



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

AGENDA

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY

REGULAR MEETING OF THE POLICY BOARD

**CITY OF WHITTIER
EMERGENCY OPERATIONS CENTER
13200 PENN STREET
WHITTIER, CA 90602**

**THURSDAY, OCTOBER 4, 2018
7:00 P.M.**

- 1. PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS**
- 4. CONSENT CALENDAR**

****Consent Calendar items will be considered and approved in one motion unless removed by a Board Member for discussion.****

- a. SEWC BOARD OF DIRECTORS MINUTES OF JUNE 7, 2018**
Recommendation: Approve minutes as submitted.
- b. WARRANT REGISTER**
Recommendation: Approve Warrant Register.

****End of Consent Calendar****

5. WATER QUALITY UPDATE FROM THE WATER REPLENISHMENT DISTRICT (WRD)

Kyle Cason, Chair, Administrative Entity

Brian Partington, Senior Hydrogeologist, Water Replenishment District

Recommendation: That the Board take the following action:

Receive and file an update on the water quality in the Central Basin from Brian Partington, Senior Hydrogeologist at the Water Replenishment District (WRD).

6. UPDATE ON AUGUST 2, 2018 BOARD OF DIRECTORS MEETING

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following action:

Receive and file an update on the August 2, 2018 Board of Directors meeting and SEWC Legal Counsel opinion regarding Board Member compensation for no quorum meetings.

7. UPDATE FROM SEWC LEGAL COUNSEL

Kyle Cason, Chair, Administrative Entity

Steve L. Dorsey, Richards, Watson & Gershon

Recommendation: That the Board take the following action:

Receive and file an update on the status of required JPA filings from SEWC legal counsel, Steve L. Dorsey of Richards, Watson & Gerson.

8. AUTHORIZATION TO RETAIN AUDIT FIRM TO COMPLETE FISCAL YEAR (FY) 2017 / 2018 SOUTHEAST WATER COALITION (SEWC) AUDIT

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following actions:

- 1) Authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2017-2018 and prepare the Financial Transactions Report and Supplement; and
- 2) Authorize allocation of \$1,300 from the Consultant Services budget line item for such purpose.

9. ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHEAST WATER COALITION (SEWC) JOINT POWERS AUTHORITY (JPA) CHANGING THE MEETING TIME OF THE BOARD OF DIRECTORS

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following actions:

Adopt Resolution No. 2018-02 changing the meeting time for all Board of Directors meetings, effective October 4, 2018.

10. STRATEGIC PLAN PROJECTS - NEXT STEPS

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Strategic Plan Projects next steps.

11. LEGISLATIVE UPDATE

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Administrative Entity's monitoring of current water-related legislative issues.

12. BOARD OF DIRECTORS COMMENTS

13. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

14. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act of 1990, the City of Whittier is committed to providing reasonable accommodations for a person with a disability. Please call Veronica Barrios with the City of Whittier at (562) 567-9501, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

The next meeting of the Southeast Water Coalition Joint Powers Authority Board of Directors is Thursday, December 6, 2018 at 7:00 p.m., at the Emergency Operations Center, 13200 Penn Street, Whittier, CA 90602.

I, Veronica Barrios, City of Whittier, do hereby certify, under penalty of perjury under the laws of the State of California that the foregoing agenda was posted pursuant to Government Code Section 54950 Et. Seq. and City of Whittier Ordinance at the following locations: Whittier City Hall, Whittier Public Library, and Whittwood Branch Library.

Dated: October 1, 2018

A handwritten signature in blue ink that reads "Veronica Barrios". The signature is written in a cursive style with a large, stylized initial "V".

Veronica Barrios
Administrative Secretary
Public Works Department

**MINUTES OF THE
SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY**

REGULAR MEETING OF THE POLICY BOARD

**CITY OF DOWNEY
COLUMBIA MEMORIAL SPACE CENTER
12400 COLUMBIA WAY
DOWNEY, CA 90242**

**THURSDAY, JUNE 7, 2018
7:00 P.M.**

The regular meeting of the Southeast Water Coalition Joint Powers Authority Policy Board was called to order at 7:03 p.m. by Policy Board Chairman Alex Saab.

1. PLEDGE OF ALLEGIANCE

Policy Board Chairman, Alex Saab, asked Ms. Juanita Trujillo, City of Santa Fe Springs Board Member, to lead the Pledge of Allegiance.

2. ROLL CALL

Alex Saab	City of Downey
Todd Rogers	City of Lakewood
Margarita L. Rios	City of Norwalk
Tom Hansen	City of Paramount
Juanita Trujillo	City of Santa Fe Springs
Maria Davila	City of South Gate
Melissa Ybarra	City of Vernon
Fernando Dutra	City of Whittier

Also Present:

Vince Brar	City of Cerritos
Dan Mueller	City of Downey
Jason Wen	City of Lakewood
Adriana Figueroa	City of Norwalk
Kyle Cason	City of Whittier
Phuong Nguyen	City of Whittier

Rod Hill	City of Whittier
Monica Lo	City of Whittier
Veronica Barrios	City of Whittier
Kelly Nguyen	City of Vernon
Kevin Wattier	Central Basin Municipal Water District
Kristen Sales	KJServices Environmental Consulting

3. PUBLIC COMMENTS

Chair Alex Saab introduced Benjamin Dickow, President & Executive Director of the Columbia Memorial Space Center, and thanked him for the use of the Space Center for the Policy Board meetings. Mr. Dickow provided a brief background on the history of the Space Center, and offered its use as a meeting and event space, and staff development space to any interested Board Members in future. Board Member Fernando Dutra (Whittier) asked how many visitors the Space Center received annually, and Mr. Dickow answered that they average 75,000 to 100,000 visitors per year.

4. CONSENT CALENDAR

Board Member Todd Rogers (Lakewood) made a motion to approve the Consent Calendar, and Board Member Dutra (Whittier) seconded the motion. The Consent Calendar was approved by a unanimous voice vote of the Policy Board.

5. SOUTHEAST WATER COALITION (SEWC) JOINT POWERS AUTHORITY (JPA) FISCAL YEAR 2018/2019 DRAFT BUDGET

Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an introduction of this item.

AE Chair Mueller (Downey) stated that the cities of Downey and Whittier had formed a budget ad-hoc committee at the March 15, 2018 Administrative Entity meeting. AE Chair Mueller and AE Vice-Chair Kyle Cason (Whittier) were joined by KJServices Environmental Consulting via teleconference on May 10, 2018 to draft a fiscal year (FY) 2018/2019 Draft Budget.

AE Chair Mueller stated the attached Draft Budget B assumes a credit of \$5,000 off of the \$10,000 member agency dues, resulting in total annual dues of \$5,000. AE Chair Mueller stated that originally, the Administrative Entity reviewed multiple Draft Budget options, with varying member due credits, but ultimately recommend Draft Budget B, which assumes the same \$5,000 off as the approved FY 2017/2018 Budget.

AE Chair Mueller then provided an overview of the Draft Budget line by line. AE Chair Mueller stated that Program Management Services was for KJServices Environmental Consulting, who provide administrative services for SEWC. AE Chair Mueller explained the increase in Legal Services from \$4,000 to \$7,500 was due to the expressed design of the Policy Board for an annual legal review of SEWC's JPA filings, bylaws, etc. AE Chair Mueller stated that the Administrative Entity had already reached out to SEWC Legal Counsel to begin

work on a legal memo that would provide updated information on the status of SEWC's JPA filings with the County, with a presentation to the Board to follow at the August or October Board meetings.

AE Chair Mueller explained the increased line item for Financial Audit was due to increasing year-to-year costs, stating that Audit expenditures in FY 2017/2018 amounted to \$3,800, \$3,600 from the budgeted Financial Audit line item and \$200 from the Consultant Services line item. For Consultant Services, AE Chair Mueller stated that the ad-hoc committee agreed to bump the amount from \$50,000 in FY 2017/2018 to \$60,000 in anticipation of costs related to pursuing grant opportunities, as outlined in the SEWC Strategic Plan. AE Chair Mueller stated that these funds would be used either to pursue project abstracts through SEWC itself or to prepare planning grants to pursue through the Gateway Authority.

AE Chair Mueller then opened the floor to questions and suggestions from the Board of Directors. Board Member Fernando Dutra (Whittier) asked if current consultant agreements are transferred from Downey to Whittier during the Lead Agency transition or if consultants go through a new RFP process. AE Chair Mueller stated that currently, the plan is for Program Management Services to go through a new RFP process after Whittier becomes Lead Agency. AE Chair Mueller stated that during the beginning of the Strategic Plan process, under the Lead Agency tenure of South Gate, the Policy Board voted to keep KJServices as the Program Management Services consultant on a month-to-month basis. AE Chair Mueller stated that now the Strategic Plan has been completed, these services will go out to bid for a standard, two or three year contract. AE Chair Mueller stated that now the FY 2016/2017 Audit is completed, and there is only a small amount of money left to be billed with SEWC's auditor, White Nelson Diehl Evans (WNDE). Board Member Dutra stated that he wanted to review the SEWC Draft Budget in more detail with the City's Finance Department once all the pending expenditures are completed.

Policy Board Chair Saab (Downey) called for a motion to approve the SEWC JPA Fiscal Year 2018/2019 Draft Budget. The motion was made by Board Member Juanita Trujillo (Santa Fe Springs) and seconded by Board Member Todd Rogers (Lakewood). The motion was approved by a unanimous voice vote of the Policy Board.

6. DRAFT AUDIT REPORT - SOUTHEAST WATER COALITION (SEWC) FISCAL YEAR 2016/2017 FINANCIAL STATEMENTS

Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an overview of this item to the Policy Board.

AE Chair Mueller stated that White Nelson Diehl Evans (WNDE) has provided the audit services for SEWC since 2008. AE Chair Mueller stated the attached

draft audit report for FY 2016/2017 states that SEWC's financial statements were presented in conformity and in accordance with accounting principles generally accepted in the United States of America. AE Chair Mueller stated that each SEWC Lead Agency decides if they want to continue to use WNDE as SEWC's audit firm or use their own in-house audit firm.

Policy Board Chair Saab (Downey) called for a motion to approve the Draft SEWC Fiscal Year 2016/2017 Financial Statements with Report on Audit, and authorize the draft audit be finalized and filed with the County. The motion was made by Board Member Dutra (Whittier) and seconded by Board Member Hansen (Paramount). The motion was approved by a unanimous voice vote of the Policy Board.

7. SOUTHEAST WATER COALITION (SEWC) STRATEGIC PLAN GRANT OPPORTUNITY EVALUATION

Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an overview of this item to the Policy Board.

AE Chair Mueller stated that the SEWC Strategic Plan Grant Opportunity Evaluation represents the efforts of the Administrative Entity to be more aggressive in pursuing grant opportunities, and is the final document completed in the Strategic Plan process.

AE Chair Mueller stated that Means Consulting conducted a Project Identification Workshop at the March 15, 2018 AE meeting, during which each AE member had an opportunity to present project abstracts that could be pursued as a group via SEWC. AE Chair Mueller stated that the attached Grant Opportunity Evaluation is designed to be a "living document," that can be edited and added to by Administrative Entity members as new project opportunities become available.

AE Chair Mueller summarized Section 4, "Potential Programs" on Page 39 of the Grant Opportunity Evaluation. AE Chair Mueller stated that the individual submitted project abstracts from AE members were grouped by similar project type. AE Chair Mueller stated the purpose of the Potential Programs table was to search for grant opportunities that would benefit multiple SEWC member agencies, and look for connections between projects in the same category.

AE Chair Mueller then summarized Section 5 on Page 42 of the Grant Opportunity Evaluation and stated that as the Grant Opportunity Evaluation "is intended to be a living document," AE members will add projects and track goals on an as-needed basis.

Board Member Fernando Dutra (Whittier) asked about the SCADA projects, and inquired if SCADA technology has been made outdated by wireless technology, and if potential SEWC SCADA projects could utilize wireless rather than

computer operation. AE Chair Mueller answered that yes, SCADA control systems can utilize wireless technology, using cellphone towers, for instance, but usually, there is still an element of computer operation hardware involved. Board Member Todd Rogers (Lakewood) stated that the City of Lakewood partnered with FATHOM software on their SCADA project for water management.

Board Member Rogers stated that SEWC should look for projects that provide regional benefit, rather than projects grouped by individual city. AE Chair Mueller stated that the goal of the Potential Programs table was to package projects together to pursue jointly, or to find a combined grant opportunity that would benefit multiple SEWC agencies. AE Chair Mueller stated that a couple projects can be pursued together if they affect multiple cities, and there are a few proposed projects that are collaborations between neighboring agencies. Board Member Rogers stated that water capture projects would be a natural choice for SEWC since all the member agencies share a watershed, and would be similarly affected. Board Member Dutra stated that the relevance of SEWC as a JPA is to pursue regional benefit programs as a group. Board Member Dutra suggested that perhaps SEWC take a lead role in pursuing MS4 permit opportunities. AE Chair Mueller stated that usually the Gateway Authority watershed groups meeting to discuss MS4 issues and potential stormwater projects. Board Member Dutra suggested that SEWC look into their own needs and pursue funding projects to address them. AE Chair Mueller stated that is what the Strategic Plan has been drafted to accomplish, and the Grant Opportunity Evaluation is designed to leverage collaborative projects similar to what the Gateway Authority does for stormwater projects.

Board Member Dutra requested digital copies of the Strategic Plan and its attendant documents. Kristen Sales (KJServices) replied that she would email out copies of the Strategic Plan, the Revised Task 8, and the Grant Opportunity Evaluation to Board Members after the meeting.

Policy Board Chair Saab (Downey) asked for a motion to receive and file the item. The motion was made by Board Member Davila (South Gate), and seconded by Board Member Rogers (Lakewood). The motion was approved by a unanimous voice vote of the Policy Board.

8. LEGISLATIVE UPDATE

Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an overview of this item to the Policy Board.

AE Chair Mueller stated that since the Policy Board last met, the letters of opposition to the Budget Trailer Bill, SB 623, and SB 998 had been signed by Board Chair Alex Saab (Downey) and sent out on behalf of SEWC.

AE Chair Mueller provided an overview of the background on SB 623, the Safe

and Affordable Drinking Water Fund, and how the language of this Senate Bill was added to the Governor's Budget Trailer Bill. AE Chair Mueller stated that the Governor submitted his edits to the FY 2018/2019 Budget on May 11, 2018, however, the Legislature rejected the May revision proposal. AE Chair Mueller stated that the State Budget must be passed by June 15, 2018. AE Chair Mueller stated that, in his opinion, there is still a chance the Budget Trailer Bill could pass and the Safe and Affordable Drinking Water Fund approved.

AE Chair Mueller stated that since the last Policy Board meeting, SB 998, concerning the discontinuation of water service, had passed the Senate Floor and was being read in the Assembly. AE Chair Mueller stated the Bill was currently being held at desk. AE Chair Mueller stated that there is already a lot of pre-notification and requirements water agencies go through before they shut-off water service to a customer. SB 998 changes the current law by getting the Health Department involved, to establish if discontinuation of water service would pose a health threat to the non-paying customer. AE Chair Mueller stated the Bill as written may pose Prop 216 issues.

AE Chair Mueller stated that Administrative Entity Member Adriana Figueroa (Norwalk) had reached out to SEWC lobbyist Jason Gonsalves regarding his opinion on each bill. AE Chair Mueller stated that the Administrative Entity is open to the idea of spending SEWC funds to engage a lobbyist further on these issues.

AE Member Figueroa stated that ACWA is the leading voice of dissent on SB 998, but other individual cities have taken positions of oppose as well.

Board Member Fernando Dutra (Whittier) asked if the Gateway Cities COG had a position against the bill. Board Member Dutra stated he would double-check the COG's position.

AE Vice-Chair Kyle Cason (Whittier) asked if any City is individually lobbying against SB 998. AE Member Figueroa stated that Jason Gonsalves has been engaged to lobby on behalf of several cities, including Norwalk. Board Member Todd Rogers (Lakewood) stated that Lakewood had taken a position of oppose, and Board Member Maria Davila (South Gate) stated that South Gate had also taken a position of oppose.

Policy Board Chair Saab (Downey) asked for a motion to receive and file the item. The motion was made by Board Member Dutra (Whittier), and seconded by Board Member Rogers (Rios). The motion was approved by a unanimous voice vote of the Policy Board.

9. SOUTHEAST WATER COALITION (SEWC) LEAD AGENCY TRANSITION
Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an overview of

this item to the Policy Board.

AE Chair Mueller stated that representatives from Downey, Whittier, and KJServices Environmental Consulting met on May 24, 2018 to go over the details of the Lead Agency transition between outgoing Lead Agency Downey, and incoming Lead Agency Whittier. During that meeting, Downey and Whittier discussed the transfer of the SEWC hard copies and the procedures of drafting, editing, and posting digital copies of the agenda package and other SEWC documents. AE Chair Mueller stated that the attached FY 2018/2019 and 2019/2020 meeting schedules were attached, and all SEWC meetings during Whittier's Lead Agency tenure will take place at the City of Whittier Emergency Operations Center.

AE Chair Mueller then stated that the Resolution 2018-01 included in the agenda package had a typo of June 30, 2022, but that the Board Members had received a handout copy of the Resolution with the corrected date of June 30, 2020. AE Chair Mueller stated approval of the Resolution would designate Whittier the Lead Agency beginning July 1, 2018 through June 30, 2020 and all Policy Board and Administrative Entity meetings would take place at the City of Whittier Emergency Operations Center.

Policy Board Chair Saab (Downey) asked for a motion to adopt Resolution 2018-01, designating the City of Whittier the SEWC Lead Agency for the term beginning July 1, 2018 through June 30, 2020. The motion was made by Board Member Trujillo (Santa Fe Springs), and seconded by Board Member Davila (South Gate). The motion was approved by a unanimous voice vote of the Policy Board.

10. CENTRAL BASIN MUNICIPAL WATER DISTRICT FISCAL YEAR 2018-2019 DRAFT BUDGET

Administrative Entity (AE) Chair, Dan Mueller (Downey), provided an overview of this item to the Policy Board.

AE Chair Mueller stated that since the Policy Board had first received an update on Central Basin's financial situation, the proposed retail meter charge had been dropped as an option to increase revenue. AE Chair Mueller stated that a 13-member budget ad hoc committee made up of water purveyors had met with the Central Basin Board and presented alternative options to the retail meter charge.

At their May 29, 2018, the Central Basin Municipal Water District Board of Directors approved the following rate increases to be included in the Fiscal Year 2018/2019 Budget:

- 19.8% increase in potable water administrative fee

- 35% increase in Metropolitan per cfs meter charge
- 4% increase in recycled water rate
- 11.65% handling fee on the Metropolitan Readiness to Serve (RTS) and capacity charge

AE Chair Mueller also stated that the Board voted to decrease its Director Travel Allowance from \$7,000 to \$4,000 per year.

AE Chair Mueller stated that each Board Member received a handout outlining the Summary of Total Cost for Adopted FY 2018-19 Budget Option #4, which provides a breakdown by member agency, of each proposed rate increase. AE Chair Mueller stated the Estimated RTS Purveyor Cost for FY 2018-19 handout provides a breakdown of the cost to each member agency based on the average amount of water purchased through the Metropolitan Water District (MWD).

Policy Board Chair Saab (Downey) asked for a motion to receive and file the item. The motion was made by Board Member Rogers (Lakewood), and seconded by Board Member Rios (Norwalk). The motion was approved by a unanimous voice vote of the Policy Board.

11. BOARD OF DIRECTORS COMMENTS

Board Member Maria Davila (South Gate) thanked Downey for hosting the SEWC meetings during its tenure as Lead Agency, and especially praised the meeting venue and catering.

Board Member Fernando Dutra (Whittier) also thanked SEWC Board Chair Alex Saab (Downey) and AE Chair Dan Mueller (Downey) for their detailed attention to the meetings as Lead Agency. Board Member Dutra expressed appreciation for the level of detail and explanation in AE Chair Mueller’s staff reports, and expressed appreciation to the rest of the Downey city staff for their assistance.

SEWC Board Chair Alex Saab (Downey) thanked AE Chair Dan Mueller (Downey) for his leadership during Downey’s tenure as SEWC Lead Agency, and thanked KJServices for their assistance as Program Management Services consultant. Board Chair Saab wished Whittier good luck during their tenure as incoming SEWC Lead Agency.

Board Member Juanita Trujillo (Santa Fe Springs) wished everyone a happy Father’s Day.

12. CHAIR / LEAD AGENCY / ADMINISTRATIVE ENTITY COMMENTS

No comments were received.

13. ADJOURNMENT

Policy Board Chair Alex Saab (Downey) adjourned the meeting at 7:55 p.m.

CHAIRMAN

ATTEST:

Southeast Water Coalition

Warrant Listing- June to July 2018

<u>Transaction</u> Date	<u>Description</u>	<u>Vendor Name</u>	<u>Check No.</u>	<u>Reference</u> No.	<u>Amount</u>
6/15/2018	6/7/18 SEWC BOARD MEETING	DAVILA, MARIA	324810	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	DUTRA, FERNANDO	324814	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	HANSEN, TOM	324825	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	RIOS, MARGARITA	324881	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	ROGERS, TODD	324889	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	SAAB, ALEX	324894	JUNE/18	150.00
6/15/2018	6/7/18 SEWC BOARD MEETING	TRUJILLO, JUANITA	324919	JUNE/18	150.00
6/15/2018	PETTY CASH	VILLASENOR-GALVAN	324932	JUNE/18	49.70
6/15/2018	6/7/18 SEWC BOARD MEETING	YBARRA, MELISSA	324939	JUNE/18	150.00
6/28/2018	MAY SEWC CONSULTING SERVICES	KJ SERVICES	325174	1277	2,640.00
7/6/2018	MAY SEWC LEGAL SERVICES	RICHARDS, WATSON & GERSHON	325482	217407	51.00
7/19/2018	SOUTHEAST WATER COALITION FINAL BILLING	WHITE NELSON DIEHL EVANS	325934	183290	800.00
7/19/2018	SOUTHEAST WATER COALITION FINAL BILLING	WHITE NELSON DIEHL EVANS	325934	183290	200.00
7/26/2018	6/7/18 SEWC BOARD MEETING	DOWNEY PARTY RENTALS	326003	12983	52.25
7/26/2018	JUNE SEWC CONSULTING SERVICES	KJ SERVICES	326037	1304	1,200.00
7/30/2018	6/7/18 SEWC BOARD MEETING	PARKSTONE #5101		2018-12-044	410.90
				Total	<u>\$ 6,603.85</u>

Southeast Water Coalition
Warrant Listing July 2018 thru September 2018

<u>Transaction</u>					
<u>Date</u>	<u>Description</u>	<u>Vendor Name</u>	<u>Check No.</u>	<u>Reference No.</u>	<u>Amount</u>
8/23/2018	JULY SEWC Consulting Services	KJ Services	290603	1332	\$ 1,840.00
9/17/2018	AUGUST SEWC Consulting Services	KJ Services	291353	1353	1,020.00
				Total	<u><u>\$ 2,860.00</u></u>



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity
Brian Partington, Senior Hydrogeologist, Water Replenishment District
Subject: **Groundwater Contamination Update from Water Replenishment District (WRD)**

Recommendation: That the Board take the following action:

Receive and file an update on the status of water quality in the Basin from the Water Replenishment District (WRD).

Background:

According to the 2017 Southeast Water Coalition Strategic Plan, Objective 1.1.1 is to “support tracking of groundwater quality/plume information,” in order to achieve Goal 1: “collaborate to protect and sustain the Central Basin groundwater supply of the SEWC region.”

To that end, the Board of Directors will receive an update from Brian Partington, Senior Hydrogeologist from the Water Replenishment District (WRD) on that status of water quality in the Basin. Mr. Partington will provide an update on WRD’s groundwater contamination program, which was recently updated with new ranking criteria in June 2018. The program provides multiple opportunities throughout the year for water purveyors to discuss their concerns with the regulator agency staff overseeing some of the higher priority contamination sites in the Central and West Coast Basins.

A status update will also be provided for the Omega Chemical Superfund Site and the Whittier Narrows Operable Unit. .

Attachment(s):

1. WRD Groundwater Contamination Update presentation (to be distributed at meeting)



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, AE Chair, City of Whittier
Subject: **Update on August 2, 2018 Board of Directors Meeting**

Recommendation: That the Board take the following action:

Receive and file an update on the August 2, 2018 Board of Directors meeting and SEWC Legal Counsel opinion regarding Board Member compensation for no quorum meetings.

Background:

At the last Board of Directors meeting on August 2, 2018, the Policy Board did not have enough Members present to make quorum. Board Chair Fernando Dutra (Whittier) asked the present Board Members if they would stay to receive a presentation on the Safe Clean Water Program from Genevieve Osmena, of LA County Public Works / Flood Control District. The three present Board Members, Grace Hu (Cerritos), Maria Davila (South Gate), and Tom Hansen (Paramount) agreed to stay for the presentation. The meeting was adjourned after Ms. Osmena's presentation and no action was taken on the agenda items.

After consulting with SEWC Legal Counsel, the City of Whittier Finance Department determined that, since the Brown Act requires a quorum of members be present for a meeting to occur, and the August 2, 2018 did not have a quorum of members present, the four Board Members who did attend are not eligible to receive compensation for attending the meeting.

Attached is a memo from Steve Dorsey, of Richards, Watson & Gershon, regarding the issue of no-quorum meetings and Board Member stipends.

Attachment(s):

1. Richards, Watson & Gershon memo: Payment of Stipends to Board Members

Attached Message

From SDorsey@rwglaw.com
To kcason@cityofwhittier.org
Cc CSteele@rwglaw.com
Subject Payment of Stipends to Board Members
Date Wed, 5 Sep 2018 21:58:15 +0000

Kyle,

You have informed me that a quorum of the Policy Board was not present for the scheduled August 4, 2018, Board meeting. Several of the Board Members who were present at the stated time and place for the meeting have asked if they are entitled to receive the \$150 stipend for attending Policy Board meetings provided in Section 7(c) of the joint powers agreement. As we have discussed, it is my opinion that the Policy Board Members are not entitled to receive a stipend for that "meeting." This conclusion is based on the definition of "meeting" under the Brown Act and a California Attorney Opinion (83 Ops. Cal. Atty. General 215 (2000)) addressing a similar issue concerning stipends for attending redevelopment agency and housing authority meetings at which no business was conducted. This memo will explain the basis for this conclusion.

Section 7 (c) of the Southeast Water Coalition Joint Powers Agreement provides that members of the Policy Board will receive compensation in the sum of \$150 for each meeting attended. Unlike councilmember salaries, the stipends for SEWC Board Members are paid for attending meetings and not for performing other general duties. Thus, a Board Member must attend a Board meeting to be eligible to receive the stipend. The question, then, is whether the Board held a meeting on August 4.

Government Code Section 54952.2 (a portion of the Ralph M. Brown Act) defines a "meeting" to mean a any congregation of a majority of a legislation body. Since less than a majority of the SEWC Policy Board Members appeared at the time and place set for the August 4th meeting, no meeting was held. Having not attended a meeting, those board members who appeared at the meeting place at the designated time are not entitled, thought no fault of their own, to receive the specified stipend.

The California Attorney General addressed a similar issue involving redevelopment agency and housing authority meetings. In this case, members of the legislative bodies of a redevelopment agency and a housing authority were compensated, like the SEWC Board Members, by payment of a stipend for each meeting attended. A quorum of the two boards had attended the meetings. However, no actual business was conducted at the meetings.

Based on these facts the Attorney General reasoned that the officials were not entitled to compensation because they were compensated for conducting business at meetings. Since no business had been conducted, the board members should not be paid their stipend.

Thus, even if attendance by less than a quorum of the SEWC Policy Board can be considered to constitute a meeting, Policy Board members who are present at the appropriate time and location for the meeting cannot be compensated because no business could be transacted by less than a quorum.

I realize that the lack of a quorum at a Policy Board meeting has not occurred within staff's memory. However, to avoid a repetition of this problem in the future, staff may wish to reach out to Policy Board Members prior to the meeting to confirm attendance. If enough Members to make a quorum do not plan to attend, staff can either notify the Board Members that the meeting will be cancelled or try to muster a quorum of attendees.

Please let me know if you have any questions.

Steve

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity
Steve L. Dorsey, Richards, Watson & Gershon

Subject: Update from SEWC Legal Counsel

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of required JPA filings from SEWC legal counsel, Steve L. Dorsey of Richards, Watson & Gershon.

Background

On July 11, 2017, the Southeast Water Coalition (SEWC) Administrative Entity (AE) received a memo from SEWC attorney Steve Dorsey, of Richards, Watson & Gershon, about new legislation regarding required filings by Joint Powers Authorities (JPAs). Also included in this memo was discussion of existing state and county filing requirements and the status of compliance by SEWC with these filings.

At their July 19, 2017 Special Meeting, the Administrative Entity discussed Mr. Dorsey's memo and the JPA compliance requirements. The filing of all required documents and forms with state and local government agencies fell to the then-current SEWC Lead Agency, the City of Downey. At their August 3, 2018 Regular Meeting, the Board of Directors asked the Administrative Entity to engage SEWC Legal Counsel on an annual basis, to ensure that SEWC remain in compliance with required JPA filings.

On April 6, 2018, then-current Lead Agency Downey filed the following:

- two copies of the latest SEWC Agreement and Amendments, pursuant to Government Code Section 6503.5 ("Exhibit B"), with the Secretary of State;
- two copies of "Exhibit B," pursuant to Government Code Section 6503.6, with the State Controller;
- the latest SEWC roster and contact information, pursuant to Government Code Section 53051 ("Exhibit A"), with the Secretary of State and the County Clerk;

- all SEWC Agreement and Amendment documents with the Local Agency Formation Commission for Los Angeles County (LAFCO), pursuant to the passage of Senate Bill 1266. Receipt of these documents from LAFCO was received on April 12, 2018.

On June 29, 2018, Downey filed a second round of documents, as necessitated by the change in Lead Agency on July 1, 2018. Downey filed an updated roster and contact information designated the City of Whittier as Lead Agency, pursuant to Government Code Section 53051 ("Exhibit A"), with the Secretary of State and the County Clerk. Since receipt had not been received from the Secretary of State regarding the April 6, 2018 filings, the City of Downey filed "Exhibit B," the latest Agreement and Amendment documents, for a second time on June 29, 2018.

On July 30 and August 1, 2018, Lead Agency Whittier received letters from the Secretary of State Business Programs Division, Special Filings Unit, requesting minor changes be made in the filings of "Exhibit A" and "Exhibit B" that were submitted by Downey on June 29, 2018.

SEWC Legal Counsel, Richards, Watson & Gershon, reviewed all attendant documents and drafted a memorandum summarizing the actions taken by SEWC to comply with State laws requiring JPAs to file documents with the State of California, LAFCO, and the County of Los Angeles. At their September 20, 2018 Administrative Entity meeting, the AE members reviewed this memorandum.

Legal Counsel's recommendations for further action are attached.

Attachment(s):

1. Memorandum from Richards, Watson & Gershon
2. Secretary of State letter re: SEWC Statement of Facts Filing ("Exhibit A")
3. Secretary of State letter re: SEWC Amendment of a Joint Powers Agreement ("Exhibit B")



Nicholas R. Ghirelli

T 213.626.8484
F 213.626.0078
E nghirelli@rwglaw.com

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40th Floor
Los Angeles, CA 90071-3101
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MEMORANDUM

ATTORNEY WORK PRODUCT
ATTORNEY-CLIENT PRIVILEGE

CONFIDENTIAL

This material is subject to the attorney-client privilege and/or attorney work product protection, or otherwise is privileged or confidential. Do not disclose the contents hereof. Do not file with publicly-accessible records.

TO: Kyle Cason, P.E., SEWC Administrative Entity Chair
Kristen Sales, KJ Services Environmental Consulting

CC: Steve Dorsey, Esq.
Craig Steele, Esq.

FROM: Nicholas R. Ghirelli

DATE: September 14, 2018

SUBJECT: Southeast Water Coalition Joint Powers Authority: Compliance with State and County JPA Filing Requirements

Introduction

This memorandum will briefly summarize actions taken by the Southeast Water Coalition (“SEWC”) to comply with various State laws that require joint powers authorities (“JPAs”) to file documents with the State of California, Los Angeles County Local Agency Formation Commission (“LAFCO”), and the County of Los Angeles. More specifically, we will address the actions of SEWC’s prior lead agency, the City of Downey, and the recommended actions to be taken by SEWC’s current lead agency, the City of Whittier. The specific filing requirements are more fully explained in Steve Dorsey’s letter of July 11, 2017. Unless necessary for context, we will not repeat them in full here.

This memorandum replaces a memorandum from our office dated September 13, 2018, in order to address new information provided to us. If any further information comes to light, please let us know as it may change our conclusions.

Discussion

I. Government Code Section 53051

- **Requirement:** File “Statement of Facts and Roster of Public Agencies” (Exhibit A to July 11, 2017 memo) with the Secretary of State and County Clerk within 70 days of the JPA’s existence and within 10 days of any change to (1) SEWC’s name; (2) official mailing

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address of SEWC's Policy Board; (3) name and address of each member of the Policy Board; or (4) name, title, and residence or business address of the chairman, president, or other presiding officer and clerk or secretary of the Policy Board.

- **Compliance Actions Taken to Date:**

- **October 30, 2000:** Filed with the Secretary of State and County Clerk a statement of facts providing notice of SEWC's formation.
- **August 26, 2002:** Filed with the Secretary of State a statement of facts providing notice of changes on the SEWC Policy Board.
- **May 3, 2003:** Filed with the County Clerk a statement of facts providing notice of changes to the Policy Board roster.
- **April 6, 2018:** Filed updated statement of facts providing names and addresses of the Policy Board members and naming Alex Saab as Chairperson and Daniel Mueller as Secretary/Clerk.
- **June 29, 2018:** Filed updated statement of facts providing names and addresses of the Policy Board members and naming Alex Saab as Chairperson and Daniel Mueller as Secretary/Clerk.

- **Required Actions Going Forward:** By letter dated July 30, 2018, the Secretary of State's Office rejected the June 29, 2018 statement of facts because SEWC's official name on file with the Secretary of State is simply "Southeast Water Coalition," whereas the statement of facts listed SEWC's legal name as "Southeast Water Coalition *Joint Powers Authority*." The April 6, 2018 statement suffered from the same defect, and therefore we assume it was also rejected for a similar reason. This appears to be a hyper technical interpretation of the form by the Secretary of State given that the Southeast Water Coalition is a joint powers authority. However, we believe the easiest way to correct this issue is to submit a new form to the Secretary of State.

In addition, the June 29, 2018 and April 6, 2018 statements of facts appear to contain outdated information, given the City of Whitter's recent assumption of SEWC's lead agency role. To that end, a new statement of facts providing the following information should be submitted to both the Secretary of State and the County Clerk:

- Name: "Southeast Water Coalition."

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- Chairman of the Board: Fernando Dutra, Whittier City Council, including contact information.
- Secretary/Clerk: Kyle Cason, Whittier Assistant Director of Public Works, including contact information.
- Official Mailing Address: City of Whittier Public Works Department, 13230 Penn Street, Whittier, CA 90602.
- Any other changes to the Policy Board roster and/or board members' addresses.

II. **Government Code Section 6503.5**

- **Requirement:** File two copies of the “Notice of Joint Powers Agreement” or “Amendment of a Joint Powers Agreement” (Exhibit B to July 11, 2017 memo) with the Secretary of State within 30 days of formation and within 30 days of the effective date of any amendment to the SEWC JPA agreement. The notice must contain (1) the name of each member agency; (2) the date the agreement or amendment became effective; and (3) a statement of the agreement’s or amendment’s purpose. Going forward, SEWC must file the same notice with the Secretary of State and County Clerk for any further changes to this information.
- **Compliance Actions Taken to Date:**
 - **March 8, 2001:** Filed initial notice of formation with the Secretary of State.
 - **April 6, 2018:** Filed notice of amendment to SEWC’s JPA agreement under the City of Downey’s contact information. The original JPA agreement and 2006 amendment were attached.
 - **June 29, 2018:** Filed notice of amendment to SEWC’s JPA agreement under the City of Whittier’s contact information. The original JPA agreement and 2006 amendment were attached.
- **Required Actions Going Forward:** By letter dated July 24, 2018, the Secretary of State’s Office rejected the June 29, 2018 notice of amendment because: (1) the file number and date of the initial notice were not identified and the form did not provide a brief description of the JPA agreement’s amendments. To address these deficiencies, a new Amendment of a Joint Powers Agreement should be submitted to both the Secretary of State and County Clerk that includes the following additional information:

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- Date of filing initial notice with the Secretary of State: March 28, 2001.
- File number of initial notice: 1745.
- Description of the JPA agreement's amendments: (1) Extension of agreement's term;¹ (2) June 10, 1997: Extension of agreement's term and adjustment of compensation authority; (3) Extension of agreement's term;² (4) June 28, 2005: Extension of agreement's term, amendment to agency's purpose, and other changes to administration of JPA agreement; and (5) April 1, 2006: Amendment to Administrative Entity's membership composition.
- Change the purpose of the agreement or the powers to be exercised: Check this box on the form and list the purposes set forth in Section 2 of the June 28, 2005 amended and restated JPA agreement.

Any further changes to SEWC's membership or amendments to the JPA agreement would also require a subsequent filing with the Secretary of State and County Clerk.

III. Government Code Section 6503.6

- **Requirement:** File a copy of SEWC's JPA agreement with the State Controller within 30 days of formation and within 30 days of the effective date of any amendment to the JPA agreement. File any further amendments to the SEWC JPA agreement with LAFCO within 30 days of the amendment's effective date.
- **Compliance Actions Taken to Date:**
 - **September 16, 1992:** Filed initial notice of formation with the State Controller.
 - **April 6, 2018:** Email from Rebecca Guerrero indicating that the amendments to SEWC's JPA agreement were filed with the Office of State Controller Betty T. Yee, to the attention of Richard J. Chivaro, Chief Counsel, and LAFCO.
 - **April 12, 2018:** Email from Patricia Wood of LAFCO acknowledging receipt of same.

¹ The first amendment included in the June 29, 2018 packet does not identify a date when it was approved. Please identify this date and insert it in the filing.

² The third amendment included in the June 29, 2018 packet does not identify a date when it was approved. Please identify this date and insert it in the filing.

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- **Required Actions Going Forward:** Based on Ms. Guerrero's email, it appears that the statute has been satisfied. Any further changes to SEWC's membership or amendments to the JPA agreement would require a subsequent filing with the State Controller and LAFCO.

IV. Government Code Section 6503.7

- **Requirement:** Statute satisfied.

V. Government Code Section 6503.8

- **Requirement:** File the SEWC JPA agreement and any amendments thereto with LAFCO by July 1, 2017. This is a similar requirement to Section 6503.6 as it relates to LAFCO, but was required to be completed by July 1, 2017.
- **Compliance Actions Taken to Date:**
 - **April 6, 2018:** Email from Rebecca Guerrero indicating that SEWC's JPA agreement was filed with LAFCO.
 - **April 12, 2018:** Email from Patricia Wood of LAFCO acknowledging receipt of same.
- **Required Actions Going Forward:** Based on Ms. Wood's email, it appears that the statute has been satisfied.

Conclusion

In sum, SEWC can come into compliance with the JPA statutes by filing an updated statement of facts and an updated notice of amendment with the Secretary of State's office and County Clerk (Gov. Code §§ 53051 and 6503.5). SEWC must also take care to continue to file the appropriate documents when information changes and/or the JPA agreement is amended.



Secretary of State
Business Programs Division
Special Filings, P.O. Box 942877, Sacramento, CA 94277-2870

CITY OF WHITTIER
AUG 01 2018
DEPT. OF PUBLIC WORKS

July 30, 2018

SEWC Joint Powers Authority
ATTN: Kyle Cason
13230 Penn Street
Whittier, CA 90602

The Statement of Facts Filing, submitted pursuant to Government Code Section 53051, is being returned to you for the reason(s) indicated below.

Please clarify. It appears the public agency is similar to one on file. The name shown on our records is «Southeast Water Coalition». This office files by exact name.

We show no record of a filing for this public agency. If this is a new filing, please check the appropriate box. Please delete information in the "Nature of Update" section.

If the public agency listed filed a previous Statement of Facts with this office, please provide evidence of filing by submitting a filed copy of the Statement of Facts and/or a Secretary of State acknowledgment letter along with this Statement of Facts when resubmitting.

We do not endorse or return filed stamped copies of documents. If you wish to obtain a copy of a document that has been filed with our office, you must submit your request in writing along with the fee to Secretary of State, Business Programs Division, PO Box 942877, Sacramento, CA 94277-0001. The fees are as follows:

Pages reproduced.....	\$1.00 for the first page and .50 each additional page
Certification (Certified Copy).....	\$5.00 (in addition to the reproduction fee)

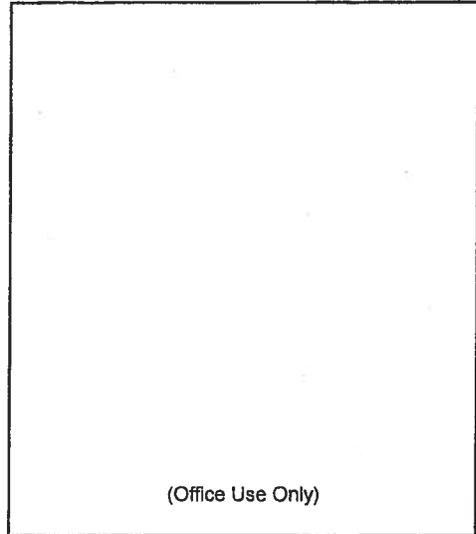
If you have any questions, please contact the Secretary of State, Special Filings Unit at (916) 653-3984.

Sincerely,
Special Filings Unit



State of California Secretary of State

STATEMENT OF FACTS ROSTER OF PUBLIC AGENCIES FILING (Government Code section 53051)



Instructions:

- 1. Complete and mail to: Secretary of State, P.O. Box 942870, Sacramento, CA 94277-2870 (916) 653-3984
2. A street address must be given as the official mailing address or as the address of the presiding officer.
3. Complete addresses as required.
4. If you need additional space, attach information on an 8 1/2" X 11" page, one sided and legible.

New Filing [] Update [X]

Legal name of Public Agency: Southeast Water Coalition Joint Powers Authority

Nature of Update: Roster Change of Names and Change of Lead Agency

County: Los Angeles

Official Mailing Address: 11111 Brookshire Avenue, Downey, CA 90241

New Lead Agency address: 13230 Penn Street, Whittier, CA 90602

Name and Address of each member of the governing board:

Chairman, President or other Presiding Officer (Indicate Title): Chairman

Name: Fernando Dutra Address: 13230 Penn Street, Whittier, CA 90602

Secretary or Clerk (Indicate Title): Chairman, Administrative Entity

Name: Kyle Cason Address: 13230 Penn Street, Whittier, CA 90602

Members: (see attached)

- Name: Address:
Name: Address:
Name: Address:
Name: Address:
Name: Address:

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME [SEWC Joint Powers Authority]
ADDRESS [ATTN: Kyle Cason]
CITY/STATE/ZIP [13230 Penn Street]
[Whittier, CA 90602]

6-29-18
Date
Signature
Rebecca Guerrero, Executive Secretary
Typed Name and Title City of Downey

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

ROSTER

Alex Saab, Chairman
City of Downey, Primary
11111 Brookshire Avenue
Downey, CA 90241
562.904.7274

Margarita L. Rios, Board Member
City of Norwalk, Primary
12700 Norwalk Blvd.
Norwalk, CA 90650
562.929.5700

Sean Ashton, Alternate
City of Downey

Leonard Shryock, Alternate
City of Norwalk

Grace Hu, Board Member
City of Cerritos, Primary
18125 Bloomfield Avenue
Cerritos, CA 90701
562.916.1310

Tom Hansen, Board Member
City of Paramount, Primary
16400 Colorado Avenue
Paramount, CA 90723
562.220.2225

Naresh Solanki, Alternate
City of Cerritos

Laurie Guillen, Alternate
City of Paramount

Oralia Rebollo, Board Member
City of Commerce, Primary
2535 Commerce Way
Commerce, CA 90040
323.722.4805

Gustavo Camacho, Board Member
City of Pico Rivera, Primary
6615 Passons Blvd.
Pico Rivera, CA 90660
562.801.4371

John Soria, Alternate
City of Commerce

Brent Tercero, Alternate
City of Pico Rivera

Todd Rogers, Board Member
City of Lakewood, Primary
5050 N. Clark Avenue
Lakewood, CA 90712
562.866.9771, Ext. 2103

Juanita Trujillo, Board Member
City of Santa Fe Springs, Primary
11710 Telegraph Road
Santa Fe Springs, CA 90670
562.868.0511

Steve Croft, Alternate
City of Lakewood

Richard Moore, Alternate
City of Santa Fe Springs

Page 2 – Southeast Water Coalition
Joint Powers Authority – Roster

Maria Davila, Board Member
City of South Gate, Primary
8650 California Avenue
South Gate, CA 90280
323.563.9543

Denise Diaz, Alternate
City of South Gate

Melissa Ybarra, Board Member
City of Vernon, Primary
4305 Santa Fe Avenue
Vernon, CA 90058
323.583.8811, Ext. 339

Yvette Woodruff-Perez, Alternate
City of Vernon

Fernando Dutra, Board Member
City of Whittier, Primary
13230 Penn Street
Whittier, CA 90602
562.567.9300

Josue Alvarado, Alternate
City of Whittier

Admin. Entity until 6/30/18:
Daniel Mueller, Chairman
Administrative Entity
City of Downey
11111 Brookshire Avenue
Downey, CA 90241
562.904.7110

Anil H. Gandhi, Controller/Treasurer
City of Downey, 562.904.7265

Rebecca Guerrero, Executive Secretary
City of Downey, 562.904.7102

NEW Admin. Entity effective 7/1/18:

Kyle Cason, Chairman
Administrative Entity
City of Whittier
13230 Penn Street
Whittier, CA 90602
562.567.9500

Monica Lo, Controller/Treasurer
City of Whittier, 562.567.9810

Veronica Barrios
City of Whittier, 562.567.9500



Secretary of State
Business Programs Division
Special Filings, P.O. Box 942870, Sacramento, CA 94277-2870

July 24, 2018

CITY OF WHITTIER

JUL 30 2018

DEPT. OF PUBLIC WORKS

SEWC Joint Powers Authority
ATTN: Kyle Cason
13230 Penn St
Whittier, CA 90602

RE: AMENDMENT OF A JOINT POWERS AGREEMENT
Southeast Water Coalition Joint Powers Agreement

The enclosed Amendment to a Joint Powers Agreement filing which was sent to our office pursuant to Government Code Section 6503.5 is being returned for the reason(s) indicated below.

The file date and number of the initial notice are required fields.
The records of this office indicate the file date is **March 28, 2001** and the file number is **1745**.

Please check the reason for amendment and provide a brief detail description of the change.

The attachments are enclosed, this office does not file attachments (see #3 of the instructions).

Please be advised this offices does not endorse or return filed stamped copies of filings. If you wish to obtain a copy of a document that has been filed with our office, you must submit your request in writing along with the fee (check or money order) to the Secretary of State, Business Programs Division, PO Box 942877, Sacramento, CA 94277-0001.

The fees are as follows:

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If you have any questions, please contact the Secretary of State, Special Filings Unit at (916) 653-3984.

Sincerely,
Special Filings Unit

California Secretary of State
www.sos.ca.gov/business/notary
(916) 653-3984

**SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT
AMENDMENT**

This Amendment to the Joint Powers Agreement is made and entered into as of this 11th day of April, 2006, by and between the Cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon and Whittier, each a municipal corporation ("Members"), In consideration of their mutual covenants and conditions herein, the parties agree as follows:

1. Section 8 of the Joint Powers Agreement is hereby amended to read as follows:

ADMINISTRATIVE ENTITY

8. Appointment: The Policy Board shall appoint the members of the Administrative Entity to carry out the policy of the Coalition. The Administrative Entity shall consist of:

- a. One (1) representative from each Member of the Coalition, each of whom shall be an employee of the representative Member.
- b. Three (3) representatives, each of whom shall be an employee of any three (3) PUC regulated private water purveyors providing retail water service within the Basins.
- c. One (1) ex-officio, non-voting advisory member nominated by the California Department of Water Resources.

A quorum of the Administrative Entity shall consist of a majority of voting members, and a majority if voting members is required to take action. Each member of the Administrative Entity shall serve at the pleasure of the Policy Board. The Administrative Entity shall select officers and shall be reasonable for the conduct of its affairs.

2. Except as provided herein, all other terms and conditions of the Joint Powers Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

CITY OF DOWNEY

By: Meredith Perkins
Meredith Perkins, Mayor

ATTEST:

Kathleen L. Midstokke
Kathleen L. Midstokke, City Clerk 04-12-06

APPROVED AS TO FORM:

Charles S. Vose
Charles S. Vose, City Attorney

CURRENT AGREEMENT
DATED JUNE 28, 2005

**AMENDMENT AND COMPLETE RESTATEMENT OF
SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT**

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon, and Whittier and the Water Replenishment District of Southern California, each a municipal corporation (“Original Members”), is hereby amended and restated to read as follows:

“RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Los Angeles;

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held by the agencies entering into such agreement;

WHEREAS, The Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about public water supplies;

WHEREAS, the Parties each desire to improve the quality and quantity of water in the region;

WHEREAS, each city which is a Party hereto has under its police power the authority to regulate groundwater, and to engage in the storage and recovery thereof;

WHEREAS, the statutory authority of the Water Replenishment District of Southern California is limited to storage of groundwater for replenishment purposes, and does not extend to storage of groundwater by individual parties for future use, nor to the regulation thereof;

WHEREAS, the Superior Court of California in and for the County of Los Angeles, in the case of *Central and West Basin Water Replenishment District v. Adams*, LASC Case No. 786656 and the case of *California Water Service Co., et al. v. City of Compton*, LASC Case No. 506806 (the (“Adjudications”), has fixed and determined the rights of various parties to extract groundwater for beneficial use within Central Basin and the West Coast Basin (collectively, the “Basins”));

WHEREAS, the court has retained the jurisdiction within each of the Adjudications to fix and determine the rights of parties to store and extract groundwater from the Basins for future use;

WHEREAS, under the Adjudications, the court has appointed the California Department of Water Resources as its Watermaster, for the purpose of overseeing the management of groundwater resources within the Basins

WHEREAS, a regional program of groundwater storage and recovery, which is administered by the court and coordinated through its Watermaster, is in the best interest of the Basins, the Parties, and the public they serve;

WHEREAS, the formation of a joint powers authority is independently authorized by state law;

WHEREAS, the Parties find that it is to their mutual advantage and benefit, and in the public interest, to establish a joint powers authority for the purpose of maintaining the quality and quantity of groundwater, to implement groundwater management policies as determined by the court, and to protect and enhance the storage of water for the benefit of local interests; and

WHEREAS, the Parties desire to use their common groundwater management powers and powers to store and recover water that are necessary and appropriate to further the purposes for which the joint powers authority is being established,

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated by reference.
2. Purposes. This Agreement is made pursuant to the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California (commencing with Section 6500), relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within this Agreement. The Parties will exercise their powers jointly for the following purposes:
 - a. to maintain groundwater quality within the Basins;
 - b. to maintain secure groundwater supplies within the Basins;
 - c. to manage the use of groundwater within the Basins;
 - d. to coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery;
 - e. to facilitate the implementation of a conjunctive use program by water purveyors;
 - f. to coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality;
 - g. to work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region.

3. Establishment. There is established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Southeast Water Coalition ("Coalition"). The Coalition shall carry out its functions through a Policy Board and an Administrative Entity as defined in this Agreement.

4. Term. The formation of the Coalition became effective July 1, 1991 upon each of the Original Parties' execution of the Joint Powers Agreement of that date ("Original Agreement"). The term of the Original Agreement was extended by subsequent amendment. By this Restated Agreement, the term of this Agreement is extended to June 30, 2030, and will be automatically extended for subsequent terms of twenty-five (25) years, except upon the affirmative vote of three-quarters (3/4) of the Policy Board. In the event not all of the Original Parties execute this Restated Agreement, it shall nonetheless be binding on those who do execute this Restated Agreement.

5. Meetings. The Coalition shall provide for regular and special meetings of any entity established hereunder, in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision. Minutes shall be kept of all meetings of the Policy Board and of the Administrative Entity. Copies of minutes shall be forwarded to all members of the Coalition.

6. Exercise of Powers. Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercise of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Cerritos.

POLICY BOARD

7. Membership of the Policy Board. The governing body of the Coalition shall be a Policy Board made up of a representative of each participating public entity, which need not be a member of the legislative body of the public entity. The Policy Board shall oversee the activities of the Administrative Entity and shall act in concert with the courts, the State of California, the United States, and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of water in the Basins, and to implement groundwater storage and management policies.

- a. Appointment. The legislative body of each of the participating public entities shall appoint one Policy Board member and one alternate Board member.
- b. Term. Each member and alternate of the Policy Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. Vacancies during a term and successors following expiration of the term of any member shall be filled in the same manner as the original appointment.

- c. Compensation. Members shall receive the lesser of \$150.00 per meeting attended or the maximum allowed by state law.
- d. Voting. Each member shall have one vote. If a Policy Board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the Policy Board member for the meeting so attended.
- e. Responsibilities. It shall be the responsibility of the Policy Board to:
 - 1. Determine general policy for Coalition activities.
 - 2. Act on behalf of all member public agencies ("Members") in adopting strategies to pursue the Purposes of the Coalition as set forth in Section 2 of this Agreement.
 - 3. Approve a budget to expend funds on development of water improvement alternatives, groundwater storage and recovery, lobbying activities (if required), and any other lawful purpose.
 - 4. Ensure that programs are in the best interest of the residents of the area overlying the Basins.
 - 5. Authorize expenditures of funds for the above purposes.
 - 6. Share costs equally among the Members.
 - 7. Approve or deny applications from non-member public agencies for admission to the Coalition.
 - 8. Adopt bylaws, rules and regulations governing the affairs of the Coalition.
- f. Meetings. The Policy Board shall provide for its regular and special meetings, provided however that it shall hold at least one regular meeting in each year and such additional meetings as may be necessary.
- g. Quorum. A Majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of those present, except that action to admit a new Member or to expel an existing Member must receive the affirmative vote of three-quarters (3/4) of the entire Policy Board.
- h. Lead Agency. The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary for the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6501.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond

in the penal sum of ten thousand dollars (\$10,000.00). The Policy Board may change the Lead Agency at any time. In such event, the officers of the new Lead Agency shall serve as the respective officers of the Coalition.

- i. Organization. The Policy Board shall elect a chair, a vice chair, and such other officers as the Board shall find appropriate. The Board shall appoint an executive director, treasurer, controller, clerk and legal counsel as it deems appropriate. The controller of the Coalition shall cause an independent annual audit of the Coalition's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Coalition shall be the depositor and shall have custody of all money of the Coalition from whatever source. The controller of the Coalition shall draw warrants to pay demands against the Coalition when the demands have been approved by the Coalition or by its authorized representative pursuant to any delegation of authority adopted by the Coalition. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Each officer shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Board. The Board may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.
- j. Property of Coalition. Pursuant to Government Code Section 6505.6, the Policy Board shall designate an officer or employee, or officers and employees, to receive, deposit, invest, and disburse the property of the Authority pursuant to Government Code Sections 6505 and 6505.5. The Policy Board shall fix the amount of the fidelity bond to be filed by such public officer(s) and/or employee(s).

ADMINISTRATIVE ENTITY

8. Appointment. The Policy Board shall appoint the members of the Administrative Entity to carry out the policies of the Coalition. The Administrative Entity shall consist of nine (9) members, as follows:
 - a. Five (5) members, who shall be employees of any of the Members, provided that no single Member shall have more than one employee on the Administrative Entity.
 - b. Three (3) members, who shall be employees of any private water purveyors or regulated public utilities providing retail water service within the Basins.
 - c. One (1) member nominated by the California Department of Water Resources.

A quorum of the Administrative Entity shall consist of five (5) members, and five (5) votes shall be required to take action. Each member of the Administrative Entity shall serve at the pleasure of the Policy Board. The Administrative Entity shall select such officers as shall be reasonable for the conduct of its affairs.

POWERS AND FUNCTIONS OF THE COALITION

9. Powers and Functions. Subject to the limitations set forth below, the Coalition, acting through its Policy Board and Administrative Entity, shall have any and all powers commonly held by the Members necessary or appropriate to regulate groundwater within the Basins including, but not limited to, the following powers:

- a. Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basins, including an evaluation of any proposals to store and recover water;
- b. Establish and administer a conjunctive use program in coordination with the court and with Watermaster for the purpose of maintaining water supplies and managing storage programs in the Basins;
- c. Buy and sell water on other than a retail basis;
- d. Spread, sink or inject water in order to store it for future recovery;
- e. Exchange water;
- f. Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the area of the Basins;
- g. Serve as Storage Program Administrator or similar function as may be designated by the court pursuant to either of the Adjudications;
- h. Appoint a Program Review Committee for the purpose of evaluating groundwater storage proposals;
- i. Study and plan ways and means to implement any or all of the foregoing powers.

10. Corporate and Political Powers. For purposes of exercising the authority, and subject to the limitations contained in this Agreement, the Coalition shall have the following corporate and political powers:

- a. To sue and be sued in all actions and proceedings in all courts and tribunals.
- b. To adopt a seal and alter it in its discretion
- c. To take by grant, purchase, gift, devise or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and personal property of every kind, within or without the boundaries of the members of the Coalition, necessary or convenient to the full exercise of its power.

- d. For the common benefit of the Coalition and the retail water customers in the Basins, to store water in underground water basins or reservoirs within or outside the boundaries of the members of the Coalition, to appropriate water and acquire water rights within or outside the Coalition, to import water into the area overlying the Basins, and to conserve, or cause the conservation of, water within or outside the Coalition.
- e. To exercise the right of eminent domain to take any property necessary to supply the Coalition, any Member or water agency with water; provided that the right of eminent domain may not be exercised with respect to water and water rights, and may not be exercised with respect to any property owned or occupied by any of the Members.
- f. To act jointly with, or cooperate with the United States or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including water replenishment districts, municipal water districts, private and public corporations, and any person, so that the powers of the Coalition may be fully and economically exercised.
- g. To cause taxes, assessments, fees or charges to be levied in accordance with applicable state law to accomplish the purposes of the Coalition.
- h. In conjunction with the court and the Adjudications, to require the permitting of groundwater storage and recovery programs within the Basins.
- i. To make contracts, employ labor, and do all acts necessary for the full exercise of the Coalition's powers.
- j. To carry out technical and other investigations of all kinds necessary to further the purposes of the Coalition.
- k. To fix rates at which water acquired by the Coalition shall be sold for any purpose, and to establish different rates for different classes of service.
- l. To allocate, apportion and distribute benefits received by the Coalition among entities providing retail water service within the boundaries of the Basins.
- m. To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Coalition's full exercise of its powers.
- n. Finance, through the issuance of bonds or other financial instruments of indebtedness, funds necessary or convenient for the implementation of this Agreement.

- o. Incur debts, liabilities, or obligations.
- p. Purchase insurance for the Coalition.
- q. Invest money in the treasury of the Coalition in the same manner and on the same conditions as local agencies pursuant to Government Code Section 53601.
- r. Exercise all other powers necessary and proper to carry out the provisions of this Agreement.

11. Limitation. The Coalition shall have no power to regulate land use or to engage in the retail sale of water and shall be prohibited from restricting or otherwise limiting the extraction of groundwater within the boundaries of the Basins except consistent with the Adjudications. The Coalition shall be prohibited from funding any capital construction projects.

12. Contributions. Each Party executing this Restated Agreement shall contribute ten thousand dollars (\$10,000.00) to the Coalition within thirty (30) days after execution of this Restated Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member. The Policy Board may require additional contributions upon the approval of a majority of the Policy Board. Contributions shall be assessed against Members on an equal basis, or upon such other basis as may from time to time be determined by three quarters (3/4) of the Policy Board. Within thirty (30) days of the action of the Policy Board, each Member that does not withdraw from the Coalition during the thirty (30) day period shall thereupon make the required contribution.

13. Additional Parties. Additional members, which shall be municipal corporations or public districts, may be admitted upon vote of the Policy Board as provided in Section 7(e)(7). Upon admission, new Members shall execute this Agreement.

14. Accounts, Reports, and Audits. The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds:

- a. The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted accounting principles.
- b. A report of said audit shall be filed as a public record with each agency and also with the county auditor of Los Angeles County. Such report shall be filed within six (6) months of the end of the fiscal year or years under examination.

15. Obligation for Debts and Liabilities and Distribution of Assets. Any party to this Agreement shall not be responsible for any of the debts, liabilities, or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

- a. Each member agrees to indemnify, save and defend the Authority and all other Members harmless from and against all claims, losses, and damages, including legal fees and expenses, arising out of any breach or default on the part of such Member in performance of any of its obligations under this Agreement, or any act or negligence of such Member or any of its agents, contractors, servants, employees or licensees with respect to this Agreement. No indemnification is made under this Section for claims, losses or damages, including legal fees and expenses, arising out of the willful misconduct, negligence or breach of duty under this Agreement by the Coalition or a Member or their officers, employees, agents or contractors.
- b. The members of the Policy Board and any officer, employee, contractor, or agent of the Coalition shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties under this Agreement.
- c. Funds of the Coalition may be used to defend, indemnify, and hold harmless the Coalition and any member of the Policy Board, and any employee of the Coalition for their actions taken within the scope of their duties while acting on behalf of the Coalition. Nothing herein shall limit the right of the Coalition to purchase insurance to provide such coverage as is hereinabove set forth.

16. Withdrawal by a Member. Any Member may withdraw upon thirty (30) days written notice given to the Policy Board. At least thirty (30) days prior to providing such written notice, and as a condition thereof, the withdrawing Member shall pay all unpaid contributions that were approved by the Policy Board greater than sixty (60) days prior to the date of such notice. No Member may withdraw so long as the Coalition has any outstanding contractual obligations or other indebtedness.

17. Termination. Upon termination of the Coalition, all of its then existing assets shall be divided and distributed for public purposes in such manner as shall be determined by a vote of three-quarters (3/4) of the Policy Board, provided, however, that this Agreement and the Policy Board shall continue to exist for the purposes of disposing of all claims, the administering the distribution of assets, and performing any other functions necessary to conclude the affairs of the Coalition. This Agreement may not be terminated by any member so long as the Coalition has any outstanding contractual obligations or other indebtedness.

18. Amendment. This Agreement may be amended by the affirmative vote of three quarters (3/4) of the Members.

19. Counterparts. This Agreement may be executed in counterparts, which together shall constitute the same agreement.

EXECUTED on the 28th day of June, 2005.”

CITY OF LAKEWOOD



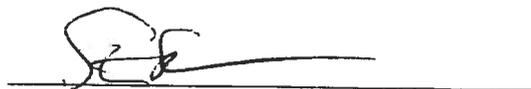
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

COUNCIL AGENDA

June 28, 2005

TO: Honorable Mayor and City Council

SUBJECT: Southeast Water Coalition Agreement

INTRODUCTION

In July 1991 the Lakewood City Council, ten neighboring cities and the Water Replenishment District of Southern California (WRD), adopted a joint power agreement creating the Southeast Water Coalition (SEWC). These agencies formed a joint power authority to improve and protect the quantity and quality of the regional water supply. Fourteen years later SEWC represents 12 communities and the WRD on water-related issues. The existing agreement expires on July 1, 2005 and each agency must consider the renewal of the SEWC agreement.

STATEMENT OF FACT

The principal purpose of the formation of the Southeast Water Coalition was to protect the Central Groundwater Basin from contamination migrating from the San Gabriel Valley Groundwater Basin. Since its formation the SEWC has diligently worked with the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to improve the monitoring of groundwater contaminants, determine cost-effective remediation to protect the Whittier Narrows and the Central Groundwater Basin, and press the EPA for early implementation of remediation projects. SEWC has also been in support of numerous local groundwater cleanup and water project funding.

Population growth, surface, and groundwater pumping to supply demand coupled with wet and drought years are the principal reasons for groundwater management. Martha Davis stated at the UCLA Environment Symposium on March 3, 1998, In Southern California, "...many cities responded to the drought by exploring projects that would make them less dependent upon imported water supplies, and improve their capacity to meet their water needs through local water sources they directly controlled. As a result, Southern California -- out of all the regions of the State -- is in one of the best positions to meet its future water demand (even with all of the projected growth) because of water recycling, groundwater recharge and other local management projects...."

Water supplies used in Southern California come from several sources. Those sources include about half from imported water supplies and the other half from local supplies within the coastal plain of Southern California. The imported water sources are from northern California via the State Water Project, the Colorado River, and the Los Angeles Aqueduct. Local supplies are primarily groundwater and Southern California mountain

Southeast Water Coalition Agreement Renewal

June 28, 2005

Page 2

streamflow, recycled, and desalinated brackish groundwater. From a regional perspective, "The value of groundwater basins for water storage and distribution as part of a conjunctive use program may even exceed their value as sources of water supply. This value may be approximated by looking at the cost of constructing artificial surface storage and distribution facilities sufficient to convey surface or imported water supplies (Blomquist, Dividing the Waters)." SEWC needs to be prepared and empowered to continue in its roll to impose and protect the quality and quantity of the regional water supply.

The existing Joint Powers Authority's five-year agreement expires July 1, 2005. The amendment and complete restatement of the agreement allows for the continuation of the Southeast Water Coalition with expanded powers for an additional twenty-five years until June 30, 2030. The annual cost associated with membership in SEWC is \$10,000.00.

SUMMARY

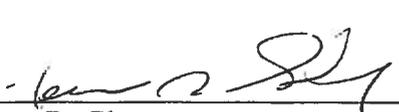
The coalition has made significant progress in the past fourteen years concerning the development and implementation of a strategy to protect the Central Basin from migration contaminated groundwater plumes originating in the San Gabriel Valley Groundwater Basin. This task is not complete and there remains significant work to be accomplished.

The City Council Water Resources Committee reviewed the proposed agreement, which expands the role of SEWC to include the authority to aggregate and administer water programs to serve the public interest, to protect the water supply quality and quantity.

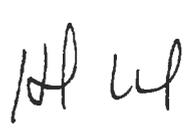
RECOMMENDATION

City Council Water Resources Committee recommends that the City Council approve the following:

1. Agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and upon approval of the City Attorney as to form, authorize its execution by the Mayor on behalf of the City.
2. Appropriate \$10,000.00 for the SEWC annual membership fee.



James B. Glancy
Director of Water Resources



Howard L. Chambers
City Manager

3.1 • AGREEMENT WITH SOUTHEAST WATER COALITION

220
*Southeast
Water Coalitic*
480
Water

Water Resources Director Jim Glancy displayed slides and gave an oral report based on the memo contained in the agenda. He stated that the Southeast Water Coalition had been formed in 1991 and he presented a brief history of the Coalition's mission and activities. He advised that the existing participation agreement was due to expire on July 1, 2005, and that there were remaining tasks to be completed. It was the recommendation of the Water Resources Committee to approve an agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and appropriate \$10,000 for the annual membership fee.

Council Member Croft stated that he and Mayor Esquivel were members of the Water Resources Committee and that they viewed the proposed agreement as an important part of the City's program to maintain water quality.

Council Member Rogers stated that as a representative on the Coalition, he felt it was more important now than ever to keep the Coalition active.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER ROGERS SECONDED TO APPROVE THE COMMITTEE'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Van Nostran, Croft, DuBois, Rogers and Esquivel
NAYS: COUNCIL MEMBERS: None

At 8:20 p.m., the Regular Meeting of the City Council was recessed for the Meeting of the Lakewood Redevelopment Agency. At 8:23 p.m., the City Council Meeting was reconvened.

ORAL COMMUNICATIONS: None

CLOSED SESSION:

Mayor Esquivel announced that the City Council would recess to a closed session pursuant to Government Code §54957 to evaluate the performance of the City Manager.

152-4
*City Manager
Compensation*

At 9:06 p.m., the City Council reconvened with all members present.

Mayor Esquivel announced that the City Council had concluded its review and evaluation of the performance of City Manager Howard Chambers.

VICE MAYOR VAN NOSTRAN MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO ADOPT RESOLUTION NO. 2005-40.

AMENDMENT

**AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT**

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term

The term of the Agreement shall be for a period of fourteen years from and after July 1, 1991. The Agreement may be extended by mutual consent of all parties.

In the event not all of the Parties execute the Agreement or any extension, the Agreement shall be binding on those that do execute the Agreement or extension."

Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

CITY OF LAKEWOOD



Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

AMENDMENT

DATED JUNE 10, 1997

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended as follows:

Section 1. Section 2 of the Agreement is amended to read as follows:

"Section 2. Term.

The term of the Agreement shall be for a period of nine years from and after July 1, 1991. In the event not all of the Parties execute the Agreement, the Agreement shall be binding on those that do execute the Agreement. The Agreement may be extended by mutual consent of all parties."

Section 2. The paragraph entitled "Compensation" of Subsection A of Section 4 of the Agreement is amended to read as follows:

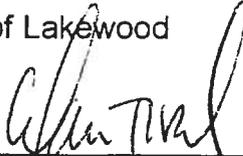
" Compensation.

The Policy Board may from time to time set and adjust the amount of compensation for the Policy Board members per meeting. Compensation may be set or adjusted as a part of the annual budget process and by adoption of the annual operating budget."

Section 3. Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

City of Lakewood


MAYOR James W. 1997

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

Amendment

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, La Mirada, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs and Whittier and the Water Replenishment District of Southern California for the creation of the Southeast Water Coalition, and subsequently entered into by the cities of Huntington Park and South Gate, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the Agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of six years from and after July 1, 1991. In the event not all of the Original Parties execute the Agreement, the Agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties."

Except as amended herein, all terms of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment to Agreement is executed by the parties as follows:

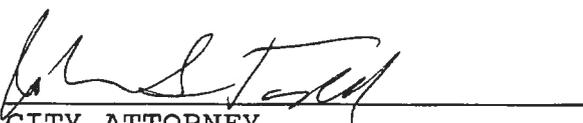
CITY OF LAKEWOOD


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

ORIGINAL AGREEMENT
JULY 1, 1991

JOINT POWERS AGREEMENT

AMONG THE CITIES OF CERRITOS, COMMERCE, DOWNEY, LA MIRADA
LAKEWOOD, NORWALK, PARAMOUNT, PICO RIVERA, SANTA FE SPRINGS
AND WHITTIER ALONG WITH THE CENTRAL AND WEST BASIN WATER
REPLENISHMENT DISTRICT CREATING THE SOUTHEAST WATER COALITION

This Agreement, effective as of July 1, 1991, is between the above-named public agencies (hereinafter "Original Parties"), each of which is a public corporation duly organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the Parties are each empowered by law to develop programs for the benefit of the citizens and businesses within each community; and

WHEREAS, the Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about the maintenance of potable water supplies; and

WHEREAS, the Parties each desire to improve the quality and quantity of potable water in the region; and

WHEREAS, the various federal and state agencies involved with regional water quality issues prefer to work with one entity; and

WHEREAS, the Parties to this Agreement are willing to form a single entity to be called the "Southeast Water Coalition"; and

WHEREAS, by this agreement the Parties hereto intend to exercise their powers jointly to accomplish common objectives.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Authority and Purpose.

This agreement is made pursuant to the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within said agreement. The purpose of this agreement is to exercise such powers jointly for the improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County .

There is hereby created a new entity, to be called the Southeast Water Coalition (hereinafter "Coalition"). Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercises of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Whittier.

Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of three years from and after July 1, 1991. In the event not all of the Original Parties execute the agreement, the agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties.

Section 3. Brown Act.

All meetings of the Policy Board and Administrative Entity of the Coalition, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Government Code Section 54950).

Section 4. Structure of the Coalition.

The Southeast Water Coalition shall embody two structures:

- A. Policy Board
- B. Administrative Entity

The functions and responsibilities of each are described below.

A. POLICY BOARD

PURPOSE

The Coalition shall create a Policy Board made up of a member of the legislative body of each participating public entity for the purpose of overseeing the activities of the Administrative Entity and to act in consort with the State of California, federal government and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County.

APPOINTMENT

The legislative body of each of the participating public entities shall appoint one policy board member and one alternate board member from among its members.

TERM

Each member and alternate of the Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. A vacancy shall exist if any member or alternate shall cease serving on the appointing legislative body.

VACANCIES

Vacancies during a term and successors following expiration of the term of any member shall be filled in the same manner as the original appointments.

COMPENSATION

Members shall receive \$100.00 per meeting attended.

VOTING

Each member shall have one vote. If a board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the board member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Policy Board to:

- a. Determine general policy for Coalition activities.
- b. Act on behalf of all member public agencies in adopting strategies for the improvement of water quality and quantity when working with various Federal and State agencies.
- c. Approve a budget to expend funds on development of improvement alternatives, lobbying activities, if required, and any other lawful purpose.
- d. Ensure that improvements are in the best interest of the Coalition residents.
- e. Authorize expenditures of funds for the above purposes.

- f. Share costs equally among the named agencies except for the lead agency which will only be assessed half the amount levied against the other members.
- g. Approve or deny applications from non-member public agencies for admission to the Coalition.
- h. Adopt bylaws governing the affairs of the Coalition.
- i. Establish a Steering Committee, which shall have those powers specified in the Bylaws.

MEETINGS

The Policy Board shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Policy Board and copies filed with each party.

QUORUM

A majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of the entire Board, except that action to admit a new party to the Coalition and to adopt Bylaws must receive the affirmative vote of three-quarters (3/4) of the entire Board.

MINUTES

The Secretary of the Policy Board shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the agencies hereto.

OFFICERS

The Policy Board shall elect from among its members a Chairperson and a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Policy Board shall elect or re-elect its Chairperson and a Vice-Chairperson.

In the event that the Chairperson or Vice-Chairperson ceases to be a Board Member, the resulting vacancy shall be filled at the next regular meeting of the Policy Board held after such

vacancy occurs. In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Policy Board.

LEAD AGENCY

The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary of the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6505.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond in the penal sum of ten thousand dollars (\$10,000). The Policy Board may change the Lead Agency at any time. In such event, the officers of the new Lead Agency shall serve as the respective officers of the Coalition.

LEGAL COUNSEL

The Policy Board may engage the services of a private practicing attorney or utilize the Lead Agency's Attorney as legal counsel to the Coalition.

ACCOUNTS, REPORTS, AND AUDITS

The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds.

The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards.

A report of said audit shall be filed as public records with each agency and also with the county auditor of Los Angeles County. Such report shall be filed within six months of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with or employment of certified public accountants in making such audit, shall be borne by the Coalition and charged against any unencumbered funds of the Coalition available for the purpose.

By unanimous action of the Policy Board, the annual audit may be replaced by an audit covering a two-year period.

B. ADMINISTRATIVE ENTITY

PURPOSE

The Administrative Entity shall carry out the policies developed by the Board to facilitate water quality and quantity improvement.

MEMBERS

The City Manager of each City and the General Manager of the Central and West Basin Water Replenishment District shall be members of the Administrative Entity. Each member shall appoint one alternate member to serve if the regular member of the Administrative Entity is unavailable, unwilling or unable to serve.

VOTING

Each member shall have one vote. If a member of the Administrative Entity cannot attend a meeting, the alternate attending shall be fully empowered to act as the Administrative Entity member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Administrative Entity to:

- a. Work with State and Federal agencies to develop improvement plans that will be acceptable to the Coalition.
- b. Engage and work with consultants as needed and consistent with the budget approved by the Policy Board.
- c. Develop a budget and funding recommendations for the Coalition for approval by the Policy Board, with members being notified no later than February 15 of each year regarding the Coalition's proposed budget for the next fiscal year and the funding responsibility for each member.
- d. Develop plans with various environmental agencies for the improvement of groundwater supplies.
- e. Create technical work groups as needed.
- f. Work with professional legislative representatives retained by the Coalition or others in connection

with Washington, D.C., the State Capitol, the executive branch and regulatory agencies.

MEETINGS

The Administrative Entity shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Administrative Entity and copies filed with each party.

QUORUM

A majority of the Administrative Entity must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of a majority of the quorum.

OFFICERS

The City Manager or General Manager of the Lead Agency shall be the Chairperson of the Administrative Entity. The Administrative Entity shall elect from among its members a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Administrative Entity shall elect or re-elect its Vice-Chairperson.

In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Administrative Entity. In the event the office of City Manager or General Manager of the Lead Agency shall become vacant, the Vice-Chairperson shall serve as Chairperson until a new City Manager or General Manager is appointed by the Lead Agency. If the office of Vice-Chairperson shall become vacant, the Administrative Entity shall appoint a Vice-Chairperson at the next regular meeting of the Administrative Entity held after such vacancy occurs.

MINUTES

The Chairperson of the Administrative Entity shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Administrative Entity and to the agencies hereto.

Section 5. Contributions.

Each of the Original Parties shall contribute \$10,000.00 to the Coalition within thirty days after execution of this

Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member into the Coalition.

The Policy Board may require additional contributions upon the approval of a majority of all members of the Policy Board. Within thirty days of the action of the Policy Board, each member agency that does not withdraw from the Coalition during the thirty day period shall thereupon make the required contribution.

The Lead Agency will only be required to pay half the amount levied against the other members. The Policy Board may unanimously provide for a different distribution of contributions.

Section 6. Obligation for Debts and Distribution of Assets.

The agencies which are parties to this Agreement shall not be responsible for any of the debts, liabilities or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

Upon termination of the Coalition, all of its then existing assets shall be divided equally among the then remaining member agencies including the Lead Agency.

Section 7. Withdrawal by Member Agencies.

Any member agency may withdraw upon 30 days written notice. Upon such withdrawal, the withdrawing agency shall pay all contributions approved by the Policy Board pursuant to Section 5 more than thirty (30) days prior to the date the agency provides written notice of its intention to withdraw. Should any unencumbered funds exist at the end of the fiscal year during which the Agency withdrew, the withdrawing agency shall be paid a share of such funds determined by multiplying the remaining funds by the ratio of the total funds contributed by the withdrawing agency during the fiscal year divided by the total funds contributed by all agencies during the fiscal year.

Section 8. Admission of New Members.

The terms of this Agreement shall be binding on every public agency admitted to the Coalition pursuant to an action of the Policy Board. Each new member shall execute a counterpart of this Agreement, which shall become effective on the date specified by the Policy Board. This date shall be indicated in the counterpart of the Agreement.

Section 9. Governmental Responsibilities

Nothing in this Agreement shall be interpreted as restricting member agencies in the exercise of their governmental powers as provided by law.

IN WITNESS WHEREOF, this Agreement is executed by the parties as follows:

CITY OF LAKEWOOD


MAYOR

ATTEST:


CITY CLERK, ACTING

CITY OF LAKEWOOD

APPROVED AS TO FORM


CITY ATTORNEY



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Lead Agency, City of Whittier
Subject: **Authorization to Retain Audit Firm to Complete Fiscal Year (FY) 2017 / 2018 Southeast Water Coalition (SEWC) Audit**

Recommendation: That the Board take the following actions:

- 1) Authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2017-2018 and prepare the Financial Transactions Report and Supplement; and
- 2) Authorize allocation of \$1,300 from the Consultant Services budget line item for such purpose.

Background

Sections 7.i. and 14.b. of the Southeast Water Coalition (SEWC) Joint Powers Agreement (Agreement), dated June 28, 2005, outline SEWC's budget policies. According to the Agreement, an independent annual audit of SEWC's financial statements shall be conducted by a certified public accountant in compliance with Government Code Section 26909. Additionally, the report of said audit shall be filed as a public record with each agency and the County Auditor.

Since 2008, White Nelson Diehl Evans (WNDE) has administered SEWC's annual audits. WNDE has prepared comprehensive audits at reasonably low fees and is recommended to administer the Fiscal Year (FY) 2017-2018 annual audit on a sole source basis due to their experience in performing such audits for SEWC.

WNDE has submitted a scope of work and fee proposal to conduct the FY 2017-2018 Audit for \$4,500 and prepare the accompanying Financial Transactions Report and Supplement for \$800 for a total cost of \$5,300.

SEWC BOARD OF DIRECTORS STAFF REPORT - MTG. OF 10/04/2018
Authorization to Retain Audit Firm to Complete FY 2017/2018 SEWC Audit
Page 2 of 2

At their September 20, 2018 Regular Meeting, the Administrative Entity (A)E approved a motion to recommend to the Board that WNDE complete the FY 2017-2018 SEWC audit.

At their June 7, 2018 Board of Directors meeting, the Policy Board approved the FY 2018-2019 Budget, which included a Financial Audit line item for \$4,000. WNDE's audit fee has increased from \$3,800 for FY 2016-2017 to \$5,300 for FY 2017-1028. It is the recommendation of the Administrative Entity that the \$1,300 difference be taken from SEWC's Consultant Services budget line item, to cover the total cost of the FY 2017-2018 Audit. Although the cost of the financial audit has increased year to year, the Administrative Entity believes WNDE's scope of work and fee proposal for the FY 2017-2018 audit are reasonable, given their experience with SEWC.

It is the recommendation of the Administrative Entity that the Policy Board authorize the City of Whittier's Finance Director to award a sole source contract to WNDE to conduct the FY 2017-2018 Audit, including preparation of the Financial Transactions Report and Supplement, and the allocation of \$1,300 from SEWC's Consultant Services budget line item.

Attachment(s):

1. WNDE FY 17-18 Engagement Letter and Audit Proposal
2. WNDE FY 17-18 Financial Transactions Report and Supplement Proposal
3. SEWC JPA Fiscal Year 2018-2019 Approved Budget

August 3, 2018

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2018. We will audit the financial statements of the governmental activities and general fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Coalition as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Coalition's basic financial statements. It is our understanding that management's discussion and analysis will not be accompanying the Coalition's basic financial statements and our report will indicate this fact.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Coalition's financial statements. Our report will be addressed to the Administrative Entity Members of the Coalition. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Coalition or to acts by management or employees acting on behalf of the Coalition.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Coalition and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Coalition's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and related notes of the Coalition in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. Because of the importance of oral and written management representations to the effective performance of our services, the Authority releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management Responsibilities (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Coalition involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Coalition received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Coalition complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

Noted below is a listing of some work required by Coalition staff to assist in the audit:

1. Preparation of trial balances for all funds, after posting of all year-end journal entries.
2. Preparation of supporting schedules for all material balance sheet accounts, and selected revenue and expenditure accounts.
3. Typing of all confirmation requests.
4. Pulling and refileing of all supporting documents required for audit verification.

We expect to begin our audit in November 2018 and to issue our reports no later than January 31, 2019. Mr. Robert J. Callanan is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Engagement Administration, Fees, and Other (Continued)

Our fee for these services will be as follows:

	Fiscal Year <u>2017-18</u>
Coalition Audit	\$ <u>4,500</u>

The maximum annual fee stipulated herein contemplates that conditions satisfactory to the normal progress and completion of the examination will be encountered and the Authority's accounting personnel will furnish the agreed upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work; we shall report such conditions to the responsible Authority officials and provide the Authority with an estimate of the additional accounting fees involved.

The audit documentation for this engagement is the property of White Nelson Diehl Evans LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to grantor agencies or their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of White Nelson Diehl Evans LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

In accordance with our firm's current record retention policy, all of your original records will be returned to you at the conclusion of this engagement. Our audit documentation files will be kept for a period of seven years after the issuance of the audit report. All other files will be kept for as long as you retain us as your auditors. However, upon termination of our service, all records will be destroyed after a period of seven years. Physical deterioration or catastrophic events may further shorten the life of these records. The audit documentation files of our firm are not a substitute for your original records.

To ensure that White Nelson Diehl Evans LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Administrative Entity Members
Southeast Water Coalition
August 3, 2018
Page 6

Engagement Administration, Fees, and Other (Continued)

We are pleased to be associated with the Southeast Water Coalition in the capacity of independent auditors. We will continue to provide the Coalition with a high level of professional services. Please feel free to call on us if we can be of assistance in any other financial or accounting matters.

If this letter accurately summarizes the significant terms of our engagement and fees, please indicate the Coalition's acceptance by a signature of an appropriate Coalition official in the space provided below and return it to us. If you have any questions, please let us know.

Very truly yours,

White Nelson Dick Evans LLP

ACCEPTED:

SOUTHEAST WATER COALITION

By _____

Name _____

Title _____

Date _____

August 3, 2018

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2018. We will prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report for the 2018 fiscal year and perform a compilation engagement with respect to these reports.

Our Responsibilities

The objective of our engagement is to -

1. prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the Special Districts Financial Transactions Report and Supplement to the Annual Report in order for them to be in accordance with the format prescribed the California State Controller's Office.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services ("SSARS") promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants ("AICPA") and comply with the AICPA's *Code of Professional Conduct* including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the Special Districts Financial Transactions Report and Supplement to the Annual Report.

Our Responsibilities (Continued)

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Coalition or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.

You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the format prescribed by the California State Controller's Office as the financial reporting framework to be applied in the preparation of the Special Districts Financial Transactions Report and Supplement to the Annual Report.
2. The preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report.
4. The prevention and detection of fraud.
5. To ensure that the Coalition complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.

Your Responsibilities (Continued)

7. To provide us with -

- access to all information of which you are aware that is relevant to the fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report, such as records, documentation, and other matters.
- additional information that we may request from you for the purpose of the compilation engagement.
- unrestricted access to persons within the Coalition of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your Special Districts Financial Transactions Report and Supplement to the Annual Report. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the Special Districts Financial Transactions Report and Supplement to the Annual Report and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them. If, for any reason, we are unable to complete the compilation of your Special Districts Financial Transactions Report and Supplement to the Annual Report, we will not issue a report on such annual reports as a result of this engagement.

Our report will disclose that the Special Districts Financial Transactions Report and Supplement to the Annual Report are presented in a prescribed form in accordance with the requirements of the California State Controller's Office and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountants' compilation report in any document containing the Special Districts Financial Transactions Report and Supplement to the Annual Report that indicates we have performed a compilation engagement on such annual reports and, prior to inclusion of the report, to ask our permission to do so.

Other Relevant Information

Robert J. Callanan is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be \$800. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and date below and return a copy of the signed letter to us.

Very truly yours,

White Nelson Dick Evans LLP

RESPONSE:

This letter correctly sets forth the understanding of the Southeast Water Coalition.

By _____

Name _____

Title _____

Date _____

**SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
FISCAL YEAR 2018-2019 BUDGET - APPROVED JUNE 7, 2018**

	FY 2017-2018		FY 2018-2019
	Approved Budget	Total Projected Expenditures	Approved Budget
Carryover Balance	\$181,709	\$181,709	\$191,157
Revenues:			
Annual Assessments for Member Agencies	\$110,000	\$110,000	\$110,000
Less Credits to Member Agencies	(\$55,000)	(\$55,000)	(\$55,000)
Interest Income	\$1,000	\$1,000	\$1,000
Total Revenues	\$56,000	\$56,000	\$56,000
Available Funds	\$237,709	\$237,709	\$247,157
Expenditures:			
Program Management Services	\$17,000	\$16,000	\$17,000
As Needed Government Relations	\$20,000	\$0	\$20,000
Legal Services	\$5,000	\$4,000	\$7,500
Board/Staff Travel/Meeting Expense	\$1,000	\$0	\$1,000
Financial Audit	\$3,600	\$3,600	\$4,000
Policy Board Compensation	\$9,900	\$6,000	\$9,900
Office Supplies	\$100	\$12	\$100
Policy Board Meetings	\$3,000	\$2,450	\$3,000
Administrative Entity Meetings	\$1,000	\$875	\$1,000
Consultant Services	\$50,000	\$13,615	\$60,000
Consultant Services Contingencies	\$0	\$0	\$0
Total Expenditures	\$110,600	\$46,552	\$123,500
Ending Balance	\$127,109	\$191,157	\$123,657

Notes:

1. Draft Budget (B) - Assumes credit of \$5,000 off of \$10,000 member agency annual dues resulting in total annual dues of \$5,000



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity

Subject: **Adopt a Resolution of the Board of Directors of the Southeast Water Coalition (SEWC) Joint Powers Authority (JPA) Changing the Meeting Time of the Board of Directors**

Recommendation: That the Board take the following action:

Adopt Resolution No. 2018-02 changing the meeting time for all Board of Directors meetings, effective October 4, 2018.

Discussion:

On June 7, 2018, the Board of Directors adopted Resolution No. 2018-01, designating Whittier as SEWC Lead Agency beginning July 1, 2018 through June 30, 2020, and designating the meeting location and times for the Board of Directors and Administrative Entity meetings.

At the August 2, 2018 meeting of the Board of Directors, Board Chair Fernando Dutra (Whittier) suggested that the Board vote to move their meeting times half an hour earlier, from 7:00 P.M. to 6:30 P.M. Chair Dutra suggested an earlier start time for Board meetings might encourage attendance.

Attached is Resolution No. 2018-02, changing the meeting time for all Board of Directors meetings to 6:30 P.M., effective October 4, 2018.

Attachment(s):

1. Resolution No. 2018-02

RESOLUTION NO. 2018-02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
CHANGING THE MEETING TIME OF THE BOARD OF DIRECTORS

WHEREAS, On June 7, 2018, the Board of Director approved Resolution 2018-01 designating the City of Whittier to serve as Lead Agency for the period beginning July 1, 2018 through June 30, 2020.

WHEREAS, Resolution 2018-01, set the place and time of the Board of Directors and Administrative Entity meetings effective July 1, 2018.

WHEREAS, the Lead Agency desires to change the Board of Directors meeting time.

THE BOARD OF DIRECTORS OF THE SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. BOARD OF DIRECTORS MEETINGS. The Board of Directors shall meet, as necessary, on the first Thursday of every even numbered month at 6:30 P.M. at the City of Whittier, Emergency Operations Center, 13200 Penn Street, Whittier, CA 90602.

Section 2. This Resolution changes the time of regular meetings of the Board of Directors effective October 4, 2018.

Section 3. The Chair of the Board of Directors and the Chair of the Administrative Entity shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED, and ADOPTED this 4th day of October 2018.

Chair, Board of Directors

ATTEST:

Administrative Entity Chair



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity

Subject: **Strategic Plan Projects - Next Steps**

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Strategic Plan Projects next steps.

Discussion:

At the July 19, 2018 meeting of the Administrative Entity, the AE members discussed next steps in the Strategic Plan process, including access to “living document” project summaries already submitted by AE members, and possible new project ideas. Jason Wen (Lakewood) stated that Lakewood had created a document listing all their emergency interconnects, and suggested SEWC assemble a matrix of emergency interconnects to look for overlapping projects between SEWC member cities.

The Administrative Entity received Interconnections matrices from Lakewood, Commerce, South Gate, Whittier, and Santa Fe Springs. Since the City of Vernon has no emergency interconnects, no matrix was received from Vernon.

The Administrative Entity discussed the submitted emergency interconnects at their meeting on September 20, 2018. The AE members suggested the next step in collecting emergency interconnections information should be mapping the connections between SEWC member cities. The AE members suggested engaging a consultant to create a GIS map of the emergency interconnections to search for possible projects between SEWC member cities.

Attachment(s):

1. Interconnections (SEWC Water Systems)

Interconnections (SEWC Water Systems)

City of Lakewood

Name	Location	Direction	Size (in)	Capacity (gpm)	Control (Auto/Manual)	Project	Est Cost	Comments
Cerritos	Palo Verde Ave at Andy St.	2-way	12	5000	Auto by Set Pressures	In-line booster to pump water from Lakewood to Cerritos if needed; SCADA Control	\$140,000	Cerritos Op pressure is 20 psi higher (80 psi vs 60 psi)
Long Beach	Palo Verde Ave; south of Carson St.	2-way	12	5000	Manual	Upgrade control valves to Auto by Set pressure and SCADA Control	\$120,000	
GSWC	Carson St. at the SG River	2-way	12	5000	Auto by Set Pressures	Upgrade control valves to Auto by Set pressure and SCADA Control	\$100,000	
Signal Hill	Cherry Ave. North of Bixby Rd.	1-way to Signal Hill	6	1500	Manual	SCADA Control	\$20,000	New in 2017

Interconnections (SEWC Water Systems)

City of Santa Fe Springs								
Name	Location	Direction	Size (in)	Capacity (gpm)	Control (Auto/Manual)	Project	Est Cost	Comments
Whittier	12080 Rivera Rd, SFS 90670	2-way	6	2000	Auto	Upgrade to 8", new vault, upgrade SCADA		Currently in use to purchase water from Whittier
San Gab Valley	8861 Dice Rd near R/R tracks	2-way	10	N/A	Manual			
Golden State	Studebaker & Cecilia	2-way	8	N/A	Manual			connection is a gate valve
Cerritos	13501 Alondra Blvd, SFS 90670 in median island	2-way	10	N/A	Manual			
Proposed								
Whittier #2	proposed along Carmenita/Painter	2-way	10 or 12	N/A	proposed Auto	create interconnection on Painter/Carmenita between Whittier and SFS		Proposed
Downey	Proposed Florence west of 605 fwy	2-way	6 or 8	N/A	proposed Auto	create interconnection on Florence/605 between Downey and SFS		Proposed

Interconnections (SEWC Water Systems)

City of Commerce

Name	Location	Direction	Size (in)	Capacity (gpm)	Control (Auto/Manual)	Project	Est Cost	Comments - meter no.	Meter No.
Cal Water System	22nd St & Allston Ave MTB Land & Water	fwd-rev	6"	120-1500	manual				852764
Cal Water System	Acco St & Vail Ave S MTB Irrig Dist (SMID)	forward	8"	30-3500	manual				853269
Commerce Water System	Garfield Ave @ Gage City of Bell Gardens	forward	8"	30-3500	manual				6050719
Commerce Water System	Bandini Blvd. East of Garfield Ave.							This crossing was capped of on the Telegraph Rd. side of the 5 Fwy.	
Montebello Water System	Elm St. & Vail Ave. San Gabriel Valley MTB	fwd-rev	10"	180-3000	manual			rev/1165-fwd/302	12-00563-10

City of Montebello Water System

Location:	Meter No.	Size	Start Read Forward	Ending Read Forward	Start Read Reverse	Ending Read Reverse
		10"	302		165	

Interconnections (SEWC Water Systems)

<u>City of South Gate</u>								
Name	Location	Direction	Size (in)	Capacity (gpm)	Control (Auto/Manual)	Project	Est Cost	Comments
Downey	De Palma Street, east of Karmont Avenue	2-way	8	2,500	Manual			Existing Connection
Golden State Water Co	Monroe Avenue, at Garfield Avenue	2-way	8	2,500	Automatic	Replace Meter and Integrate to SCADA	\$25 K	Existing Connection
Huntington Park	Santa Ana Street, at Salt Lake Avenue	2-way	6	1,500	Manual			Existing Connection
Lynwood	Santa Fe Avenue, at Seminole Street	2-way	12	4,000	Automatic			Existing Connection
Walnut Park	Santa Ana Street, at Mountain View	2-way	6	1,500	Manual			Existing Connection

Interconnections (SEWC Water Systems)

City of Whittier

Name	Location	Direction	Size	Capacity	Control	Project	Est Cost	Comments
Cal-Domestic	Pioneer and Strong	two-way	12 in	TBD	Manual			
SGVWC	Pioneer and Whittier	to SGVWC	20 in	TBD	Manual			
Santa Fe Springs	Rivera Road	to SFS	6"	TBD	Auto			
Suburban Water	Painter Avenue	to SWS	8"	TBD	Manual			
Suburban Water	Workman Mill Road	two-way	12"	TBD	Auto			Under Construction

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: October 4, 2018
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity

Subject: Legislative Update

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Administrative Entity's monitoring of current water-related legislative issues.

Background - SB 998

The 2018 California Legislative session recessed on August 31, 2018. September 30, 2018 was the last day for the Governor to sign or veto bills passed by the Legislature before September 1, 2018.

SEWC has been tracking the progress of SB 998 (Dodd) Discontinuation of residential water service: urban and community water systems, for several months. In April, 2018, when SB 998 was still in the Senate, the SEWC Board of Directors sent a letter of opposition in response to this bill. Since the Board last met, SB 998 passed the Assembly Floor (on August 28, 2018) and the Senate Floor (on August 29, 2018). SB 998 passed the Assembly with a vote of 44 Ayes, 26 Noes and 10 No-Votes. The bill passed the Senate Floor was 25 Ayes, 13 Noes, and 2 No-Votes. The bill was enrolled and presented to the Governor on September 6, 2018.

The City of Lakewood sent a letter urging the Governor to veto SB 998 (see attached). Due to the limited time frame, Lakewood's Veto letter was emailed out to the Administrative Entity members on September 12, 2018, with the recommendation that all SEWC member agencies use it as a template to send their own letters in favor of vetoing the bill. The City of Santa Fe Springs also send a Veto letter to the Governor (see attached).

Despite opposition from community water systems, Governor Brown signed SB 998 into law on September 28, 2018.

SB 998 Bill Summary:

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 require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill contains other related provisions and other existing laws.

Background - Safe and Affordable Drinking Water Fund

The Safe and Affordable Drinking Water Fund (formerly SB 623) has returned to the Senate in a modified form as SB 845. SB 845 would establish the Safe and Affordable Drinking Water Fund to secure access to safe drinking water for all Californians. To pay for this Fund, SB 845 would require community water systems with 200 or more service connections provide an opportunity for its customers to provide a voluntary remittance either as a part of their customers' regular water bill, or by using a specialized notification procedure. Customers would have the option to pay the remittance, opt out, or pay a different amount. Impact to community water systems would be significant in both cost and labor.

SB 845 did not pass the Legislature before the end of the 2018 session. The bill was re-referred to the Assembly Appropriations Committee on August 24, 2018.

Discussion

The Administrative Entity will continue to monitor the status of water-related legislation once the legislation reconvenes on December 3, 2018 for the 2019-20 Regular Session,

SEWC BOARD OF DIRECTORS AGENDA REPORT- REGULAR MTG. OF 10/04/18
LEGISLATIVE UPDATE

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and provide regular updates to the Board of Directors at every Policy Board meeting.

Attachment(s):

1. SB 998 Veto Letters from Lakewood and Santa Fe Springs



LegiFAX

September 10, 2018

**SB 998 (Dodd) – Discontinuation of Residential Water Service: Urban and
Community Water System
REQUEST FOR VETO**

The City of Lakewood opposes Senate Bill 998 and urges you to veto this measure. This bill is unnecessary and appears to be a solution in search of a problem that does not currently exist in California.

SB 998 would complicate and change the practice of cities and water purveyors that already undertake multiple protocols to ensure that water service is discontinued for non-payment *only* when a customer fails to follow-through with multiple safeguards that are built into the operations and management of water systems.

This new one-size-fits-all statewide program is duplicative and conflicts with current law. It also creates a cap on reconnection fees for some customers that may not cover the actual cost of these physical reconnections. This triggers concerns for cities and public water agencies about conflicts with Proposition 218. The bill further expands unnecessary authority to the State Water Resources Control Board and the Attorney General to enforce provisions of the bill.

Cities and water districts are overseen by locally elected leaders that have an interest in delivering safe and affordable water. SB 998 overcomplicates a process already undertaken locally to engage with delinquent customers.

For these reasons, the City of Lakewood opposes SB 998 and urges you to veto this measure.

Mayor Steve Croft
On behalf of the Lakewood City Council



11710 E. TELEGRAPH ROAD ♦ CA ♦ 90670-3679 ♦ (562) 868-0511 ♦ (562) 868-7112 ♦ WWW.SANTAFESPRINGS.ORG

DEPARTMENT OF PUBLIC WORKS

September 17, 2018

Subject: SB998 (Dodd) – Discontinuation of Residential Water Service: Urban and Community Water System
Request for Veto

The City of Santa Fe Springs opposes Senate Bill 998 and urges you to veto this measure. This bill is unnecessary and appears to be a solution in search of a problem that does not currently exist in California.

SB 998 would complicate and change the practice of cities and water purveyors that already undertake multiple protocols to ensure that water service is discontinued for non-payment only when a customer fails to follow-through with multiple safeguards that are built into the operations and management of water systems.

This new one-size-fits-all statewide program is duplicative and conflicts with current law. It also creates a cap on reconnection fees for some customers that may not cover the actual cost of these physical reconnections. This triggers concerns for cities and public water agencies about conflicts with Proposition 218. The bill further expands unnecessary authority to the State Water Resources Control Board and the Attorney General to enforce provisions of the bill.

Cities and water districts are overseen by locally elected leaders that have an interest in delivering safe and affordable water. SB 998 overcomplicates a process already undertaken locally to engage with delinquent customers.

For these reasons, the City of Santa Fe Springs opposes SB 998 and urges you to veto this measure

Sincerely,

Raymond R. Cruz
City Manager

NN/vjd

Enclosures

JAY SARNO, MAYOR ♦ JUANITA TRUJILLO, MAYOR PRO TEM
CITY COUNCIL
RICHARD J. MOORE ♦ WILLIAM K. ROUNDS ♦ JOE ANGEL ZAMORA
CITY MANAGER
RAYMOND R. CRUZ