



SOLANO WATER AUTHORITY

**SOLANO WATER AUTHORITY
POLICY COMMITTEE MEETING**

Berryessa Room
810 Vaca Valley Parkway, Suite 201
Vacaville, California 95688

THURSDAY, OCTOBER 12, 2017

Approximately 7:45 P.M.

(Immediately Following the SCWA Board Meeting)

AGENDA

1. PRELIMINARY

- 1.1. Call Meeting to Order
- 1.2. Approval of Agenda
- 1.3. Pledge of Allegiance
- 1.4. Conflict of Interest Notification *(Any Agenda items that might be a conflict of interest to any Board members should be identified at this time by the Director involved)*

2. PUBLIC COMMENT (NON-AGENDA ITEMS)

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Public Comment section.

3. INFORMATIONAL ITEMS

- 3.1. SWA AGREEMENT #2, NOONAN RESERVOIR: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*
- 3.2. SWA AGREEMENT #3, NEW IMPORTED WATER SUPPLY: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*
- 3.3. SWA AGREEMENT #4, COORDINATED GROUNDWATER MANAGEMENT: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*

4. CONSENT CALENDAR

- 4.1 MINUTES: Approve Minutes of the October 13, 2016 Meeting
- 4.2 UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017: Review of Financial Statements

5. BOARD OF DIRECTOR'S COMMENTS

6. NEXT SCHEDULED MEETING

- 6.1. NEXT SCHEDULED MEETING: **October 11, 2018**

7. ADJOURN

2017

SWA POLICY COMMITTEE MEMBERS

AGENCY	MEMBER	ALTERNATE
CITY OF BENICIA	Mayor Elizabeth Patterson	
CITY OF DIXON	Mayor Thom Bogue	Scott Pederson
CITY OF FAIRFIELD	Mayor Harry Price – VICE CHAIR	
CITY OF RIO VISTA	Mayor Norm Richardson	
CITY OF SUISUN CITY	Mayor Pete Sanchez	Michael Hudson
CITY OF VACAVILLE	Mayor Len Augustine	
RECLAMATION DIST. NO. 2068	Dale Crossley	
SOLANO IRRIGATION DISTRICT	John D. Kluge	
COUNTY OF SOLANO	Supervisor Jim Spering - CHAIR	Supervisor John Vasquez
CITY OF VALLEJO	Mayor Bob Sampayan	



UTILITIES DEPARTMENT

M e m o r a n d u m

Date: September 27, 2017
To: Solano Water Authority
From: City of Vacaville, Lead Agency, SWA Project No. 2
Subject: SWA 2 Status Report
Pc: W90-5/F16, W00-1/F16, 860006

STATUS:

Phase 1 - Noonan Reservoir – This project is being analyzed for alternative strategies for water storage and/or land uses for the Noonan site due to the \$50 Million plus estimated project cost for the above ground storage reservoir which includes foundation treatment to mitigate soil liquefaction potential from a seismic event. Project participants include Benicia, Fairfield, Maine Prairie, SID, SSWA, Vacaville, and Vallejo.

Phase 2A – NBA-Highline Canal-Inter Tie Project - This project has been on hold pending adoption by DWR of the alternative alignment for the new NBA intake. Project participants include Benicia, Fairfield, and Vacaville.

Activities completed in 2016:

- Identified alternative water storage strategy option for an in-ground water storage reservoir.
- Prepared schematic drawings of reservoir.
- Calculated excavation volume and water storage capacity options.
- Develop planning level estimate of costs

Activities completed in 2017:

- Identified alternative land use options for water related projects
 - ❖ Ground water recharge basin
 - ❖ Wetlands for treatment of recycled water
 - ❖ Habitat conservation area.

Activities planned for 2018:

- Analyze alternative land use options identified in 2017.

CASH AVAILABLE AS OF JUNE 30, 2017:

Phase 1	\$ 113,920
Phase 2A	\$ 195,168

REQUESTED ACTION: None. Informational report only.

Attachments: Noonan Location Map

**SWA PROJECT NO. 3
NEW IMPORTED WATER SUPPLY**
October 12, 2017

Project Participants

Phase 1 (General planning): Fairfield (lead agency), Vacaville, SID, Benicia, Vallejo, Rio Vista

Phase 2A (Watershed-of-origin water rights filing): Fairfield (lead agency), Vacaville, Benicia

Phase 2B (Investigation/purchase of property in Solano County with transferable water rights): Fairfield (lead agency), Vacaville

Progress Report

The New Water Supply Project Task Force has been inactive since the last status report in October 2016. This is the result of the successful completion of the Phase 2A settlement, the economic downturn and subsequent State-wide drought which reduced water demands in all of the SWA3 participating cities, and the late 2013 settlement of the Area of Origin litigation related to our State Water Project (SWP) contract supplies.

The last two wet winters have restored SWP deliveries and have filled Lake Berryessa. While water use is again on the rise in several Solano County cities, many conservation practices have become permanent and consumption levels still remain below 2013 water usage levels. Therefore, it is not anticipated that the SWA Project No. 3 participants will actively pursue additional water supplies in the upcoming year – there are adequate water resources anticipated to be available within the County in 2018. Therefore, water resources planning activities will be coordinated more generally through the Solano Water Advisory Commission. The information below is largely unchanged from last year's update and the two years before that.

Phase 1

There has been no recent activity on this item. The participating agencies have been cooperatively managing the supplies we currently have due to the reasons stated above. The two primary activities carried out over the past 10 years are described below.

As an outgrowth of the 2005 "Solano Agencies Integrated Regional Water Management Plan," Solano Irrigation District (SID) proposed negotiations for a permanent sale of up to 5,000 acre-feet per year of Solano Project (Lake Berryessa) water supply from SID to

interested Solano cities. Fairfield, Benicia, and Vallejo staff expressed interest and began meeting with SID staff in June 2005, assisted by Solano County Water Agency. Vallejo subsequently decided not to proceed.

Negotiations and CEQA compliance were completed successfully, and in April and May 2009, Fairfield and Benicia entered water purchase agreements with SID for 2,000 acre-feet per year each, starting in 2009. The significant financial terms were \$2,500 per acre-foot water supply contracted (lump sum up front) plus \$62.62 (2008 dollars) per acre foot paid annually, adjusted annually for inflation.

In 2007, SCWA filed a claim with the state regarding area of origin preference for water supply from the State Water Project, which, as expected, was denied, clearing the way for a lawsuit, which SCWA and other parties filed in 2008. A settlement was reached and was finalized in late 2013. This litigation and settlement effort was carried out by SCWA outside of SWA3. The most significant positive outcome from this legal effort was a separate "North of Delta" SWP allocation, which provides greater SWP reliability for Solano County agencies.

Phase 2A

The Phase 2A "watershed of origin" water rights settlement agreement between the Department of Water Resources, SCWA, and the three cities of Fairfield, Vacaville, and Benicia reached a successful conclusion in the latter half of 2003, bringing nearly 32,000 AF/yr of new urban water supply to Solano County.

At a meeting in April 2008, the Policy Committee approved a \$50,000 increase in the project expenditure limit and budget, primarily for ongoing legal services needed to assist the cities in administering, maintaining, and defending the settlement. These funds have been deposited and the legal services agreement with Somach, Simmons & Dunn was extended at that time.

The reason funding was set aside was to address potential legal challenges or other complications to this settlement. However, no such legal issues have arisen and there has been no recent activity on this item.

Phase 2B

There has been no recent activity on this item.

SOLANO WATER AUTHORITY

DATE: October 12, 2017

AGENDA ITEM NO. 3.3

TITLE: SWA Agreement #4, Coordinated Groundwater Management

SUBJECT: Update on Recent and Planned Activities
Presented for Informational Purposes, No Committee Action Required

EXECUTIVE SUMMARY:

Since 1993 this agreement has facilitated the collection, sharing and reporting of groundwater data for Putah Fan/Tehama Formation groundwater basin. No new activities are planned for 2017-18 but groundwater monitoring and data collection activities will continue.

BACKGROUND:

The SWA Agreement #4 (SWA4) was entered into on August 12, 1993 among six agencies. In order to prevent overdrafting and contaminating the Putah Fan/Tehama Formation groundwater basin, data about water quantity and quality in the basin is collected and shared among the agencies. Effects of existing and planned pumping from the basin are the main interest. The Lead Agency is SID; SCWA and Vacaville are actively participating, and SCWA provides staff support.

Past activities have included:

- SCWA collection of groundwater data and the publication of several groundwater reports.
- SCWA compilation of a groundwater database
- Publication of the North Central Solano County Groundwater Resources Report by Summers Engineering, Inc., in 1995.
- The Solano Groundwater Investigation Project including:
 - Construction of four deep groundwater monitoring wells by SCWA
 - Construction of a conjunctive use test well on a site owned by RD 2068. This was partially funded by AB 303 grant funds acquired by SCWA.
 - Preparation of Technical Memorandums documenting the work accomplished.
 - Implementation of groundwater monitoring data required by SBx7-6
- SID preparation of annual Groundwater Status Reports.

Note that no new activities were planned for FY 2016-17. The following ongoing activities took place:

- Continued groundwater monitoring and data collection for California Statewide Groundwater Elevation Monitoring (CASGEM) reporting to the state DWR.
- SWA 4 agencies formed Groundwater Management Agencies in Solano County, but SWA4 itself did not participate in this.

Planned/potential activities for 2017-18 include:

- Continued CASGEM data collection and reporting.
- SID will have Summers Engineering prepare an updated Groundwater Status Report – Water Levels and Quality upon taking the fall 2017 groundwater level readings. This report will be presented to the District’s Board of Directors in December.
- Participate in development of Groundwater Sustainability Plans (GSPs) in conformance with adopted state groundwater regulations.

RECOMMENDATION:

None; for information only.

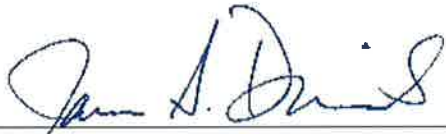
FINANCIAL IMPACT:

- No expenses were incurred for 2016-17.
- There are no expenses planned for the next year.

ATTACHMENTS:

None

STAFF RESPONSIBLE FOR REPORT:



Jim Daniels, District Engineer
Solano Irrigation District

Date: September 27, 2017



Cary Keaten, General Manager
Solano Irrigation District

Date: September 27, 2017

**SOLANO WATER AUTHORITY
POLICY COMMITTEE MEETING**

Berryessa Room
810 Vaca Valley Parkway, Suite 201
Vacaville, CA

THURSDAY, OCTOBER 13, 2016

MINUTES

The Solano Water Authority met on this date at the Solano Irrigation District Office. Present were: City of Rio Vista Mayor **Norm Richardson**; City of Benicia Mayor **Elizabeth Patterson**; City of Dixon Mayor **Jack Batchelor**; City of Vacaville Mayor **Len Augustine**; City of Fairfield Mayor **Harry Price**; Reclamation District 2068 **Mike Hardesty**; City of Suisun City Mayor **Pete Sanchez**; Solano County Supervisor **Jim Spering**; Solano County Supervisor **John Vasquez**; Solano Irrigation District Director **John Kluge**; City of Vacaville Assistant Director of Utilities **Steve Sawyer**; City of Fairfield Assistant Public Works Director/Utilities **Felix Riesenber**; SID General Manager **Cary Keaten**; SID Finance Director **Cammie Morin**; SID District Engineer **Jim Daniels**

1. PRELIMINARY

1.1. Call Meeting to Order

The meeting was called to order at 7:35 p.m. by Supervisor Jim Spering.

1.2. Approval of Agenda

Upon motion by Mayor Batchelor and seconded Mayor Sanchez, the Committee approved the agenda as presented.

1.3. Pledge of Allegiance

The pledge of allegiance was recited.

1.4. Conflict of Interest Notification (*Any Agenda items that might be a conflict of interest to any Board members should be identified at this time by the Director involved*)

None.

2. PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments.

3. INFORMATIONAL ITEMS

3.1. SWA AGREEMENT #2, NOONAN RESERVOIR: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*

City of Vacaville Assistant Director of Utilities Steve Sawyer opened this item, summarized the staff report and provided a brief presentation to the Board

3.2. SWA AGREEMENT #3, NEW IMPORTED WATER SUPPLY: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*

City of Fairfield Assistant Public Works Director/Utilities Felix Riesenbergs opened this item and summarized the staff report.

3.3. SWA AGREEMENT #4, COORDINATED GROUNDWATER MANAGEMENT: Update on Recent and Planned Activities. *Presented for Information Purposes, No Committee Action Required.*

SID District Engineer Jim Daniels opened this item, summarized the staff report and provided a brief presentation to the Board.

4. CONSENT CALENDAR

5.1. MINUTES: Approve Minutes of the October 15, 2015 Meeting

5.2. AUDIT: Receive Audited Financial Report for the Tow Years ended June 30, 2014

The Board approved the Consent Calendar as presented.

6. BOARD OF DIRECTOR'S COMMENTS

There were no comments from the Board.

7. NEXT SCHEDULED MEETING

7.1. NEXT SCHEDULED MEETING: October 12, 2017

8. ADJOURN

There being no further business before the Committee, President Spring adjourned the October 13, 2016 Annual Meeting of the SWA Policy Committee at 7:55 p.m.

SOLANO WATER AUTHORITY

DATE: October 12, 2017

AGENDA ITEM NO. 4.2

TITLE: Unaudited Financial Statements for the year ended June 30, 2017

SUBJECT: Review of Financial Statements

EXECUTIVE SUMMARY:

This Staff Report is to present the Solano Water Authority (SWA) unaudited financial results for the one year ended June 30, 2017.

There was minimal financial activity in SWA during the year ended June 30, 2017.

Balance Sheet:

During the year ended June 30, 2017, cash increased by \$170, due to interest earned on cash deposit.

Statement of Revenues, Expenses, and Changes in Fun Equity:

There was no operating revenue during the year ended June 30, 2017.

The operating expenses included the \$12,000 contractual administrative/bookkeeping fees, and \$5,100 for the independent audit of the two years of 2014 and 2015.

Interest income of \$170 was earned.

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TITLE: SWA 2016-17 Unaudited Financial Statements

Table 1. SWA Balance Sheet as of June 30, 2017

Solano Water Authority Balance Sheet As of June 30, 2017					
	Noonan Reservoir and Phase #1 SWA #2 & 2-1	Noonan Reservoir #2A SWA #2-2A	Imported Water Supply SWA #3	Groundwater Management SWA #4	Total
ASSETS					
Cash & Investments	\$113,920	\$195,168	\$153,024	\$1,800	\$463,912
Receivables; Net					
Interest	0	0	0	0	0
Other	479	15,812	25,127	423	41,841
Restricted Cash & Investments					
Property, Plant & Equipment					
Land	954,067	0	0	0	954,067
Construction In Progress	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0
Total Assets	\$1,068,466	\$210,980	\$178,151	\$2,223	\$1,459,820
LIABILITIES & FUND EQUITY					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Current Portion of LT Debt	0	0	0	0	0
Deferred Revenues	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Fund Equity					
Contributed Capital	1,138,714	250,000	922,564	24,270	2,335,548
Retained Earnings (Deficit)	(70,248)	(39,020)	(744,413)	(22,047)	(875,728)
Total Equity	1,068,466	210,980	178,151	2,223	1,459,820
Total Liabilities & Equity	\$1,068,466	\$210,980	\$178,151	\$2,223	\$1,459,820

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TITLE: SWA 2016-17 Unaudited Financial Statements

Table 2. SWA Statement of Revenues, Expenses and Changes in Fund Equity, for the year ended June 30, 2017

Solano Water Authority					
Statement of Revenues, Expenses & Changes in Fund Equity					
For the Year Ended June 30, 2017					
	Noonan Reservoir and Phase #1 SWA #2 & 2-	Noonan Reservoir #2A SWA #2-2A	Imported Water Supply SWA #3	Groundwater Managemen SWA #4	Total
Operating Revenue:					
Charges for Services	\$0	\$0	\$0	\$0	\$0
Miscellaneous	0	0	0	0	0
Total Operating Revenue	0	0	0	0	0
Operating Expenses:					
Operations & Maintenance	196	6,462	10,269	173	17,100
Research & Development	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operating Expenses	196	6,462	10,269	173	17,100
Operating Income (Loss)	(196)	(6,462)	(10,269)	(173)	(17,100)
Non-Operating Revenues (Expenses)					
Investment Income	21	82	66	1	170
Intergovernmental Revenues	0	0	0	0	0
Other	0	0	0	0	0
Total Non-Op. Rev. (Exp.)	21	82	66	1	170
Net Income (Loss)	(\$175)	(\$6,380)	(\$10,203)	(\$172)	(\$16,930)
Amount of Gain (Loss) Distributed to Contributed Capital					
	(175)	(6,380)	(10,203)	(172)	(16,930)
Retained Earnings (Deficit), June 30, 2016	(74,238)	(48,669)	(754,389)	(22,188)	(899,483)
Prior Period Adjustment	4,165	16,029	20,179	313	40,686
Retained Earnings (Deficit), June 30, 2017	(\$70,248)	(\$39,020)	(\$744,413)	(\$22,047)	(\$875,728)

RECOMMENDATION:

None

FINANCIAL IMPACT:

None

TITLE: *SWA 2016-17 Unaudited Financial Statements*

ATTACHMENTS:

None

STAFF RESPONSIBLE FOR REPORT:



Cammie Morin, Finance Director
Solano Irrigation District

Date: 9/26/2017



Cary Keaten, General Manager
Solano Irrigation District

Date: 9/30/2017