



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

AGENDA

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY

SPECIAL MEETING OF THE POLICY BOARD

**ALBERT ROBLES CENTER FOR WATER RECYCLING
AND ENVIRONMENTAL LEARNING (ARC)
4320 SAN GABRIEL RIVER PKWY
PICO RIVERA, CA 90660**

**THURSDAY, AUGUST 29, 2019
6:30 P.M.**

- 1. PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS**
- 4. CONSENT CALENDAR**

****Consent Calendar items will be considered and approved in one motion unless removed by a Board Member for discussion.****

- a. SEWC BOARD OF DIRECTORS MINUTES OF JUNE 6, 2019**
Recommendation: Approve minutes as submitted.
- b. WARRANT REGISTER**
Recommendation: Approve Warrant Register.

****End of Consent Calendar****

****CLOSED SESSION****

5. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) - CONFERENCE WITH SEWC LEGAL COUNSEL - ANTICIPATED LITIGATION

Kyle Cason, Chair, Administrative Entity
Nicholas Ghirelli, Richards, Watson & Gershon

Recommendation: That the Board take the following action:

Receive and file a report from SEWC Legal Counsel regarding litigation pursuant to Government Code Section 54956.9(d)(4). Number of Cases: 1.

****RECONVENE PUBLIC MEETING****

6. AUTHORIZATION TO RETAIN AUDIT FIRM TO COMPLETE FISCAL YEAR (FY) 2018/2019 SOUTHEAST WATER COALITION (SEWC) AUDIT

Kyle Cason, Chair, Administrative Entity

Recommendation: That the Board take the following action:

Authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2018/2019 and prepare the Financial Transactions Report and Supplement.

7. UPDATE ON PERFLUORINATED CHEMICALS (PFOA/PFOS) FROM WATER REPLENISHMENT DISTRICT (WRD)

Kyle Cason, Chair, Administrative Entity

Brian Partington, Senior Hydrogeologist, Water Replenishment District (WRD)

Recommendation: That the Board take the following action:

Receive and file an update on PFOA/PFOS from the Water Replenishment District (WRD).

8. INTRODUCTORY REMARKS AND TOUR OF ARC FACILITY FROM WATER REPLENISHMENT DISTRICT (WRD)

Kyle Cason, Chair, Administrative Entity

Ted Johnson, Assistant General Manager, Water Replenishment District (WRD)

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Albert Robles Center from the Water Replenishment District (WRD) and take a tour of the facility.

9. BOARD OF DIRECTORS COMMENTS

10. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

11. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act of 1990, the City of Whittier is committed to providing reasonable accommodations for a person with a disability. Please call Veronica Barrios with the City of Whittier at (562) 567-9501, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

The next meeting of the Southeast Water Coalition Joint Powers Authority Board of Directors is Thursday, October 3, 2019 at 6:30 p.m. at the Emergency Operations Center, 13200 Penn Street, Whittier, CA 90602.

I, Veronica Barrios, City of Whittier, do hereby certify, under penalty of perjury under the laws of the State of California that the foregoing agenda was posted pursuant to Government Code Section 54950 Et. Seq. and City of Whittier Ordinance at the following locations: Whittier City Hall, Whittier Public Library, and Whittwood Branch Library.

Dated: August 28, 2019



Veronica Barrios
Administrative Secretary
Public Works Department

**MINUTES OF THE
SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY**

REGULAR MEETING OF THE POLICY BOARD

**CITY OF WHITTIER
EMERGENCY OPERATIONS CENTER
13200 PENN STREET
WHITTIER, CA 90602**

**THURSDAY, JUNE 6, 2019
6:30 P.M.**

The regular meeting of the Southeast Water Coalition Joint Powers Authority Policy Board was called to order at 6:31 p.m. by Policy Board Chair Fernando Dutra.

1. PLEDGE OF ALLEGIANCE

Policy Board Chair, Fernando Dutra, asked Alex Saab, City of Downey Board Member, to lead the Pledge of Allegiance.

2. ROLL CALL

Frank Yokoyama	City of Cerritos
Alex Saab	City of Downey
Steve Croft	City of Lakewood (arrived at 6:35 pm)
Margarita L. Rios	City of Norwalk (arrived at 7:22 pm)
Tom Hansen	City of Paramount
Juanita Trujillo	City of Santa Fe Springs
Maria Davila	City of South Gate
Melissa Ybarra	City of Vernon
Fernando Dutra	City of Whittier, Board Chair

Also Present:

Bob Ortega	City of Cerritos
Gina Nila	City of Commerce, AE Vice-Chair
Dan Mueller	City of Downey
Derwin Dy	City of Lakewood
Julian Lee	City of Norwalk
Adriana Figueroa	City of Paramount
Chris Castillo	City of South Gate
Kyle Cason	City of Whittier, AE Chair

Nicholas Ghirelli	Richards, Watson & Gershon
Kevin Hunt	CBMWD
Todd Dusenberry	City of Vernon

Toyasha Sebbag
Bruce Lindsay
Kristen Sales
Kevin Sales

City of Lakewood
City of Whittier
KJServices Environmental Consulting
KJServices Environmental Consulting

3. PUBLIC COMMENTS

No Public Comments were received.

4. CONSENT CALENDAR

Board Member Saab (Downey) made a motion to approve the Consent Calendar, and Board Member Trujillo (Santa Fe Springs) seconded the motion. The Consent Calendar was approved by a unanimous voice vote of the Policy Board.

5. CITY OF GARDENA VS. REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION

Policy Board Chair Dutra (Whittier) provided an overview of Measure W and the impact of stormwater measures and limitations of the available funding for stormwater projects accessible to cities. Board Chair Dutra then introduced Nicholas Ghirelli, of Richards, Watson & Gershon, to provide an overview of the Superior Court ruling on *City of Gardena vs. Regional Water Quality Board, Los Angeles Region*.

Mr. Ghirelli explained that cities with an NPDES 2012 Permit are allowed to discharge pollution as long as cities comply with, and do not exceed, the “effluent limits” set by the Permit. The “effluent limits” (WQBELs) are difficult to comply with and the TMDLs could be revised or overturned by court ruling. Mr. Ghirelli stated that 33 TMDLs were included in the 2012 Permit, and most cities established Watershed Management Programs to prevent these pollutants. Mr. Ghirelli stated that WMPs are very expensive and not all jurisdictions have the funds to meet the TMDLs.

Mr. Ghirelli stated that the Cities of Duarte and Gardena have both challenged the 2012 Permit separately, stating that the Permit WQBELs exceed the limits imposed by the federal Clean Water Act, and that the 2012 Permit did not adequately considering the *cost impact* to permittees. The Superior Court ruling on *City of Gardena vs. Regional Water Quality Board, Los Angeles Region* agreed with the permittees, the cities of Duarte and Gardena.

Mr. Ghirelli stated that on June 18, 2019, there will be a hearing for arguments on Gardena and Duarte’s alternative proposals for writs of mandate. Gardena wants to set aside the entire Permit. Duarte wants to strike numeric effluent limits and TMDLs from the Permit. The State Water Board may appeal the Superior Court’s decision.

Mr. Ghirelli added that the State Water Board will issue a new NPDES Permit in 2020, which will probably be very similar to the 2012 Permit. Mr. Ghirelli concluded that regardless of the outcome of the permittees' writs of mandate, the Superior Court's ruling puts pressure on the Water Board to take the cost of stormwater compliance seriously.

Policy Board Chair Dutra (Whittier) inquired if any SEWC member cities had been issued Permit violations. Mr. Ghirelli stated that the Regional Water Quality Control Board had issued thirteen (13) notices for violating the trash TMDL. AE Vice-Chair Gina Nila (Commerce) stated that the City of Commerce had been issued a trash TMDL violation.

Policy Board Member Saab (Downey) asked if it was a possibility to revert back to the 2001 version of the NPDES Permit. Mr. Ghirelli answered that that was possible, but the limits of the 2001 Permit are not as stringent as the 2012 Permit. Board Member Saab and Dutra both asked about the economic impact to cities based on the Superior Court ruling, and if individual cities participate in the cost analysis. Mr. Ghirelli stated that the costs are based on the watershed each city belongs to, not based on the city itself.

Bruce Lindsay (Whittier) added that Measure W funds may cover one-third of the cost of Water Management Programs (WMPs) and Integrated Regional Water Management Programs (IRWMPs). Mr. Lindsay added that the Permit's goal is to get stormwater usable for groundwater replenishment. Mr. Lindsay further stated that he has advised cities to fight against the Water Board's Permit.

Board Member Saab asked who was on the Regional Water Quality Control Board. Mr. Ghirelli stated that there are nine (9) Regional Boards statewide and each is comprised of seven (7) Board Members appointed by the Governor. AE Chair Cason asked if any of the appointed Board Members have technical expertise in water issues. Mr. Ghirelli stated that perhaps one (1) or two (2) of the Los Angeles Regional Water Quality Control Board is a water professional with technical expertise.

Policy Board Chair Dutra added that some cities have invested heavily in capital improvement projects to comply with the 2012 NPDES Permit.

Policy Board Chair Dutra (Whittier) called for a motion to receive and file the item. The motion was made by Board Member Saab (Downey) and seconded by Board Member Hansen (Paramount). The motion was approved by a unanimous voice vote of the Policy Board.

6. RECEIVE AND FILE AN UPDATE ON THE CENTRAL BASIN MUNICIPAL WATER DISTRICT (CBMWD) BOARD OF DIRECTORS MEETING ON MAY 28, 2019, REGARDING PROPOSED WATER RATES AND CHARGES

Administrative Entity (AE) Chair, Kyle Cason (Whittier), explained that John Oskoui could not attend the meeting and that, instead CBMWD General Manager, Kevin Hunt, would provide an overview of this item to the Policy Board.

AE Chair Cason stated that Mr. Hunt has received 22 letters of opposition to Central Basin's proposed Retail Meter Charge from local water purveyors.

Mr. Hunt stated that the Central Basin (CB) Board of Directors would take a vote on the Retail Meter Charge on June 24, 2019, and that CB staff would put back additional budget cuts and staff reductions on the June 24 agenda item.

Mr. Hunt stated that CB staff is recommending the Board of Directors approve Option C, which would implement a \$2.90/meter/year tax on all purveyors and include staff cuts. Mr. Hunt stated this will be the lowest option presented to the Board, to-date. Mr. Hunt added that the Central Basin Board of Directors has eight (8) members, and needs five (5) votes to pass the Retail Meter Charge.

Mr. Hunt further added that there will a Purveyor's Workshop on June 17, 2019 at 3pm to discuss the Retail Meter Charge, with both water purveyors and CB Board Members present. Mr. Hunt stated that at the Purveyor's Workshop, all previously suggested cost-cutting measures will be reconsidered for inclusion at the June 24, 2019 CB Board of Directors meeting.

Policy Board Member Saab (Downey) inquired what the total revenue would be with all the proposed staff cuts. Mr. Hunt answered it would be between \$300,000

400,000. Policy Board Dutra (Whittier) asked if Board Member salary cuts had been considered. Mr. Hunt stated that this has never been considered because CB Board Member salary is low and CB staff is minimal.

AE Chair Cason stated that the recommendations of the purveyor's ad-hoc committee would be reconsidered prior to the CB Board's vote. Policy Board Member Croft (Lakewood) added that drought and conservation measures made cities look at their budgets to make cuts without additional services. Board Member Croft continued that these cost-cutting measures prevented the cities from raising their rates to their customers, and suggested Central Basin do the same.

AE Chair Cason stated that approximately 30-40 retail agencies in the Central Basin have opposed the Retail Meter Charge.

Policy Board Chair Dutra (Whittier) stated that SEWC should file a position letter opposing the Central Basin Retail Meter Charge and supporting staff cuts. AE Vice-Chair Gina Nila (Commerce) agreed and stated a motion would need to be made to amend the receive and file item to an action item.

Policy Board Member Croft further added that since SEWC member cities have an appointed representative on the Central Basin Board of Directors, the cities need to take action and make their voices heard to their representative. Policy Board Member Frank Yokoyama (Cerritos) stated that the City of Cerritos is against the Retail Meter Charge regardless of CB staff cuts.

Policy Board Chair Dutra (Whittier) called for a motion to amend the item from a receive and file to an action item; Policy Board Chair Dutra called for a motion to authorize SEWC send a letter of opposition to Central Basin's Retail Meter Charge and in support of additional Central Basin staff cuts. The motions were made by Board Member Saab (Downey) and seconded by Board Member Trujillo (Santa Fe Springs). The motions were approved by a unanimous voice vote of the Policy Board.

7. RECEIVE AND FILE AN UPDATE ON THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA (WRD) REPLENISHMENT ASSESSMENT (RA) FOR FISCAL YEAR (FY) 2019-2020

Administrative Entity (AE) Chair, Kyle Cason (Whittier), provided an overview of this item to the Policy Board.

AE Chair Cason stated that another cost on groundwater is the Replenishment Assessment (RA) from the Water Replenishment District (WRD). AE Chair Cason

explained that water purveyors pay the RA on every acre foot of water they pump from WRD. AE Chair Cason stated that the new RA for FY 2019/2020 is \$365/acre foot; he added that this will increase the City of Whittier's cost of groundwater \$120,000 in the next fiscal year. AE Chair Cason stated that WRD's RA costs have been increasing steadily every year. AE Chair Cason emphasized that SEWC needs to be more involved in this discussion on groundwater rates at a more active level.

Administrative Entity (AE) Member Adriana Figueroa (Paramount) commented that while the RA does get more expensive every year, WRD's charge is for replenishment of water reserves in the district, with the goal being to terminate the reliance of imported water and working on projects to improve recycled water. AE Member Figueroa stated that the RA is different from Central Basin's retail meter charge, which would raise rates without providing new services or building infrastructure in the basin.

Policy Board Member Steve Croft (Lakewood) stated that the ARC project is WRD's primary infrastructure project and recycled water facility, and that WRD's annual budget goals are achieved consistently.

Policy Board Chair Fernando Dutra (Whittier) added that SEWC should act as a watchdog to monitor increasing replenishment rates.

Policy Board Chair Dutra (Whittier) called for a motion to receive and file this item. The motion was made by Board Member Saab (Downey) and seconded by Board Member Croft (Lakewood). The motion was approved by a unanimous voice vote of the Policy Board.

8. REVIEW AND APPROVE SOUTHEAST WATER COALITION (SEWC) JOINT POWERS AUTHORITY (JPA) FISCAL YEAR 2019/2020 DRAFT BUDGET

Administrative Entity (AE) Chair, Kyle Cason (Whittier), provided an overview of this item to the Policy Board.

AE Chair Cason stated that in the SEWC Draft Budget for 2019/2020, the Administrative Entity had voted to increase the line items for Audit Services and Program Management Services. AE Chair Cason explained the increases were due to rising yearly audit costs, and the new Request for Proposals for Program Management Services.

AE Chair Cason also noted that the Administrative Entity had not utilized Consultant Services funds towards the development of Strategic Plan Goals in FY 2018/2019, but added the AE would address engaging Consultant Services in FY 2019/2020.

Policy Board Member Saab (Downey) asked why the Legal Services line item had increased. AE Chair Cason answered that the Board had authorized increasing Legal Services to \$7,500 during FY 2018/2019 in anticipation of more robust engagement with legal counsel. AE Chair Cason stated that the Legal Services line item in FY 2019/2020 would remain the same, at \$7,500.

Board Member Davila (South Gate) asked if SEWC had ever spent funds on travel expenses for Board Members to attend conferences, etc. Kevin Sales (KJServices) stated that the Board/Staff Travel line item had not been utilized in at least five years. AE Chair Cason stated that this line item was expended during FY 2018/2019 to cover the cost of coordinating Policy Board Meetings, when the budget for that line item was spent.

Policy Board Chair Dutra (Whittier) called for a motion to approve the SEWC JPA Fiscal Year 2019/2020 Budget. The motion was made by Board Member Trujillo (Santa Fe Springs) and seconded by Board Member Saab (Downey). The motion was approved by a unanimous voice vote of the Policy Board.

9. SUPPORT SB 200 (MONNING) AND SENATE'S CONTINUOUS GENERAL FUND APPROPRIATIONS PROPOSAL FOR SAFE AND AFFORDABLE DRINKING WATER (SADW) FUND

Administrative Entity (AE) Chair, Kyle Cason (Whittier), provided an overview of

this item to the Policy Board.

AE Chair Cason stated that since the SEWC Board of Directors last met in April, the Senate Budget Subcommittee had proposed its own funding mechanism for the Governor's proposed Safe and Affordable Drinking Water (SADW) program. The Senate rejected Governor Brown's proposal to fund the SADW through a tax on water meters, and instead proposed a \$150 million General Fund continuous appropriation, which would be contingent on the passage of SB 200 (Monning) Safe and Affordable Drinking Water Fund.

AE Chair Cason stated that since SEWC had sent letters opposing the Governor's Budget Trailer Bill proposal and the meter tax previously, the Administrative Entity recommends the Board of Directors send new letters supporting the Senate's General Fund proposal and SB 200 (Monning).

Policy Board Chair Dutra (Whittier) called for a motion to approve SEWC send letters of support for SB 200 and the Senate's SADW proposal. The motion was made by Board Member Croft (Lakewood) and seconded by Board Member Hansen (Paramount). The motion was approved by a unanimous voice vote of the Policy Board.

10. ADOPT RESOLUTION NO. 2019-02 CHANGING THE LOCATION OF SOUTHEAST WATER COALITION (SEWC) ADMINISTRATIVE ENTITY (AE) MEETINGS TO PALM PARK AQUATICS CENTER

Administrative Entity (AE) Chair, Kyle Cason (Whittier), provided an overview of this item to the Policy Board.

AE Chair Cason stated that since the Board of Directors had rejected Resolution 2019-01 during their April 4, 2019 meeting, the Administrative Entity had drafted a new Resolution, 2019-02, which would move only the location of the AE meetings to the Palm Park Aquatics Center. AE Chair Cason stated that Board of Directors meetings will continue to meet at the Emergency Operations Center during the remainder of Whittier's tenure as SEWC Lead Agency.

Policy Board Chair Dutra (Whittier) called for a motion to adopt Resolution No. 2019-02. The motion was made by Board Member Saab (Downey) and seconded by Board Member Trujillo (Santa Fe Springs). The motion was approved by a unanimous voice vote of the Policy Board.

11. AWARD SOUTHEAST WATER COALITION (SEWC) PROGRAM MANAGEMENT SERVICES CONTRACT TO KJSERVICES ENVIRONMENTAL CONSULTING (KJS)

Kevin Sales and Kristen Sales (KJServices Environmental Consulting) stepped out of the room while the Policy Board discussed this item.

Policy Board Chair Dutra (Whittier) called for a motion to award the Program Management Services contract to KJServices. The motion was made by Board Member Davila (South Gate) and seconded by Board Member Saab (Downey). The motion was approved by a unanimous voice vote of the Policy Board.

12. BOARD OF DIRECTORS COMMENTS

Policy Board Member Trujillo (Santa Fe Springs) wished everyone a Happy Father's Day.

13. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

No comments were received.

14. ADJOURNMENT

Policy Board Chair Dutra (Whittier) adjourned the meeting at 7:25pm.

CHAIRMAN

ATTEST:

Southeast Water Coalition
Warrant Listing June 1, 2019 through August 23, 2019

<u>Check Date</u>	<u>Transaction Description</u>	<u>Vendor Name</u>	<u>Check #</u>	<u>Total</u>
6/21/2019	SEWC BOARD MEETING	MARIA DAVILA	298154	\$ 150
6/21/2019	SEWC BOARD MEETING	FERNANDO DUTRA	298158	150.00
6/21/2019	SEWC BOARD MEETING	MARGARITA L. RIOS	298222	150.00
6/21/2019	SEWC BOARD MTG. ATTEN	ALEXIS SAAB	298227	150.00
6/21/2019	SEWC BOARD MEETING	THOMAS S. HANSEN	298259	150.00
6/21/2019	SEWC BOARD MEETING	JUANITA ANN TRUJILLO	298265	150.00
6/21/2019	SEWC BOARD MEETING	MELISSA ANNA YBARRA	298284	150.00
6/28/2019	FOOD SEWC AE MEETING	CREPES & GRAPES CAFE	298335	147.83
6/28/2019	05/19 SEWC PROF SVCS	KJSERVICES ENVIRONMENTAL CONSULTING	298379	1,400.00
6/28/2019	FOOD FOR SEWC MEETING	LASCARIS AND SONS INC	298386	357.95
6/28/2019	FOOD SUPPLIES AE SEWC	SMART AND FINAL IRIS	298449	10.99
6/28/2019	SEWC AUDIT BILLING	WHITE NELSON DIEHL EVANS LLP	298494	800.00
7/19/2019	GENERAL CONSULTING	KJSERVICES ENVIRONMENTAL CONSULTING	298986	1,560.00
7/19/2019	SUPPLIES	CITY OF WHITTIER	299009	20.17
7/19/2019	SEWC BOARD MEETING	FRANK YOKOYAMA	299059	150.00
7/26/2019	SEWC MTG FOOD	TACOS N MICHELS LLC	299362	125.00
8/2/2019	LEGAL FEES	RICHARDS,WATSON & GERSHON	299553	969.00
8/9/2019	REIMB FOR STALE DATE	FERNANDO DUTRA	299585	450.00
8/23/2019	SEWC LEGAL SERVICE	RICHARDS,WATSON & GERSHON	300084	104.72
8/23/2019	SUPPLIES	SMART AND FINAL IRIS	300092	23.58
			Total	<u>\$ 7,169.24</u>
			# of checks	20



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: August 29, 2019
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity
Nicholas Ghirelli, Richards, Watson & Gershon

Subject: Pursuant to Government Code Section 54956.9(d)(4) - Conference with SEWC Legal Counsel - Anticipated Litigation

Recommendation: That the Board take the following action:

Receive and file a report from SEWC Legal Counsel regarding litigation pursuant to Government Code Section 54956.9(d)(4). Number of Cases: 1.

Attachment(s):

To be distributed at meeting

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: August 29, 2019
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Lead Agency, City of Whittier
Subject: **Authorization to Retain Audit Firm to Complete Fiscal Year (FY) 2018 / 2019 Southeast Water Coalition (SEWC) Audit**

Recommendation: That the Board take the following action:

Authorize the City of Whittier's Director of Finance, serving as SEWC Treasurer and Controller, to award a sole source contract to White Nelson Diehl Evans, LLP to administer the annual audit of SEWC financial statements for Fiscal Year 2018/2019 and prepare the Financial Transactions Report and Supplement.

Background

The Southeast Water Coalition Joint Power Agreement, Section 7.1 stipulates:

The controller of the Coalition shall cause an independent annual audit of the Coalitions' finance to be made by a certified public accountant in compliance with Government Code Section 6505.

Since 2008, White Nelson Diehl Evans LLP (WNDE) has administered SEWC's annual audits. WNDE has prepared comprehensive audits at reasonably low fees and is recommended to administer the next (Fiscal Year 2018-2019) annual audit on a sole source basis due to their experience in performing such audits for SEWC.

WNDE has submitted a scope of work and fee proposal for the Fiscal Year (FY) 2018-2019 Audit for an amount for \$4,650. WNDE also proposed an additional fee of \$800 to prepare the State Controller's Special Districts Financial Transaction Report.

This fee is reasonable given the services to be provided. Staff has confidence in WNDE's ability to complete the audits in a professional and timely manner.

Budget Impact

The approved SEWC FY 19-20 Budget increased the Financial Services line item from \$4,000 in FY 18/19, to \$6,000. This was in anticipation of audit costs rising every year.

The total audit cost for the FY 17-18 Audit, plus the State Controller's Report, was \$5,300.

This year, WNDE's quoted price for the FY 18-19 Audit, plus the State Controller's Report, is \$5,450. This is a \$150 increase from last year.

SEWC has sufficient monies in its FY 19-20 Budget (\$6,000) to pay for WNDE's quoted audit price (\$5,450), with funds remaining.

It is the recommendation of the Administrative Entity that the Policy Board authorize the City of Whittier's Finance Director to award a sole source contract to WNDE to conduct the FY 2018-2019 Audit, including preparation of the Financial Transactions Report and Supplement.

Attachment(s):

1. WNDE FY 18-19 Engagement Letter and Audit Proposal
2. WNDE FY 18-19 State Controller's Report Proposal
3. Approved FY 2019-2020 SEWC Budget

July 10, 2019

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2019. We will prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report for the 2019 fiscal year and perform a compilation engagement with respect to these reports.

Our Responsibilities

The objective of our engagement is to -

1. prepare the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the Special Districts Financial Transactions Report and Supplement to the Annual Report in order for them to be in accordance with the format prescribed the California State Controller's Office.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services ("SSARS") promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants ("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 nor provide any assurance on the Special Districts Financial Transactions Report and Supplement to the Annual Report.

Our Responsibilities (Continued)

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

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.

You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the format prescribed by the California State Controller's Office as the financial reporting framework to be applied in the preparation of the Special Districts Financial Transactions Report and Supplement to the Annual Report.
2. The preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report in accordance with the format prescribed by the California State Controller's Office.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report.
4. The prevention and detection of fraud.
5. To ensure that the Coalition complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.

Your Responsibilities (Continued)

7. To provide us with -

- access to all information of which you are aware that is relevant to the fair presentation of the Special Districts Financial Transactions Report and Supplement to the Annual Report, such as records, documentation, and other matters.
- additional information that we may request from you for the purpose of the compilation engagement.
- unrestricted access to persons within the Coalition of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your Special Districts Financial Transactions Report and Supplement to the Annual Report. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the Special Districts Financial Transactions Report and Supplement to the Annual Report and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them. If, for any reason, we are unable to complete the compilation of your Special Districts Financial Transactions Report and Supplement to the Annual Report, we will not issue a report on such annual reports as a result of this engagement.

Our report will disclose that the Special Districts Financial Transactions Report and Supplement to the Annual Report are presented in a prescribed form in accordance with the requirements of the California State Controller's Office and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountants' compilation report in any document containing the Special Districts Financial Transactions Report and Supplement to the Annual Report that indicates we have performed a compilation engagement on such annual reports and, prior to inclusion of the report, to ask our permission to do so.

Administrative Entity Members
Southeast Water Coalition
July 10, 2019
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Other Relevant Information

Robert J. Callanan is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be \$800. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and date below and return a copy of the signed letter to us.

Very truly yours,

White Nelson Dick Evans LLP

RESPONSE:

This letter correctly sets forth the understanding of the Southeast Water Coalition.

By 

Name Rod Hill

Title DIRECTOR OF ADMINISTRATIVE SERVICES

Date 7/11/19



July 10, 2019

Administrative Entity Members
Southeast Water Coalition
C/O City of Whittier
13230 Penn Street
Whittier, CA 90602

We are pleased to confirm our understanding of the services we are to provide the Southeast Water Coalition (the Coalition) for the year ended June 30, 2019. We will audit the financial statements of the governmental activities and general fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Coalition as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Coalition's basic financial statements. It is our understanding that management's discussion and analysis will not be accompanying the Coalition's basic financial statements and our report will indicate this fact.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Coalition's financial statements. Our report will be addressed to the Administrative Entity Members of the Coalition. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures - General

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 (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Coalition or to acts by management or employees acting on behalf of the Coalition.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, 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 U.S. generally accepted auditing standards. 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Coalition 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Coalition's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and related notes of the Coalition in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Coalition from whom we determine it necessary to obtain audit evidence. Because of the importance of oral and written management representations to the effective performance of our services, the Coalition releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

Your responsibilities include adjusting the financial statements to correct material misstatements and 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 Responsibilities (Continued)

You are 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 Coalition involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Coalition received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Coalition complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

Noted below is a listing of some work required by Coalition staff to assist in the audit:

1. Preparation of trial balances for all funds, after posting of all year-end journal entries.
2. Preparation of supporting schedules for all material balance sheet accounts, and selected revenue and expenditure accounts.
3. Typing of all confirmation requests.
4. Pulling and refiling of all supporting documents required for audit verification.

We expect to begin our audit in November 2019 and to issue our reports before January 31, 2020. Mr. Robert J. Callanan is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Engagement Administration, Fees, and Other (Continued)

Our fee for these services will be as follows:

	Fiscal Year <u>2018-19</u>
Coalition Audit	<u>\$ 4,650</u>

The maximum annual fee stipulated herein contemplates that conditions satisfactory to the normal progress and completion of the examination will be encountered and the Coalition's accounting personnel will furnish the agreed upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work; we shall report such conditions to the responsible Coalition officials and provide the Coalition with an estimate of the additional accounting fees involved.

The audit documentation for this engagement is the property of White Nelson Diehl Evans LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to grantor agencies or their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of White Nelson Diehl Evans LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

In accordance with our firm's current record retention policy, all of your original records will be returned to you at the conclusion of this engagement. Our audit documentation files will be kept for a period of seven years after the issuance of the audit report. All other files will be kept for as long as you retain us as your auditors. However, upon termination of our service, all records will be destroyed after a period of seven years. Physical deterioration or catastrophic events may further shorten the life of these records. The audit documentation files of our firm are not a substitute for your original records.

To ensure that White Nelson Diehl Evans LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Engagement Administration, Fees, and Other (Continued)

We are pleased to be associated with the Southeast Water Coalition in the capacity of independent auditors. We will continue to provide the Coalition with a high level of professional services. Please feel free to call on us if we can be of assistance in any other financial or accounting matters.

If this letter accurately summarizes the significant terms of our engagement and fees, please indicate the Coalition's acceptance by a signature of an appropriate Coalition official in the space provided below and return it to us. If you have any questions, please let us know.

Very truly yours,

White Nelson Dick Evans LLP

ACCEPTED:

SOUTHEAST WATER COALITION

By 

Name Rod Hill

Title DIRECTOR OF ADMINISTRATIVE SERVICES

Date 7/11/19

To the Administrative Entity Members
of the Southeast Water Coalition
Whittier, CA

We are engaged to audit the financial statements of the governmental activity and general fund of the Southeast Water Coalition (the Coalition) for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 10, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we will consider the internal control of the Coalition. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

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.

Our audit will include obtaining an understanding of the Coalition 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. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Coalition or to acts by management or employees acting on behalf of the Coalition.

Planned Scope and Timing of the Audit (Continued)

We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards. If a member of the Administrative Entity is aware of matters that have a material bearing on the financial statements taken as a whole (such as those described above in items 1-4), please contact Robert Callanan, the engagement partner, at 714-978-1300 or by email at rcallanan@wndecpa.com by September 1, 2019.

We expect to begin our audit in November 2019 and issue our report by January 31, 2020. Robert Callanan is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board Members, Administrative Entity Members and management of the Southeast Water Coalition and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
July 15, 2019

**SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
FISCAL YEAR 2019-2020 FINAL BUDGET - APPROVED JUNE 6, 2019**

	FY 2018-2019		FY 2019-2020
	Approved Budget	Total Projected Expenditures	Approved Budget
Carryover Balance	\$191,157	\$181,709	\$200,209
Revenues:			
Annual Assessments for Member Agencies	\$110,000	\$110,000	\$110,000
Less Credits to Member Agencies	(\$55,000)	(\$55,000)	(\$55,000)
Interest Income	\$1,000	\$1,000	\$1,000
Total Revenues	\$56,000	\$56,000	\$56,000
Available Funds	\$247,157	\$237,709	\$256,209
Expenditures:			
Program Management Services	\$17,000	\$16,000	\$20,000
As Needed Government Relations	\$20,000	\$0	\$20,000
Legal Services	\$7,500	\$4,500	\$7,500
Board/Staff Travel/Meeting Expense	\$1,000	\$1,000	\$1,000
Financial Audit	\$4,000	\$4,000	\$6,000
Policy Board Compensation	\$9,900	\$6,600	\$9,900
Office Supplies	\$100	\$100	\$100
Policy Board Meetings	\$3,000	\$3,000	\$3,000
Administrative Entity Meetings	\$1,000	\$1,000	\$1,000
Consultant Services	\$60,000	\$1,300	\$60,000
Consultant Services Contingencies	\$0	\$0	\$0
Total Expenditures	\$123,500	\$37,500	\$128,500
Ending Balance	\$123,657	\$200,209	\$127,709

Notes:

1. Draft Budget (B) - Assumes credit of \$5,000 off of \$10,000 member agency annual dues resulting in total annual dues of \$5,000



A joint powers authority to protect the Central Groundwater Basin

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: August 29, 2019
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity
Brian Partington, Senior Hydrogeologist, Water Replenishment District (WRD)
Subject: Update on Perfluorinated Chemicals (PFOA/PFOS) from Water Replenishment District (WRD)

Recommendation: That the Board take the following action:

Receive and File an update on PFOA/PFOS from the Water Replenishment District (WRD).

Background

On July 31, 2019, Governor Brown signed into law Assembly Bill 756 (Cristina Garcia) *Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances*, which authorizes the State Water Resources Control Board (Water Board) to order water systems to monitor for PFOA and PFOS. Water systems with PFAS levels exceeding the response level will either be shut down, or the water system must provide public notice of the exceedance level. The law takes effect January 1, 2020.

Perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) are man-made chemicals used widely in grease and stain-resistant coatings for consumer products (e.g. Teflon pans, textiles, food packaging, cleaning products) and in firefighting foams.

The highest concentrations of PFOA and PFOS have been found in water supplies near airports, military bases, landfills, manufacturing facilities, wastewater treatment plants, refineries, and in areas recently affected by wildfires. These locations are where the Water Board is conducting their sampling.

Negative health effects from PFOA and PFOS include increased cholesterol levels, increased risk of cancer, and can affect the growth, learning and behavior of infants and older children.

Although people are exposed to PFOS and PFOA through many types of contact, exposure through drinking water has become an increasing concern due to the tendency of PFASs to accumulate in groundwater.

In 2016, the USEPA set the Health Advisory Level (cumulative exposure over a lifetime) for these chemicals at 70 parts per trillion (ppt). The California Department of Drinking Water (DDW) Notification Limit was established at 14 ppt for PFOA, and 13 ppt for PFOS.

On August 23, 2019, the Water Board announced they were lowering the notification levels for these chemicals to 5.1 ppt for PFOA and 6.5 ppt for PFOS.

According to the Water Board, “notification levels are nonregulatory, precautionary health-based measure for concentrations in drinking water that warrant notification and further monitoring and assessment.”

Discussion

It is recommended the SEWC Board of Directors receive an overview of these chemicals, their environmental and health impacts, and updated regulatory requirements from Brian Partington, Senior Hydrogeologist for the Water Replenishment District (WRD).

Attachment(s):

1. “State Water Board Updates Guidelines for Testing and Reporting PFOA and PFOS As It Assess Scope of Problem” press release
2. WRD PowerPoint Presentation



Media Release

State Water Board Updates Guidelines for Testing and Reporting PFOA and PFOS As It Assesses Scope of Problem *Process Begun for Establishing Regulatory Standards*

FOR IMMEDIATE RELEASE
August 23, 2019

Contact: Blair Robertson
blair.robertson@waterboards.ca.gov

SACRAMENTO – The State Water Resources Control Board today announced updated guidelines for local water agencies to follow in detecting and reporting the presence of perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) in drinking water. The Board also announced it has begun the process of establishing regulatory standards for these chemicals.

The updated guidelines are part of the Board's comprehensive effort to assess the scope of contamination of drinking water supplies by PFOA and PFOS, chemicals that have been widely used in grease and stain-resistant coatings for consumer products and in firefighting foams. Because of their potential adverse health effects, these chemicals pose an emerging risk to drinking water sources nationwide.

The updated state guidelines lower the current notification levels from 14 parts per trillion (ppt) to 5.1 ppt for PFOA and from 13 ppt to 6.5 ppt for PFOS. The guidelines are based on updated health recommendations by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA).

Notification levels are a nonregulatory, precautionary health-based measure for concentrations in drinking water that warrant notification and further monitoring and assessment. Public water systems are encouraged to test their water for contaminants with notification levels, and in some circumstance may be ordered to test. If the systems do test, they are required to report exceedances to their governing boards and the State Water Board and are urged to report this information to customers.

In addition to the updated notification levels, the State Water Board announced today it has requested that OEHHA develop public health goals (PHGs) for both PFOA and PFOS, the next step in the process of establishing regulatory standards, known as maximum contaminant levels (MCLs), in drinking water. Other chemicals in the broader group of per- and polyfluoroalkyl substances (PFAS) may be considered later, either individually or grouped, as data permits.





The State Water Board is currently conducting a statewide assessment to determine the scope of contamination by PFAS, including PFOA and PFOS, in water systems and groundwater. In the first phase, public water systems were ordered earlier this year to sample about 600 drinking water supply wells located near airports and landfills, where contamination is more likely, and near locations where PFAS was previously found. These chemicals have been used in fire-fighting foams at airports for fire training and response and have also been used in many consumer products that end up in landfills.

Following this initial phase, the assessment will likely focus on sampling water sources near industrial sites and at wastewater treatment facilities. Data collected from the assessment will be made publicly available on the State Water Board's website and used to inform future actions.

While the State Water Board continues to assess the scope of contamination based on initial data reporting from the statewide assessment, the response levels for PFOA and PFOS remain at 70 parts per trillion for the total combined concentration of both contaminants, consistent with the U.S. Environmental Protection Agency's health advisory level. The response levels will be updated in the fall.

Response levels are nonregulatory, precautionary health-based measures that are set higher than notification levels and represent a recommended level that water systems consider taking a water source out of service or provide treatment if that option is available to them.

[AB 756, signed by Governor Newsom on July 31](#), authorizes the State Water Board to more broadly order water systems to monitor for PFAS and report their detections. Additionally, drinking water sources with PFAS levels that exceed the response level are either to be taken out of service or the water system must provide public notice of the exceedance level. The law takes effect January 1, 2020.

Exposure to PFOA and PFOS can cause adverse health effects, including harmful effects to a developing fetus or infant, immune system and liver effects, and cancer. While consumer products are a large source of exposure to these chemicals for most people, drinking water has become an increasing concern due to the persistence and tendency of these chemicals to accumulate in groundwater.

For more information about PFOA and PFOS, the updated guidelines, and the work the State Water Board's Division of Drinking Water is doing to assess the presence of these contaminants in drinking water, [please visit our resources page on these contaminants](#).

###



*WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA*

**Groundwater Contamination Update - PFAS
Board Meeting - Southeast Water Coalition (SEWC)**

**Brian Partington, PG, CHg
August 29, 2019**

SECURING OUR WATER FUTURE TODAY

Water Replenishment District



**SERVICE AREA =
420 SQUARE MILES**



43 CITIES



**POPULATION
> 4 MILLION**



**550,000 ACRE FEET
USED PER YEAR**



**50% GROUNDWATER
FROM LOCAL WATER
WELLS**



50% IMPORTED WATER



**WRD SUPPLEMENTS
NATURAL GROUNDWATER
RECHARGE**



Groundwater Contamination Program at WRD

- Groundwater Contamination Program Started in 2004.
- Program was developed with feedback from various stakeholders including pumpers and regulatory agencies (EPA, DTSC, and RWQCB).
- Three objectives of Groundwater Contamination Prevention Program.
 1. Conduct a systematic review / prioritization of selected groundwater contamination Sites.
 2. Develop a strategy for assisting regulatory agencies with overseeing characterization at these Sites.
 3. Monitor remediation progress and provide feedback on priority Sites.
- Tracking the progress of high priority sites that may or already have impacted the drinking water supply within the Central Basin and West Coast Basin (CBWCB).
- **We also track constituents emerging concern like PFAS...**

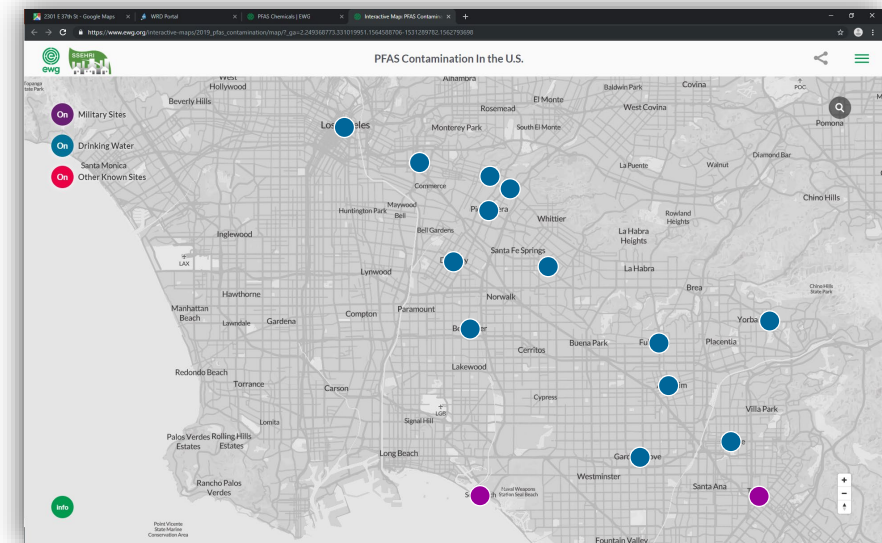
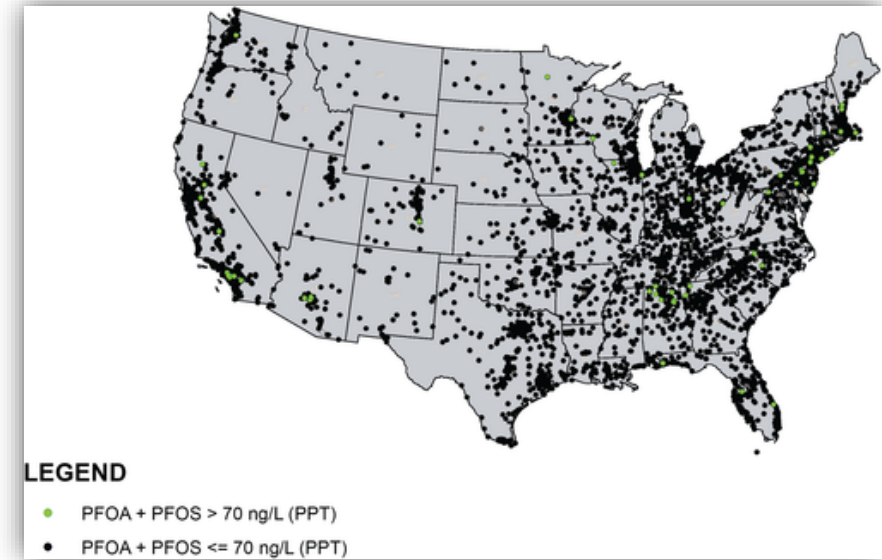
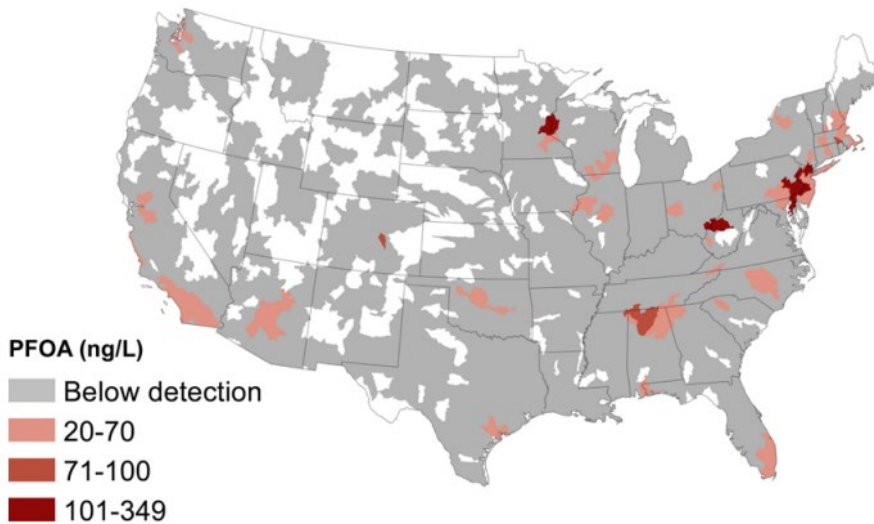
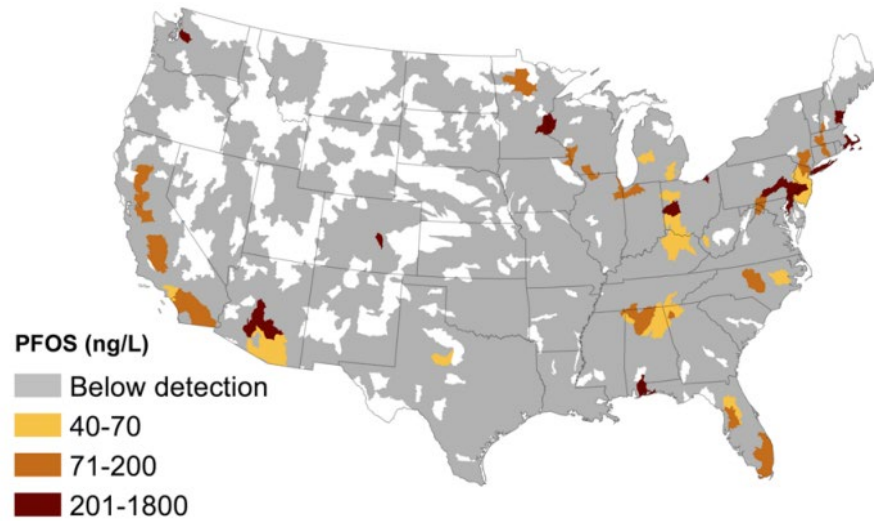
What are PFAS?

- Per- and Polyfluoroalkyl Substances (PFAS).
- Group of man-made chemicals being discussed more frequently on a national level and throughout California.
- Manufactured and used in various industries since the 1940s.
- Strongest chemical bond in nature: Carbon-Fluorine ($\overset{\delta+}{\text{C}}-\overset{\delta-}{\text{F}}$).
- Large family of man-made chemicals (thousands) including PFOA and PFOS.
- Found in people, wildlife, fish, etc.
- Do not readily break down and are often referred to as the “Forever Compounds”.



Secondary sources may include stormwater, landfills, biosolids, wastewater treatment plants, etc.

Third Unregulated Contaminant Monitoring Rule (UCMR3)

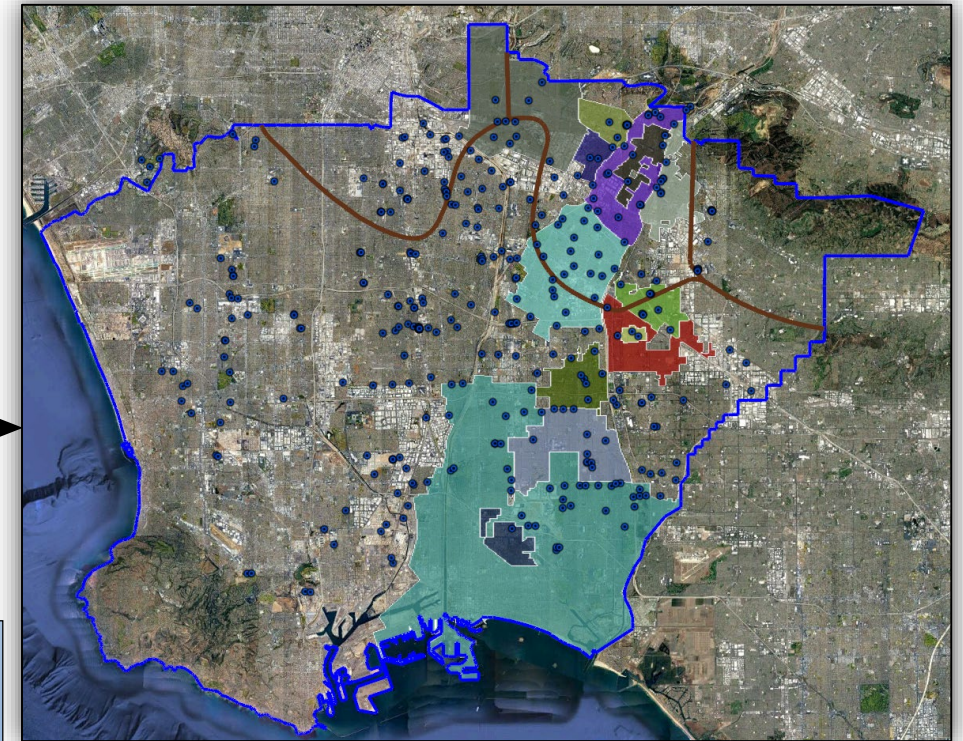


Source: Environmental Science & Technology (Xindi, et. al. 2016)

2013 – 2015 Unregulated Contaminant Monitoring Rule (UCMR3).

Regulatory status for PFAS?

- 2016: EPA lifetime health advisory (HA): PFOA + PFOS = 70 ng/L.
- 07/2018: CA DDW interim Notification Level (NL) & Response Levels (RL)
 - NL: PFOA = 14 ng/L
 - NL: PFOS = 13 ng/L
 - RL: PFOA + PFOS = 70 ng/L
- Mar. 2019: CA DDW monitoring orders to pumpers to start analyzing PFAS.
- 07/2019: CA DDW considered lowering NL & RL. WRD response letter 07/03/19.
- 08/2019: CA DDW lowered NL.
 - PFOA (5.1 ng/L) and PFOS (6.5 ng/L)



La Habra Heights CWD (3)
Long Beach WD (14)
Pico WD (3)
Bellflower Somerset MWC (1)
Lakewood WD (3)
Pico Rivera WD (9)
Signal Hill WD (1)
Golden State Water Company (7)

Central Basin MWD (2)
Downey WD (6)
Montebello Land & Water Co (7)
California Water Service (2)
California Water Service (2)
San Gabriel Valley Water Co (1)
South Montebello ID (3)
Liberty Utilities B/N (4)
Norwalk WD (2)

Notification Levels for PFOA & PFOS

Health and Safety Code section 116271 delegates to the Division of Drinking Water's (DDW) Deputy Director the authority "to take action pursuant to Article 5," including the power to issue a notification level (NL) pursuant to Health and Safety Code section 116455.

In August 2019, after further review, [the Office of Environmental Health Hazard Assessment \(OEHHA\) recommended NLs](#) for PFOA and for PFOS be set at the lowest levels at which they can be reliably detected in drinking water using currently available and appropriate technologies. This recommendation is based on OEHHA's development of reference levels intended to protect against cancer and noncancer effects, including effects on the liver and immune system. These recommendations supersede the recommended interim NLs that OEHHA provided to SWRCB in July 2018. After independent review of the available information on the risks, DDW established NLs at 6.5 parts per trillion for [PFOS](#) and 5.1 parts per trillion for [PFOA](#). These levels are consistent with OEHHA's recommendations.

Certain [requirements and recommendations](#) apply to a water system if it serves customers drinking water containing a contaminant greater than its notification level. In addition to notification levels and pursuant to Health and Safety Code section 116455, DDW has established a single response level for PFOS and PFOA based on U.S. EPA's conclusion that the lifetime health advisory is applicable to both short-term and chronic risk assessment scenarios. The health advisory level offers a margin of protection for all persons throughout their life from adverse health effects resulting from exposure to PFOA and PFOS in drinking water and suggests that parents of formula-fed infants may consider the use of an alternative drinking water source or using formula that does not require adding water. The response level for PFOA and PFOS is a total concentration of 70 ppt for both contaminants, which is approximately five (5) times the individual notification level. When possible, DDW recommends removing the source from service or providing treatment when the concentration exceeds the level.

SOURCE: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/PFOA_PFOS.html

Assembly Bill No. 756 recently signed by Governor Newsom. Authorizes state board to order public water systems to sample for PFAS and provides additional requirements for Notifications.

Options for treating PFOA and PFOS?



**Granular Activated
Carbon**

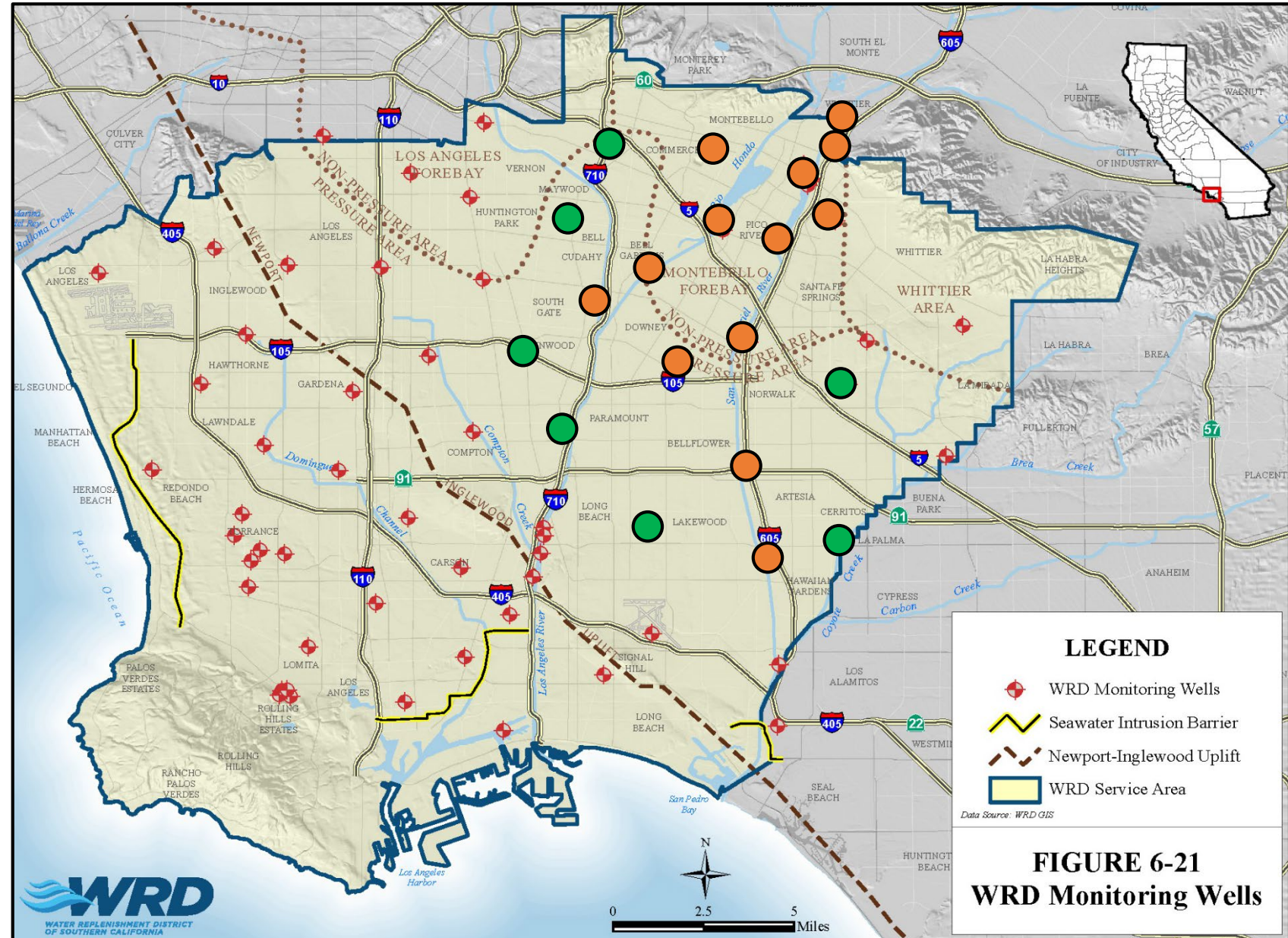
**Ion Exchange
(Anion)**

**Membrane
(NF / RO)**

* Shorter chain compounds may need additional evaluation...

WRD sampling effort for PFAS

- 124 Monitoring Wells.
- 32 types of PFAS (including PFOA & PFOS).
- 1st round Spring 2019.
- 2nd round Fall 2019.
- Results reported in our annual Regional Groundwater Monitoring Report (March 2019).



In Summary...

- PFAS are being discussed more frequently on a national level and throughout California.
- CA DDW established advisory levels for PFOA & PFOS.
 - Recently lowered NL. PFOA (5.1 ng/L) and PFOS (6.5 ng/L)
 - RL: PFOA + PFOS = 70 ng/L
- Many pumpers are sampling their wells as required by DDW. It's a phased approach and we're currently on Phase I.
- WRD sampling wells in and around Spreading Grounds. We're collecting confirmation samples now and anticipate reporting results in our Regional Groundwater Monitoring Report (March 2020).
- AB756 recently signed by Governor Newsom. State Board authority to order Sampling & provides more details on Notifications.



THANK YOU

Brian Partington

bpartington@wrd.org

562.275.4249





A joint powers authority to protect the Central Groundwater Basin

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: August 29, 2019
To: Southeast Water Coalition Board of Directors
From: Kyle Cason, Chair, Administrative Entity
Ted Johnson, Assistant General Manager, Water Replenishment District (WRD)

Subject: Introductory Remarks and Tour of ARC Facility from Water Replenishment District (WRD)

Recommendation: That the Board take the following action:

Receive and file an update on the status of the Albert Robles Center from the Water Replenishment District and take a tour of the facility.

Background:

The purpose of the Albert Robles Center (ARC) is to fully eliminate the current demand for imported water by producing 21,000 acre feet (af) annually from local alternative sources to replenish the Central Basin.

The ARC will purify approximately 10,000 af (3.25 billion gallons) of tertiary treated (recycled) water annually to near-distilled levels through an advanced water treatment facility.

The ARC is located on a 5.2 acre property in Pico Rivera, adjacent to the San Gabriel River, allowing for direct delivery of purified recycled water to an existing pipeline leading into the San Gabriel Coastal Spreading Grounds, where it will percolate into the Central Basin.

Attachment(s):

None