

North Tulare County Regional Water Alliance Working Group Meeting Notes

Cutler-Orosi School District Conference Office

12623 Avenue 416 Orosi, CA 93647

Saturday, March 5, 2016

8:30 - 1:00 PM

Welcome and Updates:

Letter to the Governor edited and approved

Approval of meeting notes from: February 13, 2016 meeting notes approved with some changes.

Public Input: No public comments were made

Leadership: Governance

Background:

At the meeting on February 13 a majority of the Working Group (WG) members voted to form a JPA agreement forming a JPA Agency to own, operate and manage the surface water treatment plant facilities to be constructed for the benefit of the communities in the region.

At this same meeting the Working Group members outlined all the JPA functions and powers. They brainstormed and updated the list of abilities, responsibilities, functions, and powers the JPA will or may have.

Based on these WG members' decisions, RCAC drafted a JPA and brought it for the group for review, edit, provide input and to express concerns and questions.

At the March 5, 2016 meeting we divided into 4 groups and each group took sections to review, edit, modify discuss and offer edits. These are edits that came out of each group. Also see attached revised Draft JPA

Section 1:

- 1.25: MOU vs. MOA—what is the difference, which do we want to use and make sure whichever we decide is consistent throughout the document
- 1.28: What about Monson? NOTE - It has been included under Sultana
- SWTP naming convention needs to be defined up front and kept the same throughout the document—it has many names right now throughout. NOTE – we added to the JPA a description as this, 1.38. “Study” means the Northern Tulare County Regional Surface Water Treatment Plan (SWTP)
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Section 2:

- 2.4: Do not put yellow highlighted details here—add: “as defined in section 6”
- 2.5: Concern of what powers agency has versus parties and what exactly this section means
- 2.8: 400ft? Chad explained why this number was used—they may want to add something about board discretion but not set a precedent.
 - Discussion of who would be the water provider to these direct connections—who would collect payment and bill and be responsible? The JPA? The individual systems which these could be assigned to? A third party like Alta? Whomever it is needs to have the correct licensing to provide drinking water. Alta stated that they are interested.

Section 3:

- 3.1. Change Law to Laws. NOTE - done
- 3.2. “NTC Water Agency” is just a placeholder, and does not match the name elsewhere in the document. NOTE – changed to “NTC Regional Water Agency” to be consistent
- 3.3. Change either to “any” in reference to parties, reflects more than just two parties
- -A discussion was held about whether the JPA should provide allowances for independent projects between sub-sets of parties to the JPA.
- Question: Is the JPA solely for the purpose of the SWTP, or is it larger than that?
 - Pros: allows maximum flexibility and adaptability for future projects, may also allow a way for all communities to join into JPA from start without obligating them to decide if they are in/out of SWTP before they have all the information
 - Cons: Complicates JPA language, joining into JPA has costs associated regardless of any project, legal counsel may take issue with liabilities

Section 4:

- 4.1 Monson, Yettem, Seville or the County (representing the 3 communities) are not listed as members of the JPA
 - How will the county assign the representative? Would it be someone from the Board of Supervisors or a community member?
 - Does Alta needs to be a member
- Regarding the voting:
 - There is a need to add that some of the approval of items need a "super majority" vote...
 - Could the County take the position of the Treasurer and handle the accounting for the JPA
- 4.13 They think they don't need a General Manager

Section 5:

- 5.2: We need a mechanism of feedback to and from the home boards—maybe similar to current wastewater JPA where there are thresholds in which the JPA must go back but otherwise can function independently. Need checks and balances but do not need to micromanage.
- 5.2.9 This section on gifts makes some people nervous but as long as they legal paperwork is filed when gifts are received the JPA should be in the clear so there are no issues with liability and return services.

- 5.2.15 There is so much reference, similar to this, throughout to certain legal codes and statutes—working group members would like to have these identified and explained to them so they know what they are signing onto.
- 5.4: What about selling water to systems outside of the service area because of drought or other reasons?
 - Does the JPA need to grant permission to use their surface water—must think on allocation?
 - What about if a system wants to use its back up well/remaining ground water?
- 5.5: There should be a section in here with the power to amend the JPA with approval of all parties (home boards/community reps) and the JPA board—need to decide on if a majority, super majority etc. is needed.
- Need a specific power called out to enter into water supply contracts (incoming and outgoing)

Section 6:

- This section needs exhibits and the financial information. The rate study is important.
- 6.1.1 needs to be a separate exhibit
- 6.1.2 Life Expectancy of the assets Exhibit
- 6.1.5. Supplemental Water Purchase Costs. The costs of the annual note payments by the Agency under a Water Purchase Contract Agreement shall be allocated in the same manner as 6.1.1?
- Switch sections 6.2.1 and 6.2.2 the section 6.2.2 now should be 6.2.1
- 6.3.4 ADD - and the unused water could be temporarily allocated elsewhere to be used.

Section 7

- 7.1. Question asked about owning property, but this is related to necessary authorities and to grant eligibility requirements from the state. A caveat was recommended where financial obligations (i.e. for property acquisitions) above certain thresholds (i.e. 10% cost overrun) should go back to home boards for approval
- 7.1.1. All about “ensuring water rights are in order.” Question for legal about whether water from Alta, once supplied to the agency, can be exported out of service area or out of Alta ID (i.e. for the proposed project from Orange Cove)
- 7.1.3. LAFCO may need to weigh in on issue being direct retail water provider, (the implications for Prop 218), and would this agency then need to have water operator. Also, why only 400 feet. This should not be firm limit, but up to board discretion.
- 7.2. Where should a Prop 218 process fit in? Before or after getting “written approval?” Before or after construction contract?
- 7.3.1. ~~California Department of Public Health~~ change to “State Water Resources Control Board”
- 7.4.5. Participants should have option to market water (within, but maybe also outside of service area) or make agreements to store unused water (on site or off site with Alta ID)
- 7.6. Second paragraph identical to above language, apparent typo and should be removed. The third paragraph should be discussed further

Section 8:

- 8.1 Commitment to the project is important for when a party decides not to proceed in further phases of the project, for example, from planning to design or from design to construction, the project may have to be rescaled and cost allocations recalculated.
- 8.2 change 20 days to 60 days
- 8.3 edited to reflect “The Board of Directors will continue to be representative of the remaining participating parties”

Section 9:

- Each existing entity likely has its own rules so this section heavily relies on lawyers and legal review but working group would like to again see/understand what all these government codes mean.

Section 10:

- 10.2 Should use the word “funders” instead of calling out SWRCB because they may not be the only funder—USDA or others may be applied to and may be interested in helping fund the project. Also change verbiage to re-allocate accordingly instead of allocate.
- Needs to mention post construction withdrawal processed and procedures as well as reorganization—ex: the county may sign for Yette and Seville now, but if and when they become a joint independent water system, how do they get changed out for the county?
- Also need to include a section on adding new parties into the JPA or having service agreements with additional parties (like the current wastewater JPA does). This has capacity and water need implications and also ties into ownership and cost.

Drinking Water Source and Infrastructure – No discussion at this meeting

Communications

Website:

[\(http://www.rcac.org/environmental/regionalization/ntc-water-alliance/\)](http://www.rcac.org/environmental/regionalization/ntc-water-alliance/)

Community Outreach Efforts: Scheduling

Reviewed Proposed Timeline:

Nov 2016: Formation of the Agency

Sept - Oct 2016 LAFCO process

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

Action Items, Assignments & Working Groups

For the next meeting:

April 2: Financial Analysis Focus along with JPA Section 4 Organization, Board and Officers

April 30: Legal Analysis and review with Tulare County legal assistance

March – May: Community Meetings

June: All Stakeholder Summit to present draft proposal to communities

July – Aug: Community Polling

Aug – Oct: Submit final JPA?

Nov – Dec: Transition authority for any property, financing, and planning to new JPA, submit funding application for construction (application takes ~6 months)

Questions:

- a) Where will initial operating budget come from? A bridge loan? Seed funding from participating entities? Fiscal year begins July 1, 2017, but funding will be needed during initial months.
- b) Mid 2017: Include possibility for opt-out to communities after funding application is approved in case grant funding does not materialize and the recurring costs (including loan repayments) will be too much for community to bear?
- c) Who is an eligible polling and prop 218 respondent—owner, resident, registered voter?
- d) How are we going to do prop 218 as an Agency or individual systems?
- e) Could we agree on a JPA to form a JPA Agency with necessary powers? Then have the Agency negotiate another agreement with the parties for the implementation of the project detailed in the study, Northern Tulare County Regional Surface Water Treatment Plan (SWTP) with the objective to provide a treated surface water supply for the Parties

Next Sessions:

April 2nd

April 30th

May 21st

List of Participants in this session:

1. Alex Marroquín, Orosi PUD
2. Chad Widman, Orosi

3. Charlie Davidian, Yettem
4. Fernie Rubalcaba, Cutler PUD
5. Javier Hernandez, Cutler
6. Johnny Sandoval, Orosi PUD
7. Kari Quintana, Sultana
8. Katie Icho, East Orosi
9. Lucy Rodriguez, Orosi PUD
10. Mara Ventura- Serrano, Sultana
11. Maria Magaña, Seville
12. Michael Prado Sr., Sultana CSD
13. Robert Rodriguez, Cutler PUD
14. Ronnie Castillo, Orosi PUD
15. Rubén Becerra, Seville
16. Servando Quintanilla and
17. Servando Quintanilla Jr., Monson/Cutler

From Agencies:

Reed Schenke and Benjamin Ruiz, Tulare County
Lorri Silva, State Water Resources Control Board (SWRCB)
Paul Boyer, Self Help Enterprises
Chris Kapheim, AID

Facilitators:

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

Attachments:

- JPA Draft #1 March 5 Edited
- Letter to send to the Governor's Office
- DWSRF Policies on Powers the Agency must have to qualify for funding