

North Tulare County Regional Water Alliance Working Group Meeting Notes

Cutler-Orosi School District Conference Office

12623 Avenue 416 Orosi, CA 93647

Saturday, February 13, 2016

9:00 - 4:00 PM

Welcome and Updates about Upcoming Tasks:

Community Project Updates:

- Monson-Sultana collaboration: Community meeting for LEFA - 27th of January. The well should be done in March and the system should be up and running this summer. They would like to sign an extraterritorial water agreement for Sultana to run the system and then they will likely join into Sultana eventually.
- Math error on pipeline length to Sultana/Monson's portion of the program which brings down their capital costs significantly.
- Seville/Yettem: County still reviewing environmental guidelines to run the pipeline between the two communities—they own the land for the well. Once that gets worked out, they will move forward with planning and construction—construction needs to happen at a certain time of year. It would be strategic for the two communities to explore governance and maybe join forces into one governing system.
- East Orosi: No new updates

Drinking Water Steering Committee Update

- The committee is taking the lead on securing funding for the next steps specifically on items 2-7 of the working table titled "North Tulare County Regional Surface Water Treatment Plant Supplemental Items Schedule" as identified by Chris Kapheim and Jim Wegley.
- Since getting these steps completed would benefit the regional project, the committee proposed getting a letter from the NTCWA group to the Governor's office in support for funding the supplemental contract items will be valuable
- The group ask RCAC to draft a letter and it will be approved at the March meeting once the group has time to weigh all of this information.

Approval of meeting notes from: January 9, 2016 meeting

Public Input

- No public comments were made

Leadership

Governance: those in attendance participated in evaluating the pros and cons of the possible governance structures as well as to answer the question, "would this option work for us" and to voice any concerns. Then participants voted for their top 2 choices.

The working group members reviewed the approved list of governance structures per the contract with the state except for the MOU option #9 below since this option is not favorable to seek funding:

1. Full consolidation into an Existing Entity with the appropriate governing authorities.
2. Partial Consolidation into an Existing Entity
3. Full Consolidation into a New Entity
4. Partial Consolidation into a New Entity
5. Joint Powers Agreement and Joint Power Agreement Agency or Authority
6. Joint Powers Agreement for a subsection, with a coordinating agreement with non-consolidating PWSs (in the group review this we called a combination)
7. Water Authority (this we called creating new legislation – part of #8 below)
8. Some combination of the above –
9. MOU will be included as a non-viable option to provide information to the communities. (Not evaluated because it is not a viable option to acquire funding.)
10. Other viable entity/structures that are identified during the LEFA project (this was discussed in the combination as in #8 above – we looked at Purchase Agreements)

These are the results from the groups' discussion and presentations:

1. Full consolidation into an existing entity

Pros:

- Economies of scale, capital and operating costs
- Able to access larger grants and capital funds
- Greater reliability and sustainability

Cons:

- Each community loses their autonomy/voice
- Unsure that each community would be represented/board may need restructure including districting
- Assets and debts would be consolidated
- Smaller communities cannot access funds directly
- Larger communities might need to support smaller ones

Concerns:

- What happens to current budgets like rainy day funds etc. for existing entity?
- Is there a way to amend it if things do not work?
- How to amend bylaws so that each community is represented in the new entity
- How would we chose which existing entity to consolidate into?

2. Partial Consolidation into existing entity

Pros:

- Process would be faster because the entity already exists
- Creates a JPA/agreement with all the entities

Cons:

- Takes time to negotiate
- Who would be the existing entity in charge?

Concerns:

- Don't think that it is realistic - choosing one of the existing entities how?
- Going to the community for a vote would take time for education, information, convincing

3. Full consolidation into new entity (similar to Cutler-Orosi unified school district)

Pros:

- Cost savings – consolidation eliminates duplication
- Representation - will have all represented
- One entity to go to for questions, concerns, assistance,

Cons:

- Takes a long time to get here
- Communities not ready for this but someday someone might ask for this and it might happen
- A big operation to manage

Concerns:

- Proportional representation? How would the board would be split up between communities
- Requires thinking outside the box, futuristic, a vision for the future to be gradually implemented perhaps by future generations

4. Partial into new entity

Pros:

- Efficiency and more fluidity to make changes and decisions
- Home board get to keep their independent operations but collaborate in the regionalization of a the project

Cons:

- No guarantee all communities would be represented because voting for board members would be from the larger pool of those served, not by individual community regardless of size of customers.

Concerns:

- Would there be a seat for Alta ID?
- Need lawyers for protection and review before moving forward
- Prop 218 – rate structures by community, or single prop 218 process for larger pool

5.6. Joint Powers Agreements

Pros:

- We know this model does work and can work here
- Surface water treatment plant is the central focus of the board—to benefit the whole, not their own communities
- Ability for each community to remain autonomous
- Assure protections of home boards
- The Joint Powers Authority becomes liable and shields the home boards

Cons:

- Small community voice limited?
- Must be a public agency to be a member

Concerns:

- How much power does this authority have? The group gets to decide
- Proportional representation

7. Special legislation to create a Water Authority or similar new type of entity (other than PUD, CSD, JPA)

Pros:

- Could have proportional representation
- Could be customized, but JPA can too

Cons:

- Passing legislation is expensive
- Could lose some independence depending on how it is written
- May be unnecessary for the SWTP project

Concerns:

- May not be needed – new government
- Cannot do area wide JPA—can only do 218 for their direct billing customers along the pipelines.

8. Some combination of the options (some consolidation, some JPAs)

Pros:

- Less complicated if the seven entities go down to 3, 4 or 5
- Home boards appoint members – representation by proxy
- More manageable, board plus sustainable systems

- Alta could have a seat

Cons:

- Delayed decision making, which type of JPA
- Difficult to amend a JPA?
- How much power will this allow Alta to have?

Concerns:

- Various options for ownership, could contract Alta to operate plant, contracted to run entity?
- New entity to own and operate, how would that be set operationally
- Allows to take a plan with different flavors – limited only by creativity

10. Purchase water agreement

Pros:

- Secure water supply
- Individual communities free of liability including debt and water regulations and to have to hire staff.
- Community autonomy to pay for what they use
- Secure water supply for the term of the contract

Cons:

- No economies of scale
- No local control or oversight of costs
- Each community negotiates independently not from a position of power
- Obligates communities to purchase set quantity of water
- No ownership, board administration, representation etc.
- Changes only made with new contract (often long term like every 20 years)

Concerns:

- Long term price of water and renegotiation
- Communities (customers and boards) should have some power and representation.

Top votes:

21- JPA agreements and authority

11- Combination including JPA

JPA functions and powers.

Brainstormed and updated the list of abilities, responsibilities, functions, and powers the JPA will or may have:

- Purchase land/property
- Sign inter agency contracts
- Secure funds*
- Evaluate and determine number of communities participating (in the future if others want to participate)
- Set Vision/Mission
- Decision making for infrastructure,
- Responsibility for state and federal regulatory compliance
- Board structure and representation
- Budgets and rates
- Staffing/Consultants/Contractors/Professional services
- Ownership of assets and liabilities
- Legal liability
- Insurance for operations, directors and officers
- Management and administration
- Asset Management
- Building/Construction – acquire, grow, plan for the future
- Own, Manage, Operate, Build,
- Update and modify roles and responsibilities of the JPA
- Authority to do studies, planning
- Power to be lead agency for environmental (CEQA)
- Billing – direct billing to individual customers outside of existing service areas and have the ability to take on systems/entities that vote to dissolve and consolidate into the JPA
 - Provide service to unserved areas. Connection of people outside of existing service areas (include property owners adjacent to line—cost on the consumer).
 - Is there enough water for them?
 - Allow 2nd level entity to dissolve and consolidate into the 3rd level JPA Authority
 - Prop 218 for direct customers

*Important Note:

Prop 1 and SRF requires that the entity applying for funds has to be able to:

- construct
- operate a public water system
- assess fees for water supply

Drinking Water Source and Infrastructure

NIMS presentation (Attached the PowerPoint presentation by Ryan Jensen from the CWC)

A presentation about the Nitrates Implementation Measures Study (NIMS): Alta Irrigation District Pilot Study

There are two reasons that we think it's important for the stakeholder group to be aware of this study. First, in the future there may be funding mechanisms to help pay for both capital and O&M costs through fees paid by nitrate emitters. Secondly, the draft study was released about a week ago, and a preliminary analysis of the numbers suggests that the cost of GW treatment could be competitive with, or possibly even cheaper than, surface water treatment.

NIMs presentation Questions from the group:

Q: What happens to nitrates filtered out of contaminated water?

A: New technology—ion exchange—brine has been reduced from 3% from .02%--they could put this in an evaporation pond and then ship off solids.

Q: What does nitrate do to your health?

A: Blood cannot properly carry oxygen—babies, elderly, pregnant women and young kids—blue baby syndrome and long term exposure can cause cancer

Q: This is all dependent on the quantity of groundwater, right?

A: Yes, SGMA and drought will have impacts.

Q: Waterias—are they serving better water than tap water?

A: I do not think that they are regulated so we cannot assume that water mill water is better than tap water—only by CDPH for bacteria etc.

Q: What about fluoride?

A: Controversial—support on either side for adding it to drinking water—many system do

Q: Would this groundwater infrastructure couple with the surface water plant?

A: It would not be part of the plant put might pipe water into some of their existing pipelines

Q: What's timeline for this?

A: This will probably take even longer than the surface water treatment plant especially because they will need to establish fee for those putting the nitrates into the groundwater.

Conclusion:

Would people want to have the engineers come and learn more?

Yes, but maybe not until April

Communications

Website Review:

Include link to the website on the notes

(<http://www.rcac.org/environmental/regionalization/ntc-water-alliance/>)

Community Outreach Efforts: Scheduling

Community Outreach:

Group support Ryan and Sarah developing one page English Spanish poster with program summary

Timeline:

Nov 2016: Formation

Aug 2016: Complete Polling

June 2016: All stakeholders summit

March-May 2016: Community meetings, newsletter

Prioritize communities that are not well represented in working group to hold meetings with first

- March and April 2016: E. Orosi (mid-March), Yettem and Seville (early April at board meeting)
- April and May: Monson/Sultana (end of April)
- Ryan will work with Cutler and Orosi at their regular board meetings to come up with a plan—meetings likely in May

Other:

- For door to door efforts need to include a community resident
- Who are we polling and how—discuss at the March 5th meetings
- Who is an eligible polling and prop 218 respondent—owner, resident, registered voter?
- Try and get this in the Dinuba sentinel—Kevin is contact (or the advertiser)—calendar and poster
- Board put it as a standing agenda item and try to encourage community members to come to board meetings

Action Items, Assignments & Working Groups

- Group edited and approved letter to send to Alta and Tulare County – RCAC will email
- Group would like RCAC to draft a letter to the governor’s office to support the Drinking Water Steering Committee trying to move forward with funding requests to complete pre design tasks
- RCAC to continue to update to the website
- Each group needs to research what powers do the current CSDs, PUDs and county zone of benefits have (RCAC to ask county)?
- 2 volunteers to call in to steering committee meeting (Mr. Prado and Fernie planned to attend)
- We provided a copy of a document prepared by the Community Water Center which outlines the powers and responsibilities of several governance entities in California titled, CALIFORNIA WATER AGENCY COMPARATIVE CHART (see attached) – please read ahead of the meeting
- RCAC to send a DRAFT JPA prior to the meeting to help come prepared for the meeting.
- Next meeting agenda begin to shape the JPA

Next Sessions:

March 5th

April 2nd

April 30th

May 21st

List of Participants in this session:

1. Alex Marroquín, Orosi PUD
2. Argelia Flores, Seville
3. Anthony Rubalcaba, Orosi PUD
4. Chad Widman, Orosi
5. Charlie Davidian, Yettem
6. David Gonzales, East Orosi
7. Fernie Rubalcaba, Cutler PUD
8. Javier Hernandez, Cutler PUD
9. Jesús Quevedo, Cutler
10. Johnny Sandoval, Orosi PUD
11. Kari Quintana, Sultana
12. Katie Icho, East Orosi
13. Leonard R Encinas, Cutler
14. Mara Ventura-Serrano, Sultana
15. Maria Magaña, Seville
16. Michael Prado Sr., Sultana CSD
17. Robert Rodriguez, Cutler PUD
18. Ronnie Castillo, Orosi PUD
19. Rubén Becerra, Seville
20. Servando Quintanilla, Monson/Cutler

From Agencies:

Denise England, Tulare County
Lorri Silva, State Water Resources Control Board (SWRCB)
Paul Boyer, Self Help Enterprises

Facilitators:

Blanca Surgeon, RCAC
Sarah Buck, RCAC
David Okita, Community Water Center
Ryan Jensen, Community Water Center

Attachments:

- North Tulare County Regional Surface Water Treatment Plant Supplemental Items Schedule
- NIMS presentation
- Letter to send to Alta and Tulare County
- CALIFORNIA WATER AGENCY COMPARATIVE CHART
- JPA Draft #1