



Update on SOCWA JPA Restatement

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Original Purposes of Update

- Respond to State law change that pension liability follows agencies that leave or terminate a JPA (AB 1912)
- Address uninsured liabilities, upcoming expiration of PCs, lack of defined withdrawal process, potential for budget stalemates, other JPA deficiencies
- Identify deviations from PCs noted in budgets each year
(February 14, 2019 meeting of general counsel)

Added Purposes of Update: Define Status Quo

- To respond to proposed “assignment” of interests in JPA
- To respond to request to “withdraw” from JPA and contract
- To consider alternative proposals to current structure to understand current structure need

We need:

- Need one common understanding of all existing PCs and arrangements
- Replace 2,000+ pages of agreements, budget exceptions

(May 2019 general managers meet; June 2020 general counsel meet; August 2020 last Board update)

New JPA Structure

- Restated joint powers agreement adds:
 - Pension plan protection process
 - Prescribes how uninsured liabilities are to be handled
 - Provides options for proposed agency withdrawals
 - Adopts “continuing resolution” process for O&M budgets until new budget is approved

(Current draft circulated to general counsel February 2021)

Exhibit C

- PC memberships and general purposes
- Facilities capacities and metrics
- Ownership allocations
- Conceptual maps of systems
- Special budget rules
- Previously undocumented understandings

Exhibit C: Share Screen

Next steps

- Review of Exhibit C by all members
- Comments on draft restatement of JPA
- Circulation of standard operating agreements
- Workshop with Board to cover changes in detail
- Presentation of complete package for Board and member agency consideration