

CASITAS MUNICIPAL WATER DISTRICT
EXECUTIVE COMMITTEE

Kaiser/Baggerly
March 8, 2019 - 10:00 A.M.
District Office
1055 Ventura Ave.
Oak View, CA 93022

1. Roll Call
2. Public Comments
3. Board Comments
4. General Manager Comments
5. ACWA Symposium Update/Debriefing.
6. Board Training Meeting Schedule/Special District Leadership Foundation Checklist.
7. Casitas MWD 2019 State Water Project Table A Supply Update.
8. Board Priorities List Update.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code. If you require special accommodations for attendance at or participation in this meeting, please notify our office in advance (805) 649-2251 ext. 113. (Govt. Code Section 65954.1 and 54954.2(a). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers, and may not otherwise take part in the meeting. (Govt. Code Sections 54952.2(c)(6)

ACWA LEGISLATIVE SYMPOSIUM

MARCH 6, 2019 • SACRAMENTO CONVENTION CENTER 2019



AGENDA

8:30 - 9:00 AM

Registration and Continental Breakfast

Meeting Room 202 / Sacramento Convention Center

9:00 - 9:10 AM

Welcome Remarks

Brent Hastey, ACWA President

Brian Poulsen, Chair, ACWA State Legislative Committee

9:10 - 9:15 AM

ACWA Outreach Program Update

Cristel Tufenkjian, Director of External Affairs, Kings River Conservation District

9:15 - 10:45 AM

Safe and Affordable Drinking Water

Over the last several years, the Legislature has both passed and rejected proposals related to safe drinking water for disadvantaged communities. Last year the Legislature rejected a measure for a statewide water tax as a revenue source. This year Governor Newsom is advancing a similar proposal – based on the SB 623 (Monning, 2017) framework. At the same time, ACWA and the California Municipal Utilities Association are advancing a funding solution that does not require a statewide water tax – a Safe Drinking Water Trust.

Come hear the latest about these proposals, legislation related to the consolidation of unsustainable water systems and the State Water Board's report for AB 401 (Dodd, 2015) implementation regarding how a low-income water rate assistance program could be implemented. Actual implementation of this program will require authorizing legislation.

Moderator:

Adam Quinonez, Senior Legislative Advocate, ACWA

Panelists:

Paul Jones, General Manager, Eastern Municipal Water District

Phoebe Seaton, Director, Leadership Counsel for Justice and Accountability

Cindy Tuck, Deputy Executive Director of Government Relations, ACWA

10:45 - 11:00 AM

Break

AGENDA continued

11:00 AM - Noon

Groundwater Recharge Legislation

With the passage of the Sustainable Groundwater Management Act, many water agencies are focused on the sustainability of water basins. For some agencies, sustainability includes groundwater recharge projects. Various legislative initiatives have attempted to create a regulatory framework to permit groundwater recharge projects. In 2018, AB 2649 proposed a streamlined 5-year permit process that would allow water agencies to divert water under peak flow conditions to underground water storage for beneficial use.

This panel will delve into the details of a potential groundwater recharge permit, projects eligible for a permit, and the policy considerations of groundwater recharge and beneficial use.

Moderator:

Alf Brandt, Senior Counsel, Office of Speaker Anthony Rendon

Panelists:

Dr. Joaquin Arambula, California Assembly Member, District 31

Erik Ekdahl, Deputy Director, State Water Resources Control Board

John Woodling, Executive Director, Regional Water Authority

NOON - 1:30 PM

Luncheon Program

Meeting Room 203 / Sacramento Convention Center

Keynote Speaker: Senator Henry Stern

1:30 - 4:30 PM

Outreach Opportunity

Here's your chance to participate in grassroots outreach by scheduling a meeting with your own local State Senator and/or State Assembly member in their Sacramento offices in advance across the street in the Capitol, after the Symposium.

Programs are subject to change without notice.

Attendance at this event by a public official will constitute acceptance of a reportable gift.



HIGH PERFORMING DISTRICT *checklist*

FINANCE AND HUMAN RESOURCES

This checklist was designed and approved by the Special District Leadership Foundation to provide special districts with best practices related to the areas of Finance and Human Resources.

Visit us online at www.sdlf.org for comprehensive resources and samples related to each of the best practices listed.



BEST PRACTICES - FINANCE

Training

- Board and staff obtain regular training on finance/fiscal accountability.
- Board and designated employees (those that participate in making decisions that may materially affect their financial interests) complete ethics training as required by law, including initial and biennial training requirements.*

Reporting

- All financial reports are filed on time and in compliance with applicable laws and recognized standards for best management/reporting practices (including Governmental Accounting Standards Board):
 - Comprehensive annual financial report
 - Annual Audit*
 - State Controller's Financial Transaction Report*
 - State Controller's Compensation Report*
- The district requires board members and designated employees to prepare and file statements of economic interests (FPPC Form 700) to identify and disclose potential conflicts of interest.

Governance

- Board establishes and periodically reviews strategic, financial, and other goals.
- Board approves an annual balanced budget in an open and public meeting and periodically reviews revenue and expenses for compliance with the budget.*
- Board approves capital improvement plans in an open and public meeting and periodically reviews revenue and expenses for compliance with the plans.
- Board sets rates and fees in compliance with applicable state laws and District ensures its revenues maintain financial stability and support its commitments.

Policies

- The district has written, board-approved codes of conduct and ethics policies, including compliance with conflicts of interest laws and proper financial management.
- Board establishes and periodically reviews fund balances and reserve policies that meet district's needs.*
- Board establishes and periodically reviews sound fiscal and internal control policies and procedures (including checks and balances) sufficient to (1) safeguard its assets and resources, (2) deter and detect errors, fraud, waste, abuse and theft, (3) ensure accuracy and completeness of its accounting data, and (4) produce reliable and timely financial and management information.
- District has an investment policy describing approved investment types, and management periodically reports investment information (types of investments held, market values, maturity dates, etc.) to the board, according to a board approved policy.
- The district has adopted and implements policies and procedures concerning the payment of claims, bills, and invoices, the issuance, approval and signing of district checks/warrants, and the use of district credit cards.
- District actively adopts mechanisms to prevent, detect, and/or report fraud, waste, and abuse.

checklist continued

BEST PRACTICES - FINANCE continued

□ General Administration

- Board and employee travel and other expense reimbursements are supported by receipts, and are reviewed and approved by an appropriate supervisor and manager to ensure that expenses are appropriate and comply with a board-approved policy.*
- Management periodically reports financial information to the board, according to a board-approved policy.
- If a prior audit was qualified or reported an adverse finding related to a financial or performance issue, the district promptly implemented effective corrective action.
- The district has available cash, funds and short-term investments to pay its short-term obligations on time.
- The district's revenues and funds are sufficient to meet its long-term debt, pension and other postemployment benefit obligations.
- The district has implemented accounting and bookkeeping systems and records in accordance with generally accepted accounting principles for local government agencies.
- The district maintains a blanket performance or fidelity bond or insurance to protect against employee mishandling and theft of district funds.
- If the district has received federal or state grant or loan funds, the district carefully administers the grant or loan in accordance with the applicable grant or loan agreement and related requirements.

□ Procurement

- Board approved policy establishes purchasing authorization levels for appropriate district positions, including authorization levels or contract change orders.
- A competitive process for purchasing goods and materials is established and followed according to a board-approved policy.
- District uses a competitive process for awarding construction and construction-related contracts (for construction, project management, architectural services, etc.) that complies with state law.
- District uses a competitive process for awarding contracts for general professional services unless appropriate criteria are met for not using a competitive process (sole-source procurement).
- Board approval or oversight is required for high-dollar, lengthy, or other sensitive procurement contracts.
- Board-approved policy establishes emergency procurement procedures, compliant with state law.
- Board directs staff to include in procurement documents processes for unsuccessful vendors, proposers and/or vendors to protest the award of a contract.



BEST PRACTICES - HUMAN RESOURCES

□ Ethics

- Board and appropriate staff obtain regular training on human resources.
- Board and supervisory employees complete sexual harassment and discrimination prevention training biennially.

□ Governance

- Board approves general manager job description and the organizational structure.
- Board establishes and regularly evaluates board and employee salary structures and benefit packages using, when appropriate, a salary survey that allows for comparison with other agencies by region, agency type (services provided), and agency size (annual budget, number of employees and population served). All compensation complies with state and federal laws.
- A board approved policy or agreement establishes the processes for hiring and firing, evaluating the performance of, and adjusting the compensation of the general manager.

□ General Administration

- Management uses written processes for hiring employees, evaluating performance, imposing progressive discipline, adjusting compensation and benefits, and accruing and using leave.
- Employee job descriptions, duties, and financial control responsibilities are effectively communicated and periodically reviewed.
- District's policies and procedures are reviewed on an annual basis to ensure compliance with new laws.
- District policies and procedures communicate important information about management's expectations for each district process. Policies are deployed thoughtfully and conscientiously to ensure that required actions are reasonable. Procedures articulate the distinct responsibility and accountability of each individual involved in the process.
- Management uses a written fraud reporting policy that includes procedures for employees to follow to report suspected fraud. Employees are periodically reminded of the policy.

*Also included on the District Transparency Certificate Checklist

SDLF is supported by



The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. The SDFL and its activities are supported by the California Special Districts Association and the Special District Risk Management Authority.

MEMORANDUM

TO: Executive Committee

From: Michael L. Flood, General Manager

RE: **Discussion Regarding 2019 State Water Project Table A Water Supply**

Date: March 1, 2019

RECOMMENDATION:

The Executive Committee consider options for use of CMWD's portion of the State Water Project Table A water supply and send a recommendation to the Board of Directors.

BACKGROUND:

On November 30, 2018, the initial State Water Project 2019 allocation was set by the California Department of Water Resources (DWR) at 10% (500 acre-feet for Casitas).

On January 18, 2019 the DWR issued 'Notice to State Water Project Contractors' 19-01, setting the rate for Turnback 'Pool A' @ \$35.04/acre-foot and for 'Pool B' @ \$17.52/acre-foot. The deadlines to submit requests to the SWP Turnback Pool Program are February 15, 2019 for Pool A and March 15, 2019 for Pool B.

On January 25, 2019, the DWR issued 'Notice to State Water Project Contractors' 19-03 raising the 2019 allocation to 15% (750 acre-feet for Casitas).

On February 20, 2019 the DWR issued 'Notice to State Water Project Contractors' 19-06 raising the 2019 allocation to 35% (1,750 acre-feet for Casitas).

In 2018, Casitas MWD executed an exchange agreement with San Gorgonio Pass Water Agency (SGPWA) in which SGPWA paid Casitas MWD \$750,000.00 for its 2018 SWP Table A water supply. Additionally, Casitas MWD will be required to take back 40% of the water exchanged in a future year. The agency that receives the water is wholly responsible for any variable charges in the year that the water is delivered to them. The final amount of water exchanged was 1,750 acre-feet (35% 2019 Final Table A allocation).

In a recent discussion with Jeff Davis, General Manager of San Gorgonio Pass Water Agency (SGPWA), the Board of Directors for SGPWA will review a term sheet to send to Casitas at a upcoming meeting of that board.

DISCUSSION:

Casitas MWD has options for the use of its portion of the 2019 SWP Table A supply of which the following are found to be the feasible at this time:

1. **Sale to the Turnback Pool:** Assuming that the 2019 Table A allocation stays at 35%, the District would realize minimum of \$13,140.00 at the Turnback Pool B price. No offers for sale of Table A water were posted for Turnback Pool A.
2. **Sale of the 2019 Table A Allocation to another SWP Contractor:** As noted above SGPWA is likely to approve and send a term sheet to Casitas MWD in the coming weeks. This term sheet will be brought back to the Committee for review.
3. **Carryover of 2019 Table A supply in San Luis Reservoir:** The ability to carryover 2019 Table A is likely to not be allowed this year since it appears the City of Ventura will be transferring their Table A supply to SGPWA. This precludes anyone under the current VCWPD State Water Contract from storing carryover water this year.
4. **Storage of 2019 SWP Table A with an external water bank for use in a future year:** There are many options for storing the 2019 Table A water supply outside the District's boundaries with another State Water Contractor. This option would be somewhat costly in either dollars or water.

Each of the above options have timing constraints with the Turnback Pool B option needing a decision by March 15, 2019. The expectation is that the terms potentially offered by SGPWA will exceed the price in Turnback Pool B.

2019 Board Priorities List

Category: Board Policy

		Complete?	Status/Disposition	Result
1	Equine prohibitions in the LCRA (check to see if there is a current policy/ordinance). (5) (Completion: 90 Days)	Yes	Presented to Executive Committee	Ordinance Already Exists
2	Review of allocation penalty policy. (Completion: 60 Days) (5)	No	District Counsel Researching/Writing	
3	Review need for a Mission Statement and the ability to use this as a filter to discuss what goals can be accomplished (revenues, budgets, environmental issues, recreation elements, etc.) (Completion: 90 Days – Executive Committee) (5)	No	Discussion with Executive Committee	
4	Water rate analysis. (Update in 9 months) (4)	No	Starts October 2019	
5	Strategic plan for recreation area. (Completion: 9 Months – Recreation Committee)(5)	No	Needs Staff Discussion	
6	Committee presentations to the Board. (Ongoing) (5)	Yes	Complete	Ongoing
7	Gauge investment in policies/cost-benefit analysis. (Ongoing) (5)	No	Discussion with Executive Committee	