

**AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

November 13, 2017

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors LaMar, Matheis, Swan, Withers and President Reinhart

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to three minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

CONSENT CALENDAR

Resolution No. 2017-25

Items 3-7

3. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, Peer Swan, Douglas Reinhart and John Withers, as described.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the October 23, 2017 Regular Board Meeting be approved as presented.

CONSENT CALENDAR – Continued

Items 3-7

5. STOCKDALE WEST INTEGRATED WATER BANKING FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of Stockdale West Integrated Water Banking, project 03766, authorize the General Manager to file a Notice of Completion, and authorize the release of retention 35 days after filing of the Notice of Completion.

6. BAKER WATER TREATMENT PLANT LANDSCAPING FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Baker Water Treatment Plant Landscaping, project 05027, authorize the General Manager to file a Notice of Completion, and authorize the release of retention 35 days after filing of the Notice of Completion.

7. CHANGES TO GENERAL MANAGER'S COMPENSATION

Recommendation: That the Board approve an increase to the annual salary of the General Manager to the amount of \$295,000 and a one-time performance award in the amount of \$8,400, effective October 1, 2017.

ACTION CALENDAR

8. REVIEW OF 2017 LEGISLATIVE ACTIVITIES AND 2018 LEGISLATIVE PLANNING

Recommendation: That the Board provide input on the proposed 2018 regional, state and federal Legislative Issues of Interest to IRWD, and adopt the proposed Initial 2018 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2018.

9. ACWA 2017 MEMBERSHIP MEETING AND 2018-2019 ELECTION

Recommendation: That the Board support the candidates selected by the ACWA Nominating Committee; support the proposed bylaw amendments; and designate President Doug Reinhart as the IRWD voting delegate for the November 29, 2017 membership meeting.

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

10. A. General Manager's Report

B. Directors' Comments

C. Adjourn

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office. The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

November 13, 2017

Prepared and

Submitted by: K. Swan 

Approved by: Paul A. Cook 

CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

November 8	Irvine Ranch Conservancy & OCFA Annual Fire Partnership BBQ
November 15	OCWA Luncheon Featuring IRWD Battery Storage
November 15	ACC-OC Thanksgiving Reception
November 16-17	ACWA Board of Directors Meetings, Sacramento
November 20	Legislation meetings in Sacramento with CalEPA and SWRCB

John Withers

November 15	OCWA Luncheon Featuring IRWD Battery Storage
November 15	ACC-OC Thanksgiving Reception
November 16	Irvine Community Thanksgiving Prayer Breakfast
November 17	OCSD's State of the District, Fountain Valley

Peer Swan

December 13-15	Colorado River Water Users Association Annual Conference, Las Vegas
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Douglas Reinhart

October 19	Conference Call regarding Recycled Water Credit in Legislation
November 2	MWDOC Board and Member Agency Elected Officials' Forum
November 15	ACC-OC Thanksgiving Reception
November 16	Irvine Community Thanksgiving Prayer Breakfast
December 13-15	Colorado River Water Users Association Annual Conference, Las Vegas

Mary Aileen Matheis

October 24	Irvine City Council Thank You Reception & Meeting for Global Village Festival Sponsorship
October 28	Sea & Sage Audubon Society 25 th Annual Pancake Breakfast
October 29	Irvine Historical Society Presents: Water on the Irvine Ranch – Past, Present, & Future
November 15	ACC-OC Thanksgiving Reception
November 16	Irvine Community Thanksgiving Prayer Breakfast

Consent Calendar: Ratify/Approve Board of Directors' Attendance at Meetings and Events
November 13, 2017
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RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED.

LIST OF EXHIBITS:

None.

November 13, 2017
Prepared and
Submitted by: L.Bonkowski
Approved by: P. Cook



CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the October 23, 2017 Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE OCTOBER 23, 2017 BOARD MEETING BE APPROVED
AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – October 23, 2017 Minutes of Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – OCTOBER 23, 2017

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on October 23, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Reinhart, Matheis, and Withers

Directors Absent: Swan

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Director of Public Affairs Beeman, Public Affairs Manager Fabris, Executive Director of Operations Shields, Director of Human Resources Roney, Director of Treasury and Risk Manager Jacobson, Director of Water Operations Zepeda, Director of Maintenance Drake, Director of Water Resources Sanchez, Legal Counsel Smith, Secretary Bonkowski, Sr. Human Resources Analyst Srader, Mr. Bob Denhaan, Mr. David Hayden, Principle Engineer Cortez, and Mr. Bruce Newell.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION – COMMENDATION OF DAVID HAYDEN FOR 36 YEARS OF SERVICE TO THE DISTRICT

On MOTION BY Matheis, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2017-24

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
DAVID "DAVE" HAYDEN FOR HIS DEDICATED AND
OUTSTANDING SERVICE TO THE DISTRICT

General Manager Cook presented the resolution to Mr. David Hayden. Mr. Hayden thanked the Board for being able to serve the District for 36 years.

CONSENT CALENDAR

General Manager Cook asked that item No. 10A be moved to the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 10 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

4. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, and Douglas Reinhart.

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the October 9, 2017 Regular Board Meeting be approved as presented.

6. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Recommendation: Receive and file.

7. SEPTEMBER 2017 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for September 2017, and Disclosure Report of Reimbursements to Board Members and Staff; approve the September 2017 Summary of Payroll ACH payments in the total amount of \$2,628,555 and approve the September 2017 Accounts Payable Disbursement Summary of Warrants 380088 through 380837, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$17,908,966.

8. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE FOR RELOCATION AND ADJUSTMENT OF IRWD FACILITIES FOR THE UNIVERSITY DRIVE WIDENING

Recommendation: That the Board authorize budget increases in the amount of \$100,000 each for Projects 07170, 07171 and 07172, each from \$148,000 to \$248,000, and authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for relocating and adjusting IRWD facilities as part of its University Drive Widening Project, Capital Improvement Project No. 311306.

9. FINAL ACCEPTANCE OF FACILITIES – SAN JOAQUIN MARSH

Recommendation: That the Board accept construction of the San Joaquin Marsh Improvements, Project 06168; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion

10. AUTOMATION SUPPORT CONSULTANT SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$200,000 with Vertech Industrial Systems, LLC for automation support services for upcoming projects.

ACTION CALENDAR

2017 SPECIAL DISTRICTS REPRESENTATIVE SEAT ELECTION FOR THE COUNTYWIDE ORANGE COUNTY REDEVELOPMENT AGENCY OVERSIGHT BOARD

General Manager Cook reported that a revised motion has been placed before each director relative to voting in case Director Matheis elects not to run for the seat.

Government Relations Officer Compton reported that in 2012, California dissolved all of the redevelopment agencies throughout the state, and that in 2015, state law was changed to require the creation of countywide oversights to oversee the activities of former the redevelopment agencies and their successor agencies. She said that each county's oversight board is to be created in 2018 and must include one special district representative and that the special district representative is to be selected by the Independent Special District Selection Committee.

Ms. Compton said that in September, the Orange County Local Agency Formation Commission (LAFCO), which staffs the Independent Special District Selection Committee, notified Orange County special districts that they would hold an election for the special districts seat on the countywide Orange County Redevelopment Agency Oversight Board. She said that as part of the election process, the Executive Officer of LAFCO is now accepting nominations for the position and "Declaration of Qualification to Vote" forms designating the voting member and alternative for each special district seeking to vote in the election.

On MOTION by LaMar, seconded and unanimously carried, the BOARD ACCEPTED THE REVISED MOTION AND AUTHORIZED THE DISTRICT SECRETARY TO SUBMIT THE "DECLARATION OF QUALIFICATION TO VOTE" FORM DESIGNATING PRESIDENT DOUG REINHART AS IRWD'S AUTHORIZED VOTING MEMBER AND VICE PRESIDENT PEER SWAN AS IRWD'S ALTERNATE VOTING MEMBER FOR THE ORANGE COUNTY SPECIAL DISTRICT SELECTION COMMITTEE ELECTION; NOMINATED DIRECTOR MARY AILEEN MATHEIS, SHOULD SHE DECIDE TO RUN, AS A CANDIDATE FOR THE SPECIAL DISTRICT REPRESENTATIVE SEAT ON THE ORANGE COUNTY REDEVELOPMENT AGENCY OVERSIGHT BOARD; AUTHORIZED PRESIDENT REINHART OR THE DESIGNATED ALTERNATE TO SUBMIT THE "2017 NOMINATION FORM" ON BEHALF OF DIRECTOR MATHEIS; AND AUTHORIZED THE DISTRICT'S VOTING MEMBER TO CAST THE DISTRICT'S BALLOT IN FAVOR OF DIRECTOR MATHEIS SHOULD SHE ELECT TO RUN, OR FOR ANOTHER QUALIFIED CANDIDATE IF DIRECTOR MATHEIS ELECTS NOT TO RUN FOR THE SEAT.

ORANGE PARK ACRES SEWER SERVICE AGREEMENT AMENDMENT

Due to low customer interest for a community-wide sewer system in Orange Park Acres (OPA), staff recommends approval of a revised Addendum to the Application for Service and Agreement with the Irvine Ranch Water District for sewer service within Orange Park Acres (Improvement District 256). On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED A REVISED ADDENDUM NO. 9 TO THE APPLICATION FOR SERVICE AND AGREEMENT WITH THE IRVINE RANCH WATER DISTRICT FOR SEWER SERVICE WITHIN ORANGE PARK ACRES (IMPROVEMENT DISTRICT 256).

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDERS NO. 64 AND NO. 65

Executive Director of Engineering and Water Quality Burton reported that Contract Change Order (CCO) No. 64 includes costs for several structural, electrical, instrumentation, and controls items and that CCO No. 65 includes mechanical, electrical, and instrumentation changes. Mr. Burton said that negotiation of CCOs sometimes requires an extended period of time to fully agree on the changes, costs, and submission for approval and that this extended period of time may adversely impact the cash flow of the contractor, its subcontractors, and suppliers, and as an act of good faith, staff is submitting these items and includes the amounts agreed to by staff. He said that when staff and Filanc/Balfour Beatty agree to a final CCO amount, any cost difference reflected in CCO No. 65 and the final agreed upon amount will be accounted for in a subsequent CCO. Mr. Burton discussed the coding for these change orders noted on the exhibit. Additionally, he said that the design consultant sees all of the design oversight items.

On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 64 IN THE AMOUNT OF \$231,100.22 WITH FILANC/BALFOUR BEATTY FOR STRUCTURAL, ELECTRICAL, INSTRUMENTATION, AND CONTROLS MODIFICATIONS; AND APPROVED CONTRACT CHANGE ORDER NO. 65 IN THE AMOUNT OF \$149,591.14 WITH FILANC/BALFOUR BEATTY FOR MECHANICAL, ELECTRICAL, AND INSTRUMENTATION CHANGES FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 04286.

GENERAL MANAGER'S REPORT

General Manager Cook reported on a Stakeholders' meeting this Thursday as a follow-up to September's meeting with the City of Newport Beach's Water Quality/Coastal Tidelands Committee. He noted that he has a number of other coordination meetings scheduled to discuss how agencies fit together when OCSD reaches capacity at its facility in Fountain Valley.

Mr. Cook noted that Irvine's City Manager Sean Joyce will be retiring and asked staff to prepare a resolution in January commending his service.

Mr. Cook said that he will be speaking tomorrow in Rancho Mirage at a CalPers conference providing an overview of IRWD's trust.

Mr. Cook presented to the Board a plaque received from ASCE recognizing the District for the Peters Canyon (Wash) Channel Water Capture and Reuse Pipeline project as its Environmental Engineering Project of the Year.

Director of Human Resources Roney introduced Ms. Lisa Srader, its newest employee.

Ms. Beeman showed the Board a copy of IRWD's recent water campaign which covered a one-page ad in the Irvine World News.

DIRECTORS' COMMENTS

Director Matheis reported on a recent resident tour last Saturday, a Friends of Harbor, Beaches and Parks celebration in Newport Beach, an ACWA Regulatory Summit in Sacramento, and an NWRI Clarke Awards and conference in Irvine.

Director Withers reported on his attendance at a Costa Mesa Sanitation District's State of the District event and a monthly WACO meeting.

Director LaMar reported on his attendance at ACWA's Regions 6 and 7 Water forum in Visalia, an ACWA Region 10 meeting, a Friends of Harbor, Beaches and Parks celebration in Newport Beach, and a water banking event with Executive Director of Water Policy Weghorst.

Director Reinhart reported on his attendance at a MWDOC Board meeting.

CLOSED SESSION

President Reinhart said that a Closed Session would be held with Labor Negotiator pursuant to Government Code Section 54957.6: Agency Designated Representative: President Reinhart; Unrepresented Employee: Paul Cook

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors LaMar, Reinhart, Withers and Matheis present. President Reinhart said that there was no action to report.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 13th day of November, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP

November 13, 2017

Prepared by: J. McGehee/R. Mori

Submitted by: K. Burton

Approved by: Paul A. Cook



CONSENT CALENDAR

STOCKDALE WEST INTEGRATED WATER BANKING FINAL ACCEPTANCE

SUMMARY:

Construction of the Stockdale West Integrated Water Banking project is complete. The Contractor, W.M. Lyles Company, has completed the required work and all punch list items and the project has received final inspection. Staff recommends that the Board authorize the General Manager to accept construction of Stockdale West Integrated Water Banking, Project 03766; authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

BACKGROUND:

The construction contract for the Stockdale West Integrated Water Banking project was awarded to W.M. Lyles Company in March 2016 and included the construction of three groundwater extraction wells, conveyance piping, a turn-in to the Cross Valley Canal (CVC), and a turn-out from the CVC. The groundwater extraction wells and CVC turn-in and turn-out facilities were placed into operation in October 2017.

Project Title:	Stockdale West Integrated Water Banking
Project No.:	03766
Design Engineer:	URS Corporation, Dee Jaspar & Associates, Thomas Harder & Co.
Construction Management by:	Dee Jaspar & Associates
Contractor:	W.M. Lyles Company
Original Contract Cost:	\$9,343,964.90
Final Contract Cost:	\$8,751,129.20
Original Contract Days:	540
Final Contract Days:	595
Total Project Cost (Est.):	\$11,700,000.00
Final Change Order Approved On:	October 13, 2017

FISCAL IMPACTS:

Project 03766 is included in the FY 2017-18 Capital Budget. The existing budget is sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In compliance with CEQA, the California Public Resources Code Section 21000 et. seq., and per the California CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3, as lead agency, Rosedale Rio-Bravo Water Storage District filed a Notice of Determination with the County of Kern on December 8, 2015, and with the CA State Clearinghouse on December 9, 2015 for the Stockdale Integrated Banking Project Final Environmental Impact Report. IRWD, as a Responsible Agency, filed a Notice of Determination with the County of Orange on December 14, 2015, with the California State Clearinghouse on December 15, 2015, and with the County of Kern on December 21, 2015.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO ACCEPT CONSTRUCTION OF STOCKDALE WEST INTEGRATED WATER BANKING, PROJECT 03766; AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE RELEASE OF RETENTION 35 DAYS AFTER FILING OF THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

November 13, 2017
Prepared by: T. Bonkowski/M. Cortez
Submitted by: K. Burton *KLB*
Approved by: Paul A. Cook *P. Cook*

CONSENT CALENDAR

BAKER WATER TREATMENT PLANT LANDSCAPING FINAL ACCEPTANCE

SUMMARY:

The Baker Water Treatment Plant Landscaping project is complete. The contractor, Tropical Plaza Nursery, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

This project installed the irrigation and landscape improvements at the Baker Water Treatment Plant including infill planting, hydro-seed, mulch, gravel, cobble and a demonstration garden. Tropical Plaza Nursery was awarded the construction contract on April 12, 2017. Rather than installing hydro-seed on non-irrigated areas during warm summer months, staff delayed the hydro-seeding activities until October to take advantage of cooler fall temperatures and possible rain occurrences and extended the contract time 112 days. Tropical Plaza Nursery completed the construction of all improvements on October 31, 2017.

Project Title:	Baker Water Treatment Plant Landscaping
Project No.:	05027
Design Engineer:	IRWD Staff and Tropical Plaza Nursery, Inc.
Construction Management by:	IRWD Staff
Contractor:	Tropical Plaza Nursery, Inc.
Original Contract Cost:	\$189,356
Final Contract Cost:	\$189,356
Original Contract Days:	90
Final Contract Days:	202
Final Change Order Approved On:	October 13, 2017

FISCAL IMPACTS:

Project 05027 is included in the FY 2017-18 Capital Budget. The existing budget is sufficient to fund the final payment for this project.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and an Environmental Impact Report (EIR) was prepared in conformance with California Code of Regulations, Title 14, Chapter 3, Article 7. The final EIR was certified and adopted by the Board in April 2011. Addenda No. 1 and No. 2 to the EIR were prepared in accordance with Section 15164 of the CEQA guidelines and were approved by the Board on March 15, 2012 and March 12, 2013, respectively.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE BAKER WATER TREATMENT PLANT LANDSCAPING, PROJECT 05027; AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE RELEASE OF RETENTION 35 DAYS AFTER FILING OF THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

November 13, 2017
Prepared and
submitted by: Paul A. Cook



CONSENT CALENDAR

CHANGES TO GENERAL MANAGER'S COMPENSATION

SUMMARY:

The annual performance review of the General Manager was conducted on October 23, 2017. This item presents a recommendation for proposed changes to the annual compensation of the General Manager.

BACKGROUND:

The General Manager's annual performance evaluation was conducted in Closed Session during the October 23, 2017 IRWD Board meeting. After the discussion President Reinhart, as the Board's designated representative, discussed potential changes in compensation with the General Manager. Based on this discussion, the recommendation is to increase the base salary of the General Manager by \$13,784 (from \$281,216 per year to \$295,000 per year) effective October 1, 2017 and to provide a one-time performance award to the General Manager in the amount of \$8,400 (\$6,000 to deferred compensation account and \$2,400 as cash). All other aspects of the General Manager's compensation remain unchanged. This annual salary is within the General Manager's salary range (Exceptional Performance, Top of Range at \$25,270) per Resolution No. 2017-18 adopted by the Board on June 26, 2017, and is publicly available.

FISCAL IMPACTS:

Funds for the compensation of the General Manager are included in the District's annual Operating Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD APPROVE AN INCREASE TO THE ANNUAL SALARY OF THE GENERAL MANAGER TO THE AMOUNT OF \$295,000 AND A ONE-TIME PERFORMANCE AWARD IN THE AMOUNT OF \$8,400, EFFECTIVE OCTOBER 1, 2017.

LIST OF EXHIBITS:

None.

November 13, 2017

Prepared and

submitted by: C. Compton 

Approved by: Paul A. Cook 

ACTION CALENDAR

REVIEW OF 2017 LEGISLATIVE ACTIVITIES AND 2018 LEGISLATIVE PLANNING

SUMMARY:

This report provides a review of IRWD's 2017 legislative priorities and government relations activities, and an overview of expected 2018 legislative and regulatory issues in Washington, D.C., Sacramento, and regionally. Also described are proposals that the District's associations and stakeholders are considering for sponsorship. The report proposes an initial 2018 staff resource allocation plan for legislative and regulatory issues of importance to IRWD in the coming year. Staff recommends that the Board provide input on the proposed 2018 regional, state and federal legislative issues of interest to IRWD, and adopt the proposed Initial 2018 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2018.

BACKGROUND:

2018 IRWD Priorities and Activities:

In November 2016, the Board reviewed an overview of expected 2017 legislative issues in Washington, D.C. and Sacramento, including proposals the District's statewide associations were considering for introduction. At that time, the Board adopted the Initial 2017 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2017, which guided the District's governmental relations activities this year.

The 2017 priorities directed staff to engage in policy discussions to protect IRWD's revenues and the District's ability to use its water budget-based tiered rate structure to respond to the drought and water supply shortages. The priorities also directed staff to engage in discussions regarding water and sewer rate reform measures, conservation and drought regulations, the expanded use of recycled water, and energy efficiency in the water and wastewater sectors. Over the past year, staff and IRWD's state legislative advocate have worked on each of these issues and other state issues of importance to the District including groundwater management, potable reuse legislation, storm-induced overflow restrictions, proposals related to a water tax, and other State Water Resources Control Board (State Board) regulations.

At the federal level, IRWD and IRWD's federal legislative advocate engaged on the implementation of the reauthorized Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program, federal drought legislation, and the other water infrastructure issues. Additionally, the District promoted the Syphon Reservoir Recycled Water Storage Project, tax parity for water rebates, protecting the tax-exempt status of municipal bonds, reservoir reoperation legislation, and continued discussions on potential legislation related to the Santa Ana Mountains to Sea National Monument.

At the local level, IRWD continued to work to build stronger relationships with its partner agencies and community stakeholders.

Expected 2018 Federal Legislative Issues:

It is expected that in 2018 Congress will work on a number of issues of interest to the water and wastewater communities. Staff and IRWD's federal legislative advocate discussed the expected 2018 political environment and federal issues with the Water Resources, Policy and Communications Committee. More information is also provided below on several key issues of interest to the District.

Implementation of Title XVI:

The Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program identifies and investigates opportunities to reclaim and reuse wastewater and naturally impaired ground and surface water in the 17 Western States and Hawaii. Title XVI allows the Bureau of Reclamation to provide local project proponents in the named states funding for the planning, design, and construction of water recycling and reuse projects. Prior to the program's reauthorization in the Water Infrastructure for Improvements for the Nation Act (WIIN), only projects that had been authorized by Congress were eligible for funding and as a result of the earmark ban, new projects were not being authorized. Given the significant role Title XVI has played in the development of water recycling and reuse projects, IRWD supported the establishment of a new authorization process for qualified water supply projects through the existing Title XVI program. This new process was included in the reauthorization included in the WIIN Act.

While the program was reauthorized, earlier this year staff at the Bureau of Reclamation interpreted the enabling language of the Act to essentially bifurcate the Title XVI program, based largely upon the FY 2017 Omnibus Appropriations Act, into two separate subprograms. The first subprogram separately allocates a portion of the overall Title XVI funding to previously authorized projects. The second subprogram allocates funding based on a competitive grant, which is open to previously authorized projects and new projects with an approved feasibility study. Based on the WIIN Act, there appears to be no statutory justification for this bifurcated approach or any indication that Congress intended the Title XVI Program to discriminate against new projects in favor of the older congressionally-authorized projects. In fact, the contrary is true. It appears that the intent was for the entire amount appropriated for the Title XVI program to be distributed by means of a single grant competition that is open to all projects – new and old alike.

The District, along with a coalition of other water agencies, had asked Congress to support the inclusion of report language directing the Bureau of Reclamation to administer Title XVI as a single program in which every eligible project competes fairly for all appropriated funds. Recently, in light of ongoing discussions, the Bureau of Reclamation has reevaluated its interpretation and has indicated that it is planning to operate the program as one program instead of two subprograms. The District's efforts on this issue are expected to carry into 2018 as it continues to work with the Bureau of Reclamation to ensure that the program is operated as a single competitive grant program.

Reauthorization of the Water Resources Development Act:

In 2016, Congress passed and the President signed the WIIN Act, which included the reauthorized Water Resources Development Act (WRDA) for 2016. IRWD, over many years, has worked to encourage Congress to reauthorize WRDA every two years. Through those efforts, IRWD has sought funding for its Syphon Reservoir Recycled Water Storage Project and other projects. Last month, the House Water Resources and Environment Subcommittee met to launch the development of a new WRDA in 2018. IRWD will continue to engage with Congress on the reauthorization of WRDA this next year.

Tax Parity for Water Efficiency Rebates:

As a means of encouraging greater water use efficiency and conservation, public water agencies throughout California have developed programs offering their customers rebates for the installation of water saving devices and landscapes. Two years ago, it became apparent that water use efficiency rebates are considered income and taxable under the Internal Revenue Code. This treatment of water efficiency rebates is different from energy efficiency rebates because Congress provided an express exception for energy conservation subsidies in the Energy Policy Act of 1992.

In 2016 and 2017, IRWD supported congressional efforts to provide tax parity for water conservation rebates. Despite many conversations about the need for tax parity between water and energy efficiency rebates, tax parity has yet to be enacted. Given California's ongoing water use efficiency efforts, it is expected that the tax parity issue will continue to be a topic of discussion within Congress and an issue of interest to IRWD.

Santa Ana Mountains to Sea National Monument Proposal:

The Antiquities Act of 1906 created the federal land designation of "national monument" when it authorized the President to create national monuments on federal lands that contain "historic landmarks, historic or prehistoric structures, or other objects of historic or scientific interest." (16 U.S.C. § 431) While most national monuments have been established by Executive Order under the Antiquities Act, Congress has also enacted legislation establishing national monuments. Over the last 109 years, more than 140 monuments have been established and are currently being managed by the U.S. Forest Service, U.S. Fish and Wildlife Service, National Parks Service or the Bureau of Land Management based on management plans established for each monument.

Over the past few years, there has been an interest in creating a national monument in Orange County encompassing large portions of the historic Irvine Ranch. Representative Ed Royce (R-Fullerton) has agreed to once again sponsor legislation designating nearly 100,000 acres in Orange County as the Santa Ana Mountains to Sea National Monument. Some of the land currently proposed for designation is of great interest to IRWD as a national monuments designation may impact District-owned facilities or its ability to construct needed infrastructure improvements in the future.

Given the vast amount of water and wastewater infrastructure within the proposed boundaries of the Santa Ana Mountains to Sea National Monument, staff has communicated with Congressman

Royce's office about the proposal and the need to continue to include language that protects water and wastewater utilities and infrastructure. Staff expects that Congressman Royce will reintroduce legislation related to a Santa Ana Mountain to Sea National Monument in 2018.

U.S. Army Corps of Engineers and Bureau of Reclamation Atmospheric River Research Funding and Reservoir Reoperation Process:

The U.S. Army Corps of Engineers currently uses long-term averages of winter storms and spring runoff to manage dams and reservoir levels for flood control. Recent advances have found that up to half of California's total annual precipitation, and almost all of its floods are caused by atmospheric river rain events. This means that the risk of flooding is dependent upon the atmospheric river storms that flow over California.

Research of atmospheric rivers shows promise that the size and strength of an atmospheric river may be able to be predicted several days before landfall so that those predictions could potentially be used in flood control and water management models. With this new information, it has become more clear that traditional dam operations to mitigate flood risks, which are based on long-term averages of precipitation, are no longer appropriate. Despite the advancements in atmospheric river forecasting, more research is needed so that atmospheric river forecasts can be tailored for water managers and incorporated into dam management. IRWD, in concept, has supported and will continue to support federal programs and funding for atmospheric river research aimed at improving the U.S. Army Corps of Engineers' and Bureau of Reclamation's reservoir operations.

Additionally, the District will continue to seek appropriate language requiring the U.S. Army Corps of Engineers and Bureau of Reclamation to consider reoperation of a reservoir when requested to do so by a water agency downstream of the reservoir, and language allowing a water agency downstream of the reservoir to propose and fund improvements in reservoir operations, if it is in its interest, other authorizations which allow Orange County Water District to pursue reoperation of Prado Dam.

Expected 2018 Statewide Legislative Issues:

As in each of the past five years, it is expected that the California Legislature will take up a number of issues of interest to the water and wastewater communities in 2018. Staff and IRWD's state legislative advocate discussed the expected 2018 political environment and state issues with the Water Resources, Policy and Communications Committee. More detailed information is also provided below on several expected issues of significant importance to the District.

"Making Water Conservation a California Way of Life":

In response to the five-year statewide drought, Governor Brown issued Executive Order B-29-15 on April 1, 2015, mandating a 25 percent reduction in statewide potable water use between June 2015 and February 2016. On May 5, 2015, the State Board adopted an Emergency Regulation to implement the provisions of the Executive Order. On May 9, 2016, Governor Brown issued Executive Order B-37-16, which required the state to transition from the temporary restrictions

implemented during the drought to a statewide long-term conservation framework that aligns with the objective of the California Water Action Plan to “Make Water Conservation a California Way of Life.”

Late last year, the California Department of Water Resources (DWR) and the State Board develop a long-term conservation framework for “Making Water Conservation a California Way of Life”. While these state agencies have statutory authority to implement portions of the framework, legislation is required to implement a majority of the framework.

Since the beginning of the year, staff has worked with various stakeholders and the Association of California Water Agencies (ACWA) on long-term water use efficiency and drought planning legislation to implement the vision of the framework developed by the state agencies. As reported to the Board, AB 1668 (Friedman, D-Glendale) and SB 606 (Hertzberg, D-Van Nuys/Skinner, D-Oakland) remained the only two-year bills alive at the end of the 2017 session related to “Making Water Conservation a California Way of Life”. As amended, the bills would, among other things, jointly:

- Give the State Board one-time authority to set certain water use efficiency standards and implement water use objectives/targets;
- Authorize the State Board to establish guidelines and methodologies to identify how urban water use objectives/targets are to be calculated and reported;
- Require that urban retail water suppliers annually calculate an urban water use objective and report on accomplishments;
- Establish indoor water use efficiency standard through statute at 55 gallons per person daily (GPCD) until 2025, establish the indoor standard at 52.5 GPCD until 2030 and at 50 GPCD after 2030;
- Authorize the State Board to establish outdoor water use efficiency standards for residential landscapes and commercial, industrial and institutional (CII) irrigation based on the principles of the Model Water Efficient Landscape Ordinance;
- Authorize the State Board to establish performance measures for CII water use. Process water was excluded from the performance measures;
- Grant permissive, not mandatory, authority to the State Board to establish variances to the efficiency standards;
- Provide up to a ten percent bonus for potable reuse supplies;
- Grant the State Board with new enforcement powers; and
- Modify the Urban Water Management Planning Act to require urban water suppliers to develop enhanced Urban Water Management Plans, enhanced Water Shortage Contingency Plans, Drought Risk Assessments, and an annual Water Supply and Demand Assessment.

At the end of session, SB 606 was located on the Assembly Third Reading File and AB 1668 was in the Senate Rules Committee. The end-of-session location of both of these bills means that they can be moved quickly at the start of the 2018 legislative year.

As part of the District's efforts on "Making Water Conservation a California Way of Life" legislation, IRWD took an "oppose unless amended" position on AB 1668 and SB 606 and signed onto the water community's "oppose unless amended" letter for the two bills, which included amendments being sought by the coalition. Over the legislation recess, staff has continued to be engaged in discussions surrounding these two bills and will continue to work to obtain the amendments requested by the water community coalition during the next legislative year.

Additionally, in 2018, the State Board will consider adopting several different regulations related to prohibited water uses, reporting requirements for water agencies, and regulations related to the implementation of any water conservation legislation passed by the Legislature. IRWD will continue to engage productively on the water conservation in California and any related regulations before the State Board.

Proposition 218 Reforms:

Since *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, there has been significant discussion in Sacramento regarding Proposition 218 and tiered water rates. Most recently, ACWA sponsored SCA 4 (Hertzberg) in 2017, a constitutional amendment related to Proposition 218. At the end of 2017, SCA 4 become a two-year bill.

Given the interest in Proposition 218 reform and SCA 4, it is likely that the topic will continue to be an issue of discussion in Sacramento in 2018. IRWD will continue to communicate the District's concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or that does not provide sufficient clarity or flexibility to water agencies. As authorized by the Board, staff will continue to work with interested parties on issues related to tiered water rates.

Recycled Water Use in Decorative Lakes and Storm-induced Overflow Restrictions:

As California continues to deal with drought facing increasing demands on its fresh water resources, regulatory challenges related to storm-induced overflow restrictions on recycled water impoundments continue to limit water suppliers' abilities to expand recycled water use. One such use is the use of recycled water in decorative lakes. While the use is permitted, storm-induced overflow restrictions discourage the use of recycled water in these decorative bodies of water.

The State Board's *Recycled Water Policy* requires certain practices related to recycled water impoundments including the "Management of any ponds containing recycled water such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater, and there is notification of the appropriate Regional Water Board Executive Officer of the discharge." In order to avoid a discharge of recycled water during the wet weather season and to ensure compliance with State Board policies, some Regional Water Quality Control Boards require the drawdown of water levels stored in these impoundments to reduce the likelihood of a storm-induced overflow. These storm-induced overflow restrictions affect small recycled water impoundments (e.g., frost protection ponds, decorative lakes, golf course ponds) in addition to

large recycled water storage facilities. In the case of very small impoundments, storm-induced overflow restrictions often limit use of the impoundment during winter months and discourage customers from using recycled water.

IRWD has had increased interest from Homeowners Associations (HOAs) that would like to use recycled water to refill their decorative lakes. The District has explained the regulatory challenges to these HOAs and IRWD's efforts to work with the State Board to find a solution to mitigate the impact of storm-induced overflow restrictions. Staff has continued conversations with the State Board on the use of recycled water in decorative lakes to replace evaporative water losses. Staff will continue to work towards a solution to this issue.

Water Tax:

In 2017, Senator Bill Monning (D-Santa Cruz) authored SB 623. SB 623 would have established the Safe and Affordable Drinking Water Fund in the State Treasury and would have provided that the moneys in the fund be continuously appropriated to the State Board for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan to be adopted annually by the State Board. On August 21, the bill was amended to include a fee on fertilizer, a fee on milk and a water tax. While the bill was not passed in 2017, it remains a two-year bill that will be considered by the Legislature in 2018. Additionally, other proposals related to a water tax will likely be introduced during next year's session.

IRWD will continue to engage on SB 623 in 2018 and will advocate against any water tax inconsistent with the Board-adopted policy on a public good charge/statewide user fee. Additionally, as was the case in 2017, staff will continue to work with ACWA and the District's other industry partners to oppose a water tax.

California State Budget:

On October 10, 2017, State Controller Betty Yee released her monthly report on the State's finances. She announced that the State took in \$10.92 billion in revenue during the month of September. This amount was above the estimates contained in the 2017-2018 Budget Act by 0.5 percent. The State closed the first quarter (July 1 through September 30, 2017) of its fiscal year with \$25.92 billion in revenues, which is 2.3 percent higher than anticipated. The State also ended September with \$13.49 billion in outstanding loans, which is \$399.9 billion more than budgeted.

Given the potential impact of the State's finances and the Fiscal Year 2018-19 Budget on IRWD, staff will continue to work with the District's associations and industry partners to monitor developments associated with the State budget and proposals related to local government revenues including property taxes and reserves, among others.

Expected 2018 Government Relations Activities and Staff Resource Allocations:

Staff will be available to discuss a proposed list of issues of high concern to IRWD for 2018, which is attached as Exhibit "A", and a proposed initial allocation plan for allocating 2018 staff resources to legislative and regulatory issues, which is attached as Exhibit "B". The allocation will provide guidance to staff for committing District and outside resources.

Expected 2018 Association Proposals:

IRWD's association and industry partners are in the process of completing their 2018 legislative planning. A summary of those planning efforts is provided below:

Association of California Water Agencies:

ACWA held its 2018 legislative planning meeting on October 20, 2017. The ACWA State Legislative Committee (SLC) considered one proposal for sponsorship in 2018. The proposal, which was submitted by the ACWA Water Quality Committee, asked ACWA to sponsor legislation to establish a compliance period during which a water agency could bring itself into compliance with Maximum Contaminant Levels adopted by the State Board. The SLC voted to sponsor the legislation in 2019 and directed ACWA staff to develop a work plan for the committee's consideration in January outlining the activities the association would undertake this next year to increase the chances the legislation would pass in 2019. Additionally, the SLC directed staff to continue to engage in the discussions regarding water conservation and the long-term conservation framework in 2018.

Bioenergy Association of California:

IRWD joined the Bioenergy Association of California (BAC) in 2013. BAC's purpose is the promotion of sustainable bioenergy production with a focus on promoting community-scale bioenergy generation from a wide range of sustainably available organic waste sources, including dairy and agricultural waste, food and food processing waste, water treatment waste, other organic urban waste, and forest biomass. BAC's annual planning, development of its legislative priorities and possible legislative proposals will occur at its membership meeting on December 4. The meeting agenda has yet to be released. Staff will work through the California Association of Sanitation Agencies (CASA) to ensure that the wastewater sector has representation on the BAC Board of Directors and to encourage BAC to prioritize issues of interest to the wastewater section in 2018. Staff will provide an update on any new developments.

California Municipal Utilities Association:

CMUA will hold its 2018 legislative and regulatory planning meeting on November 8. As of the writing of this report, no specific legislative proposal have been released for consideration at the meeting. Staff will provide the Board with an update on any new developments.

California Association of Sanitation Agencies (CASA):

CASA has not met to discuss its 2018 legislative and regulatory efforts. The planning meeting will be held on December 8. As of the writing of this report, no specific proposals or topics have been released for consideration at the meeting. Staff will provide an update on any new developments.

California Special Districts Association (CSDA):

CSDA held its 2018 legislative and regulatory planning meeting on November 3. As of the writing of this report, CSDA will consider sponsoring four different proposals. The proposals include legislation requiring special districts to maintain a website, clarifying the definition of Independent and Dependent Special Districts, permitting flexibility for complying with the Department of Industrial Relations' Contractor Registration Program during an emergency, and allowing special districts to collect development impact fees. Staff will provide an update on the CSDA planning meeting and on any new developments related to these four proposals.

WaterReuse California:

The WaterReuse Association of California has not met to discuss its 2018 legislative and regulatory efforts. Staff will provide the Board with an oral update on any new developments.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on November 8, 2017.

RECOMMENDATION:

THAT THE BOARD PROVIDE INPUT ON THE PROPOSED 2018 REGIONAL, STATE AND FEDERAL LEGISLATIVE ISSUES OF INTEREST TO IRWD, AND ADOPT THE PROPOSED INITIAL 2018 LEGISLATIVE AND REGULATORY RESOURCE ALLOCATION PLAN AND THE LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2018.

LIST OF EXHIBITS:

Exhibit "A" – Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2018
Exhibit "B" – Proposed Initial IRWD's 2018 Legislative and Regulatory Resource Allocation Plan

EXHIBIT “A”

LEGISLATIVE/REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2018

As a state and federal leader in water resources public policy and governance, the Irvine Ranch Water District (IRWD) has worked tirelessly to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. While IRWD will engage in a number of legislative and regulatory issues of interest to the District, the following are issues and activities of high concern to the District in 2018.

2018 Federal Issues and Activities of High Concern:

- 1) Continue to advocate for the Bureau of Reclamation to administer Title XVI as a single program in which every eligible project competes fairly for all appropriated funds, and seek funding for the Syphon Reservoir Recycled Water Storage Project under the program.
- 2) Support congressional efforts to enact a water resources bill every two years that includes the authorization of projects of benefit to the Orange County community.
- 3) Support the creation of the Santa Ana Mountains to Sea National Monument if the monument authorization protects water and wastewater utilities and infrastructure, and limits potential impacts on IRWD operations.

2018 State Issues and Activities of High Concern:

- 1) Oppose any statewide tax on water that is inconsistent with the Board’s adopted policy on a statewide public goods charge.
- 2) Engage in discussions related to “Making Water Conservation a California Way of Life”.
- 3) Engage with the State Board and the Department of Water Resources on policy, regulatory and permits issues of concern to IRWD.
- 4) Engage in discussion surrounding water and sewer rates in order to protect the District’s ability to design and use its water budget-based tiered rate structure, including discussions related to a statewide Low Income Rate Assistance (LIRA) program and Proposition 218 reform efforts.

2018 Regional Issue and Activities of High Concern:

- 1) Engage with the Santa Ana Regional Quality Control Board and community stakeholders to discuss adjusting storm-induced overflow protections and expanding the use of recycled water in decorative lakes.

EXHIBIT “B”

DRAFT

IRWD’s Initial 2018 Legislative and Regulatory Resource Allocation Plan

PLEASE NOTE: The proposed initial resource allocations are aimed at balancing the importance of an issue to IRWD, the projected level of District resources available to work on the issue, and the likelihood that issue will be raised and the District will be able to shape the policy, legislative and regulatory discussions or outcomes related to the issue in 2018. The allocation of District resources may change over the course of the legislative year, based on continued input from the Water Resources and Policy Committee and the Board of Directors. The allocation categories are intended to reflect the following expected levels of resource use:

- Very High - IRWD’s resource allocation would be significant. Staff and IRWD’s legislative advocates would dedicate a larger portion of their overall advocacy efforts to the issues designated “Very High”, and would actively seek to be a key stakeholder shaping the policy, legislative or regulatory discussions related to those issues.
- High - IRWD’s resource allocation would be considerable. Staff and IRWD’s legislative advocates would work to create strategic opportunities to shape the policy, legislative or regulatory discussions and outcomes related to issues designated High.
- Moderate - IRWD’s resource allocation would be modest. Staff and IRWD’s legislative advocates would actively engaged in association and industry conversations on issues designated “Moderate”, but would expect to work largely through issue-specific coalitions on these issues. Staff and IRWD’s legislative advocates would work to identify and capitalized on opportunities to shape a narrow aspects of a policy, legislative or regulatory outcome related to such issues.
- Low - IRWD’s resource allocation would be low. Staff and IRWD’s legislative advocates would track policy, legislative and regulatory discussions and outcomes related to issues designated Low, and would continue to seek positive outcomes for the District through IRWD’s association and industry partners. Staff and IRWD’s legislative advocates would work on such issue should resources be available.

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
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FEDERAL ISSUES	
Bureau of Reclamation's Title XVI, Water Reclamation and Reuse Program, Implementation – Continued to advocate for the Bureau of Reclamation to administer Title XVI as a single program in which every eligible project competes fairly for all appropriated funds.	Very High
Santa Ana Mountains to Sea National Monument – Advocate that language be included within the any proposed Santa Ana Mountains to Sea National Monument authorization that protects water and wastewater utilities and infrastructure, and advocate for a monument boundary that limits potential impacts on IRWD operations.	Very High
Syphon Reservoir Recycled Water Storage Project – Engage with the Bureau of Reclamation and Congressional staff on funding the project.	Very High
Water Resource Development Act – Seek enactment of a WRDA bill in 2018 that is beneficial to IRWD and Orange County, and enactment every two years thereafter.	Very High
Atmospheric River Research – Advocate for federal programs and funding for atmospheric river research aimed at improving the U.S. Army Corps of Engineers' and Bureau of Reclamation's reservoir operations.	High
Reservoir Reoperation – Advocate for appropriate language requiring the U.S. Army Corps of Engineers and Bureau of Reclamation to consider reoperation of a reservoir when requested to do so by a water agency downstream of the reservoir, language allowing a water agency downstream of the reservoir to propose and fund improvements in reservoir operations, if it is in its interest, or other authorizations which allow Orange County Water District to pursue reoperation of Prado Dam.	High
Tax Parity for Water Efficiency Rebates – Advocate for tax parity between water and energy efficiency rebates.	High
Environmental Infrastructure Projects – Advocate for legislative clarification that water resources projects and water resources development projects be considered environmental infrastructure projects and eligible for consideration under the Water Resources Development Act. Advocate for a broad definition of water resources projects and water resources development projects which includes water supply, drinking water projects, surface water protection and development programs, and wastewater infrastructure projects that increase water supply reliability such as water recycling, desalination, and stormwater collection projects.	Moderate <i>*Staff proposes that the resource allocation be changed to Very High should there be congressional interest in addressing this issue in WRDA.</i>
Tax-Exempt Municipal Bonds – Maintain the current tax-exempt status of municipal bonds; oppose efforts to place a cap on tax-exempt municipal bonds as part of any federal tax reform measure. Oppose prohibitions on the use of tax-exempt bonds if a local government uses WIFI or any similar program.	Moderate <i>*Staff proposes, if a significant threat is raised again tax-exempt municipal bonds, that the resource allocation be changed to High.</i>
California WaterFix Implementation – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability to respond	Low

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
to the drought; seek the federal actions necessary to implement a permanent solution in the Bay Delta.	
Clean Water Act Definition of “Waters of the U.S.” – Support efforts to modify the definition of “Waters of the U.S.” to limit impacts to IRWD, including IRWD’s reservoirs. Obtain a “Waters of the U.S.” exemption for the constructed treatment wetlands and IRWD facilities.	Low <i>*Staff proposes, if legislative action looks promising and/or the Administration puts forth a new WOTUS rule, that the resource allocation be changed to Moderate.</i>
Total Maximum Daily Load Limits – Advocate that the Environmental Protection Agency use the best available science when setting Total Maximum Daily Load (TMDL) limitations related to Clean Water Act compliance and approve TMDLs for California based on relevant studies related to California’s environment and local conditions.	Low
Water Allocations from the Colorado River – Monitor discussions related to the Colorado River and advocate for policies that would fairly protect California’s and IRWD’s interests in the Colorado River.	Low <i>*Staff proposes, if a significant threat is raised against California’s water rights, that the resource allocation be changed to Moderate.</i>
Water Supply/Reliability Projects – Support federal investment in water supply and reliability projects including large surface storage.	Low
STATE ISSUES	
Conservation and Water Use Efficiency Legislation – Engage productively in policy discussions related to legislation implementing “Making Water Conservation a California Way of Life,” and advocate that issue raised by the water community coalition be addressed in any enacted legislation.	Very High
Conservation, Water Use Efficiency Regulations – Engage with the State Board and the Department of Water Resources on regulations implementing any enacted “Making Water Conservation a California Way of Life” legislation and the long-term conservation framework released by the Administration in 2016.	Very High
Definition of “Waters of the State” – Seek a modification to the proposed definition of “Waters of the State” to limit impacts to IRWD, including impacts to the San Joaquin Marsh, Natural Treatment System and IRWD’s reservoirs. Obtain a “Waters of the State” exemption for the Natural Treatment System (NTS) and San Joaquin Marsh and constructed treatment wetlands. Advocate for a maximum benefit approach to regulation of constructed treatment wetlands and NTS facilities.	Very High

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
Model Water Efficient Landscape Ordinance Update – Engage with the Department of Water Resources on its effort to update the Model Water Efficient Landscape Ordinance (MWELo) and advocate the principles contained in the 2015 MWELo be maintained in the 2018 update.	Very High
Proposition 218 Reforms – Engage in discussions surrounding Prop. 218 reform efforts to protect IRWD’s interests. Communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or that does not provide sufficient clarity or flexibility to water agencies.	Very High
Recycled Water Policy Update – Engage productively with the State Board on its update of the <i>Recycled Water Policy</i> and advocate that the policy take a fit-for-purpose and science-based approach to recycled water use and purveyor requirements.	Very High
State Board –Engage with the State Board on policy, regulatory and permits issues of concern to IRWD including the Statewide Mercury Program, the Environmental Laboratory Accreditation Program, expansion of “Waters of the State” designations, and other regulatory packages considered in 2018.	Very High
Water and Sewer Rates – Protect the District’s ability to design and use its water budget-based tiered rate structure, and advocate that any statewide Low Income Rate Assistance (LIRA) program recognize water budget-based tiered rate structures and the importance of price signals to achieving greater water use efficiency.	Very High
Water Loss Regulation – Engage with the State Board to ensure that the SB 555 water loss performance measure/standard regulations are appropriate, consider cost-benefit, and contemplate key other factors that affect potable water loss.	Very High
Water Tax – Oppose any statewide tax on water that is inconsistent with IRWD’s Water Infrastructure Financing Policy Paper.	Very High
Disadvantaged Communities – Support efforts to identify and quantify the water quality and water management challenges facing disadvantaged communities (DACs) in California. Work to support the development and enactment of creative solutions, which seek to address the challenges facing DACs through a means other than a statewide water tax.	High
Emergency Supplies – Seek statutory language that recognizes the importance of emergency water supplies, permits pre-emergency designation of such supplies, and protects their use during droughts or other water shortages.	High
Groundwater – Engage productively in discussions groundwater management in California to protect IRWD’s interests. Promote greater water banking opportunities that would benefit the District.	High
Storm-Induced Overflow Restrictions – Continue conversations with the State Board regarding the use of recycled water in decorative lakes to replace evaporative water losses in order to remove storm-induced overflow restrictions on such uses.	High
Unfunded Pension Liability – Oppose legislation or regulations that would increase IRWD’s pension liability either by making local agencies responsible for the pension liabilities of other entities (e.g. joint powers authorities) or by failing to recognize the liability reduction benefits of Section 115 Trust and other pre-funding efforts.	High

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
AQMD Authority Over Public Fleets – Oppose efforts to expand regulatory authority over public fleets, and legislative or regulatory proposals designed to accelerate the replacement of existing public fleet stock without consideration of cost and age and technology of the current stock.	Moderate
California WaterFix Implementation – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability. Seek the State actions necessary to implement a solution in the Bay Delta and oppose efforts to make implementation of a solution more difficult.	Moderate
Lead Testing Requirements – Engage productively in legislative and regulatory discussions related to recently enacted requirements that water providers test fixtures past the meter at K-12 schools to ensure that such requirements are workable for water agencies. Engage in policy discussions related to expanding lead testing requirements to other facilities in order to protect IRWD’s interests.	Moderate
Political Reform Act/FPPC Issues – Monitor for changes to the Political Reform Act and FPPC regulations that could impact IRWD.	Moderate
Public Agency Liability and Public Contracting – Oppose efforts to impose greater liability on public agencies for work performed by its contractors. Oppose proposals that make public contracting for labor, service or public works projects more cumbersome including reductions in contract retentions or changing the criteria agencies may consider when awarding contracts. Eliminate bonding requirements for water efficiency and conservation.	Moderate
Recycled Water – Promote the expanded use of recycled water, and its acceptance as a resource, by advocating for the removal of hindrances to recycled water projects and storage. Seek to: • Remove recycled water as a waste, including addressing recycled water discharge requirements. • Update Titles 17 and 22, including relief of dual-plumbed inspection/testing requirements. • Promote a “Fit for Purpose” regulatory approach for recycled water. • Promote permissive advanced indirect and direct potable water reuse regulations. • Eliminate operational constraints on recycled water operations and use.	Moderate
Biosolids – Seek a broader spectrum of permissible use of biosolids processing byproducts including a possible fertilizer designation. Reduce restrictions surrounding biosolids processing and seek “feed-in-tariff” rules of benefit to biosolids bioenergy projects.	Low
CEQA Reform – Seek reforms to CEQA that are beneficial to IRWD.	Low
Energy – Advocate for policies that encourage energy reliability in Orange County and energy efficiency in the water and wastewater sectors, including allocation of Cap-and-Trade revenues to the water and wastewater industries and expanded availability of direct access programs, without an increase in cost to or mandates on local entities; seek incentives for energy self-reliance projects (i.e. storage, generation, efficiency).	Low
Grant Reporting – Seek changes in state grant reporting requirements to ease the burden of grant recipients while maintaining transparency.	Low
Groundwater Clean-up – Support efforts to obtain State funding to clean up groundwater contamination in the Orange County Basin, and funding for basin replenishment.	Low

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
Integrated Regional Water Management Program – Seek changes to the IRWMP allocation process that benefits IRWD. Oppose program changes that expand funding eligibility to projects that do not further water supply reliability.	Low
Limitations on Ocean Discharges – Engage productively in discussions surrounding proposals to eliminate ocean discharges to protect the District’s interests. Support efforts to promote funding of treatment process upgrades that improve water quality and reuse options.	Low <i>*Staff proposes, if a significant threat is raised with regard to a prohibition, that the resource allocation be changed to Very High.</i>
Operators Certifications – Address inconsistent certification processes for operator certifications (treatment, distribution, and recycling). Monitor for changes in certification requirements.	Low
Potable Reuse – Advocate for the expansion of potable reuse in California and support a science-based and fit-for-purpose regulatory approach to the various types of potable reuse considered in the California Water Code Section 13561.	Low <i>*Due to the recent enactment of AB 574, staff does not expect a tremendous amount of legislation or regulation related to potable reuse in 2018.</i>
Public Records Act – Monitor proposed changes to the Public Records Act that could impact IRWD costs including new requirements for local agency websites, data production and reporting.	Low
Revenues – Protect IRWD’s revenue sources, and seek measures to ensure reliability in revenues.	Low <i>*Staff proposes, if a significant threat is raised against IRWD’s revenue sources, that the resource allocation be changed to Very High.</i>
Water Bond Implementation – Engage productively in discussions surrounding the implementation of the water bond in order to protect IRWD’s interests.	Low
Water Transfers and Markets – Engage in discussion on additional legislation related to establishing a water market in California.	Low <i>*Staff proposes, if a significant opportunity is raised to share California policy related to water transfers and markets, that the resource allocation be changed to Very High.</i>

Expected 2018 Legislative/Regulatory Issues	Proposed Allocation of IRWD Resources
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REGIONAL ISSUES	
Santa Ana and San Diego Regional Water Quality Control Boards – Develop a closer working relationship with Regional Board staff. Work with the Board on issues of concern to IRWD including: • Adjusting storm-induced overflow protections and expand the use of recycled water in decorative lakes; • Obtaining a permit amendments to permit emergency discharges of recycled water to San Diego Creek; • Proposed modifications to Basin Plans; and • Establishing pollution credit trading programs.	Very High
South Coast Air Quality Control Board – Work with the Board to identify regulatory changes that will positively impact air quality while improving IRWD’s ability to respond to emergencies and operate its water and wastewater systems. Discussion may include: • Seeking a change to public fleet/truck alternative fuel rules to ensure that emergency response is not adversely affected; • Seeking permit exemption for diesel generators and motors greater than 50 hp; • Seeking exemption from other restrictions imposed by AQMD that hamper IRWD’s operations and emergency response capabilities; • Seeking less restrictive engine regulations; and • Seeking an exemption from the flaring rules for wastewater treatment facilities.	Moderate

November 13, 2017

Prepared and

submitted by: C. Compton

Approved by: Paul A. Cook



ACTION CALENDAR

ACWA 2017 MEMBERSHIP MEETING AND 2018-2019 ELECTION

SUMMARY:

The Association of California Water Agencies (ACWA) will be holding a general session membership meeting at the ACWA Fall Conference on November 29, 2017. At the meeting, ACWA members will elect the 2018-2019 ACWA President and Vice President, and be asked to approve amendments to the association's bylaws. In order to participate in the membership meeting, each ACWA member must designate a voting delegate on the proxy designation form – a form ACWA has requested be returned to the association as soon as possible.

Staff recommends that the Board support the slate of candidates selected by the ACWA Nominating Committee endorsing Brent Hastey for ACWA President and Steve LaMar for ACWA Vice President, support the proposed bylaw amendments, and designate President Doug Reinhart as IRWD's voting delegate for the November 29 membership meeting.

BACKGROUND:

Every two years ACWA holds a membership meeting at its Fall Conference so that the association's membership can elect the ACWA President and Vice President, who will serve for the next two years. In addition to the election of officers, the membership meeting is the time when ACWA's members are asked to vote on proposed amendments to the association's bylaws. This year's membership meeting will be held on November 29, 2017.

On October 11, ACWA sent a memorandum to each of its members outlining the issues to be considered at this year's membership meeting. The General Session Membership Meeting Memorandum is attached as Exhibit "A". The memorandum discusses the ACWA Nominating Committee's recommended slate of candidates and the bylaw changes the membership is being asked to consider.

2018-2019 Recommended Slate of Officers:

As called for in the ACWA bylaws, the ACWA Nominating Committee has met and has recommended a slate of candidates for the 2018-2019 ACWA President and Vice President. The Committee is recommending that ACWA Vice President Brent Hastey be elected President for the 2018-2019 term and that IRWD Director and ACWA Federal Affairs Committee Chairman Steve LaMar be elected Vice President. Staff recommends that the Board support the slate of candidates recommended by the ACWA Nominating Committee.

2017 Proposed Bylaw Changes:

ACWA staff and an ACWA Legal Affairs Committee workgroup have proposed changes to the association's bylaws to ensure that the bylaws are current and reflect consistency with other governance documents and daily operations.

The General Session Membership Meeting Memorandum outlines the specific changes and includes a redline version of the proposed amendments. The changes largely make the bylaws more clear and consistent with ACWA's current operations. The ACWA Board of Directors has recommended adoption of the proposed amendments and after reviewing the proposed changes, staff recommends that the Board support the proposed amendments.

ACWA Voting Process:

Each ACWA member wishing to participate in a membership meeting must designate a voting representative and submit a proxy designation form identifying that individual as its representative prior to the membership meeting. The designated voting representative is then required to register, sign in as the proxy holder, and obtain a proxy card prior to the membership meeting. This year designated representatives must register and obtain their proxy cards, which are required for voting, on Wednesday, November 29, between 9:00 a.m. and 12:00 p.m. at the ACWA General Session Desk.

To help expedite the sign-in process, ACWA has requested that its members indicate their voting delegate on the proxy designation form enclosed in the General Session Membership Meeting Memorandum. ACWA has requested that the proxy designation form be returned to the association as soon as possible. Staff recommends that the Board designate President Doug Reinhart as IRWD's voting delegate at the November 29 membership meeting.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on November 8, 2017.

RECOMMENDATION:

THAT THE BOARD SUPPORT THE CANDIDATES SELECTED BY THE ACWA
NOMINATING COMMITTEE; SUPPORT THE PROPOSED BYLAW AMENDMENTS;
AND DESIGNATE PRESIDENT DOUG REINHART AS THE IRWD VOTING DELEGATE
FOR THE NOVEMBER 29, 2017 MEMBERSHIP MEETING.

LIST OF EXHIBITS:

Exhibit "A" – ACWA General Session Membership Meeting Memorandum



EXHIBIT "A"

MEMORANDUM

TO: ACWA Members: General Managers and Board Presidents
CC: ACWA Board of Directors
FROM: Timothy Quinn, ACWA Executive Director
DATE: October 11, 2017
SUBJECT: General Session Membership Meeting at ACWA 2017 Fall Conference

There will be a General Session Membership Meeting at the 2017 Fall Conference in Anaheim, California, on Wednesday, November 29. The meeting will be held in the Platinum Ballroom 1-6, Marriott Anaheim, at 1:20 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2018-2019 term and to conduct a vote by the membership on proposed amendments to ACWA's Bylaws as recommended by the Board of Directors at its meeting on September 29, 2017.

Election of President/Vice President

The ACWA Nominating Committee has announced a 2018-2019 slate that recommends current **Vice President Brent Hastey for ACWA President** and current **Federal Affairs Committee Chair Steven LaMar for ACWA Vice President**. As provided by ACWA's Bylaws (Article 9, Section 9) nominations from the floor will be accepted prior to the vote. Such nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. **(See attached for General Session/Election Procedures.)**

Proposed Amendments to ACWA's Bylaws

As part of the ongoing efforts to ensure ACWA's Bylaws are current and reflect consistency with other governance documents and daily operations, the Board of Directors is recommending several amendments to the bylaws for consideration by the membership. A Legal Affairs Committee (LAC) Workgroup reviewed the proposed amendments and provided an analysis pursuant to ACWA's Bylaws (Article 9, Section 8).

Following is a list of the proposed amendments to the bylaws along with the rationale for the change and the LAC Workgroup's analysis.

Article 7 – Standing Committees

1. **Section 4. Committee Composition.** Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committee subject to the rules and procedures of each committee.

Rationale: Staff is recommending this amendment to the bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

LAC Workgroup Analysis: The proposed revision is clear and meets its intended purpose.

2. **Committee Composition Terms in Sections 5 through 17.**

Rationale. Staff noted that the use of the term “individual” versus “representative” (and one instance of “member”) was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term best applies for all of the committees for purposes of consistency throughout Article 7.

LAC Workgroup Analysis: Reading of the various ACWA committee sections suggests that “Member” would be the most appropriate word for consistency throughout the bylaws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where “member” is separately used to denote a “member agency” and so would need to state “member-agency” consistently to accommodate the more general use of “member” throughout the bylaws).

Staff Response: Staff revised the terms in the committee section descriptions (Sections 5 through 17) to “member” for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis. **(See attached bylaws for proposed amendments to these sections.)**

3. **Section 5. Agriculture Committee.** There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA's agricultural members has successfully generated momentum amongst ACWA's agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

4. **Section 12. Legal Affairs Committee.** There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to members of the Association agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the members of the Association agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between ~~35~~ 34 and ~~45~~ 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member of the Association agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. ~~Further, there shall be at least one representative from each region on the committee.~~ The committee shall consist of a least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee Composition, above, this change accomplishes its purposes and maintains the current overall LAC membership numbers.

Article 9 – Meeting of Members

5. **Section 8. Amendments, Revisions, and Resolutions.** Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least ~~30~~ 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any



proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association ~~at least five~~ not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The ~~30~~ 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections ~~3~~ 5 and 4 ~~6~~ of this Article.

Rationale: Staff recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide the Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the bylaws. **Note: Staff typically notifies ACWA members at least 45 days prior to a given membership meeting to allow the member agency boards adequate time to designate their authorized voting representative.**

LAC Workgroup Analysis: This proposed revision is clear and meets its intended purpose. However, workgroup members did express some concern that the 120-day submission requirement may unduly limit the Association's ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

Staff Response: Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup's analysis.

The Board of Directors recommends adoption of the proposed amendments to ACWA's Bylaws through a vote of the membership.

Webinar on Proposed Amendments to Bylaws

ACWA staff is hosting a webinar on **Tuesday, November 7, at 10:00 a.m.** in advance of the membership meeting to answer any questions members may have pertaining to the proposed amendments to the bylaws. Please register for the webinar at the link listed below:

Please register for Bylaws Webinar on Nov 07, 2017 10:00 AM PST at:

<https://attendee.gotowebinar.com/register/18153322847132675>

After registering, you will receive a confirmation email containing information about joining the webinar.



Membership Voting Process

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency on the proxy designation form. The designated voting representative is required to register and sign as the proxy holder to receive the proxy card. Proxy cards will **only** be available for pick-up on **Wednesday, November 29**, between **9:00 a.m. and 12:00 p.m.** at the **ACWA General Session Desk** in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

To expedite the sign-in process at the **ACWA General Session Desk**, please indicate your voting delegate on the enclosed proxy designation form and return it by email (**donnap@acwa.com**) or fax (**916-325-4857**) at your earliest convenience prior to conference. If there is a last minute change of delegate, please let us know before the meeting date by contacting ACWA's Clerk of the Board, Donna Pangborn, at 916-441-4545 or **donnap@acwa.com**.

If you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at the ACWA office at 916-441-4545 or **donnap@acwa.com**.

dgp

Enclosures:

1. General Session/Election Procedures
2. Proposed ACWA Bylaws Amendments – Redline Version
3. Proxy Designation Form

GENERAL SESSION/ELECTION PROCEDURES FOR ACWA 2017 FALL CONFERENCE

The following information is provided to inform the ACWA member agency delegates attending the 2017 Fall Conference of the procedures to be used pertaining to the nomination and election of ACWA officers and the vote by the membership on proposed amendments to the bylaws during the General Session Membership Meeting.

PROXY CARDS – (REQUIRED FOR VOTING)

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency. In order to vote during the General Session Membership Meeting, the designated voting representative is required to register and sign as the proxy holder by 12:00 p.m. on Wednesday, November 29. Upon registration and sign-in, the voting delegate will receive the required proxy cards. Proxy cards will be available for pick-up on **Wednesday, November 29, between 9:00 a.m. and 12:00 p.m.** at the ACWA General Session Desk in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

GENERAL SESSION MEMBERSHIP MEETING, WEDNESDAY, NOV. 29 (DOORS OPEN AT 1:05 P.M.)

1. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the agenda and election procedures.
3. Nominating Committee Chair John Coleman will present the committee's report and announce the candidate for ACWA President.
4. President Kathy Tiegs will call for floor nominations for ACWA President.
5. If there are no floor nominations for President, the election will proceed. President Tiegs will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
6. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating floor nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. **Note: If there are floor nominations, the election of officers will proceed during Wednesday's General Session as outlined below and the proposed bylaws amendments will move to the Thursday General Session Membership Meeting as outlined in item 12 below.**
 - a. Ballots will be distributed to the voting delegates.
 - b. Delegates will complete their ballots and place them in the ballot box, which will be centrally located in the Platinum Ballroom 1-6 meeting room.
 - c. Tellers' Committee will count the ballots. President Tiegs has appointed the following staff members to serve as the Tellers' Committee: Clerk of the Board Donna Pangborn; Director, Business Development & Events Paula Currie; and Executive Assistant Lili Vogelsang.
 - d. Legal Affairs Committee Chair Jeni Buckman will serve as the proctor to oversee the ballot counting process.
 - e. Candidates are welcome to designate an observer to be present during the ballot counting process.
 - f. Results of the ballot count will be announced. Election of ACWA's officers will be determined by a majority of the members present and voting. If any one candidate does not receive a majority of the vote, successive ballot counts will be conducted until a candidate is elected, consistent with Robert's Rules of Order.

7. Nominating Committee Chair John Coleman will announce the candidate for ACWA Vice President.
8. President Kathy Tiegs will call for floor nominations for ACWA Vice President.
9. If there are no floor nominations for Vice President, the election will proceed. President Tiegs will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
10. If there are floor nominations for Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.f.

IF THERE ARE NO FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE WEDNESDAY GENERAL SESSION MEMBERSHIP MEETING WILL PROCEED WITH A VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS.

11. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed amendments to the bylaws.
 - a. Consideration of amendments to the bylaws.
 - b. Request for motion / second from the floor to approve the proposed amendments to the bylaws.
 - c. Discussion of proposed amendments.
 - d. Opportunity for members to offer changes to proposed amendments to the bylaws. Any proposed changes to the bylaw amendments as currently proposed require **a majority vote of the voting members present**.
 - e. Call for the question. A two-thirds vote of the members present and voting is required to amend the ACWA Bylaws.

IF THERE ARE FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE OVERVIEW AND VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS WILL BE TAKEN UP AT THE GENERAL SESSION MEMBERSHIP MEETING ON THURSDAY AS FOLLOWS.

12. The vote by the membership on the proposed amendments to the bylaws will occur at the Thursday, General Session Membership Meeting, at the Platinum Ballroom 1-6, Anaheim Marriott, at 1:20 p.m.
 - a. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 formally designated voting representatives is required to establish a quorum for transacting business.
 - b. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed bylaws amendments.
 - c. The meeting will proceed according to the steps outlined 11.a. through 11.e. above.



BYLAWS of the Association of California Water Agencies

Proposed Amendments – redline version: September 29, 2017

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BYLAWS OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES

(As amended by the Members on December 2, 2015)

ARTICLE 1 – GENERAL

Section 1. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 2. Principal Office. The principal office for the transaction of business of the Association is located at 910 K Street, Suite 100, Sacramento, California; provided, however, that the Board of Directors may change the location of the principal office by resolution and without amendment of these bylaws.

Section 3. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

ARTICLE 2 – MEMBERSHIP AND DUES

Section 1. Membership.

- A. **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in subsection (B) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association.
- B. **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- C. **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 3. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member; and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 – OFFICERS

Section 1. President and Vice President.

A. **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association at its fall conference in each odd-numbered year, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.

B. **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting *ex officio* member of each committee, but shall not be an *ex officio* member of the Nominating Committee or the region boards.

The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.

C. **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president.

Section 2. Executive Director/Secretary and Controller/Treasurer.

A. **General.** The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.

B. **Executive Director/Secretary.** The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant

information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.

- C. **Controller/Treasurer.** The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4 – BOARD OF DIRECTORS

Section 1. Membership. The Board of Directors shall consist of:

- A. The Association president and vice president.
- B. The chair and vice chair of each region.
- C. The chair of each standing committee.
- D. The most immediate active past president.
- E. The vice president of the ACWA/Joint Powers Insurance Authority.

Section 2. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 3. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 5. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure

that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 6. Meeting Requirements and Quorums. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters or enforcement of violations of the code of conduct.

Section 7. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 8. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 9. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of

employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 10. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 11. Code of Conduct of Board Members.

- A. **Code of Conduct: Purpose and Adoption.** The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. The code shall be consistent with the procedural processes contained in this section. The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.
- B. **Violations and Enforcement Process.** A violation of the code of conduct may result in removal, public censure, or private reprimand of a Director, or such other action as contained in the code of conduct. However, removal and public censure shall be reserved only for serious violations. A Director may not be removed or publically censured absent an affirmative vote of two-thirds of the voting members of the Board of Directors. A Director may be privately reprimanded for a violation of the code of conduct upon the majority vote of the quorum. Complaints of violation of the code of conduct may be filed with the president, or the vice-president if the allegations are made against the president. The president may refer a complaint of violation to the executive director/secretary for investigation. The executive director/secretary may retain a special investigator or special counsel to conduct or assist the investigation. A Director accused of a violation shall be provided a copy of the complaint. A Director that takes any hostile or retaliatory action, directly or indirectly, against a complainant is subject to removal from the Board in conformance with the process identified above. Prior to scheduling a Board action on a complaint, the president shall consult with the Executive Committee and the chair of the Legal Affairs Committee. A Director accused of a violation of the code of conduct shall be provided at least 15 days' written notice of any meeting of the Board at which a determination of enforcement will be considered. A determination of enforcement may be made only at a regular

meeting of the Board and shall be made in closed session. The determinations of the Board under this section shall not be admissible in any criminal or civil proceeding brought against the Director for conduct that violates any other law.

ARTICLE 5 – REGIONS

Section 1. Boundaries of Each Region.

- A. There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- B. A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in (A) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 2. Officers.

- A. The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region by September 30, or the preceding Friday if September 30 falls on a weekend, of odd-numbered years. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. ACWA staff shall verify the legitimacy of the ballots.
- B. The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the ACWA Board of Directors.
- C. Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- D. Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of

any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 3. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year. The nominating committee shall announce its nominations for chair, vice chair, and region board members by August 1 of an election year. All regions must complete the election process by September 30 of the election year, or the preceding Friday if the September 30 falls on a weekend.

Section 4. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission.

Section 5. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 6. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 – EXECUTIVE COMMITTEE

Section 1. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 2. Powers. The Executive Committee shall have the following authority:

- A. **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive

director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review and approve the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.

- B. **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- C. **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 3. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 4. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference or other electronic video screen communication or electronic transmission. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at

the discretion of the President or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.

Section 5. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – STANDING COMMITTEES

Section 1. Qualification. In order to serve on any ACWA standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 2. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 3. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 4. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee.

Rationale: Staff is recommending this amendment to the Bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

LAC Workgroup Analysis: The proposed revision is clear and meets its intended purpose.

Committee Composition Terms in Sections 5 through 17.

Rationale: Review of Committee Composition Terms: Staff noted that the use of the term “individual” versus “representative” (and one instance of “member”) was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term would best apply for all of the committees for purposes of consistency throughout Article 7.

LAC Workgroup Analysis: Reading of the various ACWA committee sections suggests that “Member” would be the most appropriate word for consistency throughout the By-Laws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where “member” is separately used to denote a “member agency” and so would need to state “member-agency” consistently to accommodate the more general use of “member” throughout the By-Laws).

Staff Response: Staff revised the terms in the committee sections to “member” for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis.

Section 5. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA’s agricultural members has successfully generated momentum amongst ACWA’s agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

Section-4 6. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to Association members, member agencies. The committee shall consist of at least one representative member from each region and one representative may include members from the any of the other standing committees.

Section-5 7. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among members of the Association ~~agencies~~. The committee shall consist of no more than 40 ~~individuals~~ members. ~~Of that number, The committee shall consist of at least one individual member shall be from each region.~~

Section-6 8. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one ~~representative member~~ from each region.

Section-7 9. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting ~~members of the Association member agencies~~, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for members of the Association ~~agencies~~; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one ~~and, but~~ no more than five ~~individuals~~ members from each region.

Section-8 10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, ~~the Finance Committee chair, one member either the chair or vice chair from each of the Association's of the region board from each of the Association's 10 regions boards (either chair or vice chair), and one additional representative member~~ from each region with experience in financial matters.

Section-9 11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one ~~representative member~~ from each region.

Section-10 12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to ~~members of the Association agencies~~, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the ~~members of the Association agencies~~ and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between ~~35 34~~ and ~~45 44~~ attorneys, each of whom shall be a member of the California Bar and shall be,

or act as, counsel for a member ~~of the Association~~agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. ~~Further, there shall be at least one representative from each region on the committee~~The committee shall consist of at least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee Composition above, this change accomplishes its purposes and maintains the current overall LAC membership numbers.

~~Section-11~~ 13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, ~~and but~~ no more than three ~~individuals~~members from each region.

~~Section-12~~ 14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

~~Section-13~~ 15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting ~~members of the Association~~agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member ~~s of the Association~~agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of ~~individuals~~members representing a variety of types of ~~members~~member agencies and at least one ~~and~~, ~~but~~ no more than four ~~individuals~~members from each region.

~~Section-14~~ 16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, ~~but and~~ no more than four ~~individuals~~members from each region.

~~Section-15~~ 17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested ~~members of the Association~~agencies to join together to develop and coordinate with

other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one ~~individual member~~ from each region.

ARTICLE 8 – SPECIAL COUNCILS, COMMITTEES, AND TASK FORCES

Section 1. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board meetings.

Section 2. Nominating Committee. There shall be a Nominating Committee consisting of five or more persons appointed by the president prior to the Association's fall conference in each odd-numbered year, whose purpose shall be to nominate qualified individuals for the offices of president and vice president of the Association. The Nominating Committee shall publish its nominations for the offices of president and vice president of the Association not less than 10 or more than 90 days before the membership meeting is held at fall conference. Additional nominations may be made by any member of the Association for candidates for the office of president and vice president. Additional nominations shall be made from the floor during the election of president and vice president at the membership meeting scheduled for said purposes.

Section 3. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9 – MEETINGS OF MEMBERS

Section 1. Meetings. Meetings of the members of the Association shall be held at the Association's conferences at such times as may be determined by the Board of Directors to conduct necessary business and to elect the president and vice president, which occurs at the fall conference in each odd-numbered year.

Section 2. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 3. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The notice of any meeting at which Board officers are to be formally nominated and elected shall include the names of the recommended slate of candidates for the offices of president and vice president in addition to the election procedures. The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

Section 4. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 5. Voting. Each member of the Association shall be entitled to one vote that shall be cast by its authorized representative. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any representative.

Section 6. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 7. Quorums. The presence of the authorized representative of 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business.

Section 8. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least ~~30~~ 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association at least five not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The 30 90-day rule may be suspended at

any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections ~~3~~ 5 and ~~4~~ 6 of this Article.

Staff Rationale: Staff is recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the Bylaws. Note: Staff typically notifies ACWA members at least 45 prior to a given membership meeting to allow the agency boards to designate their authorized representative.

LAC Workgroup Analysis: This proposed revision is clear and meets its intended purpose. However, subcommittee members did express some concern that the 120-day submission requirement may unduly limit the Association's ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

Staff Response: Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup's analysis.

Section 9. Nomination of President and Vice President.

- A. **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.
- B. **Nominating Committee Process.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.
- C. **Nominations from the Floor.** Additional nominations may be made by any member of the Association for the office of president and vice president. Said nominations and seconds shall be made from the floor during the election of the offices of president and vice president at the membership meeting scheduled for said purposes (as provided for in the penultimate sentence of Article 8, Section 2). Such nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.

Section 10. Additional Procedures for Election of Officers. The Board shall have the authority to develop additional procedures for elections of president and vice president when not otherwise covered by these bylaws.

ARTICLE 10 – INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHER AGENTS

Section 1. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE 11 – MISCELLANEOUS

Section 1. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert's Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 2. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate

by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 3. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to public benefit corporations then in effect and with the Articles of Incorporation.

Section 3. Definitions. As used in these bylaws, the term "notice provided by electronic means" shall refer to notice given by fax or e-mail.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015



PROXY DESIGNATION FORM

ASSOCIATION OF CALIFORNIA WATER AGENCIES GENERAL SESSION MEMBERSHIP MEETING(S)

WEDNESDAY, NOVEMBER 29, 2017 AT 1:20PM
THURSDAY, NOVEMBER 30, 2017 AT 1:20PM (IF NEEDED)

TO: Donna Pangborn, Clerk of the Board

EMAIL: donnap@acwa.com

FAX: 916-325-4857

The person designated below will be attending the ACWA General Session Membership Meeting(s) on **Wednesday, November 29, 2017 (and November 30, 2017 if necessary)** as our voting delegate.

MEMBER AGENCY'S NAME	AGENCY'S TELEPHONE No.
MEMBER AGENCY'S AUTHORIZING REPRESENTATIVE	SIGNATURE
DELEGATE'S NAME	SIGNATURE
DELEGATE'S EMAIL	DELEGATE'S TELEPHONE No.
DELEGATE'S AFFILIATION (if different from assigning agency) ¹	DATE

¹ If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above. Note: Delegates need to sign the proxy form indicating they have accepted the responsibility of carrying the proxy.

REMINDER: Proxy cards will be available for pick up on **Wednesday, November 29**, between **9:00 a.m.** and **12:00 p.m.** at the **ACWA General Session Desk** in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.