



**Finance and Administration Committee
AGENDA**

Monday, January 6, 2025

4:00 p.m.

Sweetwater Authority

505 Garrett Avenue

Chula Vista, CA 91910

Notice: This meeting will be held at the above date, time, and location, and Sweetwater Authority Board members and members of the public may attend in person. Some Sweetwater Authority Board members may attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, the Sweetwater Authority provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a Director is attending the meeting virtually pursuant to certain provisions of the Brown Act.

To join via Zoom Webinar from a computer, tablet, or smartphone, click on the link below:

<https://zoom.us/j/91458023440>

To join this meeting via telephone, please dial:

1-669-900-6833 or 1-253-215-8782

Meeting ID: 914 5802 3440

The Zoom Webinar link and telephone number will be active approximately 15 minutes prior to the meeting start time.

If you are unable to access the meeting using this call-in information, please contact the Assistant Board Secretary at (619) 409-6704 for assistance.

INSTRUCTIONS FOR PUBLIC COMMENT

Members of the public may address the Board regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Governing Board, and on agenda items. Speakers are asked to state name, address, and topic, and to observe a time limit of three (3) minutes each. Public comment on a single topic is limited to twenty (20) minutes. (Note: Written comments will no longer be read aloud during the meeting.)

Making Public Comment for Those Attending In-Person:

Anyone desiring to address the Governing Board regarding non-agenda items or an item listed on the agenda is asked to fill out a speaker's slip and present it to the Board Chair or the Secretary. Request to Speak forms are available at the Speaker's podium and at www.sweetwater.org/speakerform.

Making Public Comment for Those Not Attending In-Person:

The Chair will inquire if there are any comments from the public regarding non-agenda items and any items listed on the agenda prior to Board discussion. Members of the public may request to speak and make comments as follows:

- Via Zoom Webinar, click on “Raise Hand” button. This will notify the moderator that you wish to speak during Oral Communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing *9 to notify the moderator that you wish to speak during the current item.

Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

UNDERSTANDING THE MEETING AGENDA

Opportunity for Public Comment Opportunity for members of the public to address the Board on items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Governing Board (Government Code Section 54954.6)

Action Agenda Items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined, including items listed for information.

Directors’ Comments Directors’ comments are comments by Directors concerning Authority business that may be of interest to the Board. Directors’ comments are placed on the Agenda to enable individual Board members to convey information to the Board and the Public. There is no discussion or action taken on comments made by Board members.

Closed Session At any time during the regular session, the Governing Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. (Government Code Section 54954.5.)

Pages

1. Call Meeting to Order and Roll Call

ACTION CALENDAR AGENDA

2. Items to be Added, Withdrawn, or Reordered on the Agenda

3. Opportunity for Public Comment

4. Action Agenda

- | | | |
|-----|---|----|
| 4.1 | FY 2025-26 Budget Calendar (Information Item) | 4 |
| 4.2 | Consideration to Approve a One-time Adjustment for the account of Jamabed LP | 5 |
| 4.3 | Consideration to Approve Changes to the One-time Adjustments to Customer's Water Bills Policy | 8 |
| 4.4 | Review of Board Policies and Procedures (Policies 501 through 509) | 23 |

4.5 Consideration to Approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium

- 5. Directors' Comments**
- 6. Next Meeting Date: February 3, 2025**
- 7. Adjournment**

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority's office and it is also posted on the Authority's website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

To subscribe to meeting agendas and other pertinent information, please visit www.sweetwater.org

Sweetwater Authority FY 2025-26 Budget

January 2025						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
April 2025						
S	M	T	W	T	F	S
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27	28	29	30			

February 2025						
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May 2025						
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March 2025						
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30	31					
June 2025						
S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Special Board Meeting

Finance Committee

Regular Board Meeting

January 6 F&A Committee January 22 Regular Board	FY 2025-26 Budget Calendar
February 19 Special Meeting	Strategic Plan Workshop
April 1 F&A Committee April 9 Regular Board	Review of FY 2025-26 Five-year Projection Assumptions
April 23 Regular Board	Review Draft FY 2025-26 Five Year Financial Plan Review Draft FY 2025-26 Strategic Plan Work Plan
May 21 Special Board Meeting	DRAFT FY 2025-26 Budget and Strategic Plan Work Plan (draft budget includes operating, capital, reserves and revenue details not previously presented)
May 28 Regular Board	As needed: Follow-up meeting for budget or strategic plan
June 11 Regular Board	FINAL FY 2025-26 Operating, Capital, Reserve Budget and Five-year Projection; and FY 2025-26 Strategic Plan Work Plan
June 25 Regular Board	As needed: Follow-up meeting for budget or strategic plan

SWEETWATER AUTHORITY

Finance and Administration Committee

January 6, 2025



Consideration to Approve a One-time Adjustment for the Account of Jamabed LP

RECOMMENDATION

Staff recommends that the Governing Board approve a one-time adjustment in the amount of \$4,917.40 for the account of Jamabed LP.

OVERVIEW

Staff requests Board approval for a recently submitted one-time adjustment that is over the General Manager's approval limit of \$1,500 for one-time adjustments.

Jamabed LP's water meter was read on October 8, 2024, for bi-monthly billing when an indication of higher-than-normal water use triggered an audit to have the water use amount rechecked for accuracy.

- The meter read was rechecked on October 8, 2024, and verified that the read was correct and that the meter was running at the rate of 31.41 gallons per minute.
- Staff made contact by telephone with a representative for the property who indicated they would send a plumber to the property; subsequently, the customer informed the Authority that an irrigation leak was the cause of the high water use and that the leak is now repaired.
- A subsequent water bill is now showing use in the normal range for this customer.
- This customer has not previously received a one-time adjustment.

Subsequently, Jamabed LP at 2530 East Plaza Boulevard, National City submitted a request for a one-time adjustment.

Calculation of adjusted water use:	
Higher than normal water usage under review	2,083 HCF
Less average bi-monthly water usage	(86) HCF
High water bill usage to be considered at the wholesale rate	1,997 HCF

Calculation of revised water bill:	
High water usage billed at the wholesale rate (1,997 HCF)	\$8,207.67
Plus calculated average bi-monthly bill (86 HCF)	518.58
Revised water charge amount for period under review	\$8,726.25

Calculation of one-time adjustment amount:	
High water charge currently on customer account	\$13,643.65
Less water charge adjustment to be applied as a credit	(4,917.40)
Revised water charge amount for period under review	\$8,726.25

FISCAL IMPACT

The FY 2024-25 Budget for Revenue will be reduced by the one-time adjustment in the amount of \$4,917.40 if approved.

NEXT STEPS

1. Approve the one-time adjustment for the account of Jamabed LP in the amount of \$4,917.40.
2. Deny the request for a one-time adjustment and allow the customer to enter into an extended payment plan to pay the balance in full.
3. Deny the request
4. Other direction as determined by the Governing Board.

Staff Contact:

Carlos Quintero, General Manager

Roberto Yano, Assistant General Manager

Rich Stevenson, Director of Finance

Gregg Harpenau-Parks, Customer Service Manager

SUPPORTING INFORMATION

Attachments

One-time Adjustment Calculation Sheet – Jamabed LP

Strategic Plan

The Board’s established guidelines for adjusting customers’ water bills so as not to profit by a customer’s misfortune. Under this policy, the General Manager is authorized to approve adjustments up to \$1,500; adjustments in excess of \$1,500 shall be approved by the Board. In addition, customers are not required to provide a reason for the high-water usage to receive a one-time adjustment.

Past Board Actions

September 25, 2024	The Governing Board approved a One-time adjustment in the amount of \$1,501.24 for the account of Lolita’s Restaurant Inc.
September 25, 2024	The Governing Board approved a One-time adjustment in the amount of \$1,881.01 for the account of Rondell Homes.
April 25, 2024	The Governing Board approved a One-time adjustment in the amount of \$2,312.61 for the account of George Wheeler.
January 29, 2024	The Governing Board approved a One-time adjustment in the amount of \$5,626.04 for the account of the Rambler Motel.

Adjustment Worksheet - Multi Unit

Acct #	Rev Code	Mtr Size	City Code	City
Redacted	2083	Water Only Charge		NC
High Bill Cons		\$12,560.49		
		CWA Wholesale Rate		
		\$1,083.16		
Prev Year Cons	63	\$13,643.65		
	106			
	91			
	92			
	85			
	80			
Total	517	①	6	= 86 = Avg Cons

High Bill Cons	2083				
Cons @ Discount Rate	1997	x	\$ 4.11 =	\$8,207.67 =	Excess Cons
Total Cons @ Flat Rate	86 x		\$6.03 =	\$518.58	

Flat Rate Cons Total	\$518.58
Disc Rate Cons Total	\$8,207.67
Total Adj Water Chg	\$8,726.25

High Bill Water Chg	\$13,643.65
Adj Bill Water Chg	\$8,726.25
Amt to write off	\$4,917.40

- User Defined
- Quarterly Report
- Adjustment Memo
- Email to City of CV if applicable
- Note Account
- Scanned to Account
- 2nd Review

Completed by:
Date:
Approved by:
Date:

*enter ext after adj posted

SWEETWATER AUTHORITY

Finance and Administration Committee

January 6, 2025



Consideration to Approve Changes to the One-time Adjustments to Customer's Water Bills Policy

RECOMMENDATION

Staff defers to the Governing Board on the decision to approve changes to the One-time Adjustments to Customer's Water Bills Policy

OVERVIEW

At its December 11, 2024 meeting, the Board considered the One-time Adjustments to Customers' Water Bills internal staff policy (Policy) for review and provided direction to staff for amending the policy. The Policy aims to aid customers who receive an excessively high-water bill where the high-water use may have been outside of their control, offering a one-time financial relief by discounting the bill. The proposed amendments as directed by the Board are as follows:

Current Policy	Board Proposed Changes
<ul style="list-style-type: none">Excess water use is charged at the cost of wholesale water.Only allow one adjustment for the life of a customer account.	<ul style="list-style-type: none">Excess water use is charged at the Tier 1 Single-family Residential Water Rate.A customer account is allowed a water bill adjustment, if the account has not received an adjustment in the prior 10 years.

Staff proposes the following additional changes for the Board's consideration:

Additional Changes Proposed by Staff
<ul style="list-style-type: none">Change policy title to "Adjustments to Customers' Water Bills".Update and revise "Purpose" statement in the policy.Remove technical and procedural language from that policy that will be included in an internal procedure.Add task for Customer Service to request information from the customer on the cause of the high water use and action taken to avoid any further high-water use.Increase staff approval limits for adjustment by \$500 to match the increase in cost of water bills since inception of the underlying policy to allow for administrative efficiency. Proposed changes to the limits are as follows:<ul style="list-style-type: none">General Manager approval limit change from \$1,500 to \$2,000Customer Service Manager approval limit change from \$400 to \$900

At its November 13, 2024 meeting, the Board approved a second water bill adjustment for a customer who had already received a one-time adjustment under the existing Policy. This discussion prompted the Board to request a broader review of the Policy, specifically to consider whether the Policy should allow for a second water bill adjustment.

Under the current Policy, customers who receive an excessively high-water bill can have their excess water usage, above their average usage, billed at a reduced rate equal to the average cost of wholesale water. In the recent exception approved by the Board, the excess water usage, originally billed at the highest Single-family Residential (SFR) Tier 4 rate, was adjusted to the lower Tier 1 rate. For reference, a comparison of the average wholesale water rate and the SFR variable water rates is provided below:

Average Cost of Wholesale Water	Sweetwater Authority Single-family Residential Variable Water Rate	
	Tier 1 (0-4 HCF)	\$5.30 per HCF
\$4.11 per HCF	Tier 2 (5-13 HCF)	\$5.70 per HCF
	Tier 3 (14-24 HCF)	\$5.84 per HCF
	Tier 4 (25+)*	\$7.70 per HCF
*Excess water use is typically billed at the Tier 4 rate for Residential Customers; it should also be noted that the Policy also applies to Multi-family, Commercial, Industrial, and Public Agency Customers.		

FISCAL IMPACT

There is no fiscal impact associated with the review of the Policy itself. However, the table below outlines the potential fiscal impact if additional adjustments are approved for customer accounts.

Estimated Fiscal Impact	
Adjustments Granted Under Current Policy (based on the 140 adjustments provided in FY 2023-24)	\$62,648
<u>Compared to:</u>	
Estimated Annual Multiple Adjustments at Tier 1 SFR Rate ¹⁾	<u>\$163,356</u>
1) The estimated cost was calculated based the FY 2023-24 volume of water discounted and recalculated at the Tier 1 rate; in addition, this amount was doubled to estimate the increased availability of an adjustment to customers every ten years. This was staff's best effort to estimate maximum cost for adjustments in a given year. It is uncertain how many additional adjustments would be requested.	

NEXT STEPS

1. Approve changes to the One-time Adjustments to Customer's Water Bills Policy as presented.
2. Other direction as determined by the Governing Board.

Staff Contact:

Carlos Quintero, General Manager

Roberto Yano, Assistant General Manager

Rich Stevenson, Director of Finance

Gregg Harpenau-Parks, Customer Service Manger

SUPPORTING INFORMATION

Attachments

1. Revised One-time Adjustments Policy to Customers' Water Bills Policy – with tracked changes version
2. Revised One-time Adjustments Policy to Customers' Water Bills Policy – clean version
3. Water Adjustment Survey (previously presented)

Strategic Plan

It is the Board's policy to set rules for adjusting customer's water bills so as not to profit by a customer's misfortune. Under this policy, the General Manager is authorized to approve adjustments up to \$1,500; adjustments in excess of \$1,500 shall be approved by the Board. In addition, all one-time adjustments are provided without a specific reason.

Past Board Actions

December 11, 2024	The Governing Board instructed that the policy be changed to grant an adjustment at the tier one rate every ten years, and the customer be educated on water saving devices and tips; and bring back the policy for Board review.
November 13, 2024	The Governing Board approved the request that all excess water consumed be charged at the Tier 1 rate; allowed the customer to enter into a two-year payment plan; and directed that the One-time Adjustments to Customer's Water Bills policy be brought to the Board for review.
March 9, 2022	The Governing Board denied a second One-time Adjustment to the account of Norberto Avila, and allowed the customer to enter into an extended payment plan.
February 9, 2022	The Governing Board denied a second One-time Adjustment to the account of Ahmad Esmailpour, and allowed the customer to enter into an extended payment plan.
March 11, 2020	The Governing Board denied a second One-time Adjustment to the account of Monica Salcedo, and allowed the customer to enter into an extended payment plan.



To provide its current and future customers with a safe and reliable water supply.

ADMINISTRATIVE SERVICES ~~One-Time~~ Adjustments to Customers' Water Bills

~~One-Time~~ Adjustments to Customers' Water Bills

Control ID:	6055
Policy Owner(s):	Director of Administrative Services
Policy Expert(s):	Customer Service Manager
Approval Date:	7/30/2021
Approved By:	Management

Policy

Sweetwater Authority (Authority) shall adjust a customer's water bill when it is necessary to provide relief when there is a sudden and unforeseen increase in water usage in accordance with the terms of this ~~One-Time~~ Adjustments to Customers' Water ~~bills~~ Bills policy (Policy). TWC

Purpose

To establish guidelines for adjusting customer water bills in a manner that ensures equitable treatment and prevents any financial gain from a customer's unfortunate circumstances~~To set rules for making adjustments to customer water bills so as not to profit by a customer's misfortune.~~

Scope

This Policy governs the adjustment of all bills prepared and delivered to customers of the Authority. All water bill adjustments calculated by the Authority's Customer Service staff shall be performed in accordance with this Policy.



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ADMINISTRATIVE SERVICES

~~One-Time~~ Adjustments to Customers' Water Bills

Procedure

1. ~~One-Time~~ Water Bill Adjustments

1.1. An ~~one-time~~ adjustment may be made to the customer's water bill every ten (10) years if the following prerequisites are met:

- A. The account is in an active status.
- B. The account has not received an adjustment under this policy in the past ten (10) years.
- C. A properly executed adjustment request form ~~is~~ must be received prior to the mailing date of the second regular bill ~~mailed~~; in other words, the second bill mailed after the bill ~~that~~ the customer wishes to adjust.

~~C.~~ 1.2 Customer Service will communicate with the customer to documents, where possible, the source of the high water use and the intervention made to eliminate the high water use.

2. Calculating ~~One-Time~~ Adjustments

2.1. Determine the average customer's water use ~~for calculating purposes~~ by adding the usage for the previous 12-month period ~~and divide by~~ the number of bills generated being considered within that same 12-month period (normally six bills for bimonthly accounts and 12 bills for monthly accounts).

2.2. In situations where there is no consumption history, adjustments will be based on average use for the service address, like type users for non-domestic accounts, or other billing periods that the Customer Service Manager deems reasonable.

2.3. ~~To calculate~~ Determining the ~~bill~~ amount of the adjustment:



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ADMINISTRATIVE SERVICES

~~One-Time~~ Adjustments to Customers' Water Bills

<u>(A) High water bill, billed use at the Water Charge and the CWA Wholesale Rate</u>
<u>(B) Less cost of water at average consumption calculated at the Authority Charge as stated in Section 1.2.B of the Supplement to the Rates and Rules.</u>
<u>(C) Less cost of water in excess of the average calculated at the current Tier 1 Rate as stated in Section 1.2.B of the Supplement to the Rates and Rules</u>
<u>Adjustment to reduce high water bill = A-B-C</u>

- ~~A. Figure the dollar amount for the average use determined in item 2.1. of this Policy, by multiplying the average use by the Authority Charge stated in Section 1.2.B of the Supplement to the Rates and Rules.~~
- ~~B. Determine the amount of the excess loss, which is the difference between actual use for the water bill for which an adjustment is requested, and the average use calculated in 2.1. of this Policy.~~
- ~~C. The Director of Finance will compute the wholesale cost of treated water on each occasion when the cost is changed by the San Diego County Water Authority (SDCWA).~~
- ~~D. Multiply the amount of the water loss in hundred cubic feet computed in item 2.3.B. above, by the wholesale cost of water as computed by the Director of Finance in item 2.3.C. above.~~
- ~~E. Add the total dollar amount of the average use (calculated in item 2.3.A. above) to the total dollar amount of the excess loss (calculated in item 2.3.D. above).~~



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ADMINISTRATIVE SERVICES

~~One-Time~~ Adjustments to Customers' Water Bills

~~F. Subtract the total dollar amount (calculated in item 2.3.A above) from the total of the water charge and the SDCWA Wholesale Water Purchase Charge of the high bill for which an adjustment is requested to determine the amount of the adjustment.~~

~~G. Only the SDCWA SDCWA Wholesale Water Purchase Charge will be considered in calculatin the one-time adjustment, all other surcharges stated in Sections 1.2.B and 1.3 of the Supplement to the Rates and Rules will not be adjusted under this policy.~~

3. Approval – One-Time Adjustments

3.1. Under this Policy, the Customer Service Manager is authorized to approve adjustments up to ~~\$400~~ \$900.

3.2. Under this Policy, the General Manager is authorized to approve adjustments up to ~~\$1,500~~ \$2,000.

IWC

3.3. Under this Policy, the Governing Board shall approve or deny adjustments in excess of ~~\$1,500~~ \$2,000.

3.4. The adjustment provided under this Policy will be in the form of a credit against the current balance due on the succeeding month(s) bill(s).

~~4. Status of Accounts Pending One-Time Adjustments~~

~~4.1. Customer water bills waiting for approval will be placed in a pending status and will not be subject to fines, penalties or turnoffs.~~

~~4.2. A letter will be sent to the customer as soon as practical after the Authority has made a decision.~~



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ADMINISTRATIVE SERVICES

~~One-Time~~ Adjustments to Customers' Water Bills

~~4.3.— The date and amount of the adjustment will be entered as a notation to the customer data file.~~

~~4.4.— Once an adjustment is made under this policy, no future adjustments for that account will be considered.~~

54. Reporting

- 54.1. The General Manager will provide a quarterly report to the Governing Board through the Finance & ~~Personnel~~ Administration Committee on all adjustments applied to customer water bills under this Policy.

65. Denials

- 65.1. The Authority has the right to deny a request for an ~~an one-time water bill~~ adjustment for the following reasons:
- IWC
- A. When damage to water lines is caused by a city, county, or private contractor, or other third party. The customer must first seek compensation from the entity responsible for the damage before being considered for an adjustment by the Authority.
 - B. When a customer knowingly permits leaks to continue as stated in the Sweetwater Authority Rates & Rules – Section VIII, "Unauthorized Use or Waste of Water - No consumer shall use water upon any land other than that covered by the Application for Service, nor shall knowingly permit leaks or waste of water," such as when the excessive use is due to the intentional or negligent act of the customer, or non-responsiveness of the customer to warning signals such as high water bills, leak notifications, visible water, or other factors that should have made the customer reasonably aware of the existence of a leak.



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ADMINISTRATIVE SERVICES

~~One-Time~~ Adjustments to Customers' Water Bills

76. Appeals

- 76.1. Decisions made by the Customer Service Manager regarding a customer's written request for a water bill adjustment may be appealed by submitting a letter to the General Manager within 30 days from the date of the Denial of Adjustment notification letter.
- 76.2. If the customer is not satisfied with the General Manager's decision, (either in support of the Customer Service Manager or concerning his/her decision on adjustment amounts up to \$~~1,500~~2,000), the customer may appeal the decision by submitting a letter to the Governing Board within 30 days from the date of the Denial of Adjustment notification letter.
- 76.3. Decisions made by the Governing Board are final.

TWC

Reference Documents

[Rates and Rules](#)

[Supplement to Rates and Rules](#)



To provide its current and future customers with a safe and reliable water supply.

ADMINISTRATIVE SERVICES Adjustments to Customers' Water Bills

Adjustments to Customers' Water Bills

Control ID:	6055
Policy Owner(s):	Director of Administrative Services
Policy Expert(s):	Customer Service Manager
Approval Date:	7/30/2021
Approved By:	Management

Policy

Sweetwater Authority (Authority) shall adjust a customer's water bill when it is necessary to provide relief when there is a sudden and unforeseen increase in water usage in accordance with the terms of this Adjustments to Customers' Water Bills policy (Policy).

TWC

Purpose

To establish guidelines for adjusting customer water bills in a manner that ensures equitable treatment and prevents any financial gain from a customer's unfortunate circumstances.

Scope

This Policy governs the adjustment of all bills prepared and delivered to customers of the Authority. All water bill adjustments calculated by the Authority's Customer Service staff shall be performed in accordance with this Policy.



To provide its current and future customers with a safe and reliable water supply.

ADMINISTRATIVE SERVICES

Adjustments to Customers' Water Bills

Procedure

1. Water Bill Adjustments

- 1.1. An adjustment may be made to the customer's water bill every ten (10) years if the following prerequisites are met:
 - A. The account is in an active status.
 - B. The account has not received an adjustment under this policy in the past ten (10) years.
 - C. A properly executed adjustment request form must be received prior to the mailing date of the second regular bill; in other words, the second bill mailed after the bill the customer wishes to adjust.
- 1.2. Customer Service will communicate with the customer to documents, where possible, the source of the high water use and the intervention made to eliminate the high water use.

2. Calculating Adjustments

- 2.1. Determine the average customer's water use by adding the usage for the previous 12-month period and divide by the number of bills generated within that same 12-month period (normally six bills for bimonthly accounts and 12 bills for monthly accounts).
- 2.2. In situations where there is no consumption history, adjustments will be based on average use for the service address, like type users for non-domestic accounts, or other billing periods that the Customer Service Manager deems reasonable.
- 2.3. Determining the amount of the adjustment:



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ADMINISTRATIVE SERVICES Adjustments to Customers' Water Bills

(A) High water bill, billed use at the Water Charge and the CWA Wholesale Rate
(B) Less cost of water at average consumption calculated at the Authority Charge as stated in Section 1.2.B of the Supplement to the Rates and Rules.
(C) Less cost of water in excess of the average calculated at the current Tier 1 Rate as stated in Section 1.2.B of the Supplement to the Rates and Rules
Adjustment to reduce high water bill = A-B-C

3. Approval – One-Time Adjustments

- 3.1. Under this Policy, the Customer Service Manager is authorized to approve adjustments up to \$900.
- 3.2. Under this Policy, the General Manager is authorized to approve adjustments up to \$2,000.
- 3.3. Under this Policy, the Governing Board shall approve or deny adjustments in excess of \$2,000.
- 3.4. The adjustment provided under this Policy will be in the form of a credit against the current balance due on the succeeding month(s) bill(s).

4. Reporting



To provide its current and future customers with a safe and reliable water supply.

ADMINISTRATIVE SERVICES

Adjustments to Customers' Water Bills

- 4.1. The General Manager will provide a quarterly report to the Governing Board through the Finance & Administration Committee on all adjustments applied to customer water bills under this Policy.
5. Denials
 - 5.1. The Authority has the right to deny a request for an adjustment for the following reasons:
 - A. When damage to water lines is caused by a city, county, or private contractor, or other third party. The customer must first seek compensation from the entity responsible for the damage before being considered for an adjustment by the Authority.
 - B. When a customer knowingly permits leaks to continue as stated in the Sweetwater Authority Rates & Rules – Section VIII, "Unauthorized Use or Waste of Water - No consumer shall use water upon any land other than that covered by the Application for Service, nor shall knowingly permit leaks or waste of water," such as when the excessive use is due to the intentional or negligent act of the customer, or non-responsiveness of the customer to warning signals such as high water bills, leak notifications, visible water, or other factors that should have made the customer reasonably aware of the existence of a leak.
6. Appeals
 - 6.1. Decisions made by the Customer Service Manager regarding a customer's written request for a water bill adjustment may be appealed by submitting a letter to the General Manager within 30 days from the date of the Denial of Adjustment notification letter.
 - 6.2. If the customer is not satisfied with the General Manager's decision, (either in support of the Customer Service Manager or concerning



To provide its current and future customers with a safe and reliable water supply.

ADMINISTRATIVE SERVICES

Adjustments to Customers' Water Bills

his/her decision on adjustment amounts up to \$2,000), the customer may appeal the decision by submitting a letter to the Governing Board within 30 days from the date of the Denial of Adjustment notification letter.

- 6.3. Decisions made by the Governing Board are final.

Reference Documents

[Rates and Rules](#)

[Supplement to Rates and Rules](#)

TWC

Sweetwater Authority
Adjustment for Large Customer Water Bills Survey - 11-22-2024

Water Agency	Adjustment Frequency	Receipts Of Repair Required	Value Of Adjustment
Rincon Water del Diablo MWD	Once every 24 months	Yes	Tier 1 SFR rate
San Dieguito Water District	Once every 36 months	Yes	Tier 2 SFR rate
Otay Water Water District	One-time	Yes	Tier 1 SFR rate
Helix Water District	Once every 5 years	Yes	50% of the excess bill amount up to \$500
Padre MWD	Once every 5 years	Yes	Adjustment will not exceed \$750 or 25% of charges on water bill, which ever is less
Valley Center MWD	Annually	No	Amount above normal 12 month average
Vista Irrigation District	Once every 5 years	Yes	Tier 1 SFR rate
City of Poway	Once every 3 years	Yes	Tier 1 SFR rate
Rainbow Water District	Once every 5 years	Yes	Wholesale cost of water

SWEETWATER AUTHORITY

Finance and Administration Committee

January 6, 2025



Review of Board Policies and Procedures (Policies 501 through 509)

RECOMMENDATION

Staff seeks direction from the Governing Board.

OVERVIEW

Annually, the Board reviews and updates all of its Policies and Procedures to ensure that they are relevant, accurately reflect current and/or preferred practice, and include all legal requirements. Management will present the policies to the Board in batches so that the Board can carefully review the policies and make any changes. The General Manager and Legal Counsel reviewed the policies, and a summary of the recommended changes are as follows:

POLICY	ADDITIONS/MODIFICATIONS/COMMENTS
501 through 503 and 509	No recommended changes
504	Recommended change: clarification language
505	Recommended change: clarification language
506	Recommended change: removed Irrigation District and added Water to reflect name change, and added clarification language for members appointed by the Mayor of National City
507	Recommended change: clarification language
508	Recommended change: removed Irrigation District and added Water to reflect name change

FISCAL IMPACT

Fiscal impact is limited to cost incurred for legal counsel review.

OPTIONS

1. Recommend changes to Policies 501 through 509 for Board review and consideration.
2. Approve recommended changes to Policies 501 through 509 as presented.
3. Make no changes to Policies 501 through 509.

Staff Contact:

Carlos Quintero, General Manager

Ligia Hoffman, Board Secretary

SUPPORTING INFORMATION

Attachments

Board Policies 501 through 509

Strategic Plan

Governing Board Policy 503, Adoption/Amendment of Policies and Procedures, establishes guidelines to adopt and amend policies and procedures in the Policies and Procedures Manual of the Governing Board of Sweetwater Authority and calls for the periodic review of the existing policies and procedures.

Past Board Actions

- | | |
|------------------|---|
| June 12, 2024 | The Governing Board adopted Resolution 24-08, Approving the Budget for FY 2024-25, and adopted Resolution 24-09, Approving Updated Financial Policies (Board Policy 517). |
| April 24, 2024 | The Governing Board approved Board Policies 601 through 608 as presented. |
| March 13, 2024 | The Governing Board approved the proposed change to Policy 510, with no changes to policies 511 through 516 and 518 through 520. |
| January 29, 2024 | The Governing Board approved Board Policies 501 through 509 as presented. |



**POLICIES & PROCEDURES
FOR THE GOVERNING BOARD**

**OFFICIAL SEAL
Policy 501**

POLICY 501 – OFFICIAL SEAL

POLICY

The Governing Board of Sweetwater Authority has adopted a design that shall constitute the official seal of Sweetwater Authority.

PROCEDURE

The following design shall constitute the official seal of Sweetwater Authority.

The seal is comprised of two concentric circles. The diameter of the seal is 1-5/8" with the outer perimeter of the circle encompassed with a braided rope design. The distance between the outer and inner circle is 1/4" containing the words "**SWEETWATER AUTHORITY**" inscribed around the top of the inside circle and "**CALIFORNIA**" inscribed around the bottom. In the center of the single-lined circle, which is 1" in diameter, the word "**ORGANIZED**" is inscribed around the top inner portion of the circle, with the words "**FEB. 3, 1972**" inscribed around the bottom inner portion. The very center of this circle also contains a symbol that resembles a small propeller.





**POLICIES & PROCEDURES
FOR THE GOVERNING BOARD**

**PURPOSE OF BOARD POLICIES
AND PROCEDURES
Policy 502**

POLICY 502 – PURPOSE OF BOARD POLICIES AND PROCEDURES

POLICY

It is the intent of the Governing Board (Board) of Sweetwater Authority (Authority) to use sound management practices and maintain a Policies and Procedures Manual. It shall contain a comprehensive listing of the Board's current policies and procedures, constituting the rules and regulations enacted by the Board from time to time.

PROCEDURE

The Policies and Procedures Manual shall serve as a resource for the Directors, staff, Management, and members of the public in determining the manner in which matters of Authority business are to be conducted.

If any policy or portion of a policy contained within the Policies and Procedures Manual is in conflict with rules, regulations, or legislation having authority over the Authority, said rules, regulations or legislation shall prevail.



**POLICIES & PROCEDURES
FOR THE GOVERNING BOARD**

**ADOPTION/AMENDMENT
OF POLICIES AND
PROCEDURES
Policy 503**

POLICY 503 – ADOPTION/AMENDMENT OF POLICIES AND PROCEDURES

POLICY

To establish guidelines to adopt or amend policies and procedures in the Policies and Procedures Manual of the Governing Board (Board) of Sweetwater Authority (Authority).

PROCEDURE

Consideration by the Board to adopt a new policy or procedure or to amend an existing policy or procedure may be initiated by a Director or by the General Manager. The proposed adoption or amendment is initiated by submitting a written draft of the proposed adoption or amendment to each Director and the General Manager through the Authority's office and requesting that the item be included for consideration on the agenda of the appropriate Committee or on the agenda of a Regular Meeting of the Board.

Periodic review of the existing policies and procedures will be initiated by the General Manager.

Adoption of a new policy or procedure or amendment of an existing policy or procedure shall be accomplished at a Regular Meeting of the Board and shall require an affirmative majority vote of the Board.

Before considering adopting or amending any policy or procedure, Directors shall have the opportunity to review the proposed adoption or amendment prior to the meeting at which consideration for adoption or amendment is to be given.

Copies of the proposed policy or procedure adoption or amendment shall be included in the agenda information packet for any meeting of consideration. Pursuant to the Ralph M. Brown Act, the agenda information packets with said copies shall be made available to each Director for review at least seventy-two (72) hours prior to any meeting of consideration.



POLICY 504 – CODE OF ETHICS

POLICY

The Governing Board (Board) of Sweetwater Authority (Authority) is committed to providing excellence in legislative leadership that results in the provision of industry-leading services to its constituents and to complying with all applicable state laws including AB 1234 approved in 2006. The Board is also committed to pursuing effective governance of the Authority by using effective communications strategies and respecting the clear division of responsibility between the Board and the professional Management and staff of the Authority.

PROCEDURE

The principles and standards below are intended to ensure effective communications and ethical practices by and among the members of the Board. Directors who consistently ignore or violate these principles and standards, or who commit a substantial and detrimental violation of these principles and standards, may be subject to censure by the Board or removal from representing the Board at any activities where they might be designated by the Board as a representative of the Authority. Board members shall comply with the following principles and standards:

- A. The dignity, style, values, and opinions of each Director shall be respected.
- B. Responsiveness and attentive listening in communication are encouraged.
- C. Directors shall commit themselves to emphasizing ~~the~~-focused, relevant, thoughtful, and positive contributions to the discussion and collaborative analytical process, and avoiding double talk, hidden agendas, gossip, backbiting, and other negative forms of interaction.
- D. Directors shall commit themselves to focusing on issues and not personalities or other prejudices. The presentation of the opinions of others should be encouraged. Cliques and voting blocs based on personalities rather than issues shall be avoided.
- E. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions in a courteous manner, without being disagreeable. Once the Board takes action, Directors should commit to supporting said action and shall not create barriers to the implementation of said action.
- F. The work of the Authority is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the Authority.



**POLICIES & PROCEDURES
FOR THE GOVERNING BOARD**

**CODE OF ETHICS
Policy 504**

-
- G. Directors shall function as a part of the whole. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively.
 - H. Directors are responsible for monitoring the Authority's progress in attaining the goals and objectives, while pursuing its mission, as identified in the annual Strategic Plan.
 - I. The needs of the Authority's constituents should be the priority of the Board. When a Director believes he/she may have a conflict of interest, the Director may consult legal counsel to assist the Director in making a determination if one exists or not. If the Director determines that there is a conflict of interest or an appearance of a conflict of interest with respect to any official action that he or she needs to take as a Director, then the Director is responsible for disclosing such conflict and recusing himself or herself in accordance with applicable law and regulations.

The primary responsibility of the Board is the formulation and evaluation of policy and making financial decisions for the Authority. Routine administrative and operational aspects of the Authority are the responsibility of the General Manager, who is the Chief Executive Officer of the Authority. The following procedures are intended to provide for effective channels of communication and a clear division of responsibility between the Board and the Management of the Authority.

Directors who consistently ignore or violate these procedures, or who commit a substantial and detrimental violation of these procedures, may be subject to censure by the Board or removal from representing the Board at any activities where they might be designated by the Board as a representative of the Authority. Board members shall comply with the following procedures:

- A. Directors should develop a working relationship with the General Manager wherein current issues, concerns, and Authority projects can be discussed comfortably and openly. In seeking clarification on informational items, Directors shall approach the General Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making. Directors shall not attempt to obtain such information directly from other Authority staff without the knowledge or involvement of the General Manager.
- B. When approached by residents and property owners of the Authority with complaints, said complaints shall be referred directly to the General Manager.
- C. When considering items related to safety, concerns for safety or hazards shall be reported to the General Manager.
- D. When seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and



**POLICIES & PROCEDURES
FOR THE GOVERNING BOARD**

**CODE OF ETHICS
Policy 504**

programming, said concerns shall be referred directly to the General Manager or legal counsel.

- E. When approached by Authority personnel concerning specific Authority policy or operations, Directors shall direct the Authority personnel to the General Manager. Directors may then directly consult with the General Manager or legal counsel about said issue.
- F. When responding to constituent requests and concerns, Directors shall be courteous, responding to individuals in a positive manner and referring their questions to customer service, the General Manager, or legal counsel. Directors may then directly consult with the General Manager or legal counsel about said issue.
- G. When approached by vendors or contractors concerning the availability of work or contracts at the Authority, Directors shall direct such inquiries to the General Manager.



POLICY 505 – BOARD CHAIRPERSON AND VICE CHAIRPERSON

POLICY

The appointed Chairperson shall preside as Chair at all meetings of the Governing Board (Board) of Sweetwater Authority and perform such other duties as are specified by the Board. In the absence of the Chairperson, the Vice Chairperson shall serve as Chair over all meetings of the Board.

PROCEDURE

The Governing Board shall hold an annual organizational meeting at its last regular meeting in December. In the event such meeting is cancelled, the organizational meeting shall take place at the following meeting of the Board. The Board shall elect one of its members as Chairperson and another member as Vice Chairperson. The Chairperson's term of office shall be one (1) year or until his/her successor takes office. The Chairperson's authority is granted by the full Board and the Chairperson:

- Represents the full Board in any public announcements, and
- Speaks on behalf of the Board only in support of the decisions of the full Board.

The Chairperson shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions. The Chairperson customarily has primary contact with the General Manager.

The Vice Chairperson's term of office shall be one (1) year and until his/her successor takes office. The Vice Chairperson shall perform all the duties of the Chair in the absence of the Chairperson or in the event of the Chairperson's inability to perform such duties and such other duties as are specified by the Board. If the Chairperson and Vice Chairperson of the Board are both absent, the remaining members present shall select one of themselves to act as Chairperson of the meeting.

As the presiding officer, the Chairperson must keep the meeting discussions aimed at [items on the agenda](#) ~~issues~~ and move the Board along toward decisions [on such items](#).

The duties and responsibilities of the Chairperson include the following:

- A. Preside over Board meetings.
- B. Ensure that orders and resolutions of the Board are carried out.
- C. Coordinate the work of officers of the Board and committees.
- D. Call special meetings as the need arises.
- E. Act as official spokesperson for the Board, unless authority is delegated.
- F. Perform all other functions required by the office of Chairperson.



POLICY 506 – MEMBERS OF THE GOVERNING BOARD

POLICY

To provide guidelines to members of the Governing Board (Board), who are the unit of authority for Sweetwater Authority (Authority). Apart from their normal function as a part of this unit, Directors have no individual authority. Staff does not report to any one Director, but rather to the Board, which may direct formal action by a concurrence of the majority. As individuals, Directors may not commit the Authority to any policy, act, or expenditure. Individual Board members, except as authorized by the Board, shall have no power to act for the Authority, or the Board, or to direct Authority staff. The Board Chairperson has the authority to act on behalf of the Board on both routine and unusual matters, which may, depending on the nature of the matter, be subject to ratification by the Board.

PROCEDURE

The Board shall be comprised of seven (7) members, five (5) of whom are members of the Board of Directors of South Bay ~~Irrigation District~~[Water](#) and two (2) of whom shall be appointed by the Mayor of National City, subject to confirmation by the City Council of National City. The [members appointed by the Mayor of National City](#) shall be electors of National City at the time of assuming such offices and at all times during their terms of office, ~~and~~ [they](#) shall serve four (4) year terms. Any vacancy that occurs among the National City members of the Board shall be filled by appointment by the Mayor of National City, subject to confirmation by the City Council of National City. In order to assist in the governance of behavior as a member of the Board, the following shall be observed:

- A. Directors shall act as a part of the body that represents and acts for the community as a whole and should not represent any fractional segment of the community.
- B. Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board. Information may be requested from, or exchanged with, the General Manager or Assistant General Manager before meetings. Information that is exchanged before meetings shall be distributed to Directors so that all Directors receive all information being distributed. Copies of public information exchanged before meetings shall be available at the meeting for members of the public in attendance, and shall also be provided to anyone not present upon their request. For matters that are to be considered under closed session, information may be requested from, or exchanged with, legal counsel.
- C. Directors shall at all times conduct themselves with courtesy to each other, to staff, and to members of the audience present at Board meetings.
- D. Directors shall defer to the Chairperson for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be

Reviewed and Approved on 1/29/24



brief and confined to the matter being discussed by the Board.

- E. Directors may request for inclusion into minutes brief comments pertinent to an agenda item only at the meeting that item is discussed (including, if desired, a position on abstention or dissenting vote).
- F. Directors shall recuse themselves and abstain from participating in consideration on any item involving a conflict of interest under state law or applicable regulations. Unless such a conflict of interest exists, however, Directors should not abstain from the Board's decision-making responsibilities.
- G. Because the General Manager is the Chief Executive Officer of the Authority and is responsible for overseeing the administration and operation of the Authority, Directors shall channel requests for substantive information and/or research through the General Manager. Requests by individual Directors that entail substantial effort or cost will be channeled through the Board.
- H. Individual Directors shall not act independently to direct the General Manager in the performance of duties, or to provide or compile data, information, or reports.
- I. Directors shall not exchange information about projects, personnel, or any other business matter with employees of the Authority without the knowledge of the General Manager.



POLICY 507 – COMMITTEES OF THE GOVERNING BOARD AND INTERAGENCY COMMITTEES

POLICY

Except as otherwise provided in this Policy, the Chairperson of the Governing Board (Board) shall appoint members to established Standing Committees of the Authority, Interagency Committees/Boards, and Ad Hoc Committees as necessary. The Chairperson may also appoint the Chairpersons for said Committees/Boards or have the option to assign that task to said Committees.

PROCEDURE

A Standing Committee of Sweetwater Authority (Authority) is a legislative body subject to the Ralph M. Brown Act (Brown Act), which is defined as any Standing Committee that has “continuing subject matter jurisdiction” or a meeting schedule fixed by ordinance, resolution, or formal action.

Unauthorized serial meetings occur when there is a “meeting of the minds” of a quorum of the legislative body outside of a formal meeting. This may occur if member “A” contacts member “B,” who contacts member “C” and so on, until a quorum has been involved.

A serial meeting may also occur if an individual contacts the members of the legislative body prior to a formal meeting and, in the process, reveals their respective views to one another or asks the members to commit to or decide on a proposed action. Serial meetings are “secret meetings” that deprive the public of an opportunity to contribute to the decision-making process.

In contrast, the distribution of a memo does not constitute a meeting. A unilateral written communication to a legislative body, such as an informational al or advisory memo, does not violate the Brown Act.

The Standing Committees of the Board and their related purviews are:

- A. Finance and Administration Committee – finance, rate structure, labor relations, business services, customer services, and procurement
- B. Water Quality Committee – water quality and regulatory affairs
- C. Engineering and Operations Committee – engineering, capital projects, development services, watershed management, master planning efforts, water distribution, and special projects associated with maximizing assets.
- D. Legislative Affairs and Communications Committee (meets on an as-needed

Revised and Approved on 1/29/24



POLICIES & PROCEDURES FOR THE GOVERNING BOARD

COMMITTEES OF THE GOVERNING BOARD Policy 507

basis as determined by the General Manager) – public relations, community outreach, education programs, and legislative affairs

- E. Items pertaining to professional services consultant selection shall be referred to the Committee with purview over the subject matter related to the services

Interagency Committees/Boards are:

- A. Association of California Water Agencies/Joint Powers Insurance Authority (appointment made by the Board)
- B. Chula Vista Interagency Water Task Force
- C. Water Conservation Garden Joint Powers Authority Board

~~Ad Hoc Committees are to be appointed by the Chairperson, if necessary.~~

Ad Hoc Committees may be established by either the Chairperson or the Board. The creation and duties of the Ad Hoc Committees shall be outlined at the time determined by the Chairperson or by ~~the direction of~~ the Board. Members of ~~the an~~ Ad Hoc Committee shall be appointed by the Chair. The Committee shall be considered dissolved when the Chairperson of the Board determines the need for the Committee no longer exists.

The Chairperson shall appoint and publicly announce the members of the Standing Committees for the ensuing year no later than February 1 of each year. Committee appointments may be revisited throughout the year at the discretion of the Chairperson and shall be publicly announced at the next Regular Meeting of the Governing Board.

The Board's Standing Committees may be assigned to review (a) the Authority's functions, activities, or operations pertaining to their designated concerns, or (b) those of another Standing Committee, when necessary, if the timeliness of Board action is a consideration in such a review. Any recommendations resulting from review by a Committee should be submitted to the Board via a written or oral report.

If a member of a Committee is unable to attend a scheduled meeting, the meeting may take place with only two members of the Committee in attendance. The use of teleconferencing will be in accordance with Government Code Section 54953.

All meetings of Standing Committees shall conform to all open meeting laws (e.g., "Brown Act") that pertain to regular meetings of the Board.



POLICY 508 – OTHER APPOINTED OFFICERS

POLICY

To establish a procedure to serve as a guide to appoint other officers of the Governing Board (Board) and to establish guidelines and clarification of responsibilities.

PROCEDURE

The General Manager shall be appointed by the Board. The General Manager shall be the Chief Executive Officer responsible directly to the Board. The General Manager shall have charge of, handle, and have access to, the property of Sweetwater Authority (Authority). The General Manager shall plan, direct, coordinate and administer the activities of the Authority, subject to and within the policy determinations of the Board, and perform such other duties as are specified by the Board.

The Assistant General Manager shall serve as the General Manager in the General Manager's absence.

Pursuant to Section 2 (D) (3) of the Joint Powers Agreement for the Authority, the Secretary of the Authority shall be appointed by the Board and shall serve at the pleasure of the Board. The Secretary may, but need not, be a member of the Board. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board and shall perform such other duties as are specified by the Board.

Pursuant to Section 2 (D) (4) of the Joint Powers Agreement for the Authority, the Treasurer of the Authority shall be the Treasurer of South Bay ~~Irrigation District~~Water, appointed by the Board, and serving ex-officio as Treasurer of the Authority. The Treasurer shall also perform such other duties as are specified by the Board.

The positions of General Manager and Secretary shall be appointed by the Board. The Board may seek and choose to concur with the General Manager's recommendation or may choose to select a replacement based on an internal search, an external search, or both.



POLICY 509 – ATTENDANCE AT MEETINGS

POLICY

Members of the Governing Board (Board) shall attend the full session of all Regular and Special meetings of the Board unless there is a good cause for absence. As a courtesy, any Board member who believes he/she will be absent from any meeting should notify the Board Secretary of such absence as soon as possible. In the event a Director plans to be absent for a period of time (vacation, illness, etc.) that would cause him/her to be absent for a Special meeting, a **“Waiver of Personal Notice of Special Meeting”** should be completed, signed, and filed with the Secretary in accordance with Government Code Section 54956.

PROCEDURE

In accordance with Government Code Section 1770, a vacancy shall occur if any member ceases to discharge the duty of his/her office due to the happening of certain events before expiration of the term, including but not limited to:

- A. His/her absence from the state without the permission required by law beyond the period allowed by law.
- B. His/her ceasing to discharge the duties of his/her office for the period of three (3) consecutive months, except when prevented by sickness or when absent from the state with the permission required by law.

In addition, pursuant to Government Code Section 1062, no state or municipal officer shall be absent himself or herself from the state for more than sixty (60) days, unless either:

- A. Upon business of the state or the municipality
- B. With the consent of the Legislature or the Governing Body of the municipality

Failure to attend the full session of all Board meetings for three (3) consecutive months is not an automatic disqualification from office; however, it would be evidence of the absent Director’s ceasing to discharge the duties of his/her office and of a misuse of public resources if the Director receives Director’s Fees and attends only partial meetings. (Penal Code § 424) If no reasonable explanation or excuse for the absence is provided, the office shall be considered vacant. In addition, failure to attend meetings while absent from the state for more than sixty (60) days without the consent of the Board shall create a vacancy.

SWEETWATER AUTHORITY

Finance and Administration Committee

January 6, 2025



Consideration to Approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium

RECOMMENDATION

Staff recommends that the Governing Board approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium.

OVERVIEW

The annual auto and liability insurance plan renewal is due in the amount of \$450,932.04 for the policy year October 1, 2024 through October 1, 2025, and this amount is above the General Manager’s approval limit. Staff seeks the Board’s approval for the FY 2024-25 renewal of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) Auto and General Liability Program Insurance Premium.

The rates and calculations for the premiums are included in the attached invoice from ACWA/JPIA. The insurance market has seen hardening and reduced capacity. Even with these conditions, ACWA/JPIA stated its renewals are below most public entities’ increases. ACWA/JPIA offers liability coverage through risk sharing pools for water agencies across California, and no-cost assistance with training, personnel policies and procedures, and developing job descriptions and employee handbooks.

The current and prior four years of premiums for the Authority were:

<u>Year</u>	<u>Premium</u>	<u>Increase</u>
2024-25	\$450,932	18%
2023-24	\$382,033	59%
2022-23	\$240,809	26%
2021-22	\$191,729	(19%)
2020-21	\$236,099	17%

FISCAL IMPACT

The FY 2024-25 Budget Operating Expense line item 10-10-320-5630 Administrative Services Safety - General and Property Insurance includes funding for the annual renewal with additional funds required available in other line items in the FY 2024-25 Budget Administrative Services Safety.

FY 2024-25 Budget - Auto and General Liability Insurance Program Premium	
Administrative Services Safety - General and Property Insurance budget planned for the premium	\$447,000.00
Available budget saving from other insurance premiums previously paid	3,026.90
Available funding from other line items in the Administrative Services Safety budget for the balance of the premium	<u>905.14</u>
ACWA/JPIA Auto and General Liability Program Insurance Premium	\$450,932.04

NEXT STEPS

1. Approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium.
2. Other direction as determined by the Governing Board.

Staff Contact:

Carlos Quintero, General Manager

Roberto Yano, Assistant General Manager

Rich Stevenson, Director of Finance

SUPPORTING INFORMATION

Attachments

1. ACWA JPIA - Auto and General Liability Program Invoice 10-1-24 to 10-1-2025

Strategic Plan

Governing Board Policy 517 – Financial Policies: Policy for the Procurement of Services (including Construction), Supplies, and Equipment

- Requirements for Comprehensive Procurement Procedures - Contract Approval Authority: Procurement of services, supplies, and equipment in an amount over \$75,000 requires approval by the Board, even if the Board has authorized funds for the procurement within the annual budget.

Strategic Plan Goal 3: Financial Viability (FV)

- Objective FV1 (2012): Implement short-term (i.e., annual) and long-term (i.e., five-year) financial plans that demonstrate continued financial sustainability for the Authority and cost-effective operations and guide rate setting decision making

Past Board Actions

June 12, 2024	The Governing Board Adopted Resolution 24-08 Approving a budget for FY 2024-25, and Adopted Resolution 24-09, Approving Updated Financial Policies (Board Policy 517).
October 25, 2023	The Governing Board approved the FY 2023-24 ACWA/JPIA Auto and General Liability Program Insurance Premium.



Invoice

ACWA JPIA
P.O. Box 619082, Roseville, CA 95661
800.231.5742 | www.acwajpia.com

TO: All Liability Program Members
FROM: Director of Finance, David deBernardi
DATE: 10/28/2024
RE: 2024-2025 Liability Contribution

Please find the enclosed 2024-2025 Liability program year invoice. Detailed information about this year's program renewal will follow shortly in a separate communication.

If you have any questions about the invoice, please contact David deBernardi at ddebernardi@acwajpia.com or (916) 786-5742 ext. 3115.

Members are encouraged to pay via ACH. For assistance, please contact Heidi Singer at hsinger@acwajpia.com (916) 774-7050 ext. 3133, or Lindsey Johnson at ljohnson@acwajpia.com or (916) 717-3028.

For those preferring to pay by check, please mail payments to the following address:

ACWA JPIA
P O Box 619082
Roseville, CA 95661

**The invoice is payable upon receipt.
Any unpaid portion that becomes more than 60 days past due will be subject to
a 1% late fee each month.**

**AUTO and GENERAL LIABILITY PROGRAM
FOR POLICY YEAR 10/01/2024 - 10/01/2025**

Member # S015

Sweetwater Authority

505 Garrett Ave.
Chula Vista, CA 91910

Invoice Number: 487
Invoice Date: 10/28/2024
Due Date: UPON RECEIPT

DESCRIPTION :

Contribution for the 10/1/2024-2025 Policy Year \$450,932.04

**WILL BE DELINQUENT AND SUBJECT TO PENALTY AND INTEREST
CHARGES, IF NOT PAID OR POST MARKED BY 12/31/2024**

ACH Instructions - Please Remit in US Dollars

*California Bank & Trust
520 Capitol Mall, Suite 100
Sacramento, CA 95814
Routing Number: 122232109
Account Number: 1030011961*

PLEASE MAKE CHECK PAYABLE TO:

ACWA JOINT POWERS INSURANCE AUTHORITY

ACWA JPIA
LIABILITY PROGRAM
E-MOD/CONTRIBUTION CALCULATION WORK SHEET
AT 10/28/2024

Sweetwater Authority

10/01/2024-2025 ANNUAL ESTIMATED PAYROLL: **\$16,253,346.00**
 LOSSES FOR PERIOD 10/1/2020 THRU 10/1/2023
 RETRO ALLOCATION POINT \$50,000.00

Claim Loss Date	Claim #	Total Loss	RAP	Claims Over RAP	AMOUNT USED IN E MOD CALC
10/01/2020-2021	22-0817	\$ 8,850.00	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	21-0379	\$ 704.09	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	21-0523	\$ 1,150.00	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	21-0657	\$ 1,500.00	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	21-0643	\$ 346.15	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	21-0624	\$ 3,274.38	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	22-0081	\$ 1,375,000.00	\$ 50,000.00	\$ 1,375,000.00	\$ 75,000.00
10/01/2020-2021	22-0230	\$ 841.50	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2020-2021	22-0229	\$ 616.94	\$ 50,000.00	\$ 0.00	\$ 0.00
10/01/2021-2022	23-0812	\$ 45,000.00	\$ 50,000.00	\$ 45,000.00	\$ 45,000.00
10/01/2022-2023	23-0400	\$ 864.88	\$ 50,000.00	\$ 0.00	\$ 0.00
THREE YEAR LOSS TOTAL		\$ 1,438,147.94		\$ 1,420,000.00	\$ 120,000.00

EXPERIENCE MODIFICATION FORMULA

STEP 1

$$\begin{aligned} \$2,250.00 &+ (\text{ Payroll } \times \text{ P/R Modifier } \times (7 / \text{ Log of Payroll })) = \text{ Contribution} \\ \$2,250.00 &+ (\$16,253,346.00 \times 0.090353 \times (7 / 16.603808)) = \$621,371.00 \end{aligned}$$

STEP 2

$$\begin{aligned} (\text{ Three Year Loss Total } / 3) / \text{ Basic Contribution } &= \text{ District Rate} \\ (\$120,000 / 3) / \$621,371.00 &= 0.0644 \end{aligned}$$

STEP 3

$$\begin{aligned} \text{District Rate} / \text{ Average Rate } &= \text{ Unweighted Modification Factor} \\ 0.064374 / 0.111674 &= 0.5764 \end{aligned}$$

STEP 4

$$\begin{aligned} \text{Square root of } (\text{ Basic Contribution } / \$2,000,000) &= \text{ Credibility Factor} \\ \text{Square root of } (\$621,371.00 / \$2,000,000) &= 0.5574 \end{aligned}$$

STEP 5

$$\begin{aligned} (\text{ Credibility Factor } \times \text{ Unweighted Modification Factor }) + (1.0 - \text{ Credibility Factor }) &= \text{ E-MOD} \\ (0.5574 \times 0.5764) + (1.0 - 0.5574) &= 0.7639 \end{aligned}$$

CONTRIBUTION FORMULA

STEP 1

$$\begin{aligned} \text{Basic Contribution} \times \text{ E-MOD } &= \text{ Gross Contribution} \\ \$621,371.00 \times 0.7639 &= \$474,665.31 \end{aligned}$$

STEP 2 3 Programs = 5%

$$\begin{aligned} \text{Gross Contribution} \times \text{ Multiple Program Discount Factor } &= \text{ Contribution} + \text{ Adjustment } = \text{ Adjusted Contribution} \\ \$474,665.31 \times 0.95 &= \$450,932.04 + \$0.00 = \$450,932.04 \end{aligned}$$

THE MINIMUM RAP FOR THE CONTRBUTION SHOWN ABOVE IS \$50,000
YOUR CURRENT RAP IS \$50000.00
IF YOU WISH TO SELECT A HIGHER RAP, PLEASE CONTACT MEMBER SERVICES
*AMOUNT DERIVED BY DETERMINING THE LOWER OF THE CHOSEN RAP VS \$15,000.
IF 'TOTAL LOSS' COLUMN EXCEEDS
THIS FIGURE THEN THE TOTAL LOSS IS ENTERED HERE.