

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS MEETING

BOARD OF DIRECTORS:

Chair:

Supervisor Erin Hannigan
Solano County District 1

Vice Chair:

Mayor Pete Sanchez
City of Suisun City

Mayor Len Augustine
City of Vacaville

Mayor Jack Batchelor
City of Dixon

Director Dale Crossley
Reclamation District No. 2068

Mayor Osby Davis
City of Vallejo

Director John D. Kluge
Solano Irrigation District

Director Ryan Mahoney
Maine Prairie Water District

Mayor Elizabeth Patterson
City of Benicia

Mayor Harry Price
City of Fairfield

Mayor Norm Richardson
City of Rio Vista

Supervisor Linda Seifert
Solano County District 2

Supervisor Jim Sperring
Solano County District 3

Supervisor Skip Thomson
Solano County District 5

Supervisor John Vasquez
Solano County District 4

GENERAL MANAGER:

Roland Sanford
Solano County Water Agency

DATE: Thursday, October 13, 2016

TIME: 6:00 p.m. **NOTE START TIME**

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. CONSENT ITEMS

(A) Minutes: Approval of the Minutes of the Board of Directors meeting of September 8, 2016 is recommended.

(B) Expenditure Approvals: Approval of the September 2016 checking account register is recommended.

(C) Quarterly Financial Reports: Approve the Income Statement and the Balance Sheet of September 30, 2016

(D) Approve modifications to the Reserve Fund Policy: Approve modifications to the Reserve Fund Policy.

(E) Vallejo Permit Water- Napa NBA Point of Delivery Agreement: Authorize General Manager to execute an No. 1 to Agreement SWPAO #10005 with State Department of Water Resources and Napa County to allow deliveries of Vallejo Permit Water into Napa County through the NBA.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



- (F) Contract with Integrated Environmental Restoration Services, Incorporated (IERS) for Cold Fire Watershed Assessment: Authorize General Manager to execute \$38,050 contract with IERS for Cold Fire Watershed Assessment. Sufficient funding is available the FY 2016-2017 Administration budget “Contingency” line item.
- (G) Tree Spade for John Deere 624k Loader: Authorize General Manager to expend \$26,000 for a 62” Big John Tree Spade to be used for LPCCC restoration projects on Putah Creek. Sufficient funding is available in the FY 2016-2017 LPCCC equipment account.

6. **BOARD MEMBER REPORTS**

RECOMMENDATION: For information only.

7. **GENERAL MANAGER’S REPORT**

RECOMMENDATION: For information only.

8. **STATUS REPORT: NORTH BAY AQUEDUCT ALTERNATE INTAKE PROJECT:**

RECOMMENDATION: Hear presentation and provide direction to staff.

9. **SERVICE AGREEMENT WITH WILSON PUBLIC AFFAIRS FOR COMMUNICATIONS AND OUTREACH SERVICES IN SUPPORT OF NORTH BAY AQUEDUCT ALTERNATE INTAKE PROJECT:**

RECOMMENDATION: Authorize General Manager to execute \$88,000 Service Agreement with Wilson Public Affairs for communications and outreach services in support of North Bay Aqueduct Alternate Intake Project.

10. **GROUNDWATER MANAGEMENT OF SOLANO SUB-BASIN PURSUANT TO SUSTAINABLE GROUNDWATER MANAGEMENT ACT:**

RECOMMENDATION: Hear presentation and provide direction to staff.

11. **CONTRACT AMENDMENT FOR FACILITATION SERVICES FOR SGMA IMPLEMENTATION:**

RECOMMENDATION: Authorize General Manager to execute Amendment No. 1 with Ag Innovations, for additional facilitation services, increasing total contract amount by \$25,000, from \$81,140 to \$106,140.

12. **WATER POLICY UPDATES**

RECOMMENDATIONS:

- 1. Hear report from staff on current and emerging Delta and Water Policy issues and provide direction.

2. Hear status report from Committee Chair Supervisor Seifert on activities of the SCWA Water Policy Committee.
 3. Hear report from Supervisor Thomson on activities of the Delta Counties Coalition and Delta Protection Commission.
 4. Hear report from Legislative Committee.
12. **TIME AND PLACE OF NEXT MEETING**
Thursday, November 10, 2016 at 6:30 p.m. at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at www.scwa2.com.

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

CONSENT ITEMS

**SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES**

MEETING DATE: September 8, 2016

The Solano County Water Agency Board of Directors met this evening at the Solano County Water Agency. Present were:

Supervisor Erin Hannigan, Solano County District 1
Supervisor, Linda Seifert, Solano County District 2
Supervisor James Spering, Solano County District 3
Supervisor Skip Thomson, Solano County District 5
Mayor Jack Batchelor, City of Dixon
Mayor Elizabeth Patterson, City of Benicia
Mayor Harry Price, City of Fairfield
Mayor Norm Richardson, City of Rio Vista
Vice Mayor Ron Rowlett, City of Vacaville
Mayor Pete Sanchez, City of Suisun City
Director John Kluge, Solano Irrigation District

CALL TO ORDER

The meeting was called to order at 6:30 P.M. by Chair Hannigan.

APPROVAL OF AGENDA

On a motion by Mayor Price and a second by Mayor Sanchez the Board unanimously approved the agenda.

PUBLIC COMMENT

There were no comments.

CONSENT ITEMS

On a motion by Mayor Batchelor and a second by Mayor Patterson the Board unanimously approved consent items:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Purchase of 2016 Ram 2500 4x4 Truck and John Deere 624K Loader and 4 Wheel Loader
- (D) Continuation of WaterWays School Education Program through FY 2016-2017
- (E) Action to Reject Claim of Carlos Flores

BOARD MEMBER REPORTS

There were no board member reports.

GENERAL MANAGER'S REPORT

There were no additions to the General Managers written report.

**APPROVAL OF SERVICE AGREEMENT WITH SUSTAINABLE SOLANO TO
IMPLEMENT A 1-YEAR "SUSTAINABLE SOLANO INITIATIVE PILOT
PROGRAM"**

On a motion by Mayor Patterson and a second by Supervisor Thomson the Board authorized the General Manager to execute a \$139,427 service agreement with Sustainable Solano to implement a 1-year "Sustainable Solano Initiative Pilot Program.

WATER POLICY UPDATES

1. There was no report from staff on current and emerging Delta and Water Policy issues.
2. There was no report on activities of the SCWA Water Policy Committee.
3. Supervisor Thomson reported on activities of the Delta Counties Coalition and Delta Protection Commission. There will be a Water Forum on September 16th from 9:30-2 in Sacramento.
4. There was no report from the Legislative Committee.

TIME AND PLACE OF NEXT MEETING

Thursday, October 13, 2016 at 6:30 p.m. at the SCWA offices.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 7:50 p.m.

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016
SUBJECT: Expenditures Approval

RECOMMENDATIONS:

Approve expenditures from the Water Agency checking accounts for the month of September 2016.

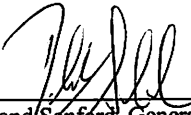
FINANCIAL IMPACT:

All expenditures are within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors approve all expenditures (in arrears). Attached is a summary of expenditures from the Water Agency's checking accounts for the month of September, 2016. Additional backup information is available upon request.

Recommended: _____


Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

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next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Sep 1, 2016 to Sep 30, 2016

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
9/1/16	EFT	2020SC 1020SC	Invoice: SEP HEALTH 2016 CALPERS	16,400.14	16,400.14
9/2/16	EFT	2020SC 1020SC	Invoice: 2016083001 PAYCHEX, INC.	203.25	203.25
9/6/16	28880V	2020SC 1020SC	Invoice: STEFANIE THOMAS TURF REBATE PROGRAM	1,000.00	1,000.00
9/6/16	28895	2020SC 1020SC	Invoice: 182354 A & L WESTERN AGRICULTURAL LABS	36.00	36.00
9/6/16	28896	2020SC 1020SC	Invoice: 7001227273 AMERICAN WATER WORKS ASSOCIATION	255.00	255.00
9/6/16	28897	2020SC 1020SC	Invoice: 2249940 AMERICAN TOWER CORPORATION	556.02	556.02
9/6/16	28898	2020SC 2020SC 2020SC 1020SC	Invoice: 945731 Invoice: 945978 Invoice: 945960 CENTRAL AUTO PARTS	56.04 34.73 43.04	133.81
9/6/16	28899	2020SC 2020SC 1020SC	Invoice: 68998 Invoice: 68940 GHD, INC.	14,017.93 204.00	14,221.93
9/6/16	28900	2020N 1020SC	Invoice: 9208689423 GRAINGER	183.04	183.04
9/6/16	28901	2020SC 1020SC	Invoice: 8-(16) DENNIS GRUNSTAD	920.00	920.00
9/6/16	28902	2020SC 1020SC	Invoice: 1407 IRON SPRINGS CORPORATION	5,516.00	5,516.00
9/6/16	28903	2020N 1020SC	Invoice: 0916-x JEFFREY J JANIK	750.00	750.00
9/6/16	28904	2020SC 1020SC	Invoice: 492174 M&M SANITARY LLC	176.00	176.00
9/6/16	28905	2020SC 1020SC	Invoice: 8469372 OVIVO USA, LLC.	130.89	130.89
9/6/16	28906	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 211152 Invoice: 921817 Invoice: 921818 Invoice: 211429 Invoice: 211801 Invoice: 211860 Invoice: 922965 Invoice: 919682 PACIFIC ACE HARDWARE	150.40 20.49 40.69 87.13 24.71 79.53 25.76 75.88	504.59
9/6/16	28907	2020SC 1020SC	Invoice: 0007569846-4 PACIFIC GAS & ELECTRIC CO,	8,470.00	8,470.00
9/6/16	28908	2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 722859 Invoice: 722858 Invoice: 723983 Invoice: 724749 Invoice: 724987 PISANIS AUTO PARTS	37.79 44.35 12.56 406.35 33.11	534.16
9/6/16	28909	2020SC 1020SC	Invoice: 31561 PROMOTIONAL DESIGN GROUP	551.93	551.93
9/6/16	28910	2020SC 1020SC	Invoice: 8653767 QUILL CORPORATION	105.93	105.93

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9/6/16	28911	2020SC 1020SC	Invoice: 0831160229 SHANDAM CONSULTING	2,145.00	2,145.00
9/6/16	28912	2020U 1020SC	Invoice: AUG 2016 SOLANO COUNTY FLEET MANAGEMENT	225.48	225.48
9/6/16	28913	2020N 1020SC	Invoice: DSPF 2016-2017 STATE WATER PROJECT CONTRACTORS AUTHORI	16,014.00	16,014.00
9/6/16	28914	2020SC 1020SC	Invoice: 228 WILSON PUBLIC AFFAIRS	7,500.00	7,500.00
9/6/16	28915	2020SC 1020SC	Invoice: SONIA BLUMENBLAT TURF REBATE PROGRAM	630.00	630.00
9/6/16	28916	2020SC 1020SC	Invoice: STEFANIE THOMAS TURF REBATE PROGRAM	1,000.00	1,000.00
9/6/16	COLIAS AUG	6551AC 6040AC 6310AC 6300AC 6360AC 6040AC 1020SC	STAPLES - SUPPLIES STAPLES - SUPPLIES CHEVRON - FUEL 5 STAR CAR WASH WATERSMART INNOVATIONS JULY CREDIT CARD STATEMENT PAID TWICE - SECOND PAYMENT APPLIED TO AUGUST STATEMENT - ENTRY ON 8.6.16 BANK OF THE WEST	70.73 8.99 38.48 23.99 395.00	80.65 456.54
9/7/16	EFT	6040AC 6111AC 1020SC	EMPLOYEE HANDBOOK FSA ADMIN FEE SEPT PAYCHEX, INC.	106.75 70.12	176.87
9/8/16	28917	2020SC 1020SC	Invoice: 0433354 ACWA JOINT POWERS INSURANCE AUTHORITY	1,463.13	1,463.13
9/8/16	28918	2020SC 1020SC	Invoice: 2259 AG INNOVATIONS	10,525.00	10,525.00
9/8/16	28919	2020SC 1020SC	Invoice: IN-1160881798 ALPHA MEDIA II LLC	2,500.00	2,500.00
9/8/16	28920	2020SC 1020SC	Invoice: 681-142128 RILEY - BATTERIES PLUS	214.62	214.62
9/8/16	28921	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: BA4627 Invoice: BA4625 Invoice: BA4626 Invoice: BA4628 BLANKINSHIP & ASSOCIATES, INC.	1,950.00 1,916.67 1,250.00 1,733.33	6,850.00
9/8/16	28922	2020SC 1020SC	Invoice: 582 CACHE CREEK CONSERVANCY	9,490.34	9,490.34
9/8/16	28923	2020SC 1020SC	Invoice: 48382144 CHEVRON AND TEXACO	846.23	846.23
9/8/16	28924	2020SC 1020SC	Invoice: 393 GROUNDWATER RESOURCES ASSOCIATION OF CA	565.00	565.00
9/8/16	28925	2020SC 1020SC	Invoice: 1X121743 HORIZON DISTRIBUTORS, INC.	23.97	23.97

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9/8/16	28926	2020SC 1020SC	Invoice: NOTARY CLASS NOTARY LEARNING CENTER	264.50	264.50
9/8/16	28927	2020SC 1020SC	Invoice: 34420 SOUTHWEST ENVIRONMENTAL	2,100.00	2,100.00
9/8/16	28928	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 46369 Invoice: 46607 Invoice: 46619 Invoice: 46770 SUISUN VALLEY FRUIT GROWERS AS	254.22 455.37 48.83 358.36	1,116.78
9/8/16	28929	2020SC 1020SC	Invoice: 100112164 TRACTOR SUPPLY CREDIT PLAN	67.77	67.77
9/8/16	28930	2020SC 1020SC	Invoice: 3042664 THE TREMONT GROUP, INC.	32.50	32.50
9/8/16	28931	2020SC 1020SC	Invoice: 16-58 WEST ASSOCIATES ENVIRONMENTAL ENGINEERS	5,035.00	5,035.00
9/8/16	28932	2020N 1020SC	Invoice: SEPTEMBER 2016 CLEAN TECH ADVOCATES	8,600.00	8,600.00
9/10/16	EFT	2024AC 6012AC 1020SC	EMPLOYEE LIABILITIES - 9.10.16 EMPLOYER LIABILITIES - 9.10.16 PAYROLL TAXES	13,018.28 2,671.35	15,689.63
9/11/16	ASHLEY AUG	6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 1020SC	JERSEY MIKES SUBS - INTERN MEETING NATIONS - TEAM MEETING MURILLOS - TEAM MEETING RUBBERSTAMPS VISTA - BUSINESS CARDS FOR SABRINA COLIAS STAPLES - SUPPLIES NAPOLIS - SWAC MEETING REMOTE LINK - CONF CALL REMOTE LINK - CONF CALL REMOTE LINK - CONF CALL NAPOLIS - CHRIS LEE MEETING SAMS CLUB - SUPPLIES SAMS CLUB- SUPPLIES PURE GRAIN - BOARD MEETING NAPOLIS - BOARD MEETING REMOTE LINK - CONFERENCE CALL WALMART - BOARD MEETING XSTAMPER BANK OF THE WEST	194.85 26.90 245.36 47.40 25.86 8.62 89.69 8.49 9.11 24.65 45.92 34.98 77.50 43.50 60.00 26.80 11.00 71.48	1,052.11
9/12/16	28933	2020SC 1020SC	Invoice: SHEREEN AHMAD TURF REBATE PROGRAM	1,111.50	1,111.50
9/12/16	28933V	2020SC 1020SC	Invoice: SHEREEN AHMAD TURF REBATE PROGRAM	1,111.50	1,111.50
9/12/16	28934	2020SC 1020SC	Invoice: NATSUKO LEWIS TURF REBATE PROGRAM	293.00	293.00
9/12/16	28935	2020SC	Invoice: BILL COVERSON	1,000.00	

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		1020SC	TURF REBATE PROGRAM		1,000.00
9/12/16	28936	2020SC 1020SC	Invoice: SUZANNE AWALT TURF REBATE PROGRAM	492.00	492.00
9/12/16	28937	2020SC 1020SC	Invoice: OLIVIA RICE TURF REBATE PROGRAM	832.50	832.50
9/12/16	28938	2020SC 1020SC	Invoice: MIKE SAGAN TURF REBATE PROGRAM	525.00	525.00
9/12/16	28939	2020SC 1020SC	Invoice: SEP BOARD MEETING JACK BATCHELOR	112.96	112.96
9/12/16	28940	2020SC 1020SC	Invoice: A620637 BSK ASSOCIATES	120.00	120.00
9/12/16	28941	2020SC 1020SC	Invoice: 10701302 EAN SERVICES, LLC	654.07	654.07
9/12/16	28942	2020SC 1020SC	Invoice: 4024 EYASCO, INC.	19,087.13	19,087.13
9/12/16	28943	2020SC 1020SC	Invoice: CL29827 INTERSTATE OIL COMPANY	768.68	768.68
9/12/16	28944	2020SC 1020SC	Invoice: SEP BOARD MEETING JOHN D. KLUGE	100.00	100.00
9/12/16	28945	2020SC 1020SC	Invoice: SEP BOARD MEETING ELIZABETH PATTERSON	132.94	132.94
9/12/16	28946	2020SC 1020SC	Invoice: SEP BOARD MEETING RON ROWLETT	100.00	100.00
9/12/16	28947	2020SC 1020SC	Invoice: SEP BOARD MEETING LINDA SEIFERT	100.00	100.00
9/12/16	28948	2020SC 2020SC 1020SC	Invoice: 0004746 Invoice: 0004747 SOLANO IRRIGATION DISTRICT	20,012.89 201.55	20,214.44
9/12/16	28949	2020SC 1020SC	Invoice: SEP BOARD MEETING JAMES SPERING	100.00	100.00
9/12/16	28950	2020SC 2020SC 1020SC	Invoice: 9769421594 Invoice: 9771069166 VERIZON WIRELESS	2,588.55 2,440.07	5,028.62
9/12/16	28951	2020SC 1020SC	Invoice: SHEREEN AHMAD TURF REBATE PROGRAM	1,111.50	1,111.50
9/15/16	28952	2020SC 1020SC	Invoice: ICON OWNER POOL TURF REBATE PROGRAM	3,200.00	3,200.00
9/15/16	28953	2020SC 1020SC	Invoice: ICON OWNER POOL I TURF REBATE PROGRAM	5,000.00	5,000.00
9/15/16	28954	2020SC 1020SC	Invoice: MIKE LEHMAN TURF REBATE PROGRAM	559.00	559.00
9/15/16	28955	2020SC 1020SC	Invoice: DANILO NAGUIT TURF REBATE PROGRAM	542.00	542.00
9/15/16	28956	2020SC 1020SC	Invoice: JANICE ZERRILLA TURF REBATE PROGRAM	374.00	374.00
9/15/16	28957	2020SC	Invoice: 10972	407.49	

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		1020SC	ASHBY COMMUNICATIONS, INC.		407.49
9/15/16	28958	2020SC	Invoice: A621312	120.00	
		1020SC	BSK ASSOCIATES		120.00
9/15/16	28959	2020SC	Invoice: B50067.01-02	483.60	
		1020SC	ERLER & KALINOWSKI		483.60
9/15/16	28960	2020SC	Invoice: 93182917	2,306.31	
		1020SC	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUT		2,306.31
9/15/16	28961	2020SC	Invoice: 69746	3,906.00	
		1020SC	GHD, INC.		3,906.00
9/15/16	28962	2020N	Invoice: 06021983	2,045.53	
		1020SC	GLOBAL MACHINERY INTL.		2,045.53
9/15/16	28963	2020SC	Invoice: AUGUST 2016	145.18	
		1020SC	IAN BAKER		145.18
9/15/16	28964	2020SC	Invoice: 62799	180.00	
		1020SC	NORMANDEAU ASSOCIATES, INC.		180.00
9/15/16	28964V	2020SC	Invoice: 62799		180.00
		1020SC	NORMANDEAU ASSOCIATES, INC.	180.00	
9/15/16	28965	2020SC	Invoice: 3100434380	436.89	
		1020SC	PITNEY BOWES		436.89
9/15/16	28966	2020SC	Invoice: 39897202	235.38	
		1020SC	RECOLOGY VACAVILLE SOLANO		235.38
9/15/16	28967	2020SC	Invoice: 001158	144.24	
		2020SC	Invoice: 009685	47.64	
		1020SC	SAM'S CLUB		191.88
9/15/16	28968	2020SC	Invoice: IRWMP PRO 84 RD2 Q5	4,621.27	
		1020SC	SONOMA RESOURCE CONSERVATION DISTRICT		4,621.27
9/15/16	28968V	2020SC	Invoice: IRWMP PRO 84 RD2 Q5		4,621.27
		1020SC	SONOMA RESOURCE CONSERVATION DISTRICT	4,621.27	
9/15/16	28969	2020SC	Invoice: 33392	200.00	
		1020SC	VISION TECHNOLOGY SOLUTIONS, LLC DBC		200.00
9/15/16	28970	2020SC	Invoice: 62799	1,250.00	
		1020SC	NORMANDEAU ASSOCIATES, INC.		1,250.00
9/15/16	28971	2020SC	Invoice: 5011719	86.62	
		2020SC	Invoice: 3021685	73.83	
		2020SC	Invoice: 2090951	79.78	
		2020SC	Invoice: 1582257	167.36	
		2020SC	Invoice: 7012722	79.92	
		2020SC	Invoice: 6563668	68.88	
		2020SC	Invoice: 5022699	140.51	
		2020SC	Invoice: 1013472	15.58	
		2020SC	Invoice: 8013843-2	100.05	
		2020SC	Invoice: 14862	161.52	
		1020SC	HOME DEPOT CREDIT SERVICE		974.05
9/15/16	EFT	2020SC	Invoice: PPE 9.10.16	7,598.65	
		1020SC	CALPERS		7,598.65

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9/15/16	EFT	2020SC 1020SC	Invoice: PEPRA PPE 9.10.16 CALPERS	870.64	870.64
9/15/16	EFT	2020SC 1020SC	Invoice: SIP PPE 9.10.16 CALPERS	3,451.03	3,451.03
9/16/16	EFT	2020SC 1020SC	Invoice: 2016091301 PAYCHEX, INC.	213.45	213.45
9/20/16	10160	2020WC 1020SC	Invoice: 16-09-3868 MBK ENGINEERS	915.25	915.25
9/20/16	28972	2020SC 1020SC	Invoice: SUSAN BARNES TURF REBATE PROGRAM	1,000.00	1,000.00
9/20/16	28973	2020SC 1020SC	Invoice: JOYCE XIAO TURF REBATE PROGRAM	1,017.00	1,017.00
9/20/16	28974	2020SC 1020SC	Invoice: ANDREW COHEN TURF REBATE PROGRAM	462.00	462.00
9/20/16	28975	2020SC 1020SC	Invoice: DIANE M. PIPER TURF REBATE PROGRAM	857.00	857.00
9/20/16	28975V	2020SC 1020SC	Invoice: DIANE M. PIPER TURF REBATE PROGRAM	857.00	857.00
9/20/16	28976	2020SC 1020SC	Invoice: DARRYL BRUCE TURF REBATE PROGRAM	763.50	763.50
9/20/16	28977	2020SC 1020SC	Invoice: GEORGE RESTIVAN TURF REBATE PROGRAM	509.00	509.00
9/20/16	28978	2020SC 1020SC	Invoice: DIANE M. PIPER TURF REBATE PROGRAM	857.00	857.00
9/20/16	28979	2020SC 2020SC 1020SC	Invoice: 22234B Invoice: 22236B ADAPT CONSULTING, INC.	286.00 2,919.21	3,205.21
9/20/16	28980	2020SC 2020SC 1020SC	Invoice: 000008597666 Invoice: 8597667 AT&T	188.07 261.97	450.04
9/20/16	28981	2020SC 1020SC	Invoice: FDW0736 CDW GOVERNMENT, INC.	2,756.14	2,756.14
9/20/16	28982	2020U 1020SC	Invoice: 31305933 CROP PRODUCTION SERVICES, INC.	6,789.93	6,789.93
9/20/16	28983	2020SC 1020SC	Invoice: 137825 DEPT OF FORESTRY & FIRE PROTECTION	457.24	457.24
9/20/16	28984	2020N 1020SC	Invoice: US0131605064 ERNST & YOUNG U.S. LLP	2,767.00	2,767.00
9/20/16	28985	2020SC 1020SC	Invoice: 5-548-38104 FEDEX EXPRESS	424.49	424.49
9/20/16	28986	2020SC 2020SC 1020SC	Invoice: 81846 Invoice: 81847 HERUM\CRABTREE\ SUNTAG	1,595.79 99.45	1,695.24
9/20/16	28987	2020SC 1020SC	Invoice: 72797-#14 INTEGRATED ENVIRONMENTAL RESTORATION	1,667.50	1,667.50
9/20/16	28988	2020SC 1020SC	Invoice: 1006 NEW ERA WATER TECHNOLOGIES	3,283.50	3,283.50
9/20/16	28989	2020SC	Invoice: 8/13/16 - 9/13/16	10.61	

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Sep 1, 2016 to Sep 30, 2016

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1020SC	PACIFIC GAS & ELECTRIC CO,		10.61
9/20/16	28990	2020SC 1020SC	Invoice: 0177382 PETRILLO'S TIRE AND AUTO SERVICE	1,556.26	1,556.26
9/20/16	28991	2020SC 1020SC	Invoice: 0004752 SOLANO IRRIGATION DISTRICT	117,883.54	117,883.54
9/20/16	28992	2020SC 1020SC	Invoice: 34427 SOUTHWEST ENVIRONMENTAL	330.00	330.00
9/20/16	28993	2020SC 1020SC	Invoice: 006492990046oct2016 STANDARD INSURANCE COMPANY	1,300.45	1,300.45
9/20/16	28994	2020SC 1020SC	Invoice: 17888 SUMMERS ENGINEERING, INC.	1,822.43	1,822.43
9/23/16	28475V	2020SC 1020SC	Invoice: STEVE FREY TURF REBATE PROGRAM	1,000.00	1,000.00
9/24/16	EFT	2024AC 6012AC 1020SC	EMPLOYEE LIABILITIES - 9.24.16 EMPLOYER LIABILITIES - 9.24.16 PAYROLL TAXES	11,928.03 2,168.14	14,096.17
9/25/16	BARICH AUG	6310AC 6310AC 1020SC	CHEVRON CHEVRON BANK OF THE WEST	44.23 44.87	89.10
9/25/16	CUETARA A	6144AC 6310AC 6310AC 6300AC 6144AC 6144SC 6144SC 6310AC 1020SC	LOWES - BATTERIES CHEVRON CHEVRON SPEEDEE OIL THE HOME DEPOT - EXTENSION CORD CITY OF SAC - PARKING THE HOME DEPOT - LEATHERMAN, OIL CHEVRON BANK OF THE WEST	156.01 41.37 64.11 111.58 104.03 23.85 233.88 63.27	798.10
9/25/16	FLORENDO A	6041AC 6041AC 6551AC 6040AC 6330AC 6330AC 6330AC 6330AC 1020SC	STAPLES DIRECT - CHAIR STAPLES DIRECT - DESK LOWES - SUPPLIES SOLANO SAVES WATER SOUTHWEST AIRLINES - SOUTHWEST AIRLINES WATERSMART SOUTH POINT HOTEL BANK OF THE WEST	107.85 152.95 26.91 299.76 30.00 233.97 80.00 100.80	1,032.24
9/25/16	FOWLER AU	6230SC 6230SC 6040AC 6181SC 6199SC 6230SC 6230SC 6040AC 6040AC 1020SC	GRIZZLY INDUSTRIAL - HEAVY DUTY HAND PUNCH SURVIVALIST STORE - FLASHLIGHT BRAND NEW ENGINES JACKS SMALL ENGINES AMAZON - MEMORY CARD AMAZON WALMART NEW LINE PRODUCTS AMAZON BANK OF THE WEST	74.94 32.24 225.92 265.59 2.57 56.30 24.81 95.00 1.95	779.32
9/25/16	JONES AUG 2	6183SC 6183SC 6310AC	ACE HARDWARE -WASP AND HORNET KILLER YOLO COUNTY LANDFILL CHEVRON	25.44 34.84 71.02	

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Sep 1, 2016 to Sep 30, 2016

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		6181SC	VACA VALLEY TRAVEL CENTER		80.85
		6181SC	VACA VALLEY TRAVEL CENTER	100.00	
		6310AC	CHEVRON	5.75	
		6310AC	CHEVRON	2.47	
		6310AC	CHEVRON	2.47	
		6310AC	CHEVRON	9.43	
		6183SC	WM WILSON AND SONS - PIPES	77.78	
		6183SC	MATHESON - PROPANE GAS	101.35	
		6183SC	YOLO COUNTY LANDFILL	75.72	
		6181SC	VACA VALLEY TRAVEL CENTER	80.85	
		1020SC	BANK OF THE WEST		506.27
9/25/16	LEE AUG 201	6410AC	ADOBE CREATIVE CLOUD	49.99	
		1020SC	BANK OF THE WEST		49.99
9/25/16	PATE AUG 20	6041AC	AMAZON - MOBILE PHONE SUPPLIES	56.05	
		6041AC	AMAZON - EARPHONE	26.00	
		6041AC	AMAZON - BELTCLIP	12.99	
		6330AC	CITY OF SAC PARKING	15.00	
		6330AC	CITY OF SAC PARKING	16.50	
		6090AC	ENGINEERS BOARD - LICENSE RENEWAL	115.00	
		6090AC	ENGINEERS BOARD - LICENSE RENEWAL	1.00	
		6060AC	PRESS PLUS	99.99	
		6330AC	ACE PARKING	10.00	
		1020SC	BANK OF THE WEST		352.53
9/25/16	RABIDOUX A	6161SC	BEN MEADOWS - SAMPLING EQUIPMENT	178.00	
		6144N	LOWES - RETURNED GAP FILLER	45.16	
		6144N	THE HOME DEPOT - GAP FILLER	42.81	
		6166SC	ULINE - TRAFFIC CONE	372.68	
		6230SC	THE HOME DEPOT - TOTES FOR PDO	154.82	
		6040AC	LOWES - RETURNED GAP FILLER		45.16
		1020SC	BANK OF THE WEST		748.31
9/25/16	SNYDER AU	6310AC	CHEVRON	0.51	
		6300AC	AGILIS LINXUP	91.96	
		6042AC	LOWES - LEATHER BALL	128.89	
		6041AC	VERIZON - PHONE COVER	30.19	
		6041AC	BATTERIES PLUS	107.86	
		6310AC	QUICK STOP	13.71	
		6310AC	QUICK STOP	11.23	
		1020SC	BANK OF THE WEST		384.35
9/25/16	WILLINGMY	6040AC	LOWES - ANT TRAPS, SUPPLIES	17.19	
		6330AC	CITY OF SAC PARKING	13.50	
		6040AC	SAMS CLUB - MEMBERSHIP	45.00	
		6040AC	TARGET - FILE ORGANIZER	4.30	
		6360AC	SAGE SOFTWARE - ACCOUNTING SOFTWARE CLASS	298.00	
		6040AC	RICHARDS AND STEHMANS	29.00	
		1020SC	BANK OF THE WEST		406.99
9/26/16	28995	2020SC	Invoice: DONNA BOYD	1,000.00	
		1020SC	TURF REBATE PROGRAM		1,000.00
9/26/16	28996	2020SC	Invoice: STEVE & ROMA FREY	1,000.00	
		1020SC	TURF REBATE PROGRAM		1,000.00
9/26/16	28997	2020SC	Invoice: 182759	34.00	
		1020SC	A & L WESTERN AGRICULTURAL LABS		34.00

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
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9/26/16	28998	2020U 1020SC	Invoice: 1620310 ACCO ENGINEERED SYSTEMS	2,898.70	2,898.70
9/26/16	28999	2020SC 1020SC	Invoice: POLICY YR 2016-17 ACWA JOINT POWERS INSURANCE AUTHORIT	50,905.07	50,905.07
9/26/16	29000	2020SC 1020SC	Invoice: 2246 AG INNOVATIONS	1,743.75	1,743.75
9/26/16	29001	2020SC 2020SC 2020SC 1020SC	Invoice: 17-050-V AUG Invoice: 16-024-O OCT 2016 Invoice: 16-026-T OCT 2016 DEPARTMENT OF WATER RESOURCES	76,496.00 207.00 551,159.00	627,862.00
9/26/16	29002	2020SC 1020SC	Invoice: 7666 MANN, URRUTIA, NELSON, CPAS	10,500.00	10,500.00
9/26/16	29003	2020N 1020SC	Invoice: PASS THRU #13 NAPA COUNTY FC&WCD	45,225.00	45,225.00
9/26/16	29004	2020SC 1020SC	Invoice: 8/11/16-9/11/16 PACIFIC GAS & ELECTRIC CO,	1,264.21	1,264.21
9/26/16	29005	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 1631911921 Invoice: 56662 Invoice: 1633770001 Invoice: 1634270601 Invoice: 91174 Invoice: 1642337281 Invoice: 1644012831 Invoice: 1646454851 Invoice: 1647790631 Invoice: 1648136341 Invoice: 60794 Invoice: 1651332231 Invoice: FINANCE CHARGE 9/16 STAPLES	25.66 75.79 210.91 59.32 61.88 37.93 280.46 174.94 79.95 23.98 27.59 209.22 2.00	1,269.63
9/26/16	29006	2020SC 1020SC	Invoice: 34220 STUEWE & SONS, INC.	1,310.00	1,310.00
9/26/16	29007	2020N 1020SC	Invoice: 61764 TELEDYNE RD INSTRUMENTS	11,700.07	11,700.07
9/26/16	29008	2020SC 1020SC	Invoice: 246 WILSON PUBLIC AFFAIRS	7,500.00	7,500.00
9/27/16	28999V	2020SC 1020SC	Invoice: POLICY YR 2016-17 ACWA JOINT POWERS INSURANCE AUTHORIT	50,905.07	50,905.07
9/27/16	29009	2020SC 1020SC	Invoice: POLICY YR 2016-17 ACWA JOINT POWERS INSURANCE AUTHORIT	50,905.07	50,905.07
9/28/16	29010	2020SC 1020SC	Invoice: MICHAEL SCHULTZ TURF REBATE PROGRAM	1,000.00	1,000.00
9/28/16	29011	2020SC 1020SC	Invoice: GREG COX TURF REBATE PROGRAM	816.00	816.00
9/28/16	29012	2020SC 1020SC	Invoice: MICHELE DOMBROWSKI TURF REBATE PROGRAM	1,000.00	1,000.00
9/28/16	29013	2020SC 1020SC	Invoice: MICHAEL AZZOLINO TURF REBATE PROGRAM	162.00	162.00

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Sep 1, 2016 to Sep 30, 2016

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
9/29/16	29014	2020SC 1020SC	Invoice: A622902 BSK ASSOCIATES	240.00	240.00
9/29/16	29015	2020SC 1020SC	Invoice: 11386940 CALPERS LONG-TERM CARE PROGRAM	776.70	776.70
9/29/16	29016	2020N 1020SC	Invoice: AUGUST 2016 CLEAN TECH ADVOCATES	8,500.00	8,500.00
9/29/16	29017	2020SC 1020SC	Invoice: 1x129447 HORIZON DISTRIBUTORS, INC.	184.10	184.10
9/29/16	29018	2020SC 1020SC	Invoice: CL31182 INTERSTATE OIL COMPANY	688.56	688.56
9/29/16	29019	2020SC 1020SC	Invoice: 104280 KENNEDY/JENKS CONSULTANTS	38,599.78	38,599.78
9/29/16	29020	2020SC 1020SC	Invoice: 148504 LSA ASSOCIATES, INC.	41,655.00	41,655.00
9/29/16	29021	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC	Invoice: 212165 Invoice: 213182 Invoice: 213258 Invoice: 213603 Invoice: 926588 Invoice: 214019 Invoice: 214052 Invoice: 214051 Invoice: 214214 Invoice: 456922 PACIFIC ACE HARDWARE	11.66 29.82 34.34 47.97 3.13 0.33 127.40 24.70 123.53 0.50	403.38
9/29/16	29021V	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC	Invoice: 212165 Invoice: 213182 Invoice: 213258 Invoice: 213603 Invoice: 926588 Invoice: 214019 Invoice: 214052 Invoice: 214051 Invoice: 214214 Invoice: 456922 PACIFIC ACE HARDWARE	11.66 29.82 34.34 47.97 3.13 0.33 127.40 24.70 123.53 0.50 403.38	
9/29/16	29022	2020SC 1020SC	Invoice: 0007576537-0 PACIFIC GAS & ELECTRIC CO,	11,220.00	11,220.00
9/29/16	29023	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC	Invoice: 212165 Invoice: 213182 Invoice: 213258 Invoice: 213603 Invoice: 213666 Invoice: 926588 Invoice: 213668 Invoice: 214019 Invoice: 214052 Invoice: 214051 Invoice: 214214 Invoice: 456922 PACIFIC ACE HARDWARE	11.66 29.82 34.34 47.97 80.35 3.13 9.13 0.33 127.40 24.70 123.53 0.50	492.86
9/29/16	29023a	1020SC	VOID		
9/29/16	EFT	2020SC 1020SC	Invoice: PPE 9.24.16 CALPERS	7,598.65	7,598.65
9/29/16	EFT	2020SC 1020SC	Invoice: PEPRA PPE 9.24.16 CALPERS	870.64	870.64
9/29/16	EFT	2020SC	Invoice: SIP PPE 9.24.16	3,451.03	

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1020SC	CALPERS		3,451.03
9/30/16	EFT	2020SC	Invoice: 2016092801	198.15	
		1020SC	PAYCHEX, INC.		198.15
	Total			<u>1,400,712.78</u>	<u>1,400,712.78</u>

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016
SUBJECT: Financial Report Approval

RECOMMENDATIONS:

Approve the quarterly Income Statement and Balance Sheet for the period ending September 30, 2016.


FINANCIAL IMPACT:

All revenues and expenditures are reported within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors receive quarterly financial reports. Attached are the Income Statement and the Balance Sheet of the Water Agency for the period ending September 30, 2016. Additional backup information is available upon request.

Recommended: _____


Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

Continued on
next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Three Months Ending September 30, 2016

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual	Change from Last Year	Percent Change
Revenues							
SECURED	\$ 0.00	\$ 70,700.00	(70,700.00)	(100.00)	\$ 0.00	0.00	0.00
SECURED	0.00	11,232,000.00	(11,232,000.00)	(100.00)	0.00	0.00	0.00
SECURED	0.00	6,760,000.00	(6,760,000.00)	(100.00)	0.00	0.00	0.00
SECURED	0.00	848,000.00	(848,000.00)	(100.00)	0.00	0.00	0.00
UNSECURED	0.00	5,900.00	(5,900.00)	(100.00)	0.00	0.00	0.00
UNSECURED	0.00	355,000.00	(355,000.00)	(100.00)	0.00	0.00	0.00
UNSECURED	0.00	395,000.00	(395,000.00)	(100.00)	0.00	0.00	0.00
UNSECURED	0.00	60,000.00	(60,000.00)	(100.00)	0.00	0.00	0.00
PRIOR UNSECURED	0.00	1,700.00	(1,700.00)	(100.00)	0.00	0.00	0.00
CURRENT SUPPLEMENTAL	0.00	178,000.00	(178,000.00)	(100.00)	0.00	0.00	0.00
CURRENT SUPPLEMENTAL	0.00	109,000.00	(109,000.00)	(100.00)	0.00	0.00	0.00
CURRENT SUPPLEMENTAL	0.00	18,000.00	(18,000.00)	(100.00)	0.00	0.00	0.00
WATER SALES	0.00	1,560,101.00	(1,560,101.00)	(100.00)	0.00	0.00	0.00
WATER SALES	0.00	65,000.00	(65,000.00)	(100.00)	0.00	0.00	0.00
COST OF POWER TO PUMP NBA	0.00	50,000.00	(50,000.00)	(100.00)	0.00	0.00	0.00
CONVEYANCE SETTLEMENT	0.00	100,000.00	(100,000.00)	(100.00)	0.00	0.00	0.00
NAPA MAKE WHOLE	0.00	312,000.00	(312,000.00)	(100.00)	0.00	0.00	0.00
SWP ADJUSTMENTS	38,699.00	400,000.00	(361,301.00)	(90.33)	0.00	38,699.00	0.00
PROP 84 INTAKE GRANT	0.00	140,525.00	(140,525.00)	(100.00)	0.00	0.00	0.00
EQUIPMENT DISTRIBUTION REIMBUR	4,688.00	100,000.00	(95,312.00)	(95.31)	26,419.00	(21,731.00)	(82.26)
INTEREST - MONEY MGMT	0.72	5.00	(4.28)	(85.60)	0.74	(0.02)	(2.70)
INTEREST - CHECKING	40.02	450.00	(409.98)	(91.11)	84.67	(44.65)	(52.73)
INTEREST - LAIF - SWP	2,976.45	7,400.00	(4,423.55)	(59.78)	0.00	2,976.45	0.00
INTEREST - LAIF - SP	6,115.30	15,200.00	(9,084.70)	(59.77)	0.00	6,115.30	0.00
INTEREST - LAIF - ULATIS	1,233.98	2,200.00	(966.02)	(43.91)	0.00	1,233.98	0.00
INTEREST - CAMP - SWP	6,547.97	6,500.00	47.97	0.74	1,837.98	4,709.99	256.26
INTEREST - CAMP - SP	6,621.89	13,500.00	(6,878.11)	(50.95)	3,807.24	2,814.65	73.93
INTEREST - CAMP - ULATIS	2,629.09	700.00	1,929.09	275.58	918.99	1,710.10	186.08
INTEREST - OTHER	0.00	14,926.00	(14,926.00)	(100.00)	0.00	0.00	0.00
INTEREST - INVESTMENTS	2,105.46	3,500.00	(1,394.54)	(39.84)	0.00	2,105.46	0.00
INTEREST - INVESTMENTS	2,962.87	14,500.00	(11,537.13)	(79.57)	0.00	2,962.87	0.00
INTEREST - INVESTMENTS	816.20	3,500.00	(2,683.80)	(76.68)	0.00	816.20	0.00
HOMEOWNER RELIEF	0.00	1,200.00	(1,200.00)	(100.00)	0.00	0.00	0.00
HOMEOWNER RELIEF	0.00	49,500.00	(49,500.00)	(100.00)	0.00	0.00	0.00
HOMEOWNER RELIEF	0.00	82,500.00	(82,500.00)	(100.00)	0.00	0.00	0.00
HOMEOWNER RELIEF	0.00	10,400.00	(10,400.00)	(100.00)	0.00	0.00	0.00
REDEVELOPMENT - DIX/RV	0.00	38,000.00	(38,000.00)	(100.00)	0.00	0.00	0.00

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Three Months Ending September 30, 2016

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual	Change from Last Year	Percent Change
REDEVELOP - VACAVILLE	4,217.82	449,000.00	(444,782.18)	(99.06)	0.00	4,217.82	0.00
REDEVELOP - VACAVILLE	2,417.24	258,167.00	(255,749.76)	(99.06)	0.00	2,417.24	0.00
REDEVELOP - FAIRFIELD	1,544.22	46,834.00	(45,289.78)	(96.70)	1,785.29	(241.07)	(13.50)
REDEVELOP - FAIRFIELD	8,229.78	604,000.00	(595,770.22)	(98.64)	9,750.61	(1,520.83)	(15.60)
REDEVELOP - SUISUN CITY	0.00	204,500.00	(204,500.00)	(100.00)	0.00	0.00	0.00
REDEVELOP - N. TEXAS	0.00	15,500.00	(15,500.00)	(100.00)	0.00	0.00	0.00
BOATING AND WATERWAYS	0.00	155,000.00	(155,000.00)	(100.00)	0.00	0.00	0.00
SOLANO CO OIL REIMBURSEMENT	0.00	24,000.00	(24,000.00)	(100.00)	0.00	0.00	0.00
MISCELLANEOUS INCOME	17,240.73	87,870.00	(70,629.27)	(80.38)	0.00	17,240.73	0.00
GREENHOUSE REVENUES	0.00	20,000.00	(20,000.00)	(100.00)	0.00	0.00	0.00
O&M - OTHER AGENCIES	0.00	5,000.00	(5,000.00)	(100.00)	0.00	0.00	0.00
OVERHEAD DISTRIBUTION REIMB	414,693.94	2,580,014.00	(2,165,320.06)	(83.93)	565,362.18	(150,668.24)	(26.65)
WATERMASTER INCOME	39.00	4,600.00	(4,561.00)	(99.15)	69.88	(30.88)	(44.19)
WATER CONSERVATION REIMBURSE	0.00	186,000.00	(186,000.00)	(100.00)	0.00	0.00	0.00
BAY AREA IRWMP GRANT	137,601.23	643,000.00	(505,398.77)	(78.60)	0.00	137,601.23	0.00
WESTSIDE IRWMP GRANT	36,739.42	140,213.00	(103,473.58)	(73.80)	0.00	36,739.42	0.00
LPCCC SERVICES	0.00	570,000.00	(570,000.00)	(100.00)	0.00	0.00	0.00
LPCCC - RIVER PARKWAY V	0.00	600,000.00	(600,000.00)	(100.00)	0.00	0.00	0.00
LPCCC-PROP I	0.00	300,000.00	(300,000.00)	(100.00)	0.00	0.00	0.00
LPCCC-COASTAL CONSERVANCY	0.00	50,000.00	(50,000.00)	(100.00)	0.00	0.00	0.00
LPCCC-IRWM	0.00	150,000.00	(150,000.00)	(100.00)	0.00	0.00	0.00
Total Revenues	698,160.33	30,118,605.00	(29,420,444.67)	(97.68)	610,036.58	88,123.75	14.45
Cost of Sales							
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	698,160.33	30,118,605.00	(29,420,444.67)	(97.68)	610,036.58	88,123.75	14.45
Expenses							
CAPITAL EXPENDITURES	0.00	80,550.00	(80,550.00)	(100.00)	8,927.74	(8,927.74)	(100.00)
CAPITAL EXPENDITURES	3,414,485.59	3,525,000.00	(110,514.41)	(3.14)	0.00	3,414,485.59	0.00
CAPITAL EXPENDITURES	3,402,785.52	4,130,000.00	(727,214.48)	(17.61)	0.00	3,402,785.52	0.00
CAPITAL EXPENDITURES	0.00	300,000.00	(300,000.00)	(100.00)	0.00	0.00	0.00
GROSS SALARIES	461,903.22	2,085,000.00	(1,623,096.78)	(77.85)	445,443.15	16,460.07	3.70
PERS RETIREMENT	100,165.96	292,000.00	(191,834.04)	(65.70)	90,314.91	9,851.05	10.91

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Three Months Ending September 30, 2016

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual	Change from Last Year	Percent Change
PAYROLL TAXES	26,922.41	97,000.00	(70,077.59)	(72.24)	27,900.35	(977.94)	(3.51)
EMPLOYEE BENEFITS	51,717.93	951,400.00	(899,682.07)	(94.56)	40,045.34	11,672.59	29.15
TELEPHONE	5,542.76	22,300.00	(16,757.24)	(75.14)	3,485.52	2,057.24	59.02
OFFICE EXPENSE	9,517.52	24,400.00	(14,882.48)	(60.99)	6,703.67	2,813.85	41.97
OFFICE EQUIPMENT	7,504.68	28,750.00	(21,245.32)	(73.90)	6,930.44	574.24	8.29
SAFETY TRAINING & EQUIPMENT	2,054.81	6,500.00	(4,445.19)	(68.39)	631.01	1,423.80	225.64
OFFICE HELP - TEMPORARY	0.00	10,000.00	(10,000.00)	(100.00)	1,920.38	(1,920.38)	(100.00)
POSTAGE	1,977.28	5,900.00	(3,922.72)	(66.49)	2,056.70	(79.42)	(3.86)
SID OFFICE EXPENSE	6,245.49	47,300.00	(41,054.51)	(86.80)	8,662.43	(2,416.94)	(27.90)
MEMBERSHIPS	12,744.00	41,650.00	(28,906.00)	(69.40)	5,537.00	7,207.00	130.16
SWC DUES	111,816.00	118,800.00	(6,984.00)	(5.88)	16,200.00	95,616.00	590.22
PPTY TAX ADMIN FEE	0.00	1,000.00	(1,000.00)	(100.00)	0.00	0.00	0.00
PPTY TAX ADMIN FEE	0.00	100,000.00	(100,000.00)	(100.00)	0.00	0.00	0.00
PPTY TAX ADMIN FEE	0.00	15,000.00	(15,000.00)	(100.00)	0.00	0.00	0.00
PETERSEN RANCH EXPENSES	10,256.93	0.00	10,256.93	0.00	0.00	10,256.93	0.00
PETERSEN RANCH EXPENSES	10,283.31	0.00	10,283.31	0.00	0.00	10,283.31	0.00
PS - PAYROLL SERVICES	1,749.52	7,100.00	(5,350.48)	(75.36)	1,728.48	21.04	1.22
PS - COMPUTER SERVICES	78,396.47	379,940.00	(301,543.53)	(79.37)	59,395.87	19,000.60	31.99
TALENT DECISION MONITORING	20,350.00	12,775.00	7,575.00	59.30	17,466.66	2,883.34	16.51
GOVERNMENTAL ADVOCACY	25,854.00	80,000.00	(54,146.00)	(67.68)	11,238.50	14,615.50	130.05
LPCCC - VEGETATION	14,345.26	13,852.00	493.26	3.56	384.81	13,960.45	3,627.88
CONSULTANTS	65,058.53	336,213.00	(271,154.47)	(80.65)	11,798.60	53,259.93	451.41
CONSULTANTS	0.00	2,000.00	(2,000.00)	(100.00)	0.00	0.00	0.00
CONSULTANTS	308,707.96	949,550.00	(640,842.04)	(67.49)	65,735.55	242,972.41	369.62
CONSULTANTS	12,723.15	884,961.00	(872,237.85)	(98.56)	7,971.11	4,752.04	59.62
CONSULTANTS	0.00	10,000.00	(10,000.00)	(100.00)	0.00	0.00	0.00
HYDROLOGY STATIONS	3,526.14	19,000.00	(15,473.86)	(81.44)	2,096.64	1,429.50	68.18
HYDROLOGY STATIONS	3,125.14	18,500.00	(15,374.86)	(83.11)	601.28	2,523.86	419.75
HYDROLOGY STATIONS	12,215.39	80,000.00	(67,784.61)	(84.73)	2,859.06	9,356.33	327.25
HYDROLOGY STATIONS	81.47	2,000.00	(1,918.53)	(95.93)	0.00	81.47	0.00
LPCCC - WILDLIFE	0.00	76,183.00	(76,183.00)	(100.00)	0.00	0.00	0.00
LPCCC - FISHERIES	0.00	76,183.00	(76,183.00)	(100.00)	0.00	0.00	0.00
WATERSHED PROGRAM	5,158.33	213,220.00	(208,061.67)	(97.58)	41,738.12	(36,579.79)	(87.64)
SOLANO PROJECT MONITORING	558.00	10,000.00	(9,442.00)	(94.42)	2,325.00	(1,767.00)	(76.00)
SOLANO PROJECT INVASIVES	0.00	204,371.00	(204,371.00)	(100.00)	14,128.80	(14,128.80)	(100.00)
UPPER PUTAH CREEK MGMT	4,188.94	120,500.00	(116,311.06)	(96.52)	2,237.10	1,951.84	87.25
INTER-DAM REACH MANAGEMENT	0.00	25,000.00	(25,000.00)	(100.00)	0.00	0.00	0.00
MBK	1,456.50	35,000.00	(33,543.50)	(95.84)	5,712.50	(4,256.00)	(74.50)

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Three Months Ending September 30, 2016

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual	Change from Last Year	Percent Change
LPCCC SERVICES	1,557.10	1,070,000.00	(1,068,442.90)	(99.85)	17,335.83	(15,778.73)	(91.02)
LPCCC EQUIPMENT	17,661.80	50,000.00	(32,338.20)	(64.68)	2,308.62	15,353.18	665.04
LPCCC NURSERY	6,245.36	30,000.00	(23,754.64)	(79.18)	15,724.18	(9,478.82)	(60.28)
LPCCC PLEASANTS CREEK	0.00	0.00	0.00	0.00	(9,777.23)	9,777.23	(100.00)
LPCCC PRIORITY PROJECTS	0.00	0.00	0.00	0.00	62,586.33	(62,586.33)	(100.00)
LPCCC-PROP I	0.00	300,000.00	(300,000.00)	(100.00)	0.00	0.00	0.00
LPCCC-CA RIVER PRKWAY V	19,602.35	600,000.00	(580,397.65)	(96.73)	32,699.91	(13,097.56)	(40.05)
LPCCC-COASTAL CONSERVANCY	0.00	50,000.00	(50,000.00)	(100.00)	0.00	0.00	0.00
LPCCC-IRWM	1,745.73	150,000.00	(148,254.27)	(98.84)	0.00	1,745.73	0.00
LPCCC MISC. SUPPLIES	3,804.18	22,000.00	(18,195.82)	(82.71)	5,202.75	(1,398.57)	(26.88)
BOARD EXPENSES	3,212.76	31,000.00	(27,787.24)	(89.64)	5,436.40	(2,223.64)	(40.90)
FIELD SUPPLIES	14,423.24	45,000.00	(30,576.76)	(67.95)	3,583.62	10,839.62	302.48
MISC WTRMASTER EXP	0.00	0.00	0.00	0.00	40.00	(40.00)	(100.00)
HCP PLANNING	107,497.39	3,445,000.00	(3,337,502.61)	(96.88)	58,037.50	49,459.89	85.22
CAR MAINTENANCE	4,459.28	13,500.00	(9,040.72)	(66.97)	756.27	3,703.01	489.64
FUEL	5,285.61	20,500.00	(15,214.39)	(74.22)	5,385.35	(99.74)	(1.85)
GARAGE SERVICES	1,092.45	8,000.00	(6,907.55)	(86.34)	1,988.96	(896.51)	(45.07)
TRAVEL	819.30	7,000.00	(6,180.70)	(88.30)	1,725.18	(905.88)	(52.51)
EMPLOYEE REIMBURSEMENTS	4,521.75	15,000.00	(10,478.25)	(69.86)	6,128.85	(1,607.10)	(26.22)
INSURANCE	13,696.74	54,000.00	(40,303.26)	(74.64)	12,611.50	1,085.24	8.61
EDUCATION & TRAINING	2,735.19	20,000.00	(17,264.81)	(86.32)	1,357.42	1,377.77	101.50
COMP SOFTWARE/EQUIP	13,185.18	101,763.00	(88,577.82)	(87.04)	32,148.10	(18,962.92)	(58.99)
WATER CONSERVATION	149,499.90	1,399,250.00	(1,249,750.10)	(89.32)	524,069.55	(374,569.65)	(71.47)
WATER CONSERVATION	0.00	480,250.00	(480,250.00)	(100.00)	0.00	0.00	0.00
MELLON LEVEE	0.00	15,000.00	(15,000.00)	(100.00)	0.00	0.00	0.00
PSC MAINTENANCE	91,584.22	958,000.00	(866,415.78)	(90.44)	97,670.84	(6,086.62)	(6.23)
FLOOD CONTROL	0.00	636,500.00	(636,500.00)	(100.00)	9,080.00	(9,080.00)	(100.00)
GROUND WATER MONITORING	501.08	99,492.00	(98,990.92)	(99.50)	355.29	145.79	41.03
PUBLIC EDUCATION	144.47	75,000.00	(74,855.53)	(99.81)	118.11	26.36	22.32
LABOR	0.00	33,000.00	(33,000.00)	(100.00)	0.00	0.00	0.00
LABOR	0.00	250,000.00	(250,000.00)	(100.00)	0.00	0.00	0.00
SP ADMINISTRATION	152,865.13	1,175,000.00	(1,022,134.87)	(86.99)	184,873.78	(32,008.65)	(17.31)
PSC OPERATIONS	(15,985.33)	278,000.00	(293,985.33)	(105.75)	40,426.71	(56,412.04)	(139.54)
DAM MAINTENANCE	808.99	64,000.00	(63,191.01)	(98.74)	1,028.83	(219.84)	(21.37)
DAM OPERATIONS	26,824.05	273,000.00	(246,175.95)	(90.17)	40,294.23	(13,470.18)	(33.43)
WEED CONTROL	0.00	4,000.00	(4,000.00)	(100.00)	0.00	0.00	0.00
SP PEST MANAGEMENT	31,217.67	70,000.00	(38,782.33)	(55.40)	0.00	31,217.67	0.00
EQUIP - TRANS DEPT	0.00	8,000.00	(8,000.00)	(100.00)	0.00	0.00	0.00

SOLANO COUNTY WATER AGENCY
Year to Date Income Statement
Compared with Budget and Last Year
For the Three Months Ending September 30, 2016

	Current Year Actual	Current Year Budget	Variance Amount	Variance Percent	Last Year Actual	Change from Last Year	Percent Change
EQUIP - TRANS DEPT	0.00	60,000.00	(60,000.00)	(100.00)	0.00	0.00	0.00
SUPPLIES	247.14	1,500.00	(1,252.86)	(83.52)	0.00	247.14	0.00
SUPPLIES	4,826.10	24,000.00	(19,173.90)	(79.89)	3,795.22	1,030.88	27.16
CONTRACT WORK	0.00	15,000.00	(15,000.00)	(100.00)	0.00	0.00	0.00
CONTRACT WORK	241.40	15,000.00	(14,758.60)	(98.39)	0.00	241.40	0.00
TRANS DEPT OVERHEAD	0.00	10,000.00	(10,000.00)	(100.00)	0.00	0.00	0.00
TRANS DEPT OVERHEAD	0.00	90,000.00	(90,000.00)	(100.00)	0.00	0.00	0.00
REHAB & BETTERMENT	0.00	40,000.00	(40,000.00)	(100.00)	0.00	0.00	0.00
REHAB & BETTERMENT	2,389.78	1,000,000.00	(997,610.22)	(99.76)	417,497.22	(415,107.44)	(99.43)
REHAB & BETTERMENT	0.00	15,000.00	(15,000.00)	(100.00)	0.00	0.00	0.00
WATER PURCHASES	4,475,864.00	11,279,025.00	(6,803,161.00)	(60.32)	779,555.00	3,696,309.00	474.16
USBR ADMINISTRATION	0.00	75,000.00	(75,000.00)	(100.00)	0.00	0.00	0.00
WATER RIGHTS FEE	0.00	82,500.00	(82,500.00)	(100.00)	0.00	0.00	0.00
NAPA MAKE WHOLE	0.00	312,000.00	(312,000.00)	(100.00)	0.00	0.00	0.00
LABOR COSTS	68,258.20	223,578.00	(155,319.80)	(69.47)	102,094.16	(33,835.96)	(33.14)
LABOR COSTS	0.00	2,000.00	(2,000.00)	(100.00)	490.38	(490.38)	(100.00)
LABOR COSTS	30,932.04	224,832.00	(193,899.96)	(86.24)	22,939.83	7,992.21	34.84
LABOR COSTS	155,840.18	798,322.00	(642,481.82)	(80.48)	229,112.02	(73,271.84)	(31.98)
LABOR COSTS	4,138.27	16,400.00	(12,261.73)	(74.77)	4,412.06	(273.79)	(6.21)
INTRA-FUND TRANSFER	(132,311.28)	(514,229.00)	381,917.72	(74.27)	(193,878.70)	61,567.42	(31.76)
OVERHEAD EXPENSES	64,053.08	290,651.00	(226,597.92)	(77.96)	91,784.52	(27,731.44)	(30.21)
OVERHEAD EXPENSES	0.00	2,600.00	(2,600.00)	(100.00)	477.37	(477.37)	(100.00)
OVERHEAD EXPENSES	30,346.65	292,282.00	(261,935.35)	(89.62)	21,404.93	8,941.72	41.77
OVERHEAD EXPENSES	170,912.71	1,222,259.00	(1,051,346.29)	(86.02)	242,662.09	(71,749.38)	(29.57)
OVERHEAD EXPENSES	4,164.33	21,320.00	(17,155.67)	(80.47)	3,728.69	435.64	11.68
CONTINGENCY	0.00	100,000.00	(100,000.00)	(100.00)	0.00	0.00	0.00
CONTINGENCY	0.00	1,000.00	(1,000.00)	(100.00)	0.00	0.00	0.00
CONTINGENCY	0.00	10,000.00	(10,000.00)	(100.00)	0.00	0.00	0.00
CONTINGENCY	0.00	100,000.00	(100,000.00)	(100.00)	0.00	0.00	0.00
CONTINGENCY	0.00	40,000.00	(40,000.00)	(100.00)	0.00	0.00	0.00
Total Expenses	13,732,326.40	43,140,193.00	(29,407,866.60)	(68.17)	3,791,448.39	9,940,878.01	262.19
Net Income	<u>(\$ 13,034,166.07)</u>	<u>(\$ 13,021,588.00)</u>	<u>(12,578.07)</u>	0.10	<u>(\$ 3,181,411.81)</u>	<u>(9,852,754.26)</u>	309.70

SOLANO COUNTY WATER AGENCY

Balance Sheet

September 30, 2016

ASSETS

Current Assets

1000SC	PERSHING	\$	45,041.63	
1010WC	MONEY MGMT - WATERMASTER		13,578.81	
1020G	CHECKING - GREEN V		293,097.19	
1020N	CHECKING - SWP		1,771,042.10	
1020SC	CHECKING - SP/ADMIN		(1,960,877.17)	
1020U	CHECKING - ULATIS		483,970.14	
1030N	LAIF - SWP		2,580,522.85	
1030SC	LAIF - SP/ADMIN		3,957,007.74	
1030U	LAIF - ULATIS		1,062,568.23	
1040N	CAMP - SWP		8,397,827.70	
1040SC	CAMP - SP/ADMIN		2,250,829.97	
1040U	CAMP - ULATIS		3,257,377.84	
1050N	CERTIFICATES OF DEPOSIT - SWP		1,358,872.07	
1050SC	CERTIFICATES OF DEPOSIT		3,065,912.93	
1050U	CERTIFICATES OF DEPOSIT - ULAT		563,897.55	
1210N	ACCOUNTS RECEIVABLE-SWP		285,005.60	
1210SC	ACCOUNTS RECEIVABLE - SP/ADMI		1,338,277.53	
1225AC	RETENTION RECEIVABLE		60,511.25	
1400AC	PREPAID		50,513.71	
1415AC	INVENTORY-WATER CONSERVATIO		22,390.27	
Total Current Assets				28,897,367.94

Property and Equipment

Total Property and Equipment	0.00
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Other Assets

1300SC	NOTE RECEIVABLE	373,138.43	
1910SC	GREEN VALLEY LOAN	200,000.00	
Total Other Assets			573,138.43
Total Assets			\$ 29,470,506.37

LIABILITIES AND CAPITAL

Current Liabilities

2010N	UNEARNED INCOME-SWP	\$	430,500.00	
2010SC	UNEARNED INCOME-SP/ADMIN		20,780.00	
2020N	ACCOUNTS PAYABLE-SWP		93,715.61	
2020SC	ACCOUNTS PAYABLE-SP/ADMIN		5,468.07	
2020U	ACCOUNTS PAYABLE-ULATIS		(2,329.75)	
2023AC	EMPLOYEE BENEFITS PAYABLE		(148.87)	
2025SC	SALES TAX PAYABLE		6,063.49	
2100SC	BENICIA PREFUNDED LAWN REBAT		44,771.00	
2110SC	WESTSIDE IRWMP PREFUNDED AD		153,990.71	
Total Current Liabilities				752,810.26

Long-Term Liabilities

2310G	SOLANO PROJECT LOAN	200,000.00	
2330SC	DEFERRED OUTFLOW OF CASH	373,138.25	
Total Long-Term Liabilities			573,138.25

Unaudited - For Management Purposes Only

SOLANO COUNTY WATER AGENCY
Balance Sheet
September 30, 2016

Total Liabilities		1,325,948.51
Capital		
3150SC	OTHER FLD CTRL CAPITAL PROJ.	200,000.00
3155SC	OTHER CAPITAL PROJ/EMERG RESE	1,000,000.00
3200N	SWP OPERATING RESERVE	7,304,430.00
3200SC	DESIGNATED REHAB & BETTERME	2,000,000.00
3200U	ULATIS OPERATING RESERVE	483,970.14
3250G	GV OPERATING RESERVE	70,292.30
3250N	DESIGNATED SWP FACILITIES RESE	6,851,628.19
3250SC	SP FUTURE REPLACEMENT CAPITA	14,011,825.61
3250U	ULATIS OPERATING RESERVE	348,259.00
3255U	ULATIS FCP CAPITAL RESERVE	4,427,181.14
3350SC	DESIGNATED OPERATING RESERVE	4,454,435.00
3900S	Retained Earnings	26,702.55
	Net Income	(13,034,166.07)
Total Capital		<u>28,144,557.86</u>
Total Liabilities & Capital		<u>\$ 29,470,506.37</u>

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016
SUBJECT: Fund Balance Policy

RECOMMENDATIONS:

Approve modifications to the Reserve Fund Policy.

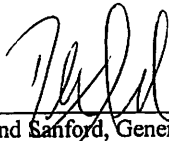
FINANCIAL IMPACT:

There is no financial impact from the budget and reserve fund actions.

BACKGROUND:

Attached is an updated Reserve Fund Policy (renamed Fund Balance Policy) for consideration by the Board. As requested by the Agency auditor (Mann, Urrutia, Nelson CPAs & Associates, LLP) in the management letter dated November 24, 2015, the updated policy includes all required components as it relates to classification of fund balances in accordance with GASB 54.

Recommended: _____


Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

Continued on
next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

Management Letter

November 24, 2015

To Management and the Board of Directors
Solano County Water Agency
Vacaville, California

In planning and performing our audit of the financial statements of Solano County Water Agency as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Solano County Water Agency's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated November 24, 2015, contains our communication of significant deficiencies or material weaknesses in the Agency's internal control. This letter does not affect our report dated November 24, 2015, on the financial statements of Solano County Water Agency.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Agency personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Agency, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mann Urrutia Nelson CPA". The signature is fluid and cursive.

Mann, Urrutia, Nelson CPAs & Associates LLP

Solano County Water Agency
Summary of Control Deficiencies
June 30, 2015

Bank Reconciliations and Journal Entry Review

During our review of the internal control process, we noted that bank reconciliations and journal entries that are prepared by the Administrative Services Director are not being reviewed by an independent employee. Due to the limited staffing of the Accounting Department, we recommend that bank reconciliations and non-recurring journal entries be reviewed and approved by the General Manager, or another designated individual.

Journal Entries

During our journal entry testing, we noted that the same journal entry number was being used for the overhead and labor allocation. In order to properly track journal entries, we recommend that journal entries are provided a sequential number.

Monthly Financial Close Process

As part of our financial reporting testing, we discovered one out of four instances in which budget to actual reports were not created and provided to managers. In addition, the Agency does not have any formal procedures related to month-end close. We recommend that a month-end close checklist is prepared outlining such tasks as reconciling accounts and preparing financial reports. This checklist could be initialed by the preparer and reviewer indicating that tasks were completed.

Board Review

Currently, the Board of Directors does not receive regular financial reports other than the budget, mid-year budget update, and presentation of the audit report. We recommend that quarterly financial reports be provided to the Board of Directors for their review in order for them to have proper oversight of the Agency's financial activity.

Credit Card Policy

During our review of credit card processing, we found no written policy for credit card usage. Since all full-time employees have credit cards, the Agency should have written policy outlining authorized usage to help ensure that purchasing cards are used appropriately. Such policies could include transaction spending limits for cardholders, approved and disallowed purchases, and prohibitions on splitting purchases to avoid exceeding an employee's authorized transaction limit.

Cash Disbursements – Vendor Changes/Rebate Program

The Agency currently operates a significant rebate program in which various applicants can apply for funding. Upon our review of this rebate program, we noted the Agency maintains one vendor in their accounting system despite the fact that checks are being written out to different applicants. The vendor name is manually changed by the Administrative Assistant upon issuing the check. This poses the risk that payments being presented for approval could be altered or unauthorized. The total amount of this program was over \$500,000 for the fiscal year. We recommend the name of the applicant be logged into the description or memo of the payment in order to properly identify the approved payee. In addition, pre-numbered applications could be used and then reconciled to the check listing.

Solano County Water Agency
Summary of Control Deficiencies (continued)
June 30, 2015

Wage Documentation

As part of our payroll testing, we noted that personnel files for interns did not include any information about their wage rate. While all interns are being paid the same amount, we suggest that at a minimum, an offer letter is maintained in their file indicating their period of employment and wage rate.

Employee Termination Checklist

No written policy exists that addresses voluntary and involuntary employee termination procedures. In order to provide adequate security to computer system operations and other assets such as system hardware, software, and data, procedures should be developed to address employee terminations. A checklist could be developed with key steps and indication that the employee has been terminated should be documented on the Employee Record Form.

Review of Payroll Registers and Change Reports

During our payroll testing, we noted 3 payroll registers that were missing signature approval from the Administrative Services Director. We recommend that the Agency enforce current policy to ensure that all payroll registers are signed as reviewed and approved prior to processing. In addition, to further enhance controls, we recommend that the Administrative Services Director sign and review a Change Report from the payroll system indicating any major changes to employee's master file information.

Whistleblower Policy

The Agency encourages employees to report any suspicions of fraud or misconduct to the appropriate level of management, however there is no policy or practical mechanism for doing so. Studies show that most frauds are known to someone in the defrauded organization and are revealed after a tip is received from someone with knowledge about the fraud. However, an employee may not report suspicions or knowledge of fraud if he or she does not know to whom to report, especially if the perpetrator is someone high up in the organization or someone to whom the employee reports. We recommend that management consider establishing a whistleblower policy to provide a mechanism for employees to report any suspicious activity.

Governmental Accounting Standards Board (GASB) No. 54, Fund Balance Reporting

The Agency currently has a Reserve Policy; however it does not cover all of the requirements of GASB 54, *Fund Balance Reporting*. We recommend the Agency revise their policy to include all required components as it relates to classification of fund balances in accordance with GASB 54.

Solano County Water Agency

Reserve Fund Fund Balance Policy

I. PURPOSE OF STATEMENT

The purpose of the Reserve Fund Policy is for proper allocation of reserve funds to protect the ability to fund capital projects. The purpose of this fund balance policy is to identify the authority for committing and assigning fund balance in conformance with Governmental Accounting Standards Board Statement No. 54 and to establish the order in which unrestricted resources are to be used.

II. SCOPE

This fund balance policy will be applicable to all funds under the control of the Agency.

III. DEFINITION OF FUND BALANCE

Fund Balance is used to describe the difference between assets and liabilities reported within a fund. GASB 54 established the following five components of fund balance, each of which identifies the extent to which the Agency is bound to honor constraints on the specific purposes for which the amounts can be spent. These restrictions vary significantly depending upon the source.

- A. Nonspendable: Amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- B. Restricted: Amounts subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.
- C. Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the Agency. Committed amounts cannot be used for any other purpose unless the Agency removes or changes the specified use by taking the same type of action (action item, legislation, resolution, ordinance) it employed to previously commit those amounts.
- D. Assigned: Amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Board of Directors itself or the General Manager of the Agency.
- E. Unassigned: Residual amounts in the general fund, not classified as nonspendable, restricted, committed, or assigned. For other governmental fund types, unassigned is only used when a deficit or negative fund balance occurs.

IV. COMMITTING FUND BALANCE

Only the Agency's Board of Directors has the authority to create or change a fund balance commitment. Committing fund balance is accomplished by approval of an action item by the Board of Directors.

V. ASSIGNING FUND BALANCE

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The Board of Directors delegates authority to the General Manager to assign amounts to be used for specific purposes. Assignments are less formal than commitments and can be changed by the General Manager. An example of an assignment would be the encumbrance of funds for purchase orders approved but not fulfilled by the end of a fiscal year.

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I. FUND BALANCE CLASSIFICATION

Restricted fund balances will be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency will first reduce committed amounts, followed by assigned amounts, and finally unassigned amounts.

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II. AGENCY FUNDS

For auditing internal purposes, the funds do not represent separate governmental funds but rather the Agency maintains the funds as one governmental fund with each separate fund having a reserve balance. This policy provides guidance for the allocation of each fund's reserve balance.

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The Solano Project fund is a "General Fund" for the Agency meaning that its revenues can be used to fund anything under the legal scope of the Agency. Revenues for the State Water Project, and Ulatis and Green Valley Flood Control Projects can only be used for those specific projects, so the reserve funds must be segregated.

The Agency is financially responsible for two major water supply projects, the Solano Project and the North Bay Aqueduct of the State Water Project. Additionally the Agency has maintenance responsibility ~~responsibility~~ for two flood control projects, the Ulatis and Green Valley flood control projects. The Solano Project was built in the 1950's and has significant future financial needs for rehabilitation projects and improvements. The Agency is also ~~contemplating the~~ contemplating the North Bay Aqueduct Alternate Intake Project with a capital cost of over \$500 million. Clearly the Agency has future financial obligations that will need to be funded through a possible combination of use of reserves and financing.

The Agency seeks maximum flexibility to fund these future projects and the Reserve Fund Policy provides the Agency with financial options.

The ~~components~~ components of the Agency reserve funds are found in a Schedule ~~(attached)~~ included in each Fiscal Year's adopted budget. There are separate reserves for all four Agency funds: Solano Project and Administration, State Water Project, Ulatis Flood Control Project and Green Valley Flood Control Project. The small Green Valley Project has not accumulated any reserves. There is also a line for "Other Flood Control Projects" and and "Emergency Reserve".

For each of the three major funds there is a further breakdown of the reserves. Each has an "Operating Reserve" and a "Capital Reserve" explained below.

Operating Reserves

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The purpose of operating reserves is to provide the Agency with working cash flow due to fluctuations in revenue streams. The Agency needs to fund ongoing operating expenses prior to the receipt of the majority of its revenues from the County of Solano property tax collections which are available in December and April. The Operating Reserve balance is determined by calculating six months of projected operating expenses for each fund.

Capital Reserves

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Solano Project - Future capital projects include rehabilitation and improvements to Solano Project major facilities: Monticello Dam, Putah Diversion Dam, and the Putah South Canal. The Solano Project was completed in 1957 at an original cost of \$40 million. An example of a future capital cost is replacement of the Putah South Canal concrete canal liners that have a useful life varying from 50 to 75 years. Because replacement costs are high for the Solano Project a considerable reserve should be maintained for this purpose. The Solano Project also has a specific Rehabilitation & Betterment Reserve used to fund planned capital projects that are identified in the Five-Year Rehabilitation and Betterment Plan which is updated each year. The amount of this reserve varies each year as projects are completed and new projects are added.

State Water Project - Future capital projects include the NBA Alternate Intake Project. Although the timeline and final costs for this project have yet to be determined, the estimated costs of the capital projects will be at a minimum of \$550 million. Any replacement of the NBA will be financed by the State, but the Agency could accumulate funds to buy-down the financed debt. The Agency may also be required to pre-fund costs prior to construction. The amount to be allocated to the State Water Project Capital Reserve is the balance remaining after the allocation to the State Water Project Operating Reserves.

Ulati Flood Control Project - Future potential capital projects are listed in the schedule. The amount to be allocated to the Ulati Project Capital Reserve is the balance remaining after the allocation to the Ulati Operating Reserves.

Other Flood Control Projects

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This is a reserve for flood control projects that are not part of the Ulati and Green Valley Flood Control Projects. The Agency has a funding policy that specifies the types of projects eligible for funding and cost sharing requirements. There are currently no specific projects identified for this fund. The funding amount for Other Flood Control Projects reserve is at the discretion of SCWA Board of Directors.

Emergency Reserve

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This reserve provides funding for needs in the event of an emergency or unforeseen event, such as major flooding or an earthquake. The funding amount for the Emergency Reserve is at the discretion of the CWA Board of Directors.

This policy is in place to comply with GASB Statement No. 54.

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**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016

SUBJECT: VALLEJO PERMIT WATER- NAPA NBA POINT OF DELIVERY AGREEMENT

RECOMMENDATION:

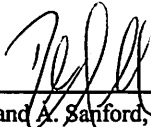
Authorize General Manager to execute an Amendment No. 1 to Agreement SWPAO #10005 with State Department of Water Resources and Napa County to allow deliveries of Vallejo Permit Water into Napa County through the NBA.

FINANCIAL IMPACT:

None. All costs are funded by either Vallejo or Napa County agencies.

BACKGROUND:

Amendment #10 to the long-term water supply contract between SCWA and the California Department of Water Resources for water supply from the State Water Project allows Vallejo to use the North Bay Aqueduct (NBA) to transport water that Vallejo has a licensed right, commonly referred to as 'Vallejo Permit Water' (VPW).

Recommended: 
Roland A. Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☒

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next page

Modification to Recommendation and/or other actions:

I, Roland A. Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland A. Sanford
General Manager & Secretary to the
Solano County Water Agency

In 1996 Vallejo and the city of American Canyon in Napa County entered into an agreement where Vallejo can provide water service to certain areas of American Canyon. The Agency is not a party to this agreement. This service agreement between Napa and Vallejo has two pertinent components: 1) a standing annual allotment of 500 AF per year of VPW for delivery upon request and 2) a contingency for up to an additional 500 AF of VPW under specified conditions. Amendment #10 did not address delivery of VPW into Napa County, therefore agreement SWPAO #10005 was executed between DWR, Napa County FC&WCD (District), and the Agency to allow it. The State only recognizes the District and Agency as the master water contractors to the SWP for such arrangements. The Agency only administers accounting to DWR for conveyance of VPW. The original SWPAO agreement only provided for delivery of up to 500 AF (Component 1) of Vallejo Permit Water to Napa through the NBA. Due to the extreme drought conditions, American Canyon elected to exercise the Component 2 water of their service agreement with Vallejo in 2014 and 2015.

This recommendation is to execute an amendment to SWPAO #10005 agreement to include conveyance of the additional 500 AF of Component 2 water through the NBA in accordance with the water service agreement between the cities. The amendment covers past deliveries in 2014 and 2015 retroactively and for all subsequent years.

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO THE AGREEMENT AMONG
DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
SOLANO COUNTY WATER AGENCY,
AND
NAPA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT
FOR
LONG-TERM CHANGE IN POINT OF DELIVERY FOR A PORTION OF
CITY OF VALLEJO'S NON-PROJECT WATER

(SWPAO #10005-A)

The "Agreement among Department of Water Resources of the State of California, Solano County Water Agency, and Napa County Flood Control and Water Conservation District for Long-Term Change in Point of Delivery for a Portion of City of Vallejo's Non-Project Water (SWPAO #10005)" dated October 11, 2010, is hereby amended to read as follows:

RECITALS

1. RECITAL M is added to read:

M. Between 2011 and 2013, a total of 500 acre-feet per year of Vallejo's Permit Water was delivered to Napa's turnouts under this Agreement. In years 2014 and 2015, a total of 1,000 acre-feet per year of Vallejo's Permit water was delivered to Napa's turnouts under this Agreement.

2. RECITAL N is added to read:

N. In 2016, Napa and Solano requested DWR's approval to increase the annual amount of Vallejo's Permit Water delivered to Napa's turnouts under this Agreement to up to 1,000 acre-feet. Napa and Solano also requested that the increased amount be retroactive January 1, 2014 to cover the prior deliveries in years 2014 and 2015.

AGREEMENT:

3. The introductory paragraph under AGREEMENT is revised to read as follows:

DWR is willing to approve a long-term change in point of delivery of up to 1,000 acre-feet per year of Vallejo's Permit Water to Napa's turnouts on the North Bay Aqueduct under the following terms and conditions:

4. Paragraph 1, PURPOSE, is revised to read as follows:

The purpose of this Agreement is to set forth provisions governing the long-term change in point of delivery of up to 500 acre-feet per year of Vallejo's Permit water to Napa's turnouts for years 2010 through 2013; and up to 1,000 acre-feet per year of Vallejo's Permit Water to Napa's turnouts for years 2014 through 2035.

This Amendment may be executed in counterpart. The Parties agree to accept facsimile or electronically scanned signatures as original signatures. The Amendment shall take effect as soon as both Parties have signed.

Immediately after execution, Parties shall transmit a copy of the executed Amendment by facsimile or electronic file to Pedro Villalobos, Acting Chief, State Water Project Analysis Office at (916) 653-9628 or swpao-chief@water.ca.gov.

In **WITNESS WHEREOF**, the Parties hereto have executed this Amendment on the date last signed below.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Spencer Kenner, Chief Counsel
Department of Water Resources

Pedro Villalobos, Acting Chief
State Water Project Analysis Office

SOLANO COUNTY WATER AGENCY

NAPA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Name

Name

Title

Title

Date

Date

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: October 13, 2016

SUBJECT: Contract with Integrated Environmental Restoration Services, Incorporated (IERS) for
Cold Fire Watershed Assessment

RECOMMENDATION:

Authorize General Manager to execute \$38,050 contract with IERS for Cold Fire Watershed Assessment.

FINANCIAL IMPACT:

Sufficient funding is available in the FY 2016-2017 Administration budget – “Contingency” line item

BACKGROUND:

Earlier this year the Cold Fire burned approximately 6,000 acres that either drain into Lake Berryessa or the Putah Creek stream segment (Interdam reach) located between Monticello Dam and the Putah Diversion Dam. This is the third watershed-scale fire in three years in the same region that for the most part is highly susceptible to soil erosion. The previous fires were the Wragg Fire (2015) and Monticello Fire (2014). For each of the previous fires, SCWA hired IERS to perform detailed assessments of erosion “hot spots” that in turn provided the documentation necessary to win grant awards to remediate erosion and in the case of the Wragg Fire, cover the cost of the assessment as well. The Monticello Fire Assessment led to funding from the Westside Integrated Regional Water Management Plan to remediate 24 erosion hot spots on the north side of Putah Creek. The Wragg Fire Assessment led to a commitment of funding from FEMA that includes reimbursement of the full cost of the assessment and remediation of extensive erosion sites on the south side of Putah Creek. The reimbursement will come when the contract is fully executed in the next fiscal year. The Cold Fire burned all of the lower reaches of Thompson Canyon, a chronic source of sediment loading into Lower Putah Creek; and in 1983 the primary source of the largest mudslide in the history of the Solano Project. The Cold Fire Watershed Assessment will position SCWA to win additional funding for a prioritized list of erosion sites.

Recommended: _____

Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

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next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

PROPOSAL

PRESENTED TO THE SOLANO COUNTY WATER AGENCY FOR ASSESSMENT OF THE COLD FIRE-AFFECTED WATERSHEDS



Prepared by Michael Hogan
Integrated Environmental Restoration Services, Inc.
September, 20th, 2016



WRAGG FIRE WATERSHED ASSESSMENT

Proposed Scope of Work and Budget

Prepared by Michael Hogan, Integrated Environmental Restoration Services

September 20, 2016

INTRODUCTION

Integrated Environmental Restoration Services (IERS) presents this proposed scope of work to assess watershed conditions in areas recently affected by a wildfire, known as the Cold Fire, in the Lake Berryessa region. The area of interest includes source watershed areas that influence water resources managed by the Solano County Water Agency (SCWA).

DESCRIPTION OF WORK TO BE PERFORMED

The work to be performed is described in the Watershed Management Guidebook (2013, Drake and Hogan-www.ierstahoe.com/pdf/research/watershed_management_guidebook.pdf.) Essentially, the specific areas of affected watersheds will be analyzed to determine if and where erosion occurs, what the causes and source(s) of that erosion are. Recommendations for mitigation measures will be made for each problem area. The process IERS has developed is called EfRA or Erosion-focused Rapid Assessment and is designed to identify those areas that are erosion problems ('hot spots') and consider them in the context of specifically what actions might be taken to minimize or eliminate erosion, and thus protect water quality. This process entails first, assessing the watersheds in GIS and running a flow accumulation model using the best digital elevation data available (LIDAR, if possible) and overlaying a road layer. In this way, we locate the most probable erosion sites. This data is converted into field maps that are used as a foundation of actual field assessment.

Field assessment consists of walking, driving (in a high clearance, low ground pressure rubber tracked Kubota ASV <https://www.youtube.com/watch?v=rh3dtQM0dMY>), and using a quadricopter with mounted camera to assess difficult or dangerous areas. During the assessment, areas of existing or potential erosion are noted and rated for a number of parameters including proximity to drainageway, current stability, and potential for sediment delivery to a major waterway, in this case, Putah Creek. These erosion areas are referred to as 'hot spots' and are listed and prioritized by potential impact. Erosion treatment is also described for each site. The recommended treatments are not contract ready specifications but can be used

as clear guidance for SCWA or other design-construction contractors to implement treatments if desired.

Emergency treatments sites may be located and if so, those will be listed as such. This category is presented in order to provide SCWA with information that will allow immediate treatment on areas that are likely to impact water quality in the short term.

TIMING

Investigations can start almost immediately upon agreement of specific tasks and conditions. Rapid response may be useful in order to determine whether some actions should be taken prior to fall and winter rains to protect downstream water quality or whether soils and drainages are stable enough to withstand normal winter precipitation.

ASSUMPTIONS

- We assume that Solano County Water Authority will secure all permissions required to access areas of interest.
- We assume that the assessment will entail the mapped areas within the fire boundaries (map not yet available) and where access permission has been granted.
- The purpose of the proposed assessment is to determine if watershed/hillslope/drainageway actions need to be taken to protect water quality, to prioritize those treatments and what the potential actions are.
- We assume that Solano County Water Agency will provide a map of the burn area prior to assessment.
- We have developed this proposal as a time and materials proposal and assume that hours not used will not be charged for.

TASKS

The following tasks are assumed to be necessary to produce a useful and complete watershed assessment in the areas of interest. Each task is briefly described.

- Pre-investigation
 - Background information development.
- Map development
 - Development and production of water flow and other topographical maps that will be used for site familiarization and planning.
- Map-based initial hot spot identification
 - Potential erosion hot spots are identified from map criteria (See Watershed Management Guidebook)
- Other assessment information category development
 - Development of specific categories of erosion and watershed parameters. These parameters will be based on parameters developed for the Cold Fire Watershed Assessment and will be used in the field to describe and rate each site for erosion and erosion potential (immediate threat, distance to water course, etc.)
- Assessment
 - Field assessment of all watershed areas of interest.
 - Comparison of previous 'hot spots' with current hot spot status
- Post assessment interpretation
 - Data and information assessment, integration, interpretation and initial prioritization of possible actions.
- Recommendations
 - Development of recommendations for each site where actions are recommended. Recommendations are in the form of semi-specific actions. These recommendations can be used to develop site-specific construction/action plans. However, the recommendations provided will not be at that scale (more detailed plans are produced if and when SCWA decides to take action on an area).
- Draft Report
 - A print and digital report which includes the assessment description, specific treatment areas, photographs, prioritized recommendations and suggestions for other follow up assessment, if needed.
- Feedback
 - Based on the submitted Draft Report, SCWA will review and offer feedback to IERS in order to iterate and refine the final report such that it fits SCWA's needs to the greatest extent possible.

- Field meeting with Solano Co
 - Timing to be determined- this task involves visiting the burn area with SCWA staff in order to review specific sites first hand and to discuss problem areas and mitigation options in depth.

TABLE 1: PROPOSED COST BREAKDOWN

Task	Cost
Pre-assessment and map development	\$3,110.00
Coordination meeting on site	\$1,486.60
Watershed Field Assessment	\$12,361.60
Analysis and draft document	\$12,180.00
Feedback and iteration of document	\$2,900.00
Field review	\$3,661.60
per diem	\$600.00
Equipment	\$1,750.00
	\$38,049.80

Approved by Solano County Water Agency:

Date: _____

Approved by IERS:

Date: _____

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: October 13, 2016

SUBJECT: Tree Spade for John Deere 624k Loader

RECOMMENDATION:

Authorize General Manager to expend \$26,000 for a Tree Spade for use with LPCCC restoration on Putah Creek.

FINANCIAL IMPACT:

Sufficient funding is available within the FY 2016-2017 budget, LPCCC 6181SC.

BACKGROUND:

A tree spade is used to transplant trees. It is a hydraulic implement that digs a precisely shaped hole and then digs the same shaped root ball around a tree to be transplanted into the new hole. Transplant success is upward of 90%. Frequently, LPCCC projects require clearing and grubbing all vegetation so that floodplains can be graded to functional elevation. The LPCCC currently owns a 42" Optimal tree spade that we have used to transplant trees and shrubs up to 4" in trunk diameter and we would like to build on that experience and success to salvage larger trees. The Optimal 1700 tree spade is compact, rugged and digs a uniquely curved hole that more precisely fits the root ball than the inverted pyramid style of competitive models. A 55" tree spade would allow salvaging of trees up to 8" in trunk diameter (depending on species), reducing the impact of vegetation clearing and allow the LPCCC to start new landscapes with larger trees, minimizing the temporal loss of wildlife habitat. A new tree spade in this size range would cost about \$48,000. Through a nationwide broker who specializes in new and used tree spades, we have located the recommended tree spade in Zamora (north of Winters) that has had only one owner who combined dug only 250 trees. The expected life of a new tree spade is 10,000 trees and digging wear is more significant than age. So this tree spade has approximately 97.5% of useful life remaining. That it happens to be in Zamora means that we can save thousands of dollars of shipping charges.

Recommended: _____


Roland Sanford, General Manager

☐ Approved as
recommended

☐ Other
(see below)

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY



MEMORANDUM

TO: Board of Directors

FROM: Roland Sanford, General Manager

DATE: October 7, 2016

SUBJECT: October 2016 General Manager's Report

New Hydrologic Year

October 1st is the beginning of the Hydrologic Year and this should be an eventful one. It remains to be seen whether last winter was a modest interlude in an extended drought or the beginning of a new and hopefully wetter trend. Right now all bets are off. If it remains dry into January there will be much to talk about.

On October 1, 2016 Lake Berryessa storage was 863,931 acre-feet, by comparison, on the same date in 2015 Lake Berryessa storage was 838,420 acre-feet, and on October 1, 2014 Lake Berryessa storage was 908,936. We have in essence, treaded water with respect to our Lake Berryessa water supply situation. The good news of course is that once again full contractual deliveries from Lake Berryessa are anticipated, even if 2017 is dry. No news with regard to the projected 2017 North Bay Aqueduct supply. However, keep in mind that the initial forecasts are always for significantly reduced allocations, so it would not be surprising if the initial forecast, when it comes out, is on the order of 20 or 30 percent of the Table "A" allocation.

Should conditions remain dry into January it is a safe bet that there will be renewed interest by the State Water Resources Control Board in reinstating mandatory water conservation targets. The State Water Resources Control Board was roundly criticized by some for implementing the "self-certification" program that allowed urban water purveyors to determine whether or not mandatory water conservation was necessary. Adding to the controversy are the most recent water conservation numbers, which indicate that statewide water conservation rates have dropped off since implementation of the self-certification program – not necessarily surprising given the argument by many urban water purveyors that the mandatory conservation targets were unnecessary.

As has been said many times, Solano is very fortunate to have a reasonably robust water supply, due in no small part to the significant investments this county has made over time - which provides a nice "lead in" to my next topic, the North Bay Aqueduct Alternate Intake Project.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



North Bay Aqueduct Alternate Intake Project

At the October Board meeting staff will be providing an update on the North Bay Aqueduct Alternate Intake Project – the most expensive water infrastructure project ever undertaken for this county and if history repeats itself, one that will take many years to complete. The Solano Project, which we often take for granted, cost roughly 50 million dollars and ten years – from the initial congressional appropriation for a \$100,000 feasibility study in 1949 to the first water deliveries in 1959 – to complete. That in retrospect was a comparatively easy project. The original North Bay Aqueduct, first conceived in the early 1960's and not online until the late 1980's, cost roughly 90 million to complete. Currently, it is projected that under ideal conditions, the North Bay Aqueduct Alternate Intake Project will take at least eight more years to complete and will cost on the order of 550 million dollars. All that said, if there is one lesson to be learned from the prior two water infrastructure projects, completion of the North Bay Aqueduct Alternate Intake Project will be a long journey and in some respects, a game of “red light – green light” with respect to funding and the prevailing political climate. Dig in for the long haul.

November 16, 2016 SCWA Board Strategic Planning Workshop

We are on track for the November 16, 2016 SCWA Board Strategic Planning Workshop to be held at the County offices (first floor of main building) at 5 p.m. A draft agenda is attached. The workshop will provide the full Board the opportunity to weigh in on the draft strategic plan and it is my hope that by the conclusion of the workshop we will have a “final draft” strategic plan that can be placed on the December Board agenda for adoption. To date I've received little feedback regarding the scope of the workshop – what items/topics/chapters of the draft strategic plan Board members would like to focus on. Take a look at the draft agenda and if you have any suggestions or concerns let me know.

SOLANO COUNTY WATER AGENCY



SCWA Strategic Planning Board Workshop

November 16, 2016
5 p.m. – 8 p.m.

Solano County Building, Rm. ???
675 N. Texas Street, Fairfield

AGENDA

Item	Time	Agenda Item	Presenter
1.	5:00	Welcome Introductions	JD Kluge, Chair, Strategic Planning Stakeholder Group
2.	5:05	Public Comment <i>(Limited to 3 minutes for any one item not scheduled on the agenda)</i>	
3.	5:10	Agenda Review	Jodie Monaghan, JM Consultants
4.	5:15	Overview of Strategic Planning	Sachi Itagaki, Kennedy/Jenks Consultants
5.	5:25	Overview of SCWA Strategic Planning Process	
6.	5:35	Review of Report <ul style="list-style-type: none">• Values, Mission and Vision• Chapter Review	Jodie Monaghan All
7.	5:50	Dinner	All
8.	6:20	Review of Goals	Jodie Monaghan All
9.	6:35	Review of Objectives	Jodie Monaghan All
10.	7:00	Prioritizing Objectives	All
11.	7:55	Next Steps	Roland Sanford, SCWA General Manager

12.	8:00	Adjourn	JD Kluge
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DRAFT

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016

SUBJECT: Status Report: North Bay Aqueduct Alternate Intake Project

RECOMMENDATION: Hear presentation and provide direction to staff

FINANCIAL IMPACT: none

BACKGROUND:

The North Bay Aqueduct (NBA) is a State Water Project (SWP) facility owned, operated and maintained by the Department of Water Resources (DWR). The Solano County Water Agency holds contracts with DWR for much of the available NBA supply and is in essence the NBA's principal "customer". The balance of the NBA supply is delivered to Napa County pursuant to a water supply contract between DWR and the Napa County Flood Control and Water Conservation District.

The NBA's water supply originates from Barker Slough, a tributary of Lindsey Slough and ultimately, Cache Slough in Solano County. Unfortunately, water quality conditions in Barker Slough are generally poor – among the poorest of the SWP facilities. Furthermore, pumping restrictions to protect endangered species, most notably Delta Smelt, limit operations at certain times of the year, a trend that is expected to continue with increasing regularity as State and Federal habitat restoration activities in the Cache Slough Region increase. In hindsight, Barker Slough is at best, marginally suitable location for the NBA intake.

Recommended: _____


Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☒

Continued on
next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

DWR, at the urging of SCWA and the Napa County Flood Control and Water Conservation District, has explored options for relocating the NBA intake, and in 2009 retained Environmental Science Associates (ESA) to prepare a draft EIR for the North Bay Aqueduct Alternate Intake Project. Work on the Draft EIR began but languished due to other State priorities and the nation's economic recession. Within the last eight months work on the Draft EIR has resumed in earnest and DWR staff anticipates that the Draft EIR will be ready for public release by the end of 2016 or early 2017. The North Bay Aqueduct Alternate Intake Project, which has been largely out of the "public eye" for nearly 10 years, will soon "resurface".

As a part of the presentation, staff will review the purpose and need for the NBA Alternate Intake Project, anticipated timeline for project completion, and the challenges – most notably project financing – faced.

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016

SUBJECT: Service Agreement with Wilson Public Affairs for Communications and Outreach Services in Support of North Bay Aqueduct Alternate Intake Project

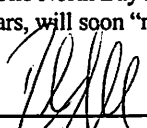
RECOMMENDATION: Authorize General Manager to execute \$ 88,000 Service Agreement with Wilson Public Affairs for communications and outreach services in support of North Bay Aqueduct Alternate Intake Project

FINANCIAL IMPACT: \$88,000, sufficient funding is included in the Water Agency's FY 2016-17 budget (State Water Project fund)

BACKGROUND: The North Bay Aqueduct (NBA) is a State Water Project (SWP) facility owned, operated and maintained by the Department of Water Resources (DWR). The Solano County Water Agency holds contracts with DWR for much of the available NBA supply and is in essence the NBA's principal "customer". The balance of the NBA supply is delivered to Napa County pursuant to a water supply contract between DWR and the Napa County Flood Control and Water Conservation District. The NBA's water supply originates from Barker Slough, a tributary of Lindsey Slough and ultimately, Cache Slough in Solano County.

The water world has changed substantially since the NBA began operations in 1988. At the onset of project operations water quality standards were less stringent and the Delta Smelt, as well as several other fish species, were not listed as threatened or endangered. It is now widely acknowledged that the NBA water supply is of poor quality – among the poorest of the SWP facilities. Furthermore, pumping restrictions to protect endangered species, most notably Delta Smelt, limit operations at certain times of the year, a trend that is expected to continue with increasing regularity as State and Federal habitat restoration activities in the Cache Slough Region increase. In hindsight, Barker Slough is at best, a marginally suitable location for the NBA intake.

DWR, at the urging of SCWA and the Napa County Flood Control and Water Conservation District, has explored options for relocating the NBA intake, and in 2009 retained Environmental Science Associates (ESA) to prepare a draft EIR for the North Bay Aqueduct Alternate Intake Project. Work on the Draft EIR began but languished due to other State priorities and the nation's economic recession. Within the last eight months work on the Draft EIR has resumed in earnest and DWR staff anticipates that the Draft EIR will be ready for public release by the end of 2016 or early 2017. The North Bay Aqueduct Alternate Intake Project, which has been largely out of the "public eye" for nearly 10 years, will soon "resurface".

Recommended: 
Roland Sanford, General Manager

☐ Approved as
recommended

☐ Other
(see below)

☒ continued
on next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

Although conceptually a simple project – relocation of the NBA intake and construction of a pipe segment that would connect the new intake to existing NBA facilities near Travis – it is remarkably expensive, on the order of 550 million dollars. Given that relocation of the NBA intake is being driven in part by State and Federal habitat restoration efforts in the Cache Slough region, which are a public benefit for the State and nation as a whole, but adversely impact NBA operations (increased occurrence of rare and endangered fish species in the vicinity of the NBA intake at Barker Slough, necessitating shutdown of the pumping facility with increasing regularity), it is staff's belief that the State and Federal government should assist with project financing.

The prospect of State and Federal habitat restoration efforts conflicting with NBA operations in Barker Slough, and therefore the need for an alternate intake, is acknowledged in the Delta Plan, the Bay Delta Conservation Plan, and the CALFED Record of Decision. Furthermore, the NBA Alternate Intake Project is consistent with the California Water Action Plan. Although the need for the NBA Alternate Intake Project is well documented, to date there has been little discussion as to how and who should pay for the project.

The primary task of Wilson Public Affairs, working in close coordination with the SCWA Board and staff, and SCWA's Legislative Committee and legislative advocate, is to engage State and Federal policy makers and promote the NBA Alternate Intake Project and more specifically, support for State and Federal financial assistance. Additional information regarding the proposed Wilson Public Affairs scope of work is attached.



MEMORANDUM

DATE: September 26, 2016

TO: Solano County Water Agency

FROM: Christy Wilson
Wilson Public Affairs

RE: **NBA AIP Strategic Communications and Outreach Program**

Thank you for the opportunity to discuss Solano County Water Agency's needs in continuing the development and implementation of a robust communications and outreach program that targets Governor Brown, the Legislature and the Department of Water Resources (DWR) with strategic messaging to take immediate action and implement the North Bay Aqueduct Alternate Intake Project (NBA AIP).

Wilson Public Affairs has worked on similar regulatory framing issues for clients from throughout California and across the country and is uniquely positioned to manage this effort to move this project forward. This memo briefly highlights our recommendations for immediate, proactive efforts to reshape the narrative on this issue with the Governor, the Legislature, DWR, other key players.

Wilson Public Affairs envisions this project to be a priority for the firm over the next year, managing the campaign activities outlined below.

SITUATION ANALYSIS

The North Bay Aqueduct (NBA) is a State Water Project (SWP) facility that is owned, operated and maintained by DWR. The facility plays an integral role in meeting the water needs of over 500,000 people in Solano and Napa Counties, representing approximately 88% of the region's population.

Issues with the NBA cannot be discussed without consideration of the broader issues surrounding the Delta. Because of the Delta's importance in supplying a significant amount of the Napa and Solano region's water, it is often the epicenter of proposals for changes – many of which have far-reaching impacts.

The Delta Reform Act of 2009 sets forth mandated Coequal goals to protect the Delta when assessing any new proposals. 'Coequal goals' refers to the two goals of providing more reliable water supply for California while also protecting, restoring and enhancing the Delta ecosystem. According to the Delta Plan (put forth by the Delta Stewardship Council), the NBA AIP is considered "an essential non-regulatory action to achieving the Coequal goals" because it would protect Delta smelt while simultaneously improving NBA water quality.



The Cache Slough area and the Lower Yolo Bypass have been designated and regulated as prime locations for habitat restoration to benefit at-risk fish, such as the Delta smelt. New tidal wetland projects in this area are also set to take place within the next few years to meet the permitting requirements of existing operations. These projects propose the creation of shallow water habitat that is conducive to Delta smelt. However, when restoration is conducted in this area, it will create a fish population very near the intake of the NBA and local agricultural pumps, resulting in the species' susceptibility to entrapment in the pumps and further threatening their already deteriorating numbers.

Although there are existing pumping restrictions on the NBA to protect Delta and Longfin smelt, in early June the Department of Fish and Wildlife released surveys which found extremely low levels of smelt across the area where they are most known to spawn. The highest recorded level of Delta smelt population was 600,000 – this year, biologists estimate there are only about 13,000 fish remaining.

NBA's poor water quality is also a concern. Because it contains high levels of organic carbon, it is reactionary when combined with disinfection chemicals – this results in the formation of byproducts that can lead to cancer. Additionally, the water's high turbidity causes water treatment plant challenges, including higher usage of chemicals to reduce turbidity. The aforementioned wetland and habitat restoration projects also have the potential to create additional pollutants, such as methyl mercury, which results in an adverse effect to the water quality currently pumped by the NBA.

The near-extinction levels of Delta smelt coupled with the threat of further degrading NBA's already poor water quality requires an imminent fix. It is not only important, but necessary.

STRATEGIC IMPERATIVES

The NBA AIP is the solution to this problem. The plan proposes the construction and operation of an alternate intake that will draw water from the Sacramento River, and connect it to the NBA by a new segment of pipe. This would allow a second source of water supply for the NBA when endangered fish are present in Cache Slough, and for additional water when Cache Slough water quality is poor.

A feasibility grant has already been completed with the help of Prop. 84 funding, and DWR is currently preparing an Environmental Impact Report (EIR) that has a tentative release date of January 2017. Because the permitting process for NBA AIP will be gearing up after the release of the EIR, we will work to secure pots of funding so that the \$500 million project is shovel-ready once approved. Our team will work with the coalition for funding opportunities, many of which may exist in the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Prop. 1), which provides \$87 million for regional and local water reliability projects, \$40 million for conservation and environmental protection programs, \$50 million to the Delta Conservancy "for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects," among others.

Our team will educate key players to ensure they can confidently speak to the importance of supporting this project. We will foster a positive working relationship with Governor Brown, DWR



and the Legislature, while simultaneously driving the conversation regarding the need to accelerate any remaining processes standing in the way of the project's approval. The sooner the NBA AIP is approved, the sooner it can effectively provide safer drinking water to users, while also reducing impacts to a rapidly dwindling endangered species.

Doing so will require the following strategic imperatives:

- Create meaningful working relationships between the coalition, the Governor's staff, Legislators and DWR to streamline project efforts
- Successfully convey a clear, fact-based message to the Governor, DWR, Legislators and necessary agencies that this project is consistent with Coequal goals and warrants competitive Prop. 1 and miscellaneous grant funding
- Establish urgency in the situation by defining the problem and solution on our terms early on. It is critical that the coalition avoid any messaging that would confuse this project with the Governor's tunnel plan, California WaterFix
- Emphasizing the importance of the Legislature's duty in fulfilling the coequal responsibilities by protecting an endangered fish species while also creating water supply reliability in Solano and Napa Counties
- Identify key allies for message delivery that surround this coalition with credible, trusted voices in support of our position
- Engage in targeted media activities that ensure our messages resonate with the Governor, Legislators, and DWR
- Engage water agencies, Delta coalition groups, and water users in an effort to incorporate a grassroots sense of urgency for the approval and implementation of the NBA AIP
- Ensure local community members understand the importance of the project and their benefits to their community.

TACTICS

The coalition has many advantages as we continue to move forward. For starters, the NBA AIP is already in motion and an EIR is expected by early 2017. Because the Delta Plan recommends this project as an "essential non-regulatory action to achieving the Coequal goals," we have the support of the Delta Stewardship Council, who are an extension of Governor Brown.

The coalition will benefit from the timely publicity surrounding California's devastating drought and concerns regarding water quality and availability. Our target audiences are also familiar with the deterioration of the Delta smelt population, which have been highlighted in the media as a sensitive environmental issue. Presenting this project, which has the potential to provide solutions to these issues, may garner support for a fast-paced and streamlined approval process.

Because time is of the essence, our messages must be compelling and concise. We must immediately develop a logical, fact-based argument that allows us to effectively seize the reigns from red tape bureaucracies and create a sense of urgency for the Governor and the associated agencies. We have the potential to win the debate on this issue through consistent, science-driven points:



- The NBA has the poorest water quality in the SWP, and cannot afford further decline, especially in light of upcoming projects as required by the SWP and CVP.
- Endangered Delta smelt are at their lowest-ever recorded levels, and face the imminent threat of extinction if no action is taken.
- The NBA AIP warrants Prop 1 funding and additional grants as it is recommended in the Delta Plan as an essential non-regulatory action in achieving the Coequal goals.
- The NBA AIP can promote reduced reliance on the Delta, and promote regional self-reliance

Essentially, this plan must be enacted as quickly as possible to reduce potentially irreversible damage to California's environment.

Internal/Media Audit

WPA has created, and will continue to create, a media audit of existing messaging, research, studies, materials, legislative feedback and press coverage of this issue. This audit helps us to better understand how the issue has been framed, what tactics the industry has used to respond, and how to develop and implement a comprehensive messaging and outreach strategy to guide our efforts moving forward. We will put a strategic plan together to fill the identified gaps - ensuring we know our strengths, weakness and holes.

When it is appropriate to move forward with earned media, we will synthesize the audit results to create a concise, persuasive message matrix that we can draw from for all campaign activities moving forward. Having a matrix will ensure that all efforts by the coalition are cohesive and reinforce a simple, fact-based message to the Governor and the relevant agencies.

Organizational Structure

We will continue working directly with the SCWA in regular meetings as well as an established approval process for materials, studies and rapid response.

Message and Materials Development

Neither messaging nor materials are one-size-fits-all. Rather, we will use our audit to determine our priority facts and tailor our messaging, materials and overall strategic communications accordingly to suit our audience. The issues of water quality, water projects, environmental restoration and endangered species can sound daunting, but it doesn't have to be. We have boiled down these issues in the form of a white paper, talking points and a cover letter to ensure the messages are as simple, credible and straightforward as possible. While the full list of suggested materials may develop as we move forward, we anticipate needing the following materials:

- Message matrix for internal use
- Infographics for legislative staff, the press and our coalition
- Media kit, including:
 - Fact Sheet
 - Q&A
 - What Others Are Saying
- Talking points



- Letters to the Governor, Legislature, State Departments, and more.
- Opinion editorials, letters to the editor, blog posts, social media, etc.

We may also need materials that go into greater detail for our more educated and engaged audiences, including legislators, NGOs and local opinion leaders, such as:

- Cost Benefit Analyses of acting quickly to implement the NBA AIP once approved
- Credible studies showing the impacts of poor water quality on affected populations
- Credible studies showing the diminishing numbers of Delta smelt

Materials will be revised to reflect developments as the project progresses and/or new research.

Coalition/Third Party Spokespeople

Our preliminary audit will help us to streamline messaging and develop materials that complement the campaign's overall goals. However, we will also want to focus on early identification of our range of audiences and prioritize those audiences appropriately. We will work closely with the coalition to identify target audiences and implement an outreach strategy for each. Groups will likely include:

- Elected Officials and Staff
- Department Directors (DWR, DFW, EPA, etc.)
- Key Lobbyists
- Key Delta Groups (Delta Protection Commission, Delta Counties Coalition, Delta Stewardship Council, etc.)
- Water Agencies
- Local Opinion Leaders
- Environmental Organizations
- Academics
- Health Professionals
- Concerned/affected citizens

Shaping the debate on this issue is as much about message as messenger. While members of the coalition will need to have a strong, clear voice on this issue, we will nevertheless work to quickly surround the coalition with a broad base of other credible supporters. We will work to expand our coalition with strategic allies and will activate a plan to engage members of the current coalition. These additional coalition members/third party spokespeople will serve as a complementary and credible voice that allow us to provide alternative faces to this effort.

Earned Media Outreach & Editorial Board Education



Educating and keeping the media updated will be crucial to expressing the urgency of this issue, but equally important will be ensuring our key allies have the informational cover necessary to reject any arguments put forward. Thus, it is critical that the earned media strategy on this issue be two-fold, working to ensure placement of curated content throughout the state and in targeted publications while simultaneously implementing an editorial board education effort.

- **Opinion Pieces:** Our team will work with the coalition to curate content and garner placement. Placement targets will include traditional print media as well as blogs, editorial board outreach and online publications.
- **Editorial Board Outreach:** We will concurrently work to coordinate an editorial board education effort that ensures the coalition can begin to get in front of this issue by framing it with key editorial boards. Our initial audit will include analysis of key newspapers throughout the state to determine their perspectives on our issue/related issues. The audit will also recognize which areas and industries will be hit the hardest, should the plan be expedited. This information will allow us to better align our messages and messengers with the perspectives of each editorial board before the education effort begins.
- **Reporter Briefings/Education:** We will selectively approach columnists and editorial boards, hold reporter and columnist briefings and submit op-eds to publications where we think our position and perspective will be favorably received, helping us to begin redefining the issue now.

Press Monitoring and Rapid Response

In addition to proactive efforts, our team will create a focused earned media plan, which will include being prepared to respond rapidly to the ever-changing dynamics. This will include tracking daily clips and effectively responding to key articles, columns and editorials with Letters to the Editor, op-eds, corrections, blog posts or statements as appropriate.

While one of the goals of our campaign will be to get in front of this debate and redefine the issue to the Governor, we will nevertheless need to craft some responses – both internal and external – to the opposition, media, legislators, and other stakeholders. These responses will return the focus to the benefits of your project - environmentally, economically, and water quality for the community. While responsive, it is imperative that every message we deliver bridges back to our core messaging.

Paid and Social Media

We are likely to recommend a limited digital campaign targeting the Governor, DWR, staff and opinion leaders as part of this project. A supplemental budget proposal detailing our specific recommendations may be provided upon determination of the coalition as necessary.

THE TEAM

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016

SUBJECT: Groundwater Management of Solano Sub-Basin pursuant to Sustainable Groundwater Management Act

RECOMMENDATION:

Hear presentation by Ag Innovations on Sustainable Groundwater Management Act Stakeholder Outreach for Solano Subbasin and provide direction to staff.


FINANCIAL IMPACT:

Staff time will be required to schedule and coordinate meetings.

BACKGROUND:

The Sustainable Groundwater Management Act of 2014 (SGMA) requires the creation of Groundwater Sustainability Agencies (GSAs), preferably by local entities, to develop and implement Groundwater Sustainability Plans (GSPs) for groundwater basins identified in California Department of Water Resources (DWR) Bulletin 118. All groundwater users – public and private – who extract more than two acre-feet of groundwater per year are subject to SGMA and in turn, any GSP developed by the corresponding GSA. Additional information about the SGMA can be found at www.water.ca.gov/groundwater/sgm.

The Solano Sub-Basin, as currently delineated in DWR Bulletin 118, is subject to SGMA and is largely located in eastern and southern Solano County, but encompasses small portions of Sacramento and Yolo counties. Pursuant to the SGMA, groundwater users within the Solano Sub-Basin have the option of formulating their own GSA by June 30, 2017 and implementing a state approved GSP by January 31, 2022; or deferring to state government, who would in turn develop and impose a GSP for the Solano Sub-Basin at the locals financial expense.

Recommended: 
Roland Sanford, General Manager

☒ Continued on next page

☐ Approved as recommended

☐ Other
(see below)

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

A voluntary working group composed of staff from Cal Water, City of Dixon, City of Fairfield, City of Rio Vista, Maine Prairie Water District, City of Vacaville, Dixon Resource Conservation District, North Delta Water Agency, Northern Delta GSA/Freshwater Trust, Reclamation District 2068, Sacramento County Water Authority, Solano County, Solano County Ag Advisory Committee, Solano County Farm Bureau, Solano County Water Agency, Solano Irrigation District, Solano Resource Conservation District, Travis Air Force Base, and Yolo County Flood Control and Water Conservation District; collectively referred to as the GSA Advisory Group (GSAG), has met on multiple occasions to discuss formation of a Solano Sub-Basin GSA. GSA Innovations, has facilitated the aforementioned meetings and will present the GSAG's recommendations regarding GSA for nation. Additional information is attached.

GSA Advisory Group (GSAG) Status Update

Ag Innovations, October 4, 2016 - DRAFT



GSA Advisory Group Meeting Participation to Date:

(Not every person has attended every meeting – some groups have alternates and some have chosen not to engage fully in the process.)

Jim Allen, Ag Advisory Committee
Jack Caldwell, Cal Water
Jim Christensen, Travis Air Force Base
John Currey, Dixon Resource Conservation District
Royce Cunningham, City of Vacaville
Darrell Eck, Sacramento County Water Authority
Mike Hardesty, RD 2068
Don Holdner, Maine Prairie Water District
Misty Kaltreider, Solano County
Cary Keaton, Solano Irrigation District
Joe Leach, City of Dixon
Chris Lee, Solano County Water Agency
Russ Lester, Ag Advisory Committee

Derrick Lum, Solano County Farm Bureau
Ryan Mahoney, Maine Prairie Water District
David Melilli, City of Rio Vista
Steve Mello, North Delta Water Agency/RD 563
Peter Miljanich, Solano County
Tim O'Halloran, Yolo County Flood Control & WD
Felix Riesenbergh, City of Fairfield
Erik Ringelberg, Northern Delta GSA / Fresh Water Trust
Chris Rose, Solano RCD
Melinda Terry, North Delta Water Agency

Facilitation team: Brooking Gatewood, Joseph McIntyre,
Tessa Opalach, [Ag Innovations](#).

I. Orientation to the Work

The GSA Advisory Group recognizes that in the Solano Subbasin, our **long-term goal is to maintain a sustainable groundwater basin so we can continue to enjoy our water resources into the future.** We aim to do this by developing a GSA and GSP that minimize conflict in the community, maximize our shared interests, build trust, engage stakeholders, are resource efficient and make the best use of technical knowledge.

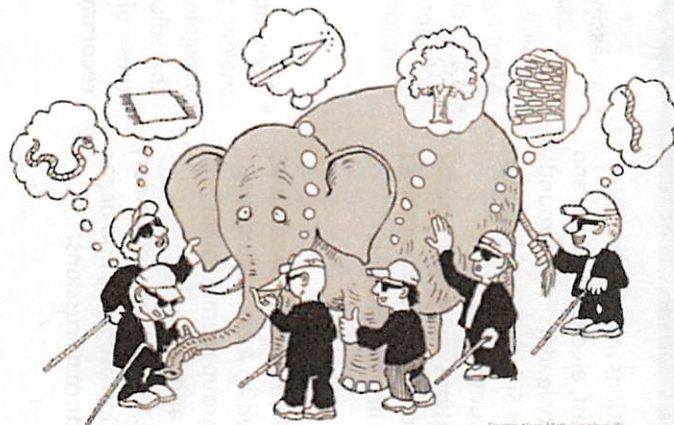
As in the old Chinese parable of the elephant (right), we recognize that others' views help complete our shared understanding of groundwater needs for our Subbasin, and that bringing together different views and assets helps create workable solutions for all.

We strive to engage our creative and collaborative mindsets in this process, to identify the underlying core interests behind positions, and to find solutions that meet as many of our interests as possible. We work with the understanding that assumptions are necessary to move forward, that this is an iterative process, and that we update our assumptions as new information comes in.

Finally, we agree to ground rules of full attention, open listening, courteous speaking, suspending certainty, and representing our agency or constituency interests above personal interests throughout the GSAG deliberation process.

This document attempts to summarize the key recommendations that the GSA Advisory Group has reached to date, as well as the reasoning behind each one. Dozens of hours of dialog and deliberation amongst a diverse membership have led to these recommendations – we invite you to review this document with the same long-term goals and intent outlined above, and **please see the full charter and meeting notes, available at www.scwa2.com/sgma, for additional detail.**

We all hold different parts of the whole.



our



II. The Road to GSA Notification: 2016 Work to Date



2016 Timeline	Overview	Key Recommendations	Notes and Additional Highlights
<p><i>January – February</i></p> <p>Situation Assessment</p> <p>Public Workshops</p>	<p>Ag Innovations interviewed 20+ agency staff, elected officials, and community leaders from around the Solano Subbasin and broader Solano County area.</p> <p>Ag Innovations facilitated 3 public informational and input meetings on SGMA implementation.</p>	<ul style="list-style-type: none"> Assessment established the need for staff-level GSA Staff Advisory Group (GSAG) outside SCWA Water Policy Council Meetings. It also clarified the importance of collaboration amongst agencies with input from local stakeholders to meet deadlines. 	<ul style="list-style-type: none"> The assessment reveals an early leaning toward one GSA for Solano portion of the Subbasin Public meetings highlight regional variance in conditions around the Subbasin, and a strong interest in GSP implementation issues, such as fees.
<p><i>March</i></p> <p>GSAG Charter Development</p> <p>GSAG holds 1st Meeting</p>	<p>The GSAG outlined the workflow, established an Asset Map of the advisory group memberships' expertise and resources, discussed Yolo County's Boundary Modification proposal, and began GSA structure discussions.</p>	<ul style="list-style-type: none"> GSAG approved a charter and decision-making process. Weighing benefits of aiming for one GSA in the Solano Portion of the Subbasin against those of having multiple GSAs, GSAG recommends one Solano County GSA. 	<ul style="list-style-type: none"> One GSA allows easier inclusion of areas without agency representation, unified decision-making on basin-wide issues, and better resources efficiencies for both agencies and landowners. Separate GSAs need to be established for the Sacramento and Yolo portions of the Subbasin to ensure appropriate jurisdictional authority.
<p><i>April – May</i></p> <p>Constituency Input</p> <p>Ag Summit</p>	<ul style="list-style-type: none"> GSAG members gather constituency input on governance structure needs for the single GSA option. A planning team of leaders from the ag community, with facilitation support from Ag Innovations, put on an Ag Summit, attended by ~85 community members. 	<p>Ag Summit attendees called for a GSA with: <i>Proportional and fair representation; a focus on the sustainability and longevity of our local groundwater resource; local governance and control; recognition of variance in local conditions; transparency and simplicity of governance; fair access to technical knowledge for sound decision-making; no financial conflicts of interest; and a value on ag's role in the local economy.</i></p>	<ul style="list-style-type: none"> Participants heard information on the SGMA law and local process. Participants also shared input on how ag could be represented in the GSA. Many felt agencies could not represent them and wanted an independent ag role on GSA board. Dixon RCD and RD 2068 were identified as the most trusted eligible agencies. Our email listserv and occasional public meetings were identified as best ways to engage the public.

<p><i>June</i></p> <p>GSAG Meeting #2</p>	<p>Seven draft governance structure proposals developed by members were discussed, the group voted on top options, and a hybrid model was sketched out that met most members' needs.</p>	<ul style="list-style-type: none"> • A governance working group was formed to flesh out a draft governance structure recommendation based on the hybrid model discussed in the meeting. • The GSAG recommends using a JPA or MOU to create a multi-party GSA rather than a single agency model. 	<ul style="list-style-type: none"> • GSAG discussion proposed an inclusive, non-rotating board structure aiming for 9-11 members, with 4+ SMAs, and technical advisory bodies to be determined later in the process. • The multi-party GSA recommendation is rooted in the contention that no single agency board can represent all Subbasin stakeholder interests.
<p><i>July</i></p> <p>Governance Working Group Meetings</p>	<p>A diverse working group of GSAG members over the course of three meetings and document review drafted a governance proposal based on input from the prior meeting.</p>	<ul style="list-style-type: none"> • The proposal suggests a board of 10 voting members. Three special management area (SMA) models were developed, with 3, 4, or 5 different zones, respectively, considering hydrological, jurisdictional and cropping patterns in the Subbasin 	<ul style="list-style-type: none"> • Working Group Members: SCWA, SID, the City of Vacaville, Solano County, the Ag Advisory Committee, and the Farm Bureau. • <i>Amendments to the working group proposal were suggested by various boards and so we revisited the proposal in the subsequent meetings.</i>
<p><i>August</i></p> <p>GSAG Meetings #3 and #4</p>	<p>GSAG reviewed the working group governance proposal, discussed amendment proposals and concerns, and began work on funding and cost estimations. The group clarified guiding principles and key deal points for members to support a single-GSA approach.</p>	<ul style="list-style-type: none"> • The GSAG voted to recommend a Joint Powers Authority governance structure. • GSAG will develop a statement of clear principles and authorities for the GSA to support the GSA board and legal team in developing a JPA. • Both principles and financial data inform final board membership recommendations. 	<ul style="list-style-type: none"> • How SGMA will affect surface water and property rights came up as a concern, and the group debated the level of detail needed to address these concerns in GSA development (versus GSP drafting). • Ag Innovations researched other models for addressing decisions & rights issues (Appendix D). • Some members proposed a draft JPA, and this resulted in agreement that a JPA was too detailed for us at this stage, and we would instead focus on developing guiding principles. • Yolo County staff shared finance assessment template. GSAG survey collected local \$ data.
<p><i>September</i></p> <p>Finance Working Group Meetings</p> <p>GSAG Meetings #5 and #6</p>	<p>The Finance Working Group collected preliminary data to offer rough estimates of local SGMA expense and revenue pathways. GSAG developed recommendations for guiding principles and a 16 member board option, to be shared with agency boards and the public for input. Timing is tight for the June 2017 filing deadline.</p>	<ul style="list-style-type: none"> • We recommend a 16 member board, detailed in Appendix A. • Each GSA member agency (except public ag seats) will pay in \$8-10k/year for initial start up costs, and likely ongoing membership. • We developed 13 recommended guiding principles for GSA management. Certain issues of core concern cannot be resolved in detail at this time, but are reflected in these principles statement. 	<ul style="list-style-type: none"> • 16 member board recommendation reflects a solution that each party was willing to support to move forward in the process and meet our timelines. Not every party <i>preferred</i> this option. • Given tight timing, the group hopes for quick agreement on board membership so we can move to refining the JPA and GSA preparatory materials for the June 2017 notification deadline. • GSAG will pause meetings awaiting board input and GSA board formation. The Finance Group will continue to meet to refine SGMA cost estimates.

III. The Road to GSA Notification: Looking Ahead to the June 2017 Deadline



Timeline	Target Action for Solano Subbasin GSA Development Process	Related Actions and Deadlines
September 2016	<ul style="list-style-type: none"> • GSAG Draft Recommendation ready for Board review. • Develop preliminary costs estimate 	<ul style="list-style-type: none"> • This packet reflects completion of this milestone and the formal charge of the GSA Staff Advisory Group.
October 2016	<ul style="list-style-type: none"> • GSAG members get constituency / policy maker input on GSA recs • Refine SGMA cost estimate and develop cost share scenarios* • SCWA legal team begins work to draft a JPA for GSA board review, based on recommended principles. 	<ul style="list-style-type: none"> • * Finance Working Group meets to work on refined cost estimates for BoD review. • GSAG members will work with their boards and share resources via email, but the group will not formally meet again until/unless instructed to do so by GSA board members.
November 2016	<ul style="list-style-type: none"> • GSAG members get constituency / policy maker input on GSA recs • GSA member teams conduct legal review of draft GSA JPA • Refine cost share scenarios 	<ul style="list-style-type: none"> • Ag Innovations will run a series of public update & input meetings in late November/early December. Dates are currently being finalized.
December 2016	<ul style="list-style-type: none"> • Final discussions and decisions on board membership • Public input synthesized and shared with GSA board • GSA eligible entities to approve GSA governance structure /draft JPA 	
January 2017	<ul style="list-style-type: none"> • GSA eligible entities to approve GSA governance structure / draft JPA • Convene GSA BoD <ul style="list-style-type: none"> • Refine JPA • Discuss cost share scenarios • FRQ/RFP consultant for DWR GSA application 	<ul style="list-style-type: none"> • DWR publishes BMPs for sustainable management of groundwater • Alternative to a GSP due to DWR
February 2017	<ul style="list-style-type: none"> • Convene GSA BoD <ul style="list-style-type: none"> • Finalize JPA • Finalize preliminary cost scenarios • Hire consultant for GSA application • Develop GSA application 	
March 2017	<ul style="list-style-type: none"> • Finalize GSA application 	

<i>April 2017</i>	<ul style="list-style-type: none"> • Convene GSA BOD • Approve GSA application • Submit GSA application 	
<i>May 2017</i>	(...waiting period...)	
<i>June 2017</i>	<ul style="list-style-type: none"> • Establish GSA (or equivalent) with DWR • State Water Board may convene hearing to designate basins as "probationary" if GSA is not established 	<ul style="list-style-type: none"> • June 30, 2017: GSA Formation and Filing with Department of Water Resources
<i>July 2017</i>		<ul style="list-style-type: none"> • July 1, 2017: County must affirm/disaffirm responsibility as GSA if no GSA has been est.

IV. GSAG Draft Governance Structure Recommendations

Final GSA Advisory Board Recommendation (see Appendix A for additional GSA structure details)

SOLANO SUBBASIN Joint Powers Authority 16 member

GSA BOARD

City of Dixon	Solano Irrigation District
City of Rio Vista	Maine Prairie Water Dist.
City of Vacaville	Rural North Vacaville WD.
City of Fairfield	RD 2068
Solano Co. Dist. 4	Cal Water
Solano Co. Dist. 5	Ag #1 (Farm Bureau nom.)
Dixon RCD	Ag #2 (Ag Advisory Committee nom.)
Solano RCD	Northern Delta GSA

Each group will nominate its own chosen representative to serve on the GSA board. For the two public seats, the proposed process is that each supporting group (The Solano County Farm Bureau and the Solano County Ag Advisory Committee) will offer multiple nominees to the GSA board, and the GSA board will then vote on one of the proposed candidates to serve for each of these two seats.

Highlights from this and other key deliberations underlying these recommendations are detailed below.

Board size: The boards discussed in the proposals ranged from 7 members to 17 members. While some members prefer a smaller board, most agree that a larger and more inclusive board is preferable if agreement cannot be made for a smaller board. The group did indeed have trouble finding agreement for a smaller board, and the success of the 15-member SCWA board made most members comfortable that the GSA would be able to function well with a larger and more inclusive board.

- As with the similar process unfolding in the Yolo Subbasin, the intent is to designate flexibility for GSA membership - eligible member agencies can exit or enter the GSA as desired throughout the SGMA implementation process.
- A structure with some rotating or shared board seats was also discussed as a way to allow for more people to sit on the board without having a larger board. However, this was ruled out for concerns of fairness, continuity of knowledge among members, disagreements among those who might share a seat, and the contention that the larger board would serve long term Subbasin interests more effectively.
- The group also discussed different voting options for the membership.
 - Proportional votes came up as a way to allow voting to reflect water use.
 - Weighted voting, determined by groundwater extraction rates and other factors, is proving to be a popular choice amongst other GSAs around the state, but to date, one vote per seat has been favorable amongst Solano Subbasin GSAG members.
 - The group agreed to an exception for Solano County to have a seat for each of the two Supervisors whose regions are largely within the Subbasin.
 - Similarly, the two ag seats represents acknowledgement of the ag community's large role in groundwater use in the county, and the reality of multiple ag community voices, interests, and groundwater contexts and conditions within the county.
 - Using the tool of supermajority and/or unanimous voting for certain high impact decisions has also been discussed, and is a tool being used elsewhere (see Appendix D).

Ag Representation: The GSAG ag community representatives, supported by findings from the Ag Summit, suggested that ag needs at least two dedicated seats, in addition to at least one RCD vote for adequate representation in the GSA. Without this, they believe the process will lose support from the ag community and may devolve into litigation. This was an area of much discussion in our meetings. Highlights below:

- Many members feel the current board structure strongly favors ag, with ag supportive board members in many agency and elected positions.
- GSAG ag reps reminded the group that SGMA is a long-term process, and current board views and relationships with the ag community may not reflect future stances. Thus the strong push for two independent seats.
- Some members preferred these seats be publicly elected, though the group agreed in the end to a model where the Farm Bureau and the Ag Advisory Committee will nominate multiple possible representatives who are active farmers and groundwater users within the Subbasin, and the GSA board would then elect each of these representatives from the nominee list. This allows some aspect of voting for these public representative seats, which was crucial for a few members, while preserving the ability of the ag community to nominate preferred representatives via these two trusted bodies.*
- Technical support for these seats will be provided by the Farm Bureau and the Ag Advisory Committee so members receive staffing support comparable to what other elected board members receive from their agency staff.
- It is worth noting that for this model to work, a Memorandum of Agreement would not be sufficient for allowing public voting roles on the board and a Joint Powers Agreement would be required (see Appendix C).

Special Management Areas (SMAs): SMAs may be used to represent areas where the presence of local conditions for one or more critical parameters differ from those of the Subbasin at large, and where the GSA has determined an area will benefit by identifying site specific conditions of water demand, water use, water source, management strategies, or other characteristics. Members have discussed utilizing 3-5 SMAs throughout the Subbasin to help maintain local decision-making. Each SMA would report to the GSA board and the GSA would report to DWR.

Maps of the SMA options are shown in Appendix B.

- Responsibilities of SMAs may include: conduct local groundwater monitoring and projects to ensure sustainability, report to GSA on GSP responsibilities/requirements, develop outreach committee to conduct stakeholder/public engagement; other roles may be modified as the GSP is developed.
- During the August 4th meeting the GSAG agreed to be flexible about the SMA boundaries at this time; and to create a structure that allows for management areas, but not try to define those boundaries without further information on financing and without considering overall sustainability.

Technical Advisory Committee: GSAG recommends that an advisory group to the GSA be formed to provide information and recommendations to the GSA policy makers. The proposed membership would include a staff representative from each of the GSA entities as well as a representative chosen by each SMA. Staff from Solano County Water Agency and Solano County would provide administrative and technical services to the GSA Advisory Committee. Potential GSA Advisory Committee responsibilities include, but are not limited to: developing SGMA reports/plans/procedures/parameters for GSA to consider; advising GSA chair members on SGMA action items; drafting specific recommended policies, guidance, requirements and regulations for GSA consideration; providing oversight and coordination of SMAs; financial oversight; GSP implementation.

V. Recommended GSA Governance Guiding Principles

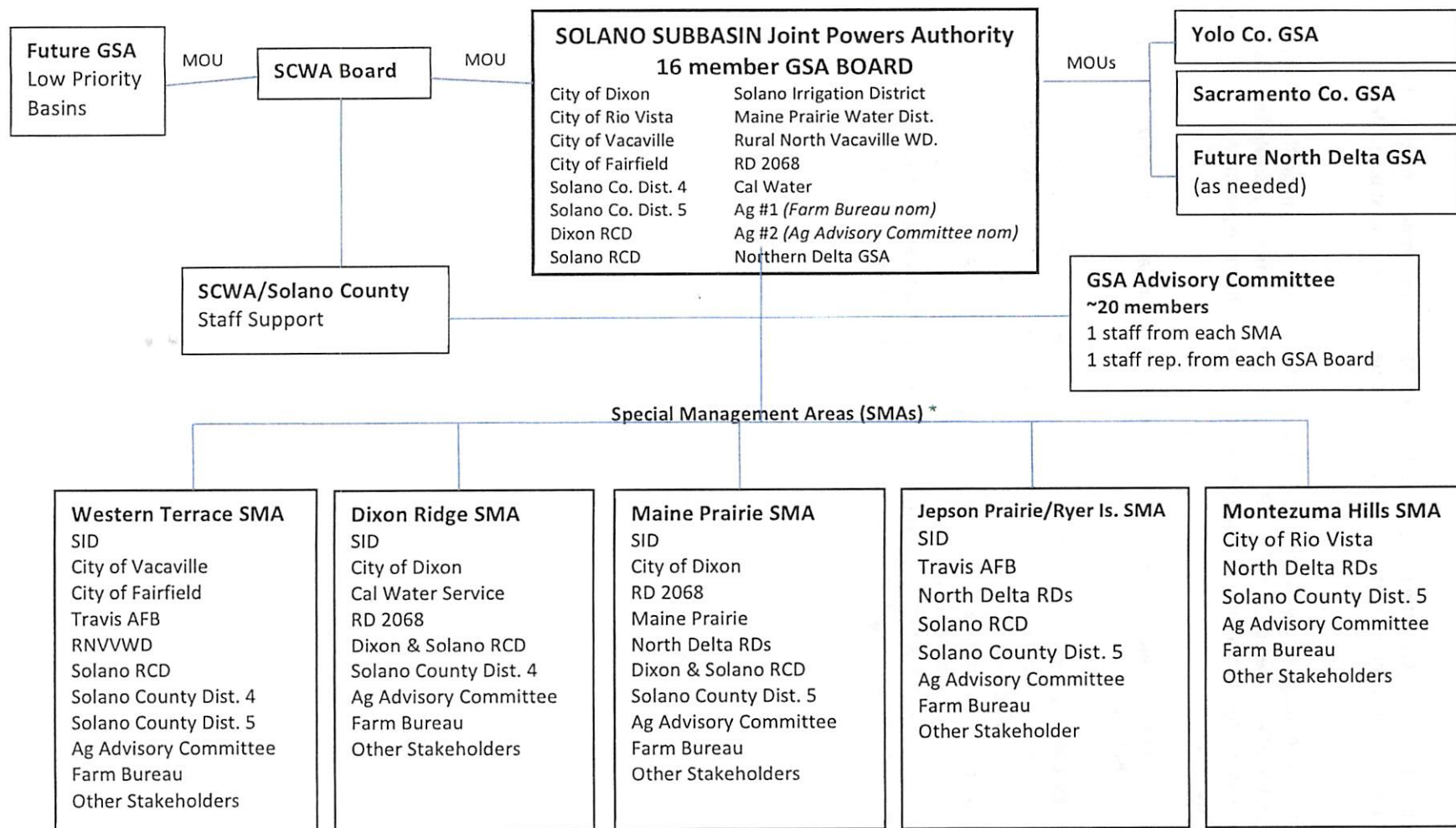
The purpose of GSA principles is to assist GSA member agencies and other stakeholders to engage in a transparent and effective discussion regarding expectations for GSA operations and coordination within the basin.

The following principles for the Solano Subbasin are based on GSA Advisory Group discussions to date, the principles represented in the GSAG charter, the principles developed at the Solano County Ag Summit, and examples from other Subbasins. They represent agreement on the value of the core sentiment of each principle for the GSA Board's JPA development, GSP development, and ongoing GSA governance. *They are presented still in draft form as the group continues to refine wording in a few areas, notably #13.*

GSA Governance Guiding Principles

1. Seven cardinal principles guide the formation of our GSA:
 - Compliance with the requirements of SGMA and subsequent law and regulations
 - Protection of groundwater resources in the Subbasin
 - Protection of existing reasonable and beneficial water uses
 - Protection of existing legal rights to groundwater
 - Assurance of full and fair representation of all groundwater stakeholders in the GSA
 - Respecting the value of local management of the distinct water regions in the County
 - Respecting existing riparian and permitted surface water rights of landowners and agencies, and existing water purchase agreements
2. We recognize that SGMA specifically does not change rights to water (including the rights of surface water users to groundwater recharge that results from the application of surface water) and we are committed to both protecting rights and reasonable and beneficial current water uses in the implementation of SGMA.
3. Every property owner in the Subbasin has access to the sustainable yield of the groundwater aquifer beneath their property, subject to the Groundwater Sustainability Plan.
4. Our approach is explicitly collaborative. We believe the best results for the GSA will come when we engage all stakeholders in an effective process that finds solutions that respect the various interests in our community.
5. Technical knowledge and resources will be critical to the success of the GSA. We agree to open and transparent sharing of data and knowledge between GSA partners and stakeholders.
6. Fact-based decision-making is central to our efforts.
7. We agree to address issues identified in the Subbasin starting with voluntary measures and only when those are documented to be insufficient to achieve sustainability, move on to the other powers granted to the GSA under SGMA and its subsequent laws and regulations.
8. The best solutions to managing groundwater come from those who are closest geographically to the unique hydrology of the Solano Subbasin and therefore we agree to create and support a GSA with multiple management areas.

9. We recognize that SGMA is just one of many efforts to better manage water resources in the Subbasin and we intend to find the potential synergies between all these efforts to both reduce costs and maximize benefits to maximize knowledge and opportunities.
10. Cost for the operation of the GSA, the development of the GSP, and for implementation of groundwater management projects will be shared equitably between all the beneficiaries and stakeholders in the Subbasin.
11. We agree to maximize the groundwater recharge capacity of the Subbasin through the actions we promote within the GSA. Development of a GSP shall consider the merits and possible impacts of the sustainability of assigning credits for rechargers for their actions to improve groundwater resources both in quality and quantity.
12. We intend to consider the economic impacts of any GSA future actions and to minimize or mitigate adverse impacts where possible.
13. **STILL UNDER REVIEW:** It is acknowledged that groundwater recharge by some property owners or agencies may be able to locally remediate aquifer depletion in a subarea, much like groundwater recharge on a property or agency boundary where groundwater extraction is not occurring may cause "groundwater mounding". Therefore, should it be necessary for the GSA to impose groundwater extraction restrictions in a subarea of the Subbasin to remediate [or prevent(?)] undesirable results, those restrictions will recognize the groundwater surcharge made available by and accruing to the benefit of the recharging entity. The remaining groundwater will be proportionately applied to all lands within the subarea.

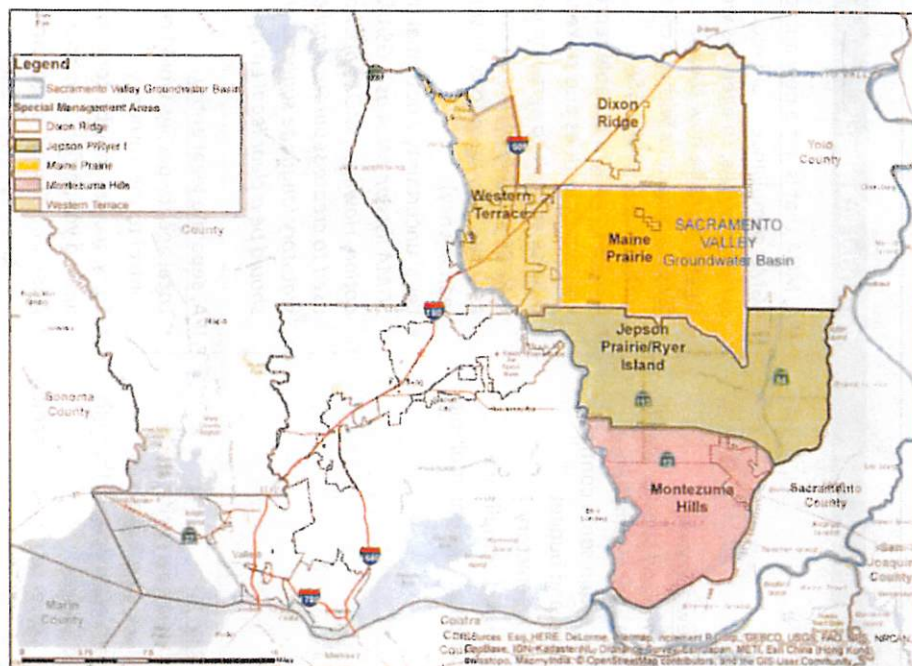


* This diagram assumes a Five SMA model. See Appendix B for other options. The group discussed pros and cons for a five, four, and three SMA model, and agreed that further information about technical GSP plans would be needed to make the final decision on this aspect of the GSA structure.

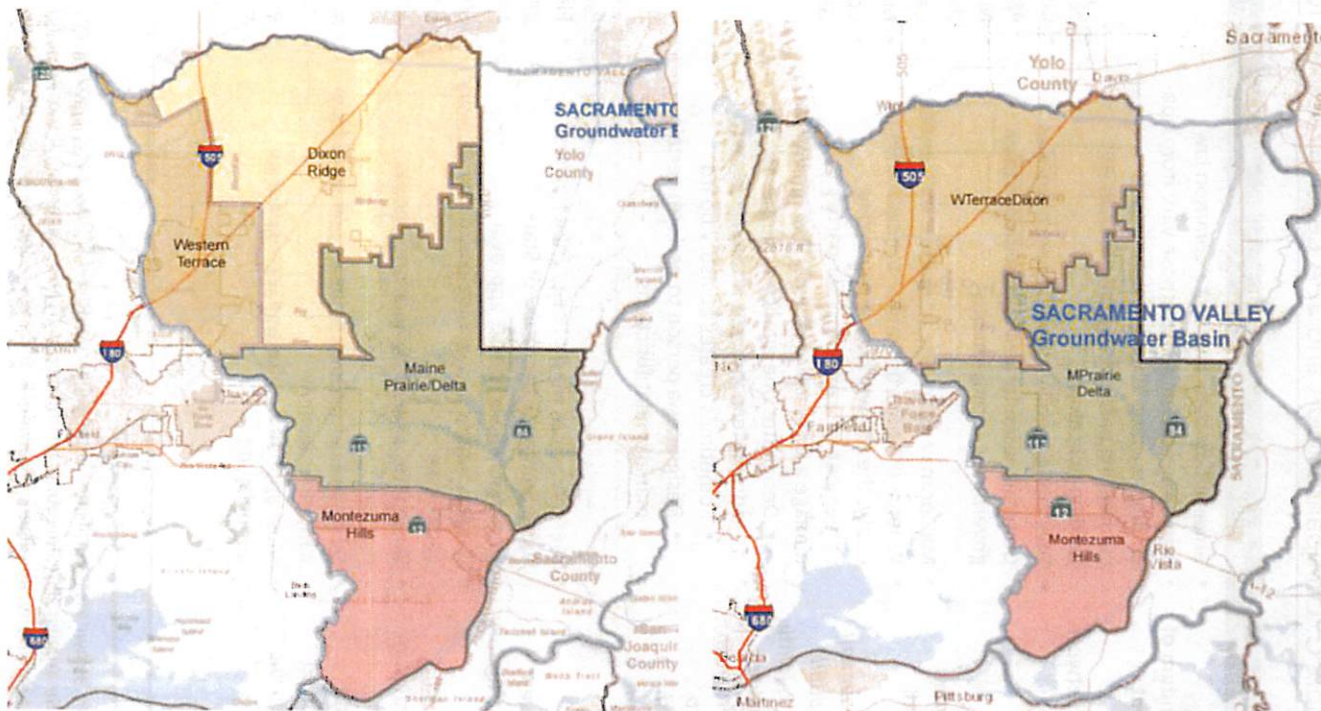
The five SMA model (right) is based on the ag areas in the [General Plan](#). It is also similar to the five recharge regions captured by a [UC Davis study on recharge](#).

The four SMA model (below left) is based on the different hydrologic regions in the Subbasin.

The three SMA model (below, right) is a simpler option that is also based on the different hydrologic regions in the Subbasin. The model was suggested for individuals who are wary about the financial costs and perhaps unnecessary complexity of having 4 or 5 SMAs.



Further technical information about GSP plans is likely needed to choose the appropriate boundary structure.



Appendix C: Comparing MOA and JPA Legal Structures for the GSA



Agreement	Overview	Benefits	Potential Drawbacks
Memorandum of Agreement <i>Contract between parties</i>	<ul style="list-style-type: none"> Governed by state contract / common law Structure, content and purpose vary from non-binding to comprehensive agreements committing parties to specific actions and funding obligations Does not generally create separate entities Generally used for less formal or complex governance arrangements 	<u>JPA/MOA that is not a new authority</u> <ul style="list-style-type: none"> Could provide less formal and simpler way for agencies to coordinate SGMA compliance Member agencies can retain some control through advisory board and budget Easier to dissolve if unsatisfactory May not require Brown Act compliance¹ Could be used to coordinate among multiple GSAs 	<u>JPA/MOA that is not a new authority</u> <ul style="list-style-type: none"> SGMA compliance could require a complex series of MOAs, so agencies would need to clearly describe how they will share new SMGA authorities without creating an entity to acts as the GSA Harder to ensure durable representation of non-public entities and stakeholders May be difficult to agree on lead agency to assume primary management role (local agencies may need to cede some control to lead agency) Legal uncertainty / potential for confusion: <i>SGMA lists an MOA as a GSA formation option. However, MOAs are not generally used to create separate legal entities and statutory language suggests that the GSA should be a clear legal entity</i>
Joint Powers Agreement <i>Legal agreement between public agencies to jointly exercise powers common to each of them to accomplish shared goals</i>	<ul style="list-style-type: none"> May or may not create a separate legal entity When a JPA does not create a separate legal entity, the JPA works as an operating agreement, or framework for parties to manage a program or project. The agreement: <ul style="list-style-type: none"> Designates one agency or person to administer the terms of the agreement Sometimes creates advisory board Designates a person to perform certain management functions 	<u>JPA, separate legal entity</u> <ul style="list-style-type: none"> Flexible means to build a new regional agency/board to fit local circumstances Member agencies can retain control through governing board and budget Can delegate voting power to non-local agency entities/stakeholders² Can allow for associate member participation without conferring voting power Can issue revenue bonds without voter approval Generally protects member agencies from a JPA's debts or other liabilities 	<u>JPA, separate legal entity</u> <ul style="list-style-type: none"> Local agency parties would cede some control to the authority Some parties may be concerned about limited voting rights on board Additional "layer" of government: <ul style="list-style-type: none"> Administration costs New government agency controlling groundwater Visibility and accountability Could be difficult to keep together due to changes in local public support, new political leaders, or financial pressures
Joint Powers Authority/Agency <u>Separate legal entity created by a JPA, authorized through the Agreement to conduct business</u>	<ul style="list-style-type: none"> Members must file Notice of Joint Powers Agreement with Secretary of State Does not require LAFCO approval Usually creates a governing board and advisory committee Designates a person to perform certain management functions Designates a treasurer (may be someone from a member agency) Must appoint auditor and arrange for an annual audit 	<u>JPA, separate legal entity</u> <ul style="list-style-type: none"> Flexible means to build a new regional agency/board to fit local circumstances Member agencies can retain control through governing board and budget Can delegate voting power to non-local agency entities/stakeholders² Can allow for associate member participation without conferring voting power Can issue revenue bonds without voter approval Generally protects member agencies from a JPA's debts or other liabilities 	<u>JPA, separate legal entity</u> <ul style="list-style-type: none"> Local agency parties would cede some control to the authority Some parties may be concerned about limited voting rights on board Additional "layer" of government: <ul style="list-style-type: none"> Administration costs New government agency controlling groundwater Visibility and accountability Could be difficult to keep together due to changes in local public support, new political leaders, or financial pressures

¹ However, Brown Act compliance is probably required if MOA creates a governing board that acts like a separate entity.

² During the August GSAG meeting, an initial conversation regarding JPA or MOA formation indicated a preference for a JPA that creates a separate legal entity. Without creating a separate legal entity, non-agency individuals and entities will be unable to be ensured a durable voting role on the GSA Board.

Appendix D: Learning from Other Subbasins: Sample GSA Structure & Decision-Making Models



GSA Name	# of Board Members	Committees	Voting and Decision-Making
Mid-Kaweah Groundwater Subbasin GSA <i>Final JPA</i>	-6 Board Members (2 from the Tulare Irrigation District, who are considered Principal Directors) -1 Alternate Director who may participate when a Principal Director is absent -Additional members are allowed to join only by unanimous vote by existing members	-Advisory Committee established for the purpose of soliciting information from the other Kaweah Agencies and stakeholders utilizing groundwater; membership is at the discretion of the Board -Management Committee established to oversee all activities undertaken in pursuit of the goals and objectives of the GSA, and is responsible for the approval of expenditures, and may establish a Technical Advisory Subcommittee for the purpose of assisting with technical aspects of GSP development and Act implementation -Management Committee is comprised of one staff person from each of the Members	-50% of the BOD plus one constitutes a quorum in order to conduct business -Simple majority of the quorum shall be required for the adoption of a resolution, ordinance, contract authorization or other action of the Board -Several actions require unanimous vote, including: adoption of budget modifications, imposition of fees, approval of a GSP and others
Santa Cruz Mid-County GSA <i>Final JPA</i>	-11 Board Members (2 members each from the two Water Districts, City and County by their respective resolutions, and 3 representatives of private well owners, nominated and then appointed by majority vote of the eight public agency Member Directors) -Each agency Member may have an Alternate to act as a substitute, and the private well owners share an Alternate Director	-The BOD may appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the objectives of the GSA -The BOD shall determine the purpose, need and necessary qualifications for individuals appointed to these committees -Each committee shall include a Director as the chair thereof -Other members of committees may be constituted by such individuals approved by the BOD, and no committee shall have any authority to act on behalf of the GSA	-A quorum consists of a majority of Directors, plus one Director -Each Director is allotted 1 vote -Affirmative decisions require a simple majority -Unanimous votes are required for capital expenditure of \$100,000+, annual budget, GSP adoption and amendment, levying of assessments or fees, issuance of indebtedness, and any stipulation to resolve litigation concerning groundwater rights
North Kings GSA <i>DRAFT JPA</i>	-7 Board Members, each with an Alternate -1 of the seats is a rotating seat shared by 3 water districts -1 seat is an at-large seat, appointed by a vote of the other BOD Members	-The BOD may establish standing committees and ad hoc committees as it deems necessary, and the BOD shall establish membership of those committees	-Unanimous vote required for adoption or amendments to the GSP, fee assessments, and amendments to the JPA -Five affirmative votes required for other actions including incurring debts and liabilities, adoption or revisions to policies of the Authority, GSA enforcement, budget allocation and member removal from the GSA
Eastern San Joaquin GSA	- Process is still in the works, but as of August 2016, board has 23	<i>Their JPA does not mention advisory committees</i>	-1 vote per member, and voting is not weighted based on the member's size or groundwater extraction

<p><i>Final JPA</i></p> <p>(See also: Policy Narrative Brief)</p>	<p>member agencies consisting of cities, county, and water districts</p> <p>- Note this JPA was developed by an attorney committee, not the staff representative group</p>		<p>-Majority will constitute a quorum, and business is conducted with a majority vote</p> <p>-Supermajority vote will be required for certain actions, including budget approval, levying taxes, expenditure of funds, establishment of members' percentage obligations for payment, and GSP approval</p>
<p>Indian Wells Valley GSA</p> <p><i>DRAFT JPA</i></p> <p>*Meetings are public</p>	<p>-5 General Members (1 vote each)</p> <p>-2 Associate Members (Non-voting)</p>	<p>-Advisory Committee established to provide recommendations on various activities of the Authority</p> <p>-Advisory Committee formed to ensure the meaningful participation of gw users in the basin in the development of the GSP</p>	<p>-General Members each have one voting Director seat on the Board</p> <p>-Board business requires a majority vote of the Directors and the concurrence of no less than two of the Directors from three local areas</p> <p>-Adoption of GSP will require super majority vote</p>

Notes on how others are addressing Special Management Areas:

- Of the above GSAs, only Eastern San Joaquin included information about Special Management Areas: "Management Area shall mean the area within the boundaries of a Member or group of Members to be managed by that Member or group of Members under any GSP adopted by the Authority"
 - Powers Reserved to Members: Approve the portion, section or chapter of the GSP adopted by the Authority as applicable within the Member's boundaries or the Management Area managed in whole or in part by such Member or GSA of which it is a part;
 - Special Projects: Fewer than all of the Members may enter into a special project agreement to achieve any of the purposes of activities authorized by this JPA, and to share in the expenses of such special project, for example, to share in funding infrastructure improvements within the boundaries of only those Members and their Management Areas.

Notes on how others are addressing funding:

- Santa Cruz includes a section on Agency Funding and Contributions which states the Board will maintain a funding account, and may also issue assessments for contributions by the Members in the amount and frequency determined necessary by the Board.
- North Kings GSA estimates initial costs to be between \$100,000-\$200,000 over a three year period and will fund the development of the GSP and the initial start-up costs of the JPA. There will be a financial cost commitment to be a member with voting rights on the JPA.
- Eastern San Joaquin states upon execution of this Agreement, each Member shall contribute \$5,000 as an initial contribution.

Notes on how others are addressing the question of agencies withdrawing from the Authority:

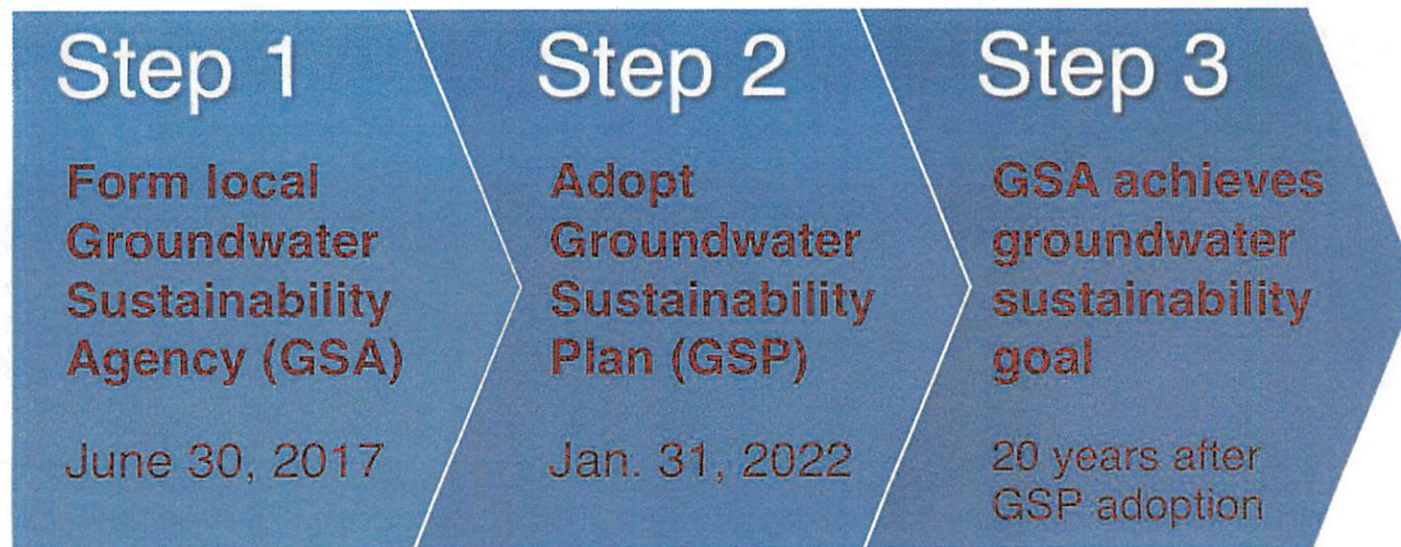
- Mid-Kaweah: "Should a Member choose to withdraw from the Authority in accordance with the terms of this Agreement, that Member expressly retains the right to serve as the GSA for the groundwater basin underlying its jurisdictional boundaries." This same JPA also states that member agencies are responsible within their own jurisdictions for the implementation of the GSP.
- North Kings: "Any member may withdraw from the GSA by giving sixty (60) days written notice of its election to do so. Withdrawing cannot impair any standing contracts, resolutions, or other obligations of the GSA currently in effect. If there is a disagreement about whether withdrawal with cause impairment, the BOD takes a majority vote."..."Should a member choose to withdraw from the GSA, that member expressly retains the right to serve as the GSA for the portion of the groundwater basin underlying its jurisdictional boundaries to the extent permitted by SGMA." Members remain responsible for their portion of adopted fiscal year budget.
- Indian Wells: Similar to North Kings, this JPA requires a 45 day written notice period and fulfillment of financial obligations. It does not include information about withdrawing members' impact on GSA operations, or about members' ability to maintain their authority over their jurisdiction or creation of a separate GSA.



Solano Subbasin GSA Staff Advisory Group Recommendations

For October 13th meeting of the SCWA Board of Directors

Key SGMA requirements Review



1. SGMA requires local agencies to form a **Groundwater Sustainability Agency (GSA)** by June 30, 2017.
2. GSAs are tasked with developing and implementing a **Groundwater Sustainability Plan (GSP)** by January 31, 2022, for basins that are not critically overdrafted basins, to guide the sustainable management of its groundwater basin.
3. SGMA requires that those basins **achieve sustainability** 20 years after plan adoption and prevent undesirable results.

What does a GSA do?

Coordination: Regardless of the governance model that is chosen, the GSA will need to coordinate with other agencies in its basin and its neighboring basins.

Public outreach & stakeholder engagement: GSA is required to maintain a list of interested stakeholders, and engage them during GSP development/implementation.

GSP development: Priority basins required to develop/implement GSP(s). If multiple GSPs are developed for same basin, a coordination agreement will be required.

Monitoring & reporting: Additional monitoring of gw levels, water quality, or subsidence will likely be needed to track progress toward meeting GSP sustainability objectives.

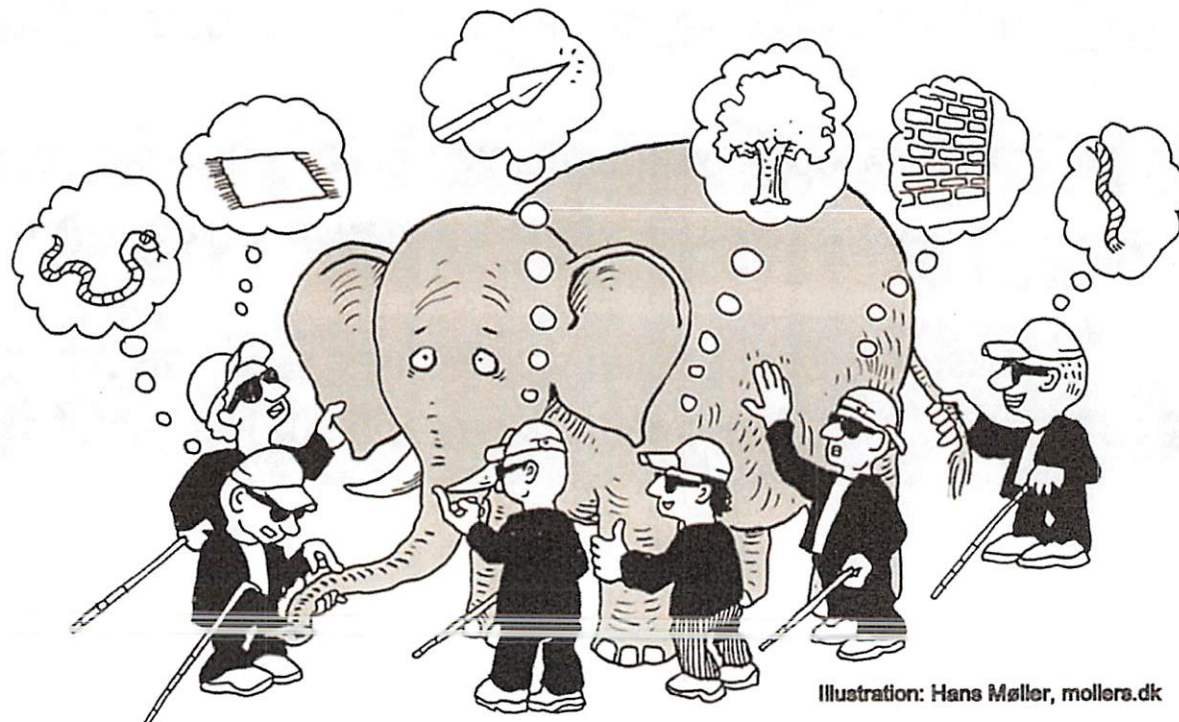
GSP implementation: The GSP will be actionable through new authorities and tools intended to achieve groundwater sustainability in a basin within the SGMA timeline.

Enforcement: A GSA will need to enforce the provisions adopted in its GSP, which may include payment of fees, reporting on gw use, or restrictions on gw pumping.

GSA Advisory Group Charge:

Make a recommendation for a GSA structure that can operate in good faith and sustainably manage the subbasin.

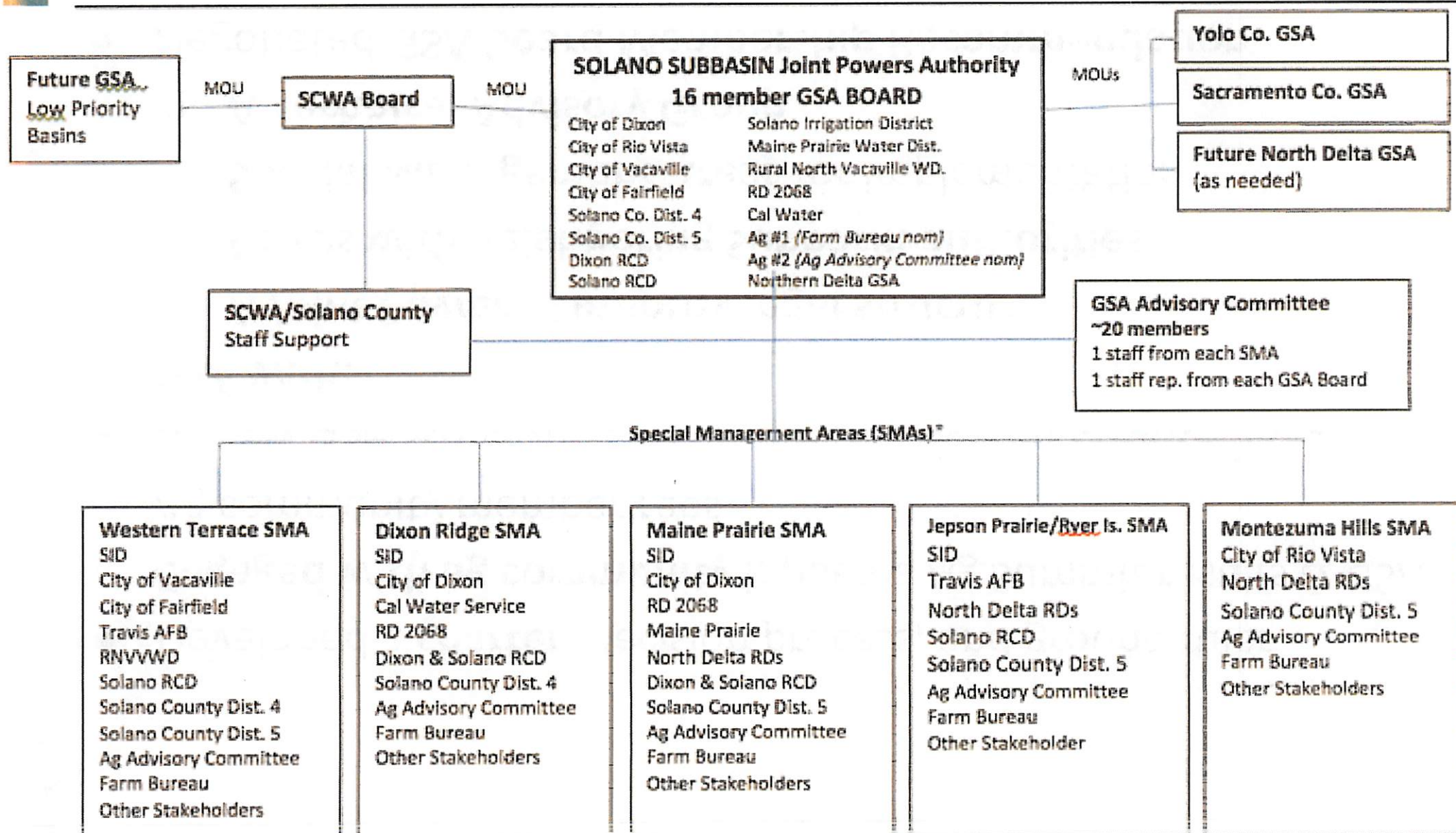
We worked to recommend a board structure and principles that ensures *fair process* for all parties.



GSA Advisory Group Work To Date

- Developed a **charter**, decision process, and ground rules
- **Engaged with ag community** input via Ag Summit results & GSA Ag community member reps
- Review GSA structures, **recommend 1 Solano County-based GSA with:**
 - **A Joint Powers Authority legal structure**
 - **MOUs with neighboring Subbasin authorities**
 - **Special Management Areas for implementation**
 - **A Technical Advisory Group**
- Negotiated **GSA Board Membership Recommendation**
- Negotiated **Draft GSA Principles Recommendations**

Recommended Solano Subbasin GSA Structure



GSA-eligible Agencies in the Solano Subbasin

Counties	Cities	Water Agencies	Other Agencies
Sacramento Co.	City of Dixon	California Water Service	Reclamation District 2068
Solano Co.	City of Fairfield	Maine Prairie Water District	Another 25 Reclamation Districts, mostly on the Sacramento Co. side of the subbasin. Dixon Resource Conservation District Solano Resource Conservation District
Yolo Co.	City of Rio Vista	North Delta Water Agency	
	City of Vacaville	Rural North Vacaville Water District	
		Solano Irrigation District	
		Solano County Water Agency	
		Sacramento County Water Agency	
		Yolo Co. Flood Control And Water Conservation District	

Recommended GSA Structure

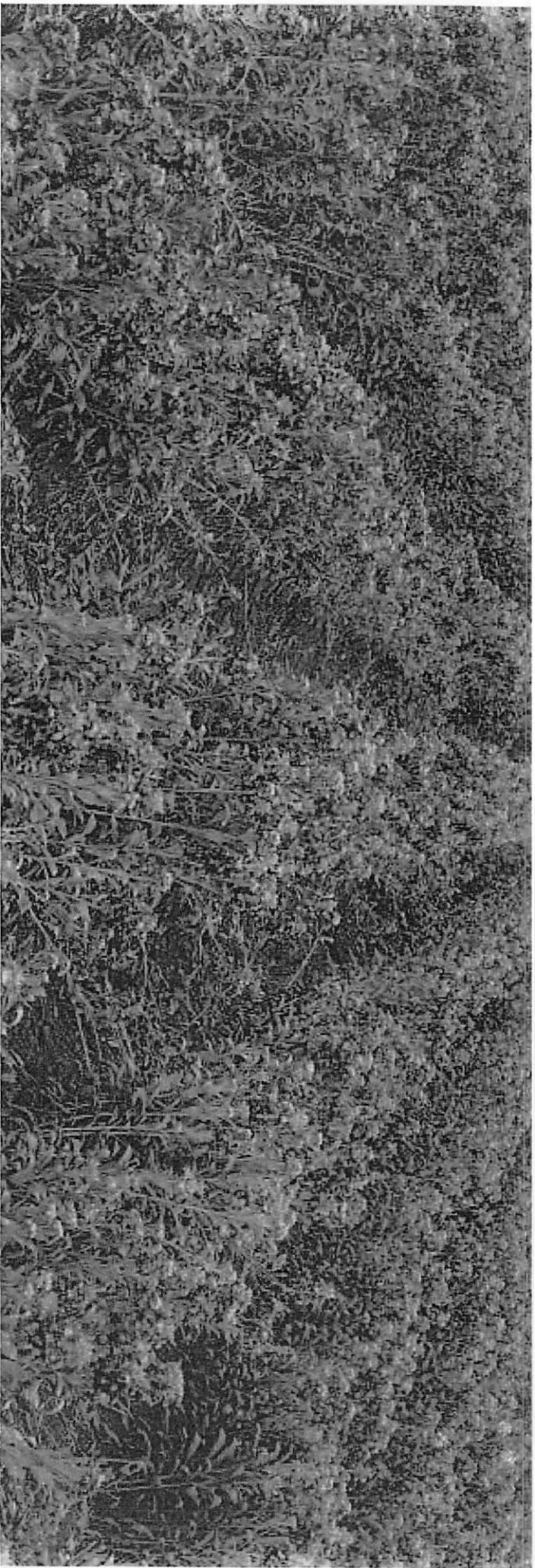
Estimated Agency Membership
Cost/year for start up year(s):
\$8,000-10,000

Counties	Cities	Water Agencies	Other Agencies
Sacramento Co.	City of Dixon	California Water Service	Reclamation District 2068
Solano Co.(x2)	City of Fairfield	Maine Prairie Water District	Northern Delta GSA (Represents Delta RDs)
Yolo Co.	City of Rio Vista	North Delta Water Agency	
	City of Vacaville	Rural North Vacaville Water District	Dixon Resource Conservation District
2 Ag Seats Nominated by: <ul style="list-style-type: none"> - Ag Advisory Committee - Solano County Farm Bureau <i>(farmers/gw users in Subbasin)</i>		Solano Irrigation District	Solano Resource Conservation District
		<i>Solano County Water Agency*</i>	
		Sacramento County Water Agency	*non-voting, administrative role
		Yolo Co. Flood Control And Water Conservation District	

Principles Themes

1. Water use and rights protection
2. Protect property owners' access w/in sustainable yield
3. Collaboration
4. Shared technical knowledge
5. Fact-based decision-making
6. Aim for minimal required response
7. Manage close to use (use SMAs)
8. Coordination with other laws / water mgmt efforts
9. Fair cost sharing
10. Maximizing recharge
11. Minimize adverse economic impacts
12. (separate recharge proportion note? TBD..)

Next Steps/Timeline (will refine next week w SCWA input)



THANK YOU!



Phase 1: GSA Formation and Coordination

Options for GSA Formation and GSP Development

One GSA, One GSP

A



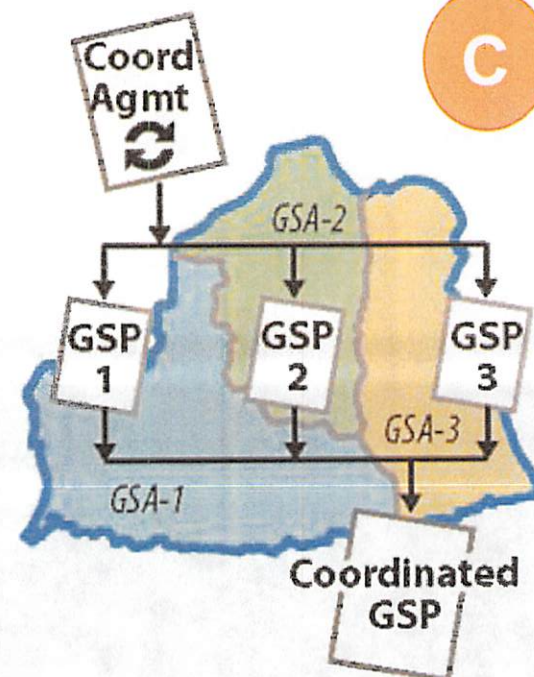
Multiple GSAs, One GSP with optional Coordination Agreement

B



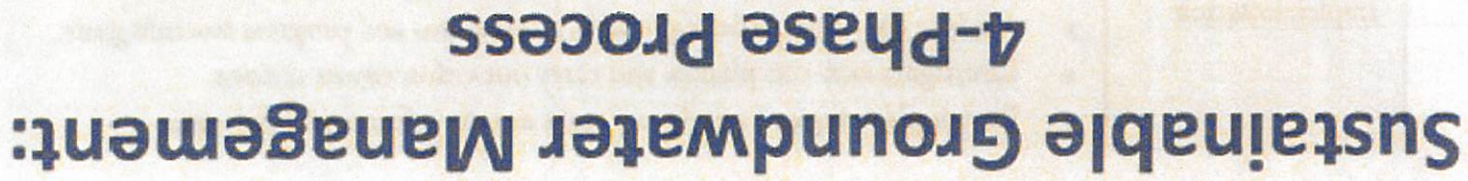
Multiple GSAs, Multiple GSPs with required Coordination Agreement

C



- Coordination agreement is optional, *but* recommended
- Identification of a *Coordinating Agency* is required

- A single coordination agreement that covers the entire basin is required
- Identification of a *Coordinating Agency* is required



GSA Responsibilities over phases of SGMA

(p. 19, UCB report)

Phase	Examples of necessary GSA functions and capacities
Phase 1: GSA formation	<ul style="list-style-type: none"> Consider GSA functions and capacities as described in this report (Table 1). Secure funding for Phase 1 and explore funding options for the following phases. Engage stakeholders—including education, outreach, facilitation, and negotiation—to ensure broad participation and enhance understanding of diverse interests and basin needs. Develop a process for local dispute resolution. Enter into intra- and/or inter-basin coordination agreements as needed.
Phase 2: GSP development	<ul style="list-style-type: none"> Secure funding for Phase 2 and explore funding options for Phase 3. Expand and continue stakeholder engagement. Characterize basin history and baseline basin conditions. Develop groundwater model and evaluate planning scenarios. Evaluate alternative governance and management approaches. Identify sustainability goals and thresholds, methods to monitor progress toward those goals, and steps for implementing them. Enter into intra- and/or inter-basin coordination agreements as needed.
Phase 3: GSP implementation	<ul style="list-style-type: none"> Secure ongoing funding (generate revenue, finance debt, etc.). Expand and continue stakeholder engagement. Develop specific policies, guidance, requirements and regulations that are both actionable and enforceable⁷² to operationalize the GSP. Monitor basin conditions and stakeholder compliance. Analyze data and modeling results, assess status and progress towards goals. Investigate non-compliance and carry out enforcement actions. Revisit planning and regulatory tasks as new information indicates.

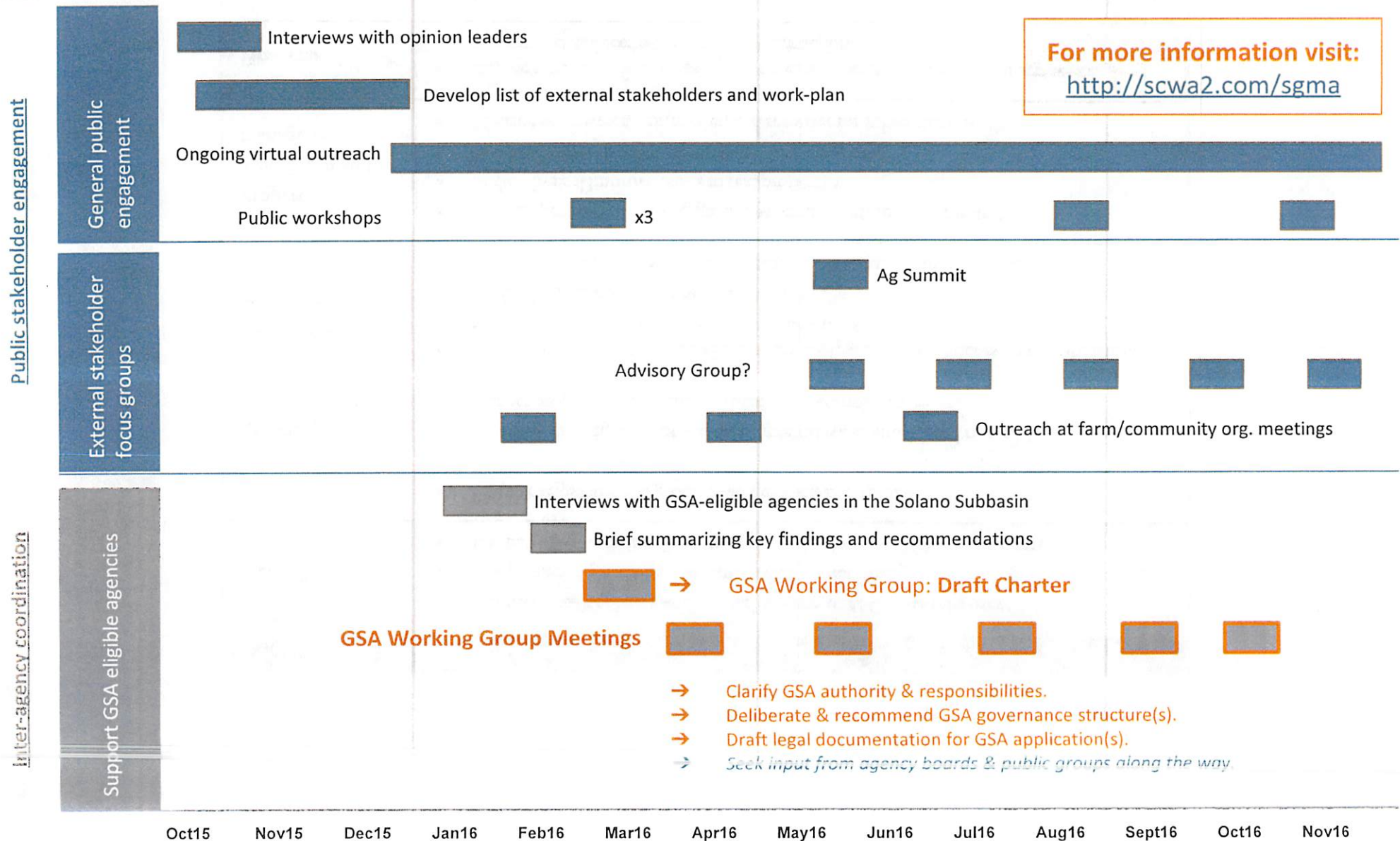
GSA Authorities Can Include... (p. 29, UCB report)

Authority	A GSA can ...
General	<ul style="list-style-type: none"> Do anything "necessary and proper" to carry out SGMA's purposes.¹⁵⁶ Adopt rules, regulations, ordinances, and resolutions.¹⁵⁷ Use any other authority it has to apply and enforce SGMA requirements.¹⁵⁸
Information gathering	<ul style="list-style-type: none"> Require registration of groundwater extraction facilities.¹⁵⁹ Require measurement and annual reporting of groundwater extractions.¹⁶⁰ Conduct investigations of surface or ground water and related rights.¹⁶¹ Inspect property and facilities to determine compliance.¹⁶²
Regulating groundwater extraction	<ul style="list-style-type: none"> Minimize well interference by imposing well-spacing requirements on new wells and reasonable operating regulations on existing wells.¹⁶³ Establish groundwater extraction allocations.¹⁶⁴ Authorize within-GSA transfers of groundwater extraction allocations.¹⁶⁵
Property acquisition and management	<ul style="list-style-type: none"> Acquire property, including groundwater and surface water rights.¹⁶⁶ Make physical improvements to real property.¹⁶⁷ Acquire, conserve, store, transfer, or exchange water.¹⁶⁸ Manage wastewater, stormwater, and seawater for subsequent use.¹⁶⁹
Financial	<ul style="list-style-type: none"> Impose regulatory fees on groundwater extraction or other regulated activity or property-related fees on groundwater extraction.¹⁷⁰
Enforcement	<ul style="list-style-type: none"> Sue to collect delinquent fees, interest, or penalties or order extraction stopped until delinquent fees are paid.¹⁷¹ Pursue civil penalties for extraction exceedences.¹⁷² Pursue civil penalties for violations of SGMA-related rules, regulations, ordinances, or resolutions.¹⁷³

Timeline for Groundwater Sustainability Agency (GSA) formation in the Solano Subbasin

The first step in implementing the Sustainable Groundwater Management Act (SGMA) is to develop GSAs. The formation of one or more GSAs in the Solano Subbasin that have widespread support of the eligible agencies, groundwater users, and others requires two interrelated processes:

1. **Inter-agency coordination:** The convening of GSA-eligible agencies to identify and implement an appropriate governance approach for the GSA.
2. **Public stakeholder engagement:** Ensuring the concerns and interests of groundwater users and other stakeholders are included in the GSA formation process.



STEPS FOR GSA NOTIFICATION:

Step 1: **Public notification** that a local agency is either (1) deciding to become a GSA or (2) deciding to form a GSA together with other local agencies. Water Code §10723(b) requires that a local agency or group of local agencies hold a public hearing(s) in the county or counties overlying the groundwater basin.

Step 2: **Consideration of Interests of Beneficial Uses and Users of Groundwater** Water Code §10723.2 requires GSAs to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing GSPs. An explanation of how those interests will be considered by a GSA when developing and implementing a GSP is required as part of the GSA formation notification requirements.

Step 3: **Submittal of GSA Formation Information** to DWR for Completeness Review by A local agency or group of local agencies within 30 days of step 1. The notification shall include,, as applicable:

- ❑ (1) **The service area boundaries**, the boundaries of the basin or portion of the basin the agency intends to manage pursuant to this part, and the other agencies managing or proposing to manage groundwater within the basin.
- ❑ (2) A copy of the **resolution** forming the new agency.
- ❑ (3) A copy of **any new bylaws, ordinances, or new authorities** adopted by the local agency.
- ❑ (4) **A list of interested parties** developed pursuant to Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the GSA and the development and implementation of the agency's sustainability plan.

http://water.ca.gov/groundwater/sgm/pdfs/GSA_Notification_Requirements_v2_2016-01-06.pdf

Mucking through the “Groan Zone”



Groundrules for these meetings

Be Present

- Give each other the gift of our time (cell phones off).

Listen Openly

- Practice patience, attention, and respect for different views.

Speak Courteously

- Share your views candidly, define key terms, and share the floor generously.

Suspend Certainty

- Be curious about new information, approaches, and opinions.

Represent your Agency/Constituency Interests

- As representatives of a larger stakeholder group, members agree to:
 - a) consider these group interests over individual interests at all points in the deliberation process and
 - b) act as liaisons with these groups and their Elected Bodies to share updates on and solicit input into GSAG deliberations and recommendations.

Decision-making structure:

- Consensus here means that all group members either fully support or can live with the decision or overall recommendations and believe that their agencies and organizations can as well. (i.e. 1-5 below)
- With a veto, members will decide next step case-by-case.

1	2	3	4	5		6
Fully endorse!	Endorsement with minor issues	Conditional agreement	Stand Aside / Abstain / Neutral	Disagreement		Reject
I strongly support the proposal.	I generally like it. Proceed with my support.	I can support if some steps are taken now or in the future.	I neither support nor reject the proposal – Proceed.	I don't agree with the proposal in its current form but will not reject it outright.		I cannot support the proposal at all.

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: October 13, 2016

SUBJECT: Contract Amendment for Facilitation Services for SGMA Implementation

RECOMMENDATION:

Authorize General Manager to execute Amendment No. 1 with Ag Innovations, for additional facilitation services, increasing total contract amount by \$25,000, from \$81,140 to \$106,140.

FINANCIAL IMPACT:

Funding is available in the FY 2016-2017 Administration budget for these expenses.

BACKGROUND:

The Water Agency has retained Ag Innovations to provide facilitation services, support, information dissemination, and stakeholder outreach as the local agencies move forward in complying with the Sustainable Groundwater Management Act (SGMA) of 2014. Coordination amongst all of the various agencies and stakeholders towards SGMA compliance has taken more outreach and meetings than originally anticipated and thus the need for a contract amendment. SGMA compliance is very important for all stakeholders in the Solano Subbasin and staff recommend authorizing this amendment to continue moving towards compliance.

Recommended: 

Rolanda Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on October 13, 2016 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY

AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

AMENDMENT NUMBER: 1

CONTRACTOR: Ag Innovations

EFFECTIVE DATE: October 13, 2016

PROJECT: Facilitation Services for SGMA Implementation

DESCRIPTION OF AMENDMENT:

1. Increase contract amount by \$25,000, from \$81,140 to \$106,100.

SIGNATURES:

Solano County Water Agency,
a Public Agency

Joseph McIntyre

By: _____
Roland Sanford
General Manager

By: _____
Joseph McIntyre,
President