Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

Meeting Agenda Announcement

Assembly Bill ("AB") 361, signed into law on September 16, 2021, amends Government Code section 54953 to provide authority and specific requirements for public agencies to hold virtual meetings during a proclaimed state of emergency and remain in compliance with the Brown Act (Gov. Code §§ 54950 et seq.).

Consistent with mandates of AB 361, some, or all, SEWC Board Members may attend this meeting virtually. A physical location from which members of the public may observe the meeting or offer public comment will not be made available. Vernon City Hall will not be open to the public for this meeting; however viewing and public comment options are provided below.

View live open session meeting remotely via Zoom:
Join Zoom Meeting:
www.cityofvernon.org/webinar-sewc
Mobile: (408) 638-0968
Meeting ID: 946 4998 9368
Password: 157037

Public Comment/Question options:

- Email: kjservicesenviro@gmail.com
- Voicemail: (323) 583-8811, ext. 888

Please submit email and voicemail public comments by at least 2:30 p.m. on the date of the meeting to ensure SEWC Members receive and have time to review them. All email and voicemails received by 2:30 p.m. are forwarded to SEWC Members. Email and voicemails received after 2:30 p.m. but before the conclusion of the public comment portion will be entered into the record.

AGENDA

SOUTHEAST WATER COALITION

REGULAR MEETING OF THE ADMINISTRATIVE ENTITY

THURSDAY, JANUARY 19, 2023
3:00 PM

1. ROLL CALL

2. PUBLIC COMMENTS

3. CONSENT CALENDAR

Consent Calendar items will be considered and approved in one motion unless removed by an Administrative Entity Member for discussion.*

a. **SEWC ADMINISTRATIVE ENTITY MINUTES OF NOV. 17, 2022 SPECIAL MEETING**

Recommendation: Approve minutes as submitted.

b. **MAKE FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(3) ESTABLISHED BY ASSEMBLY BILL 361 - NEW LEGISLATION REGARDING PUBLIC MEETINGS AND TELECONFERENCING**

Recommendation: That the Administrative Entity take the following actions:

1) Make the following findings pursuant to Government Code Section 54953(e)(3):

a) the Board has reconsidered the circumstances of the COVID-19 state of emergency; and
b) state and local officials continue to recommend measures to promote social distancing.

End of Consent Calendar*

4. FISCAL YEAR (FY) 2021 / 2022 SOUTHEAST WATER COALITION (SEWC) AUDIT

Joanna Moreno, AE Chair, City of Vernon
Recommendation: That the Administrative Entity take the following action:

1) Accept the Southeast Water Coalition (SEWC) Financial Statements for Fiscal Year 2021-2022 with Report on Audit; and

2) Prepare a Management Letter for the final audit report; and

3) Recommend the Board of Directors approve the SEWC Financial Statements for Fiscal Year 2021-2022 with Report on Audit, received December 2022, and to authorize the audit report to be finalized and filed with the County.

5. MWD'S REGIONAL DROUGHT EMERGENCY DECLARATION

Joanna Moreno, AE Chair, City of Vernon
Kevin Sales, KJServices Environmental Consulting
Recommendation: That the Administrative Entity take the following action:

Receive and file an update on Metropolitan Water District's Regional Emergency Drought Declaration.

6. WATER BOARDS' PROPOSED READOPTION OF THE PROHIBITED WASTEFUL WATER USE EMERGENCY REGULATION FOR WATER CONSERVATION

Joanna Moreno, AE Chair, City of Vernon
Kevin Sales, KJServices Environmental Consulting
Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the State Water Resources Control Board's readoption (Resolution 2022-0054) of the current Prohibited Wasteful Water Uses Emergency Regulation for Water Conservation.

7. RETURN TO IN PERSON MEETINGS – AE AND POLICY BOARD

Joanna Moreno, AE Chair, City of Vernon
Kevin Sales, KJServices Environmental Consulting
Recommendation: That the Administrative Entity take the following action:
.

Effective with the March 16, 2023 SEWC Administrative Entity meeting, both Policy Board meetings and AE meetings will be held in-person at the City of Vernon City Hall, per SEWC Resolution 2021-1. Partially virtual meetings can continue to be held as long as they meet the requirements of AB 2449.

8. DROUGHT AND CONSERVATION REPORTING

Joanna Moreno, AE Chair, City of Vernon

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the Department of Drinking Water (DDW) Oder *DDW _HQ_Drought2023_001* Requiring Technical Reporting in Response to Drought.

9. FEBRUARY 2, 2023 BOARD OF DIRECTORS AGENDA

Kevin Sales, KJServices Environmental Consulting

Recommendation: Consider Draft SEWC JPA Board of Directors Agenda

10. WRITTEN COMMUNICATIONS

11. ADMINISTRATIVE ENTITY MEMBER COMMENTS

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. For information or to request services, please contact the City of Vernon Public Utilities Department at least 24 hours in advance of the meeting at (323) 583-8811 ext. 888.

The next meeting of the Southeast Water Coalition Administrative Entity will be on Thursday, March 16, 2023, 3:00pm, at Vernon City Hall, 4305 South Santa Fe Ave., Vernon, CA 90058.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours and Special meeting agendas may be amended up to 24 hours in advance of the meeting.

Dated: January 16, 2023

By: Lisa Umeda

Utilities Compliance Administrator
City of Vernon

MINUTES OF THE

SOUTHEAST WATER COALITION

JOINT POWERS AUTHORITY

REGULAR MEETING OF THE ADMINISTRATIVE ENTITY

THURSDAY, NOVEMBER 17, 2022
3:00 PM

The Regular Meeting of the Southeast Water Coalition Joint Powers Authority Administrative Entity, conducted telephonically via Zoom, was called to order at 3:04 p.m. by AE Chair Joanna Moreno (Vernon). At the time the meeting was called to order a quorum of members were present. Kevin Sales (KJServices Environmental Consulting) called the roll call and the following Administrative Entity members were present:

1. ROLL CALL

J. Morales	City of Cerritos
Gina Nila	City of Commerce
Dan Mueller	City of Downey
Derek Nguyen	City of Lakewood
Derwin Dy	City of Lakewood
Adriana Figueroa	City of Paramount
Jesse Sira	City of Santa Fe Springs
Chris Castillo	City of South Gate
Joanna Moreno, AE Chair	City of Vernon
Ray Cordero	City of Whittier

Others in Attendance

Kevin Sales	KJServices Environmental Consulting
Nick Ghirelli	Richards, Watson, Gershon

2. PUBLIC COMMENTS

No Public Comments were received.

3. CONSENT CALENDAR

Derek Nguyen (Lakewood) made a motion to approve the Consent Calendar. The motion was seconded by Ray Cordero (Whittier). With one abstention from the City of Paramount, the AE approved the Consent Calendar as submitted.

4. SEWC LETTER TO US EPA REGARDING THE CERCLA LISTING OF PFOA AND PFOS.

Chair Moreno updated the AE members on the SEWC letter to the EPA regarding the listing of PFOA and PFOS as CERCLA listed pollutants. SEWC submitted a letter on October 24, 2022 requesting that the EPA extend the comment period by 60 to 90 days to allow those agencies affected by the proposed ruling more time to full assess its impact.

The AE received and filed the report as presented.

5. AB 249 – NEW LEGISLATION REGARDING TELECONFERENCING

Chair Moreno presented an overview of the impact of AB 2449 on future SEWC AE and Policy Board meetings. AB 2449, which becomes effective January 1, 2023, will add additional requirements that must be met to allow agencies to continue to meet remotely.

Primarily, AB 2449 requires at least a quorum of the legislative body to participate in person from a singular, physical location clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the agency exercises jurisdiction. This location would normally be the body's regular meeting location.

Members of the legislative body participating remotely pursuant to AB 2449 must publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals. Members must also participate through both audio and visual technology so that the public can remotely hear and visually observe them. To do this, AB 2449 requires either a two-way audiovisual platform or a two-way telephonic service with a live webcasting of the meeting.

AB 2449 is not intended to allow for frequent teleconferencing under relaxed requirements, but rather provides a limited option to enable legislative body members to participate remotely from time-to-time without following the traditional Brown Act teleconferencing rules.

SEWC counsel, Nick Ghirelli, commented on some of the additional details of the new requirements.

AE member Adrianna Figueroa (Paramount) asked if AB 2449 essentially eliminated teleconference meetings? Mr. Ghirelli commented that teleconference participation at meetings is still allowed but now required that members provide justification and that a quorum of members must be present in a single location that was listed on the meeting agenda.

AE member Ray Cordero (Whittier) stated that the AE should make preparations to begin in-person meetings in the new year. Chair Moreno stated that an item would

be included on the January 2023 AE agenda to set a time and location for resumed in-person meetings.

The AE received and filed the report as presented.

6. NOTIFICATION LEVEL ESTABLISHED FOR PERFLUOROHEXANE SULFONIC ACID (PFHxS)

Chair Moreno presented an overview of this item to the Administrative Entity members.

On October 31, 2022, the California Water Board's Division of Drinking Water established a Notification Level and a Response Level for Perfluorohexane Sulfonic Acid (PFHxS).

The Deputy Director of DDW established a notification level of 3 ng/L and response level of 20 ng/L for PFHxS.

The AE received and filed the report as presented.

7. UPDATE ON THE OUTCOME OF LOCAL NOVEMBER 8, 2022 ELECTIONS

Chair Moreno presented the AE members with a brief overview of the results of several local elections that impact either SEWC Board membership (the cities of Downey, Pico Rivera, and Santa Fe Springs), or three water agencies (the Water Replenishment District, the Central Basin Municipal Water District, and the Orchard Dale Water District).

The AE received and filed the report as presented.

8. RECISSION AND REISSUANCE OF GENERAL ORDER BY THE STATE WATER BOARD FOR MONITORING OF PER- AND POLYFLUOROALKYL SUBSTANCES BY SELECTED WATER PURVEYORS

AE Chair Moreno provided the members with an update on this item.

Beginning in January 2023, the State Water Resources Control Board will require selected water purveyors to monitor for an expanded menu of PFAS chemicals on a quarterly basis and, depending upon test results, report their results to their respective Division of Drinking Water (DDW) District office.

Per comments received at the meeting from both the City of Downey and the City of Whittier, this general order will require their current monitoring programs to expand from approximately 18 substances to 25, and will require more detailed and expensive testing.

Per AE member Dan Mueller (Downey), some of the newly required substances require reporting to the DDW when the average results of the monitoring test exceed

the Reporting Limit (RL) for the individual substance being monitored for, while others require that any test results exceeding the RL (i.e.; a single test result) be reported.

The consensus of the AE was that, at the least, the new order will require additional, more expensive monitoring and, depending upon the results, more reporting to the DDW. Because of this additional cost and potential additional staff workload, the AE recommended that the Policy Board be updated on this latest Water Board order.

The AE received and filed this report as presented.

9. DECEMBER 1, 2022 BOARD OF DIRECTORS AGENDA

Kevin Sales, KJServices Environmental Consulting

Recommendation: That the Administrative Entity include the following items on the next SEWC Board meeting agenda.

- Update on the new teleconferencing rules for meetings
- SEWC response letter to the EPA regarding their proposed CERCLA listing of PFAS substances.
- Expanded PFAS testing requirement

10. WRITTEN COMMUNICATIONS

No written comments were received.

11. ADMINISTRATIVE ENTITY MEMBER COMMENTS

No comments were received from any Administrative Entity members.

12. ADJOURNMENT

AE Chair Joanna Moreno adjourned the meeting at 3:31 p.m.

_____

CHAIR

ATTEST:

_____

Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT

Date: January 19, 2023
To: Southeast Water Coalition Administrative Entity
From: Joanna Moreno, AE Chair, City of Vernon

Subject: **FISCAL YEAR (FY) 2021 / 2022 SOUTHEAST WATER COALITION (SEWC) AUDIT**

Recommendation: That the Administrative Entity take the following actions:

1) Accept the Southeast Water Coalition (SEWC) Financial Statements for Fiscal Year 2021-2022 with Report on Audit; and

2) Prepare a Management Letter for the final audit report; and

3) Recommend the Board of Directors approve the SEWC Financial Statements for Fiscal Year 2021-2022 with Report on Audit, received December 2022, and to authorize the audit report to be finalized and filed with the County.

Background
Sections 7.i. and 14.b. of the Southeast Water Coalition (SEWC) Joint Powers Agreement (Agreement), dated June 28, 2005, outline SEWC's budget policies. According to the Agreement, an independent annual audit of SEWC's financial statements shall be conducted by a certified public accountant in compliance with Government Code Section 26909. Additionally, the report of said audit shall be filed as a public record with each agency and the County Auditor.

The SEWC Administrative Entity authorized the City of Commerce's Director of Finance, servicing as SEWC Treasurer and Controller, to award a sole source contract to DavisFarr, LLP to administer the annual audit of SEWC financial documents for Fiscal Year (FY) 2021/2022 and prepare the Financial Transactions Report and Supplement for the total cost of $5,550.

SEWC received the Draft Financial Statements from DavisFarr in December 2022. The audit finds that SEWC's financial statements were presented in conformity and in accordance with accounting principles generally accepted in the United States of America.

If the draft audit report is accepted by the Administrative Entity, the next steps are:

1) for current Lead Agency, the City of Vernon prepare a joint Management Letter for the final audit report; and

2) bring the report to the SEWC Board of Directors at their February 2, 2023 meeting for approval and to direct DavisFarr to submit the Finalized Audit Report.

Attachments:

1. Southeast Water Coalition Basic Financial Statements as of June 30, 2022

SOUTHEAST WATER COALITION

BASIC FINANCIAL STATEMENTS

Year ended June 30, 2022

SOUTHEAST WATER COALITION

Basic Financial Statements

Year ended June 30, 2022

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	4
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	5
Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund	6
Notes to the Basic Financial Statements	7-9

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Independent Auditor's Report

Board of Directors
Southeast Water Coalition
Commerce, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southeast Water Coalition (the "Coalition") as of and for the year June 30, 2022, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Coalition, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Coalition's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the Unites States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December XX, 2022 on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control over financial reporting and compliance.

Irvine, California
December XX, 2022

BASIC FINANCIAL STATEMENTS

SOUTHEAST WATER COALITION

Statement of Net Position and Governmental Fund Balance Sheet

June 30, 2022

	General Fund	Adjustments (Note 1D)	Statement of Net Position
ASSETS:			
Cash	$ 221,303	$ -	$ 221,303
Due from member agencies	6,000	-	6,000
Total Assets	227,303	-	227,303
LIABILITIES:			
Accounts payable	2,181	-	2,181
Total Liabilities	2,181	-	2,181
FUND BALANCE/NET POSITION			
FUND BALANCE			
Unassigned	225,122	(225,122)	-
Total Liabilities and Fund Balance	$ 227,303		
NET POSITION			
Unrestricted		$ 225,122	$ 225,122

See accompanying notes to the basic financial statements.

SOUTHEAST WATER COALITION

Statement of Activities and Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds

Year ended June 30, 2022

	General Fund	Adjustments (Note 1D)	Statement of Activities
EXPENDITURES/EXPENSES:			
Contract services	$ 21,762	$ -	$ 21,762
Professional services	11,325	-	11,325
Policy Board compensation	7,200	-	7,200
TOTAL EXPENDITURES/EXPENSES	40,287	-	40,287
PROGRAM REVENUES:			
Member contributions	33,000	-	33,000
Investment income	188	-	188
TOTAL PROGRAM REVENUES	33,188	-	33,188
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES/ CHANGE IN NET POSITION	(7,099)	-	(7,099)
FUND BALANCE/NET POSITION: BEGINNING OF YEAR	232,221	-	232,221
END OF YEAR	$ 225,122	$ -	$ 225,122

See accompanying notes to the basic financial statements.

SOUTHEAST WATER COALITION

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund

Year ended June 30, 2022

	Budgeted Amounts			Variance-Positive
	Original	Final	Actual	(Negative)
Revenues:				
Member contributions	$ 33,000	$ 33,000	$ 33,000	$ -
Investment income	1,000	1,000	188	(812)
Total Revenues	34,000	34,000	33,188	(812)
Expenditures:				
Contract services	40,000	40,000	21,762	(18,238)
Professional services	76,000	76,000	11,325	(64,675)
Travel, supplies, and meetings	4,100	4,100	-	(4,100)
Policy Board compensation	9,900	9,900	7,200	(2,700)
Administration	1,000	1,000	-	(1,000)
Total Expenditures	131,000	131,000	40,287	(90,713)
Excess (deficiency) of revenues over (under) expenditures	(97,000)	(97,000)	(7,099)	(91,525)
Net changes in fund balance	(97,000)	(97,000)	(7,099)	(91,525)
Fund Balance at Beginning of Year	237,905	232,221	232,221	-
Fund Balance at End of Year	$ 140,905	$ 135,221	$ 225,122	$ (91,525)

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

On July 1, 1991, certain public agencies entered into a joint powers agreement to form the Southeast Water Coalition (the Coalition). Each member has one representative on the Policy Board and on the Administrative Entity. The purpose of the Coalition is to jointly exercise its powers for the purpose of improving the quality and quantity of potable water in the southeast area of Los Angeles County. The Coalition members are the cities of Downey, Whittier, Paramount, Pico Rivera, Lakewood, Norwalk, Commerce, Vernon, Cerritos, South Gate, and Santa Fe Springs.

It is the firm position of the Coalition that both the containment at Commerce Narrows and cleanup of the San Gabriel Basin are essential to the protection of the Central Basin. The containment program is the Coalition's primary short-term focus because the Commerce Narrows containment program serves primarily to protect the Central Basin.

In addition, the Coalition will work with communities and agencies in the San Gabriel Basin to expedite the cleanup of the San Gabriel Basin as a no less important, but longer term, focus. In addition, it is the goal of the Coalition to return the decision-making authority, both in terms of alternatives chosen and lead agency status with respect to the implementation of the containment program at Commerce Narrows and the cleanup of the San Gabriel Basin, to agencies at the local or state level while pursuing funds at the federal, state, and local levels.

B. Financial Statement Presentation

Governmental entities are required to report information on a government-wide basis and on a fund basis (with emphasis placed on major funds of the entity). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. The governmental fund financial statements (i.e., the balance sheet and the statement of revenues, expenditures, and changes in fund balance) report information on individual funds of the government. A fund is considered to be a separate accounting entity with a self-balancing set of accounts.

Since the Coalition is engaged in a single governmental activity and has no component units, the government-wide and governmental fund financial statements have been combined on the same statement with a reconciliation of the individual line items in a separate column titled "Adjustments." The government-wide financial statements are reported in the "Statement of Net Position" and the "Statement of Activities" columns. The governmental fund financial statements are reported in the "General Fund" column.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows

of resources (whether current or noncurrent) associated with their activity are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Coalition considers revenues to be available if they are collected within a 60-day period to pay current liabilities at the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Amounts reported as program revenues are charges to member cities for goods, services, or privileges provided and related investment income.

D. Reconciliation of Government-wide and Fund Financial Statements

Certain line items in the basic financial statements may require adjustments to convert from the fund financial statements, which are reported using the current financial resources measurement focus and modified accrual basis of accounting, to the government-wide financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting. For the year ended June 30, 2022, the Coalition did not have any adjustments to make.

E. Budgetary Data

The Coalition adopts an annual budget at the beginning of each fiscal year. The budget is prepared by the Budget Adhoc Committee and submitted to the Administrative Entity. The Administrative Entity reviews the budget, makes adjustments, and prepares the budget report for presentation to the Policy Board. The budget is legally enacted by a majority vote of the Policy Board at a noticed meeting. Any amendments must be approved by the Policy Board in accordance with prescribed procedures.

F. Net Position and Fund Balances

Classification of Net Position

Net position in the government-wide financial statements is reported as follows:

Unrestricted Net Position - This category represents the net position of the Coalition that is not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Coalition's policy is to apply restricted net position first. The Coalition did not have restricted net position during the current year.

Governmental Fund Balance Classifications

Fund balance is reported on the fund statements as follows:

Unassigned Fund Balance - This classification includes the residual balance for the Coalition's general fund and includes all spendable amounts that have not been restricted, committed, or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Coalition's policy is to apply the restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Coalition's policy is to apply the committed fund balance first, then the assigned fund balance, and finally the unassigned fund balance. The Coalition did not have restricted, committed, or assigned fund balances during the current year.

G. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The Coalition's cash was maintained in a deposit and investment pool managed by the City of Commerce during the year ended June 30, 2022. This pool is governed by and under the regulatory oversight of the investment policy adopted by the City Council of the City of Commerce. The Coalition has not adopted a deposit and investment policy separate from that of the City of Commerce.

Information regarding the City of Commerce's deposit and investment pool, including interest rate, credit, and custodial credit risks, can be found in the City of Commerce's Annual Comprehensive Financial Report for the year ended June 30, 2022, located at City Hall and on the City of Commerce's website.

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

July 12, 2022

Southeast Water Coalition
12025 Florence Ave
Santa Fe Springs, CA 90670

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide the Southeast Water Coalition (the "Entity").

ENGAGEMENT OBJECTIVES

We will audit the financial statements of the governmental activities and major fund, which collectively comprise the Entity's basic financial statements, as of June 30, 2022 and for the year then ended, and the related notes to the financial statements.

Accounting Standards generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Entity's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with US GAAP and to report on the fairness of the additional information referred to above when considered in relation to the financial statements taken as a whole.

We will also provide a report, which does not include an opinion on, Internal controls related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will each include a paragraph that states the report is solely to describe the scope and testing of internal control over financial reporting and compliance, and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and the results of that testing and not to provide an

opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

Audit

Our audit will be conducted in accordance with US GAAS, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion and render the required reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., tests of the physical existence of inventories, direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions, etc.). We may also request written representations from the Entity's attorneys as part of the engagement, and they may bill the Entity for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and any material abuse that comes to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Compliance
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

The preparation and presentation of the financial statements of the Entity are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the Entity and any obligations related to its accountability, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services described above, and informing us about all known or suspected fraud involving the Entity. In turn, we will provide those charged with governance with any communications required by the professional standards described above.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, any bookkeeping services, tax services, or other services we provide. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (a) access to all information they are aware of that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of this engagement, and (c) unrestricted access to persons within the Entity from whom we determine it necessary to obtain information.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP even though we may assist management with their

preparation. Accordingly, management may be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the Entity received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the Entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

During the course of our engagement, we will request information and explanations from management regarding the Entity. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Entity agrees to release our firm, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Entity's management.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. Management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

OTHER SERVICES

Preparation of Certain State Controller's Reports

You have requested that we prepare certain Financial Transactions Report Financial Statements ("FTR") and the Street Report as of and for the year ended June 30, 2021. The FTR will not include related notes to the financial statements.

The objective of our engagement is to prepare the FTR in accordance with the California State Controller's Office Instructions based on information provided by you. We will conduct our

engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the FTR.

Our engagement cannot be relied upon to identify or disclose any FTR misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the FTR in accordance with the State Controller's Office Instructions. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your FTR in accordance with SSARSs:

a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements

b. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

c. The prevention and detection of fraud

d. To ensure that the entity complies with the laws and regulations applicable to its activities

e. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements

f. To provide us with:

i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,

ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and

iii. Unrestricted access to persons within the City of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the FTR were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

ENGAGEMENT FEES

Our engagement fees will be as follows:

Financial statement audit and related reports	$ 4,750
State Controller Report Preparation and Submission	800
Total	$ 5,550

Additionally, our fees are dependent on the availability, quality, and completeness of the Entity's records and, where applicable, upon the Entity's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Entity employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

OTHER ENGAGEMENT MATTERS

This letter set forth the rights and responsibilities of the parties with respect to the services to be provided. This engagement is being undertaken solely for the benefit of the parties to this agreement and no other person shall be entitled to enforce the terms of this agreement.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

The workpapers for this engagement will be retained in accordance with our firm policy, or for any additional period requested by an oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

Jonathan Foster, CPA, is the engagement partner responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement. Please sign the enclosed copy of this letter and return it to us.

Very truly yours,

Jonathan Foster, Partner
Davis Farr LLP

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Southeast Water Coalition

By Melissa Upshaw
President of the Board
Date 12/14/2022

Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT

Date: January 19, 2023
To: Southeast Water Coalition Administrative Entity
From: Joanna Moreno, AE Chair, City of Vernon

Subject: MWD'S REGIONAL DROUGHT EMERGENCY DECLARATION

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on Metropolitan Water District's Regional Emergency Drought Declaration.

Background

Preparing for a fourth consecutive dry year, Metropolitan Water District's Board of Directors has declared a Regional Drought Emergency for all of Southern California and called upon water agencies to immediately reduce their use of all imported supplies.

In adopting the resolution on Tuesday (Dec. 13), Metropolitan's board warned the water-saving call could become mandatory if drought conditions persist in the coming months. By April, Metropolitan will consider allocating supplies to all its 26 member agencies, requiring them to cut their use of imported water or face steep additional fees on water purchased from Metropolitan.

Attachments:

1. Regional Drought Emergency Declared For All Of Southern California

News for Immediate Release__

Regional Drought Emergency Declared For All Of Southern California

Dec. 14, 2022

Entire region called on to further cutback water use as all imported water supplies stressed by drought, climate change

Preparing for a fourth consecutive dry year, Metropolitan Water District's Board of Directors has declared a Regional Drought Emergency for all of Southern California and called upon water agencies to immediately reduce their use of all imported supplies.

In adopting the resolution on Tuesday (Dec. 13), Metropolitan's board warned the water-saving call could become mandatory if drought conditions persist in the coming months. By April, Metropolitan will consider allocating supplies to all its 26 member agencies, requiring them to cut their use of imported water or face steep additional fees on water purchased from Metropolitan.

"Since this drought began, we have been steadily increasing our call for conservation. If we don't have an extremely wet winter, we will need to elevate to our highest level – a water supply allocation for all of Southern California. Substantial and immediate conservation now and in the coming months will help lessen the potential severity of such an allocation," Metropolitan General Manager Adel Hagekhalil said.

Both voluntary and mandatory conservation measures will be implemented by Metropolitan's member agencies at the local level, based on their particular water-supply circumstances. Agencies with available local supplies may be able to rely on that water to replace necessary reductions in imported water use.

Metropolitan on average imports about half of the water used in Southern California from the Colorado River and from the northern Sierra, via the State Water Project. Use varies by community, with some relying almost entirely on imported water, and others using very little. In recent years, these imported supplies have been extraordinarily stressed by prolonged drought, exacerbated by climate change.

The past three water years were the driest in California history, resulting in record-low SWP deliveries to Southern California. The limited availability of these water supplies has been particularly felt by communities that depend on them and cannot receive Colorado River water, because of infrastructure constraints.

These SWP-dependent communities – home to nearly 7 million people – have been under mandatory drought restrictions since June. Under Metropolitan's Emergency Water Conservation Program, affected agencies have either been living within volumetric limits or have restricted outdoor watering to one day a week. Those mandatory measures will continue in these SWP-dependent communities through June 2023, and possibly longer if substantial rain and snow this winter doesn't bring relief to California's drought.

While the rest of Southern California has largely been able to turn to Colorado River supplies and stored water to survive the state drought, Hagekhalil acknowledged the availability of those supplies is dropping.

The long-term drought in the Colorado River Basin has left lakes Mead and Powell dangerously close to levels that would no longer allow water to be released for use by cities and farms. In response, the federal government has called on Colorado River water users to curtail their use in 2023 and 2024 by as much as 4 million acre-feet a year – the total amount used by California in a year. And if voluntary cuts cannot be achieved, federal officials have initiated a process to mandate sizeable reductions.

Metropolitan is preparing for additional reductions to its Colorado River supplies as soon as next year and beyond. These reductions would be in addition to water Metropolitan will likely have to contribute to keep levels in Lake Mead higher in 2024-26, as previously agreed under the 2021 Drought Contingency Plan.

"Conditions on the Colorado River are growing increasingly dire. We simply cannot continue turning to that source to make up the difference in our limited state supplies. In addition, three years of California drought are drawing down our local storage," board Chairwoman Gloria D. Gray said.

While taking steps to reduce demands in the immediate-term, Metropolitan is also making big investments in sustainable, climate change-resilient local supplies for the entire region. The agency is developing what could be one of the largest recycled water facilities in the world – Pure Water Southern California. Still, until these projects are complete, conservation is critical during dry periods like now.

"Some Southern Californians may have felt somewhat protected from these extreme conditions over the past few years," Gray said. "They shouldn't anymore. We are all affected."

With up to 75 percent of all water used in Southern California used for irrigating yards and gardens, outdoor conservation offers a big opportunity for water savings, particularly in the winter. Southern Californians are encouraged to reassess the irrigating needs of their lawns and gardens during the winter. Cooler temperatures and wetter weather can dramatically reduce watering needs. For more information, visit bewaterwise.com.

The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provides water for 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

Catalogued under:

Water Supply, State Water Project/Delta, Colorado River

← Back to Newsroom

Media Contacts

Rebecca Kimitch

(213) 217-6450
(202) 821-5253
rkimitch@mwdh2o.com

Maritza Fairfield

(213) 217-6853
(909) 816-7722
mfairfield@mwdh2o.com

BE INFORMED, BE INVOLVED

@mwdh2o

Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT

Date: January 19, 2023
To: Southeast Water Coalition Administrative Entity
From: Joanna Moreno, AE Chair, City of Vernon

Subject: **WATER BOARDS' PROPOSED READOPTION OF THE PROHIBITED WASTEFUL WATER USE EMERGENCY REGULATION FOR WATER CONSERVATION**

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the State Water Resources Control Board's readoption (Resolution 2022-0054) of the current Prohibited Wasteful Water Uses Emergency Regulation for Water Conservation.

Background

On January 4, 2022, the State Water Board adopted an emergency regulation that prohibits certain wasteful water use practices statewide and encourages Californians to monitor their water use more closely while building habits to use water wisely. On January 18, 2022, the emergency regulation went into effect and is in effect for one year from the effective date, unless the State Water Board renews or rescinds it before then.

Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports."

On December 7, 2022, the State Water Board considered and approved a Resolution readopting the emergency regulation previously adopted in January 2022, ensuring those provisions remain in effect for up to an additional year of continued drought conditions. These provisions will be added to title 23 of the California Code of Regulations.

Attachments:

1. Statewide Water restrictions flyer
2. Water Conservation Emergency Regulations
3. State Water Resources Control Board – Resolution 2022-0054



CALIFORNIA Water Boards

STATEWIDE WATER RESTRICTIONS

FOR ALL CALIFORNIANS

IN EFFECT SINCE 2022

EMERGENCY REGULATIONS TO SAVE WATER

- ✗ No watering **decorative grass** in commercial, industrial, and institutional areas, including common areas of homeowners' associations (HOAs)
- ✗ No outdoor watering that lets **water run onto sidewalks** or other areas
- ✗ No washing **hard surfaces** that don't absorb water, like driveways or sidewalks
- ✗ No washing **vehicles** without using an automatic shutoff nozzle
- ✗ No outdoor watering within 48 hours after at least 1/4 inch of **rainfall**
- ✗ No using drinking water for **street cleaning** or **construction site preparation**
- ✗ No filling **decorative fountains, lakes, or ponds**

These regulations do not prohibit watering trees or using water for immediate health and safety needs.

Local water suppliers may have adopted stricter water conservation measures, so please check for additional restrictions in your area.

Violations may be punishable by fine up to $500 per day.

SAVE OUR WATER .com

Report potential water-use violations:
SaveWater.CA.Gov

Discover water-saving tips and ideas:
SaveOurWater.com

Learn more about these and other statewide water restrictions:
bit.ly/conservationreg

flyer version 2022.12.12

State Water Resources Control Board

NOTICE OF PROPOSED EMERGENCY RULEMAKING
November 23, 2022

Consideration of a proposed Resolution readopting the Prohibited Wasteful Water Uses Emergency Regulation for Water Conservation

Required Notice of Proposed Emergency Action
Government Code section 11346.1, subdivision (a)(2) requires that, at least five working days prior to submission of a proposed emergency regulation to the Office of Administrative Law (OAL), the adopting agency must provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After the submission of the proposed emergency action to OAL, OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6. This document and the accompanying information provide the required notice.

Proposed Emergency Action
Over the course of the spring and summer of 2021, Governor Newsom proclaimed a drought state of emergency for most counties in California, culminating with his October 19, 2021, proclamation of a drought state of emergency that expanded the state of emergency to all California counties. In the October 19, 2021, proclamation, Governor Newsom made it clear that "the most impactful action Californians can take to extend available supplies is to re-double their efforts to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1" of his July 8, 2021 Executive Order (N-10-21). Among other things, the October 19, 2021, proclamation encouraged the State Water Resources Control Board (State Water Board) to prohibit, by emergency regulation, certain wasteful water practices. Emergency regulations adopted under Water Code section 1058.5 may remain in effect for up to one year, unless rescinded earlier or renewed by the State Water Board.

On January 4, 2022, the State Water Board adopted an emergency regulation that prohibits certain wasteful water use practices statewide and encourages Californians to monitor their water use more closely while building habits to use water wisely. On January 18, 2022, the emergency regulation went into effect and is in effect for one year from the effective date, unless the State Water Board renews or rescinds it before then.

On March 28, 2022, in Executive Order N-7-22, the Governor affirmed that the orders and provisions contained in the four drought-related Proclamations from 2021 remain in full force and effect, except as otherwise modified by those Proclamations. The Governor in that Executive Order also called on all Californians to reduce water use and directed specific State agencies to take actions in support of water conservation.

On August 11, 2022, the Governor announced California's latest actions to increase water supply and adapt to more extreme weather patterns caused by climate change in a document called, "California's Water Supply Strategy, Adapting to a Hotter, Drier Future." The strategy recognizes that the American West is experiencing extreme, sustained drought conditions caused by hotter, drier weather.

Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports."

On December 7, 2022, the State Water Board will consider a proposed Resolution readopting the emergency regulation previously adopted in January 2022, ensuring those provisions remain in effect for up to an additional year of continued drought conditions. These provisions will, if readopted, be added to title 23 of the California Code of Regulations. For details on the regulation adoption proceedings, including the time, place, and nature of the proceedings, please refer to the agenda for the State Water Board's regularly-scheduled public meeting for December 6-7, 2022, which can be found through the State Water Board Calendar at:
https://www.waterboards.ca.gov/board_info/calendar/

Proposed Text of Emergency Regulation
The Proposed Text of Emergency Regulation can be found linked to the agenda for the State Water Board's regularly-scheduled public meeting for December 7, 2022, as well as under "Current Statewide Water Conservation Emergency Regulations" on the State Water Board's Water Conservation Emergency Regulations webpage at:
https://bit.ly/conservationreg

Informative Digest (Gov. Code, § 11346.5, subd. (a)(3))
The proposed regulation is consistent and compatible with existing regulations on this subject. The proposed regulation neither differs from nor conflicts with an existing comparable federal statute or regulation.

The proposed regulation is intended to safeguard urban water supplies in the event of another dry year. It is both reasonable and prudent to maintain urban water supplies to the maximum extent feasible to provide local agencies with the necessary flexibility to meet the health and safety needs of Californians during the drought emergency.

California has been subject to multi-year droughts in the past, and there is no guarantee that precipitation this winter will lift the State out of the current drought conditions. Moreover, climate change science indicates that the Southwestern United States are becoming drier, increasing the likelihood of prolonged droughts. In addition, drought conditions have already forced the State Water Board to curtail surface water diversions, and many groundwater basins around the state are already in overdraft conditions that will likely worsen due to groundwater pumping. Many water supply systems face a present or threatened risk of inadequate supply. Should drought conditions persist through the next year, more water supply systems will be at risk of depleting supplies, presenting a great risk to the health and safety of the people supplied by those systems. Maintaining urban water supplies through enhanced conservation will reduce the risks to health and safety and reduce negative impacts to the State's economy.

Each of the specific prohibitions on water uses is necessary to promote water conservation to maintain an adequate supply during the drought emergency, which cannot be done if water is being used in an excessive or wasteful manner. These prohibitions affect practices that use excessive amounts of water or where more efficient and less wasteful alternatives are available. These practices are particularly unreasonable during a drought due to the need to conserve limited water supplies to meet health and safety needs. Consequently, the proposed regulations will further protect the environment.

Additional benefits will be realized should the Board adopt the proposed regulations. These benefits include the following:

- Reduced water bills for customers that reduce water use (some of these savings will generate additional economic activity, such as investments in drought-tolerant landscaping);
- increased drought awareness and shared sense of responsibility among urban water users; and
- reduced potential for severe economic disruption if 2023 is another dry year.

The proposed emergency adoption of section 995 directs individuals statewide to refrain from engaging in certain activities to promote conservation to meet the drought emergency and prohibits homeowners' associations, cities, and counties from imposing penalties against homeowners for their actions in response to a declared drought emergency.

Proposed section 995, subdivision (b) prohibits several activities, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency, to promote conservation. The section prohibits the application of water to outdoor landscapes in a manner that causes visible runoff, the use of a hose to wash an automobile except where the hose is equipped with a shut-off nozzle, the application of water to hardscapes, and the use of potable water in non-recirculating ornamental fountains.

Proposed section 995, subdivision (c) prohibits homeowners' associations, community service organizations, and similar entities from imposing or threatening to impose penalties for reducing watering of lawns or from requiring owners to reverse or remove landscaping measures in response to a declared drought emergency.

Proposed section 995, subdivision (d) prohibits any city, county, or city and county, from imposing a fine under any local maintenance ordinance or other relevant ordinance as prohibited by section 8627.7 of the Government Code.

Proposed section 995, subdivision (e) specifies the potential penalties for violations of subdivisions (b), (c) and (d).

Proposed section 995, subdivision (f) specifies process for someone issued an order or decision under this section to seek reconsideration of that order or decision

The Informative Digest and Fiscal Impacts document can be found under "Current Statewide Water Conservation Emergency Regulations" on the State Water Board's Water Conservation Emergency Regulations webpage at: https://bit.ly/conservationreg

Written Comment Period
Any interested person may submit written comments relevant to the proposed regulatory action to the State Water Board. Written comments must be received no later than **12 noon, on Friday, December 2, 2022**. The State Water Board will only consider written comments received by that time.

Please send comment letters to Ms. Jeanine Townsend, Clerk to the Board, by email at commentletters@waterboards.ca.gov, (916) 341-5620 (fax), or by mail or hand delivery addressed to:

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
P.O. Box 100, Sacramento, CA 95812-2000 (by mail)
1001 I Street, 24th Floor, Sacramento, CA 95814 (by hand delivery)

Please also indicate in the subject line, **"Comment Letter – Prohibited Uses Emergency Regulation Dec 2022."** Hand and special deliveries should also be addressed to Ms. Townsend at the address above. Couriers delivering comments must check in with lobby security and have them contact Ms. Townsend at (916) 341-5600. Due to the limitations of the email system, emails larger than 15 megabytes are rejected and cannot be delivered or received by the State Water Board. We request that comments larger than 15 megabytes be submitted under separate emails. If you would like to request a copy of the public comment letters received by the Board for this item, send an email to commentletters@waterboards.ca.gov and identify that you are requesting copies of public comments for **Prohibited Uses Emergency Regulation Dec 2022**.

To be added to the mailing list for this rulemaking and to receive notification of updates of this rulemaking, you may subscribe to the listserv for “Water Conservation Regulations” by going to: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/regs/emergency_regulation.html#subscribe

Finding of Emergency (Gov. Code, § 11346.1, subd. (b))
The State Water Board finds that an emergency exists due to severe drought conditions and that adoption of the proposed emergency regulation is necessary to address the emergency. On April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, Governor Newsom proclaimed states of emergency that continue today and exist across all the counties of California due to extreme and expanding drought conditions. Early rains in October and December 2021 gave way to the driest January, February, and March in recorded history for the watersheds that provide much of California's water supply. On March 28, 2022, in Executive Order N-7-22, the Governor affirmed that the orders and provisions contained in the four Proclamations from 2021 remain in full force and effect, except as modified by those Proclamations, and called on all Californians to reduce water use, directing State agencies to take certain water conservation actions. Immediate action is needed to ensure water suppliers and all Californians are taking sufficient actions to conserve water and preserve the State’s water supply.

Additional information can be found in the Informative Digest and Fiscal Impacts document, available under “Current Statewide Water Conservation Emergency Regulations” on the State Water Board’s Water Conservation Emergency Regulations webpage at: https://bit.ly/conservationreg

Authority and Reference (Gov. Code, § 11346.5, subd. (a)(2))
Water Code section 1058.5 provides authority for the emergency regulations. The revised emergency regulations implement, interpret, or make specific: Article X, Section 2, California Constitution; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Section 8627.7, Government Code; Sections 102, 104, 105, 275, 350, 491, and 1122, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463; and *Stanford Vina Ranch Irrigation Co. v. State of California* (2020) 50 Cal.App.5th 976.

Other Matters Prescribed by Statute (Gov. Code, § 11346.5, subd. (a)(4))
The proposed emergency regulation would be adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

Suspension of California Environmental Quality Act
On October 19, 2021, the Governor issued an executive order addressing the drought emergency, which, among other things, suspended the California Environmental Quality Act (CEQA) as applied to the State Water Resources Control Board's adoption of emergency regulations to "supplement voluntary conservation by prohibiting certain wasteful water practices." The proposed emergency regulation falls under this suspension.

Local Mandate (Gov. Code, § 11346.5, subd. (a)(5))
The State Water Resources Control Board has determined that adoption of proposed section 995 does not impose a new mandate on local agencies or school districts. The sections are generally applicable law.

The State Water Resources Control Board has further determined that adoption of proposed section 995 does not impose a new mandate on local agencies or school districts, because the local agencies affected by the section have the authority to levy service charges, fees, or assessments sufficient to pay for the mandate program or increased level of service. (See Gov.Code, § 17556.)

Estimate of Cost or Savings (Gov. Code, § 11346.5, subd. (a)(6))
Increased urban water conservation will result in reduced water use, which in turn will result in reduced water sales and lost revenue for urban water suppliers. This loss in revenue will be a function of the amount of water conserved (and therefore not sold) and the unit price that water would have sold for. The State Water Board estimates that local agencies that are urban water suppliers could collectively realize approximately $7,000,000 in lost revenue as a result of implementing the proposed regulations.

Implementation of the proposed emergency regulations will result in additional workload for the State Water Board and possibly for the Department of Water Resources, however, this work will be accomplished through redirection of resources within existing agency budgets. Significant costs or savings for State agencies are therefore not anticipated.

The above summary information is explained in greater detail in the Informative Digest and Fiscal Impacts document, which can be found under "Current Statewide Water Conservation Emergency Regulations" on the Water Conservation Emergency Regulations webpage at: https://bit.ly/conservationreg

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2022-0054

TO READOPT THE PROHIBITED WASTEFUL WATER USES EMERGENCY REGULATION FOR WATER CONSERVATION

WHEREAS:

1. Over the course of the spring and summer of 2021, Governor Newsom proclaimed a drought state of emergency for most counties in California, culminating with his October 19, 2021, proclamation of a drought state of emergency that expanded the state of emergency to all California counties

2. These proclamations urge Californians to reduce their water use.

3. On January 4, 2022, the State Water Board adopted an emergency regulation that prohibits certain wasteful water use practices statewide and encourages Californians to monitor their water use more closely while building habits to use water wisely. On January 18, 2022, the emergency regulation went into effect and is in effect for one year from the effective date, unless the State Water Board renews or rescinds it before then.

4. On March 28, 2022, in Executive Order N-7-22, the Governor affirmed that the orders and provisions contained in the four drought-related Proclamations from 2021 remain in full force and effect, except as otherwise modified by those Proclamations. The Governor in that Executive Order also called on all Californians to reduce water use and directed specific State agencies to take actions in support of water conservation.

5. On August 11, 2022, the Governor announced California's latest actions to increase water supply and adapt to more extreme weather patterns caused by climate change in a document called, "California's Water Supply Strategy, Adapting to a Hotter, Drier Future." The strategy recognizes that the American West is experiencing extreme, sustained drought conditions caused by hotter, drier weather.

6. Immediate action is needed to ensure water suppliers and all Californians are taking sufficient actions to conserve water and preserve the State's

water supply, including the readoption of the Board's January 4, 2021 emergency regulation prior to its expiration.

7. Many Californians and urban water suppliers have taken bold steps over the years to reduce water use; nevertheless, the severity of the current drought requires additional conservation actions from urban water suppliers, residents, and the commercial, industrial, and institutional sectors.

8. Water conservation is the easiest, most efficient, and most cost-effective way to quickly reduce water demand and extend limited water supplies through this summer and into the next year, providing flexibility for all California communities. Water saved is water available next year, giving water suppliers added flexibility to manage their systems effectively over time. The more water that is conserved now, the less likely it is that a community will experience dire shortages that may require water rationing or other emergency actions.

9. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for irrigation of lawns and outdoor landscaping irrigation. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water.

10. Public information and awareness are critical to achieving conservation goals, and the Save Our Water campaign (saveourwater.com) is an excellent resource for conservation information and messaging that is integral to effective drought response.

11. Savewater.ca.gov is an online tool designed to help save water in communities. This website lets anyone easily report water waste from their phone, tablet, or computer by simply selecting the type of water waste they see, typing in the address where the waste is occurring, and clicking send. These reports are filed directly with the State Water Board and relevant local water supplier.

12. On March 28, 2022, the Governor suspended the environmental review required by the California Environmental Quality Act to allow State Water Board-adopted drought conservation emergency regulations and other actions to take place quickly to respond to emergency conditions.

13. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.”

14. On November 23, 2022, the State Water Board issued public notice that it will consider the adoption of the regulation at the Board’s regularly scheduled December 7, 2022 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations.

15. The emergency regulation sets a minimum standard that many communities are already doing more than, but prior to these rules initially being put in place not everyone was taking these low-cost, easy to implement actions that can save significant amounts of water during a drought emergency.

16. Disadvantaged communities may require assistance in increasing water conservation, and state and local agencies should look for opportunities to provide assistance in promoting water conservation. This assistance should include but not be limited to translation of regulation text and dissemination of water conservation announcements into languages spoken by at least 10 percent of the people who reside in a water supplier’s service area, such as in newspaper advertisements, bill inserts, website homepage, social media, billboards, and notices in public libraries.

17. The Board directs staff to consider the following in pursuing any enforcement of section 995, subdivision (b)(1)(A)-(F): before imposing monetary penalties, staff shall provide one or more warnings; monetary penalties must be based on an ability to pay determination, consider allowing a payment plan of at least 12 months, and shall not result in a tax lien; and Board enforcement shall not result in shutoff.

18. The Board encourages entities other than Board staff that consider any enforcement of this regulation to apply these same factors identified in resolved paragraph 17. Nothing in the regulation or in the enforcement

provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain their enforcement discretion in enforcing the regulation, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. The State Water Board adopts California Code of Regulations, title 23, section 995, as appended to this resolution as an emergency regulation.

2. State Water Board staff shall submit the regulation to the Office of Administrative Law (OAL) for final approval.

3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes.

4. This regulation shall remain in effect for one year after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions or unless the State Water Board renews the regulation due to continued drought conditions, as described in Water Code section 1058.5.

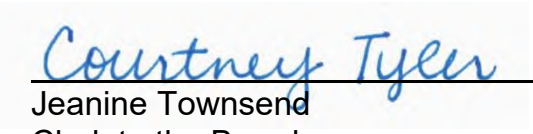
5. The State Water Board directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulation.

6. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on December 7, 2022.

AYE:	Chair E. Joaquin Esquivel Vice Chair Dorene D'Adamo Board Member Laurel Firestone Board Member Nichole Morgan
NAY:	None
ABSENT:	Board Member Sean Maguire
ABSTAIN:	None



for
Jeanine Townsend
Clerk to the Board

Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT

Date: January 19, 2023
To: Southeast Water Coalition Administrative Entity
From: Joanna Moreno, AE Chair, City of Vernon

Subject: RETURN TO IN PERSON MEETINGS – AE AND POLICY BOARD

Recommendation: That the Administrative Entity take the following action:

Establish a time and location for the resumption of in-person meetings for both the SEWC AE and Policy Board.

Background
Effective with the March 16, 2023 SEWC Administrative Entity meeting, both Policy Board meetings and AE meetings will be held in-person at the City of Vernon City Hall, per SEWC Resolution 2021-1. Partially virtual meetings can continue to be held as long as they meet the requirements of AB 2449

Attachment(s):
1. SEWC Resolution 2022-1

RESOLUTION NO. 2022-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY DESIGNATING A LEAD AGENCY FOR THE PERIOD BEGINNING JULY 1, 2022 THROUGH JUNE 30, 2024 AND PROVIDING FOR MEETINGS OF THE BOARD OF DIRECTORS AND ADMINISTRATIVE ENTITY

THE BOARD OF DIRECTORS OF THE SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. DESIGNATION OF LEAD AGENCY. The Board of Directors hereby designates the City of Vernon to serve as Lead Agency for the period beginning July 1, 2022 through June 30, 2024.

Section 2. BOARD OF DIRECTORS MEETINGS. The regular meetings of the Board of Directors shall be held, as necessary, on the first Thursday of every even numbered month at 6:30 P.M. at Vernon City Hall, 4305 S. Santa Fe Ave., Vernon, California 90058. In response to the outbreak of COVID-19, Governor Newsom adopted Executive Orders N-25-20 and N-29-20 to allow local agencies to conduct public meetings telephonically or otherwise electronically without the physical presence of members of the legislative body, agency personnel, or the public. Until those Executive Orders are rescinded, or at such date determined by the Board of Directors, all meetings of the Board of Directors will be conducted by telephonic or other electronic means in accordance with applicable meeting requirements.

Section 3. ADMINISTRATIVE ENTITY MEETINGS. The regular meetings of the Administrative Entity shall be held, as necessary, on the third Thursday of every odd numbered month at 3 P.M. at Vernon City Hall, 4305 S. Santa Fe Ave., Vernon, California 90058. Until Executive Orders N-25-20 and N-29-20 are rescinded, or at such date determined by the Board of Directors, all meetings of the Administrative Entity will be conducted by telephonic or other electronic means in accordance with applicable meeting requirements.

Section 4. This Resolution providing for the designation of Lead Agency and setting the date, time and place of regular meetings of the Board of Directors and Administrative Entity is effective July 1, 2022.

Section 5. The Chair of the Administrative Entity shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED, and ADOPTED this 2nd day of June 2022.

_____
Chair, Board of Directors

ATTEST:

_____
Administrative Entity Chair

Southeast Water Coalition
A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT

Date: January 19, 2023
To: Southeast Water Coalition Administrative Entity
From: Joanna Moreno, AE Chair, City of Vernon

Subject: DROUGHT AND CONSERVATION REPORT – DDW ORDER

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the Department of Drinking Water (DDW) Order *DDW _HQ_Drought2023_001* Requiring Technical Reporting in Response to Drought.

Background
The State Water Board hereby orders that community water systems and non-transient non-community water systems that are schools comply with the following directives:

1. No later than the end of the month following the end of each quarter, submit to the Division the system's Monthly Drought and Conservation Reports containing data for the previous quarter. The first calendar reporting period includes January, February, and March 2023 and is due on April 30, 2023.

2. The contents of the Monthly Drought and Conservation Reports shall consist of responses to the technical questions available at drought.waterboards.ca.gov. The technical questions relate to, among other things, public water systems' sources and supplies, drinking water demand, forecast water shortages, demand reduction measures, and efforts to augment supplies to meet current demand. The Monthly Drought and Conservation Report questions set forth at https//drought.waterboards.ca.gov are incorporated by reference and made a part of this Order.

3. Public water systems subject to this Order shall submit the Monthly Drought and Conservation Reports using the web-based reporting tool at drought.waterboards.ca.gov, also referred to as the SAFER Clearinghouse.

4. If the Division determines a public water system - including a public water system subject to this Order - is experiencing or is at-risk of experiencing a severe water shortage, the Division may require additional drought reporting submitted more frequently. If a public water system is notified by the Division to increase its reporting frequency, a public water system shall submit a Drought Order Report on a weekly and/or monthly basis in

lieu of their Monthly Drought and Conservation Report. Public water systems required to submit Monthly Drought Order Reports shall submit their report no later than seven days after the end of the monthly reporting period. Monthly reporting periods begin on the first day of the month and end at the last day of the month. Public water systems required to submit Weekly Drought Order Reports shall submit their reports no later than seven days after the end of the weekly reporting period. Weekly reporting periods begin on Sunday and end the following Saturday.

5. Systems are selected for Weekly and/or Monthly Drought Order Reporting using reported data, modeling, and staff experience and expertise. The Division will regularly assess systems for reduced reporting and notify a public water system when such is warranted. A public water system that is ordered to conduct Weekly and/or Monthly Drought Order Reporting may seek the Division's review of its determination that the system is experiencing or will imminently experience a severe water shortage by emailing the Division at ddw-drought@waterboards.ca.gov and providing supporting information.

6. If the Division determines a water system is no longer required to submit Weekly and Monthly Drought Order Reports, the water system must still submit Monthly Drought and Conservation Reports on a quarterly basis (see paragraphs 1 and 2 above).

Attachment(s):

1. Order *DDW_HQ_DROUGHT2023_001* Requiring Technical Reporting in Response to Drought

STATE OF CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

DIVISION OF DRINKING WATER

Issued: January 1, 2023

ORDER DDW_HQ_DROUGHT2023_001 REQUIRING TECHNICAL REPORTING IN RESPONSE TO DROUGHT

The State Water Resources Control Board (State Water Board), acting by and through its Division of Drinking Water (Division), and pursuant to California Health and Safety Code section 116530, hereby issues Order No. DDW_HQ_Drought2023_001 (Order), as set forth below.

FINDINGS AND AUTHORITIES

1. **WHEREAS** the California Legislature found and declared in Senate Bill 552, signed into law by Governor Gavin Newsom on September 23, 2021, that "droughts are predicted to become more frequent, longer, and more severe as climate change progresses, putting drinking water supplies at risk of running dry or becoming contaminated," that "there are currently varying levels of water contingency planning and coverage across counties for small water suppliers and self-supplied communities, leaving hundreds of thousands of people at risk of going without water to meet their basic household and drinking water needs during the next drought," and that "California

can take basic steps to implement more proactive drought planning that would benefit the communities most at risk, and by doing so help prevent catastrophic impacts on drinking water for the communities most vulnerable to the impacts of climate change."

2. **WHEREAS** on October 19, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency declaring that California is in a second consecutive year of dry conditions, resulting in drought throughout the state and extreme or exceptional drought in most parts of the state, and that these extreme conditions present a significant risk of water shortages in communities.

3. **WHEREAS** since Governor Newsom's State of Emergency Proclamation was issued, the drought situation worsened, with January, February, and March of 2022 having the least rain and snow in over a century of state records for these months, resulting in the Governor's proclamation on March 22, 2022, stating that California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State.

4. **WHEREAS** the National Oceanic and Atmospheric Administration (NOAA) has predicted a 76% chance of La Niña conditions, which means the jet stream shifts north over the Pacific Northwest, leading to warmer and drier-than-average conditions in California, making a fourth year of drought likely.

5. **WHEREAS** Senate Bill 552 requires small water suppliers and non-transient non-community schools to enhance their advance drought planning. This includes reporting requirements under Water Code Section 10609.61 for water supply condition information, including but not limited to the following: inventory and assessment of sources, source delivery parameters such as flow rate and total volume available,

water system monthly total demand, and average and peak flowrate demand. Senate Bill 552 also requires, by January 1, 2023, subject to funding availability, the implementation of monitoring systems sufficient to detect production well groundwater levels.

6. **WHEREAS** all public water systems are already reporting supply and demand in the Electronic Annual Report, and the Board desires to reduce duplicative reporting.

7. **WHEREAS** urban water suppliers started monthly reporting of conservation and usage on October 1, 2020, in accordance with section 991 of title 23 of the California Code of Regulations.

8. **WHEREAS** public water systems are required at all times to have source capacity available to meet their maximum day demand, in accordance with section 64554 of title 22 of the California Code of Regulations.

9. **WHEREAS** existing law requires public water systems to install a flow meter at a location between each water source and the entry point to the distribution system, measure the quantity of water flow from each source, and record the total monthly production thereof, per section 64561 of title 22 of the California Code of Regulations.

10. **WHEREAS** in response to the drought, the Division developed a data model to assist Division staff in identifying public water systems at risk of future water shortages. The model considers multiple factors including but not limited to: system size, number of sources, source type, location, groundwater basin status, surface water availability, source capacity violation history, risk assessment score, and water system self-reported drought risk in the Electronic Annual Report.

11. **WHEREAS** using the reported data, data model, and staff expertise, the Division determined that certain public water systems are at risk of future water shortages.

12. **WHEREAS** California Health and Safety Code section 116530 authorizes the State Water Board to require a public water system to submit a technical report in a form and format and at intervals specified by the State Water Board, which may include without limitation: water quality information, physical descriptions of the existing water system, information related to drinking water accessibility, and information related to technical, managerial, and financial capacity and sustainability.

13. **WHEREAS**, to reduce duplicative reporting requirements, all community water systems and non-transient non-community water systems that are schools are subject to the requirements of this Order.

DIRECTIVES

THEREFORE, the State Water Board hereby orders that community water systems and non-transient non-community water systems that are schools comply with the following directives:

1. No later than the end of the month following the end of each quarter, submit to the Division the system's Monthly Drought and Conservation Reports containing data for the previous quarter. The first calendar reporting period includes January, February, and March 2023 and is due on April 30, 2023.

2. The contents of the Monthly Drought and Conservation Reports shall consist of responses to the technical questions available at drought.waterboards.ca.gov. The technical questions relate to, among other things, public water systems' sources

and supplies, drinking water demand, forecast water shortages, demand reduction measures, and efforts to augment supplies to meet current demand. The Monthly Drought and Conservation Report questions set forth at https//drought.waterboards.ca.gov are incorporated by reference and made a part of this Order.

3. Public water systems subject to this Order shall submit the Monthly Drought and Conservation Reports using the web-based reporting tool at drought.waterboards.ca.gov, also referred to as the SAFER Clearinghouse.

Changes to Reporting Frequency

4. If the Division determines a public water system - including a public water system subject to this Order - is experiencing or is at-risk of experiencing a severe water shortage, the Division may require additional drought reporting submitted more frequently. If a public water system is notified by the Division to increase its reporting frequency, a public water system shall submit a Drought Order Report on a weekly and/or monthly basis in lieu of their Monthly Drought and Conservation Report.

   Public water systems required to submit Monthly Drought Order Reports shall submit their report no later than seven days after the end of the monthly reporting period. Monthly reporting periods begin on the first day of the month and ends at the last day of the month. Public water systems required to submit Weekly Drought Order Reports shall submit their reports no later than seven days after the end of the weekly reporting period. Weekly reporting periods begin on Sunday and end the following Saturday.

5. Systems are selected for Weekly and/or Monthly Drought Order Reporting using reported data, modeling, and staff experience and expertise. The Division will regularly assess systems for reduced reporting and notify a public water system when such is warranted. A public water system that is ordered to conduct Weekly and/or Monthly Drought Order Reporting may seek the Division's review of its determination that the system is experiencing or will imminently experience a severe water shortage by emailing the Division at ddw-drought@waterboards.ca.gov and providing supporting information.

6. If the Division determines a water system is no longer required to submit Weekly and Monthly Drought Order Reports, the water system must still submit Monthly Drought and Conservation Reports on a quarterly basis (see paragraphs 1 and 2 above).

PREVIOUS DROUGHT REPORTING ORDERS

The drought reporting order previously issued by the Division in July 2022, DDW_HQ_D22_001, is hereby rescinded.

AMENDMENTS TO THIS ORDER

The State Water Board reserves the right to make modifications to this Order as it may deem necessary. Such modifications may be issued as amendments to this Order or changes to the SAFER Clearinghouse webpage.

FUTURE TECHNICAL REPORTING ORDERS

By issuing this Order, the State Water Board does not waive its authority to issue individual technical reporting orders to public water systems.

PARTIES BOUND

This Order shall apply to and be binding upon the public water system and its owners, shareholders, officers, directors, agents, employees, contractors, successors, and assignees.

SEVERABILITY

If any provision of this Order is held invalid or the application that provision to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this Order that can be given effect without the invalid provision or application, and to this end the provisions of this Order are severable.

FURTHER ENFORCEMENT ACTION

The California SDWA authorizes the State Water Board to issue a citation with monetary penalties to a public water system for violation or continued violation of the requirements of the California SDWA or any regulation, permit, standard, citation, or order issued or adopted thereunder. Failure to comply with this Order may subject the System to a citation with monetary penalty.

The California SDWA also authorizes the State Water Board to suspend or revoke a permit that has been issued to a public water system if the public water system has violated applicable law or regulations or has failed to comply with an order of the State Water Board, and to petition the superior court to take various enforcement measures against a public water system that has failed to comply with an order of the State Water Board. The State Water Board does not waive any enforcement action by issuance of this Order.



January 1, 2023

Darrin Polhemus, Deputy Director
Division of Drinking Water

Date