

## LEGISLATIVE AND OUTREACH COMMITTEE NOTES

February 20, 2019

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### Attendees:

Committee members: Oscar Gonzalez (Chair) and Kathy Tiegs

Staff members: John Bosler, Carrie Corder, Chad Brantley, Eduardo Espinoza, Eric Grubb, and Erin Morales, and Katie Heer

Members of the Public: Michael Boccadoro and Beth Olhasso, West Coast Advisors

**Call to Order:** 5:00 p.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

### 1. Legislative Conference Call

- Michael Boccadoro and Beth Olhasso from West Coast Advisors called in and provided an update on state legislative and policy issues. The snowpack is at 146% statewide average putting most of the key state water project reservoirs at above average.
- Voluntary settlements for phase two of the flow requirement discussions are going well and are a much better option that one-size fits all flow requirements recommended by the State Water Resources Control Board.
- Governor Newsom made two changes to the State Water Resources Control Board promoting board member Joaquin Esquivel to the Chair and appointing Laurel Firestone to the board. Ms. Firestone comes from a non-profit aimed at supporting disadvantaged communities and is a proponent of the water tax.
- There was a brief general discussion regarding the Governor Newsom's comments on supporting a one-tunnel version of the CA WaterFix. There is uncertainty of what that change would mean and if a one tunnel version would make sense from a water supply and cost perspective.
- The deadline for legislators to introduce legislation is February 22, 2019. As of the call, a little over 1,000 bills had been introduced with an estimated 2,000 total by the bill introduction deadline.
- Mr. Boccadoro and Ms. Olhasso exited the Committee call at 5:25 pm.

### 2. California WaterFix and Water Tax Action Plans

- Staff provided action plan handouts for both items and a verbal update on some of the key actions that have and will be taken in response to both of the items.

## FINANCE COMMITTEE NOTES

February 21, 2019

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### Attendees:

Committee members:	Randall Reed (Chair) and Luis Cetina
Staff members:	John Bosler, Carrie Corder, Chad Brantley, Eduardo Espinoza, Agnes Boros, Jennifer Fillinger, Frank Chu, Tuan Truong, and Gidti Ludesirishoti.
Members of the Public:	None

**Call to Order:** 5:00 p.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

### I. Sewer Rate Pass-Through

- a. Staff presented an internally prepared cost of service rate study that analyzed the local sewer rates imposed by CVWD.
  - i. The cost study projections apply to fiscal years 2020 to 2024
  - ii. At this time, there is no need for CVWD to raise its local sewer rates
- b. On an annual basis, Inland Empire Utilities Agency (IEUA) adjusts its sewer treatment charges that it passes on to its regional members. Therefore, CVWD must create a pass-through charge in accordance with AB3030 and Prop 218 rules in order to collect and remit IEUA's sewer treatment charge.
  - i. IEUA is beginning a cost of service study but it will not go into effect until FY2021
  - ii. CVWD must establish a pass-through for the five fiscal years 2020 to 2024
  - iii. A Prop 218 notice must be mailed and a Public Hearing must be conducted

### 2. Recycled Water, Cost of Service and Rate Study

- a. Staff presented an internally prepared cost of service rate study that analyzed the Recycled Water rates imposed by CVWD.
  - i. The cost study projections apply to fiscal years 2020 to 2024
  - ii. Fixed meter charges and the volumetric rate per unit should be increased 3% per year
  - iii. Purchasing recycled water from IEUA is the largest cost driver

## **FINANCE COMMITTEE NOTES**

**February 21, 2019**

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- iv. An IEUA surcharge rate will be created but will only be imposed if the recycled water cost increases more than 3% per year
- v. With this adjusted rates, the recycled water fund is financially healthy, self-supporting, and will be able to establish minimum reserve levels within the 5-year time period.

### **3. Budget Transfer to CP7870 – 4<sup>th</sup> Street Sewer Line**

- a. Staff presented the recommendation to grant a budget transfer of \$75,000 from CP7733, which is a sewer line project in Hermosa Ave.
- b. The funds will pay for additional traffic control and sewer by-pass work that was not anticipated.
- c. The Committee supported staff's request and this item will be presented to the full Board of Directors.

### **4. Budget Transfer to CP7649 – Well Field 3A Nitrate Treatment Facility**

- a. Staff presented the recommendation to grant a budget transfer of \$1.5 million from CP7657, which is the Reservoir 3A project that was re-designed for cost savings.
- b. The Committee supported staff's request and this item will be presented to the full Board of Directors.

Meeting Adjourned at 5:50 p.m.