General Manager is responsible for ensuring all rules outlined in the Personnel Manual are strictly followed.
12. The General Manager is responsible for assuring that all District employees receive a performance evaluation consistent with the District's approved performance evaluation system. They may delegate this evaluation function to the appropriate supervisor, however, the General Manager will oversee, review and approve all evaluations.
13. The General Manager is responsible for reporting information about specific personnel actions to the Board, which includes new hires and employee separations. Legal counsel should be informed about separations or other personnel issues where the potential for litigation exists.
14. The Board expects the General Manager to work whatever hours it takes to perform the responsibilities of the job; however, no accounting of their time is required. The Manager shall appoint a designee in their absence to carry out the General Manager's responsibilities.
15. The General Manager acts as the spokesperson for the District to the employees.

3. FINANCE

1. The General Manager is responsible for preparation and administration of the District's annual budget.
2. The Board may set the level of discretionary spending by the General Manager when it reviews the draft budget annually or at other times as deemed necessary by the Board. The current maximum limit is set at \$75,000, except as set forth in Section 8 below. The General Manager may move funds from one account to another as required for administration of the budget. The General Manager may not, however, add or delete items from the budget, or change the budget total, without Board approval.
3. The General Manager shall provide the Board financial reports on budget implementation at least quarterly. More frequent reports may be provided to the Board at the discretion of the General Manager, or as directed by the Board. Financial reports shall require sufficient detail and narrative regarding exceptions and variances to the approved budget.
4. The General Manager is responsible for recommending the need for new employee classifications or additions to the current classification plan. Appropriate justifications for such modifications should be provided during review of the draft budget. (Responsibilities & Authorities: SECTION 2 – PERSONNEL, No. 3).
5. The General Manager is responsible for assuring that the District's financial obligations are met in a timely manner and that an annual audit by an independent Certified Public Accountant is conducted in accordance with generally accepted accounting practices for a public agency.
6. The General Manager is responsible for maintaining accurate financial records and provides administrative support to the independent auditor during the preparation of the annual audit. The independent auditor reports directly to the Board of Directors.
7. The General Manager makes decisions regarding investment of District funds, consistent with the District's adopted Investment Policy.
8. The General Manager prepares contracts with the assistance of legal counsel where appropriate. The Board of Directors approves all contracts over \$200,000 (or as updated per Public Contracts Code Section 22032b), if such contracts are within the scope of Public Contracts Code Sections 22037-22044. Various dollar limits are established by District policy

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concerning when informal or formal bidding processes are appropriate. See the District's *Purchasing Policy* for more details on contract costs.

9. The General Manager, or employees with the approval of the General Manager, are issued District credit cards. Directors are reimbursed for expenses rather than issued credit cards.

4. BOARD MEETINGS

1. The General Manager is responsible for preparation of the meeting agenda. The President of the Board of Director's reviews the draft agenda with the General Manager. District legal counsel is provided a copy of the proposed final agenda for their review.
2. The General Manager oversees the preparation of the agenda and supporting materials in electronic format, which is provided to Board members in a timely fashion, allowing Directors sufficient time to review the packet and raise any questions. Directors are strongly encouraged to ask the General Manager or staff questions prior to the Board Meeting.
3. The General Manager will provide a written summary and recommendation for each agenda item where action is requested (other than for "receive and file items"). All reports to the Board will be referenced to the approved TVMWD Strategic Plan and applicable strategic objectives outlined therein.
4. The Board President presides over the Board meeting and recognizes questions that may arise during the Board meeting, either by Board members or members of the public, and determines who should provide the answer.
5. The General Manager decides whether staff members, consultants, or others should be present at Board meetings.
6. The General Manager and the Executive Assistant are jointly responsible for preparation of the Board meeting minutes. They are also jointly responsible for accurately recording votes for motions, resolutions, ordinances, and other Board actions.
7. District legal counsel is responsible for assuring that the legal requirements of the Brown Act, and all other legal requirements for conduct of board meetings are met. The General Manager is also responsible to assure that legal requirements are complied with through the proper noticing of meetings of the Board of Directors.
8. The General Manager is responsible for preparing the "Consent Calendar" portion of the Agenda.
9. The General Manager is responsible for planning and carrying out public meetings and properly noticed public hearings. The General Manager will consult with legal counsel, when appropriate, on such activities.

5. CONSULTANTS AND SUPPLIERS

1. The General Manager makes recommendations on the selection of consultants and suppliers, subject to available budget funds.
2. To assure an open purchasing process, the General Manager complies the District's Purchasing Policy.
3. The General Manager or Board (as established by Purchasing Policy) awards a contract and approves the total expenditure for the proposed work. The General Manager prepares the contract with the consultant, contractor or vendor, which is reviewed by legal counsel, and subject to approval by the Board of Directors.
4. Typically, consultants and suppliers work for the General Manager. In selected cases, the consultant may work directly for the Board. (Example: selection of an auditor or legal counsel).
5. The General Manager responds to questions from consultants, contractors and vendors in a timely manner and where necessary, provides direction, and obtains progress reports on their work. Prior to the authorization for payment of any invoice, the General Manager determines if the work was performed satisfactorily and meets the contract requirements.
6. The General Manager may utilize the services of the District's legal counsel, as appropriate.

6. OUTSIDE ACTIVITIES

1. The General Manager, or their designee, may attend outside meetings as required with other agencies and organizations representing the District on matters related to the administration and operation of the District, including implementing Board policy or direction. On matters pertaining to public policy, or where other elected or appointed officials are present, Board members may also attend.
2. The Board of Directors decides, through the budget review process, which organizations the District should join as contributing members.
3. Subject to available budget funds, the General Manager has complete discretion in determining whether an out-of-town conference, seminar or meeting should be attended by a member of their staff.
4. The General Manager has responsibility and oversight of the District's public relations program and may delegate aspects of program implementation to appropriate staff as needed. Members of the Board of Directors may provide suggestions as to key audiences and messages to advance and support the mission of the District.
5. The General Manager is identified as the District's official spokesperson unless the Board President or other person is so identified.
6. The General Manager distributes information about, or copies of, letters received from outside persons or organizations, inquiries, press articles, public statements about the District, and so forth, to each member of the Board of Directors.
7. The General Manager is responsible for developing and maintaining professional relationships with other districts, related organizations, regulators, City, County, State and Federal agencies. The Board may elect to involve itself directly in areas of public policy and political matters, and with elected officials.

7. PROPERTY

1. The General Manager is responsible for maintaining an inventory of all District real property and other assets.
2. The General Manager is responsible for safeguarding and maintaining all District property in an appropriate manner. They will develop and maintain a District maintenance/repair/replacement policy regarding District-owned property, and implement it appropriately.
3. The General Manager is responsible for meeting all legal requirements relevant to District-owned property including, but not limited to, licensing and inspections.
4. The General Manager is empowered to receive property on behalf of the District. The Board of Directors is empowered to sell or otherwise dispose of District property.
5. The General Manager is responsible for informing the Board about significant occurrences, such as accidents or damage, regarding District property, in a timely manner.
6. The General Manager has the authority to determine when District facilities or equipment should be replaced for purposes of limiting liability and/or cost of operation.

8. EMERGENCIES

1. When an emergency occurs, the General Manager is expected to use all necessary discretion and authority to take appropriate action to remedy emergency situations, including the expenditure of funds to do so.
2. The General Manager determines that an emergency exists.
3. An emergency is defined as an event which adversely affects the ability of the District to carry out its core functions in a safe and secure manner, or places District personnel or property in jeopardy, or which jeopardizes the health or safety of the community and its residents.
4. The General Manager should keep the Board informed about any emergency that arises in a timely and appropriate manner. The General Manager or his designee shall serve as the official spokesperson for the District to the press or the public concerning the emergency, and shall keep employees or member agencies informed in a timely and appropriate manner.

9. GENERAL BOARD/MANAGER RELATIONS

1. It is recognized that the working relationship of the Board of Director's and General Manager is unique in nature requiring a concerted effort and commitment on behalf of both parties working together to further the mission of the District.
2. In addition to the foregoing, the General Manager shall perform such other duties as may be prescribed by the Board of Directors (Reference: General Manager Job Classification).
3. The Board of Directors recognizes that pursuant to California Water Code Section 71363, the General Manager is their only employee.
4. The General Manager is considered an "at will" employee of the District. At its discretion, the Board of Directors may provide an employment agreement for the General Manager containing terms and conditions of employment, subject to approval by the Board of Directors.
5. The General Manager's performance evaluation shall be carried out at least annually in a time and manner approved by the Board of Directors. The Board shall adopt a method of providing the evaluation, and shall administer it jointly by all members of the Board.
6. The performance evaluation of the General Manager is a personnel matter. In the event a Board member has an issue or question concerning the General Manager's performance, the Board member shall advise the President of the Board, who will work to ensure that the matter is handled in an appropriate and professional manner. It is recommended that the matter be addressed or communicated at the time the situation occurs or comes to the attention of the Board member, but at a minimum during the annual performance evaluation.
7. It is expected that the General Manager will make direct personal contact with each individual Board member on a reasonably frequent basis, or as desired by individual Board members. Board members are cautioned about excessive personal contact with the General Manager on a frequency as to be interfering with the General Manager's duties.
8. The Board of Directors should maintain an appropriate, but "arm's length" relationship with employees. Excessive personal contact between Board members and employees is discouraged.
9. Board members may call or personally contact management employees of the District without prior arrangement with the General Manager; the employee will advise the General Manager

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of the personal contact as soon as possible. Board members are cautioned not to give direction to any employee without prior arrangement with the General Manager.

10. If a member agency or a member of the public complains directly to a Board member about a situation, the Board member should promptly report the matter to the General Manager.

10. PERFORMANCE EVALUATION OF THE GENERAL MANAGER

The recommended process involves a series of simple steps:

- Step 1. Establish a date and time for the annual evaluation.
- Step 2. The entire Board of Directors shall be involved in evaluating the General Manager, their sole employee.
- Step 3. The Board President presides over the General Manager's annual performance review process. The Board of Directors, may at its discretion, elect to retain the services of a professional facilitator to facilitate the evaluation process. Unless otherwise specified, the evaluation of the General Manager's performance will be conducted in a closed session meeting of the Board pursuant to the Brown Act Section 54957.
- Step 4. The General Manager shall provide the Board of Directors prior to the annual performance evaluation their proposed annual workplan including their proposed goals for the following year, a review of the actions and accomplishments of the prior year, as well as any goals or objectives that were not accomplished along with an explanation as to "why." This shall be presented to the Board at an initial performance review session.
- Step 5. The Board may elect to develop alternative evaluation forms appropriate to their needs.
- Step 6. At a time determined by the Board President and General Manager, a second meeting with the General Manager shall be scheduled to discuss the Board's comments on their performance. It is recognized that for the benefit of both parties the process is designed to be a continuous two-way dialogue between the Board and its General Manager.
- Step 7. Detailed notes shall be made by the General Manager and approved by the Board President while the evaluation is being conducted, and include such items as recommendations for improvement, notation of significant accomplishments and new directives. These detailed notes shall be utilized at the following year's performance evaluation.
- Step 8. Each member of the Board of Directors is strongly encouraged to provide individual comments and recommendations to the General Manager regarding their performance. This should be done in a manner and fashion that supports or redirects

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the performance of the General Manager in their implementation of the Board's policy direction and the mission of the District.

- Step 9. The Board of Directors may at its discretion excuse the General Manager from the closed session meeting, and discuss any change to their compensation or other aspect of the General Manager's performance, to the extent consistent with the requirements of the Brown Act.

Three Valleys Municipal Water District Purchasing Policy

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PURCHASING POLICY SUMMARY

	<\$25,000	\$25,000-\$75,000	>\$75,000
GENERAL PURCHASES	Department Head or GM	General Manager	Board
APPROVAL			
PO REQUIRED	No	Yes	Yes
NOTICE REQUIREMENT			
-General Supplies, Materials and Equipment	None	None	Newspaper
-Proprietary Equipment	None	None	None
-General Trade Services	None	None	Newspaper
-Professional Services	None	None	Newspaper suggested
COMPETITIVE OFFER REQUIREMENT			
-General Supplies, Materials and Equipment	None	Informal Quotes	Formal Bidding
-Proprietary Equipment	None	Informal Product Review	Formal Product Review
-General Trade Services	None	Informal Quotes	Formal Bidding
-Professional Services	None	Informal Proposals	RFP/RFQ's
SELECTION			
-General Supplies, Materials and Equipment	Department Discretion	Best Value Procurement	Best Value Procurement
-Proprietary Equipment	Department Discretion	Top Ranked Product	Top Ranked Product
-General Trade Services	Department Discretion	Best Value Procurement	Best Value Procurement
-Professional Services	Department Discretion	Top Ranked Provider	Top Ranked Provider
PUBLIC PROJECTS	<\$60,000	\$60,000-\$200,000	>\$200,000
APPROVAL	General Manager	General Manager	Board
PO REQUIRED	Yes	Yes	Yes
NOTICE REQUIREMENT	None	Contractors and/or Trade Journals	Newspaper and Trade Journals
COMPETITIVE OFFER REQUIREMENT	None	Informal Bid per CPCC*	Formal Bid per CPCC*
SELECTION	General Manager	Lowest Responsive/Responsible Bidder	Lowest Responsive/Responsible Bidder

*CPCC - California Public Contract Code

SECTION A - GENERAL

1) Definitions

- a) Best value procurement - shall mean to award based on the best overall value to TVMWD considering: ability, capacity, and skill; ability to meet time requirements; character, integrity, and reputation; financial resources available for contract performance; previous vendor experience; price; and warranty or other documented considerations offered.
- b) Top ranked provider - shall mean to award based on a Committee's ranking of the good or service as being the best solution for TVMWD where cost is not considered the primary selection criteria.
- c) Lowest responsible bidder - Bidder with the lowest price, and whose business and financial capabilities, past performance and reputation meet the required standards.
- d) Lowest responsive bidder - Bidder with the lowest price, and conforms in all material respects to the terms and conditions, specifications and other requirements requested.
- e) Single Source - a procurement where there is a compelling reason for only a preferred brand. Examples would be standardization, time schedule, technical expertise, follow-up on work to existing contract, etc.
- f) Sole Source - a procurement where only one viable source exists. Examples of reasons could be legal restrictions of patent rights, warranty issues, original equipment manufacturer, copyrights, etc.
- g) Emergency - an event which adversely affects the ability of TVMWD to carry out its functions, or puts TVMWD personnel or property in jeopardy, or which jeopardizes the health or safety of the community and its residents.
- h) Quote - a simple, brief offer to provide a good or service at a specific price.
- i) Proposal - a comprehensive offer to provide a good or service at a specific price.
- j) Bid - an offer to provide a good or service at a specific price in response to a formal bid form.
- k) Contract - written agreement between the seller and buyer to sell and purchase a good or service.
- l) RFQ/RFP - Request for Quote / Request for Proposal

- 2) General Provisions - The basic purchasing policy of TVMWD is to obtain quality goods and services for operation at the lowest possible overall cost. This includes maintaining a purchasing system that ensures maximum use of fair and open competition and receipt of the best value for funds available, consistent with applicable laws and regulations. The purchasing functions are decentralized, with each Department responsible for compliance with TVMWD policies and procedures. Purchasing responsibility and authority shall be delegated to the lowest possible level consistent with good business practice and sound financial management policy.

The following apply to all purchases made by TVMWD:

- a) No purchase will be approved or undertaken unless an appropriation has been established, either through the adopted annual budget or Board approval of additional appropriations. It is the responsibility of the Department Head to maintain control of their individual budgets.
- b) All purchases shall be of the quality deemed necessary to suit the intended purpose.
- c) Competitive offer requirements are set out in subsequent sections of this policy and are established based on type of purchase and/or established dollar limits.
- d) Purchases shall not be split to avoid required procedures or established dollar limits. Purchases of like items or services will be considered on an annual basis.
- e) The emergency purchase of goods is authorized under certain conditions.
- f) No purchase over \$25,000 shall be made without an authorized Purchase Order (PO) unless exempted in these guidelines. Otherwise such purchases are void and not considered an obligation of TVMWD.
- g) No TVMWD employee or Board member shall have a direct or indirect financial interest in any contract or purchase of goods or services entered into by TVMWD, or shall derive any personal benefit from TVMWD's purchase of goods or services.
- h) No TVMWD employee or Board member shall use the purchasing procedures to obtain property for personal use or by misrepresenting that personal purchases are for TVMWD (i.e., for the purpose of obtaining price discounts).
- i) No TVMWD employee or Board member shall draft or cause to be drafted any specifications for bids in such a way as to intentionally limit the bidding directly or indirectly to any one bidder, except for a sole source or single source procurement.
- j) The bid process obligates vendors to disclose any material financial relationship they may have or may have had with a TVMWD Board member or employee.
- k) Any TVMWD employee or Board member failing to follow the purchasing policy and procedures may incur personal liability or financial obligation to the vendor.

SECTION A - GENERAL (cont.)

- 3) Federal, State and Other Grant Programs - Federal, State, or grant programs may require special conditions that are more stringent than TVMWD procedures. It is the responsibility of the Department accepting the grant to ensure that all grant provisions are complied with.
- 4) Exceptions to Competitive Offer Requirements
- a) The informal offers and the formal bidding process may be bypassed with GM approval in the following instances:
 - i) In emergency situations where time is of the essence.
 - ii) Where a single source or sole source purchase is justified.
 - iii) When there exists other governmental contracts that were competitively bid (such as State Contracts, DGS, etc.) that TVMWD is eligible to use.
 - iv) When an item has been bid within the last 36 months and the price has not changed.
 - v) When purchasing goods with significant market fluctuations (such as chemicals), wherein requiring a guaranteed price for a year would actually cost TVMWD more.
 - vi) When it is neither practical nor cost effective to continue soliciting offers until three are received.
 - b) Certain purchases are unique in nature and do not lend themselves to the process of competitive offers. Therefore, these items do not require competitive offers or PO's as listed in Sections B through F. These items include, but are not limited to, water or water rights, debt service payments, real property and ongoing expenses for utility services (electricity, gas, telecommunications, etc.).
- 5) Department Responsibilities - It is the responsibility of the acquiring Department to:
- a) Make purchases in accordance with established policies and procedures.
 - b) Verify that an appropriation is available for the purchase.
 - c) Anticipate the Departments' needs in advance to minimize the need for emergency purchases.
 - d) Review goods and services received to ensure conformity with PO or contract.
 - e) No invoice should be processed for payment when the goods or services are unsatisfactory or there is a price discrepancy from the price originally offered. Please resolve the issue prior to payment.
- 6) Payment Authorization - An authorized signature on the invoice, receipt or other backup shall be considered authorization for payment. The signature shall indicate that the signer has:
- a) Verified that TVMWD has received the goods or services in good working condition.
 - b) Verified that the purchase complies with this purchasing policy and that funds are available for the purchase.
- 7) Signature Authorization - Each Department Head will be responsible for signing off on various financial and other administrative documents.
- a) All Departments - General Manager/Chief Engineer (GM)
 - b) Water Resources – Chief Water Resources Officer
 - c) Administration – Chief Administrative Officer
 - d) Finance - Chief Finance Officer (CFO)
 - e) Operations – Chief Operations Officer
- 8) Contract and Purchase Order
- a) If needed, contracts shall be prepared and original copies signed by the vendor and the Department Head or GM.
 - b) A PO shall be prepared detailing the vendor name, address, goods or services being purchased, total price including tax and shipping, and budget account to be charged. The PO packet shall contain the PO and any supporting documentation (contract, proposals, quotes, etc.).
 - c) The PO packet shall then be reviewed by the CFO for conformity to the purchasing policy and availability of funds.
 - d) The PO packet shall then be submitted to the Department Head or GM for final approval.
- 9) Execution - Once the Department has received the approved PO (and original contract, if necessary), they may contact the vendor to purchase the goods or begin the services. Goods must generally be shipped to TVMWD address. If the goods will be shipped to an alternate location, this should be cleared with the GM in advance.

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SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT

- 1) Purpose - Provide guidelines for the purchase of general supplies, materials and equipment. General supplies, materials and equipment shall consist of any and all tangible items necessary for day-to-day operations, excluding proprietary equipment and goods (Section C) and any goods purchased as part of a Public Project (Section F). When goods and services are purchased together, this section shall apply if the majority of the purchase is for goods.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be obtained to assure a competitive price is received for an item, while avoiding the additional time and expense involved with formal bidding.
 - a) Informal Quotes - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible vendors are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal quotes and in some instances may actually not be the most cost-effective approach.
 - a) Formal Bidding
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the item to be purchased.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable vendors.

SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT (cont.)

iii) Bid Opening

- (1) Sealed bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope. Faxed or other electronic bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.

v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.

b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

SECTION C - PROPRIETARY EQUIPMENT AND GOODS

- 1) Purpose - Provide guidelines for the purchase of equipment/software and other artistic goods that may only be purchased through a proprietary vendor. There is no competitive offer requirement for this type of purchase since the item is being purchased based on qualification rather than price. Proprietary vendors are those vendors that directly sell their products and do not use distributors or other outlets.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. An informal evaluation should be used to assure quality goods are received for a reasonable price.
 - a) Informal Product Review - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company
 - ii) The person providing the quote
 - iii) Estimated price
 - iv) Pros/Cons of the product
 - v) Brief justification for the selection of the goods
 - b) Review of Three Products - The Department should make every reasonable attempt to review at least three products. In the event that three products are not reviewed, the Department shall document why it is not practical to review alternate products.
 - c) Evaluation - The Department shall select the product which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept the product which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. A more formal evaluation should be used, thereby assuring TVMWD that it has purchased the best product fit for TVMWD. The formal process generally takes more time and expense than informal offers and in some instances may actually not be the most cost-effective approach.
 - a) Formal Product Review - To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential companies from which to solicit quotes. A Selection Committee shall be formed to evaluate the submitted data and determine the products that should receive further consideration. The Committee shall be appointed by the Department Head, subject to the approval of the GM, and may consist of more than one Department.
 - b) Evaluation - Because unique products are requested, cost is not considered the primary selection criteria.
 - i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) The Selection Committee may also choose to view demonstrations of all the products, only the top ranking products, or to not view demonstrations.
 - iv) After the interviews and demonstrations (if applicable), the Selection Committee shall rank the products accordingly, based on their evaluation, as to the best solution for TVMWD.
 - c) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked product. The Board shall then award the purchase in a public meeting.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.

SECTION D - GENERAL TRADE SERVICES

- 1) Purpose - Provide guidelines for the purchase of trade contractual services. Trade services shall mean the repair, rental or maintenance of equipment, machinery, and other TVMWD-owned or operated property. Included within this term are services necessary for the routine operation, repair or maintenance of existing buildings or improvements. The term does not include services rendered by professionals and other services which are unique in nature and not subject to competition. When goods and services are purchased together, this section shall apply if the majority of the purchase is for services.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Trade services greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be used to assure the most competitive price is received for an item, while avoiding the additional time and expense involved in formal offers.
 - a) Informal Quote - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Trade services greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible contractors/service providers are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal bidding and in some instances may actually not be the most cost-effective approach.
 - a) Formal Offer
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications of the services to be performed. The following format is suggested for competitive bids
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable contractor/service providers.

SECTION D - GENERAL TRADE SERVICES (cont.)

iii) Bid Opening

- (1) Sealed bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope. Faxed or other electronic bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.

v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.

b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION E - PROFESSIONAL SERVICES

- 1) Purpose - Provide guidelines for the purchase of professional services. Professional services are those activities performed by a consultant who possesses a high degree of expertise in a particular profession. This would generally include (but not be limited to) architectural services, accounting/auditing services, environmental services, design services, engineering services, technical services, financial services, legal services, economic services and other administrative services. There is no competitive offer requirement for services since the agent is being hired based on qualifications rather than price.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal proposal should be used to assure quality services are received for a reasonable price. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - a) Informal Proposal - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company.
 - ii) The person providing the proposal.
 - iii) Estimated price.
 - iv) Understanding of the required scope of services.
 - v) Specialized experience of the firm and its personnel relative to the required services.
 - vi) References who can be contacted to verify past record of performance, (i.e., completion of a quality product in a timely manner and within budget constraints).
 - vii) The capacity of the firm to perform the subject project within a required timeframe.
 - viii) Pros/Cons of the proposal.
 - ix) Brief justification for the selection of the services.
 - b) Review of Three Proposals - The Department should make every reasonable attempt to obtain at least three written proposals. In the event that three proposals cannot be provided, the Department shall document why it is not practical to continue soliciting proposals.
 - c) Evaluation - The Department shall select the provider which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept that proposal which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the scope of services that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Services greater than \$75,000 must be awarded by the Board. A Formal RFP process should be used, thereby assuring TVMWD that it has engaged the most qualified consultant available for the engagement. The formal process generally takes more time and expense than informal offers of qualifications and in some instances may actually not be the most cost-effective approach. A request for qualifications can be used when the scope of work is broadly defined. This method is used for either making an award to the most qualified provider or for pre-qualifying potential respondents for a subsequent competitive offer.
 - a) Request for Proposal/Qualifications - Because these requests ask for a subjective product, they should contain the greatest detail possible, and may include the following:
 - i) A precise description of the problem, objective or service required.
 - ii) The services to be performed and/or product to be provided.
 - iii) Time schedule requirements.
 - iv) Evaluation factors and the relative importance of each.
 - v) Expectations and/or limitations on the part of TVMWD.
 - vi) Expected content.
 - vii) Contractual requirements.
 - viii) Requests for construction project management services may require evidence provided of experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

SECTION E - PROFESSIONAL SERVICES (cont.)

- b) Issuing the Request
- i) To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential firms to receive the request.
 - ii) If required or desired, the responsible Department will submit the request to be advertised in a local newspaper of general circulation. Additional advertisements may be placed in a regional newspaper of general circulation; appropriate professional or trade journals; and state or governmental publications designed for public notice.
 - iii) A reasonable length of time between offering/advertising and closing dates must be allowed to provide potential respondents time for preparation in accordance with the complexity, the size of the project, and the scope of advertising.
 - iv) TVMWD staff may conduct conferences to explain the requirements of the project. A sufficient amount of time should be allowed after the request has been issued to allow potential respondents to become familiar with the project. Any clarification or changes required to the request, as a result of the conference, shall be added as a written amendment. A summary of the conference shall be provided to all prospective respondents receiving the request.
 - v) The requesting Department shall prepare sufficient copies of the request to allow distribution to potential respondents of record and responses to the published advertisements. In addition, the Department shall maintain a list of requests issued and responses.
- c) Proposal Opening
- i) Proposals shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the proposal number on the envelope. Faxed or other electronic proposals are not acceptable.
 - ii) Respondents may modify or withdraw their proposals prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - iii) Any proposal received after the time specified in the request shall be returned to the respondent, unopened.
 - iv) To avoid disclosure of the contents of competing requests, proposals will be opened in the presence of the GM or his/her designee and the Department Head requesting the proposals.
 - v) TVMWD office shall maintain a list of proposals received, including name and address of respondent, the number of modifications received, if any, and any additional information requested. The register will be open to inspection after the award of the contract or the rejection of all proposals.
 - vi) Proposals and modifications shall be shown only to the evaluation committee personnel, the GM or his/her designee, and the Department Head until a recommendation is made to the Board or all proposals have been rejected.
- d) Evaluation - Because unique services are requested, cost is not considered the primary selection criteria.
- i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) After the interviews (if applicable), the Selection Committee shall rank the companies accordingly, based on their evaluation, as to the best solution for TVMWD.
- e) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked provider. The Board shall then award the purchase in a public meeting.
- f) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.
- 5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION F - PUBLIC PROJECTS

- 1) Purpose - Provide guidelines for public project procurement. **Public project is defined as:**
- a) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any facility owned, leased, or operated by TVMWD.
 - b) Painting or repainting any facility owned, leased or operated by TVMWD.
 - c) Construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher that are owned by TVMWD.
 - d) A public project **does not** include maintenance work. Maintenance work includes all of the following:
 - i) Routine, recurring, and usual work for the preservation or protection of facilities owned or operated by TVMWD.
 - ii) Minor repainting.
 - iii) Street and highways resurfacing at less than one inch (1”) deep.
 - iv) Landscape maintenance (mowing, watering, trimming, planting, and servicing of irrigation systems).

- 2) Policy - It is TVMWD’s policy to follow the Uniform Construction Cost Accounting Procedures for all Public Projects, as set forth in the Public Contract Code. It is also TVMWD’s policy to adopt the purchasing limits and policies as set forth in Public Contract Code Sections 22030 to 22045. TVMWD’s policy is also to adhere to California Prevailing Wage Law on all public works construction projects exceeding \$1,000. Consult Finance staff for Federally funded projects.

California Prevailing Wage Law – prevailing wage is defined as a minimum wage requirement for public works projects. State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720, et. seq., and include, but are not limited to such types of work performed under contract as construction, modernization, alteration, demolition, installation, or repair.

- a) The Office of Policy, Research and Legislation (OPRL) predetermines the appropriate prevailing wage rates for particular construction trades and crafts by county.
- b) A contractor or subcontractor may not pay less than the prevailing wage rate (includes wages and benefits).
- c) The correct wage determination for a project is to be provided by the Awarding Agency and should be included in project specifications and available during the bid process.
- d) The date of the first bid advertisement determines which prevailing wage determination is used.
- e) Contractors and subcontractors must employ registered apprentices on public works projects (Labor Code Section 1777.5).

California Public Works Contractors Registration – Contractors and subcontractors must register with DIR for all public works projects. This program will fund DIR’s monitoring and enforcement of prevailing wage laws. All public works projects with bids submitted after March 1, 2015, or awarded on or after April 1, 2015, may use only registered contractors and subcontractors.

- a) TVMWD is required to include notice of the registration requirement in bid invitations and bid documents.
- b) TVMWD must file notice of their public works project with DIR form PWC-100 (www.dir.ca.gov/pwc100).
- c) Contractors and subcontractors will be required to submit certified payroll records to the Labor Commissioner.

- 3) General Manager Award Level I ≤ \$60,000 - Public Projects contracts \$60,000 (per limit established by Public Contract Code Section 22032) or less must be awarded by the GM. The Department Head may recommend a contractor without using competitive offer, however a PO and approval by the GM is required for these purchases. The Department Head may also elect to perform the project using employees of TVMWD by force account.
- a) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that result in less than \$60,000 annual contract amount. All other change orders shall be brought to the Board for approval.

SECTION F - PUBLIC PROJECTS (cont.)

- 4) General Manager Award Level II > \$60,000 to ≤ \$200,000 - Public Projects contracts greater than \$60,000 but \$200,000 (per limit established by Public Contract Code Section 22032) or less may be let to contract by the informal bid process set forth in this policy.
- a) Informal Bids - TVMWD shall solicit informal bids in accordance with Public Contract Code Sections 22034-22036.
- i) List of Qualified Contractors - TVMWD shall maintain a list of qualified contractors, identified according to categories of work as specified in Public Contract Code Section 22034.
- ii) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
- (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
- iii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
- (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The notice shall be mailed at least ten (10) calendar days before the date of opening the bids to:
 - (a) All qualified contractors on the list for the category of work to be performed OR
 - (b) All construction trade journals specified in Section 22036 of the Public Contract Code OR
 - (c) Both all contractors and all trade journals
- iv) Bid Opening
- (1) Sealed bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope. Faxed or other electronic bids are not acceptable.
 - (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - (3) Bids shall be opened in public at the time and place stated in the public notice.
 - (4) The GM or his/her designee shall open the bids and shall record all bids received.
 - (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
 - (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
 - (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

SECTION F - PUBLIC PROJECTS (cont.)

- v) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.
 - vi) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:
 - (1) Price.
 - (2) Ability, capacity, and skill.
 - (3) Ability to meet time requirements.
 - (4) Character, integrity, and reputation.
 - (5) Previous vendor experience.
 - (6) Financial resources available for contract performance.
 - (7) Ability to provide future maintenance and service, if necessary.
 - b) Tie Bids - If tie bids are received, quality and service being equal, TVMWD may, at its discretion:
 - i) Reject any and all bids presented and re-advertise; or
 - ii) Accept either one or accept the lowest bid made by negotiation with the tie bidders; or
 - iii) Award the bid to any one of the low tie bidders by public drawing.
 - c) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The GM shall then award the bid.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results an overall amount up to \$200,000. All other change orders shall be brought to the Board for approval.
- 5) Board Award > \$200,000 - Public Projects exceeding \$200,000 (per limit established by Public Contract Code Section 22032) must be formally bid and awarded by the Board in accordance with Public Contract Code Sections 22037 to 22044.
- a) Formal Bids - TVMWD shall solicit formal bids in accordance with Public Contract Code Sections 22037-22044.
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the services to be performed. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least fourteen (14) days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD.
 - (5) The notice shall also be sent (mailed, faxed or e-mailed) to all construction trade journals specified in Section 22036 of the Public Contract Code. The notices shall be mailed at least fifteen (15) calendar days before the date of opening the bids.

SECTION F - PUBLIC PROJECTS (cont.)

iii) Bid Opening

- (1) Sealed bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope. Faxed or other electronic bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD. If after the first invitation of bids all bids are rejected, TVMWD may elect to re-advertise for bids or have the project done by force account. (See Section 22038 of the Public Contract Code for Procedures and limitations)

v) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:


- (1) Price.
- (2) Ability, capacity, and skill.
- (3) Ability to meet time requirements.
- (4) Character, integrity, and reputation.
- (5) Previous vendor experience.
- (6) Financial resources available for contract performance.
- (7) Ability to provide future maintenance and service, if necessary.

b) Award - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results in less than a 20% aggregate change in the contract price. All other change orders shall be brought to the Board for approval.



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: **Legislative Update – May 2020**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	\$

Discussion:

The Legislature returned to Sacramento earlier this month after an extended layoff due to the statewide and global effects of COVID-19. Hearings in both houses kicked back into gear this past week and the deadline for bills to pass out of their house of origin in next Friday, May 29.

Attached is the monthly Legislative Status Report (LSR), as prepared by our state lobbyist. The LSR includes all bills we are currently watching, supporting or opposing. Most of the bills originally proposed in the legislative session have become secondary in favor of COVID-19 legislation - largely related to the funding and recovery from the pandemic.

AB 3256 – Resources Bond Act

Assembly Member Eduardo Garcia has introduced AB 3256, the *Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020* (Resources Bond Act). Like most bonds introduced in recent years, this is a \$6.98 billion bond that will provide funding covering all key areas factored into the lengthy bond title above.

The Legislature would like to put a bond on the November ballot; however, they realize it will be difficult as June 25 is the key date to pass legislation with a two-thirds vote for placement on the ballot. The Legislature is also dealing with the state budget, which must be passed by June 15th.

In response to all water-related bond proposals, attached is a blanket policy statement from ACWA to address the key issues and make recommendations for a final version of the Bond. AB 3256 appears to cover many of the ACWA concerns, though some suggested amendments are expected to be forthcoming.

Legislative Analyst Office – Budget Update

Earlier this month, the Legislative Analyst Office (LAO) for California released the attached *Spring Fiscal Outlook* for the upcoming 2020-21 Budget and as anticipated, the projections are quite unfavorable due to the ongoing economic downturn stemming from COVID-19.

We reported last month that compared to prior recessions, the state had entered this period of economic uncertainty with significant reserves. However, the state has historically found that a budget problem (deficit) associated with a typical recession could significantly exceed the now \$16 billion currently in reserves. The projections released by the LAO confirm this.

The *Outlook* focuses on two potential scenarios – a somewhat optimistic “U-Shaped” recession or a pessimistic “L-Shaped” recession model – though the actual outcome could vary significantly. In short, the U-Shaped model estimates an \$18 billion budget problem that would wipe out the existing reserves and put the state in a deficit position. Under the L-Shaped model, the state would face a steeper \$31 billion budget problem.

The administration recently released an estimated \$54 billion budget problem that is significantly higher than the LAO estimates above, yet it is intended to prepare the policymakers for the tremendous fiscal challenges that lie ahead. It also focuses on gross changes to the budget’s bottom line as opposed to the LAO’s net effects, causing the perception of an even larger problem.

Worse yet, budget deficits are expected to persist to at least 2023-24. However, one small silver lining is that during the last recession, the state had no reserves and deep cuts were necessary, but the sizeable reserve on hand now will help initially to cushion the coming budget crunch.

Strategic Plan Objective(s):

1.7 – Advocate for a Bay-Delta fix

3.5 – Ensure that all of the region’s local government policy makers understand TVMWD’s role in the delivery of water.

Attachment(s):

Exhibit A – 2020 Legislative Calendar

Exhibit B – LSR Report April 2020

Exhibit C – ACWA Bond Policy Statement

Exhibit D – LAO Spring Fiscal Outlook

Meeting History:

None

KH/ML



Three Valleys Municipal Water District

2020 Legislative Calendar

Jan. 1	2019 Statutes take effect.
Jan. 6	<u>Legislature reconvenes.</u>
Jan. 10	Budget must be submitted by Governor.
Jan. 17	Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in odd numbered year.
Jan. 24	Last day for any committee to hear and report to the floor bills introduced in that house in odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel.
Jan. 31	Last day for each house to pass bills introduced in that house in the odd-numbered year.
Feb. 21	<u>Last day for bills to be introduced.</u>
Apr. 2	Spring Recess begins upon adjournment of session.
Apr. 13	Legislature reconvenes from Spring Recess.
Apr. 24	<u>Last day for policy committees to hear and report to fiscal committees fiscal bills.</u>
May 1	<u>Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.</u>
May 8	<u>Last day for policy committees to meet prior to June 1</u>
May 15	<u>Last day for fiscal committees to hear and report bills to the floor bills introduced in their house. Last day for fiscal committees to meet prior to June 1</u>
May 26-29	Floor session only. No committees, other than conference or Rules committee, may meet for any purpose
May 29	Last day for bills to be passed out of the house of origin.
June 1	Committee meetings may resume.
June 15	<u>Budget bill must be passed by midnight.</u>
June 25	Last day for a legislative measure to qualify for the Nov. 3 General Election ballot.
June 26	<u>Last day for policy committee to hear and report fiscal bills to fiscal committee.</u>
July 2	<u>Last day for policy committees to meet and report bills introduced in the other house.</u> Summer Recess begins upon adjournment, provided Budget Bill has been passed.
Aug. 3	Legislature reconvenes from Summer Recess.
Aug. 14	<u>Last day for fiscal committees to meet and report bills to the floor.</u>
Aug 17-31	Floor Session Only. No committee, other than conference and Rules committees, may meet for any purpose.
Aug. 21	Last day to amend bills on the Floor.
Aug. 31	<u>Last day for each house to pass bills. Interim Study Recess begins.</u>
Sep. 30	<u>Last day for Governor to sign or veto bills.</u>
Oct. 1	Bills enacted on or before this date take effect January 1, 2021.
Nov. 3	General Election
Nov. 30	Adjournment sine die at midnight.



Michael J. Arnold & Associates
Legislative Advocates and Consultants

Three Valleys Municipal Water Department

Legislative Status Report 5/12/2020

[AB 69](#)

[Ting D](#)

Land use: accessory dwelling units.

Text Version: Amended: 6/20/2019 Position: Watch
[html](#) [pdf](#)

Status: 9/15/2019-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/5/2019)
(May be acted upon Jan 2020)

Existing law requires the Department of Housing and Community Development to propose building standards to the California Building Standards Commission, and to adopt, amend, or repeal rules and regulations governing, among other things, apartment houses and dwellings, as specified. This bill would require the department to propose small home building standards governing accessory dwelling units smaller than 800 square feet, junior accessory dwelling units, and detached dwelling units smaller than 800 square feet, as specified, and to submit the small home building standards to the California Building Standards Commission for adoption on or before January 1, 2021.

An act to add Section 17921.2 to the Health and Safety Code, relating to land use.

[AB 100](#)

Committee on Budget

Drinking water.

Text Version: Amended: 6/21/2019 Position: Support
[html](#) [pdf](#)

Status: 9/13/2019-Re-referred to Com. on B. & F.R.

(1)Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would continuously appropriate the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. The bill would require the state board to adopt a fund implementation plan with specified contents and would require, on and after July 1, 2020, expenditures of the fund to be consistent with the plan. The bill would require, by January 1, 2021, the state board, in consultation with local health officers and other relevant stakeholders, to make publicly available, as specified, a map of aquifers that are used or likely to be used as a source of drinking water that are at high risk of containing contaminants that exceed safe drinking water standards. For purposes of the map, the bill would require local health officers and other relevant local agencies to provide all results of, and data associated with, water quality testing performed by certified laboratories to the state board, as specified. By imposing additional duties on local health officers and local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add Section 53082.6 to the Government Code, to amend Sections 39719, 100827, 116275, 116385, 116530, 116540, and 116686 of, and to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of, the Health and Safety Code, and to add Chapter 7 (commencing with Section 8390) to Division 4.1 of the Public Utilities Code, relating to drinking water, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[AB 134](#)

[Bloom D](#)

Safe Drinking Water Restoration.

Text Version: Amended: 5/20/2019 Position: Watch
[html](#) [pdf](#)

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

(1)Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The act authorizes the board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community,

consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. Assembly Bill 217 of the 2019–20 Regular Session of the Legislature, if enacted, would require the board to adopt an assessment of funding need that identifies systems and populations potentially in need of assistance and an analysis of anticipated funding needed based on the amount available in the Safe and Affordable Drinking Water Fund. This bill would require the board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board’s activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians. The bill would require the Legislative Analyst’s Office, at least every 5 years, to provide an assessment of the effectiveness of expenditures from the Safe and Affordable Drinking Water Fund proposed by AB 217 of the 2019–20 Regular Session. This bill contains other related provisions and other existing laws.

An act to add Chapter 8 (commencing with Section 117200) to Part 12 of Division 104 of the Health and Safety Code, relating to drinking water.

[AB 292](#) **[Quirk D](#)** **Recycled water: raw water and groundwater augmentation.**
Text Version: Amended: 6/20/2019 Position: Watch
 [html](#) [pdf](#)
Status: 9/15/2019-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 8/30/2019)
 (May be acted upon Jan 2020)

Existing law requires the State Water Resources Control Board, on or before December 31, 2023, to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation, as specified. Existing law defines “direct potable reuse” and “indirect potable reuse for groundwater recharge” for these purposes. This bill would eliminate the definition of “direct potable reuse” and instead would substitute the term “groundwater augmentation” for “indirect potable reuse for groundwater recharge” in these definitions. The bill would revise the definition of “treated drinking water augmentation.” The bill would require, on or before December 31, 2023, the state board to adopt uniform water recycling criteria for raw water augmentation. The bill would make conforming changes in other areas relating to potable reuse.

An act to amend Sections 10608.12, 10633, 13263.7, 13561, 13561.2, 13570, and 13578 of the Water Code, relating to water.

[AB 352](#) **[Garcia, Eduardo D](#)** **Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**
Text Version: Amended: 8/14/2019 Position: Watch
 [html](#) [pdf](#)
Status: 8/14/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read
 second time, amended, and re-referred to Com. on EQ.

Under existing law, programs have been established pursuant to bond acts for, among other things, drought, water, parks, climate, coastal protection, and outdoor access for all. This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildfire prevention, safe drinking water, drought preparation, and flood protection program. The bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election. The bill would provide that its provisions are severable.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to a wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

[AB 402](#) **[Quirk D](#)** **State Water Resources Control Board: local primacy delegation: funding stabilization program.**
Text Version: Amended: 6/18/2019 Position: Watch
 [html](#) [pdf](#)
Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on
 8/12/2019)(May be acted upon Jan 2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act authorizes the state board to delegate, through a local primacy delegation agreement, primary responsibility for the act’s administration and enforcement within a county to a local health officer, as specified. The act requires that a local primacy delegation remain in effect until specified conditions occur. This bill would authorize the state board to delegate partial responsibility for the act’s administration and enforcement by means of a local primacy delegation agreement. The bill would authorize the state board, for counties that have not been delegated primary

responsibility as of January 1, 2020, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance in performing administrative and enforcement activities, as specified. The bill would authorize the state board to approve the application for delegation if the state board determines that the local health officer is able to sufficiently perform the administrative and enforcement activities and would specify that a local primacy agency has all of the authority over designated public water systems as is granted to the state board by the act. This bill contains other related provisions and other existing laws.

An act to amend Sections 116330 and 116565 of the Health and Safety Code, relating to drinking water.

[AB 722](#) **[Bigelow R](#)** **Water: dams: fees.**
Text Version: Amended: 4/2/2019 Position: Watch
 [html](#) [pdf](#)
Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

Existing law requires the Department of Water Resources to supervise the maintenance and operation of dams and reservoirs as necessary to safeguard life and property. Existing law requires the department to adopt, by regulation, a schedule of fees to cover the department's costs in carrying out the supervision of dam safety. Existing law limits the total annual fee for a dam or reservoir located on a farm or ranch property or a privately owned dam with less than 100 acre-feet of storage capacity to no more than 20% of the fees assessed pursuant to the schedule of fees. This bill would limit the total annual fee for a dam operated by certain irrigation districts to no more than 20% of the fees assessed pursuant to the schedule of fees.

An act to amend Section 6307 of the Water Code, relating to water.

[AB 841](#) **[Ting D](#)** **Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances.**
Text Version: Amended: 3/20/2019 Position: Watch
 [html](#) [pdf](#)
Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 5/29/2019)(May be acted upon Jan 2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act requires the board to adopt primary drinking water standards for contaminants in drinking water and requires the Office of Environmental Health Hazard Assessment to prepare and publish an assessment of the risks to public health posed by each contaminant for which the board proposes a primary drinking water standard. This bill would require the office to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be identified as a potential risk to human health, as provided. The bill would require the office, as part of those assessments, to determine which of the substances are appropriate candidates for notification levels to be adopted by the state board. The bill would require the office, by January 1, 2022, to provide to the Legislature an update on the assessment. The bill would require the office to assess annually those substances as new information, scientific research, and detection methodologies become available. This bill contains other existing laws.

An act to add Section 116365.3 to the Health and Safety Code, relating to drinking water.

[AB 955](#) **[Gipson D](#)** **Water replenishment districts: water system needs assessment program.**
Text Version: Amended: 7/11/2019 Position: Watch
 [html](#) [pdf](#)
Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Existing law, the Water Replenishment District Act, provides for the formation, organization, and functioning of water replenishment districts and authorizes a district to do any act necessary to replenish the groundwater of the district. This bill would authorize a water replenishment district, pursuant to an agreement with the State Water Resources Control Board, to offer to conduct a needs assessment program for water systems serving disadvantaged communities within the district, as specified. The bill would make a water system's participation in the program voluntary. The bill would authorize the district, upon completion of the needs assessment, to develop and evaluate options to address the findings and recommendations in the needs assessment and prepare an implementation plan for recommendation to the water system. The bill would authorize the district, to the extent it receives federal or state grants that may be used for this purpose, to assist the water system in implementing the plan, and would require the participating district to prepare an annual report regarding the services, costs, and sources of funding for all actions taken under this program. The bill would repeal these provisions as of January 1, 2026.

An act to add and repeal Section 60234 of the Water Code, relating to water.

[AB 1415](#) **[Friedman D](#)** **Department of Water Resources: reporting requirements: civil penalties.**

Text Version: Amended: 5/24/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Existing law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Existing law requires specified plans and reports relating to water management to be provided to the department. This bill would require the department to impose a civil penalty on an entity that fails to file with the department a specified report or plan by the deadline required for that particular report or plan, as provided. The bill would authorize the department to reduce or waive the civil penalty under certain circumstances. The bill would require the department, not later than February 1, 2021, and not later than February 1 each year thereafter, to prepare and submit a report to specified legislative committees listing each entity that, during the preceding calendar year, failed to timely file a report or plan subject to the civil penalties imposed by this bill. This bill contains other related provisions.

An act to add Chapter 3.8 (commencing with Section 390) to Division 1 of the Water Code, relating to water.

[AB 1580](#)

[Levine D](#) **Major infrastructure construction projects: oversight committees.**

Text Version: Amended: 7/1/2019 Position: Oppose
[html](#) [pdf](#)

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Existing law requires the Department of Transportation and the Bay Area Toll Authority to establish the Toll Bridge Program Oversight Committee, as provided, to review and provide program direction for seismic retrofit and replacement projects on toll bridges within the geographic jurisdiction of the committee. This bill, except as specified, would similarly require a state agency undertaking a publicly funded major infrastructure construction project that is estimated to cost \$1,000,000,000 or more to form an oversight committee, as provided, to develop and use risk management plans throughout the course of the project, and to take specified actions relating to managing risks. The bill would require the oversight committee to act as the authority for critical decisions regarding the implementation of the project's risk management plan and to have sufficient staff to support decisionmaking.

An act to add Chapter 13 (commencing with Section 4570) to Division 5 of Title 1 of the Government Code, relating to public construction projects.

[AB 1694](#)

[O'Donnell D](#) **San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: territory: Dominguez Channel watershed and Santa Catalina Island.**

Text Version: Amended: 7/11/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Existing law establishes the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy in the Natural Resources Agency and prescribes the functions and duties of the conservancy with regard to the protection, preservation, and enhancement of specified areas of the Counties of Los Angeles and Orange located along the San Gabriel River and the lower Los Angeles River and tributaries along those rivers. Existing law, for purposes of those provisions, defines "territory" to mean the territory of the conservancy that consists of those portions of the Counties of Los Angeles and Orange located within the San Gabriel River and its tributaries, the lower Los Angeles River and its tributaries, and the San Gabriel Mountains, as described. This bill would additionally include the Dominguez Channel watershed and Santa Catalina Island, as described, within that definition of territory, and would make various related changes to the boundaries of that territory. This bill contains other related provisions and other existing laws.

An act to amend Sections 32601, 32602, 32603, and 32604 of the Public Resources Code, relating to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

[AB 1751](#)

[Chiu D](#) **Water and sewer system corporations: consolidation of service.**

Text Version: Amended: 7/5/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

The Public Utilities Act prohibits, with certain exemptions, any public utility from selling, leasing, assigning, mortgaging, or otherwise disposing of or encumbering specified property necessary or useful in the performance of the public utility's duties to the public without first, for qualified transactions valued above \$5,000,000, securing an order from the Public Utilities Commission authorizing it to do so or, for qualified transactions valued at \$5,000,000 or less, filing an advice letter and obtaining approval from the commission. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the

Item 7.A - Exhibit B

water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system. The bill would require the commission to approve or deny the application within 8 months, except as provided. This bill contains other existing laws.

An act to add Chapter 2.7 (commencing with Section 2721) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

[AB 1958](#)

[Cooper D](#)

State Plan of Flood Control: facilities.

Text Version:

Introduced: 1/17/2020

Position: Watch

[html](#) [pdf](#)

Status:

4/6/2020-In committee: Hearing postponed by committee.

Calendar:

5/14/2020 10 a.m. - State Capitol, Assembly Chamber ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Existing law establishes the Central Valley Flood Protection Board and authorizes the board to engage in various flood control activities along the Sacramento River, the San Joaquin River, their tributaries, and related areas. Existing law requires every plan of reclamation, flood control, drainage, improvement, dredging, or work, that includes or contemplates the construction, enlargement, revetment, or alteration of any levee, embankment, canal, or other excavation in the bed of or along or near the banks of the Sacramento or San Joaquin Rivers or any of their tributaries or connected therewith, upon any land adjacent thereto, within any of the overflow basins thereof, or upon any land susceptible to overflow therefrom, to be approved by the board before construction is commenced. Existing law prohibits a levee along a river or bypass at any of those specified places, or any levee forming part of any adopted flood control plan, from being cut or altered without permission of the board. Existing law makes a violation of the latter provisions a misdemeanor. This bill would instead prohibit a person from concealing, defacing, destroying, modifying, cutting, altering, or physically or visually obstructing any levee along a river or bypass at any of those specified places, any levee forming part of any flood control plan, or any other facility of the State Plan of Flood Control, including, but not limited to, any and all associated rights of way, without permission of the board. By expanding the behavior that would be punishable as a misdemeanor, the bill would impose a state-mandated local program. The bill would authorize the board or its designee, or a local agency that maintains the levee or facility, to inspect and remove any physical or visual obstructions placed or alterations made on any of the above-specified levees or facilities, including, but not limited to, any and all associated rights of way. The bill would authorize a peace officer, as defined, to enforce those provisions punishable by a misdemeanor in any place in the state to which the peace officer's authority extends. This bill contains other related provisions and other existing laws.

An act to amend Section 8720 of, to add Section 8540 to, and to repeal and add Section 8712 of, the Water Code, relating to flood control, and declaring the urgency thereof, to take effect immediately.

[AB 2060](#)

[Holden D](#)

Drinking water: pipes and fittings: lead content.

Text Version:

Introduced: 2/4/2020

Position: Watch

[html](#) [pdf](#)

Status:

3/10/2020-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (March 10). Re-referred to Com. on APPR.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The act prohibits, with certain exceptions, the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption. The act defines "lead free" for purposes of manufacturing, industrial processing, or conveying or dispensing water for human consumption to mean not more than 0.2% lead when used with respect to solder and flux and not more than a weighted average of 0.25% lead when used with respect to the wetted surfaces of pipes and pipe fittings, plumbing fittings, and fixtures. This bill would additionally define "lead free," for purposes of manufacturing, industrial processing, or conveying or dispensing water for human consumption, to mean not more than one microgram of lead under certain tests and meeting a specified certification when used with respect to end-use devices.

An act to amend Section 116875 of the Health and Safety Code, relating to drinking water.

[AB 2093](#)

[Gloria D](#)

Public records: writing transmitted by electronic mail: retention.

Text Version:

Introduced: 2/5/2020

Position: Oppose

[html](#) [pdf](#)

Status:

3/10/2020-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 1.) (March 10). Re-referred to Com. on APPR.

Existing law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. Existing law requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the

and groundwater sustainability agencies of those suppliers or communities. Existing law requires the department, in consultation with the state board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities, as provided. This bill would repeal these provisions.

An act to repeal Sections 10609.40 and 10609.42 of the Water Code, relating to water.

[AB 2324](#) **[Friedman D](#)** **Accessory dwelling units: prohibition of rent or lease.**
 Text Version: Amended: 5/4/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/5/2020-Re-referred to Com. on H. & C.D.

Existing law, the Planning and Zoning Law, authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily dwelling residential zones and requires a local agency that has not adopted an ordinance to ministerially approve an application for an accessory dwelling unit. Existing law also authorizes a local agency to allow, by ordinance, for the sale or conveyance of an accessory dwelling unit separate from the primary residence to a qualified buyer, as defined, upon meeting specified conditions. This bill would prohibit a person, as defined, from renting or leasing more than 15 of the person's accessory dwelling units, as defined, in the state.

An act to add Section 65852.27 to the Government Code, relating to housing.

[AB 2333](#) **[Quirk D](#)** **Waste: releases: remedial action: local oversight.**
 Text Version: Amended: 5/6/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/7/2020-Re-referred to Com. on E.S. & T.M.
 Calendar: 5/14/2020 11:30 a.m. - State Capitol, Room 4202 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Existing law, whenever a release of waste occurs and remedial action is required, authorizes a responsible party for the release to request that a local officer supervise the remedial action. Existing law authorizes a local officer to agree to supervise the remedial action if the local officer determines that certain conditions have been met. Existing law authorizes that remedial action to be carried out only pursuant to a remedial action agreement, that includes specified elements, entered into by the local officer and the responsible party, and authorizes the local officer to withdraw from the agreement, after giving the responsible party adequate notice, at any time after making any of specified findings. Existing law requires a local officer to provide written notification, that includes specified information, to the Department of Toxic Substances Control and the appropriate regional water quality control board at least 10 working days before entering into a remedial action agreement with a responsible party. Existing law authorizes a local officer to provide a responsible party with a letter or other document that describes the release of waste that occurred and the remedial action taken and certifies that the cleanup goals embodied in the remedial action agreement were accomplished. This bill would authorize a responsible party to request the local officer to oversee the remedial action only if the release is not being overseen by the department or a regional water quality control board. The bill would authorize the local officer to agree to oversee the remedial action only if the local officer demonstrates to the department or the regional water quality control board that the same conditions referenced above have been met and the local officer has complied with specified notification requirements. The bill would revise the requirements for a remedial action agreement and would impose other requirements relating to recordkeeping, public notification, and notification to the department and the regional water quality control board, as provided. The bill would require the department or the regional water quality control board, before assuming regulatory oversight authority over a release, to notify the local officer, 30 days after which any remedial action agreement would no longer be valid. The bill would require, instead of authorize, a local officer to provide the responsible party with a document that makes the same descriptions and certifications described above. By imposing new duties on local officers, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Sections 101480, 101485, and 101487 of the Health and Safety Code, relating to hazardous substances.

[AB 2364](#) **[Rubio, Blanca D](#)** **Municipal separate storm sewer systems: financial capability analysis.**
 Text Version: Amended: 3/10/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/17/2020-In committee: Hearing postponed by committee.

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater in accordance with the federal national pollutant discharge elimination system permit program. Existing law requires the state board or the regional boards to issue waste discharge requirements that ensure compliance with the federal Clean Water Act and apply any more stringent effluent standards or limitations necessary to implement water quality control plans, or for the protection of beneficial uses, or to prevent nuisance. This bill would require the state board, by July 1, 2021, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local

jurisdictions. The bill would require the state board and the regional boards to continue using available regulatory tools and other approaches to foster collaboration with permittees to implement permit requirements in light of the costs of implementation.

An act to add Section 13185 to the Water Code, relating to water quality.

[AB 2488](#) **Gonzalez D** **Drinking water: Lead-Safe Schools Protection Act.**
Text Version: Introduced: 2/19/2020 Position: Watch
[html](#) [pdf](#)

Status: 2/20/2020-From printer. May be heard in committee March 21.

The Lead-Safe Schools Protection Act requires the State Department of Public Health to perform various activities related to reducing the risk of exposure to lead hazards in public schools, as defined, including, among other activities, conducting a sample survey to determine the likely extent and distribution of lead exposure to children from paint on the school, soil in play areas at the school, drinking water at the tap, and other potential sources identified by the State Department of Public Health for this purpose, as provided. This bill would make nonsubstantive changes to those provisions.

An act to amend Section 32242 of the Education Code, relating to pupil health.

[AB 2502](#) **Quirk D** **Groundwater sustainability plans: impacts on managed wetlands.**
Text Version: Introduced: 2/19/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/16/2020-In committee: Set, first hearing. Hearing canceled at the request of author.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act prescribes that plans contain certain required contents and requires that plans contain, where appropriate and in collaboration with the appropriate local agencies, additional analyses or components, including, among others, control of saline water intrusion, wellhead protection areas and recharge areas, a well abandonment and well destruction program, well construction policies, and impacts on groundwater dependent ecosystems. This bill would add impacts to managed wetlands, as specified, to the additional analyses or components that a plan is required to contain when appropriate. By requiring local agencies that are groundwater sustainability agencies to include this in their plans, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 10727.4 of the Water Code, relating to groundwater.

[AB 2560](#) **Quirk D** **Water quality: notification and response levels: procedures.**
Text Version: Amended: 5/6/2020 Position: Watch
[html](#) [pdf](#)

Status: 5/7/2020-Re-referred to Com. on E.S. & T.M.

Calendar: 5/14/2020 11:30 a.m. - State Capitol, Room 4202 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the state. The act requires the state board to adopt drinking water standards for contaminants in drinking water based upon specified criteria and requires any person who owns a public water system to ensure that the system, among other things, complies with those drinking water standards. This bill would require the state board to comply with specified public notice and comment procedures when establishing or revising notification or response levels. This bill contains other existing laws.

An act to add Section 116456 to the Health and Safety Code, relating to water quality.

[AB 2611](#) **Santiago D** **Conservancies: Lower Los Angeles River Working Group.**
Text Version: Introduced: 2/20/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/12/2020-Referred to Com. on L. GOV.

Existing law requires the Secretary of the Natural Resources Agency to appoint, in consultation with the Los Angeles County Board of Supervisors to the extent the board wishes to consult, a local working group to develop a revitalization plan for the Lower Los Angeles River watershed, called the Lower Los Angeles River Working Group. Existing law required, by March 1, 2017, the working group to develop, through watershed-based planning methods, a revitalization plan that addresses the unique and diverse needs of the Lower Los Angeles River and the communities through which it passes, and that is consistent with, enhances, and may be incorporated into, the County of Los Angeles's Master Plan, and that includes watershed education

programs. This bill would require the working group to, on or before January 1, 2022, update, through watershed-based planning methods, the above-described revitalization plan.

An act to amend Section 32622 of the Public Resources Code, relating to conservancies.

[AB 2623](#) **[Arambula D](#)** **Sustainable groundwater management.**
 Text Version: Introduced: 2/20/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 2/21/2020-From printer. May be heard in committee March 22.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act requires all relevant state agencies to consider the policies of the act, and any adopted groundwater sustainability plans, when revising or adopting policies, regulations, or criteria, or when issuing orders or determinations, where pertinent. This bill contains other existing laws.

An act to amend Section 10720.9 of the Water Code, relating to groundwater.

[AB 2629](#) **[Mayes I](#)** **Imperial Irrigation District: retail electric service.**
 Text Version: Amended: 5/4/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/5/2020-Re-referred to Com. on L. GOV.

Existing law, the Irrigation District Law, with certain exceptions, requires a director on the board of an irrigation district that provides electricity for residents of the district to be a voter of the district and a resident of the division that the director represents. Existing law authorizes an irrigation district to sell, dispose of, and distribute electricity for use outside of the district's boundaries. This bill would require the State Energy Resources Conservation and Development Commission (Energy Commission), the Imperial County Local Agency Formation Commission, and the Riverside County Local Agency Formation Commission to meet to determine the sphere of influence of the Imperial Irrigation District and options for electrical service to the energy service area of the Imperial Irrigation District at the end of a certain lease of electrical rights and to evaluate related issues of the water rights of the Imperial Irrigation District and would, on or before June 30, 2021, require the Imperial Irrigation District to submit any requested documents and information to the Energy Commission for these purposes. The bill would require the Energy Commission to study options to extend representation on the board of directors of the Imperial Irrigation District, for a specified time, to residents within the energy service area of the Imperial Irrigation District but outside its jurisdictional boundaries. The bill would, on or before June 30, 2022, require the Energy Commission to submit a report to the Legislature on these issues, as specified. To the extent the bill would impose new duties on the Imperial Irrigation District or local agency formation commissions, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act relating to irrigation districts.

[AB 2642](#) **[Salas D](#)** **Department of Conservation: Multibenefit Land Conversion Incentive Program: administration.**
 Text Version: Amended: 5/5/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/6/2020-Re-referred to Com. on W., P., & W.
 Calendar: 5/14/2020 10 a.m. - State Capitol, Assembly Chamber ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Existing law, the Sustainable Groundwater Management Act (SGMA), requires numerous groundwater basins throughout the state designated by the Department of Water Resources as medium- or high-priority basins to each be managed under a separate groundwater sustainability plan or coordinated groundwater sustainability plans by specified dates. SGMA requires, with some exceptions, that local agencies designated as groundwater sustainability agencies prepare, administer, and enforce the groundwater sustainability plans with the goal of sustainably managing these groundwater basins to avoid undesirable results such as overdrafting groundwater, subsidence, and sea water intrusion, among others. To achieve the sustainability goal, SGMA authorizes a groundwater sustainability agency to, among other measures, control groundwater extractions by regulating, limiting, or suspending extractions from groundwater wells, establish a program of voluntary fallowing of agricultural lands, or validate an existing fallowing program. This bill would require the Department of Conservation to establish and administer a program named the Multibenefit Land Conversion Incentive Program for purposes of providing grants to groundwater sustainability agencies or counties, or other specified entities designated by groundwater sustainability agencies or counties, for the development or implementation of local programs supporting or facilitating multibenefit land conversion at the basin scale. The bill would establish procedures for the department's administration of the program and would require the department to develop guidelines to implement the program and to exercise its expertise and discretion in awarding program funds to eligible applicants. The bill would specify numerous criteria regarding program eligibility, including compliance with

several specified requirements of SGMA. The bill would prescribe certain actions regarding program accountability and oversight, including preparation of an annual report with specified information evaluating the implementation of local programs and use of program funds. This bill contains other related provisions.

An act to add and repeal Division 10.6 (commencing with Section 12285) of the Public Resources Code, relating to land use.

[AB 2656](#)

[Eggman D](#)

Wholesale water suppliers: water loss audit reports.

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

2/21/2020-From printer. May be heard in committee March 22.

Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements. Existing law requires each urban retail water supplier to annually submit a completed and validated water loss audit report for the previous calendar year or fiscal year, as provided. Existing law requires the department, in coordination with the State Water Resources Control Board, to conduct necessary studies and investigations and make a recommendation to the Legislature, by January 1, 2020, on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers. This bill would express the intent of the Legislature to enact legislation that would require wholesale water suppliers to conduct and submit annual water loss audit reports to the department.

An act relating to water.

[AB 2720](#)

[Salas D](#)

California Environmental Quality Act: negative declarations and mitigated negative declarations: groundwater recharge projects.

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

3/12/2020-Referred to Com. on NAT. RES.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that the agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if the agency finds that the project will not have that effect. This bill would require the lead agency, for a groundwater recharge project on agricultural land fallowed as a result of management actions required by a groundwater sustainability plan, to prepare a negative declaration or a mitigated negative declaration if there is substantial evidence in the record that a project or a revised project would not have a significant environmental impact. Because a lead agency would be required to determine whether there is substantial evidence in the record that a project would not have a significant environmental impact, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add Section 21082.5 to the Public Resources Code, relating to environmental quality.

[AB 2736](#)

[Garcia, Eduardo D](#)

Groundwater: pumped hydroelectric energy storage systems: Joshua Tree National Park.

Text Version:

Amended: 5/5/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/6/2020-Re-referred to Com. on W., P., & W.

Calendar:

5/14/2020 10 a.m. - State Capitol, Assembly Chamber ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Existing law provides for the management and monitoring of groundwater. Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law authorizes a local agency, as defined, to adopt and implement a groundwater management plan for a groundwater basin designated as a low- or very low-priority basin by the department. Under existing law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. This bill would require a person who extracts or uses water from a groundwater basin within 20 miles of Joshua Tree National Park for purposes of construction and operation of a closed-loop pumped hydroelectric energy storage system to submit to the state board any plans, technical reports, or monitoring data reports related to groundwater required under any license for hydroelectric generation issued by the Federal Energy Regulatory Commission. The bill would require those materials submitted to the state board to include certain other information relating to groundwater monitoring and environmental impacts. The bill would require the person to report the materials to the state board on the same schedule and in the same manner as provided in the license. The bill would make a person who fails to timely submit those materials subject to a penalty of up to \$10,000 per day, as assessed by the state board. The bill would require the state board to review the materials and, if it concludes the person is not in compliance with its hydroelectric generating license from the Federal Energy Regulatory Commission, to petition the Federal Energy Regulatory Commission to ensure compliance with the terms and conditions of the license. The bill would prohibit the extraction of groundwater in excess of maximum allowable change thresholds, as defined, by a pumped hydroelectric energy storage facility

unless the extraction is permitted following consideration of an action or project that requires discretionary approval by a state or local governmental entity. The bill would subject extraction of groundwater beyond those thresholds to civil liability in an amount not to exceed \$10 per gallon of excess groundwater extracted, with the aggregate penalty not to exceed \$1,000,000.

An act to add Part 2.77 (commencing with Section 10790) to Division 6 of the Water Code, relating to groundwater.

[AB 2968](#)

[Rodriguez D](#)

County emergency plans: best practices.

Text Version: Introduced: 2/21/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/5/2020-Referred to Com. on G.O.
Calendar: 5/12/2020 11:30 a.m. - State Capitol, Assembly Chamber ASSEMBLY GOVERNMENTAL ORGANIZATION, GRAY, Chair

Existing law, the California Emergency Services Act, among other things, creates the Office of Emergency Services, which is responsible for the state's emergency and disaster response services, as specified. Existing law requires the Governor to coordinate the State Emergency Plan and those programs necessary for the mitigation of the effects of an emergency. Existing law requires the governing body of each political subdivision of the state to carry out the provisions of the State Emergency Plan. This bill would require the office to, by January 1, 2022, establish best practices for counties developing and updating a county emergency plan. The bill would require the office to, by January 1, 2022, establish a review process for a county to request the office to review a county's emergency plan. The bill would require that review process to provide technical assistance and feedback regarding, among other things, an emergency plan's consistency with the office's proposed best practices.

An act to add Section 8593.9 to the Government Code, relating to emergency services.

[AB 3005](#)

[Rivas, Robert D](#)

Leroy Anderson Dam and Reservoir: permitting, and public contracting.

Text Version: Amended: 5/4/2020 Position: Watch
[html](#) [pdf](#)

Status: 5/5/2020-Re-referred to Com. on W., P., & W.
Calendar: 5/14/2020 10 a.m. - State Capitol, Assembly Chamber ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Existing law prohibits an entity from diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or banks of, a river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into a river, stream, or lake, unless the Department of Fish and Wildlife receives written notification regarding the activity and the department either determines that the activity will not substantially adversely affect an existing fish and wildlife resource or, if the department determines that the activity may substantially adversely affect an existing fish and wildlife resource, the department issues a final agreement to the entity that includes reasonable measures necessary to protect the affected resource. This bill would, if the department determines that the Anderson Dam project, as defined, will substantially adversely affect existing fish and wildlife resources and the Santa Clara Valley Water District complete certain actions for the project, require the department within 180 days of receipt of a notification, as defined, from the district to issue a final agreement with the district that includes reasonable measures necessary to protect the affected resource. This bill contains other related provisions and other existing laws.

An act to add Section 1602.5 to the Fish and Game Code, to add Section 21163 to the Public Contract Code, and to add Section 13260.1 to, and to add Part 4 (commencing with Section 6700) to Division 3 of, the Water Code, relating to the Leroy Anderson Dam and Reservoir, and declaring the urgency thereof, to take effect immediately.

[AB 3047](#)

[Flora R](#)

Water quality: groundwater: monitoring.

Text Version: Amended: 5/4/2020 Position: Watch
[html](#) [pdf](#)

Status: 5/5/2020-Re-referred to Com. on E.S. & T.M.

Existing law requires the State Water Resources Control Board to identify and recommend to the Legislature funding options to extend, until January 1, 2024, a specified comprehensive groundwater quality monitoring program. This bill would instead require the department to identify and recommend to the Legislature funding options to extend that comprehensive groundwater quality monitoring program indefinitely.

An act to amend Section 10782 of the Water Code, relating to water quality.

[AB 3216](#)

[Kalra D](#)

Employee leave: authorization: coronavirus (COVID-19).

Text Version: Amended: 3/12/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/17/2020-In committee: Hearing postponed by committee.

Existing law, the Moore-Brown-Roberti Family Rights Act, or California Family Rights Act (CFRA), makes it an unlawful

employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take up to 12 workweeks of unpaid protected leave during any 12-month period for family care and medical leave, as specified. Existing law makes this leave available to an employee with more than 12 months of service with the employer and at least 1,250 hours of service with the employer within the last 12 months. This bill would also make it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take family and medical leave due to the coronavirus (COVID-19), as specified. The bill would require a request under this provision to be made and granted in a similar manner to that provided under the CFRA. The bill would specify that an employer is not required to pay an employee for the leave taken, but would authorize an employee taking a leave to elect, or an employer to require, a substitution of the employee's accrued vacation or other time off during this period and any other paid or unpaid time off negotiated with the employer. The bill would authorize an employee, if the employee takes leave because of the employee's own diagnosis with or quarantine because of COVID-19, to elect, or the employer to require, that the employee substitute their accrued sick leave. The bill would prohibit an employee from using sick leave during a period of leave to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner diagnosed with or quarantined because of COVID-19. The bill would require an employer, during any period in which an eligible employee takes leave, to maintain and pay for coverage under a group health plan, as defined, and would authorize the employer to recover the premium that the employee paid under certain circumstances. This bill contains other related provisions.

An act to add and repeal Section 12945.7 of the Government Code, relating to employment.

[AB 3256](#) **[Garcia, Eduardo D](#)** **Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020.**
Text Version: Amended: 5/4/2020 Position: Watch
[html](#) [pdf](#)
Status: 5/7/2020-Measure version as amended on May 4 corrected.
Calendar: 5/13/2020 10 a.m. - State Capitol, Room 4202 ASSEMBLY NATURAL RESOURCES, FRIEDMAN, Chair

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide direct primary election, authorizes the issuance of bonds in the amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill would enact the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program. This bill contains other related provisions.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program, by providing the funds necessary therefor through an election of the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

[AB 3267](#) **[Smith D](#)** **Office of Emergency Services: State Emergency Plan.**
Text Version: Amended: 3/16/2020 Position: Watch
[html](#) [pdf](#)
Status: 3/17/2020-Re-referred to Com. on G.O.
Calendar: 5/12/2020 11:30 a.m. - State Capitol, Assembly Chamber ASSEMBLY GOVERNMENTAL ORGANIZATION, GRAY, Chair

Existing law, the California Emergency Services Act, among other things, requires the Office of Emergency Services to update the State Emergency Plan on or before January 1, 2019, and every 5 years thereafter. The act also requires the office to complete an after-action report within 120 days after each declared disaster. This bill would require the office to coordinate with representatives of the access and functional needs population, as specified, when the office updates the State Emergency Plan. The bill would, instead, require the office to complete an after-action report within 180 days after each declared disaster.

An act to amend Sections 8570.4 and 8607 of the Government Code, relating to state government.

[AB 3279](#) **[Friedman D](#)** **California Environmental Quality Act: administrative and judicial procedures.**
Text Version: Introduced: 2/21/2020 Position: Watch
[html](#) [pdf](#)
Status: 4/24/2020-Referred to Com. on NAT. RES.
Calendar: 5/13/2020 10 a.m. - State Capitol, Room 4202 ASSEMBLY NATURAL RESOURCES, FRIEDMAN, Chair

(1)The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as

revised, would have a significant effect on the environment. This bill would instead require that a court, to the extent feasible, commence hearings on an appeal within 270 days of the date of the filing of the appeal. This bill contains other related provisions and other existing laws.

An act to amend Sections 21167, 21167.1, 21167.4, 21167.6, 21167.8, and 21168.9 of, and to repeal Sections 21168.6.5, 21168.7, 21169, 21170, and 21171 of, the Public Resources Code, relating to environmental quality.

ACA 1 **Aguiar-Curry D** **Local government financing: affordable housing and public infrastructure: voter approval.**

Text Version: Amended: 3/18/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/19/2019-Read third time. Refused adoption. Motion to reconsider made by Assembly Member Aguiar-Curry.

Calendar: 5/14/2020 #14 ASSEMBLY MOTION TO RECONSIDER

(1)The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure. This bill contains other related provisions and other existing laws.

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII ? A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII ? C thereof, by amending Section 3 of Article XIII ? D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

ACA 3 **Mathis R** **Clean Water for All Act.**

Text Version: Amended: 3/20/2019 Position: Watch
[html](#) [pdf](#)

Status: 4/30/2019-In committee: Set, first hearing. Failed passage. Reconsideration granted.

Under existing law, the Department of Water Resources performs duties relating to water resources throughout the state, and the State Water Resources Control Board exercises regulatory functions relating to water quality. Existing law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This measure, the Clean Water for All Act, would additionally require, commencing with the 2021–22 fiscal year, not less than 2% of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014; water supply, delivery, and quality projects administered by the department, and water quality projects administered by the state board, as provided. This bill contains other existing laws.

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8 to Article X thereof, relating to water.

ACR 179 **Voepel R** **Special Districts Week.**

Text Version: Introduced: 2/26/2020 Position: Support
[html](#) [pdf](#)

Status: 3/12/2020-Referred to Com. on RLS.

This measure proclaims the week of May 17, 2020, to May 23, 2020, to be Special Districts Week.

Relative to Special Districts Week.

SB 45 **Allen D** **Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**

Text Version: Amended: 1/23/2020 Position: Watch
[html](#) [pdf](#)

Status: 1/30/2020-In Assembly. Read first time. Held at Desk.

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary direct election, authorizes the issuance of bonds in the amount of \$4,100,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention,

safe drinking water, drought preparation, and flood protection program. This bill contains other related provisions.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to a wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[SB 101](#)

Committee on Drinking water.

Budget and Fiscal Review

Text Version: Amended: 6/24/2019 Position: Oppose
[html](#) [pdf](#)

Status: 6/24/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on BUDGET.

(1) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and moneys from other specified sources, and would continuously appropriate the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. The bill would require the state board to adopt a fund expenditure plan with specified contents and would require, on and after July 1, 2020, expenditures of the fund to be consistent with the plan. The bill would require, by January 1, 2021, the state board, in consultation with local health officers and other relevant stakeholders, to make publicly available, as specified, a map of aquifers that are used or likely to be used as a source of drinking water that are at high risk of containing contaminants that exceed safe drinking water standards. For purposes of the map, the bill would require local health officers and other relevant local agencies to provide all results of, and data associated with, water quality testing performed by certified laboratories to the state board, as specified. By imposing additional duties on local health officers and local agencies, the bill would impose a state-mandated local program. The act provides for the operation of public water systems and authorizes the state board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. This bill would, among other things, authorize an administrator to additionally provide legal services pursuant to those provisions and to act, where the administrator is authorized to act on behalf of a designated public water system, on behalf of a voluntary participant, as defined. The bill would authorize a local agency or a privately owned public utility to serve as an administrator for these purposes. The act prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system, as specified. The act authorizes the state board, if the state board determines that it is feasible for the service area of the public water system addressed by the application to be served by one or more currently permitted public water systems, to deny the permit of a proposed new public water system if it determines that it is reasonably foreseeable that the proposed new public water system will be unable to provide affordable, safe drinking water in the reasonably foreseeable future, as prescribed. This bill would eliminate the requirement that the state board determine that it is reasonably foreseeable that the proposed new public water system will be unable to provide affordable, safe drinking water in the reasonably foreseeable future in order to deny the permit of a proposed new public water system. The act defines a disadvantaged community for its purposes as an area, as specified, in which the median household income is less than 80% of the statewide average. This bill would revise that definition to require a median household income of less than 80% of the statewide median household income level. The act requires a public water system to submit a technical report to the state board as a part of the permit application or when otherwise required by the state board, as specified. This bill would require a public water system to submit the report in the form and format and at intervals specified by the state board. (2) Existing law requires a laboratory that performs analyses for regulatory purposes of drinking water, wastewater, hazardous waste, and contaminated soils or sediments to obtain certification or accreditation, as specified. Existing law requires, when a person or entity submits material to the laboratory for testing, the laboratory to report the results of all detected contaminants and pollutants to that person or entity. This bill would require a laboratory accredited by the state board to also report the results of each drinking water analysis to the state board in the form or format and at intervals specified by the state board. (3) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law continuously appropriates 35% of the annual proceeds of the fund for transit, affordable housing, and sustainable communities programs and 25% of the annual proceeds of the fund for certain components of a specified high-speed rail project. This bill, beginning in the 2020–21 fiscal year, would require 5% of the annual proceeds of the Greenhouse Gas Reduction Fund, up to the sum of \$130,000,000, to be deposited into the Safe and Affordable Drinking Water Fund for the purposes of the Safe and Affordable Drinking Water Fund, subject to specified restrictions. The bill would require the Director of Finance, beginning in the 2023–24 fiscal year and until June 30, 2030, to calculate the sum to be transferred by the Controller from the General Fund to the Safe and Affordable Drinking Water Fund if the annual transfer from the annual proceeds of the Greenhouse Gas Reduction Fund is less than \$130,000,000 to equal a total

transfer into the Safe and Affordable Drinking Water Fund of \$130,000,000, as specified. This bill contains other existing laws.

An act to add Section 53082.6 to the Government Code, to amend Sections 39719, 100827, 116275, 116385, 116530, 116540, and 116686 of, and to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of, the Health and Safety Code, and to add Chapter 7 (commencing with Section 8390) to Division 4.1 of the Public Utilities Code, relating to drinking water, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[SB 204](#) **[Dodd D](#)** **State Water Project: contracts.**
Text Version: Amended: 5/17/2019 Position: Oppose
[html](#) [pdf](#)
Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was W.,P. & W. on 6/6/2019)(May be acted upon Jan 2020)

(1)Under existing law, the Department of Water Resources operates the State Water Resources Development System, known as the State Water Project, in accordance with the California Water Resources Development Bond Act to supply water to persons and entities in the state. Existing law requires the department to present to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature the details of the terms and conditions of a long-term water supply contract between the department and a state water project contractor and to submit a copy of one long-term contract, as prescribed. This bill would instead require the department to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors. The bill would require the department, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended. This bill contains other related provisions and other existing laws.

An act to amend Section 165 of, to add Section 147.6 to, and to repeal and add Section 147.5 of, the Water Code, relating to water.

[SB 414](#) **[Caballero D](#)** **Small System Water Authority Act of 2019.**
Text Version: Amended: 6/25/2019 Position: Support
[html](#) [pdf](#)
Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, as defined, consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the state board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified. This bill would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified. The bill would require the state board to provide a copy of the notice, in the case of a water corporation, to the Public Utilities Commission and would require the Public Utilities Commission to be responsible with the state board for ensuring compliance with the provisions of the bill. The bill would require an entity receiving the notice to respond to the state board, and, if appropriate, the Public Utilities Commission, as to whether the violations of drinking water standards are remedied and the basis for that conclusion, as specified. The bill would require an entity reporting a continuing violation of drinking water standards to have 180 days from the date of a specified response filed with the state board to prepare and submit a plan to the state board to permanently remedy a violation of drinking water standards within a reasonable time that is not later than January 1, 2025. The bill would require the state board to review the plan and accept, accept with reasonable conditions, or reject the plan, as prescribed. The bill would require an entity with an accepted plan to provide quarterly reports to the state board on progress towards a permanent remedy for violations of drinking water standards and would require the state board to annually hold a public hearing to consider whether the progress is satisfactory. The bill would require the state board, if it rejects the plan or if a plan is not submitted by the prescribed deadline, to cause, after a certain period to allow for a petition for reconsideration, the formation of an authority by the applicable local agency formation commission to serve the customers of the public water system or to remedy the failure to meet the applicable drinking water standards, as specified. This bill contains other related provisions and other existing laws.

An act to amend Sections 56017.1, 56017.2, 56069, 56653, 56658, and 56895 of, and to add Section 56666.5 to, the Government Code, and to add Division 23 (commencing with Section 78000) to the Water Code, relating to small system water

authorities.

[SB 474](#) **[Stern D](#)** **The California Wildlife Protection Act of 1990: Habitat Conservation Fund.**
 Text Version: Amended: 5/21/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was W.,P. & W. on 6/6/2019)(May be acted upon Jan 2020)

Proposition 117, an initiative measure approved by the electors at the June 5, 1990, direct primary election, certain provisions of which can be amended by a majority vote, enacted the California Wildlife Protection Act of 1990. The act creates the Habitat Conservation Fund and requires the moneys in the fund to be used for specified purposes generally relating to the acquisition, enhancement, or restoration of wildlife habitat. The act requires the Controller, until June 30, 2020, to annually transfer \$30,000,000 from the General Fund to the Habitat Conservation Fund, less any amount transferred to the Habitat Conservation Fund from specified accounts and funds. The act, until July 1, 2020, continuously appropriates specified amounts from the Habitat Conservation Fund to the Department of Parks and Recreation, the State Coastal Conservancy, the Santa Monica Mountains Conservancy, and the California Tahoe Conservancy, and continuously appropriates the balance of the fund to the Wildlife Conservation Board. This bill would establish the Wildlife Protection Subaccount in the Habitat Conservation Fund and would require the Controller, if an appropriation is made for this purpose in any fiscal year, to transfer \$30,000,000 from the General Fund to the subaccount, less any amount transferred from specified accounts and funds, to be expended by the board for the acquisition, enhancement, or restoration of wildlife habitat.

An act to amend Section 2788 of the Fish and Game Code, relating to wildlife.

[SB 559](#) **[Hurtado D](#)** **California Water Commission: grant: Friant-Kern Canal.**
 Text Version: Amended: 7/3/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/14/2019)(May be acted upon Jan 2020)

Under existing law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. Existing law establishes the California Water Commission, consisting of 9 members appointed by the Governor, in the department. This bill would require the commission to make a grant of \$400,000,000 to a specified joint powers authority to restore the capacity of the Friant-Kern Canal, subject to an appropriation. The bill, among other things, would require the grant to be part of a comprehensive solution to groundwater sustainability and subsidence in the San Joaquin Valley and would require the joint powers authority to demonstrate a funding match of at least 35% from user fees, local sources, federal funding, or a combination of these sources.

An act relating to water.

[SB 797](#) **[Wilk R](#)** **Water resources: permit to appropriate: application procedure.**
 Text Version: Introduced: 1/6/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/18/2020-March 24 hearing postponed by committee.

Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Existing law requires an application for a permit to appropriate water to include, among other things, sufficient information to demonstrate a reasonable likelihood that unappropriated water is available for the proposed appropriation. Existing law requires the board to issue and deliver a notice of an application as soon as practicable after the receipt of an application for a permit to appropriate water that conforms to the law. Existing law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Existing law declares that no hearing is necessary to issue a permit in connection with an unprotested application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the board elects to hold a hearing. This bill, if the board has not rendered a final determination on an application for a permit to appropriate water within 30 years from the date the application was filed, would require the board to issue a new notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

An act to add Section 1305 to the Water Code, relating to water resources.

[SB 971](#) **[Hertzberg D](#)** **Small water supplier and countywide water shortage contingency planning.**
 Text Version: Introduced: 2/11/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/16/2020-March 24 hearing postponed by committee.

Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water management plan to include a water shortage contingency plan, as provided. This bill would require a small water

supplier, as defined, with 1,000 to 2,999 service connections, inclusive, to prepare and adopt a small water supplier water shortage contingency plan that consists of specified elements. The bill would require a small water supplier with 15 to 999 service connections, inclusive, to take specified actions related to water shortage planning and response. The bill would require small water suppliers to provide to the public, and to report, the plan and specified water shortage planning information, as prescribed. This bill contains other related provisions and other existing laws.

An act to add Part 2.56 (commencing with Section 10609.50) to Division 6 of the Water Code, relating to water.

[SB 974](#) [Hurtado D](#) **California Environmental Quality Act: small disadvantaged community water system: exemption.**

Text Version: Amended: 3/24/2020 Position: Watch

[html](#) [pdf](#)

Status: 3/24/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on EQ.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration or mitigated negative declaration, as specified, if it finds that the project will not have that effect. CEQA includes exemptions from its environmental review requirements for numerous categories of projects, as prescribed. This bill would, with certain specified exceptions, exempt from CEQA certain projects that primarily benefit a small disadvantaged community water system by improving the small disadvantaged community water system's water quality, water supply, or water supply reliability, by encouraging water conservation, or by providing drinking water service to existing residences within a disadvantaged community where there is evidence of contaminated or depleted drinking water wells. The bill would also define various terms for purposes of this exemption. Because a lead agency would be required to determine whether a project qualifies for this exemption, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 21080 of the Public Resources Code, relating to environmental quality.

[SB 996](#) [Portantino D](#) **State Water Resources Control Board: Constituents of Emerging Concern Program.**

Text Version: Amended: 4/1/2020 Position: Support

[html](#) [pdf](#)

Status: 4/1/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on EQ.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The state board's duties include, but are not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable and safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting and enforcing regulations. This bill would require the state board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and, by an unspecified date, the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program. This bill contains other related provisions.

An act to add Article 3.6 (commencing with Section 116416) to Chapter 4 of Part 12 of Division 104 of the Health and Safety Code, relating to drinking water.

[SB 1011](#) [Dahle R](#) **Water quality: waste discharge requirements: management agency agreements.**

Text Version: Amended: 3/25/2020 Position: Watch

[html](#) [pdf](#)

Status: 3/25/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

The Porter-Cologne Water Quality Control Act, with certain exceptions, requires a waste discharger to file a report of waste discharge with a California regional water quality control board and to pay an annual fee established by the State Water Resources Control Board. This bill would provide that implementation of a management agency agreement entered into between the state board and the United States Forest Service or the state board and the United States Bureau of Land Management constitutes compliance by the United States Forest Service or the United States Bureau of Land Management, as applicable, with specified waste discharge requirements for nonpoint source discharges. The bill would prohibit a provision of such a management agency agreement from being construed in any way as limiting the authority of the state board or a regional board in carrying out its legal responsibilities for the management or regulation of water quality.

An act to amend Section 13260 of the Water Code, relating to water.

[SB 1052](#) **Hertzberg D** **Water quality: municipal wastewater agencies.**
 Text Version: Introduced: 2/18/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/18/2020-April 1 hearing postponed by committee.

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater by municipalities and industries in accordance with the National Pollutant Discharge Elimination System permit program and the Porter-Cologne Water Quality Control Act. Existing law requires regulated municipalities and industries to obtain a stormwater permit. This bill would establish municipal wastewater agencies and would authorize a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. To the extent this requirement would impose new duties on local agency formation commissions, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add Chapter 11.5 (commencing with Section 13910) to Division 7 of the Water Code, relating to water quality.

[SB 1056](#) **Portantino D** **Drinking water: testing: perfluoroalkyl and polyfluoroalkyl substances.**
 Text Version: Introduced: 2/18/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/18/2020-April 1 hearing postponed by committee.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting implementing regulations. The implementing regulations are required to include, but are not limited to, the monitoring of contaminants, including the type of contaminant, the frequency and method of sampling and testing, and the reporting of results. This bill would require the state board, on or before January 1, 2022, to certify a methodology or methodologies for testing drinking water, groundwater, and surface water for perfluoroalkyl and polyfluoroalkyl substances, as provided, and to accredit qualified laboratories in California to analyze perfluoroalkyl and polyfluoroalkyl substances pursuant to the adopted methodology or methodologies. This bill contains other existing laws.

An act to add Section 116379 to the Health and Safety Code, relating to drinking water.

[SB 1096](#) **Caballero D** **Water and sewer system corporations: consolidation of service.**
 Text Version: Introduced: 2/19/2020 Position: Watch
[html](#) [pdf](#)

Status: 3/19/2020-March 31 hearing postponed by committee.

The Public Utilities Act prohibits, with certain exemptions, any public utility from selling, leasing, assigning, mortgaging, or otherwise disposing of or encumbering specified property necessary or useful in the performance of the public utility's duties to the public without first, for qualified transactions valued above \$5,000,000, securing an order from the Public Utilities Commission authorizing it to do so or, for qualified transactions valued at \$5,000,000 or less, filing an advice letter and obtaining approval from the commission. This bill, the Consolidation for Safe Drinking Water Act of 2020, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system. The bill would require the commission to approve or deny the application within 8 months, except as provided. This bill contains other existing laws.

An act to add Chapter 2.7 (commencing with Section 2721) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

[SB 1099](#) **Dodd D** **Emergency backup generators: critical facilities: exemption.**
 Text Version: Introduced: 2/19/2020 Position: Support
[html](#) [pdf](#)

Status: 3/18/2020-April 1 hearing postponed by committee.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources. This bill, consistent with federal law, would require air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and

to test and maintain that emergency backup generator, as specified, without having that usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance. The bill would prohibit air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators. By requiring air districts to adopt a new permitting program for those critical facility emergency backup generators, the bill would impose a state-mandated local program. The bill also would define certain terms for purposes of these provisions. This bill contains other related provisions and other existing laws.

An act to add Article 9.5 (commencing with Section 42010) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

[SB 1101](#) **[Caballero D](#)** **Water and Climate Science Advisory Board.**
 Text Version: Amended: 3/25/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/25/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

Existing law establishes the Department of Water Resources within the Natural Resources Agency and prescribes the jurisdiction and various general administrative authorities and duties of the department regarding, among other things, matters pertaining to water resources and dams in the state. This bill would require the department to convene a Water and Climate Science Advisory Board to consist of 5 members with certain qualifications appointed by the department, the agency, and the State Water Resources Control Board, as provided. The bill would require board members to serve 3-year terms. The bill would require the department to consult with the board when initiating, reviewing, or expanding policies or guidelines regarding impacts of climate change on water resources. The bill would require the department to establish an internal process for department review of and comment on the work of the board, which shall be made publicly available.

An act to add Section 148 to the Water Code, relating to water.

[SB 1171](#) **[Nielsen R](#)** **Reclamation districts: improvement districts: formation.**
 Text Version: Amended: 3/25/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/25/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

(1) Existing law authorizes the owners of 1/2 or more of any body of swamp and overflowed lands, salt marsh, or tidelands, or other lands subject to flood or overflow, to petition the county board of supervisors to form a reclamation district for specified purposes. Existing law authorizes, among other things, a reclamation district to levy and collect assessments on parcels in the district under specified circumstances for purposes of raising funds for the maintenance, repair, and operation of district reclamation works. This bill would authorize the board of directors of a reclamation district to form an improvement district to incur a bonded indebtedness for the acquisition, construction, completion, or repair of improvements, works, or property to be payable from taxes levied upon less than all of the lands within the reclamation district. The bill would prescribe certain procedures for the creation of the improvement district and for the levying of improvement district assessments, including, respectively, specified notice, hearing, and election provisions. (2) Existing law, the Improvement Act of 1911, Municipal Improvement Act of 1913, and Improvement Bond Act of 1915 authorize and prescribe procedures for cities and counties, and, in some cases, other public entities, to issue bonds secured by assessments on real property in order to finance the cost of certain improvements to property within their boundaries, including, among other improvements, constructing or maintaining streets, drains, sewers, bridges, and levees. These acts also prescribe procedures for the redemption of bonds and payment of interest on the bonds. This bill would authorize a reclamation district to use, in its discretion, the provisions and procedures of these acts for the construction of any facilities that the reclamation district is otherwise authorized to construct under existing law.

An act to add Chapter 7 (commencing with Section 50980) and Chapter 8 (commencing with Section 50986) to Part 5 of Division 15 of the Water Code, relating to reclamation districts.

[SB 1184](#) **[Stern D](#)** **Water corporations: fire hydrant service agreements: report.**
 Text Version: Introduced: 2/20/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 3/5/2020-Referred to Com. on E., U. & C.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law prohibits a water corporation from charging an entity providing fire protection service for the costs of furnishing water for that service and for other related costs, except pursuant to a written agreement between the water corporation and the entity providing fire protection service. This bill would require the commission, by January 1, 2022, to prepare and submit to the Legislature a report concerning those agreements between water corporations and local fire protection agencies.

An act to add and repeal Section 915.5 of the Public Utilities Code, relating to public utilities.

[SB 1188](#)[Stern D](#)**The California Water Plan.**

Text Version:

Amended: 4/8/2020

Position: Watch

[html](#) [pdf](#)

Status:

4/8/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. Existing law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. This bill would require the department to include in the plan update, instead of a discussion of various strategies, a discussion of various strategies for increasing regional water resilience, as defined. This bill contains other related provisions and other existing laws.

An act to amend Sections 10004.5 and 10013 of, and to add Sections 10004.1 and 10004.2 to, the Water Code, relating to water resources.

[SB 1194](#)[Archuleta D](#)**Water replenishment districts: competitive bidding.**

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

3/5/2020-Referred to Com. on GOV. & F.

The Water Replenishment District Act provides for the formation of water replenishment districts with prescribed powers for the purposes of replenishing the groundwater supplies within the district. The act requires a district to advertise for bids before making any contract totaling \$25,000 or more within any 12-month period and, when work is to be done, to give notice calling for bids by publication, as prescribed. This bill would revise and recast the provisions establishing the competitive bidding and related public notice procedures for water replenishment districts, including, among other revisions, deleting the requirement that a district advertise for bids before making any contract totaling \$25,000 or more within any 12-month period, and instead requiring a district to advertise for bids before making any contract totaling \$40,000 or more.

An act to amend Sections 60602, 60616, and 60622 of, to repeal Sections 60606, 60608, 60610, and 60612 of, and to repeal and add Section 60604 of, the Water Code, relating to water.

[SB 1209](#)[Dahle R](#)**Watermaster service areas: expenses in distribution.**

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

3/5/2020-Referred to Com. on RLS.

Existing law requires the Department of Water Resources to divide the state into watermaster service areas for the purpose of distributing water in accordance with certain water right determinations. Existing law authorizes the department to incur costs and make expenditures as necessary to provide for the administration of a service area and the distribution of water in the service area. Existing law requires the water rightholders to pay all of those costs. This bill would make a nonsubstantive change to that latter provision of law.

An act to amend Section 4201 of the Water Code, relating to water.

[SB 1217](#)[Dahle R](#)**Urban water use targets: indoor residential water use: standards: studies and investigations: reports.**

Text Version:

Amended: 3/26/2020

Position: Watch

[html](#) [pdf](#)

Status:

3/26/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified, and states the intent of the Legislature that the urban water use targets cumulatively result in a 20% reduction from the baseline daily per capita water use by December 31, 2020. Existing law requires an urban retail water supplier to adopt one of specified methods for determining its urban water use target, including estimating the per capita daily water use using the sum of 55 gallons per capita daily for indoor residential water use and a specified water efficiency standard for landscape irrigation use. This bill would revise that method of estimating the per capita daily water use to require an urban retail water supplier to use, instead of 55 gallons per capita daily for indoor residential water use, a standard that complies with the urban retail water supplier's own criteria for indoor residential water use. This bill contains other related provisions and other existing laws.

An act to amend Sections 10608.20 and 10609.4 of the Water Code, relating to water.

[SB 1234](#)[Grove R](#)**Water rights: reasonable and beneficial use of water.**

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status: 3/5/2020-Referred to Com. on RLS.

Existing law declares that the right to water is limited to that water that is reasonably required for the beneficial use to be served, and does not extend to the waste or unreasonable use, unreasonable method of use, or unreasonable method of diversion of water. This bill would make nonsubstantive changes to that provision.

An act to amend Section 100 of the Water Code, relating to water.

[SB 1249](#)[Hurtado D](#)**Water quality: state policy: public hearing.**

Text Version:

Introduced: 2/21/2020

Position: Watch

[html](#) [pdf](#)

Status: 3/5/2020-Referred to Com. on EQ.

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with federal law and the Porter-Cologne Water Quality Control Act. The act prohibits the state board from adopting state policy for water quality control unless a public hearing is first held respecting the adoption of the policy, and requires the state board to notify any affected regional boards, unless notice is waived, at least 60 days before the hearing. The act requires the regional boards to submit written recommendations to the state board at least 20 days before the hearing. This bill would instead require the state board to provide that notice at least 30 days before the hearing and would instead require the regional boards to submit those recommendations at least 25 days before the hearing.

An act to amend Section 13147 of the Water Code, relating to water quality.

[SB 1280](#)[Monning D](#)**Drinking water: consolidation and extension of service: at-risk water systems.**

Text Version:

Amended: 4/1/2020

Position: Watch

[html](#) [pdf](#)

Status: 4/1/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on EQ.

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. The act authorizes the state board to order consolidation with, or extension of service from, a receiving water system if a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. The act requires the state board, no later than July 1, 2020, to develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the state board to consider ordering consolidation. This bill would authorize the state board to order consolidation between a receiving water system and an at-risk water system, as defined, upon receipt of a petition that substantially conforms to the above-referenced policy adopted by the state board and that is either approved by the water system's governing body or signed by at least 30% of the households served by the water system. For purposes of that provision, the bill would authorize the state board to contract with a technical assistance provider or appoint an administrator to provide information to a community regarding the petition process, to assist with the preparation of a petition, or to evaluate whether a water system is an at-risk water system.

An act to amend Sections 116681 and 116682 of the Health and Safety Code, relating to drinking water.

[SB 1352](#)[Hueso D](#)**Gas corporations: renewable gas procurement.**

Text Version:

Amended: 4/3/2020

Position: Support

[html](#) [pdf](#)

Status: 4/3/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E., U. & C.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. Existing law, relative to restructuring of the gas industry, requires the commission to require each gas corporation to provide bundled basic gas service to all core customers in its service territory unless the customer chooses or contracts to have natural gas purchased and supplied by another entity. Existing law requires the commission, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified. Existing law requires that prior to establishing biomethane procurement targets or goals, that the commission find that the targets or goals are cost-effective means to achieving forecast reduction in emissions of short-lived climate pollutants pursuant to specified laws and that the targets or goals comply with all applicable state and federal laws. This bill would require the commission to establish a renewable gas, as defined, procurement program that requires each gas corporation to procure renewable gas in an amount so that, by January 1, 2030, at least 20 percent of the total volume of gas delivered to core

customers in California by that gas corporation is renewable gas. The bill would require the commission, in designing and implementing the program, to ensure that the renewable gas procurement program is a cost-effective means to achieve forecast reductions in emissions of short-lived climate pollutants pursuant to specified laws and that the program complies with all applicable state and federal laws. This bill contains other related provisions and other existing laws.

An act to amend Sections 650 and 651 of, and to amend the heading of Article 10 (commencing with Section 650) of Chapter 3 of Part 1 of Division 1 of, the Public Utilities Code, relating to energy.

[SB 1386](#)

[Moorlach R](#)

Local government: assessments, fees, and charges: water.

Text Version:

Amended: 4/1/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/11/2020-Re-referred to Com. on GOV. & F.

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Existing law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would specify that "water" for purposes of the Proposition 218 Omnibus Implementation Act also includes the public fixtures, appliances, and appurtenances connected to an above-described system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. The bill would specify that a property-related water service fee or charge by a local agency may include the costs to construct, maintain, repair, or replace public hydrants attached to a water system, and the cost of water dispensed through public hydrants, to the extent those fees or charges are consistent with the California Constitution.

An act to amend Section 53750 of, and to add Section 53750.5 to, the Government Code, relating to local government finance.

Total Measures: 73

Total Tracking Forms: 73



SUPPORT FOR A CLIMATE RESILIENCE BOND *that has Economic Stimulus Benefits*

May 2020

Water infrastructure funding creates jobs and is key to climate resilience. California's preparedness for drought, flood, and other climate change impacts depends on water infrastructure funding.

ACWA supports passing a Climate Resilience Bond that includes critical State financial assistance for needed water infrastructure projects in addition to other important climate resilience investments. Investing in public water agency projects creates much needed jobs in the construction sector. ACWA recommends that the following elements be included in any proposed Climate Resilience Bond to provide funding for water infrastructure:

Regional and Inter-Regional Water Resilience – \$1.5 billion for regional and inter-regional water resilience projects, including \$500 million to the Department of Water Resources (DWR) for competitive grants or loans to support local and regional water conveyance projects and \$250 million to the State Water Resources Control Board (State Water Board) for competitive grants or loans for water quality projects.

Groundwater – \$395 million to DWR for competitive grants for projects that support implementation of the Sustainable Groundwater Management Act. An additional \$350 million to DWR for competitive grants to local agencies for projects and programs that support groundwater banking, conjunctive use, water quality monitoring and remediation, including for contaminants of emerging concern, or other groundwater projects and programs that improve water resilience.

Dam Safety/Reservoir Operations – \$700 million for dam safety projects at high hazard dams, reservoir seismic retrofit projects, and new spillways and repairs at existing dams to facilitate implementation of Forecast Informed Reservoir Operations.

Recycling and Desalination – \$500 million to the State Water Board's existing program for water recycling and reuse projects. \$150 million for brackish and seawater desalination projects.

Flood Protection – \$340 million to DWR for flood infrastructure projects to support flood risk reduction and provide the State cost share for priority U.S. Army Corps of Engineers projects. \$270 million to DWR for Central Valley and Sacramento-San Joaquin Delta multi-benefit flood control projects that support multi-benefit flood risk reduction and ecosystem restoration efforts.

Safe Drinking Water – \$360 million to the State Water Board for competitive grants or loans for the purposes described in Chapter 5 (commencing with Section 79720) of Division 26.7 of the Water Code to help provide clean, safe and reliable drinking water to all Californians.

Salton Sea – \$220 million to the Natural Resources Agency for restoration activities identified in the Salton Sea Management Program.

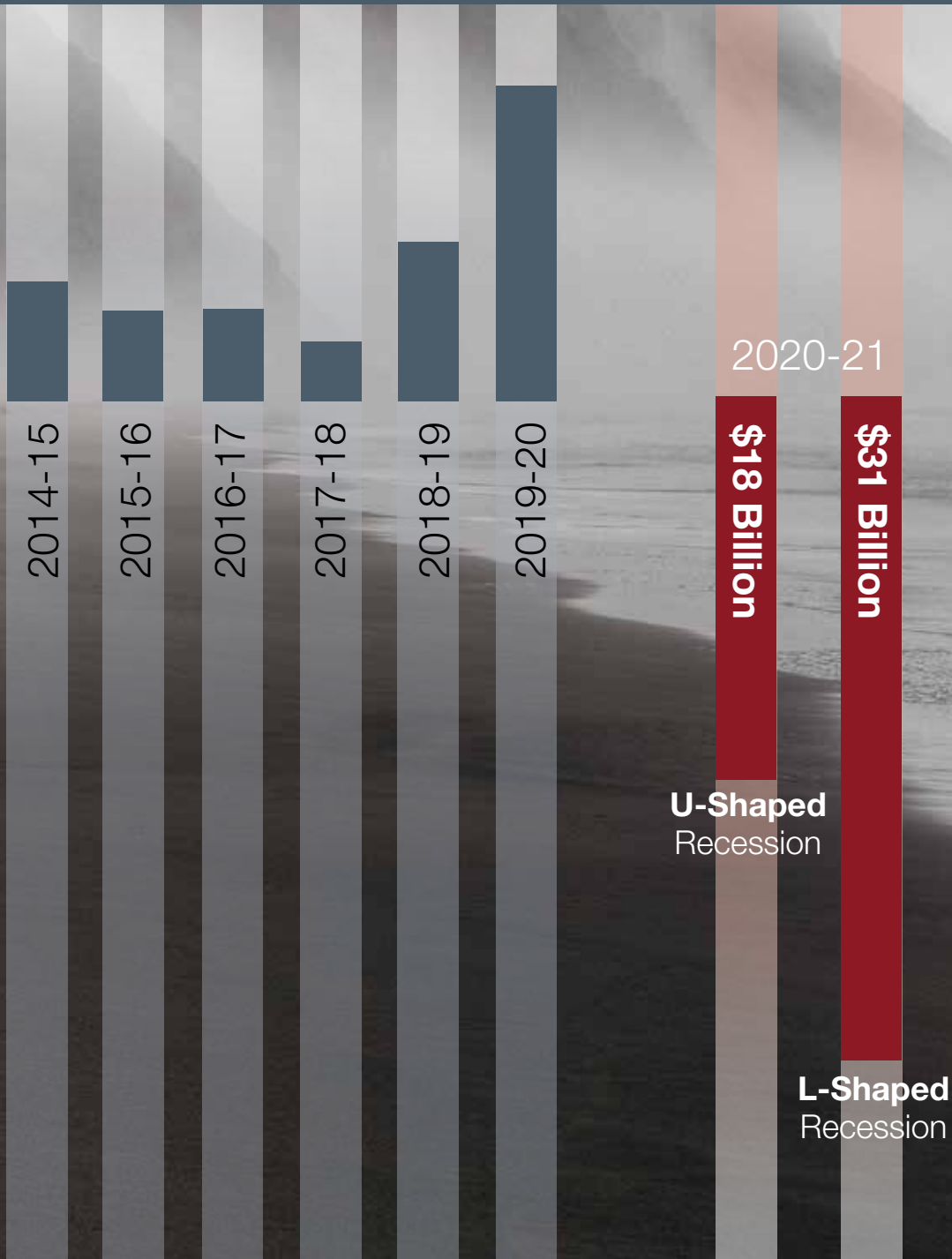
Enhanced Stream Flow and Fish Passage – \$140 million to the Department of Fish and Wildlife for projects and competitive grants for projects that enhance or restore native fish species habitat.

ACWA has developed specific suggested amendments to Governor Newsom's budget trailer bill language for a climate resilience bond. The ACWA mockup shows how the funding water-related categories presented above can be proposed in legislative (budget or policy) language.

For more information, contact ACWA Director of State Legislative Relations **Adam Quiñonez** at adamq@acwa.com or ACWA Deputy Executive Director for Government Relations **Cindy Tuck** at cindy@acwa.com.

**Water
Infrastructure**  **JOBS**

The 2020-21 Budget: California's Spring Fiscal Outlook



Executive Summary

The public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has resulted in sudden and severely negative economic consequences for California. This has significant implications for the state's budget. This report—our *Spring Fiscal Outlook*—provides an update on the budget's condition in light of this seismic shift. Specifically, we provide our estimates of the potential size of the budget problem—assuming a baseline level of expenditures—that the Legislature could face for 2020-21. Ultimately, the May Revision will include different revenue estimates and expenditure proposals than we used to arrive at our assessment of the budget problem. In fact, the administration very recently released an estimate of the budget problem—about \$54 billion—that is significantly higher than either of our estimates. The intent of this document, however, is to give the Legislature a sense of our estimate of the *baseline* problem going into the May Revision and to help prepare policymakers for the tremendous fiscal challenges ahead.

Report Includes Two Economic Scenarios. Although much is unclear about the economy, we can be fairly confident that the state currently is in a deep recession. The budgetary impact of that recession will depend on its depth and duration, which are difficult to anticipate. In light of this uncertainty, our outlook presents two potential scenarios (1): a somewhat optimistic “U-shaped” recession, and (2) a somewhat pessimistic “L-shaped” recession. These scenarios do *not* depict the best case or worst case. Outcomes beyond the range of our scenarios—especially those worse than we show—are entirely possible.

Budget Problem of \$18 Billion to \$31 Billion. Under the somewhat optimistic U-shaped recession scenario assumptions, the state would have to address an \$18 billion budget problem in the upcoming budget process. Under the somewhat pessimistic L-shaped recession scenario assumptions, the state would face a budget problem of \$31 billion. (A budget problem—also called a deficit—occurs when resources for the upcoming fiscal year are insufficient to cover the costs of currently authorized services.) The administration's estimate is substantially larger than the higher range of our estimate largely because they focus on *gross* changes to the budget's bottom line while our estimates include the *net* effects of current law.

Budget Deficits Persist for Years to Come. The state's newly emergent fiscal challenges are unlikely to dissipate quickly and will extend well beyond the end of the public health crisis. Under both of our economic scenarios, budget deficits persist until at least 2023-24. Over the entire multiyear period, deficits sum to \$64 billion in the U-shaped recession and \$126 billion in the L-shaped recession.

Reserves Are Insufficient to Cover the Budget Problems. Budget reserves are the main tool that the state has to address a budget problem. Under our two economic scenarios, the state has around \$16 billion in total reserves. However, due to the constitutional rules governing the state's main reserve account, we think lawmakers could only have access to around \$10 billion of its reserves in 2020-21. Further, the state's overall reserve level will be inadequate to cover multiyear budget deficits. That said, unlike in past recessions when the state had virtually no reserves on hand and deep cuts were immediately necessary, California today has built a sizeable reserve, which will cushion the coming budget crunch.

Guidance for Addressing the Budget Problem. The report concludes with our guidance for the Legislature as it begins considering how to address the shortfall. First, we recommend the Legislature use a mix of the tools at its disposal in approaching the 2020-21 budget problem. These are: using reserves, reducing expenditures, increasing revenues, and shifting costs. Second, given that multiyear budget deficits are likely to persist for years to come, ongoing solutions are necessary to bring the budget into structural alignment. Third, while programmatic reductions will be necessary, we encourage the Legislature to mitigate actions that could worsen the public health crisis or compound personal economic challenges facing Californians. Finally, we encourage the Legislature to begin making these difficult, but necessary, decisions in June rather than waiting until future budget actions. Delaying action could only increase the size of the ultimate budget problem and make some solutions more difficult to implement.

The public health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic has resulted in sudden and severe economic consequences for California. This has significant implications for the upcoming budget. While the January Governor’s budget anticipated the state would have a surplus to allocate in 2020-21, the administration’s forthcoming May Revision forecasts a substantial decline in state revenues and an ensuing budget deficit. Policymakers face a constitutional deadline to pass a balanced budget by June 15 for the upcoming fiscal year, 2020-21.

Given the seismic shift in public health and economic conditions, we have updated our fiscal outlook—typically produced each fall—to help the Legislature prepare for the May Revision. This report—our *Spring Fiscal Outlook*—gauges the potential size of the budget problem under two sets of economic conditions and a “workload” or “baseline” level of expenditures. (We also identify some alternatives available to the Legislature to reduce the baseline expenditure level without reducing the level of state services being provided today.) Ultimately, the May Revision will include different revenue estimates and expenditure proposals than we used to arrive at our assessment of the budget problem.

WHAT DOES THE PANDEMIC MEAN FOR THE ECONOMY?

Pandemic Presents Major Disruptions and Uncertainty. The COVID-19 pandemic has necessitated dramatic changes to the daily lives of California’s residents and businesses. While these changes clearly have had far-reaching negative impacts on the state economy, the ultimate extent and severity of these impacts will remain unclear for some time. Much will depend on the trajectory of the public health crisis. How long will social distancing measures be necessary? How long until an effective treatment or vaccine is widely available? How long until people feel comfortable resuming prior levels of spending and economic activity? These questions are impossible to answer with certainty but are crucially important to the path of the state economy going forward.

What We Know: Economy Is in a Deep Recession. Although much is unclear about the economy, we can be fairly confident that the state (and the rest of the world) currently is in a deep recession. Since the beginning of March, 3 million to 4 million Californians appear to have lost their jobs. Households have curtailed spending significantly. Nationally, spending at restaurants was down about 25 percent in March. New car purchases were down by almost half in April. Pending home sales so far this spring have dropped by over 40 percent in major markets in California. These declines in economic activity surpass the worst of the Great Recession in most cases.

Key Unknown: How Long Will the Recession Last? While economic activity has declined sharply, the severity of the recession and its impact on Californians will depend not only on the depth of the downturn but also on how long it lasts. Anticipating the length of the downturn is extremely difficult. In light of this uncertainty, our outlook looks at two potential scenarios. These scenarios aim to illustrate the range of common predictions among economists, from a somewhat optimistic view on one end to a somewhat pessimistic view on the other. Crucially, we do *not* attempt to capture all possible outcomes, and our scenarios are *not* depictions of the best-case or worst-case scenarios. Outcomes beyond the range of our scenarios—especially those worse than we show—are entirely possible. We discuss the contours of our two scenarios below. **Figure 1** (see next page) shows our assumptions for key economic variables under each scenario.

“U-Shaped” Recession. On the somewhat optimistic end of potential paths for the economy is the so-called U-shaped recession. Under this scenario, the economy would begin to see meaningful recovery this summer, as broadly measured by personal income and employment. Although economic activity would remain below pre-recession levels well into 2021, the recovery would take a more rapid pace beginning in the second half of 2021. A key observation in support of this scenario is that, prior to the pandemic, the economy did not appear to have the types of imbalances that led to previous recessions. Prior to the current downturn, household borrowing was much lower than it was leading into the Great Recession. Similarly, there did not appear to be signs of major overheating in key assets, as with stocks in the dot-com recession

and housing in the Great Recession. As a result, Californians may be in a better position to weather the downturn and the economy may be poised to rebound more quickly once the threat of the virus subsides.

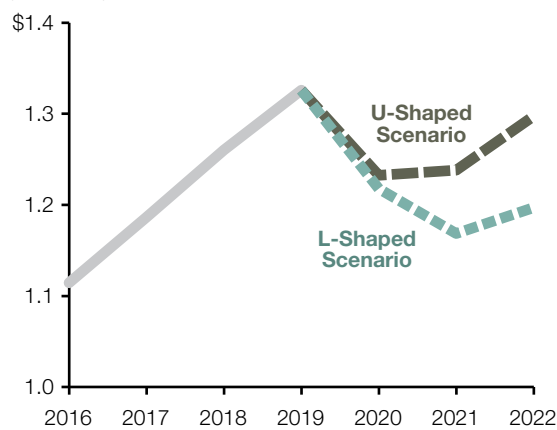
“L-Shaped” Recession. A somewhat pessimistic potential path for the economy is the so-called L-shaped recession. Under this scenario, the economy would remain in a significant slump well into 2021. Gradual recovery would begin in the second half of 2021, but the economy would not return to pre-recession levels until at least 2023. Several factors could drive such a protracted downturn. Some factors relate to the virus and the associated public health response. For example, as public health restrictions are eased some residents or businesses may attempt to resume activities too quickly, leading to renewed outbreaks and the need for additional rounds of restrictions. Some factors relate to potential economic fallout of the virus. For example, the current scale of job losses could mean many workers will remain out of the workforce for an extended period of time. Additionally, many businesses could be forced into bankruptcy as they are unable to weather the current shutdown or are unable to adapt their operations to allow social distancing.

Figure 1

Projections of Key Economic Variables

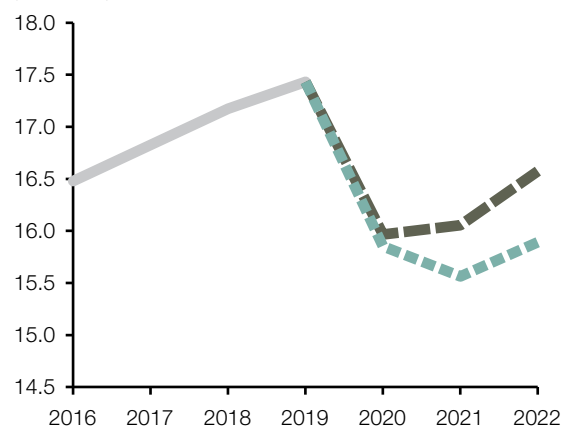
Wages and Salaries

(In Trillions)



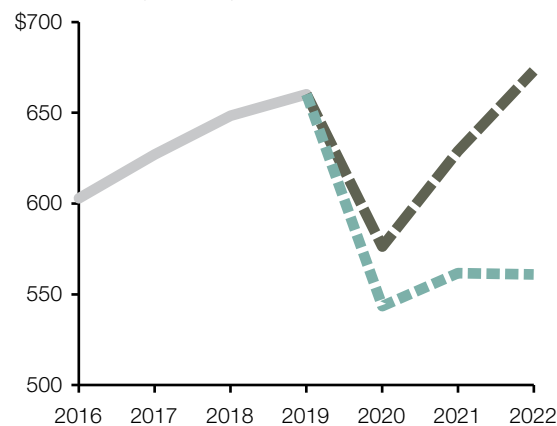
Payroll Jobs

(In Millions)

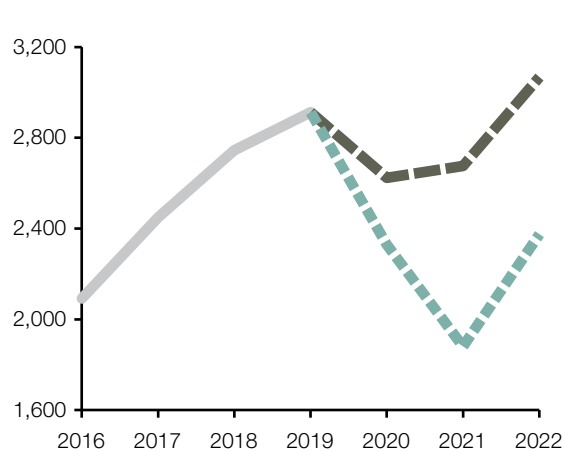


Taxable Sales

Excludes Fuel (In Billions)



S&P 500 Index



LAO

WHAT IS OUR ESTIMATE OF THE BUDGET PROBLEM?

Using the two economic scenarios described earlier, this section presents our estimates of the possible budget problem. (The box on page 6 describes what the term “budget problem” means in more detail.) We begin by describing the budget problem assuming the state were to maintain its current service level. Next, we describe some alternative assumptions that—if used—would result in a lower (or higher) budget problem. Finally, we conclude with our estimate of the budget problem that could occur over the multiyear period.

Budget Problem of \$18 Billion to \$31 Billion for 2020-21

Figure 2 summarizes the key assumptions in each of the two economic scenarios assuming the state maintains its current service level.

Budget Problem of \$18.1 Billion Under U-Shaped Recession. **Figure 3** (see next page) shows our estimate of the General Fund condition under the somewhat optimistic U-shaped recession scenario described earlier. As the figure shows, under these economic assumptions, the state would have an \$18.1 billion budget problem to solve in the upcoming budget process.

Budget Problem of \$31.4 Billion Under L-Shaped Recession. **Figure 4** (see next page) shows our estimate of the General Fund condition under the somewhat pessimistic L-shaped recession scenario. As the figure shows, under these economic assumptions, the state would have a \$31.4 billion budget problem to solve in the upcoming budget process.

Figure 2		
Key Assumptions for LAO Baseline Budget Estimates		
	U-Shaped Scenario	L-Shaped Scenario
Economy	Economy begins meaningful recovery this summer, but would remain below pre-recession levels well into 2021. The recovery would take a more rapid pace beginning in the second half of 2021.	Economy remains in a significant slump well into 2021. Gradual recovery begins in the second half of 2021, but the economy does not return to pre-recession levels until at least 2023.
Schools and Community Colleges (Proposition 98)	The state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for the 2.31 percent statutory cost-of-living adjustment and changes in attendance.	The state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for the 2.31 percent statutory cost-of-living adjustment and changes in attendance.
Other Programs	The state funds: <ul style="list-style-type: none"> • \$7 billion in COVID-19 response-related costs. • Increased costs associated with caseload, population, and enrollment growth. • Salary and other compensation cost increases for universities and state employees (after current MOUs expire). The state does not fund: <ul style="list-style-type: none"> • New discretionary proposals from January. 	
Federal Funding	The state receives: <ul style="list-style-type: none"> • 75 percent reimbursement from FEMA for \$7 billion in COVID-19-related costs. • Enhanced FMAP until December 2021. CRF funds not allocated to address state costs.	The state receives: <ul style="list-style-type: none"> • 75 percent reimbursement from FEMA for \$7 billion in COVID-19-related costs. • Enhanced FMAP until December 2022. CRF funds not allocated to address state costs.
<small>COVID-19 = coronavirus disease 2019; MOUs = memorandum of understanding; FEMA = Federal Emergency Management Agency; FMAP = federal medical assistance percentage; and CRF = Coronavirus Relief Fund.</small>		

Figure 3

General Fund Condition Under LAO Spring Outlook
General Fund, U-Shaped Scenario (in Millions)

	2019-20	2020-21
Prior-year fund balance	\$8,403	-\$3,332
Revenues and transfers	140,271	132,873
Expenditures	152,006	145,517
Ending fund balance	-\$3,332	-\$15,977
Encumbrances	2,145	2,145
SFEU Balance	-5,477	-18,122
Reserves		
BSA balance	\$15,630	\$15,630
Safety Net Reserve	900	900
Total Reserves	\$16,530	\$16,530

SFEU = Special Fund for Economic Uncertainties and
 BSA = Budget Stabilization Account.

Figure 4

General Fund Condition Under LAO Spring Outlook
General Fund, L-Shaped Scenario (in Millions)

	2019-20	2020-21
Prior-year fund balance	\$8,295	-\$4,210
Revenues and transfers	139,536	120,465
Expenditures	152,040	145,517
Ending fund balance	-\$4,210	-\$29,262
Encumbrances	2,145	2,145
SFEU Balance	-6,355	-31,407
Reserves		
BSA balance	\$15,302	\$15,302
Safety Net Reserve	900	900
Total Reserves	\$16,202	\$16,202

SFEU = Special Fund for Economic Uncertainties and
 BSA = Budget Stabilization Account.

What Is a Budget Problem?

A budget problem—also called a budget deficit—occurs when resources for the upcoming fiscal year are insufficient to cover the costs of currently authorized services. As such, calculating the budget problem involves two main steps:

- **Projecting Anticipated Revenues.** First, we estimate how much revenue will be available for the upcoming year. This means using assumptions about how the economy is likely to perform over the coming 14 months and then using those assumptions to project revenue collections.
- **Estimating Current Service Level.** Second, we compare those anticipated revenues to the level of spending to support the current service level (roughly the service level of the *2019-20 Budget Act*). Projecting current service spending, which we also call “baseline spending,” has several components. For example, it requires us to project how caseload will change for means-tested programs, estimate how much federal funding will come to the state based on current federal policy, and make many other assessments.

When current service level spending exceeds anticipated revenues the state has a budget problem. In this document, the budget problem is reflected in the 2020-21 ending balance in the Special Fund for Economic Uncertainties, shown in Figure 3 and Figure 4.

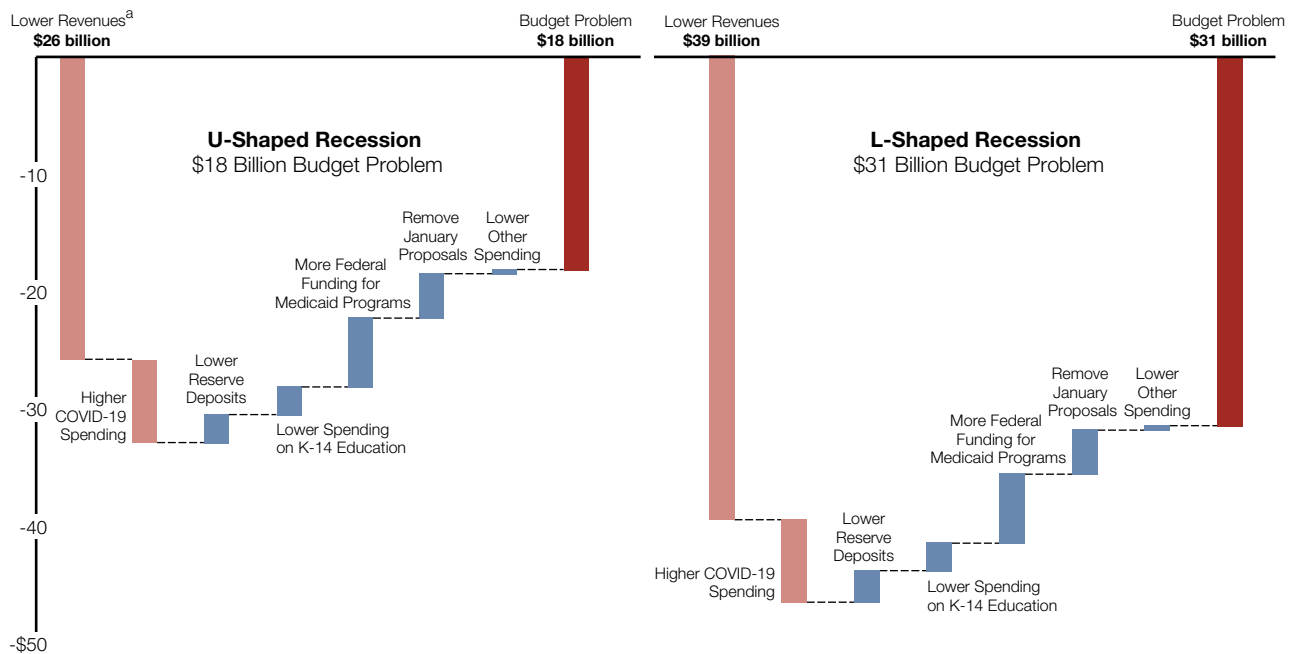
Budget Problem Must Be Addressed. The State Constitution requires the Legislature to pass a balanced budget. As a result, when the state faces a budget problem, the Legislature must solve the problem using a combination of tools. The main tool for solving a budget problem is building a savings account—called a reserve. If reserves are insufficient to cover the budget problem, however, the Legislature must take other actions to bring the budget into balance. These actions include reducing spending, increasing revenues, and/or shifting costs.

How Do We Calculate the Budget Problem Under the Two Scenarios? Figure 5 summarizes the key components of our calculation estimating the size of the budget problem. (We explain each of these component in more detail in “Appendix 1.”) They are:

- **Lower Revenues.** Under our estimates, revenues and other resources are lower, on net, by \$26 billion in the U-shaped recession scenario and \$39 billion in the L-shaped recession scenario.
- **COVID-19 Spending.** Using an estimate from the administration, we assume the state spends \$7 billion on COVID-19-related costs and 75 percent of those costs are reimbursed by the federal government (the latter is accounted for in revenues).
- **Lower Reserve Deposits.** We assume the state suspends the Budget Stabilization Account (BSA) deposit in 2020-21. On net, this, and other automatic deposit changes, increases resources available by \$2.4 billion in the U-shaped recession and \$2.7 billion in the L-shaped recession.
- **Lower Spending on K-14 Education.** We assume the state funds schools and community colleges at the 2019-20 enacted level, adjusted for inflation and attendance. The box on page 8 describes this assumption and the associated savings relative to the Governor’s budget in more detail.
- **More Federal Funding for Medicaid Programs.** We estimate the recently enacted enhanced federal cost share for state Medicaid programs (Medi-Cal, In-Home Supportive Services, and some developmental services) results in roughly \$6 billion in savings in both scenarios.
- **Remove January Proposals.** Our estimates eliminate all discretionary funding proposals from the January Governor’s budget, which reduces costs by \$3.8 billion.

Figure 5

Calculating the Budget Problem
(In Billions)



^a Net of SFEU balance and federal reimbursements
COVID-19 = coronavirus disease 2019 and SFEU = Special Fund for Economic Uncertainties.



How Do We Treat Proposition 98 in the Budget Problem Calculation?

Assume Cost-Adjusted 2019-20 Funding for Schools and Community Colleges. To estimate the budget problem under the two scenarios, we assume the state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for inflation and attendance. Essentially, this estimate accounts for the “current service level” of K-14 education rather than the constitutional minimum level. (This is similar to the approach we used for other programs in the state budget. As we describe later, funding K-14 education at the constitutional minimum level would result in substantially lower General Fund costs.) From 2018-19 to 2020-21, General Fund spending on K-14 education would be \$2.4 billion lower than the Governor’s January budget level in the U-shaped recession and \$2.3 billion lower in the L-shaped recession. The difference between the two scenarios results from differing assumptions regarding property tax revenue.

Reserves Total Around \$16 Billion... The bottom of Figure 3 and Figure 4 show total reserves available to address the respective budget problems. As the figures show, under the two scenarios, the state would have either \$16.5 billion or \$16.2 billion in total reserves. (The total reserve amounts differ by scenario because the BSA deposit for 2019-20 changes depending on revenue estimates.) The box below describes how these reserve estimates are related to the state’s current cash position.

...But Absent Using Reserves for a Disaster, the State Can Only Access Around \$9 Billion of BSA in 2020-21. Proposition 2 (2014) places restrictions on withdrawals from the BSA. Absent the Governor proposing to use a portion of the BSA to address costs related to the COVID-19 emergency, funds could not be withdrawn in 2019-20. This would mean that, under our revenue estimates, only a portion of the BSA could be withdrawn in 2020-21. Specifically, we estimate about \$9.4 billion would be accessible in the U-shaped recession scenario and \$9.2 billion would be available in the L-shaped scenario. “Appendix 2” describes this estimate and our reasoning in more detail.

Cash Management

A Sizeable Cash Cushion Allows the State to Withstand the Delay in the Tax Filing Date... The state’s sizeable reserve balances have contributed to a strong cash position in recent years. In the coming weeks, this cash position will decline. The State Controller’s Office has estimated that while the state’s cash cushion was around \$40 billion at the end of March, that balance will decline to roughly \$9 billion by the end of the fiscal year. The single largest reason for this decline is the delay of the state’s tax filing date from April to July. Despite this decline, however, the administration does not anticipate that California will require external borrowing to manage cash flows in the current fiscal year.

...But State’s Cash Position Will Change Dramatically in the Coming Months. When normal collections resume, the state’s cash position could improve, but a variety of factors will continue to limit the state’s available cash. This includes: depressed economic activity which will lead to lower revenues, the use of the state’s General Fund and special fund reserves to pay for currently authorized services, and higher costs as the state responds to COVID-19. As such, cash management is likely to become a more prominent feature in legislative deliberations and decision-making in this budget process and future budgets.

Budget Problem Lower Under Alternative Assumptions

Our estimate of the budget problem—\$18 billion to \$31 billion—would be lower if we made alternative assumptions. Those alternative assumptions, which might help guide the Legislature as it begins to consider how to approach the budget problem, are described in this section.

Use Federal Coronavirus Relief Funding to Cover Costs. Congress recently established the Coronavirus Relief Fund (CRF) to provide money to state, local, tribal, and territorial governments for “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019” that are incurred between March 1 and December 30, 2020. We estimate California’s state government is eligible for \$9.5 billion from the CRF. Recent guidance from the U.S. Department of the Treasury outlines the eligible uses of these funds. We think the state has a good argument to use most—or all—of this total to cover current state costs. However, because there is substantial uncertainty in how the Treasury will implement its guidance, we have not assumed the funding is used in this way.

Eliminate Cost-of-Living Adjustments (COLAs). Our estimates of the budget problem assume the state provides inflation-related cost increases in order to maintain current service levels, although those increases are not necessarily required under current law or policy. For example, we provide COLAs to state employee salaries (after current bargaining agreements expire), universities, and K-14 education. Eliminating all the various COLAs would result in General Fund savings of \$2.1 billion in 2020-21. Most of these savings—\$1.7 billion—would come from eliminating the COLA for K-14 education.

Fund Schools and Community Colleges at Constitutional Minimum Level. Rather than holding funding for schools and community colleges flat over the budget period, the state alternatively could provide the minimum required funding level allowed by Proposition 98 (1988). Funding at the minimum level would reduce the budget problem by \$10.1 billion in the U-shaped recession and \$15.4 billion in the L-shaped recession. Historically, the state has provided the minimum level of funding for schools and community colleges, even when those levels result in year-over-year reductions. This approach, however, would involve extraordinary reductions in overall education funding. The box on page 10 provides an update on the minimum guarantee under our economic scenarios in more detail.

Pull Back Recent Augmentations and Allocations That Are Not Yet Disbursed. Another way to conceptualize the “current service level” is to consider the level of benefits and services being provided by the state *today* (rather than those that will be provided in the future under law). In this case, the state could eliminate funding provided in recent budgets and law that has not yet been disbursed or for which implementation has not begun. For example the state could:

- Return funds to the General Fund for infrastructure and maintenance projects that have not begun construction.
- Revert unspent funds from state departments and other entities, like universities.
- Delay implementation of recently enacted laws.
- Rescind funds for other recent legislative augmentations that have not been distributed to providers, local governments, or other beneficiaries.

Our initial review suggests there could be *up to* \$3.8 billion in recent augmentations that can be reduced without affecting today’s service level. However, we were unable to get verification from the administration on this list. Compiling a more complete list would require more information from the administration, particularly the Department of Finance.

Other Alternative Assumptions. We have identified some other areas of the budget where alternative assumptions about baseline spending are possible, although some of these options would mean reducing today’s level of services. For example, in January, the administration defined \$1.7 billion in recent augmentations that are subject to suspension in 2021-22 as “discretionary” augmentations in 2020-21. Our

Update on the Proposition 98 Guarantee

Proposition 98 Sets Minimum Funding Level. Proposition 98 (1988) established an annual funding requirement for schools and community colleges commonly known as the minimum guarantee. The California Constitution sets forth formulas for calculating the guarantee. These formulas depend upon various inputs, including General Fund revenue, per capita personal income, and student attendance. The state meets the guarantee through a combination of General Fund and local property tax revenue. Although the state can provide more funding than required, in practice it usually funds at or near the guarantee. With a two-thirds vote of each house of the Legislature, the state can suspend the guarantee and provide less funding than the formulas require that year.

Proposition 98 Guarantee Down Significantly Under Both Scenarios. Under our U-shaped scenario, the minimum guarantee is \$13.3 billion lower than the Governor's January estimates over the 2018-19 through 2020-21 budget period. Under the L-shaped scenario, the guarantee is \$18.6 billion lower. In both scenarios, most of the drop is related to 2020-21 and reflects lower General Fund revenues. In each year of the period, the General Fund share of the guarantee drops about 40 cents for every dollar of lower revenue. Slower growth in local property tax revenue also contributes to a lower guarantee in both scenarios. Appendix 3 provides more information on our estimates of the minimum guarantee.

definition of "discretionary spending" would not include these items, however, removing them from baseline spending would reduce the budget problem by this amount. In addition, there are hundreds of millions of dollars in recent federal funding that could probably be used to offset state costs. Finally, the Governor could pause the minimum wage increase scheduled for January 1, 2020. We currently estimate, however, that the net budgetary savings from this action likely would not be significant in 2020-21

Why Is the Administration's Estimate of the Deficit Larger?

The administration published a letter on May 7 indicating they estimate the budget problem for 2020-21 is \$54.3 billion. This estimate is substantially larger than our bottom line figure for the L-shaped recession scenario. While we are still reviewing this estimate and have not yet received full information about it, we have identified a few preliminary reasons for our difference. In particular, the administration's estimate of the budget problem assumes:

- Revenues are slightly lower than our L-shaped recession scenario.
- Caseload-driven costs are higher by billions of dollars.
- All of the Governor's budget discretionary proposals are part of baseline costs.
- The Governor's budget proposed level of spending for Proposition 98 remains roughly unchanged.

They key differences between our estimates is not necessarily the result of substantially differing assessments of the path of the economy or its effects on state programs. Rather, it is a question of how we display the bottom line numbers. In effect, the administration's estimates largely reflect *gross* changes in the budget's bottom line while our estimate includes the *net* effects of current law.

Budget Problems Linger for Multiyear Period

Ongoing Budget Problem of \$20 Billion to \$30 Billion. Under both of our economic scenarios, budget deficits persist until at least 2023-24. This occurs despite the fact that the U-shaped recession assumes the economy begins to recover this summer and the L-shaped recession assumes the economy begins recovering later in 2021. The state would face annual deficits of about \$20 billion in the somewhat optimistic U-shaped recession scenario through 2023-24 (the last year of our projections). In the somewhat pessimistic L-shaped recession scenario, the state would face annual deficits of around \$30 billion and an even larger budget problem in 2021-22 than this year. Over the entire multiyear period, deficits sum to \$64 billion in the U-shaped scenario and \$126 billion in the L-shaped scenario. We show these estimates in “Appendix 3, Figure 4.”

WHAT IS OUR ASSESSMENT AND GUIDANCE?

Addressing the Budget Problem

Significant Budget Problems Likely to Persist in Years to Come. Some might have anticipated the state would face a deep—but short lived—budget problem in response to the COVID-19 public health emergency. Our analysis shows, however, that the state’s fiscal challenges will not go away quickly and likely will extend well beyond the end of the public health crisis. Accordingly, long-term solutions to bring the budget into structural alignment are needed.

Reserves Are Insufficient to Cover the Budget Problem. When the state faces a budget problem, the Legislature must solve it using a combination of tools. The main tool is the state’s reserve. However, existing reserves will not be sufficient to cover the budget problem in 2020-21 and beyond. This means the Legislature will need to reduce spending, increase revenues, and/or shift costs to bring the budget into alignment. Although we focus on alternative expenditure assumptions in this report, we recommend the Legislature use a mix of all four tools in approaching the 2020-21 budget problem.

California’s Reserves Nonetheless Yield Key Advantages. While the state’s reserves are insufficient to address the budget problem, they provide several important benefits. First, reserves will reduce the need for expenditure reductions or revenue increases—every dollar of reserves held today is a dollar in one-time programmatic cuts that can be avoided. Second, reserves allow the state to phase in reductions to expenditures more slowly, reducing their potential impact during the most acute period of the public health and economic crisis. Finally, some budgetary reductions will take time to implement. Reserves serve as an interim solution, buying lawmakers time to implement those longer-term reductions. Unlike past recessions, when the state had virtually no reserves and deep cuts were immediately necessary, the state’s reserves will cushion the coming budget crunch.

Consider Health and Economic Consequences When Evaluating Budget Solutions. In light of the current and future budget problems faced by the state, programmatic reductions will be needed as part of the overall budget solution. The Legislature likely will weigh multiple criteria when determining which solutions to implement. As one of those criteria, while the pandemic is ongoing, we recommend the Legislature consider whether the programmatic reduction under consideration could worsen the public health crisis or compound personal economic challenges facing Californians. Such actions include, for example, significantly reducing access to health care services or eliminating programs like the Earned Income Tax Credit. When possible, mitigating the effects of these types of reductions could help limit the impact of the virus and its negative implications for the state’s economy.

Upcoming Budget Process

Assessment of Budget Problem Reflects Our Best Estimates, Some Additional Information May Be Forthcoming in the May Revision. This report reflects our best estimates of the state's budget situation given limited information and significant uncertainty. Much of this uncertainty surrounds the future path of the pandemic and the economy, which neither our office nor the administration can foresee with certainty. That being said, the May Revision may provide additional information on COVID-19 costs and caseload effects of the deteriorating economic situation. Consequently, the May Revision should provide the Legislature additional information to assess the potential size of the budget problem and the extent to which policy interventions could mitigate that problem.

Start Making Hard Decisions in June Instead of Waiting Until August. The Legislature could pass a budget in June and then revisit these estimates in a subsequent budget package in August. This approach makes sense in light of the continuing evolving public health and economic situations. Regardless, under any scenario, the state will need to make some reductions in ongoing spending and we would strongly caution the Legislature against waiting until August to start making difficult decisions. Delaying action could only increase the size of the ultimate budget problem. Further, there are a number of areas of the budget for which midyear reductions are more difficult to implement. For instance, departments likely could respond to budget reductions more effectively if identified in June rather than in August.

CONCLUSION

After many years of favorable budgetary conditions, the state suddenly is facing a recession and a severely negative budgetary outlook. In this environment, lawmakers will face repeated—at times profoundly—difficult decisions. This will stand in stark and abrupt contrast to the budget surpluses of recent years. While the state and Governor have been appropriately focused on reacting to the current crisis, the upcoming budget process provides the Legislature with an important opportunity to assert its own priorities as the state moves forward on a long-term fiscal plan.

A focus on the longer-term budget situation—both in June and a possible package in August—is of serious import. Although the state faces a daunting budget deficit for the upcoming fiscal year, the multiyear situation is likely to be even worse. The Legislature should begin to craft multiyear actions now that help bring down the state's ongoing budget deficits. Relying only on one-time solutions in this budget cycle will mean significant budget problems reoccur year after year.

APPENDIX 1: HOW DO WE CALCULATE THE BUDGET PROBLEM?

This Appendix describes our calculation of the budget problem in more detail.

Revenues and Other Resources Available Lower by \$26 Billion to \$39 Billion. Under both recession scenarios, our revenue estimates are tens of billions of dollars lower than the Governor's budget estimates in January. In the U-shaped scenario, revenues and other resources (specifically, the Special Fund for Economic Uncertainties [SFEU]) are lower by \$26 billion from 2018-19 to 2020-21. In the L-shaped scenario, resources are lower by \$39 billion across the same years. These revenue losses account for federal reimbursements from the state and federal disaster declaration (described in the next paragraph) and the estimated SFEU balance in the Governor's budget.

COVID-19 Response-Related Spending. In a letter to the Joint Legislative Budget Committee in April, the administration estimated that the total costs of coronavirus disease 2019 (COVID-19) response will be \$7 billion in 2020. Our baseline costs assume the state funds all of these costs in 2019-20 and 2020-21. Our revenue estimates assume that the federal government will ultimately reimburse the state for an estimated 75 percent of these costs—for total reimbursements of \$5.25 billion—through 2020-21.

Assume BSA Deposit Is Suspended in 2020-21. As we describe in more detail in "Appendix 2," under our revenue and economic estimates, the Governor could declare a fiscal emergency in 2020-21, but not 2019-20. The fiscal emergency declaration allows the state to suspend deposits into the Budget Stabilization Account (BSA). As such, we assume the BSA deposit is not suspended for 2019-20, but is suspended for 2020-21. Including the other required adjustments, compared to January estimates, required BSA deposits would be lower by \$2.4 billion in the U-shaped recession and \$2.8 billion in the L-shaped recession.

Assume Cost-Adjusted 2019-20 Funding for Schools and Community Colleges. To estimate the budget problem under the two scenarios, we assume the state funds schools and community colleges in 2020-21 at the enacted 2019-20 level, adjusted for inflation and attendance. Essentially, this estimate accounts for the "current service level" of K-14 education rather than the constitutional minimum level. (This is similar to the approach we used for other programs in the state budget. As we describe later, funding K-14 education at the constitutional minimum level would result in substantially lower General Fund costs.) From 2018-19 to 2020-21, General Fund spending on K-14 education would be \$2.4 billion lower than the Governor's January budget level in the U-shaped recession and \$2.3 billion lower in the L-shaped recession. The difference between the two scenarios results from differing assumptions regarding property tax revenue.

Account for Higher Federal Funding for Enhanced Federal Medical Assistance Percentage. Medicaid is an entitlement program whose costs generally are shared between the federal government and states. Congress recently approved a temporary 6.2 percentage point increase in the federal government's share of cost for state Medicaid programs until the end of the national public health emergency declaration. We estimate this change results in General Fund savings of \$4.1 billion for Medi-Cal, \$1.2 billion for In-Home Supportive Services, and \$560 million for some developmental services programs across 2019-20 and 2020-21 in the U-shaped recession scenario and slightly more savings in the L-shaped recession scenario. These estimates are based on our projections of caseload and the cost of services in these programs over the next 14 months, using assumptions based on our two economic and public health scenarios. (Importantly, these assumptions include the national public health emergency lasting beyond the 2020-21 fiscal year in both scenarios.)

Remove All Discretionary Proposals From January Budget. The Governor's proposed January budget estimated the state would have a moderate surplus for 2020-21. (The "surplus" is defined as non-Proposition 98 General Fund expenditures that are not required under current law or other policies.)

The Governor proposed allocating that surplus to a variety of new spending proposals. (These proposals included, for example, funds for homelessness, expanded healthcare access, and environmental projects.) Under our definition of the baseline budget, these new proposed augmentations are not part of current services. Removing these proposals would reduce costs by \$3.8 billion in 2020-21.

Other Spending Slightly Lower. On net, we estimate that other costs across the budget will be lower by \$225 million in the U-shaped scenario and \$299 million in the L-shaped scenario. The reason other spending is lower in the L-shaped scenario is that the state's constitutionally required spending on debt payments is lower in those revenue assumptions.

APPENDIX 2: USING THE BSA IN 2020-21

The budget has a few general purpose reserve accounts. The largest of these is the Budget Stabilization Account (BSA), which is governed by constitutional rules under Proposition 2 (2014). Here, we describe the rules around how the BSA can be used and how much of the BSA could be accessed to address a budget problem in 2020-21.

Components of the BSA

BSA Has Optional and Mandatory Components. The total BSA in both the U-shaped and L-shaped recession scenarios has a component that is “mandatory” because it was deposited pursuant to the rules under Proposition 2, and a remaining “optional” balance that was deposited in some other way. In particular, these optional amounts include: (1) \$1.6 billion deposited before Proposition 2 was enacted, (2) an optional deposit from the 2016-17 budget that now totals \$1.5 billion after adjustments, and (3) an optional deposit from the 2018-19 budget that is now close to zero (see [Appendix 2, Figure 1](#)).

Appendix 2, Figure 1		
Balance of the Budget Stabilization Account by Scenario		
<i>(In Billions)</i>		
	U-Shaped Scenario	L-Shaped Scenario
Pre-Proposition 2 balance	\$1.6	\$1.6
2016-17 optional deposit	1.5	1.5
2018-19 optional deposit	—	0.1
Optional Balance	\$3.1	\$3.2
Mandatory balance	\$12.5	\$12.1
Total Balance	\$15.6	\$15.3

Is a Fiscal Emergency Available?

Legislature Can Make a BSA Withdrawal Under Two Conditions. The Legislature can suspend a BSA deposit or make a withdrawal from the mandatory share of the BSA if the Governor declares a budget emergency. The Governor may call a budget emergency in two cases: (1) if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the highest of the prior three budgets, adjusted for inflation and population (a “fiscal budget emergency”) or (2) in response to a natural or man-made disaster.

Fiscal Emergency Available in 2020-21. Under our revenue scenarios, a fiscal emergency is available in 2020-21, but not in 2019-20, as [Appendix 2, Figure 2](#) (see next page) shows. Consequently, the BSA cannot be used to cover shortfalls in 2019-20 under this provision. However, we think the Governor could declare a budget emergency in response to the coronavirus disease 2019 public health emergency in 2019-20.

Appendix 2, Figure 2		
Fiscal Emergency Likely Available in 2020-21, But Not in 2019-20		
<i>(In Millions)</i>		
U-Shaped Scenario	2019-20	2020-21
Highest adjusted budget ^a	\$144,192	\$146,049
Resources available	148,190	136,962
Budget emergency available?	No	Yes
Amount of Emergency		\$9,087
L-Shaped Scenario	2019-20	2020-21
Highest adjusted budget ^a	\$144,192	\$143,294
Resources available	147,020	123,778
Budget emergency available?	No	Yes
Amount of Emergency		\$19,516

^a Reflects the highest of the prior three budgets (2017-18, 2018-19, and 2019-20), adjusted for inflation and population. In both cases, the highest of these is the 2019-20 adjusted budget.

How Much of the BSA Can the Legislature Use in 2020-21?

Good Argument That the Legislature Can Access Optional BSA Balance by Majority Vote. Although not yet tested, we think there is a good argument that the balance of the BSA that was deposited on an “optional” basis is not subject to the withdrawal rules governing the mandatory balance. (Statutory language does indicate that nearly half of the optional total would be subject to rules, but this language can be amended by majority vote.) As such, under this argument, the Legislature could appropriate around \$3 billion from the BSA by majority vote and without a fiscal emergency declaration by the Governor.

State Can Access Half of Mandatory Total. In the case of a fiscal emergency, the Legislature may only withdraw the lesser of: (1) the amount of the budget emergency, or (2) 50 percent of the BSA balance. (The second requirement is waived if the Legislature has accessed the BSA in the immediately preceding fiscal year. It is not clear whether withdrawing the funds for a disaster-related purpose fulfills this requirement.) In both economic scenarios, the amount of the budget emergency exceeds 50 percent of the mandatory balance of the BSA. As such, in 2020-21, there would be around \$6 billion available from half of the BSA’s mandatory balance.

Likely Around \$9 Billion in BSA Available in 2020-21. The total amount available would be \$9.2 billion to \$9.4 billion, depending on the revenue scenario, as shown in **Appendix 2, Figure 3**. This said, there is an argument that if the Governor declared a budget emergency in 2019-20 pursuant to the disaster declaration and the Legislature withdraws funds for that year, the entire remaining balance could be accessed for 2020-21.

Appendix 2, Figure 3		
BSA Balance Available in 2020-21		
<i>(In Billions)</i>		
	U-Shaped Scenario	L-Shaped Scenario
Optional balance	\$3.1	\$3.2
Half of mandatory balance	6.3	6.1
BSA Available	\$9.4	\$9.2

BSA = Budget Stabilization Account.

APPENDIX 3: FIGURES

Appendix 3, Figure 1

LAO Spring Outlook Revenue Estimates

(In Billions)

2018-19	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$98.6	\$98.5	\$98.5	-\$0.1	-\$0.1
Sales and use tax	26.1	26.1	26.1	—	—
Corporation tax	14.1	14.1	14.1	—	—
Subtotal, Big Three Revenues	(\$138.8)	(\$138.8)	(\$138.8)	(—)	(—)
BSA transfer	-\$3.2	-\$3.2	-\$3.3	-\$0.1	-\$0.2
Federal cost recovery	—	—	—	—	—
All other revenues	5.0	5.0	5.0	—	—
All other transfers	-1.3	-1.3	-1.3	—	—
Total Revenues and Transfers	\$139.4	\$139.3	\$139.2	-\$0.1	-\$0.2

2019-20	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$101.7	\$98.9	\$97.7	-\$42.8	-\$4.0
Sales and use tax	27.2	24.3	24.3	-2.8	-2.9
Corporation tax	15.3	13.1	13.1	-2.2	-2.2
Subtotal, Big Three Revenues	(\$144.2)	(\$136.4)	(\$135.2)	(-\$7.8)	(-\$9.0)
BSA transfer	-\$2.1	-\$1.6	-\$1.2	\$0.4	\$0.9
Federal cost recovery	1.0	2.1	2.1	1.1	1.1
All other revenues	5.2	5.3	5.3	0.1	0.1
All other transfers	-1.9	-1.9	-1.9	—	—
Total Revenues and Transfers	\$146.5	\$140.3	\$139.5	-\$6.2	-\$6.9

2020-21	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
Personal income tax	\$102.9	\$89.0	\$81.3	-\$13.9	-\$21.6
Sales and use tax	28.2	23.9	21.3	-4.4	-6.9
Corporation tax	16.0	9.7	7.8	-6.3	-8.2
Subtotal, Big Three Revenues	(\$147.1)	(\$122.6)	(\$110.4)	(-\$24.5)	(-\$36.8)
BSA transfer	-\$2.0	—	—	\$2.0	\$2.0
Federal cost recovery	0.9	\$5.1	\$5.1	4.2	4.2
All other revenues	5.4	5.0	4.9	-0.4	-0.6
All other transfers	0.2	0.2	0.2	—	—
Total Revenues and Transfers	\$151.6	\$132.9	\$120.5	-\$18.8	-\$31.2

BSA = Budget Stabilization Account.

Appendix 3, Figure 2				
LAO Spring Outlook Economic Assumptions				
<i>Annual Percent Change Unless Otherwise Indicated</i>				
	U-Shaped Scenario			
	2019	2020	2021	2022
Personal income	4.8%	-2.9%	0.6%	5.6%
Wages and salaries	5.2	-5.2	-1.0	4.7
Wage and salary employment	1.5	-6.4	-1.6	3.0
Unemployment rate (percent)	4.0	9.4	9.5	7.5
Housing permits (thousands)	111	79	102	115
Median home price	1.6	2.0	-0.7	3.5
California Consumer Price Index	2.9	1.6	2.2	3.4
S&P 500 (level)	2,913	2,624	2,675	3,068
	L-Shaped Scenario			
	2019	2020	2021	2022
Personal income	4.8%	-5.5%	-3.3	3.9%
Wages and salaries	5.2	-8.2	-4.0	2.4
Wage and salary employment	1.5	-9.1	-1.8	2.1
Unemployment rate (percent)	4.0	11.5	11.5	10.1
Housing permits (thousands)	111	64	65	97
Median home price	1.6	-1.2	-5.7	3.3
California Consumer Price Index	2.9	1.3	0.5	2.5
S&P 500 (level)	2,913	2,328	1,880	2,375

Appendix 3, Figure 3				
LAO Spring Outlook Agency-Level Expenditure Estimates				
	U-Shaped Scenario		L-Shaped Scenario	
	2019-20	2020-21	2019-20	2020-21
Proposition 98^a	\$55,342	\$56,207	\$55,378	\$56,278
Agency Totals^b				
Legislative, Judicial, and Executive	\$6,442	\$3,771	\$6,442	\$3,771
Business, Consumer Services, and Housing	1,049	159	1,049	159
Transportation	96	9	96	9
Natural Resources and Environmental Protection	3,205	2,281	3,205	2,281
Health and Human Services	40,219	42,180	40,243	42,404
Corrections and Rehabilitation	12,813	12,806	12,787	12,800
Education	17,681	15,770	17,681	15,738
Labor and Workforce Development	186	125	186	125
Government Operations and General Government	4,912	6,886	4,912	6,627
Capital Outlay	493	91	493	91
Debt Service ^c	5,168	5,231	5,168	5,231
Total Expenditures	\$147,606	\$145,517	\$147,640	\$145,517

^a Assumes the state funds schools and community colleges at the enacted 2019-20 level, adjusted for inflation and attendance.
^b Excluding Proposition 98, capital outlay, and debt service spending.
^c Includes debt service on general obligation and lease revenue bonds.

Appendix 3, Figure 4

Comparing Estimates of the Minimum Guarantee

(In Millions)

	January Budget	LAO Spring Outlook		Change From January	
		U-Shaped Scenario	L-Shaped Scenario	U-Shaped Scenario	L-Shaped Scenario
2018-19	\$78,448	\$78,508	\$78,508	\$61	\$61
General Fund	54,505	54,493	54,493	-12	-12
Local property tax	23,942	24,015	24,015	73	73
2019-20	\$81,573	\$78,328	\$77,846	-\$3,245	-\$3,727
General Fund	56,405	53,370	52,926	-3,035	-3,479
Local property tax	25,168	24,958	24,921	-210	-248
2020-21	\$84,048	\$73,884	\$69,100	-\$10,164	-\$14,948
General Fund	57,573	48,031	43,318	-9,542	-14,255
Local property tax	26,475	25,853	25,782	-622	-693
Three-Year Totals	\$244,069	\$230,720	\$225,455	-\$13,349	-\$18,614
General Fund	168,484	155,893	150,737	-12,590	-17,747
Local property tax	75,586	74,827	74,718	-759	-868

Appendix 3, Figure 5

Comparing Costs of Existing K-14 Programs With the Proposition 98 Guarantee

(In Millions)

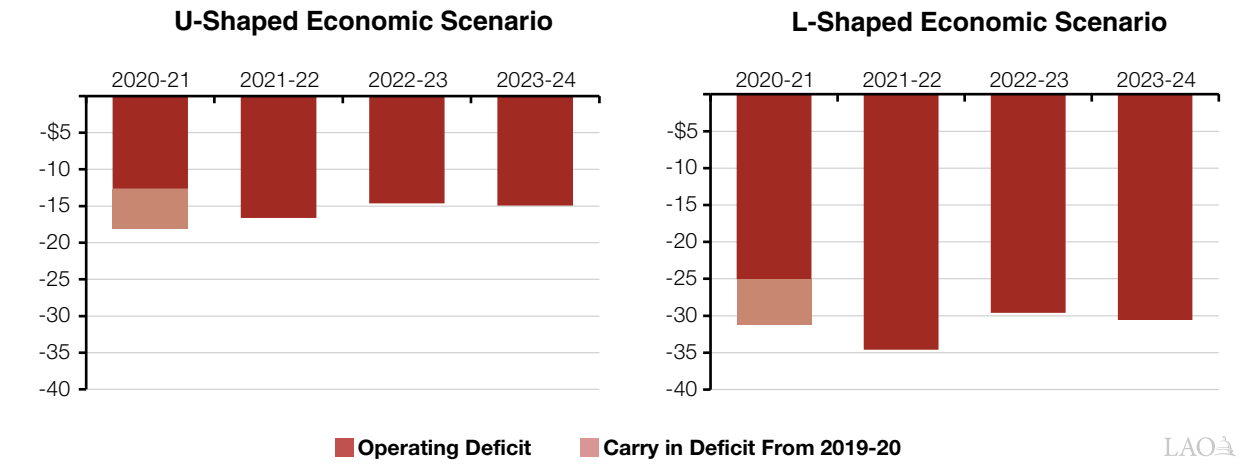
	2018-19	2019-20	2020-21	Three-Year Totals
Costs of existing programs ^a	\$78,508	\$80,300	\$82,060	\$240,868
U-Shaped Scenario				
Minimum guarantee	\$78,508	\$78,328	\$73,884	\$230,720
Difference from existing program costs	—	1,972	8,176	10,148
L-Shaped Scenario				
Minimum guarantee	\$78,508	\$77,846	\$69,100	\$225,455
Difference from existing program costs	—	2,454	12,960	15,413

^a Reflects cost of maintaining programs funded in the 2019-20 budget plan, adjusted for changes in attendance, and the statutory cost-of-living adjustment (2.31 percent in 2020-21).

Appendix 3, Figure 6

Multiyear Budget Deficits Persist Under Both Economic Scenarios

(In Billions)



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This report was prepared by Ann Hollingshead, with contributions from others across the office, and reviewed by Carolyn Chu and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: Award TVMWD Miragrand Well (Phase 1 – Drilling/Development) Construction Contract, Project No. 58463

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input checked="" type="checkbox"/> Funds Budgeted
<input type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	\$ 1,056,390

Staff Recommendation:

Authorize the General Manager to award construction contract for well drilling and development for the Miragrand Well Project (Project No. 58463) for \$1,056,390 to Bakersfield Well & Pump Company.

Discussion:

Miragrand Well – Project No. 58463

The final design and bid documents for Phase 1 (well drilling/development) of the proposed Miragrand Well Project were completed and advertised for public bidding in April 2020. A mandatory pre-bid meeting was held on April 21, 2020 and sealed bids were opened on May 7, 2020. The preliminary bid results are shown in Table 1 below. Four bids were received ranging from \$1,056,390 to \$1,298,995 with a difference of 23% between the lowest and highest bids. The lowest bid is \$43,610 less than the Engineer's estimate of \$1,100,000.

Table 1 – Summary of Bid Results for Miragrand Well

No.	Consulting Firm	Bid Amount
1	Bakersfield Well & Pump Co.	\$1,056,390
2	Best Drilling and Pump, Inc.	\$1,178,078
3	Yellow Jacket Drilling	\$1,224,899
4	South West Pump & Drilling, Inc.	\$1,298,985

Staff has reviewed the bid and financial information provided by the apparent low bidder (Bakersfield Well & Pump, Co.) and has found the submittal to be complete.

Bakersfield Well & Pump Co. has successfully completed similar projects with various water agencies throughout Southern California. Staff contacted references provided by Bakersfield to understand past performance. Accordingly, staff recommends that, Bakersfield Well & Pump, Co. be awarded the construction contract for the drilling and

development phase of the Miragrand Well, Project No. 58463. A contract budget of \$1,056,390 is requested. The construction work and related activities are anticipated to require approximately four months to complete.

Strategic Plan Objective(s):

- 1.3 – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.
- 1.4 – Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.
- 1.5 – Maintain water infrastructure to assure 100% reliability.
- 2.1 – Utilize 10,000 AF of well production to meet annual demands.
- 2.3 – Manage water infrastructure and staff operations to minimize costs.
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

Board of Directors Meeting, November 20, 2019, Action Item

Board of Directors Meeting, January 15, 2020, Information Item


Board of Directors Meeting, February 5, 2020, Information Item

Board of Directors Meeting, February 19, 2020, Action Item

NA/ML



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: May 20, 2020
Subject: **Approve a Professional Services Agreement for Design Services for TVMWD Miragrand Well Equipping (Phase 2 – Design), Project No. 58463**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input checked="" type="checkbox"/> Funds Budgeted
<input type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	\$ 253,055

Staff Recommendation:

Authorize the General Manager to award a Professional Services Agreement for well equipping (phase 2) design and construction management for the Miragrand Well Project (Project No. 58463) to Civiltec Engineering, Inc. in the amount of \$253,055.

Discussion:

Miragrand Well – Project No. 58463

In mid-March 2020, TVMWD issued a Request for Proposals (RFP) for design services to equip a new well at the Miragrand property to five engineering consulting firms. District staff received four proposals on April 22, 2020 and has completed its review and ranking of the proposals. The RFP scope of work included well equipping design of the above ground improvements, preparation of construction bid documents, specifications, and construction management services. Staff evaluated the proposals based on the consultants' qualifications, relevant experience, project team, project understanding, and proposed approach. Included in ranking the proposals was the consultants' ability to provide a thorough understanding and clear plan to address logistical, construction, aesthetic, and operational challenges specific to this project.

After reviewing all proposals and conducting team interviews with the two highest ranking consultants, Civiltec Engineering, Inc (Civiltec) received the highest ranking. Civiltec addressed all key tasks and potential concerns listed in the RFP. Their proposal provided a clear description of the project and thorough understanding of its specific challenges. Civiltec was able to identify a realistic time commitment and level of effort to successfully complete this project. Their project team has substantial experience and success on similar well projects, resolving their specific and unique challenges and utilizing a robust approach. In addition, Civiltec had the lowest fee and lowest average hourly rate.

Table 1 depicts each proposal's fees, anticipated effort, and average hourly rate for the design and construction management services for the proposed groundwater production well. The ranking summary is shown below.

TABLE 1 –PROPOSAL RANKINGS, CONSULTANTS' PROPOSED FEES, & AVG HOURLY RATE

Rank	Consulting Firm	Proposed Fee (\$)	Average Hourly Rate (\$/HR)	Anticipated Effort (Hours)
1	Civiltec Engineering	\$253,055	\$148	1,713
2	JIG Consultants	\$302,950	\$212	1,426
3	Stantec Consulting	\$473,962	\$259	1,831
4	Krieger & Stewart Engineering	\$579,910	\$191	3,036

Staff recommends that the Board authorize the General Manager to execute a professional services agreement with Civiltec Engineering for the well equipping design contract.

Staff anticipates preparation of the well equipping design bid documents will be completed in late December 2020.

Strategic Plan Objective(s):

1.3 – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.

1.4 – Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.

1.5 – Maintain water infrastructure to assure 100% reliability.

2.1 – Utilize 10,000 AF of well production to meet annual demands.

2.3 – Manage water infrastructure and staff operations to minimize costs.

3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

Board of Directors Meeting, November 20, 2019, Action Item

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Board of Directors Meeting, February 5, 2020, Information Item

Board of Directors Meeting, February 19, 2020, Action Item

NA/ML