

1. CALL TO ORDER

Chair Short called the meeting of the Executive Committee to order at 8:30 a.m. Individuals in attendance are listed below:

Executive Committee Members

Spencer Short, City of Lincoln
Jim Peifer, City of Sacramento
Robert Dugan, Placer County Water Agency
Kerry Schmitz, Sacramento County Water Agency
Rob Roscoe, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

John Woodling, Rob Swartz, Nancy Marrier, Amy Talbot, Cecilia Partridge, Monica Garcia and Katrina Gonzales, legal counsel.

Others in Attendance

Kelye McKinney and Rodney Fricke. Nicole Krotoski participated via conference phone.

2. PUBLIC COMMENT

None

Item number 4 was moved ahead of item number 3, but is being reported in the order listed on the agenda.

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held August 24, 2016.

Motion/Second/Carried (M/S/C) Mr. Roscoe moved, with a second by Ms. Schmitz, to approve the minutes from the August 24, 2016 Executive Committee meeting. The motion carried by the unanimous voice vote of all directors present.

4. REGIONAL RELIABILITY PLAN UPDATE

Rob Swartz, Manager of Technical Services provided an update on the effort to develop a Regional Water Reliability Plan. The committee met on October 12th and is still in the process of gathering data to identify each agencies' vulnerabilities and

mitigation actions. Staff expects to gather the data in November and December for the project committee to meet in January. At the last meeting there was interest in a regionally-coordinated demonstration water exchange with Reclamation. Reclamation is looking at a 2017 program for purchasing water through groundwater substitution. The concept of proving up what we can do with multiple agency participation is something that was presented to Reclamation. The demonstration project could be helpful in identifying issues that could emerge if a Water Bank was operated in the region in the future.

Mr. Peifer and Mr. Dugan entered the meeting.

5. LEGISLATIVE WRAP-UP

Dave Brent, Water Policy Advisor, reported that the California Legislature adjourned August 31st giving the Governor until September 30th to take action on the bills that had reached his desk and officially close the 2015-2016 two-year legislative session. Of the nearly 100 bills that RWA tracked and monitored, including the 37 top priority “hot bills”, eleven were signed into law by the Governor. The remaining hot bills were either amended to issues of no concern to RWA; failed to make it out of the legislature; or were vetoed by the Governor.

Three of the bills signed by the Governor - SB 7, SB 814, and SB 1398 - will have impacts to all RWA member agencies. A summary analysis of these three bills and their impact was provided.

SB 7 – Water meters for new multiunit structures. Beginning January 1, 2018, this bill requires any water purveyor that delivers water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure for which a new water connection is required to ensure each individual unit be metered or sub-metered as a pre-condition to a new water service. The developer and/or owner of the newly constructed structure is required to install, certify, maintain, test and read the sub-meters unless the water purveyor agrees otherwise. This bill prohibits the water purveyor from imposing an additional capacity or connection fee or charge for a sub-meter that is installed by an owner or his or her agent.

This bill further provides consumer protections for tenants; requirements that put the onus on the developer to ensure sub-meters are installed in compliance with all applicable laws and regulations; and directs the State Department of Housing and Community Development to propose state building standards requiring sub-meters in newly constructed multiunit residential structures or mixed use residential and commercial structures as part of triennial building code cycle.

SB 814 – Excessive water use during drought conditions. This bill prohibits excessive water use by metered residential customers during specific types of drought emergencies. The specific “types of drought emergencies” for which this prohibition applies are all based on local drought conditions.

The bill requires, as part of scheduled updates to Urban Water Management Plans every urban retail water supplier, **except those not fully metered**, to establish a method to identify and discourage excessive water use during drought conditions. Excessive use needs to be measured, beyond that there are no requirements. There was negotiation on the bill where the governor can declare a statewide drought, but the requirements apply to a local water shortage contingency. This works with current local urban water management plans.

Ms. Tobin entered the meeting.

SB 1398 – Lead user service lines. The intent of the Legislature is to ensure that any known lead water pipes are identified and replaced as promptly as possible and that appropriate action is taken on water service lines of unidentified composition to ascertain whether they contain lead so that water suppliers can manage the replacement of service lines on a schedule that is commensurate with the risks and costs involved. For unknown water pipes water suppliers could propose to monitor the water for any possible lead detection and replace the water pipes if contamination is detected. If no contamination is detected, the pipes could be replaced on a life cycle basis.

Of note during this legislative session there were bills that failed to move forward. For example, at the start of the 2016 session, RWA and other water organizations geared up in anticipation that a carry-over bill from the first year of the session, SB 20 (Pavley), would be taken up as the vehicle for imposing a public goods charge. While that bill was later gutted and amended and the public goods charge discussion never materialized, the topic of a public goods charge is not dead. RWA has an adopted policy acknowledging the need for helping disadvantaged communities but opposing a PGC that would be imposed on our member's customers. It is recommended that RWA continue to keep a close eye on future legislation that would consider imposition of such a charge.

Other bills of note that died included a bill that would have circumvented time schedules of the Sustainable Groundwater Manager Act by imposing on counties a permitting requirement on new groundwater wells throughout the State. These topics will most likely continue to crop up in future legislative sessions.

As part of that 2017 Work Plan development process, we have reviewed the Policy Principles adopted by the RWA Board in 2016 and intend to recommend the Board affirm those principles without amendments at the November 2016 meeting. The 2017 Work Plan will focus on preparing for the upcoming 2017 legislative session, continuing to expand RWA's advocacy efforts, and fostering existing and new partnerships and coalitions. Already on the agenda as part of the Work Plan is a water quality tour with legislative staff members on November 15th.

Elk Grove Water District is considering being included in the RWA Lobbyist Subscription Program. Staff will be reaching out to other RWA members to see if other agencies are interested in joining the subscription-based program to employ the contract lobbyist. As part of this process, staff is also evaluating the fee structure for the LSP and anticipates proposing a tiered rate structure to the Program Committee

in November. The new fee structure will not result in a fee increase for any of the member agencies.

The Executive Committee thanked Mr. Brent for his work on the Lobbyist Subscription Program and bringing it to a level where the credibility and recognition for RWA is substantial.

6. RWA POLICY 500.4 REGARDING AUDITOR ROTATION

John Woodling, Executive Director, said that on April 18, 2012 the RWA Executive Committee approved a contract with Richardson & Company for professional auditing services. According to the RWA Auditor Rotation Policy 500.4 "RWA may enter into multi-year contracts with a term not to exceed five years or renew one-year contracts for not more than five successive terms with the same auditor or auditing firm." The Fiscal Year 2016 audit will be the fifth year that RWA has contracted with Richardson & Company. Due to the implementation of the SGA contract with PERS that began on July 1, 2016, staff would like to extend the contract with Richardson and Company for one additional year since they are so familiar with the situation.

The extension could be accomplished with Executive Committee approval of the selection of Richardson and Company, notwithstanding the five year limitation in Policy 500.4 or through modification of the policy. State law limits local agencies to six consecutive years of using the same audit partner, but does not require changing audit firms.

After discussion it was agreed that it would be beneficial for RWA to remain with Richardson and Company for a sixth year for auditing purposes, but the RWA Policy should not change.

M/S/C Mr. Roscoe moved, with a second by Ms. Schmitz, to approve selection of Richardson and Company to perform the Fiscal Year 2017 audit pursuant to RWA Policy 300.2, Professional Services Selection and Contracting, in an amount not to exceed \$21,620. The motion carried by the unanimous voice vote of all directors present.

7. RWA NOVEMBER 10, 2016 BOARD MEETING

Mr. Woodling suggested that a change be made to the meeting agenda adding an agenda item recommending Board approval of Placer County's request for RWA Associate Membership.

M/S/C Mr. Roscoe moved, with a second by Ms. Schmitz, to approve the agenda for the November 10, 2016 meeting of the RWA Board of Directors with the added agenda item as 4b. The motion carried by the unanimous voice vote of all directors present.

8. EXECUTIVE DIRECTOR'S REPORT

Government Affairs Update – Mr. Woodling said that the State Water Resources Control Board and DWR are continuing the process to prepare recommendations to implement the Governor's Executive Order on long term water conservation (EO B-37-16). Mr. Woodling and RWA vice-chair Jim Peifer serve on the Urban Advisory Group, convened to provide input to the report, which is due in mid-January. The report is expected to include recommendations that will need to be implemented through legislation. He gave examples of what the recommendations may include and how they could affect agencies in their water use and water conservation efforts. RWA and a number of member agencies joined a coalition of water suppliers and associations from throughout the state in writing a letter providing comment on the state's current proposal. The state agencies currently plan to release a draft report for public comment on November 4, 2016, with the comment period closing on November 14th. The final report is due January 10, 2017.

The State Water Board hearing process on the permit modification for the Cal WaterFix project is continuing. RWA member agencies and other protestants will be testifying in the current phase of the proceeding.

Ms. Schmitz exited the meeting.

Mr. Rodney Fricke entered the meeting as a member of the public.

RWA and member agency staff are developing a tour of water facilities at the request of staff of the Assembly Environmental Safety and Toxic Materials Committee. The tour will include drinking water treatment of surface and groundwater, wastewater treatment, and monitoring and laboratory operations.

Mr. Roscoe exited the meeting.

Water Efficiency Update – Beginning in June, new emergency regulations for water conservation went into effect. All but one RWA member water provider certified the capacity of their water supplies to serve customer demand for three additional years of drought. As a result, state mandated water conservation standards no longer apply. The media has characterized this as “zero conservation is required.” In reality, the result is that water conservation is back in the hands of local agencies, as it has always been in the past. The Sacramento region continues to keep water use low compared to 2013, achieving an 18% reduction in August. Despite the changes in water supply conditions and the relaxed emergency regulations, both the State Water Board and the media are characterizing the reductions in conservation levels as backsliding or less than expected. SWRCB staff and Water Board members suggest a possible return to mandatory standards in January 2017.

RWA Membership – The Woodland-Davis Clean Water Agency has notified staff of its intention to withdraw from RWA effective June 30, 2016. The RWA Joint Powers Agreement provides for withdrawal from membership as follows:

A Member may unilaterally withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' written notice to the Regional Authority, provided that the withdrawing Member shall remain responsible for any indebtedness incurred by the Member under any Project or Program Agreement to which the Member is a party, and further provided that the withdrawing Member pays or agrees to pay its share of debts, liabilities and obligations of the Regional Authority incurred by the Member under this Agreement prior to the effective date of such withdrawal.

Mr. Woodling sent a letter to the Mayor, City Manager and Public Works Director for the City of Woodland inviting them to attend the November 10th RWA Board meeting.

Financial Documents – The financial reports for the period ending September 30, 2016 were enclosed in the packet.

9. DIRECTORS' COMMENTS

Ms. Tobin said that the application process for the San Juan Water District General Manager position closed on October 21st with several qualified applicants.

Mr. Peifer said that he is attempting to get interest by the general managers and management of the water agencies in our region to do a saturation survey for plumbing fixtures.

Mr. Dugan said that Placer County Water Agency had to take action last week as they experienced lead in one small system due the pre-1986 solder that was used in their copper pipes and the older fixtures that are lead based. Other water agencies may experience this in the future on some of the older pipes.

Chair Short reported that Western Placer is having their first meeting of the electeds on November 21st to address groundwater issues and how to move forward to form a groundwater sustainability agency.

ADJOURNMENT

With no further business to come before the Board, Chair Short adjourned the meeting at 9:42 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer