Public Comment
Proposed Recycled Water Policy Amendment
Deadline: 6/26/18 by 12 noon

RECEIVED
6-18-18
SWRCB Clerk

Serrano

From the Desk of Anthony Serrano

Sent Via E-Mail "commentletters@waterboards.ca.gov"

TO: Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 "I" Street, 24th Floor
Sacramento, CA 95814

FROM: Anthony Serrano, Local Taxpayer
7517 Mr. McDuffs Way
Highland, CA 92346
(909) 496-4733 Cell/ e-mail "anthonyaserrano@gmail.com"

DATE: Monday, June 18, 2018

SUBJECT: **Comment Letter – Proposed Recycled Water Policy Statement**

Thank you for the opportunity to submit comments, I support the use of "recycled water" but the current policy does not include any provision to:

1. "justify any proposed wastewater project to generate recycled water based on any given financial analysis i.e. rate of return or debt margin,
2. does not include any post-audit provision of the proposed project (after the project is completed and operational as in any given engineering related project) to validate the original justification of the project, or
3. any provision for a financial penalty on the party who submitted the application to construct the wastewater project to generate recycled water."

The State of California has a series of state agencies to provide "checks and balances" to make sure taxpayer monies are spent in a responsible manner:

1. State of California State Administrative Manual (SAM),
2. State of California Auditor,
3. State of California Department of Water Resources internal audit unit, and
4. State of California Government Code §13400 - §13407 known as the "Financial Integrity and State Manager's Accountability Act of 1983."

COMMENTS/RECOMMENDATIONS

1. **On page 1 of the Draft Amendment, Section 1. Purpose insert a new provision as "1.6" for**: "The designated proponent or permittee will submit a cost justification statement and supporting calculations (to be developed) with a reasonable rate of return (to be developed) for the wastewater project to generate recycled water. The cost justification statement will comply with the Department of Water Resources Internal Audits Office requirements (to be developed) and consistent with the "Financial Integrity and State Manager's Accountability Act of 1983." The cost justification statement to be signed under penalty of perjury,

2. **<u>On page 1 of the Draft Amendment, Section 1. Purpose insert a new provision as "1.7" for</u>**: "The designated proponent or permittee will submit a "ramp-up for all capital and human resource costs" statement and illustration chart for the term of the project. The "ramp-up" will comply with the Department of Water Resources Internal Audits Office requirements (to be developed) and consistent with the "Financial Integrity and State Manager's Accountability Act of 1983." The ramp-up statement to be signed under penalty of perjury,
3. **<u>On page 1 of the Draft Amendment, Section 1. Purpose insert a new provision as "1.8" for</u>**: "The designated proponent or permittee will submit an "amortization schedule" (if a 30-year project then include a line item for each of the 30-years) listing all capital, annual operational, and human resource costs for the term of the project. The "amortization schedule" will comply with the Department of Water Resources Internal Audits Office requirements (to be developed) and consistent with the "Financial Integrity and State Manager's Accountability Act of 1983." The amortization schedule statement to be signed under penalty of perjury,
4. **<u>On page 1 of the Draft Amendment, Section 1. Purpose insert a new provision as "1.9" for</u>**: "The designated proponent or permittee will subject to the annual audit for the project during the term of the project and will comply with the Department of Water Resources Internal Audits Office requirements (to be developed) and consistent with the "Financial Integrity and State Manager's Accountability Act of 1983." If the project fails to meet the original cost justification statement, then the proponent or permittee will be subject to a financial penalty to offset the loss of taxpayer monies incurred by the project.

<u>SUPPORTING DOCUMENTS</u>

1. May 9, 2018 4-page "Notice of Opportunity to Comment, Public Hearing, and Filing Concerning an Amendment to the Policy for Water Quality Control for Recycle Water,"
2. June 19, 2018 2-page Agenda Item 5 "State Water Resources Control Board, Board Meeting Sessions – Division of Water Quality,"
3. June 17, 2017 1-page from "Draft Engineering Report, Chapter 6 titled: Recharge Basin Use Areas and Operations, Section 6.1 City Creek,"
4. March 1, 2018 1-page State Auditor "State and Regional Water Boards – They must do more to ensure that local jurisdictions' costs to reduce storm water pollution are necessary" is an example for "an after the fact audit issue with NO financial repayment to the local taxpayer. The local taxpayer needs provisions in contracts and/or policy UPFRONT to insure entities like water agencies can justify their projects upfront, are subject to audit, and if the project doers not meet the original cost justification statement…then they are penalized to repay lost tax dollars or rate payer monies,
5. Year 2016 6-pages "Directory of State Internal Audit Organizations, Department of Water Resources Internal Audits Office, The Financial Integrity and State Managers accountability Act of 1983, and
6. East Valley Water District 2-page "Sterling Natural Resource Center Secures State Funding."

<u>EXAMPLE WHY WE NEED ITEMS 1-4 COMMENTS ABOVE</u>

I am familiar with a current AND local wastewater treatment facility "Sterling Natural Resource Center" that received approval for funding on May 24, 2018 but does not include any: 1) cost justification statement, 2) ramp-up schedule, or 3) an amortization schedule?

1. The local ratepayer in the community WILL NOT get any of the proposed "recycled water" because it is drained directly into the Santa Ana River from the proposed $126M facility. Part of the original justification for the proposed wastewater treatment facility…the local community was told we would have RECYCLED WATER….as of the June 2017 Draft Engineering Report we now know the local community WILL NOT have the use of the RECYCLED WATER, but the local ratepayer is on the hook to repay the $126M to build the Sterling recycle water plant!
2. Issues raised at a Public Comment Hearing in July 2017 for the June 2017 Title 22 Draft Engineering Report to demonstrate how the Project complies with the California Code of Regulations (CCR) Title 22, Division 4, Chapter 3, Water Recycled Criteria (CCR, 2014). Article 7, §60323 were memorialized in the August 1, 2017 Board Minutes for the San Bernardino Valley Municipal Water District (SBVMWD) but the answers to the written questions submitted have NEVER been answered,

3. In the June 2017 report by consultants RMC Water and Environment (RMC) with support from John Robinson Consulting, Inc. and GEOSCIENCE Support Services, Inc. advised on pages 6-1 (see attachment), Section 6.1 City Creek: *"……The creek only flows periodically in response to rainstorm events. Since the channel bottom is unlined and runs over the unconsolidated sandy sediments of the Bunker Hill Groundwater Basin, this portion of City Creek is likely a "losing stream". A losing stream is condition where a significant percentage of surface flow will infiltrate into the unsaturated zone,* ***potentially reaching the water table,"***
4. This is the location where the proposed "recycled water" is to be drained back into the Santa Ana River……but this is a "loosing stream!!!" The recycled water will evaporate and never get back into the groundwater basin!
5. How do you "POST AUDIT" recycled water that never reaches the water table??? $126M later, and
6. The May 24, 2018 funding notice stated in part the following:

"The funding comes from the Water Recycling Funding Program (WRFP) through a combination of Clean Water State Revolving Fund (CWSRF) and Prop 1 Water Bond 2014 Funds. CWSRF provides low-interest loans to public agencies for planning, design, and construction of water recycling projects. Proposition 1 loans and grants are part of the $625 million recycled water project funding secured by voters in the 2014 Water Bond. To receive WRFP funding, projects must go through an extensive application and contribute to surface and groundwater storage, ecosystem restoration, or drinking water protection."

Thank you.

W/Attachments

NOTICE OF OPPORTUNITY TO COMMENT, PUBLIC HEARING, AND FILING[1]

Concerning

An Amendment to the Policy for Water Quality Control for Recycled Water

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will receive public comments regarding the development of an amendment (Proposed Amendment) to the Policy for Water Quality Control for Recycled Water (Recycled Water Policy) and the Draft Staff Report, including the Draft Substitute Environmental Documentation (Draft SR/SED).

NOTICE IS ADDITIONALLY HEREBY GIVEN that the State Water Board will hold a public hearing to receive public input and comments on the Proposed Amendment and Draft SR/SED. A quorum of the State Water Board may be present; however, no Board action will be taken.

Tuesday, June 19, 2018 – 9:30 a.m.
Joe Serna, Jr.–CalEPA Headquarters Building
Coastal Hearing Room
1001 I Street, Second Floor
Sacramento, CA 95814

Additional information on the hearings in Sacramento can be found at the State Water Board's website at: https://www.waterboards.ca.gov/board_info/calendar/

Following the June hearing, State Water Board staff will review comments received and prepare responses and final recommendations for the Board's consideration. At the December hearing, the State Water Board will receive final recommendations from State Water Board staff and will consider adoption of the Proposed Amendment and SED. The hearing agenda will be available at https://www.waterboards.ca.gov/board_info/calendar/ at least 10 days before the hearing.

PROPOSED AMENDMENT

The purpose of the Proposed Amendment is to provide statewide consistency for permit requirements for recycled water projects. The goals for the Amendment are:

1. Support the increased development and use of recycled water in a manner that protects the environment and public health as one piece of a broader strategy to mitigate the effects of long-term drought, climate change, and water supply uncertainty.

[1] Notice of Filing submitted under California Code of Regulations, title 23, section 3779.

2. Amend the Recycled Water Policy to reflect:
   - The changing regulatory aspects of recycled water production and use in California including changes to California Code of Regulations, title 22 and other applicable regulations
   - Findings from an evaluation of the challenges and benefits of salt and nutrient management plan development
   - Recommendations of the Science Advisory Panel on constituents of emerging concern (CECs) in recycled water.

3. Clarify, streamline, and provide statewide consistency for permit requirements for recycled water.

If adopted, the Proposed Amendment would:

- Remove statewide mandates for the use of recycled water, but retain the goals
- Add a narrative goal to minimize the direct discharge of treated municipal wastewater to enclosed bays, estuaries and coastal lagoons, and ocean waters, except where necessary to maintain beneficial uses
- Require recycled water producers to annually report recycled water use data to the State Water Board
- Require municipal wastewater treatment facilities to monthly report influent, treatment level, and volume of treated wastewater discharged to land, inland surface waters, enclosed bays, estuaries, and ocean waters
- Clarify the requirement to comply with Water Code section 1211 (wastewater change petitions)
- Require regional water boards to identify groundwater basins where salt and nutrient management plans have not yet been developed, but are still needed to achieve water quality objectives for salts and nutrients in the long-term
- Clarify the process for regional water boards to approve stakeholder-developed salt and nutrient management plans
- Require regional water boards to periodically evaluate data from salt and nutrient management plans to determine whether updates to salt and nutrient management plans are warranted
- Remove the requirement to monitor for priority pollutants in recycled water used for landscape irrigation
- Clarify the permitting and antidegradation analysis required for non-potable recycled water projects, groundwater recharge projects, and reservoir water augmentation projects
- Provide permitting criteria that, if met, can aid in compliance with Resolution No. 68-16 (the "Antidegradation Policy") for eligible non-potable recycled water projects
- Update the monitoring requirements for CECs for recycled water used for groundwater recharge and reservoir water augmentation, including adding bioanalytical screening using estrogen receptor-alpha and aryl hydrocarbon receptor
- Require regional water boards to evaluate, and if necessary, update recycled water permits for consistency with applicable regulations, plans, and policies
- Terminate coverage under existing regional water board general orders for non-potable recycled water use and encourage enrollment under statewide water reclamation requirements
- Incorporate other non-substantive changes.

DOCUMENT AVAILABILITY

The Proposed Amendment and Draft SED is available on the State Water Board's website: https://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/index.html

You may also receive a paper copy by contacting Laura McLellan by phone at (916) 319-8288, or email at: Laura.McLellan@waterboards.ca.gov, or by writing Laura McLellan, Division of Water Quality, State Water Resources Control Board, 1001 I Street, Sacramento, CA 95814.

To receive notifications regarding the Proposed Amendment to the Recycled Water Policy, you may sign up for the email list at the State Water Board website at: http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml (NOTE: Check the box titled "Recycled Water Policy/General Permit for Landscape Irrigation" under the Water Quality heading.)

PROCEDURAL MATTERS

At the June 19th public hearing, there will be no sworn testimony or cross-examination of participants. However, the State Water Board and its staff may ask clarifying questions. At the hearing, participants will be given an opportunity to summarize and supplement their written materials with oral presentations. To ensure a productive and efficient hearing in which all participants have an opportunity to participate, oral presentations may be time-limited. For other presentation recommendations, go to: https://www.waterboards.ca.gov/board_info/meetings/board_presentations.html

SUBMISSION OF WRITTEN COMMENTS

State Water Board staff will accept written comments. Written comment letters must be received by **12:00 noon on Tuesday, June 26, 2018**. After the deadline, the State Water Board will not accept additional written comments.

The State Water Board requests that comment letters be submitted via email to Jeanine Townsend, Clerk to the Board, by email at commentletters@waterboards.ca.gov (if less than 15 megabytes in total size). Please title the subject line: "**Comment Letter – Proposed Recycled Water Policy Amendment**." Electronic submission by email in pdf text format is preferred.

If submitting a paper comment letter, please address letters to the attention of Jeanine Townsend, State Water Resources Control Board, 1001 I Street, 24th Floor, Sacramento, CA 95814. Couriers delivering comment letters in person to CalEPA Headquarters must check in with lobby security personnel.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

This is to advise that the State Water Board is proposing to adopt the Proposed Amendment in accordance with a regulatory program exempt under section 21080.5 of the Public Resources Code from the requirement to prepare an environmental impact report under the California Environmental Quality Act (Pub. Res. Code, § 21080.5; Cal. Code Regs., tit. 14, § 15251(g).) and with other applicable laws and regulations.

PARKING AND ACCESSIBILITY

The facilities will be accessible to persons with disabilities. Individuals requiring special accommodations are requested to call (916) 341-5254 at least five working days prior to the meeting. Persons with hearing or speech impairments can contact us by using the California Relay Service Telecommunications Device for the Deaf (TDD). TDD is reachable only from phones equipped with a TDD Device. HEARING IMPAIRED RELAY SERVICE: TDD to voice (800) 735-2929; voice to TDD (800) 735-2922.

State Water Board location, directions and parking information can be found at: https://calepa.ca.gov/headquarters-sacramento/location/.

All visitors are required to sign in and receive a badge prior to attending any meeting in the building. The Visitor and Environmental Services Center is located just inside and to the left of the CalEPA Building's public entrance. Valid picture identification may be required due to security requirements. Please allow up to 15 minutes for receiving clearance, and then proceed to the Coastal Hearing Room.

The meeting held at the State Water Board will be webcast live at https://video.calepa.ca.gov/. Approximately 15 minutes prior to the event (Pacific Time), the audio and/or video Webcast links will be added, providing a direct audio/video feed from the meeting room. Remember to test your connection prior to connecting to a Webcast. These Webcasts are generally not recorded for later use.

May 9, 2018
Date

Jeanine Townsend
Jeanine Townsend
Clerk to the Board

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF WATER QUALITY
JUNE 19, 2018

ITEM 5

SUBJECT

PUBLIC HEARING TO RECEIVE ORAL COMMENTS ON THE PROPOSED AMENDMENT TO THE POLICY FOR WATER QUALITY CONTROL FOR RECYCLED WATER.

DISCUSSION

The State Water Resources Control Board (State Water Board) staff propose to amend the Policy for Water Quality Control for Recycled Water (Recycled Water Policy) to provide statewide consistency for permit requirements for recycled water projects and to promote production and use of recycled water in a manner that is protective of human health and the environment. The proposed amendment to the Recycled Water Policy removes statewide recycled water mandates, includes reporting requirements for recycled water production and use, revises provisions for salt and nutrient management plans, includes streamlined permitting criteria to aid in the antidegradation analysis of some non-potable recycled water projects, revises monitoring requirements for constituents of emerging concern (CECs) in recycled water used for groundwater recharge and reservoir water augmentation, and incorporates other substantive and non-substantive changes.

The Recycled Water Policy was adopted by the State Water Board on February 3, 2009. The Recycled Water Policy was amended on January 22, 2013 to provide direction to the regional water quality control boards (regional water boards) on monitoring requirements for CECs in recycled water used for groundwater recharge. The Recycled Water Policy includes provisions that require staff to reconvene a science advisory panel every five years to provide guidance on future actions related to CECs in recycled water. Since the Recycled Water Policy was last updated in 2013, there have been significant advancements in recycled water regulations and research, including regulations for reservoir water augmentation (surface water augmentation), Order WQ 2016-0068-DDW, Water Reclamation Requirements for Recycled Water Use, which covers non-potable uses of recycled water, and ongoing research on CECs in recycled water. The Recycled Water Policy also encourages the development of salt and nutrient management plans for each basin or sub-basin in California.

Resolution No. 2016-0061 directed staff to reconvene a Science Advisory Panel on CECs in recycled water (Panel) and to propose an amendment to the Recycled Water Policy considering feedback received from stakeholder outreach, the findings of the Panel, and an evaluation of the challenges and benefits of salt and nutrient management plan development.

The Panel held public meetings on July 19, July 21, and December 15, 2017, and released a draft report for a 30-day public comment period on January 31, 2018. The Panel considered the public comments and released the final report on April 27, 2018. The State Water Board held early public consultation meetings pursuant to the California Environmental Quality Act on December 1, 2017 in Sacramento and December 5, 2017 in San Diego. The State Water Board also held public stakeholder workshops on January 4, 2018 in Sacramento and January 11, 2018 in Fountain Valley. State Water Board staff considered feedback from these public meetings as well as recommendations from the Panel and released the proposed

amendment to the Recycled Water Policy on May 9, 2018 for public comment. Staff will prepare written responses to oral comments received during this public hearing and may revise the proposed amendment and draft staff report with substitute environmental documentation prior to proposing the amendment to the State Water Board for adoption consideration.

POLICY ISSUE

None at this time; no final action will be taken. Final action of the State Water Board will be scheduled for a subsequent date.

FISCAL IMPACT

None at this time; no final action will be taken. Final action of the State Water Board will be scheduled for a subsequent date.

REGIONAL BOARD IMPACT

None at this time; no final action will be taken. Final action of the State Water Board will be scheduled for a subsequent date.

STAFF RECOMMENDATION

None at this time; no final action will be taken. Final action of the State Water Board will be scheduled for a subsequent date.

State Water Board action on this item will assist the Water Boards in reaching Goal(s) 2, 3, 4, and 6 of the Strategic Plan Update: 2008-2012. In particular, approval of this item will assist in fulfilling Objective 3.2 to increase the acceptance and promote the use of recycled water and the reuse of stormwater as locally available, sustainable water supplies consistent with the Climate Change Draft Scoping Plan developed pursuant to the California Global Warming Solutions Act of 2006 (AB 32) and other relevant State and regional efforts.

Chapter 6 Recharge Basin Use Areas and Operations

This section describes each of the three groundwater recharge areas and the proposed operational strategy. The groundwater recharge areas are all existing facilities, with the Redlands Basins currently actively managed and used for recharge. The hydrogeological analyses and groundwater impacts are provided in Chapter 10.

6.1 City Creek

The City Creek discharge location will include groundwater replenishment and habitat enhancement. Conceptual design includes conveying up to 7.5 MGD of recycled water from the SNRC to one or multiple discharge locations at City Creek. The habitat enhancement objective consists of maintaining perennial surface flow within City Creek, while minimizing flow into the Santa Ana River. The portion of City Creek considered for the hydrogeologic analysis included the approximate point where it nears the mouth of the gorge (intersection of State Route 330 and Highland Ave.) to where it joins the Santa Ana River. The creek only flows periodically in response to rainstorm events. Since the channel bottom is unlined and runs over the unconsolidated sandy sediments of the Bunker Hill Groundwater Basin, this portion of City Creek is likely a "losing stream". A losing stream is condition where a significant percentage of surface flow will infiltrate into the unsaturated zone, potentially reaching the water table.

6.1.1 Recharge Site

The City Creek recharge site will incorporate the channel area from the recycled water discharge point down to where the creek becomes tributary to the Santa Ana River. The discharge area length along City Creek is approximately 2.2 miles and the average width is approximately 45 feet, totaling about 13 acres in size. The channel area consists primarily of loose to loosely compacted rock and sand, with areas that are either devoid of vegetation or consisting of multiple species of native and non-native plants. Channel bottom elevations (going from northeast to southwest), range from approximately 1,320 feet above mean sea level (msl) to 1,140 feet above msl. The infiltration rate is estimated to be 6.7 feet/day. The properties of the proposed City Creek facility are summarized in **Table 6-1**.

Table 6-1: Summary of City Creek Discharge Facility Properties

Effective Recharge Area (acres)	Estimated Infiltration Rate (ft/day)	Recharge Capacity (MGD)	Depth to Groundwater (ft)	Vadose Zone Travel Time (days)
13	6.7	28.4	200	30
Source: GEOSCIENCE, 2017.				

? Wait, I expand to 100 FT ?

6.1.2 Delivery, Conveyance, and Blending of Sources

Project water will be conveyed from the SNRC via pipeline. Up to 7.5 MGD of treated wastewater will be discharged into City Creek at a discharge point located near Boulder Avenue. The discharge location was determined based on spreadsheet modeling (GEOSCIENCE, 2017) such that 6.7 feet/day infiltration rate remains uniform throughout the wetted channel bottom, and will satisfy the Project objective of maintaining perennial flows while minimizing flow into the Santa Ana River. The discharge structure will consist of partially buried energy dissipation/flow control structures. Groundwater underflow and City Creek infiltration will be relied upon as the source for dilution. Refer to **Chapter 7** for a discussion of groundwater underflow sources.

↑ What? It is setting clean treated water from SNRC!

COMMITMENT
INTEGRITY
LEADERSHIP

March 1, 2018
Report 2017-118

FACT SHEET

Elaine M. Howle *State Auditor*

CONTACT: *Margarita Fernández* | *(916) 445-0255 x 343* | *MargaritaF@auditor.ca.gov*

State and Regional Water Boards

They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate

Background

To curb harmful effects of pollution from storm water runoff, federal law requires the State to set restrictions on the pollutants that can be discharged into water bodies and requires local jurisdictions—cities, counties, and other public entities—to obtain storm sewer permits. The permits implement pollutant control plans—which the State's nine regional water quality control boards (regional boards) develop—and require local jurisdictions to monitor their storm water discharge to reduce the pollutants to safe levels. The State Water Resources Control Board (State Water Board) and the regional boards regulate storm water pollution. We reviewed the State Water Board's and three regional boards' regulatory activities.

Our Key Recommendations

- The Legislature should direct the State Water Board to assess whether a study of a specific water body is justified, and if so, require the appropriate entity to conduct the study.
- The State Water Board should do the following:
  - » Set and monitor adherence to guidance for local jurisdictions on tracking storm water management costs and for regional boards to develop and document estimates of the overall storm water management costs to local jurisdictions when considering pollutant control plans.
  - » Revise its trash policy to focus it on local jurisdictions that have water bodies that are harmed by trash.

Key Findings

- The regional boards have not adequately considered the overall costs that local jurisdictions would incur to implement pollution control requirements they impose—the city of Los Angeles estimates it will spend $8.8 million over three years to comply with one requirement and that another pollutant control plan could cost 41 jurisdictions in the Los Angeles region over $1.4 billion.
  - » For eight of the 20 plans we reviewed, the regional boards either used inappropriate methods for developing estimates or did not document sources they used to develop the estimates.
  - » The regional boards did not consider all of the costs that local jurisdictions had previously incurred from implementing other requirements for 12 of the 20 plans we reviewed.
- The regional boards do not have consistent information on the costs that local jurisdictions incur in complying with storm water requirements.
  - » Although the State Water Board has been aware of inconsistent information, it has not provided guidance to local jurisdictions on how to track or report their costs.
  - » One regional board did not collect cost information from local jurisdictions despite federal requirements directing it to do so.
- The State Water Board and regional boards have established some pollutant control requirements using outdated information or without obtaining sufficient information on the water bodies they are regulating to adequately tailor plans, which has resulted in unnecessary costs for local jurisdictions.
- The State Water Board's statewide policy prohibiting local jurisdictions from discharging trash into water bodies has forced local jurisdictions to direct resources to reduce trash rather than other pollutants of greater concern.

Directory of State Internal Audit Organizations

2016

Contacts

WATER RESOURCES, DEPARTMENT OF

Natural Resources
ORGANIZATION CODE: 3860

ORGANIZATION

INTERNAL AUDITS OFFICE

UNIT CHIEF:	**Jeffrey Ingles, Senior Management Auditor**
ADDRESS:	**1416 Ninth Street, Sacramento, CA 95814**
TELEPHONE:	**(916) 653-8326**
E-MAIL:	**jeffrey.ingles@water.ca.gov**
REPORTS TO:	**Executive Management, Chief Deputy Director**
WEBSITE:	**www.water.ca.gov**
AUDIT COMMITTEE:	**No**

MISSION STATEMENT

The Internal Audits Office's (Office) mission is to assist executive management in finding and correcting problems in financial and operational areas. In addition, the Office will review internal controls and provide appraisals and recommendations to promote effective and efficient Department of Water Resources (Department) wide operations. The Office is responsible for audit activities within the department. The Office conducts independent appraisals of internal activities, financial records and controls, and an external examination of contractors' records. The objective of the Office is to assist all members of management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed. The Office is concerned with all phases of activity where it can be of assist management and program managers by suggesting changes that will result in efficient and economical operations.

ANNUAL PLAN

Management Directed
Risk Assessment
Special Request
Statutory Mandates

AUDIT STANDARDS FOLLOWED

International Standards for the Professional Practice of Internal Auditing
Generally Accepted Auditing Standards
Generally Accepted Government Auditing Standards

2009 California Government Code - Section 13400-13407 :: Chapter 5. The Financial Integrity And State Manager's Accountability Act Of 1983

GOVERNMENT CODE
SECTION 13400-13407

13400. This act shall be known and may be cited as the Financial Integrity and State Manager's Accountability Act of 1983.

13401. (a) The Legislature hereby finds that:

(1) Fraud and errors in state programs are more likely to occur from a lack of effective systems of internal accounting and administrative control in the state agencies.

(2) Effective systems of internal accounting and administrative control provide the basic foundation upon which a structure of public accountability must be built.

(3) Effective systems of internal accounting and administrative control are necessary to assure that state assets and funds are adequately safeguarded, as well as to produce reliable financial information for the agency.

(4) Systems of internal accounting and administrative control are necessarily dynamic and must be continuously evaluated and, where necessary, improved.

(5) Reports regarding the adequacy of the systems of internal accounting and administrative control of each state agency are necessary to enable the executive branch, the Legislature, and the public to evaluate the agency's performance of its public responsibilities and accountability.

(b) The Legislature declares it to be the policy of the State of California that:

(1) Each state agency must maintain effective systems of internal

accounting and administrative control as an integral part of its management practices.

(2) The systems of internal accounting and administrative control of each state agency shall be evaluated on an ongoing basis and, when detected, weaknesses must be promptly corrected.

(3) All levels of management of the state agencies must be involved in assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of government funds.

13402. State agency heads are responsible for the establishment and maintenance of a system or systems of internal accounting and administrative control within their agencies. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions.

13403. (a) Internal accounting and administrative controls are the methods through which reasonable assurances can be given that measures adopted by state agency heads to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies are being followed. The elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following:

(1) A plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets.

(2) A plan that limits access to state agency assets to authorized personnel who require these assets in the performance of their assigned duties.

(3) A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

(4) An established system of practices to be followed in performance of duties and functions in each of the state agencies.

(5) Personnel of a quality commensurate with their responsibilities.

(6) An effective system of internal review.

(b) State agency heads shall follow these standards of internal accounting and administrative control in carrying out the requirements of Section 13402.

13404. As used in this chapter:

(a) "Governor" means the Governor of California.

(b) "Controller" means the Controller of California.

(c) "Director" means the Director of Finance.

13405. (a) To ensure that the requirements of this chapter are fully complied with, the head of each state agency that the director determines is covered by this section shall, on a biennial basis but no later than December 31 of each odd-numbered year, conduct an internal review and prepare a report on the adequacy of the agency's systems of internal accounting and administrative control in accordance with the guide prepared by the director pursuant to subdivision (d).

(b) The report, including the state agency's response to review recommendations, shall be signed by the head of the agency and addressed to the agency secretary, or the director for agencies without a secretary. Copies of the reports shall be submitted to the Legislature, the State Auditor, the Governor, the director, and to the State Library where they shall be available for public inspection.

(c) The report shall identify any material inadequacy or material weakness in an agency's systems of internal accounting and administrative control that prevents the head of the agency from stating that the agency's systems comply with this chapter. No later than 30 days after the report is submitted, the agency shall provide to the director a plan and schedule for correcting the identified inadequacies and weaknesses, which shall be updated every six months until all corrections are completed.

(d) The director, in consultation with the State Auditor and the Controller, shall establish, and may modify from time to time as necessary, a system of reporting and a general framework to guide state agencies in conducting internal reviews of their systems of internal accounting and administrative control.

13406. (a) The head of the internal audit staff of a state agency or a division, as specified by the director, or, in the event there is no internal audit function, a professional accountant, if available on the staff, designated as the internal control person by the head of the state agency or a division, shall receive and investigate any allegation that an employee of the agency provided false or misleading information in connection with the review of the agency's systems of internal accounting and administrative control or in connection with the preparation of the biennial report on the systems of internal accounting and administrative control.

(b) If, in connection with any investigation under subdivision (a), the head of the internal audit staff or the designated internal control person determines that there is reasonable cause to believe that false or misleading information was provided, he or she shall report in writing that determination to the head of the agency or the division.

(c) The head of the agency or division shall review any matter referred to him or her under subdivision (b), shall take such disciplinary or corrective action as he or she deems necessary, and shall forward a copy of the report, indicating therein the action taken, to the director within 90 days of the date of the report.

13407. Because sound internal controls and the monitoring of those internal controls significantly inhibits waste of resources and thereby creates savings, the director and agencies and divisions shall carry out the provisions of this chapter by using existing resources.

Disclaimer: These codes may not be the most recent version. California may have more current or accurate information. We make no warranties or guarantees about the accuracy, completeness, or adequacy of the information contained on this site or the information linked to on the state site. Please check official sources.

VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD

Government Operations
ORGANIZATION CODE: 7870

ORGANIZATION

OFFICE OF AUDITS AND INVESTIGATIONS

UNIT CHIEF:	**Sharon Ferrante**
ADDRESS:	**P.O. Box 3036, Sacramento, CA 95812-3036** **400 R Street 4th Floor, Suite 400**
TELEPHONE:	**(916) 491-3875** **FAX: (916) 491-6409**
E-MAIL:	sharon.ferrante@vcgcb.ca.gov
REPORTS TO:	**Julie Nauman, Executive Officer**
WEBSITE:	**www.vcgcb.ca.gov**
AUDIT COMMITTEE:	**No**

MISSION STATEMENT

To provide objective, relevant, and timely audit, investigation and consulting services to the Victim Compensation and Government Claims Board.

ANNUAL PLAN

Management Directed
Risk Assessment
Special Request
Statutory Mandates: Government Code section 13400-13407

AUDIT STANDARDS FOLLOWED

International Standards for the Professional Practice of Internal Auditing

EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

BOARD OF DIRECTORS

Chris Carrillo, President
David E. Smith, Vice President
James Morales, Jr., Director
Ronald L. Coats, Director
Phillip R. Goodrich, Director

John Mura, General Manager/CEO

NEWS RELEASE

Media Contact:
Roxana Morales
(909) 806-4239 office

STERLING NATURAL RESOURCE CENTER SECURES STATE FUNDING

State-of-the-art wastewater treatment facility in Highland, California to recycle and conserve 3.65 billion gallons of water annually

HIGHLAND, Calif., (May 24, 2018) – The Sterling Natural Resource Center (SNRC) recently secured $126 million in funding from the California State Water Resources Control Board to construct a facility that will produce recycled water and offer additional community benefits. Through $119 million in low-interest loans and $6.7 million in grants for project design and construction, the SNRC will benefit more than 700,000 residents in the San Bernardino Valley. An estimated 800 temporary jobs will be created during construction, and indirectly contribute to 1,400 new positions around the community once the facility opens. SNRC will be supporting the statewide goal of creating more than one million acre-feet of recycled water by 2020, by recycling an estimated 10 million gallons daily.

"The Sterling Natural Resource Center is crucial to helping create a sustainable future for our community," said East Valley Water District Chairman Chris Carrillo. "To receive these highly competitive funds reinforces the SNRC benefits, and moves us one step closer to beginning construction."

The funding comes from the Water Recycling Funding Program (WRFP) through a combination of Clean Water State Revolving Fund (CWSRF) and Prop 1 Water Bond 2014 Funds. CWSRF provides low-interest loans to public agencies for planning, design, and construction of water recycling projects. Proposition 1 loans and grants are part of the $625 million recycled water project funding secured by voters in the 2014 Water Bond. To receive WRFP funding, projects must go through an extensive application and contribute to surface and groundwater storage, ecosystem restoration, or drinking water protection.

"This project will open the door for programs to enhance the quality of life for our community," said John Mura, East Valley Water District General Manager/CEO. "The Sterling Natural Resource Center is a long-term investment will that create a new drought-proof water supply while also serving as a catalyst for new educational opportunities."

The WRFP sets out to promote the beneficial use of water recycling in order to augment fresh water supplies for beneficial uses in California. The SNRC will recycle 3.65 billion gallons of water annually to be used for groundwater replenishment of the Bunker Hill Groundwater Basin.

EAST VALLEY WATER DISTRICT

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About Sterling Natural Resource Center
The Sterling Natural Resource Center (SNRC) will be a state-of-the-art facility in Highland, Calif., that will provide a sustainable new water supply to boost the region's water independence. Capable of treating up to 10 million gallons a day, the SNRC will recharge the local Bunker Hill Groundwater Basin and creates new opportunities for the surrounding community in the form of education and training, community space, neighborhood improvements, and a new habitat for the Santa Ana Sucker fish. Located on North Del Rosa Drive between East Fifth and East Sixth Streets. For more information visit www.sterlingnrc.com and follow the project on Facebook, Twitter and Instagram.

About East Valley Water District
East Valley Water District was formed in 1954 and provides water and wastewater collection services to more than 100,000 residents within the City of Highland and portions of both the City and County of San Bernardino. EVWD operates under the direction of a five-member elected Board. More information is available at www.eastvalley.org.

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East Valley Water District *was formed in 1954 and provides water and wastewater services to over 102,000 residents within the City of Highland and portions of both the City and County of San Bernardino. EVWD operates under the direction of a 5-member elected Board. More information is available at* www.eastvalley.org.