

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**April 27, 2016; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - a. Minutes of the March 23, 2016 Executive Committee meeting
Action: Approve Minutes of the March 23, 2016 Executive Committee meeting**
 - b. Action: Recommend RWA Board approval of Journal Entry Approval Policy 500.7**
 - c. Action: Authorize the Executive Director to contract with Richardson and Company to provide for professional auditing services for RWA's fiscal year 2016 audit. The contract shall not exceed \$22,050 for the FY 2016 audit.**
- 4. 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**
- 5. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM REALLOCATION AGREEMENT**

Information Presentation: John Woodling, Executive Director
Action: Recommend RWA Board approval of the CalPERS Reallocation Agreement and direct the Executive Director to execute the Reallocation Agreement on behalf of RWA
- 6. REGIONAL RELIABILITY PLAN UPDATE**

Information Presentation: Rob Swartz, Manager of Technical Services
- 7. REGULATORY UPDATE**

Information Presentation: John Woodling, Executive Director

8. LEGISLATION UPDATE

Information Presentation: Dave Brent, Water Policy Advisor

9. RWA MAY 12, 2016 BOARD MEETING

Action: Approve Agenda for May 12, 2016 Meeting of the RWA Board of Directors

10. DIRECTOR'S COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – May 25, 2016 and June 22, 2016 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, May 12, 2016, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

April 27, 2016

AGENDA ITEM 3a: CONSENT CALENDAR

The draft minutes from the Executive Committee meeting held March 23, 2016

Action: Approve Consent Calendar Item

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

S. Audie Foster, California American Water
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, Monica Garcia, Dave Brent and Ryan Bezerra, legal counsel.

Others in Attendance

Kelye McKinney

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held February 17, 2016.

Motion/Second/Carried (M/S/C) Mr. Peifer moved, with a second by Ms. Schmitz, to approve the minutes from the February 17, 2016 Executive Committee meeting.

4. RWA POLICY UPDATES

RWA policies are reviewed every few years. Proposed changes to the Associate Members Policy 100.3 and Purchasing Card Policy 500.8 were attached for the Committee's review. The Associate Members Policy has been changed to reflect that fees are set by the board at budget time rather than a flat fee. The Purchasing

Card Policy reflects the addition of the Manager of Technical Services classification.

M/S/C Mr. Dugan moved, with a second by Mr. Peifer to approve Associate Members Policy 100.3 and Purchasing Card Policy 500.8

5. WATER EFFICIENCY UPDATE

Amy Talbot, Senior Project Manager, gave a presentation on the regional water savings, conservation targets and the next steps for the State Water Board. The emergency conservation regulation was modified and RWA agencies received a 3% reduction for climate adjustment. The State Water Board staff is meeting with water agencies and associated organizations across the state to gather ideas on how to evaluate water supply data and translate that into modifying current conservation targets. This could include a regional approach for evaluation such as at the hydrologic region scale. The State Water Board is planning to host a public meeting on April 20th to present a draft proposal and to solicit public comments.

Pam Tobin entered the meeting.

The associations are meeting in an attempt to decipher what a water allotment should be, what a conservation efficiency standard looks like and what constitutes efficient use. Short and long term efforts should be separate. Our preferred long term response is that we have a process in place in the drought contingency plan. For the short term we are working to develop a general proposal where they can roll back the drought and focus on where we are.

It was suggested that a letter be sent to outline the facts of the region, individual water supply situations and what the regional position is. Sean Bigley with the City of Roseville is setting up a meeting to get to an agreement that everyone can support. It was agreed that the outcome of Mr. Bigley's meeting be circulated to the Executive Committee members. By April 7th RWA should be sending out something to the entire RWA membership stating what is being proposed and asking agencies to write appropriate comment letters.

6. REGIONAL RELIABILITY PLAN UPDATE

Rob Swartz, Manager of Technical Services, reminded the committee that the 2013 RWA Strategic Plan calls for development of a Regional Water Reliability Plan. The RWA Board recently approved the selection of Montgomery Watson Harza (MWH) as the prime consultant to begin assisting staff in the development of a scope of work and budget for the plan. Staff provided an overview of recent outreach efforts related to the plan and gave an update on the process to develop the scope of work.

The intent of the plan is to identify agency vulnerabilities and what can be done to mitigate those vulnerabilities. MWH will assist in identifying the vulnerabilities and mitigations. The entire project will be up to a 3 year project with a year on the first

phase. There will be decisions to be made during the process to decide how committed we are to continue the project beyond the basic reliability plan. Mr. Swartz will be meeting with MWH to determine what the basic project will look like and how to collect funding beyond the current subscription program designation and the IRWM designation. Staff will prepare a project agreement for circulation and approval. The current plan is to have a project committee meet on April 13th to discuss what has been developed so far and begin developing a project agreement that has some form of an initial phase to begin collecting funds.

The Bureau of Reclamation released a letter of interest asking for agencies who are interested in becoming involved in continued basin studies. If we respond seeking funding support we could use the Bureau's contractors and support for conducting technical studies. The contractors that staff has been working with, including MWH and RMC, are on the approved list of contractors for the Bureau.

The Sustainable Groundwater Management Act requires that we complete groundwater sustainability plans by 2022. In order to accomplish this, especially in the North American Basin, Placer County, North Sacramento and Sutter County, we will need to complete additional groundwater modeling. We have the need and the funds from Prop 1 for a sustainable groundwater management grant. There are various future funding opportunities that may become available.

7. LEGISLATION UPDATE

Dave Brent, Water Policy Advisor, presented an update on bills that RWA is monitoring and explained what the list categories mean. The deadline for bill introduction for the 2016 California Legislative Session was February 19, 2016. Staff has subsequently identified and analyzed more than 100 bills related to RWA interests using the priorities, policy principles, and guidance provided in the RWA Advocacy Program (Advocacy Program) adopted by the Board in September 2015. Mr. Brent gave a presentation showing where the bills can be viewed on the RWA website.

On March 2nd, the Lobbyist Subscription Program (LSP) Committee met and developed the preliminary list of bills and recommended positions RWA should take on the "Hot List" bills. The "Hot List" is defined as those bills considered either high or medium priority according to the guidance provided in the adopted Advocacy Program. In general, these types of bills are of significant interest to RWA and will be the focus of our legislative advocacy efforts.

The low priority and spot bills, as well as bills that are amended, will be watched for changes that could either increase RWA's interest or eliminate them from further consideration.

In addition to the new bills introduced in 2016, there are eleven "Hot List" bills left over from 2015, referred to as 2-year bills that are still in play and may be acted upon during the 2016 Legislative Session. It is likely that only a few of these bills will be acted upon, but it is recommended they remain on the RWA Hot List at this point.

It is still early in the legislative process and it should be anticipated that the list included in the packet and some of RWA's positions will change over the coming months as bills are amended.

Attachment A was a summary of the 34 Hot List bills. At this point, the LSP Committee's preliminary recommendation is that RWA take a "Watch" position on 29 of those bills. Upon more information gathered from RWA's contract lobbyist (Fernandez Government Solutions), follow-up meetings with legislators and their staff, input from ACWA and other organizations, and other channels, some of these "Watch" positions may be elevated to Support or Oppose.

The LSP Committee recommends the following preliminary positions on five "Hot List" bills:

AB 1555 (Gomez D) - Greenhouse Gas Reduction Fund - Support.

This bill would appropriate \$1.7 Billion from the Greenhouse Gas Reduction Fund, including funding for turf replacement, toilet replacement and energy efficient groundwater pump replacement. RWA will meet with the author and try to include funding for advanced meter instrumentation and pump upgrades for treatment plants and pump stations.

AB 1749 (Mathis R) - CEQA: exemption: recycled water pipelines – Support

This bill extends the sunset of a CEQA exemption for construction of recycled water pipelines and related infrastructure, including related groundwater replenishment projects, from January 2017 to January 2022.

SB 814 (Hill D) Drought - excessive water use: urban retail water suppliers - Oppose

SB 814 will require both public and private urban retail water suppliers that directly provide potable municipal water to more than 3,000 users to levy fines against excessive water users. The bill prohibits excessive water use and requires water suppliers to assess a penalty of at least \$500 on residential water customers for every hundred cubic feet used above an "excessive use definition".

SB 1317 (Wolk D) - Conditional use permit: groundwater extraction facility – Oppose Unless Amended

This bill would, by July 1, 2017, require a city or county overlying a basin designated as a high- or medium-priority to establish a process for the issuance of conditional use permits for the development of a groundwater extraction facility. RWA would like to work with the author to amend the bill to not apply to public water supply wells and provide some consideration for the status of management of the groundwater basin.

SB 1318 (Wolk D) - Local government: drinking water infrastructure or services: wastewater infrastructure or services – Oppose

This bill requires cities and special districts to make water and wastewater services available to existing communities within or adjacent to their spheres of influence prior to annexing more land or extending services for new development.

Attachments B, C and D include the list of “Low Priority” bills, 2-Year Hot Bills, and “Spot” bills, respectively. Further descriptions and updated information on all these bills can be accessed on the RWA website under the “Advocacy” page or upon request.

Mr. Brent gave a brief summary of bills that he would recommend be placed on the support list or the hot list to see what the amended language is and how far they get in the process.

Staff recommends the Executive Committee adopt the preliminary list of bills and positions as put forth by the Lobbyist Subscription Program Committee. The entire list of bills will be tracked continuously, vetted through the LSP Committee, and brought forward to the Executive Committee to assure appropriate actions are taken as the 2016 Legislative Session proceeds.

M/S/C Mr. Peifer moved, with a second by Ms. Tobin, to adopt RWA positions on California Senate and Assembly Bills.

8. RWA MAY 12, 2016 BOARD MEETING

The draft agenda was included for the May 12, 2016 full Board meeting.

Metropolitan Water District of Southern California would like to give a presentation to the RWA full board at a future meeting. It was decided to invite them to give a presentation at the September RWA Board meeting.

Audie Foster left the meeting.

After discussion it was agreed to add agenda item 4b. Approve Associate Members Policy 100.3 and Purchasing Card Policy 500.8 and delete the Legislative Update numbering the remaining items accordingly.

M/S/C Mr. Peifer moved, with a second by Mr. Dugan, to approve the March 10, 2016 proposed RWA Board meeting agenda with the changes noted.

9. EXECUTIVE DIRECTOR’S REPORT

Mr. Woodling gave a brief history of the RWA organization explaining that 15 years ago there was a fundamental change to the joint powers agreement when regional leaders decided the existing Sacramento Metropolitan Water Authority (SMWA) did not have the capacity to take on the needed regional planning and implementation efforts. The joint powers agreement made fundamental changes to SMWA to create

the Regional Water Authority. RWA will celebrate its 15 year anniversary at an event on July 14, 2016.

Grants Update – Staff is currently managing seven grants totaling \$54.7 million. Staff is working with DWR to develop and execute a funding agreement for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant round. RWA has recently distributed significant Prop 50 reimbursement checks to members including: \$693,000 to the City of Lincoln; \$540,000 to Citrus Heights Water District; and \$177,400 to Orange Vale Water Company. The Prop 50 grant is set to expire on June 30, 2016.

10. DIRECTORS' COMMENTS

Mr. Roscoe reported from Sacramento Suburban Water District's latest Board meeting reporting that the attending public did not want groundwater substitution water transfers and there was a 3 to 2 vote on a cost of living adjustment for connection fees.

Chair Short thanked everyone for the efforts on the budget at the last Executive Committee meeting which, along with the presentation given by Mr. Woodling, allowed us to move through the budget item very quickly.

11. 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

No closed session was necessary.

ADJOURNMENT

With no further business to come before the Board, Chair Short adjourned the meeting at 10:50 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

April 27, 2016

AGENDA ITEM 3b: CONSENT CALENDAR

BACKGROUND:

Changes to RWA policies should be reviewed every few years. The Journal Entry Policy 500.7 is attached for the Committee's review.

STAFF RECOMMENDATION:

Action: Recommend RWA Board approval of Journal Entry Policy 500.7

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Fiscal Management
Policy Title : Journal Entry Approval Policy
Policy Number : 500.7
Date Adopted : March 13, 2008
Date Amended : September 13, 2012
May 12, 2016

JOURNAL ENTRY APPROVAL POLICY

Journal entries record accounting information into the accounting system general ledger that are not typically processed through the cash receipts or cash disbursement cycle. Journal entries can be classified as recurring and non-recurring. Recurring journal entries are typically routine in nature and can be repeated daily, weekly, monthly, ~~or~~ quarterly or annually. Non-recurring journal entries are typically entries that record one-time transactions, correct mistakes into the accounting records or are considered unusual a high risk potential.

Responsibility for RWA's day-to-day accounting records, including journal entry processing, support, and posting, is a function of the Finance and Administrative Services Manager. This policy defines when additional approval is required for processing journal entries. All journal entries, recurring or non-recurring, shall be supported by appropriate supporting documentation maintained with the accounting records.

1. Recurring Journal Entries

- a. These journal entries would not require explicit approval by the Executive Director.
 - i. Automatically reversing journal entries that reverse a previous months' journal entry, which activity typically occurs in July of a new fiscal year.
 - ii. Recording the monthly amount of cash used or received by the Water Efficiency Program.
 - iii. Record quarterly LAIF interest earnings or other investment earnings.
 - iv. Recording the administrative costs allocation to the subscription based projects, including SGA. (Note: the allocation calculation is subject to approval by the Executive Director.)
 - v. Annual depreciation and amortization of fixed assets.

- vi. Payroll and benefits related journal entries. (Note: the actual payroll register is approved by the Executive Director.)
- vii. Reclassification of accounting information to conform to the presentation of the audited financial statements (e.g. reclassifying grants receivable from ordinary receivables for financial statement reporting purposes; reclassifying SGA receivable from ordinary receivables to related party account receivables, etc.).
- viii. Year-end journal entries which adjust cash basis accounting records to accrual based records (i.e. accrual of income or expenses)

The Executive Director will review all recurring journal entries made by the Finance and Administrative Services Manager at least quarterly and document such review by noting any comments on and signing the journal entry ledger report reviewed.

2. Non-recurring Journal Entries:

- a. These journal entries would require explicit approval by the Executive Director:
 - i. Journal entries which correct errors in posting to accounts
 - ii. Journal entries which reflect transfers of cash between bank and investment accounts
 - iii. Journal entries related to calculating grants and incentives receivable and the related income
 - iv. Journal entries related to grants payable to member agencies
 - v. Journal entries related to subscription program advances
 - ~~vi. Year-end journal entries which adjust cash basis accounting records to accrual based records (i.e. accrual of income or expenses)~~
 - ~~vii.~~ vi. Journal entries for fixed asset disposal and/or write offs
 - vii. Recording of non-cash transactions.
 - viii. Recording pension plan accrual, and the related deferred inflows and deferred outflows in compliance with GASB 68

April 27, 2016

AGENDA ITEM 3c: CONSENT CALENDAR

BACKGROUND:

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 may contract with Richardson & Company. Richardson & Company's initial bid was \$19,050 for the FY 16 audit; however, with the new GASB implementations there may be an additional fee of approximately \$3,000.

STAFF RECOMMENDATION:

Action: Authorize the Executive Director to contract with Richardson and Company to provide for professional auditing services for RWA's fiscal year 2016 audit. The contract shall not exceed \$22,050 for the FY 2016 audit.

April 27, 2016

**AGENDA ITEM 4: 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**

April 27, 2016

AGENDA ITEM 5: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM REALLOCATION AGREEMENT

BACKGROUND:

In early 2013, CalPERS' Office of Audit Services audited the Regional Water Authority (RWA). In July 2013, 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.

STAFF RECOMMENDATION:

Information Presentation: John Woodling Executive Director

Action: Recommend RWA Board approval of the CalPERS Reallocation Agreement and direct the Executive Director to execute the Reallocation Agreement on behalf of RWA

REALLOCATION AGREEMENT

THIS REALLOCATION AGREEMENT (this "**Agreement**") is made as of _____, _____ (the "**Effective Date**") by and among Regional Water Authority, Sacramento Groundwater Authority, and the California Public Employees' Retirement System ("**CalPERS**").

WHEREAS, the Regional Water Authority currently contracts with CalPERS for retirement benefits for its employees;

WHEREAS, each of the Regional Water Authority and the Sacramento Groundwater Authority hereby represent and warrant to CalPERS that it is an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code of 1986, as amended (the "**Code**");

WHEREAS, concurrently with the execution of this Agreement, Sacramento Groundwater Authority is entering into a contract for retirement benefits with CalPERS (the "**Contract**") in substantially the same form as the contract between CalPERS and the Regional Water Authority;

WHEREAS, the Regional Water Authority and Sacramento Groundwater Authority have represented to CalPERS that certain CalPERS members listed on Exhibit A to this Agreement (the "**Members**") have historically been reported by the Regional Water Authority to CalPERS as full time employees of the Regional Water Authority, when in fact they should have been reported as part time employees of Sacramento Groundwater Authority;

WHEREAS, the Regional Water Authority and Sacramento Groundwater Authority have directed CalPERS to retroactively treat such Members as part time employees of Sacramento Groundwater Authority, and to reallocate all of the related assets and liabilities associated with such Members from the Regional Water Authority contract to Sacramento Groundwater Authority contract as though such assets and liabilities had always accrued under Sacramento Groundwater Authority contract (the "**Reallocation**"); and

WHEREAS, this Agreement shall not become effective until and unless the Contract is made effective.

NOW, THEREFORE, in consideration of the mutual agreements contained in this Agreement, and for good and valuable consideration, the parties hereby agree as follows:

1. Regional Water Authority and the Sacramento Groundwater Authority agree that the Recitals are hereby incorporated into and are a part of this Agreement.

2. Subject to the terms and conditions of this Agreement and contingent upon the Contract becoming effective, the Regional Water Authority and

Sacramento Groundwater Authority hereby consent to the Reallocation. The Regional Water Authority, on behalf of itself and any third party beneficiaries, disclaims any ongoing right or benefit to the assets associated with the membership under Sacramento Groundwater Authority, and Sacramento Groundwater Authority expressly assumes all obligations, liabilities and duties associated with the Members as a result of their membership under Sacramento Groundwater Authority.

3. That the participation of the employees and retirees of Regional Water Authority and Sacramento Groundwater Authority in CalPERS shall be subject to the determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Code, upon publication of final Treasury Regulations pursuant to such Section (the "**Final Regulations**"). If it is determined that either the Regional Water Authority or the Sacramento Groundwater Authority would not qualify as an agency or instrumentality of the state or political subdivision of a State under such Final Regulations, CalPERS will be obligated to comply with the Final Regulations and terminate the Regional Water Authority's and/or the Sacramento Groundwater Authority's participation in CalPERS, as applicable, including cancellation of all benefits for employees and retirees of the Regional Water Authority and the Sacramento Groundwater Authority (the "**Termination**"). The Termination will comply with any remedial corrections required under the Final Regulations.

4. Notwithstanding, and in addition to, any existing or future obligation that the Regional Water Authority and the Sacramento Groundwater Authority may have to indemnify the CalPERS Parties (as defined below), the Regional Water Authority and the Sacramento Groundwater Authority hereby agree to jointly and severally indemnify and hold CalPERS and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund (together, the "**CalPERS Parties**") harmless from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, imposed on, sustained or incurred by the CalPERS Parties, to the extent they arise out of or relate to the Reallocation, compliance with the Final Regulations, or the Termination, including, without limitation, attorneys', accountants' and other investigatory fees and out-of-pocket expenses incurred by the CalPERS Parties.

5. Upon request from CalPERS from time to time, the Regional Water Authority and the Sacramento Groundwater Authority shall execute and deliver all documents and do all other acts that may be reasonably necessary to carry out and effectuate the intent and purpose of this Agreement.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its principles of conflicts of law.

7. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

8. If any provision of this Agreement is held invalid or unenforceable, such decision shall not affect the validity or enforceability of any other provision of this

Agreement, all of which other provisions shall remain in full force and effect, provided that doing so does not materially alter the intent of the parties as contemplated hereby.

9. This Agreement may not be modified or amended in any respect except in a writing signed by all parties. No waiver shall be deemed to have been granted or created by any course of conduct or acquiescence, and no waiver shall be enforceable against any party hereto unless in writing and signed by the party against which such waiver is claimed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

Regional Water Authority:

By: _____
Name: _____
Title: _____

Sacramento Groundwater Authority:

By: Caryl Sheehan
Name: CARYL SHEEHAN
Title: SGA board chair

CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM:

By: _____
Name: _____
Title: _____

EXHIBIT A
EMPLOYEES

Active Employees

John K. Woodling
Robert J. Swartz
Nancy J. Marrier
Cecilia R. Partridge
Monica Garcia

Inactive Employees

Bethany De Angelis
Agrisina Espino

Retirees

Edward Winkler
Edward Schnabel

April 27, 2016

AGENDA ITEM 6: REGIONAL RELIABILITY PLAN UPDATE

BACKGROUND:

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 (see enclosed letter). 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 (see enclosed letter). 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.

STAFF RECOMMENDATION:

Information Presentation: Rob Swartz, Manager of Technical Services



April 4, 2016

VIA EMAIL AND U.S. MAIL

Ms. Michelle Denning
Regional Planning Officer
United States Bureau of Reclamation ATTN: MP-700
2800 Cottage Way, MP-100 Sacramento, CA 95825-1898

SUBJECT: Letter of Interest, Bureau of Reclamation 2016 Basin Study Program

Dear Ms. Denning:

Thank you for the opportunity to respond to your letter dated March 4, 2016, concerning the Bureau of Reclamation (Reclamation) 2016 Basin Study selection process. This confirms that the El Dorado County Water Agency (EDCWA), Placer County Water Agency (PCWA), the City of Sacramento (City) and the Regional Water Authority (RWA), collectively the Partner Agencies, have an immediate interest in cost sharing with Reclamation to update the Sacramento-San Joaquin Basin Study (SSJBS) as pertains to the American River watershed and adjacent groundwater basins. The Partner Agencies are also interested in the "Next Steps" effort described in the March 4, 2016, letter.

Eligibility. EDCWA exercises authority under the El Dorado County Water Agency Act through member districts to ensure sufficient water is available for present and future beneficial uses within El Dorado County. This includes authority to conduct technical and other necessary investigations pertaining to water supply, water rights and beneficial use of water within the county. EDCWA participated as a partner agency in the SSJBS. PCWA was established by the Placer County Water Agency Act as the primary water resource agency for Placer County, California. PCWA carries out a broad range of responsibilities including water resource planning and management, retail and wholesale supply of irrigation water and drinking water and production of hydroelectric energy in Placer County and surrounding counties.

The City has extensive surface water entitlements, consisting of appropriative water right permits issued by the State Water Resources Control Board, pre-1914 rights and a water rights settlement contract with Reclamation. The City's retail and wholesale water service areas encompass a significant portion of Sacramento County. The RWA is a Joint Powers Agency (JPA) with 21 member water agencies in Sacramento, Placer, El Dorado and Yolo Counties. A primary purpose of the RWA is to facilitate development and implementation of an integrated water regional water management plan encompassing both surface water and groundwater resources.

Purpose. The purpose of the Basin Study Update (Study) is to update the analysis and corresponding mitigation and adaptation strategies in the SSJBS for the American River system, a main tributary of the Sacramento River.

Need. The Study is necessary to support and advance an integrated conjunctive use program to improve water supply reliability within the American River watershed and reduces consumptive demands on Reclamation’s Folsom Dam and Reservoir (Folsom) in response to future climate change conditions. Over the past three decades, local water agencies have experienced a growing imbalance between water demands and water supply availability in the American River watershed. Reasons for this imbalance include, but are not limited to:

- Changes in CVP Operations. The CVP as a whole has experienced a steady decline in available supplies due to reallocation of water to environmental purposes and the State Water Project (SWP). As a result of this reallocation, Folsom is relied upon by Reclamation as a “first responder” to meet Delta water quality standards prescribed by the State Water Resources Control Board and implemented through the CVP/SWP Coordinated Operations Agreement of 1986 (COA). With the near complete loss of Trinity supplies and resultant reduction in South of Delta exports that also performed the vital role of maintaining Delta water quality standards, Folsom is currently exercised far beyond its originally intended operational parameters. This comes at the risk of carry-over storage and the ecosystem of the lower American River.

- Population growth. The population within the American River watershed is expected to increase significantly in the next 30 years. This population growth was intended to be served, in part, with CVP water service contracts that have become far less reliable than when they were signed over four decades ago. The general plans of the municipalities in the region, together with the approved Urban Water Management Plans of the region’s water service providers, rely upon a combination of local water rights, groundwater and CVP water service and settlement contracts to supply the region’s ultimate needs.

- Drought. The American River sub-basins are characterized by periodic drought conditions. With four severe multi-year drought cycles in the last 80 years, the region is clearly susceptible to water shortages. This is particularly true of CVP contractors that are wholly reliant on Folsom as their only main source of supply. Contemporary drought cycles and resultant CVP shortages are now greatly exacerbated by the over-commitment of CVP supplies and the resultant strain placed on Folsom to meet competing demands.

The imbalance between supply and demand in the American River watershed will be significantly amplified by climate change. The SSJBS concluded that, in general, the Sacramento and San Joaquin River Basins could likely face material changes in climactic conditions including: increase in average temperatures, more variable precipitation and reduced runoff, declining snowpack with more moisture falling as rain, and increasing sea levels. The SSJBS Report projected that such climate changes potentially impact flood control, fish and wildlife protection, and system water supply.

Study Area. The Study would encompass all three sub-basins of the American River watershed, as defined by U.S. Geological Survey hydrological unit code (HUC) and two

adjacent groundwater management areas. The three sub-basins and their respective HUCs are: (1) the Lower American River Sub-basin (HUC 18020111); the North Fork American River Sub-basin (HUC 18020128); and (3) the South Fork American River Sub-basin (HUC 18020129). The groundwater management areas are the North and Central sub-basins as defined in the Sacramento Water Forum Agreement (WFA).

Scope. The Study would encompass all four required elements described in Reclamation Directives and Standards WTR TRMR-65. Specifically, the Study would (1) update SSJBS Chapter 4, “Water Supply and Demand”, to include a detailed analysis of urban water supply and demands in the American River watershed considering future climate change conditions; (2) update SSJBS Chapter 5, “Challenges, Risk and Reliability Assessment”, to include CVP and local project operations; (3) update and improve adaptation strategies identified in SSJBS Chapters 6 and 7 for local application; and (4) identify tradeoffs that may occur through implementation of these strategies. Within this context, the Study would evaluate opportunities for integrating ongoing Federal, State and local initiatives to improve regional water supply reliability. Such initiatives include:

- The Regional Drought Contingency Plan currently being developed by PCWA and the RWA under a WaterSMART grant from Reclamation.
- Technical assistance by the Technical Services Center to consolidate Reclamation’s climate change modeling with PCWA’s watershed-specific modeling into an updated CALSIM III for use as a common tool for evaluating current or proposed water resource projects.
- A modified Flow Management Standard developed by the Sacramento Water Forum to conserve reservoir storage and improve environmental protection in the lower American River.
- RWA’s effort to establish a formal groundwater bank to increase storage in the basin and expand opportunities for conjunctive use in the region.
- A reformulated Sacramento River project to reduce diversions of CVP contract water from Folsom.
- Examination of municipal and industrial demands in the Sacramento region and applying best management practices to maximize water use efficiency.
- Evaluating potential for additional upstream storage to address climate change and environmental flow management opportunities including EDCWA’s potential Alder Creek Reservoir project.

Cost Share. The preliminary cost estimate for the Study is up to \$2 million, depending upon final scope. The Partner Agencies propose at least 50% non-Federal cost share. The non-Federal share would primarily consist of the in-kind value of project management, planning, analysis, and temperature and hydrologic modeling conducted by the Partner Agencies in conjunction with local surface water and groundwater initiatives.

Stakeholder Interest. The Study has broad support among a broad spectrum of water agencies, environmental interests and other stakeholders within the region.

Thank you for your consideration. We look forward to working with Reclamation on this important opportunity.

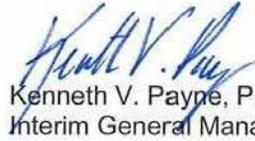
Sincerely,

PLACER COUNTY WATER AGENCY



Einar L. Maisch
General Manager

EL DORADO COUNTY WATER AGENCY



Kenneth V. Payne, P.E.
Interim General Manager

CITY OF SACRAMENTO



William O. Busath
Director of Utilities

REGIONAL WATER AUTHORITY



John Woodling
Executive Director

c: U.S. Senator Dianne Feinstein
U.S. Senator Barbara Boxer
U.S. Congressman Tom McClintock
U.S. Congressman Doug LaMalfa
U.S. Congressman John Garamendi
U.S. Congresswoman Doris Matsui
PCWA Board of Directors

Water Storage Investment Program Concept Paper Form

Please complete the questions below and return your completed concept paper by email to cwc@water.ca.gov by 5:00 p.m. on March 31, 2016. Completed concept papers should not exceed four pages.

Contact Information

Contact Name: Robert Swartz	
Email: rswartz@rwah2o.org	
Phone Number: 916.967.7692	
Agency/Organization Name: Regional Water Authority	
Agency Type (select one): <input type="checkbox"/> Public Agency <input type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Public Utility <input type="checkbox"/> Tribe <input type="checkbox"/> Mutual Water Company <input checked="" type="checkbox"/> Local Joint Powers Authority <input type="checkbox"/> Other:	

Project Information

Project Name: American River Basin Regional Conjunctive Use Project	
Project Type: <input type="checkbox"/> CALFED Surface Storage <input type="checkbox"/> Groundwater Storage <input type="checkbox"/> Groundwater Contamination Prevention or Remediation <input checked="" type="checkbox"/> Conjunctive Use <input type="checkbox"/> Reservoir Reoperation <input type="checkbox"/> Local Surface Storage <input type="checkbox"/> Regional Surface Storage <input type="checkbox"/> Other:	
Estimated Project Cost: \$1,400M	
Estimated WSIP Funding Request: \$150M	
Please describe your project, including location, water source, facilities, and operations:	
<p>On behalf of the water purveyors in the Sacramento-Placer region of the American River Basin, the Regional Water Authority (RWA) proposes the American River Basin Regional Conjunctive Use Project (Project) to achieve the following objectives.</p> <ul style="list-style-type: none"> • Maximize the regional conjunctive use practice in a sustainable manner to meet regional water supply reliability needs. • Implement coordinated operations to enhance Central Valley Project (CVP) operational flexibility to improve ecosystem and water quality benefits in the Lower American River and the Sacramento-San Joaquin Delta (Delta) as well as improve CVP water supply reliability. • Provide in-lieu water banking opportunities to improve statewide water management flexibility. <p>Participating water purveyors, or Project Partners, include more than 20 members of the RWA. Some Project Partners currently rely solely on groundwater for their water supplies, some rely solely on surface water, and some use both conjunctively or in different parts of their service areas.</p>	

The sources of water for the Project include the following.

- Groundwater resources that many of the Project Partners currently use in a stable groundwater basin that is actively managed under effective groundwater management institutions.
- Existing and planned diversions using Project Partners' existing surface water rights and contract entitlements.

The Project allows Project Partners to leverage all these sources of water to improve long-term water supply reliability as a major climate change adaptation strategy for this region. The concept of the Project was initially identified in a Regional Water Master Plan by the American River Basin Cooperative Agencies in 2003, and has been implemented on a limited scale through various water supply infrastructure projects. The Project will leverage these existing facilities and investments with the following new facilities and elements.

- Interties, pipeline segments and booster pumps to connect the systems of neighboring agencies.
- Rehabilitation of some existing groundwater wells and construction of new groundwater wells.
- A new regional diversion of 200 million gallons per day (mgd) (i.e., 370 cubic feet per second (cfs)) on the Sacramento River near the Sacramento International Airport to allow relocating planned future diversions from the American River to the Sacramento River.
- A regional treatment facility of 200 mgd for treating raw water from the Sacramento River and main transmission lines to connect to existing distribution systems.

Project operations will be flexible and scalable because the combination of the new facilities from the Sacramento River and existing ones from the American River will provide a unique opportunity to coordinate CVP operations, in particular, the operation of Folsom Reservoir. More importantly, operations may be adjusted with short notice or in emergency conditions resulting in significant operational flexibility from the Project. In addition to water rights, many of the Project Partners are CVP contractors receiving deliveries from Folsom Reservoir. The groundwater basins under the Sacramento-Placer region have in excess of two million acre-feet (AF) of total available storage (with more than 100 thousand AF per year of exercised storage for municipal and industrial uses) that can be integrated into the operation of Folsom Reservoir.

- The foundational operations of the Project will provide needed water supply reliability for this region to fully integrate the use of water rights and contract entitlements with groundwater resources, with additional capacities to divert flood flows for in-lieu recharge and provide additional relief from flooding threats to downstream areas including the Delta.
- When the ecosystems or water quality conditions in the Lower American River or the Delta are stressed, the Project Partners can shift their surface diversions (including their CVP deliveries) between the two rivers and/or strategically switch to groundwater use temporarily to change the timing of surface water availability in Folsom Reservoir for the operational needs of the U.S. Department of the Interior, Bureau of Reclamation's (Reclamation).
- With additional partners in the CVP-State Water Project (SWP) systems, the Project Partners can use the Project to bank water in the basins and provide additional system operational flexibility to allow environmental, water quality, and water supply benefits, especially when

the CVP and/or SWP have difficulties meeting in-basin flow, water quality, and environmental needs.

Per Water Code section 79753, the Commission may only fund the public benefits of water storage projects. Further, ecosystem improvements must make up 50% of the funded public benefits (Water Code section 79756(b)). What public benefits does your project provide? (select all that apply):

- Ecosystem Improvements Water Quality Improvements Flood Control
 Emergency Response Recreation

Please describe the magnitude of the public benefits and how the project will be operated to provide the public benefits:

The Project will provide ecosystem improvements, water quality improvements, and emergency response through the operation of Folsom Reservoir, as part of the CVP, owned and operated by Reclamation. Leveraging the configuration of the Project facilities and partner agencies' water rights and CVP contract entitlements, the Project may provide temporal and geographical adjustments for surface water availability by leaving water in Folsom Reservoir for Reclamation's operation to meet those public benefit needs in the Lower American River and in the Delta. Folsom Reservoir has been used to effectively manage for Delta water quality requirements due to the superior quality of the American River water and its close proximity to the Delta. The Project could provide an estimated 70 to 100 thousand AF of capacity for such an adjustment (i.e., operational flexibility).

During emergencies, the Project will provide the ability for this region to rely on groundwater storage for most of its needs, reducing its diversions out of Folsom Reservoir. This would free up Reclamation's delivery obligation from Folsom Reservoir and provide additional emergency water supplies to other parts of the system or contribute to endangered species protection. This operation could provide up to 200 thousand AF of emergency response capacity in driest years.

The Project can also provide flood control benefits because during flooding conditions or when excess water is available in the system, the Project may facilitate immediate in-lieu recharge by switching groundwater users to surface water, alleviating downstream flood conditions. The increased ability to move surface water into areas currently using groundwater also creates opportunities to better preserve flood storage space in Folsom Reservoir.

Water Code section 79752 requires that funded projects provide measurable improvements to the Delta ecosystem or to the tributaries of the Delta. Please describe how your project provides ecosystem improvements in the Delta or tributaries to the Delta:

The Project will provide ecosystem improvements, water quality improvements, and emergency response through the operation of Folsom Reservoir, as part of the CVP, owned and operated by Reclamation. Leveraging the configuration of Project facilities and the Project Partners' water rights and CVP contract entitlements, the Project can provide temporal and geographical adjustments for surface water availability by leaving water in Folsom Reservoir for Reclamation's operation to meet those public benefit needs in the Lower American River and in the Delta. Folsom Reservoir has been consistently used to effectively manage for Delta water quality requirements due to the superior

quality of the American River water and its close proximity to the Delta. The Project could provide an estimated 70 to 100 thousand AF of capacity for such an adjustment (i.e., operational flexibility).

Water Code sections 79755 and 79757 require the Commission to make a finding that a project will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses in the Delta prior to allocating funding for a project. Please describe how your project could help advance the long-term objectives of restoring ecological health and improving water management for beneficial uses in the Delta:

The Project will provide a unique opportunity to integrate its operation with the operation of Folsom Reservoir, if not the entire CVP-SWP system, providing critical operational flexibility when most needed. The Project will provide additional tools and capacities for Reclamation and the California Department of Water Resources (DWR), as well as resource regulatory agencies, to improve the ecological health and water management in the Delta, as well as water supply benefits. Folsom Reservoir provides a critical function for managing temperature on the Lower American River and Delta water quality for the enhancement and protection of Delta fisheries and ecosystem. The Project will further expand the ability of Folsom Reservoir to perform these functions by fully integrating groundwater storage with surface water storage operations. These project benefits would be realized immediately and would be available long-term to support adaptive management of the Delta ecosystem.

Please describe any other benefits provided by your project, such as water supply reliability benefits, and the potential beneficiaries:

The Project will provide a unique opportunity to integrate its operation with the operation of Folsom Reservoir, if not the entire CVP-SWP system, providing significant operational flexibility when needed. The Project will: (1) improve water supply reliability to the region, (2) contribute to improved groundwater sustainability by allowing maximum use of surface water for recharge during wet years or during flood conditions, and (3) create a regional groundwater bank that contributes to both local and statewide water supply reliability.

April 27, 2016

AGENDA ITEM 7: REGULATORY UPDATE

BACKGROUND:

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 heard from the Department of Water Resources on the draft regulations for implementation of the Sustainable Groundwater Management Act. 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. Several 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 16, 2016. RWA and SGA had previously provided comment letter on the draft regulations, as well as helping to coordinate the ACWA comment letter.

Later that day, 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 in 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 got significant media attention for its position, including two Bee articles, an op-ed with Rob Roscoe’s byline, and appearances on Capitol Public Radio and other radio outlets (attachments).

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director



Sacramento Groundwater Authority
*Managing Groundwater Resources
in Northern Sacramento County*

5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610

Tel: (916) 967-7692
Fax: (916) 967-7322
www.sgah2o.org

April 22, 2016

California American
Water

Carmichael
Water District

Citrus Heights
Water District

City of Folsom

City of Sacramento

County of Sacramento

Del Paso Manor
Water District

Fair Oaks Water District

Golden State
Water Company

Natomas Central Mutual
Water Company

Orange Vale
Water Company

Rio Linda / Elverta
Community Water
District

Sacramento Suburban
Water District

San Juan
Water District

Agricultural and
Self-Supplied
Representative

California Water Commission
P.O. Box 942836
Sacramento California 94236-0001

Transmitted via email to Paula Landis, Executive Officer

Dear Chair Byrne and Commissioners Baker, Ball, Curtin, Daniels, Del Bosque, Herrera, Orth, and Quintero

I want to express my appreciation for the attention the California Water Commission afforded the draft regulations for implementation of the Sustainable Groundwater Management Act (SGMA) at its April 20, 2016 meeting. Adopting appropriate regulations is critical to the success of SGMA and to the long term sustainability of California's groundwater resources. I was pleased to see that the Department of Water Resources staff has reviewed the comments submitted and embraced many of the necessary modifications in their proposed revisions.

There was significant discussion by the public and Commissioners around the question of how much data and information was needed in a Groundwater Sustainability Plan (GSP), and how DWR would evaluate compliance. Specifically, several commissioners questioned the appropriateness of "substantial" compliance as a standard.

Unfortunately, an exhaustive checklist for GSP content will not ensure sustainability. The path to sustainability will instead be more complex and involve the judgment of groundwater professionals on both sides of the issue – at the local Groundwater Sustainability Agencies that will develop and implement the GSPs, and at DWR, which must evaluate their actions.

As such, whether it is called "substantial compliance," or simply "compliance," it is important to properly define expectations. This question is fundamental to success at the local and state level. In our comments on the draft regulations, and

Letter to California Water Commission
April 22, 2016
Page Two of Two

those of the Association of California Water Agencies and others, we provided an appropriate definition for a compliance standard. A GSP should be found to be compliant if it

“meets the content requirements of the Act and contains sufficient data and analysis to support the Agency’s finding that the sustainability goal will be achieved, and the Department determines that any discrepancy would not materially affect the ability of the Agency to achieve the sustainability goal or of the Department to evaluate the likelihood of the Plan to attain that goal.”

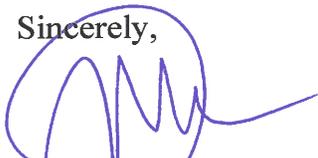
This standard of compliance gets to the key indicator of success, that the quantity and quality of information is adequate to move forward to take appropriate actions to achieve sustainability. Ultimately, the success of SGMA will be measured by the actions taken at the local level, not by the comprehensiveness of the content of the GSP.

In the event that a GSP is found inadequate, the outcome is state intervention. One would hope that when the State Water Resources Control Board develops an interim plan for a probationary basin it would focus on actions rather than filling in incidental gaps in the GSP. The Local GSAs should be evaluated on a comparable basis.

While our comments on the draft regulations included myriad other issues that need to be addressed, this issue of the appropriate standard of compliance is perhaps the most important, and I urge you to support the appropriate balance between planning and action.

Thank you for your attention to this important aspect of the Commission’s charge. Please contact me if you have any questions at (916) 967-7692 or jwoodling@rwah2o.org.

Sincerely,



John Woodling
Executive Director
Sacramento Groundwater Authority

cc: David Gutierrez, Department of Water Resources
David Bolland, Association of California Water Agencies

Sacramento water agencies push to end drought conservation orders

Ryan Sabalow The Sacramento Bee

Water districts say conditions have improved in Northern California
South state continues to endure drought conditions
Regulatory board won't decide on revised mandates until May



Water districts in the Sacramento region urged a state board Wednesday to be exempt from mandatory urban water-use restrictions. The Sacramento region typically has among the highest per-capita water use in the state, largely because of summer lawn irrigation. Sacramento Bee file

Weak local rainfall this spring and summer in Southern California show why California's drought is far from over.

Water districts in the Sacramento region urged a state board Wednesday to be exempt from mandatory urban water-use restrictions. The Sacramento region typically has among the highest per-capita water use in the state, largely because of summer lawn irrigation.

Weak local rainfall this spring and summer in Southern California show why California's drought is far from over.

Sacramento-area water districts urged state regulators Wednesday to release their customers from Gov. Jerry Brown's emergency urban water conservation order, contending that a relatively wet winter has made continued cutbacks unnecessary.

Local water officials made their case before the State Water Resources Control Board during a hearing Wednesday. The board was soliciting input on whether to revise, relax or rescind the mandates that flowed from the emergency order Brown issued last spring requiring California cities to reduce water use by an average of 25 percent compared with 2013. The board is expected to announce its proposed revisions in early May.

Most Sacramento-area water agencies were ordered to cut usage by 28 percent to 36 percent under the regulations in place since June. Many have complained about having to continue under the mandates, arguing they don't reflect recent improvements in groundwater and reservoir levels, given the return to average precipitation in Northern California this winter.

"The bottom line here is, in the American River basin in the Sacramento region, we are not in a drought emergency any longer," Andy Fecko, director of resource development for the Placer County Water Agency, told the board.

California officials have not declared the state's five-year drought at an end, citing another dry winter for much of the south state. Water levels in most Southern California reservoirs remain well below historical averages, and groundwater aquifers in the south state remain depleted.

Historically, California's severe multiyear droughts have ended when statewide precipitation totaled about 150 percent of average, according to the Department of Water Resources. This year, statewide precipitation is close to average.

Southern California, even in average precipitation years, is heavily reliant on water shipped from Northern California for irrigation and drinking water. Environmental groups argue that because of the interconnected nature of the state's water-delivery system, it's imperative the mandatory restrictions continue.

"Now is certainly not the time to relax conservation in the state," said Tracy Quinn, an urban water conservation advocate for the Natural Resources Defense Council. "We're all in this together, for better or worse."

Under Brown's order, water agencies were assigned conservation targets, with higher per capita users targeted for deeper cuts. The Sacramento region typically has among the highest per capita water use in the state, largely because of summer lawn irrigation.

Statewide, urban water districts cut use from June to February by 23.9 percent, compared to 2013. Twenty of the region's 23 water providers met their targets for the period or were within 5 percentage points.

Last month, the San Juan Water District, which supplies Granite Bay, one of the region's most affluent communities, said it no longer would require customers to adhere to the state mandates because the local water supply had improved. San Juan's customers consistently use more water per capita than the customers of other water districts in the region, though they also sharply reduced use over the last nine months.

During Wednesday's hearing, members of the Regional Water Authority, an umbrella group for providers in Sacramento, Placer, El Dorado, Yolo and Sutter counties, said area water districts had become more efficient and resilient in recent years. John Woodling, the water authority's executive director, said his members are well positioned to return to emergency mode, should the need arise.

"If next year's a 2015 again, we can turn those things on," he said. "We can turn on the supply improvement projects. We can also turn on the 30 percent conservation again in pretty short order."

Wednesday's hearing drew water agency representatives from throughout the state, and almost all were asking for the conservation mandates to be relaxed or rescinded. Many supported a proposal put forward by a group of Southern California water agencies to allow local agencies to set their own conservation standards using a formula that factors in demand, local supply and resiliency.

Board members seemed receptive, but expressed concern about whether a "self-certification" process would result in some water districts understating their supply problems to avoid public outcry.

"I'm concerned that we'll get a flood of self-certifications that may be overly optimistic," board member Steven Moore said.

Ryan Sabalow: 916-321-1264, @ryansabalow

Read more here: <http://www.sacbee.com/news/state/california/water-and-drought/article72904407.html#storylink=cpy>

State should give Sacramento region a break on water conservation

While drought may not be over, emergency has ended for area
Residents have cut water use and agencies have improved efficiency
Keeping emergency restrictions risks credibility of state and local officials



Families like this one in Roseville have cut their water use by more than 80 percent by replacing lawns with drought-resistant plants. Randall Benton Sacramento Bee file

By Rob Roscoe
Special to The Bee

Water providers from throughout the Sacramento region will urge the [State Water Resources Control Board on Wednesday](#) to release their customers from emergency conservation targets as local water supplies recover from drought. In their place, we will continue local programs to encourage ongoing improvements in water efficiency.



Many have expressed strong opinions that California's drought is not over, but they haven't offered a clear way to know when it is. While the drought may not be at an end everywhere in the state, any reasonable measure would suggest that the emergency has fully abated for the Sacramento region.

The region was among the first affected by the drought in late 2013. As Folsom Lake dropped to historic lows, local suppliers pledged to reduce water use by 20 percent, before the governor declared a drought emergency. Local residents reduced water use by 19 percent in 2014 while other parts of the state lagged. The region cut water use 31 percent from June 2015 to February 2016, contributing to the mandatory statewide 25 percent goal.

Now, Folsom Lake is well above average, as are Shasta and Oroville. Flood releases coursed down the American River through much of March, significant snowpack remains in the Sierra and local groundwater basins are refilling.

Since the Sacramento region is among the first to recover, it makes sense for the water board to ease mandatory conservation here first as well, eliminating enforced rationing for areas with ample water supplies. Continuing emergency conservation in the region will not help the environment or others in the state. Federal and state restrictions virtually preclude transferring conserved water to those who need it south of the Sacramento-San Joaquin Delta during much of the year.

Keeping emergency restrictions during a non-emergency risks great harm to the credibility of the state water board and local water providers, making it less likely that customers will make the same sacrifices during the next drought.

We recognize the challenge the board faces and appreciate its leadership in permanently [changing how Californians use water](#). But it's time for the board to release this region from the emergency conservation measures that will erode public goodwill and distract from the hard work ahead – to build on the momentum for water efficiency and continue the decline in water use that started more than a decade ago.

It's time for Northern California to look beyond the drought and focus on continuing reductions in long-term water use and continuing investments in supply reliability to carry us through the next drought and beyond.

Rob Roscoe is general manager of the Sacramento Suburban Water District and a member of the Regional Water Authority executive committee. He can be contacted at rroscoe@sswd.org.

April 27, 2016

AGENDA ITEM 8: LEGISLATION UPDATE

BACKGROUND:

In March, the Executive Committee adopted the preliminary list of bills and positions that RWA will monitor and, as necessary, engage on during the 2016 California Legislative Session. The preliminary list of bills is broken down into priorities with high and medium priority bills being of significant interest to RWA and comprising the “Hot List”. The Hot List bills are actively monitored and worked on by RWA’s contract lobbyist (Fernandez Government Solutions), members of the Lobbyist Subscription Program committee, and RWA staff. The remainder of the bills are currently of lesser concern and interest but are continually monitored for amendments that may warrant a change in priority.

Since March, the Legislature has held hearings on several of the bills RWA is following. Amendments have been made to several of those bills with a couple of bills being amended to the degree that the Lobbyist Subscription Program committee is recommending they be added or taken off the Hot List. Specifically, those bills are as follows:

AB 2515 (Weber) – this bill was gutted and amended from a drought related bill proposing a more regional approach to emergency conservation requirements to a bill that proposes the Department of Water Resources update the statewide, model landscape ordinance every three years. It is recommended to remove AB 2515 from the “Hot List” but to continue to monitor it for future amendments.

SB 1398 (Leyva) – this bill was gutted and amended to become a bill that will require public water systems to compile an inventory of lead pipes in use by July 1, 2018, and provide timelines for replacing lead pipes to the State Water Resources Control Board. It is recommended that this bill be added to the “Hot List” and monitored closely.

Assuming the Executive Committee approves the two recommendations noted above, the following is a count of the bills that are of interest to RWA advocacy efforts:

Total Number of New Hot List Bills	35
Total Number of 2-Year, Hot List Bills	10
Total Number of Low Priority Bills	43
Total Number of Spot Bills	24

RWA, along with ACWA and other agencies, have been active on certain Hot List bills during the early part of this Legislative Session. In the next couple of weeks, it is

April 27, 2016

anticipated that RWA will express positions with letters to the author and committee chairs on the following bills:

AB 1555 (Gomez) - Greenhouse Gas Reduction Fund - Support

AB 1716 (McCarty) – Lower American River Conservancy - Support

SB 814 (Hill) Drought - excessive water use: urban retail water suppliers - Oppose

SB 1317 (Wolk) - Conditional use permit: groundwater extraction facility – Oppose

SB 1318 (Wolk) - Local government: drinking water infrastructure or services: wastewater infrastructure or services – Oppose

Other anticipated activities include working with the Sacramento area legislative delegation on a bi-partisan, joint letter to the Senate President pro Tempore and the Assembly Speaker advocating for the State Budget to include Greenhouse Gas Reduction - Cap and Trade Funds for local turf replacement (cash for grass) programs. This letter will be consistent with RWA's support of AB 1555 and our ongoing advocacy efforts to obtain State grant funding to assist local water agencies with their programs to remove high water use turf grass with drought tolerant landscaping.

Attachment A is a summary of the RWA's Hot List bills. Upon more information gathered from Fernandez Government Solutions, follow-up meetings with legislators and their staff, and input from ACWA and other organizations it is anticipated that several of the bills will be dropped from the Hot List. This will be reported on at the May 2016 Executive Committee meeting.

More information on the 2-Year Hot Bills, low priority bills, and spot bills is available on the RWA website under the "Advocacy" page or upon request.

STAFF RECOMMENDATION:

Staff recommends the Executive Committee adopt the recommended changes to the Hot List bills and the positions as put forth by the Lobbyist Subscription Program Committee. The entire list of bills will be tracked continuously, vetted through the LSP Committee, and brought forward to the Executive Committee to assure appropriate actions are taken as the 2016 Legislative Session continues.

Information Presentation: Dave Brent, Water Policy Advisor

Regional Water Authority – Legislative Hot List – 2016 (April 20 Version)

RWA’s Legislative Hot List provides the summary and status of significant legislation followed by RWA’s Advocacy Program. The Hot List includes bills determined to be of High or Medium priority using the decision matrix included in the Legislative Platform and/or input from the Lobbyist Subscription Program Committee. For more information on a specific bill, please contact Soyla Fernandez, Hector Fernandez or Dave Brent.

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><u>AB 1555 (Gomez D)</u> <i>Greenhouse Gas Reduction Fund.</i></p> <p>RWA Interest: This bill would potentially benefit RWA’s efforts to provide State funding for turf replacement and other water efficiency tools.</p> <p>This bill would state the intent of the Legislature to enact future legislation to appropriate \$800 million from the GGRF for the 2016/17 fiscal year, for among other things, \$100 million to DWR for turf and toilet replacement programs and \$10 million for an energy efficient groundwater pump replacement program.</p>	<p>SUPPORT</p>	<p>Introduced: 1/4/16</p> <p>Will meet w/ Gomez and recommend expanding the groundwater pump repl. to include other pumps/motors</p> <p>Amended on 3/28 (summary reflects amendments) Referred to Budget Com on 4/14</p>
<p><u>AB 1585 (Alejo D)</u> <i>Monterey County Water Resources Agency: Lake Nacimiento and Lake San Antonio</i></p> <p>RWA Interest: For consideration, does RWA want to take positions on earmark funding issues?</p> <p>This bill would allocate \$25 million from an unspecified source to the MCWR Agency for the purpose of constructing a water conveyance tunnel between Lake Nacimiento and Lake San Antonio to reduce flooding, maximize runoff capture and reduce saltwater intrusion.</p>	<p>Watch</p>	<p>Introduced: 1/6/16</p> <p>Passed Com. on W, P, & W</p> <p>Amended on 4/4 and referred to Approp. Com on 4/13</p>
<p><u>AB 1587 (Mathis R)</u> <i>Groundwater: subsidence abatement.</i></p> <p>RWA Interest: Two things, first is the “earmark” issue and second is the proposal to streamline groundwater recharge during droughts and floods. (As of 4/14, the bill has been amended to remove the streamlining provision)</p> <p>This bill contains two provisions of interest. The first issue is a provision that would appropriate \$50M of the \$100M authorized in Prop 1 for groundwater resource planning for those projects that would create groundwater recharge basins in areas of fallow farmland.</p> <p>ACWA Not Favor because the \$50M appropriation is an amendment to Prop. 1.</p>	<p>Watch</p>	<p>Introduced: 1/6/16</p> <p>Amended on 3/15 and again on 4/14</p> <p>Passed Com. on W, P, & W Referred to Approp. Com on 4/13</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 1588 (Mathis R) Water and Wastewater Loan and Grant Program.</i></p> <p>RWA Interest: This bill offers an alternative source of funding (i.e., the General Fund) for low income assistance programs. Consistent with our “Public Goods Policy”.</p> <p>This bill would require the State Board to establish a program to provide low-interest loans and grants to eligible, low income homeowners for specified purposes related to drinking water and wastewater treatment. Creates the “Water and Wastewater Loan and Grant Fund” and provides \$20M from the General Fund, upon appropriation by the Legislature, to the State Board for the program.</p>	Watch	<p>Introduced: 1/6/16</p> <p>Amended 3/16 – added co-authors Cannella and Vidak</p> <p>Passed Com. on W, P, & W Referred to Approp. Com Suspense File on 4/4</p>
<p><i>AB 1589 (Mathis R) California Environmental Quality Act: exemption.</i></p> <p>RWA Interest: This bill provides CEQA exemption for projects that are undertaken, carried out, or approved by a public agency to mitigate the effects of, or conditions caused by, drought conditions. This exemption would only apply while a state of emergency due to drought conditions is in effect though it would potentially apply to construction of new, long-term facilities as well as replacement and repair of existing facilities.</p> <p>ACWA favors but doubts CEQA reform bills have much of a chance of passing.</p>	Watch	<p>Introduced: 1/6/16</p> <p>Amended on 2/24 to only apply to drought conditions</p> <p>Failed passage in Com. on NR on 4/4. Set for reconsideration</p>
<p><i>AB 1590 (Mathis R) State Water Resources Control Board: appointments.</i></p> <p>RWA Interest: Probably a good one to stay out of as this bill proposes to add four members to the State Board to be appointed by the Legislature. In other words, would neutralize the Governor’s appointments.</p> <p>ACWA Not Favor</p>	Watch	<p>Introduced: 1/6/16</p> <p>Referred to Com. on W, P, & W on 2/1/16</p> <p>Amended and re-ref to Com. on W, P, & W on 2/24/16</p> <p>Hearing at Com. on W, P, & W on 3/29 - cancelled at request of author</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 1647 (Waldron R) Environmental quality: water storage facilities.</i></p> <p>RWA Interest: This bill provides a CEQA exemption for projects to expand the storage capacity of an existing surface water storage facility, or to replace an existing surface water storage facility, that is owned and operated by a public entity if that public entity adopts, by resolution, findings and declarations that the project meets specified criteria.</p> <p>ACWA Support. RWA needs to watch because could amend into a shortcut to water storage detrimental to RWA.</p>	Watch	<p>Introduced: 1/12/16</p> <p>Referred to Com on NR on 2/4/16</p> <p>Hearing at Com. on W, P, & W on 3/14 - cancelled at request of author</p>
<p><i>AB 1649 (Salas D) Water Quality, Supply, and Infrastructure Improvement Act of 2014: water storage projects.</i></p> <p>RWA Interest: The bill attempts to confirm the commitment of the Legislature to ensure Prop 1 funding and construction of qualified, surface water storage projects. Importantly, it also greases the skids for Temperance Flat Dam and Sites Reservoir which could probably be considered earmarks and a change to Prop 1's intent of having qualified projects compete for funding.</p> <p>While these reservoirs are consistent with RWA priorities and principals related to "Statewide Balanced Management Solutions Beneficial to the Greater Sacramento Region", they may be counter to our stance on "earmarks".</p> <p>ACWA Opposed – due to earmark of specific projects counter to Prop 1 principles</p>	Watch	<p>Introduced: 1/12/16</p> <p>This bill and AB 2551 (Gallagher) may be combined. Soyla to follow up and report back.</p> <p>Amended 3/17 – technical changes</p> <p>Passed W, P, & W – Referred to Approp. Com on 4/13</p>
<p><i>AB 1716 (McCarty D) Lower American River Conservancy</i></p> <p>RWA Interest: The LAR Conservancy would include local representation plus State officials including, Secretary of the Natural Resources Agency, and the directors of Finance, Fish and Wildlife, and Parks and Recreation. Also would include appointees from the Governor, Senate Rules Committee, and the Assembly Speaker.</p> <p>This bill would establish in the Natural Resources Agency the Lower American River Conservancy to receive and expend proceeds from bonds or other appropriations for the benefit of the American River Parkway. The bill would create the LAR Conservancy Fund in the State Treasury, and would specify that moneys in the fund shall be available, upon appropriation, for the purposes of the conservancy.</p>	Support if Amended	<p>Introduced: 1/27/16</p> <p>Referred to Com on NR on 2/18/16</p> <p>Met w/ McCarty's office. Expecting to see amendments favorable to a Support position</p> <p>Calendar: 4/18/16 – Com. on NR</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 1749 (Mathis R) California Environmental Quality Act: exemption: recycled water pipelines.</i></p> <p>RWA Interest: As noted by ACWA, the original bill was part of the Trailer Bill process (SB 88) that included the water system consolidation issue. RWA was opposed to both the TB process and the consolidation component of SB 88. The bill itself is helpful.</p> <p>This bill extends the sunset of a CEQA exemption for construction of recycled water pipelines and related infrastructure, including related groundwater replenishment projects, from January 2017 to January 2019.</p> <p>While extension of CEQA exemption seems like something RWA could easily support, do we want to take a stand on the Trailer Bill process?</p>	Support?	<p>Introduced: 2/2/16</p> <p>Referred to Com on NR on 2/18/16</p> <p>Amended 3/28 – changes date of extension</p> <p>Calendar: 4/18 – Com. on NR</p>
<p><i>AB 1755 (Dodd D) The Open and Transparent Water Data Act.</i></p> <p>RWA Interest: As the title implies, this bill is attempting to upgrade the State’s collection, management, and transparency of water data, including pending and previous water transfer information. Recommend that RWA work through ACWA on this and AB 2304 (Levine).</p> <p>This bill would enact the Open and Transparent Water Data Act. The act would require the DWR to establish a public benefit corporation that would create and manage (1) a statewide water information accounting system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse for water transfer information that would include, among other things, a database of historic water transfers and transfers pending responsible agency approval and a public forum to exchange information on water market issues.</p> <p>ACWA Support if Amended – working with author to align bill with ACWA’s BoD recommendations</p>	WATCH	<p>Introduced: 2/2/16</p> <p>Amended by Author on 3/1/16</p> <p>Met w/ Dodd’s chief of staff on 3/23. It appears bill will a preferred alternative to AB 2304</p> <p>Further amended on 4/5 to define limited role of public benefit corporation</p> <p>Calendar: 4/19 Com. on W, P, & W</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><u>AB 1925 (Chang R)</u> <i>Desalination: statewide goal.</i></p> <p>RWA Interest: One of several desalination related bills. This one would establish annual production goals for 2025 and 2030. This would be consistent with RWA Priorities and Policy Principles if increased use of desalination by exporters reduce dependency on Delta supplies, as it should,</p> <p>If desalination in the State does become more of a priority, RWA will need to keep an eye on funding sources and assure that the beneficiary pays principles are upheld.</p> <p>ACWA Favor if Amended</p>	Watch	<p>Introduced: 2/12/16</p> <p>Referred to Com. on W, P, & W on 2/25/16</p> <p>Amended 3/16/16</p> <p>First hearing cancelled at request of author</p> <p>Calendar: 4/18 Assembly Second Reading File</p>
<p><u>AB 1989 (Jones R)</u> <i>Water, energy and reduction of greenhouse gas emissions</i></p> <p>As gutted and amended on March 14, this bill would require the State Water Board, in coordination with the California Energy Commission (CEC), the Public Utilities Commission (PUC), and DWR, to develop and implement a grant and low-interest loan program for water projects that result in the net reduction of water-related GHG emissions.</p> <p>ACWA Favor if Amended – change lead agency to DWR</p>	Watch	<p>Introduced: 2/16/16</p> <p>Referred to Com. on W, P, & W on 2/25/16</p> <p>Gut and Amended on 3/14/16.</p> <p>Further amended 3/30/16 – removed the \$200 million annual and continuous GGF appropriation</p>
<p><u>AB 2040 (Melendez R)</u> <i>Outdoor Water Efficiency Act of 2016: personal income tax credits: outdoor water efficiency.</i></p> <p>RWA Interest: A tax credit for water efficiency improvements that would be consistent with RWA Priority Issues and Policy Principles. However, the bill would require local agency involvement.</p> <p>This bill, for taxable years beginning on or after January 1, 2016, and before January 1, 2021, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements, as defined, on qualified real property in this state, as specified.</p>	Watch	<p>Introduced: 2/17/16</p> <p>Amended on 4/6 and re-referred to Com. on Rev and Tax – changed dates as noted</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 2099 (Stone, Mark D) Safe drinking water assistance program.</i></p> <p>RWA Interest: In its current form, this bill hits the mark by providing assistance to low income households without depending on a PGC on water ratepayers. The bill specifically requires the State Department of Social Services to establish a safe drinking water assistance program and fund it with existing resources. We need to keep an eye on it for amendments that would utilize a PGC. AB 2099 provides temporary relief to struggling families who live in homes with inadequate drinking water supplies by offsetting the cost of purchasing water during the interim wait for long-term water supply infrastructure upgrades. The measure allows impoverished families who live in a community or home with insufficient, contaminated, or otherwise unsafe drinking water supplies to access a small supplemental cash benefit for purchasing water.</p> <p>ACWA Watch</p>	Watch	<p>Introduced: 2/17/16</p> <p>Referred to Coms. on HUM. S. and E.S. & T.M. on 2/29/16</p> <p>Amended 3/28 and again on 4/14</p>
<p><i>AB 2304 (Levine D) California Water Market Exchange.</i></p> <p>RWA Interest: This bill attempts to do a lot in managing water transfers. Key concerns for RWA include 1) the establishment of the Ca. Water Market Exchange, a 5-member board, four appointed by the Governor; 2) would this be funded by a PGC? and 3) provisions that might limit an “open market” for transfers. Recommend that RWA work through ACWA on this and AB 1755 (Dodd).</p> <p>Would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange.</p> <p>ACWA Support if Amended</p>	Watch	<p>Introduced: 2/18/16</p> <p>Passed Com. on W, P, & W and referred to Approp. Com. on 4/12</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p>AB 2480 (Bloom D) <i>Source watersheds: maintenance and repair.</i></p> <p>RWA Interest: The stipulation that source watersheds would be eligible for financing on an equivalent basis with other water infrastructure may mean this “spot bill” will become another vehicle for a PGC. RWA should keep an active eye on this bill.</p> <p>Would declare it to be state policy that source watersheds are recognized and defined as integral components of California's water system. The bill would also declare that their maintenance and repair are eligible for financing on an equivalent basis with other water collection and treatment infrastructure.</p> <p>ACWA Not Favor Unless Amended</p>	Watch	<p>Introduced: 2/19/16</p> <p>Amended: 3/17 – no longer a spot bill</p> <p>Passed Com. on W, P, & W and referred to Approp. Com on 4/12</p> <p>Potential PGC candidate</p>
<p>AB 2515 (Weber D) SWRCB: emergency cons regs</p> <p>RWA Interest:</p> <p>Remove from Hot List</p>		<p>Introduced: 2/19/16</p> <p>Gut and Amended to become a spot bill on Modal Water Efficient Landscape Ordinance updates</p> <p>Remove from Hot List</p>
<p>AB 2525 (Holden D) <i>Water-efficient landscaping.</i></p> <p>RWA Interest: This bill would encourage local agencies to incentivize water efficient landscapes. It also creates the Water Efficient Landscaping Fund that provides funding for turf replacement and other water efficiency measures for low-income and disadvantaged communities. The presumption is the Fund would be part of a PGC.</p> <p>Would require the DWR to create the California Water Efficient Landscaping Program for the purpose of encouraging local agencies and water purveyors to use economic incentives that promote the efficient use of water, promote the benefits of consistent landscape ordinances, and support and enhance turf replacement. This bill would create the Water Efficient Landscaping Fund and provide that moneys in the fund are available, upon appropriation by the Legislature, to the department for certain purposes.</p> <p>ACWA Watch</p>	Watch	<p>Introduced: 2/19/16</p> <p>Amended on 4/5</p> <p>Assembly Second Reading File on 4/18</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 2550 (Patterson R) State Water Resources Control Board: instream flow curtailments: compensation.</i></p> <p>RWA Interest: – This bill makes an aggressive point about the impacts of prioritizing in-stream flows during a drought at the expense of human needs. This bill takes on the State Board by requiring a fiscal compensation per acre-foot for water that is authorized under a permit or license due to a board-issued in-stream flow curtailment. It is not likely to go anywhere and we may consider moving it off the “hot list”.</p> <p>Would require the State Board to financially compensate a person who is unable to divert the full amount of water authorized under his or her permit or license due to a board-issued instream flow curtailment, and a person who is required to file a statement of diversion and use and is unable to divert the same amount of water in the succeeding year due to a board-issued instream flow curtailment. The bill would only apply this requirement to instream flow curtailments issued by the board on and after January 1, 2017.</p>	Watch	<p>Introduced: 2/19/16</p> <p>Calendar: 4/12@ Com. on W, P & W – Hearing cancelled at request of author</p>
<p><i>AB 2551 (Gallagher R) Surface storage: design-build contracts.</i></p> <p>RWA Interest:</p> <p>Would authorize certain surface storage projects that receive Proposition 1 funding to use the design-build method of project delivery.</p>	Watch	<p>Introduced: 2/19/16</p> <p>Amended 4/5</p> <p>Passed by Com. W, P, & W and referred to Approp. Com. on 4/12</p> <p>Recommend we remove from Hot List</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>AB 2601 (Eggman D) Building standards: residential property: graywater.</i></p> <p>RWA Interest: This bill is included because of the potential impact to and/or concern of local agencies dealing with grey water systems. The bill amends the building standards to mandate grey water infrastructure be included in all new residential units.</p> <p>Would require the Department of Housing and Community Development, on or after January 1, 2017, to adopt and submit to the California Building Standards Commission for approval amendments to the building standards that require all new single-family and duplex residential dwelling units include specified components to allow the separate discharge of graywater for direct irrigation and that all new single-family residential dwelling units include a segregated building drain for lavatories, showers, and bathtubs to allow for future installation of a distributed graywater system.</p> <p>ACWA Oppose Unless Amended</p>	Watch	<p>Introduced: 2/19/16</p> <p>Status: Referred to Com. on Housing and Comm Dev on 3/10</p>
<p><i>ACA 8 (Bloom D) Local government financing: water facilities and infrastructure: voter approval.</i></p> <p>RWA Interest: This measure attempts to add a tool to the toolbox water agencies can use for funding needed infrastructure projects. Specifically, it would exempt bonds sold for purposes of funding water related infrastructure projects from the 1% property tax limit and it would lower the voter approval threshold for such bonds from 2/3 of voters to 55% of voters.</p> <p>ACWA Support</p>	Watch	<p>Introduced: 2/19/16</p> <p>Move to Support?</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>SB 814 (Hill D) Drought: excessive water use: urban retail water suppliers.</i></p> <p>RWA Interest: SB 814 will require both public and private urban retail water suppliers that directly provide potable municipal water to more than 3,000 users – to levy fines against excessive water users and define.</p> <p>The bill prohibits excessive water use and requires water suppliers to assess a penalty of at least \$500 on residential water customers for every hundred cubic feet used above an “excessive use definition”.</p> <p>Would require water providers to:</p> <ul style="list-style-type: none"> • Establish an ordinance or rule to create a definition of excessive use based on local conditions and declare that excessive use is a waste or unreasonable use of water. • Assess fines on residential customer’s water bills. • Have a process for non-payment. • Have an appeal process for assessed fines. <p>ACWA Oppose Unless Amended</p>	<p>OPPOSE</p>	<p>Introduced: 1/4/16</p> <p>CMUA and ACWA both working on amendments.</p> <p>Soyla will schedule meeting with Hill or staff to find out willingness to amend.</p> <p>3/31/16 – Withdrawn from Com. on NR & W – Re-referred to Approp. Com</p> <p>Amended 3/30 – removed part of bill that increased public records act request authorities</p>
<p><i>SB 919 (Hertzberg D) Water supply: creation or augmentation of local water supplies.</i></p> <p>RWA Interest: SB 919 is attempting to encourage more recycled water and desalination by cost-effectively tapping into oversupplies of renewable energy. ACWA concludes that the existing language discourages inter-regional transfers and is anti-robust water market. ACWA’s position at this point is a “Favor if Amended”</p> <p>SB 919 requires the Public Utilities Commission to develop a special time of use rate for entities that augment local water supply through recycling, brackish desalting, or desalination. The bill also requires the Commission to adopt other policies that address the issue of oversupply.</p> <p>ACWA Favor if Amended</p>	<p>Watch</p>	<p>Introduced: 1/27/16</p> <p>Referred to Coms. on E., U., & C. and N.R. & W. on 2/4/16</p> <p>Amended on 3/7, 4/6 and 4/14</p> <p>Passed Com. on NR and referred to Approp. Com on 4/14</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>SB 1233 McGuire D) Joint powers authorities: Water Bill Savings Act.</i></p> <p>RWA Interest: This bill would authorize JPAs to provide funding for a customer of a local agency to voluntarily acquire, install, or repair a water efficiency improvement on the customer’s property. The bill would require the customer to repay the JPA through an efficiency charge on their water bill. SB 1233 will provide local governments and disadvantaged communities the necessary tools to fund water savings projects for customers who voluntarily participate, thus helping the state achieve its continued goals of reducing water use.</p> <p>ACWA Watch</p>	Watch	<p>Introduced: 2/18/16</p> <p>Amended 3/28 and 4/14 – technical amendments</p> <p>Referred to Com on Gov & Finance</p> <p>Calendar: 4/27 - Com. on Gov and Finance</p>
<p><i>SB 1262 (Pavley D) Water supply planning.</i></p> <p>RWA Interest: This bill, along with a few others, including SB 1263, SB 1317, and SB 1318 all take strides towards more State Board control and seem to also further define the water system consolidation requirements put into law last year through the Trailer Bill process, specifically SB 88.</p> <p>SB 1262, in conjunction with SB 1263 builds on the administration’s Affordable Safe Drinking Water Initiative to update the “show me the water” bills from 2012 (SB 610 and SB 221) as follows:</p> <ul style="list-style-type: none"> • Integrates GSA’s and consideration of groundwater sustainability plans into water supply and land use planning. • Prohibits use of groundwater to supply new development if the groundwater basin has been deemed out of compliance with SGMA (i.e., is “probationary”) • Prohibits the use of hauled water • Creates a process to discourage creation of new water systems when it is geographically and economically feasible to connect to an existing system <p>ACWA Oppose Unless Amended</p>	WATCH	<p>Introduced: 2/18/16</p> <p>Calendar: 4/20 – Com. on Gov and Finance</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>SB 1263 (Wieckowski D) Public water system: permits.</i></p> <p>RWA Interest: This bill, along with a few others, including SB 1262, SB 317, and SB 318 all take strides towards more State Board control and seem to also further define the water system consolidation requirements put into law last year through the Trailer Bill process, specifically SB 88.</p> <p>Also, there is no definition of “new public water system” in the bill.</p> <p>SB 1263 would commencing January 1, 2017, prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the State Board and would allow the State Board to impose technical, financial, or managerial requirements on the permit.</p> <p>ACWA Oppose Unless Amended</p>	<p>WATCH</p>	<p>Introduced: 2/18/16</p> <p>Passed by Com. on E.Q. and referred to Approp. Com. on 4/6</p>
<p><i>SB 1264 (Cannella R) Monterey County Water Resources Agency: Salinas River System.</i></p> <p>RWA Interest: This one is simply an earmark question. It probably doesn't have much of a chance of getting signed into law. Does RWA take stances on earmark matters? To be determined after further direction from the Executive Committee.</p> <p>Would appropriate \$1,000,000 from the General Fund to the Monterey County Water Resources Agency, for use in the Salinas River, to assist in the removal of excess vegetation and trash, increase efficiency of instream flow using sediment and vegetation management strategies, and support the development and implementation of long-term management policies.</p> <p>ACWA Favor</p>	<p>Watch</p>	<p>Introduced: 2/18/16</p> <p>Referred to Com. on N.R. & W and E.Q.</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>SB 1294 (Pavley D) The California Community Climate, Drought, and Jobs Resiliency Act.</i></p> <p>RWA Interest: At face value, RWA agencies could benefit from this bill as it specifically states that in awarding grants, the Department of Resources Recycling and Recovery shall give priority to projects that would aid urban canopies at the greatest risk from drought. The bill does not indicate where the funding would come from so, RWA should keep an eye on this for potential PGC language.</p> <p>Would require the Department of Resources Recycling and Recovery to award grants to local conservation corps certified by the California Conservation Corps for projects that improve the climate and drought resiliency of urban canopies, community landscaping, and urban greening efforts through the use of various water conservation methods, including the application of compost and mulch.</p>	Watch	<p>Introduced: 2/19/16</p> <p>Amended on 4/4</p> <p>Calendar: 4/20 – Com. on E.Q.</p>
<p><i>SB 1317 (Wolk D) Conditional use permit: groundwater extraction facility.</i></p> <p>RWA Interest: This bill will require local agencies to issue permits for groundwater wells unless they adopt an ordinance regulating the installation of groundwater wells before July 1, 2017.</p> <p>Would, by July 1, 2017, require a city or county overlying a basin designated as a high- or medium-priority basin to establish a process for the issuance of conditional use permits for the development of a groundwater extraction facility in order to prevent a new groundwater extraction facility from contributing to or creating an undesirable result, as prescribed.</p> <p>ACWA Oppose</p>	OPPOSE	<p>Introduced: 2/19/16</p> <p>Soyla will schedule meetings with Wolk’s staff.</p> <p>LSP would like to find way to recommend a support position. Consider amendments limiting this bill to private wells and, possibly to critically overdraft gw basins only</p> <p>Passed – Com. on NR & W – referred to Com. on Gov & Finance</p> <p>Calendar: 4/20 – Com. on Gov & Finance</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><u>SB 1318 (Wolk D)</u> Local government: drinking water infrastructure or services: wastewater infrastructure or services.</p> <p>RWA Interest: This bill is another step towards mandatory consolidations. Recent amendments (4/12) slow down the process but still limit LAFCO discretion.</p> <p>Senate Bill 1318 ensures that disadvantaged communities secure access to safe and affordable drinking water and wastewater services. Specifically, this bill requires cities and special districts to make water and wastewater services available to existing communities within or adjacent to their spheres of influence prior to annexing more land or extending services for new development.</p> <p>ACWA Oppose</p>	<p>OPPOSE</p>	<p>Introduced: 2/19/16</p> <p>Amended: 3/28 and 4/12</p> <p>Passed by Com on Gov & Finance</p> <p>Referred to Com on E.Q.</p> <p>Calendar: 4/20 Com. on E.Q.</p>
<p><u>SB 1340 (Wolk D)</u> Water Conservation in Landscaping Act</p> <p>RWA Interest: SB 1340 incorporates a requirement for the permitting of stand-alone irrigation installations for commercial and large residential landscapes into the Water Conservation and Landscaping Act. This is definitely an added workload on local agencies but it does address a potential problem area that is addressed in the Independent Technical Report produced in response to AB 1420 (Laird). RWA may want to consider a “Support” position.</p> <p>SB 1340 would add to the model water efficient landscape ordinance a permit requirement for the installation, expansion, or replacement of specified automatic irrigation systems for a landscape project on or after July 1, 2017. The bill would allow the governing body of a local agency to adopt an ordinance prescribing fees for filing an application for the permit.</p> <p>ACWA Oppose</p>	<p>Watch</p>	<p>Introduced: 2/19/16</p> <p>Amended 4/5</p> <p>Passed Com. on NR&W</p> <p>Calendar: 4/18 – Senate Third Reading File</p>
<p><u>SB 1398 (Leyva D)</u> Public water systems: lead pipes.</p> <p>Would require a public water system to compile an inventory of lead pipes in use by July 1, 2018, and, after completing the inventory, to provide a timeline for replacement of lead pipes in the system to the board. This bill would require the board to establish best practices to ensure that chemicals introduced into public water systems do not create corrosion or contamination within the system.</p>	<p>Watch</p>	<p>Gut and Amended on 3/28</p> <p>Calendar: 4/20 – Sen Com. on E.Q.</p> <p>Still needs to be reviewed but recommend adding to “Hot List”</p>

RWA – Hot Bill Legislation (New Bills)	Position	Status
<p><i>SB 1440 (Cannella R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.</i></p> <p>RWA Interest: A bill seeking to limit CEQA related delays for impeding storage projects funded through Prop 1.</p> <p>For certain water storage projects funded, in whole or in part, by Proposition 1, the bill would authorize the lead agency to concurrently prepare the record of proceedings for the project and limits the time. The bill would require the Judicial Council, on or before July 1, 2017, to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review of a lead agency's action in certifying the environmental impact report and in granting approval for those projects that require the actions or proceedings, including any appeals therefrom, be resolved, to the extent feasible, within 370 days of the certification of the record of proceedings. The bill would prohibit a court from staying or enjoining those projects unless it makes specified findings.</p>	Watch	<p>Introduced: 2/19/16</p> <p>Hearing on 4/6 @ Com on E.Q. cancelled at authors request</p>

Version 3 of Hot List Summary – April 19, 2016

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- Adds SB 1398
- Removes AB 2515, AB 2551

April 27, 2016

AGENDA ITEM 9: RWA MAY 12, 2016 BOARD MEETING

Action: Approve Agenda for May 12, 2016 Meeting of the RWA Board of Directors

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, May 12, 2016; 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. CONSENT CALENDAR**
 - a. Minutes from the March 10, 2016 RWA regular board meeting
Action: Approve Consent Calendar Items
- 4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the February 17, 2016 and March 23, 2016 Executive Committee meetings and draft minutes from the April 27, 2016 Executive Committee meeting
 - b. **Action: Approve RWA Associate Members Policy 100.3, RWA Journal Entry Approval Policy 500.7 and RWA Purchasing Card Policy 500.8**
- 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**
- 6. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM REALLOCATION AGREEMENT**

Information Presentation: John Woodling, Executive Director
Action: Approve the CalPERS Reallocation Agreement and direct the Executive Director to execute the Reallocation Agreement on behalf of RWA
- 7. REGIONAL RELIABILITY PLAN UPDATE**

Information Presentation: Rob Swartz, Manager of Technical Services
- 8. NEVADA IRRIGATION DISTRICT UPDATE**

Information Presentation: Rem Scherzinger, General Manager, Nevada Irrigation District

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, May 25, 2016 and Wednesday, June 22, 2016, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, July 14, 2016 9:00 a.m., at the RWA Office.

April 27, 2016

AGENDA ITEM 10: DIRECTORS' COMMENTS