

1. CALL TO ORDER

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

Executive Committee Members

Ron Greenwood, Carmichael Water District
Marcus Yasutake, City of Folsom
Kelye McKinney, City of Roseville
Paul Schubert, Golden State Water Company
Kerry Schmitz, Sacramento County Water Agency
Rob Roscoe, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

John Woodling, Rob Swartz, Adam W. Robin, Nancy Marrier, Cecilia Partridge and Ryan Bezerra, legal counsel. Nicole Krotoski attended via conference phone.

Others in Attendance

Ingrid Sheipline, Bob Simons, Deb Sedwick and Charles Duncan

2. PUBLIC COMMENT

NONE

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held October 25, 2017.

Motion/Second/Carried (M/S/C) Ms. Tobin moved, with a second by Mr. Greenwood, to approve the minutes from the October 25, 2017 Executive Committee meeting. The motion carried by the voice vote of the remaining directors present.

4. RWA 2017 AUDIT REPORT

Ingrid Sheipline, Richardson and Company, reported that they have completed the financial audit for the fiscal year that ended June 30, 2017. The full audit report was included in the packet. Ms. Sheipline highlighted portions of the audit stating that reports that were issued included the Auditor's opinion on financial statements,

the Internal Control and Compliance Report, the governance letter and the management letter. The Independent Auditor's Report is an unmodified, "clean", opinion.

The Management's Discussion and Analysis was compiled by Nancy Marrier and Nicole Krotoski and included a comprehensive summary of some of the changes in the financial statement. Ms. Sheipline noted the changes between fiscal year 2016 and 2017 including the restricted cash balance, grants/incentives receivable, net pension obligation, net position, operating revenues and operating expenses. A significant portion of the unearned revenue includes the Powerhouse Science Center. SGA became a CalPERS member on July 1, 2016. RWA employee service while working on SGA administration is now considered SGA compensation for pension plan contributions and liabilities. This is the first year a portion of the RWA pension liability was transferred to SGA. The actuarial valuation dated July 1, 2015 includes an actuarial accrued liability of \$986,832 and an unfunded liability of \$75,579. The historical schedule of funding progress included in the required supplementary section shows whether actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. She explained the restricted net position and board designations at June 30, 2017. The operating fund is designed to ensure cash resources are available to fund daily administration and operations for RWA as well as a resource for matching funds for grant partnership opportunities.

Bob Simons, Richardson and Company, explained the governance letter that shows management judgments and accounting estimates, and a summary of what was done during the audit. There were no audit adjustments noted, there were no differences noted that were not adjusted, there were no difficulties in performing the audit and no unusual accounting practices. The management letter indicated good internal controls with an informational item about GASB 75, recognizing an accounting liability for OPEB, to be implemented in FY18. There is a recurring item regarding the OPEB liability with a change in accounting principles to implement GASB 75.

M/S/C Ms. McKinney moved, with a second by Mr. Schubert, to recommend RWA Board acceptance of the 2017 RWA financial audit report. The motion carried by the unanimous voice vote of all directors present.

5. STRATEGIC PLAN UPDATE

RWA adopted its *Strategic Plan 2013-2018+* in late 2013. In the interim, a number of internal and external factors have changed, including the passage of the Sustainable Groundwater Management Act, the drought emergency, and proposals for new permanent water conservation standards.

The Strategic Plan included objectives in four primary goal areas, 1) Regional Planning, 2) Implementation, 3) Information and Education, and 4) Advocacy. RWA has made significant progress in implementing the plan over the last four years. However, in order for the Strategic Plan to continue to guide RWA's

success, modifications are needed. RWA Board members were given the opportunity to comment on the Strategic Plan, and their input was considered by staff and the Executive Committee.

John Woodling, Executive Director, said that the RWA Board adopted modifications to the Regional Planning and Implementation elements of the Strategic Plan on July 13, 2017 and adopted modifications to the Advocacy Goal of the Strategic Plan on September 14, 2017. The final piece of the Strategic Plan to be updated is the Information/Education element. Proposed modifications to the Information/Education element were attached for consideration by the Executive Committee. Mr. Woodling explained the modifications that were made.

After discussion it was agreed to add language to A.1. to read “Educate members through periodic RWA Water Workshops and updates on relevant topics.” The title will be amended with “and a clearinghouse for sharing information” removed, with an “and” added between “issues” and “outreach.”

M/S/C Mr. Roscoe moved, with a second by Mr. Schubert, to recommend RWA Board approval of modifications to the Information/Education element of the RWA Strategic Plan 2018+ with the addition of “and updates” to A.1 and the title amended as noted above. The motion carried by the voice vote of the remaining directors present.

6. 2018 RWA BOARD MEETING SCHEDULE

M/S/C Mr. Roscoe moved, with a second by Ms. Schmitz, to recommend RWA Board approval of the proposed RWA Board meetings for 2018. The motion carried by the unanimous voice vote of all directors present.

7. RWA JANUARY 11, 2018 BOARD MEETING AGENDA

Mr. Woodling explained the approval of pay scales on the consent calendar. A requirement of CalPERS is that new salary schedules have to be reported to them. RWA adopted a policy where we add the COLA to the ranges annually and update the schedule. Every time a salary schedule is updated or approved, the exhibit with the new number needs to be sent to CalPERS. Salary schedules for 2014 through 2017 must be approved and sent to CalPERS to comply with their requirements.

M/S/C Mr. Roscoe moved, with a second by Mr. Greenwood, to approve the January 11, 2018 RWA Board Meeting agenda. The motion carried by the unanimous voice vote of all directors present.

8. SUBCOMMITTEE UPDATE

Kerry Schmitz, Conference/Workshop Subcommittee chair, reported that the October 27th RWA Legislative Process Workshop was attended by over 20 members and interested parties. The workshop was approved for 1.5 hours of SWRCB Drinking Water Operator Certification continuing education contact credit. The subcommittee is planning a workshop on public goods charge and water

affordability on March 15 2018. Progress is being made on securing an event location, a draft agenda, possible speakers and a save the date flyer to be sent out.

Mr. Woodling commented that legal counsel is currently reviewing a proposed building lease. An update on the building lease process will be provided at the next Executive Committee meeting.

9. EXECUTIVE DIRECTOR'S REPORT

Review of North American Basin Regional Drought Contingency Plan – Mr. Woodling reported that Reclamation has found the North American Basin Regional Drought Contingency Plan to be in accordance with the Drought Response Program requirements. A copy of the memo from the Bureau of Reclamation was included in the packet.

2018 RWA Holiday Social Event – The Holiday Social is planned for tomorrow night at the North Ridge Country Club.

Legislative Update – Mr. Woodling and Mr. Robin met with Grant Davis from the Department of Water Resources to discuss the need for a technical foundation for standards and the need for the data that the state is committed to providing. Mr. Davis said that he understands what the role of the department should be. There have also been a series of meetings on Water Efficiency Drought Planning bills that are still outstanding where issues remain.

North American Subbasin – Staff submitted a grant application for the groundwater sustainability work. Staff is working on reviewing the DWR best management practices for sustainable management criteria, which is key to the monitoring.

ACWA Fall Conference – Mr. Roscoe won the emissary award at the ACWA Fall Conference. Adam W. Robin accepted a joint award that was presented to RWA and Irvine Ranch for outreach and messaging around water efficiency. RWA has good ACWA representation in the upcoming term with Pam Tobin as the Chair and Mark Emmerson as Vice Chair of Region 4, and Josh Alpine is Chair of Region 3.

Powerhouse Science Center – Staff expects to bring an amended contract with the Powerhouse Science Center to the Executive Committee for approval in January, 2018. The new contract will include payments to be made at certain milestones of the project.

Office Space Lease Update – A renegotiated lease for the current office space is anticipated early in 2018.

Mr. Woodling noted that Mr. Roscoe has served on every Executive Committee since December 2001 when he represented the Citizens Utilities Company. He has also served as Executive Committee Chair and has been on the Executive Committee since RWA's inception.

10. DIRECTORS' COMMENTS

Mr. Schubert asked what the RWA policy is on the maximum carry over of employee accrued vacation time. Ms. Marrier said that the policy states that the cap is a maximum of 360 hours.

Mr. Greenwood asked where we stand with regard to groundwater bank planning in our region. Mr. Swartz said that we continue to move forward.

Ms. Tobin said that she is the chair of ACWA Region 4, along with additional representation from several RWA Board members. She thanked Mr. Roscoe for sharing his great institutional knowledge. She asked that anyone with ideas for ACWA to please forward them to her. She thanked Mr. Woodling and Mr. Robin for all of their work.

Ms. Schmitz said their current Water Resources Chief Financial Officer is retiring and they will be recruiting for the position. With respect to Groundwater, there's a public meeting scheduled for December 13th, that will focus on the basin boundary modification. Tom Gohring, Sacramento Water Forum will be facilitating the meeting.

Ms. McKinney said that she enjoyed serving on the Executive Committee the past year.

Vice Chair Yasutake congratulated Mr. Roscoe on his award at ACWA and he expressed his thanks to Mr. Roscoe for his insight on water policy. Next week the City of Folsom will be holding elections for the 2018 Mayor and Vice Mayor.

Mr. Roscoe suggested that staff bring options back to future Executive Committee meetings to discuss member exit fees for future audits and future liabilities. He thanked everyone for their support.

ADJOURNMENT

With no further business to come before the Executive Committee, Vice Chair Yasutake adjourned the meeting at 10:05 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer