

1. CALL TO ORDER

Chair Short called the meeting of the Board of Directors to order at 9:00 a.m. at the Regional Water Authority. Individuals in attendance are listed below:

RWA Board Members

Audie Foster, California American Water
Ron Greenwood, Carmichael Water District
Steve Nugent, Carmichael Water District
Al Dains, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Spencer Short, City of Lincoln
Pauline Roccucci, City of Roseville
Kelye McKinney, City of Roseville
Jim Peifer, City of Sacramento
Dennis Rogers, City of Sacramento
Stan Cleveland, City of Yuba City
Diana Langley, City of Yuba City
Ryan Saunders, Del Paso Manor Water District
Debra Sedwick, Del Paso Manor Water District
Bill George, El Dorado Irrigation District
Mark Madison, Elk Grove Water District
Paul Schubert, Golden State Water Company
Sharon Wilcox, Orange Vale Water Company
Robert Dugan, Placer County Water Agency
Brent Smith, Placer County Water Agency
Brent Dills, Rio Linda/Elverta Community WD
Mary Henrici, Rio Linda/Elverta Community WD
Rob Roscoe, Sacramento Suburban Water District
Neil Schild, Sacramento Suburban Water District
Pam Tobin, San Juan Water District
Shauna Lorance, San Juan Water District

RWA Associates

Arthur Starkovich, Sacramento Municipal Utility District and Terri Mitchell, Sacramento Regional County Sanitation District.

RWA Affiliate Members

Chris Petersen, GEI Consultants, Charles Duncan, West Yost Associates and Yung-Hsin Sun, MWH Global.

Staff Members

John Woodling, Rob Swartz, Nancy Marrier, Cecilia Partridge and Ryan Bezerra, Legal Counsel.

Others in Attendance:

Ralph Felix, Deven Upadhyah, Tom Philp, Mark Salmon, Dale Hunter, Paul Selsky and Melanie Holton. Nicole Krotoski and Isabel Safie participated via conference call.

2. PUBLIC COMMENT

Chris Petersen, Groundwater Resources Association President, announced a conference on Developing Groundwater Sustainability Plans scheduled for June 8 and 9, 2016 at the Hilton Sacramento Arden West in Sacramento.

John Woodling, RWA Executive Director, introduced Ralph Felix. Mr. Felix will become the general manager of Rio Linda/Elverta Community Water District in June 2016.

3. CONSENT CALENDAR

- a. Minutes of the March 10, 2016 regular board meeting
- b. Approve the amended RWA pay schedule for the period January 1, 2013 to include the Executive Director's position and the revision date of January 14, 2016.

Motion/Second/Carried (M/S/C) Mr. Peifer moved, with a second by Mr. George, to approve the consent calendar items. The motion carried by the unanimous voice vote of all directors.

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATION

- a. Information: Final minutes from the February 17, 2016 and March 23, 2016 Executive Committee meetings and draft minutes of the April 27, 2016 Executive Committee meeting

Stan Cleveland noted an amendment in the Executive Committee draft minutes for April 27, 2016. On page 3, the second paragraph, the third sentence should be amended to read "...to identify the types of programs that would qualify for the \$2.7 billion for storage..." The amendment will be made to the minutes.

- b. Approve RWA Associate Members Policy 100.3, RWA Journal Entry Approval Policy 500.7 and RWA Purchasing Card Policy 500.8

Changes to RWA policies should be reviewed every few years. The Associate Members Policy 100.3, Journal Entry Policy 500.7 and Purchasing Card Policy 500.8 were included in the packet for the Board's review.

- c. John Woodling said that an ad hoc committee was formed after Resolution 2016- 04 was taken to the Executive Committee in April. The resolution was developed to guide future efforts and commitment to water efficiency and conservation. The ad hoc committee recommended approval of Resolution 2016-04.

A couple of changes were suggested. It was suggested that under THEREFORE, BE IT RESOLVED, be changed to read "That RWA support the State Water Resources Control Board's proposed emergency regulations that recognize the capacity and authority of local water suppliers to assess water supplies during an ongoing drought and respond appropriately." Additionally, in the ninth paragraph, the language should be changed to read "Whereas, Governor Edmund G Brown Jr., in Executive Order B-37-16 ..."

M/S/C Ms. Lorange moved, with a second by Ms. Roccucci, to approve RWA Associate Members Policy 100.3, RWA Journal Entry Approval Policy 500.7 and RWA Purchasing Card Policy 500.8 and to approve Resolution 2016-04 with the suggested amendments. The motion carried by the unanimous voice vote of all directors.

5. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES

It was determined that a closed session was not necessary.

6. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM REALLOCATION AGREEMENT

Mr. Woodling reminded members that the Regional Water Authority was audited by CalPERS' Office of Audit Services (OAS). OAS issued a draft report finding that five out of six RWA employees work only part time for RWA on the basis that those employees also provide services to the Sacramento Groundwater Authority (SGA). The findings allowed SGA to apply for CalPERS membership. SGA submitted a new agency application to CalPERS on February 2, 2015. SGA has been informed by CalPERS that their membership is approved and they will begin making their own payments beginning in FY17.

Subsequent to the Board's approval of the CalPERS contract, CalPERS will reallocate assets and liabilities from the RWA CalPERS contract to the SGA

CalPERS contract in the amounts estimated in the actuarial valuation report, which are in direct proportion to the service that employees perform on behalf of SGA. In order to accomplish this, both SGA and RWA will need to approve the Reallocation Agreement. SGA approved the Reallocation Agreement at its April 14, 2016 Board meeting.

M/S/C Mr. Greenwood moved, with a second by Mr. Roscoe, to approve the CalPERS Reallocation Agreement and direct the Executive Director to execute the Reallocation Agreement on behalf of RWA. The motion carried by the unanimous voice vote of all directors.

7. REGIONAL RELIABILITY PLAN UPDATE

Staff is continuing to work with its consultant, Montgomery Watson Harza (MWH), to develop a scope of work for the Regional Water Reliability Plan. A project kickoff meeting is anticipated for May 11th at 1:00 pm. While the project scope is still under development, RWA has been coordinating with member agencies to pursue opportunities for planning funds as well as future implementation funds. For planning, RWA submitted a letter of interest with the City of Sacramento, Placer County Water Agency, and El Dorado County Water Agency to partner with Reclamation on an American River Basin Study. If successful, the study could provide resources for some of the planning needs for the Regional Water Reliability Plan. For implementation, RWA submitted a concept proposal for a conjunctive use program to the California Water Commission for the Water Supply Investment Program (WSIP) funded through Proposition 1. While the full application process for the WSIP appears very complex, it does represent a significant potential opportunity to fund projects identified during the development of the Regional Water Reliability Plan.

Rob Swartz, Manager of Technical Services, gave an overview of the RWA Regional Water Reliability Plan (RWRP) background, the plan needs, vulnerability assessments, mitigation actions and examples, the expected outcomes of the RWRP and a draft cost estimate. The 2013 RWA Strategic Plan called for development of a RWRP. Ongoing historical drought conditions and a low Folsom Lake in 2015 served as a wake-up call on the vulnerability of long-term water supply reliability in the American River Basin. Abundant surface water rights and contract entitlements meant little in terms of water supply reliability during extremely dry conditions. There are emerging regulatory requirements for sustainable groundwater management. There is a process of identifying, quantifying and prioritizing key factors that can negatively affect water supply reliability. Near-term and long-term factors include facilities, water sources, water rights/contracts, growth and climate change. Types of mitigation actions include structural improvements, operational improvements and institutional/administrative improvements. He

gave examples of bare bones base level of service and desired base level of service.

The expected outcomes of the RWRP include identification of service desired for each agency under both current and future conditions, identification of near and long-term vulnerabilities for each agency, identification of near and long-term mitigation actions, evaluation on a regional basis of the ability to implement the mitigation actions from an operational perspective, identification of additional supply yield resulting from implementation of mitigation actions under current and future conditions and an implementation roadmap.

The draft cost estimate to develop the RWRP is \$721,000. There are some near term funding opportunities that could bring in \$50,000 for a total budget of \$771,000. After USBR grant funding, local in-kind contributions and RWA IRWM funding there is a total unfunded amount of \$421,000.

The next steps include developing a RWRP project agreement. The RWRP committee plans to hold standing meetings over the next several months. Staff expects to begin executing RWRP project agreements sometime in July.

8. METROPOLITAN WATER DISTRICT

Deven Upadhyay is the manager of the Water Resource Management Group at the Metropolitan Water District of Southern California. He is responsible for managing the district's planning activities and policy guideline development related to Metropolitan's water supply plans and integrated resources plans. He also oversees the development and implementation of Metropolitan's resources programs for conservation, local resources projects and groundwater recovery and conjunctive use programs. In addition, he directs the management and negotiations of resource contracts related to the State Water Project and Colorado River deliveries as well as water transfers and purchases.

Mr. Upadhyay said that much of what was presented previously in the board meeting mirror the discussions that are taking place in the Metropolitan Water District service area. There is a great opportunity to build on what the areas have in common. In his presentation he showed how the Integrated Resources Plan adopted by the Metropolitan Water District is set with regional goals necessary for success. The board is reviewing key policies in support of the IRP goals through the end of 2016. The Metropolitan area drought related issues and proposed solutions for the future are similar to what RWA is dealing with. Their portfolio is changing from heavy dependence on imported supply and State Water Project (SWP) diversions to emphasis on conservation and local supplies by 2040. They have invested in regional storage capacity with a focus on increasing local supplies within the region. Metropolitan is forming a partnership with the Los Angeles County

Sanitation District with an agreement to build a demonstration facility that is one million gallons per day advanced water treatment. The idea is based on the analysis to build a distribution system that would take water from the waste water treatment plant, treat that water up to potable quality standards and then distribute it to the major groundwater basins in their service area. Metropolitan is interested in regulations for direct potable reuse in the future and in securing Colorado River supplies. He explained their conservation and local resource incentive funding programs including the Regional Water Stewardship Rate program. There appear to be many projects in the respective areas that are similar with common interests and goals.

Mr. Woodling asked where storage upstream of the Delta fits in for the Metropolitan Water District. Mr. Upadhyay said that the District feels that storage is part of the solution and storage was a major investment the District made and will continue to be invested in. With respect to storage upstream of the Delta, for the District it has to be coupled with something that allows the water to get to the Metropolitan service area. The District is supportive of looking at a California Water Fix or an approach that allows the movement of water to be part of the package.

9. EXECUTIVE DIRECTOR'S REPORT

Government Affairs Update – April 20, 2016 was a busy day on the regulatory front, with two key meetings of state agencies on issues of importance to RWA members. The California Water Commission (CWC) heard from the Department of Water Resources (DWR) on the draft regulations for implementation of the Sustainable Groundwater Management Act (SGMA). DWR presented both the content of the regulation and some of their potential revisions based on more than 150 comment letters received. DWR has proposed a number of revisions that are consistent with comments provided by RWA, SGA and ACWA. Some commissioners were uncomfortable with scaling back the requirements in the draft regulations, and especially with the concept of “substantial compliance.” SGA drafted a letter to reiterate its interests in an appropriate standard for compliance. DWR will release a final draft of the regulations in early May, and the CWC is expected to consider adoption of the regulations on May 18, 2016. RWA staff has subsequently met with DWR staff on several occasions to reinforce our comments.

SGA, West Placer and the portion of Sutter County in the North American Subbasin have been talking about an alternative approach to compliance with the SGMA regulations. A final decision on pursuing the alternative would likely be deferred until the final regulations are approved by the CWC Board in May. This approach would involve a demonstration that the basin has been managed sustainably over at least the last ten years. The ad hoc group involved in SGMA implementation in Sacramento, Placer and Sutter Counties will next meet on May 13, 2016.

Also on April 20th, the State Water Resources Control Board held a workshop to consider modifying the emergency water conservation regulation. The workshop began with two panels. A group of water suppliers from Southern California presented a proposal for individual water suppliers to self-certify the adequacy of their water supplies for 2016, and only have conservation targets applied if shortages exist. The second panel included RWA and its members discussing the hydrologic and water supply conditions of our region, to support the argument that mandatory conservation targets should be rescinded. A number of RWA members also provided public comment. Tom Cumpston, chief counsel of El Dorado Irrigation District, suggested a hybrid of the two panel discussions, releasing regions of the state from mandatory requirements if hydrologic conditions dictate, and in other regions that may still face drought impacts, allowing for demonstration of adequate supplies. The Board is expected to act on staff recommendations in mid-May, with any modifications taking effect June 1, 2016. RWA and the region received significant media attention for its position, including two Sacramento Bee articles, an op-ed with Rob Roscoe's byline, and appearances on Capitol Public Radio and other radio outlets.

On the legislative front, RWA staff and the contract lobbyist are tracking a number of important bills. A complete listing of the bills is available at the rwah2o.org website under the "legislation" tab. In addition to lobbying these bills, RWA is seeking support for budget funding to support local agency water efficiency program. Although there was funding for water conservation in Proposition 1, the funding was allocated to state run programs.

Water Efficiency Program Update – In March 2016, the region saved 37% compared to March 2013 or approximately 4 billion gallons. The cumulative savings for calendar year 2016 is 24%. The cumulative savings for the Emergency Regulation from June 2015 through March 2016 is 31% or 43 billion gallons. Currently, all RWA agencies are within 2% of meeting their individual targets with the majority of agencies meeting or exceeding their targets.

Regarding the Emergency Regulation, the State Water Resources Control Board (State Water Board) staff committed to monitor and evaluate available data on precipitation, snowpack, reservoir storage levels, and other factors and report back to the State Water Board in March and April 2016 and, if conditions warrant, bring a proposal for rescission or adjustment of this regulation to the State Water Board in May 2016. The State Water Board held a public workshop to solicit input on potential adjustments to the February 2016 Emergency Regulation in response to precipitation amounts and other drought indicators across the state since February 2016. There was a strong regional presence at the public workshop including a panel presentation from John Woodling (RWA), Jim Peifer (City of Sacramento), Andy Fecko (Placer County Water Agency) and Amy Talbot (RWA). Following the panel, several individual

agencies were represented including Rob Roscoe (Sacramento Suburban Water District), Darlene J. Thiel Gillum (Ranch Murrieta Community Services District), Tom Cumpston (El Dorado Irrigation District) and Sean Bigley (City of Roseville). The main message was that the Sacramento region is no longer in a drought emergency and that the emergency conservation restrictions should be rescinded for our region. Looking forward, the State Water Board has indicated that they may take action to modify the February 2016 Emergency Regulation at their May 18th Board meeting.

Grants Update – Staff is currently managing seven grants totaling \$54.2 million. Staff is working with DWR to execute a funding agreement for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant round.

RWA Outreach – RWA staff are exceedingly busy meeting and speaking in a number of venues. Mr. Woodling chaired the ACWA Groundwater Committee on May 3, 2016, with record attendance of more than 160 people. He also moderated a panel on Groundwater Sustainability Agency Formation that was well received. Mr. Woodling will speak at the California Water Association Conference on May 19th, participate in the Groundwater Resources Association’s Groundwater Issues Council on May 26th, speak on groundwater at a Law Seminar Conference on June 7th, on a panel for GRA on June 8th and participate in an ACWA Region 2, 4 event on SGMA on June 21, 2016.

Planning continues for the RWA 15th anniversary luncheon event. Mark your calendars for July 14, 2016. The RWA Board meeting will be held that morning, followed by the luncheon at Scott’s Seafood along the Sacramento River.

9. DIRECTORS’ COMMENTS

Mr. Madison said that after going through the drought that it is evident that Elk Grove Water District’s water shortage contingency plan is lacking.

Mr. Foster said that California American Water in Sacramento is a regulated entity. They filed a letter with the Public Utilities Commission to recover revenue imbalances. There is a water revenue adjustment mechanism function that allows for California American Water to assess a surcharge for lost revenue over a period of time. Customers will see a surcharge for reductions assessed to their bills that represents their conservation efforts in a certain time frame.

Mr. Starkovich said that he is working on a recycled water contract between the Sacramento Regional County Sanitation District (SRCSD) and the City of Sacramento. The next step is to take the contract to the SMUD board for approval.

Mr. George reported that El Dorado Irrigation District joined other agencies in dropping their drought restrictions.

Mr. Schild said that Sacramento Suburban Water District has a draft Urban Water Management Plan out to the public for review with a hearing scheduled at their regular Monday board meeting.

Ms. Mitchell said that SRCSD is moving forward on a recycled water project. They will also have a draft of their South County Agricultural Water Recycling Project available in June.

Mr. Roscoe said that the article mentioned in the Director's Report was co-authored by Amy Talbot, John Woodling and Christine Kohn.

Mr. Nugent said that next Saturday Carmichael Water District will be finishing up their river project with Golden State Water District.

Mr. Yasutake reminded everyone that Friday, May 20th the Amgen tour of California will be traveling through El Dorado County with Green Valley Road being closed most of the day for the event. On June 14th the City Council will hold a public hearing to consider the 2015 Urban Water Management Plan.

Mr. Short reminded the board to save the date for the 15 year anniversary event scheduled for July 14th. In June, the City of Lincoln expects to have their regional sewer project operating from Placer County to the City of Lincoln. Mr. Short gave kudos to Rob Swartz and staff for working closely with the City of Lincoln and in making sure that all agencies have the opportunity to get involved in grant projects.

Mr. Yasutake asked if there would be a board meeting held prior to or during the July 14th event. Mr. Woodling said that everyone will be notified when final preparations have been made.

Adjournment

With no further business to come before the Board, Chair Short adjourned the meeting at 10:43 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer