

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**August 24, 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**
Minutes of the July 27, 2016 Executive Committee meeting
Action: Approve Minutes of the July 27, 2016 Executive Committee meeting
- 4. REGIONAL RELIABILITY PLAN UPDATE**
Information Presentation: Rob Swartz, Manager of Technical Services
- 5. 2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROJECT AGREEMENT**
Action: Approve 2015 Proposition 84 Grant Project Agreement
- 6. RWA AFFILIATE APPLICATION**
Information Presentation - John Woodling, Executive Director
Action: Recommend RWA Board approval of RWA Affiliate application from Brown and Caldwell
- 7. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: Executive Director
- 8. REPORT FROM CLOSED SESSION – EXECUTIVE DIRECTOR'S PERFORMANCE**
Action: Report on Executive Director's Performance Evaluation pursuant to Exhibit A of existing contract

9. MODIFICATION OF ASSOCIATE MEMBER POLICY 100.3

Action: Recommend RWA Board approval of proposed amendments to Policy 100.3

10. RWA SEPTEMBER 8, 2016 BOARD MEETING

Action: Approve Agenda for September 8, 2016 Meeting of the RWA Board of Directors

11. EXECUTIVE DIRECTOR REPORT

12. DIRECTOR'S COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – September 28, 2016 and October 26, 2016 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, September 8, 2016, at 9:00 a.m. at the RWA office

August 24, 2016

AGENDA ITEM 3: CONSENT CALENDAR

The draft minutes from the Executive Committee meeting held July 27, 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

Audie Foster, California American Water
Marcus Yasutake, City of Folsom
Spencer Short, City of Lincoln
Debra Sedwick, Del Paso Manor Water District
Robert Dugan, Placer County Water Agency
Kerry Schmitz, Sacramento County Water Agency
Rob Roscoe, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

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

Others in Attendance

Mike O'Hagan and Kelye McKinney.

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held June 22, 2016.

Motion/Second/Carried (M/S/C) Ms. Tobin moved, with a second by Ms. Sedwick, to approve the minutes from the June 22, 2016 Executive Committee meeting. The motion carried by the unanimous voice vote of all directors present.

4. WATER EFFICIENCY UPDATE

Amy Talbot, WEP Program Manager, gave a PowerPoint presentation with an overview of water savings, the May 2016 Executive Order, the Emergency Regulation, long term regulations and current public outreach messaging. The

region continues to show impressive water savings with 30% in April, 35% in May and 22% in June 2016 compared to the same corresponding months in 2013. The cumulative savings from June 2015 through June 2016 is 31% and has been holding steady at this percentage since January 2016. June marks the end of mandatory regulation from the State Water Board, although many agencies are requesting that customers continue to use water wisely and are continuing conservation programs and water waste enforcement efforts.

Although the region's agencies no longer have mandatory conservation standards, Governor Brown's May 6, 2016 Executive Order directs the Department of Water Resources (DWR) and the State Water Resources Control Board (State Water Board) to "develop new water use targets as part of a permanent framework for urban water agencies." The new targets will build on the existing 20% by 2020 state law requirements and will be customized for the "unique conditions of each water agency" based on indoor residential per capita water use, outdoor irrigation incorporating landscape area, local climate and new satellite imagery data, commercial, industrial and institutional water use and water lost through leaks. The May 2016 Executive Order included text on the following topics: modifying emergency regulations, outlining long term water use standard framework requirements, required monthly reporting, permanent water waste restrictions and water shortage contingency plans.

The process moving forward to develop the new water use targets has been loosely outlined so far. DWR and the State Water Board are working on further defining the process and assigning associated workgroups and subcommittees. To date, there have been several "listening sessions" in early June to gather input from stakeholders. RWA attended the Sacramento listening session on June 3 and provided comments. RWA is closely tracking the process and will continue to keep members informed. A RWA conservation policy committee was formed to propose, review, and evaluate strategies regarding this process. DWR and the State Water Board shall publicly issue a proposed draft framework by January 10, 2017.

Staff is currently in the process of obtaining irrigated landscape area data from a consulting firm in partnership with SACOG to evaluate parcel level landscape area for Sacramento and Placer County. This will give staff an idea of how many acres of landscape area are in the region to evaluate proposals released during the new water use target process. John Woodling has been invited to participate on the newly formed urban advisory group (UAG) that oversees the implementation of the May 2016 Executive Order. Monthly meetings are anticipated with the first meeting on August 15th. There will be subcommittees formed for each task including water use targets, shortage contingency plans and water loss.

Senate Bill 555 (SB 555), the Water Loss bill, requires water agencies to submit validated water loss audits by October 2017 and annually after that. There is a free technical assistance program being offered that is paid for by the state.

Agency staff that sign up and complete the program turning in their audit in 2017, will have the audit considered validated and will be in compliance with SB 555. After 2017 agency audits must be validated by a qualified water loss auditor certified through the California-Nevada American Water Works Association (CA NV AWWA) certification process. Ms. Talbot explained the training process for self-auditing and validating.

There was discussion on landscape data and water use and how that affects water efficiency numbers.

The current Water Efficiency Program message is to “Rethink Your Yard” by reducing outdoor water use, prioritizing trees, checking sprinklers for efficiency and upgrading landscape with low water use plants. A billboard campaign has been launched focusing on residents who have permanently changed their landscape to be more water efficiency in an effort to influence other residents to change their landscapes. Resources are available on the BeWaterSmart.Info website to assist interested residents in rethinking their yards.

5. RWA AFFILIATE APPLICATION

On May 15, 2014, the RWA Board approved a new Affiliate Membership policy. Entities eligible to become RWA Associate Members include public or private entities with an interest and management role in regional water matters that are not eligible for other classes of membership in RWA. The purpose of the Affiliate relationship is to promote communication between water managers and the community and to support RWA’s efforts to educate and inform the public. A letter that RWA received from California Pool & Spa Association requesting Affiliate status was included in the packet. John Woodling, Executive Director, commented that this is a statewide association located in Sacramento which offers opportunities to engage with an association located in our region but that operates on a statewide scale.

M/S/C Mr. Dugan moved, with a second by Mr. Yasutake, to recommend approval of RWA Affiliate application from California Pool & Spa Association. The motion carried by the unanimous voice vote of all directors present.

6. REGIONAL RELIABILITY PLAN UPDATE

Rob Swartz, Manager of Technical Services, gave an informational update reporting that staff is continuing to develop a project agreement to commence the Reliability Water Reliability Plan project as a subscription-based program at RWA. On June 16, 2016, staff released a draft project agreement to the potential participating agencies for their review. Comments were received by July 20, 2016. A revised project agreement was enclosed in the packet. Final details of the funding provided by each of the participants (included as Exhibit 3 of the project

agreement) are still under development, and an updated funding plan was provided to the Executive Committee. Mr. Swartz provided a brief overview of activities related to the project, gave an overview of the minor edits that were made to the agreement and requested approval of the project agreement by the Executive Committee. He said that by August the last details will be sorted out and as necessary, Exhibit 3 will be modified. It was suggested that the Executive Director have the ability to approve non substantive changes to the agreement.

M/S/C Ms. Sedwick moved, with a second by Ms. Tobin, to approve the Regional Water Reliability Plan Project Agreement giving the Executive Director the ability to approve non substantive changes to the agreement. The motion carried by the unanimous voice vote of all directors present.

7. LEGISLATION UPDATE

Dave Brent, Water Policy Advisor, gave an update saying that as the two-year legislative session comes towards a close, RWA's focus is on four bills that could have an impact on water policy and our member agencies in the future. The two-year legislative session will be wrapping up in August and staff will work closely with the RWA contract lobbyist (Fernandez Government Solutions), ACWA, and other agencies on these four bills while actively monitoring legislative actions that may bring last minute, high-priority legislation onto the radar screen.

The four bills that RWA is working on and the recommended positions are as follows:

AB 2909 (Levine) – Support if Amended: This bill was recently gutted and amended to become legislation that would help expedite certain types of recurring water transfers. While not a comprehensive overhaul to the water transfer processes in California, this bill would require the state board to develop and implement an expedited 30-day review process for approval of petitions to temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if the transfer is for a reoccurring water transfer or an environmentally beneficial transfer. It further requires DWR to develop a 30-day review process for reoccurring water transfers between contractors for State Water Project water and for reoccurring water transfers that utilize facilities of the State Water Project.

SB 552 (Wolk) – Oppose: This is a two-year bill that RWA had as a "Watch" but recent amendments moved our recommenced position to "Oppose". Of most concern to RWA, this bill, as amended, would give the SWRCB the authority to mandate consolidations of "designated water system" (defined as a public water system that serves a disadvantaged community and that the SWRCB finds consistently fails to provide an adequate and affordable supply of safe drinking water) without adequate assurances that the subsuming water agency would not be on the hook for increased costs associated with the consolidation.

SB 814 (Hill) – Oppose: This bill has been favorably amended from the version that RWA initially opposed. However, it still fails to recognize the outstanding management of local water supplies and drought response plans developed by RWA member agencies. Favorable amendments to the bill now stipulate that there must be a local water supply shortage condition to trigger the prohibition of excessive use and provides “menu” options of how a water supplier shall administer excessive use prohibitions. The bill also excludes properties that are currently without meters.

SB 1398 (Leyva) – Support if Amended: This bill is well intended and one that RWA would like to support. As currently written the bill would involve costly and potentially unnecessary replacement of infrastructure that is not known to present a lead-based threat to public health. RWA is actively working with the author to make amendments to the bill that would cost-effectively identify and mitigate the threat of lead levels exceeding public health standards and better define the limits of responsibility such that public agencies wouldn’t be responsible for plumbing on private property. The language currently in the bill states that the responsibility is from the pipe in the street to the house. Staff proposes that the bill be cleaned up to state that the public agencies are responsible for the pipe in the street to the meter.

Mr. Brent said there was a bill that would have instructed agencies to go onto school sites to do testing. The bill ultimately died, but a similar bill is anticipated next year.

The full RWA “Hot Bills” list was included in the board packet and information on lower priority bills that have been tracked throughout the legislative session are available on the RWA website or upon request.

There was discussion regarding possible future legislation that may focus on the level of contaminants allowed in drinking water.

M/S/C Mr. Yasutake moved, with a second by Ms. Tobin, to approve the RWA Positions on Legislation. The motion carried by the unanimous voice vote of all directors present.

8. EXECUTIVE DIRECTOR’S REPORT

Government Affairs Update – The State Water Resources Control Board is in the process of developing a Maximum Contaminant Level (MCL) for 1,2,3-trichloropropane (TCP). Existing data indicate that this contaminant has not had widespread occurrence in the RWA region. RWA joined other statewide and regional organizations in a letter to the SWRCB urging a scientifically based approach to Phase II of the Delta Water Quality Control Plan Update. RWA/SGA staff continues to take a leadership role in implementation of the Sustainable

Groundwater Management Act (SGMA). Staff attended a meeting of DWR's Practitioner Advisory Panel to provide input into the Water Available for a Replenishment report and the Best Management Practices (BMPs), both of which are due by the end of 2016.

Grants Update – Staff is currently managing seven grants totaling \$54.2 million. Staff is nearing completion of a funding agreement with DWR for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant round. Over the next quarter, RWA will be closing out the 2006 \$25 million Prop 50 award.

The Sacramento State Office of Water Programs (OWP) is being recommended to receive grant funds from the State Water Board to develop a Stormwater Resources Plan (SRP) for the American River Basin (ARB). The SRP is being developed in coordination with RWA and will be incorporated into the ARB Integrated Regional Water Management Plan when completed in 2018. A key benefit to the SRP is that it will make stormwater projects by ARB stakeholders eligible to receive grant funding from Proposition 1. RWA staff will participate with OWP and other regional stakeholders in developing the SRP.

RWA Outreach – Mr. Woodling as well as Jim Peifer and Andy Fecko were invited to speak to the Southern California Water Committee at its quarterly meeting on July 22, 2016. The presentation focused on our common interests in water supplies from the Sacramento River and tributaries and the challenges posed by an unsustainable Delta. We described our regions efforts on water efficiency to reduce demand as well as infrastructure investment to increase the reliability of supplies. RWA held a well-attended and successful (if somewhat warm) anniversary luncheon on July 14. Mr. Woodling received an invitation to speak at the National Resources Association seminar on Innovations in Groundwater Management.

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

It was determined that a closed session was not necessary. John Woodling, Executive Director, gave an update on the next steps for SGA. Effective July 1, 2016 there is a SGA CalPERS contract in place. In order for SGA to have a CalPERS contract that includes employees participating in Social Security, there is a 12 to 18 month process for CalPERS and Social Security to come to an agreement that our new governmental pension plan for SGA can include employees' participation in Social Security. At this time we cannot contribute to Social Security and staff is working out the details of how SGA is going to deal with that. Once an agreement is in place Social Security will be paid retroactive.

10. DIRECTORS' COMMENTS

Mr. Dugan commented that we need to continue to reduce water use through public outreach and education. With the numbers data we can have responsible efficiency with the Regional Water Authority continuing to be the regional entity for information.

Mr. Foster reported that California American is in construction south of the river at their Chrom 6 treatment plant on a couple of well heads. They are basically tearing everything down and rebuilding to get the vessels in and up and running. The EPA is putting health advisory standards on their well, due to PFOA and PFOS. Cal Am will be moving forward to get treatment on the well using the best treatment, activated carbon. They will be applying for grant funding for the well treatment. Cal Am has finished their general rate case request and submitted it to the California Public Utilities Commission for their consideration.

Mr. Roscoe said that Sacramento Suburban Water District has a 4% rate increase to take effect January 1, 2017. He has received board direction to prepare a budget for 2017.

Ms. Tobin said that San Juan Water District is looking at rate changes including discussion on retail and wholesale rate increases. They just completed their 5 year business plan.

Chair Short reported that City of Lincoln has their regional sewer pipeline operational offering reclaimed water to customers. They have an agreement with Sierra Pacific to take them off potable water.

ADJOURNMENT

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

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

August 24, 2016

AGENDA ITEM 4: REGIONAL RELIABILITY PLAN UPDATE

BACKGROUND:

Staff is continuing to work with our consultant, MWH, to develop a survey of information to collect from each agency. As part of this process, we have had pilot interview meetings with Fair Oaks Water and the City of Lincoln. We expect to begin interviews of participating agencies in September. Staff will provide the Executive Committee with an update on the project.

STAFF RECOMMENDATION:

Information Presentation: Rob Swartz, Manager of Technical Services

August 24, 2016

AGENDA ITEM 5: 2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROJECT AGREEMENT

BACKGROUND:

In 2015, RWA was recommended for a \$1.757 million award from the final round of the Proposition 84 Integrated Regional Water Management Grant Program administered by the California Department of Water Resources (DWR). The grant will fund four priority projects in the region. The grant agreement between RWA and DWR is currently being routed for signature. The DWR grant agreement requires that RWA demonstrates the grant sub-recipients are aware of, and agree to, the terms of the DWR agreement. Additionally, in accordance with RWA's policy, projects are to be funded directly by the participants. The enclosed project agreement will launch an RWA subscription project to manage the grant on behalf of the grant recipients. The project agreement has been reviewed by RWA legal counsel. Staff will request that the Executive Committee approve the RWA project agreement.

STAFF RECOMMENDATION:

Information Presentation: Rob Swartz, Manager of Technical Services

Action: Approve 2015 Proposition 84 Grant Project Agreement

**REGIONAL WATER AUTHORITY
PROJECT AGREEMENT**

2015 PROPOSITION 84 IMPLEMENTATION GRANT PROJECT

This Agreement is made and entered into as of the __ day of _____, 2016, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the RWA Members and Contracting Entities listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

F. RWA developed and adopted an Integrated Regional Water Management (“IRWM”) Plan for the lower American River Basin (“ARB”) to identify objectives and projects that will result in water supplies for all uses in a sustainable environment.

G. The California Department of Water Resources has awarded a 2015 Proposition 84 IRWM Implementation Grant to fund projects in the ARB IRWM Plan.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

1. Recitals Incorporated. The foregoing recitals are hereby incorporated by reference.

2. Description of the Project. The project that RWA and the Participants desire to carry out involves completing the suite of projects included in RWA’s application to the California Department of Water Resources (“DWR”) for a 2015 IRWM Implementation Grant under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (“Prop 84”), to fund certain Participant projects as submitted on August 7, 2015. These projects are identified in Exhibit 1 of this Project Agreement.

3. Project Committee. The Participants hereby form a Project Committee consisting of one representative (and one or more alternates) designated by each Participant. The Project Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. A majority of the members of the Project Committee will constitute a quorum, and a majority of the members of the Project Committee will be required for an affirmative vote to take action on behalf of the Participants.

4. Sharing in Project Costs and Benefits. Each Participant will pay an apportioned share of project management costs (“Management Fee”), which include all estimated project management expenses (see Article 7 of this Agreement) for the duration of the Project. The Grant Award and Management Fee for each Participant is shown in Exhibit 1. Except as otherwise authorized in this Agreement, a Participant’s Management Fee shall not exceed the amount shown in Exhibit 1. A portion of the Management Fee of each of the Participants will be funded directly through the grant award. That portion will not be directly reimbursed to the Participants, but will be used to cover a portion of RWA’s project management costs. This results in the Net Grant Award shown in Exhibit 1, which will be directly reimbursed to the Participants.

The Project Committee will pay back any surplus funds, including any excess Management Fees, to the Participants on an apportioned share basis reflecting the amount of the payments made by each of the Participants. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and

indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

5. Role of Participants. Participants to this Project Agreement acknowledge that RWA will execute a grant agreement with DWR to accept the 2015 IRWM Implementation Grant. The Participants, acting as Local Project Sponsors, shall assume responsibility of individual project management, oversight, compliance, and operations and maintenance of their respective projects. The Participants shall also act on behalf of RWA in the fulfillment of responsibilities as specified in the grant agreement with DWR. Specified responsibilities are identified in Exhibit 2 of this Project Agreement. RWA will have no obligation to prepare and submit invoices or take any other actions on behalf of, or liability for failing to take any action in regard to obtaining reimbursement for, any Participant that breaches one or more of its responsibilities provided in this Agreement or Exhibit 2 hereof and that fails to cure such breach promptly after receipt of notice from RWA of the breach and requirements for curing the breach. RWA also will have no liability to any Participant for the unavailability of grant funds from the DWR or any other state or federal agency.

6. Role of RWA. The Executive Director of RWA will: (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, and (d) administer implementation of the grant on behalf of RWA and the Participants consistent with the determinations of the Project Committee and the provisions of this Agreement.

7. RWA Project Management Expenses. As part of the project management budget of \$60,000 (including legal fees, data collection and retrieval, report preparation, project management, project audits, and other activities necessary to complete the project), each Participant will pay RWA the amount shown in Exhibit 1 as its Management Fee. The Participant Local Share Management Fee being collected represents the 25 percent minimum local cost share required under the DWR grant award; the DWR grant award will fund up to 75 percent (or a maximum of \$45,000) of the RWA Management Fee. The amount of \$60,000 to manage the grant is based on a cost estimate developed by RWA staff, which is attached as Exhibit 3. While none are anticipated at this time, any fee increases above the not-to-exceed budget would require a written amendment to this Agreement approved by each Participant.

8. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of \$15,000 by Project Participants to fund the initial Project costs. Upon execution of this Agreement, each Participant agrees to pay their Management Fee as required by Articles 4 and 7. Payments will be due and payable upon RWA's presentation of an invoice to each Participant.

9. Term. This Agreement will remain in effect for as long as any obligations under this Agreement remain outstanding.

10. Withdrawal. A Participant may withdraw from this Agreement at any time,

effective upon sixty days' notice to RWA and the other Participants, provided that the withdrawing Participant will not be entitled to a refund of any portion of its initial Project costs and initial Management Fee payment.

11. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

12. General Provisions. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery. This Agreement shall be governed by the laws of the State of California. This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

The foregoing 2015 Proposition 84 IRWM Implementation Grant Project Agreement, is hereby consented to and authorized by RWA and the Participants.

Dated: _____, 2016

Dated: _____, 2016

Signature

Signature

Name

Name

Regional Water Authority

Organization

EXHIBIT 1

PROJECT PARTICIPANT AWARDS AND FEES

Organization	Project Name	Total Grant Award	Total Management Fee	Local Share Management Fee	Grant Share Management Fee	Net Grant Award
El Dorado Irrigation District	Outingdale Water Intake	\$ 160,625	\$ 6,000	\$ 1,500	\$ 4,500	\$ 156,125
Rio Linda/Elverta Community Water District	Well 10 Hexavalent Chromium Treatment	\$ 530,000	\$ 18,000	\$ 4,500	\$ 13,500	\$ 516,500
Sacramento County Water Agency	North Freeway Well Conversion	\$ 214,125	\$ 6,000	\$ 1,500	\$ 4,500	\$ 209,625
Regional Water Authority	Regional Water Conservation Measures	\$ 852,250	\$ 30,000	\$ 7,500	\$ 22,500	\$ 829,750
		\$ 1,757,000	\$ 60,000	\$ 15,000	\$ 45,000	\$ 1,712,000

EXHIBIT 2

PARTICIPANT/LOCAL PROJECT SPONSOR OBLIGATIONS UNDER DWR PROPOSITION 84 2014 IRWM DROUGHT GRANT AGREEMENT

Each Participant listed in Exhibit 1, acting as a Local Project Sponsor, has agreed in accordance with Section 5 of the Program Agreement that it will fully and timely perform all Local Project Sponsor obligations. Under Article 8 of the 2015 Proposition 84 Implementation Grant Agreement between RWA and DWR (“Grant Agreement”), each Local Project Sponsor is required to act on behalf of RWA for the purposes of individual project management, oversight, compliance, and operations and maintenance, and to act on behalf of RWA in the fulfillment of RWA’s responsibilities under the agreement.

The Grant Agreement is attached as Appendix A to this Exhibit 2 and made a part hereof. The attached draft agreement will be replaced as necessary with any amended drafts and, when executed, with the final document. RWA will provide each Participant with a copy of the executed final Grant Agreement. Any new or amended terms and conditions in subsequent versions of the Grant Agreement will govern over the similar terms and conditions stated in this Exhibit 2.

Each Participant will include all applicable provisions in this Exhibit 2 as contract terms, conditions or specifications in any consulting, construction or other contract let to a contractor or subcontractor to carry out any portion of a project funded under the Grant Agreement.

With reference to the attached Grant Agreement, each Participant is required to:

I. Financial Provisions

A. Cost Share. Each Participant shall be obligated to provide its agreed local cost share for its project in the amount agreed between RWA and DWR and approved by Participant. Each participant may include eligible costs for its project incurred after January 1, 2011 in its local cost share amount.

B. General Funding Conditions. In order to be eligible for reimbursement of project costs, each Participant is required to comply with the following general conditions: (1) demonstrate the availability of sufficient funds to complete its project by submitting the most recent 3 years of audited financial statements; (2) comply with Public Resources Code section 75102 to notify any California Native American tribe with traditional lands located within the project area of project construction using contact list maintained by the Native American Heritage Commission (this applies to projects filing a negative declaration or environmental impact report under CEQA after March 1, 2009; and (3) for groundwater management and recharge projects and projects with potential groundwater impacts, demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Solicitation Guidelines, dated May 2015.

C. Eligible Project Costs. Participants may only apply grant funds to eligible project costs in accordance with applicable provisions of the law and Exhibit C of the attached Grant Agreement. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Project Costs, depending on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. For a more detailed description of project costs that are eligible for reimbursement and costs that are not eligible for reimbursement, Participants should review Article 10, beginning on page 2, of the attached Grant Agreement.

D. Invoice Information. Invoices must include all of the information provided in Article 11, page 3 of the attached Grant Agreement. RWA will provide Participants with information on preparing reimbursement requests and the information required to prepare and submit invoices to DWR. Each Participant will promptly respond to any RWA request for additional information necessary for RWA staff to prepare reimbursement requests acceptable to DWR.

E. Accounting and Deposit of Funding Disbursement. Each Participant is obligated to account for the expenditure of all grant funds received. Participant's obligations all of the accounting, disclosure and return of funds provisions set forth in Article D.1, Exhibit D of the attached Grant Agreement.

F. Travel. Each participant agrees that travel and per diem costs shall not be eligible for reimbursement with State funds, and shall not be eligible for computing participant cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of the attached Grant Agreement.

II. Permitting and Environmental Compliance

A. Environmental Compliance. No Participant may proceed with any project work that is subject to CEQA and any other environmental permitting requirements until Participant: (1) submits all applicable environmental permits indicated on the Environmental Information Form to DWR; (2) provides copies of any CEQA documents required for its project to DWR; and (3) after DWR completes any required CEQA compliance review as a Responsible Agency, receives written concurrence from the DWR of Participant's CEQA documents and DWR's notice of verification of environmental permit submittal.

B. Permits, Licenses, and Approvals. Each Participant shall be responsible for ensuring that any and all permits, licenses, and approvals required for performing its project are obtained, and shall comply with federal, State and local laws, rules, and regulations, guidelines, and requirements applicable to its project. Each participant shall provide copies of permits and approvals to RWA for submission to DWR.

III. Reporting and Audit Obligations

A. Submission of Reports. Each Participant will provide all reports (including Quarterly Progress, Water Management Status, Project Completion, Grant Completion, and Post-Performance Reports), data, information, and certifications necessary for RWA to comply with all DWR reporting requirement provided in the Grant Agreement. RWA will provide Participants with template report forms, reporting and instructions and related assistance to ensure the timely preparation and submittal of all reports in the necessary formats required under the Grant Agreement. Participants will timely respond to any RWA requests for additional information and work on required reports. The types, format, content, and timing of required reports is provided in Exhibit G to the attached Grant Agreement and Participants are encouraged to review and familiarize themselves with that information. Water Management Status reporting requirements are described in Article 19, page 8 of the attached Grant Agreement.

B. State Audits. The State reserves the right to conduct an audit at any time between the execution of the Grant Agreement and the completion of any or all projects funded by the Grant Agreement. After completion of all projects, the State may require RWA to obtain a final audit conducted by an independent Certified Public Accountant. In addition, under Government Code section 8546.7, the State may audit the performance of the Grant Agreement or of individual projects for a period of three years after final payment under the Grant Agreement (i.e., completion of all projects and payment of closing invoice). Participants, and their contractors and subcontractors, are required to preserve all project-related records and data for a minimum of three years after final payment under the Grant Agreement. See Exhibit I to the attached Grant Agreement for a listing of documents and records that State Auditors would require for review if this grant or any individual project(s) funded by it are audited.

C. Disposition of Equipment. Upon RWA's request, each Participant shall provide a final inventory list of equipment purchased with grant funds provided by DWR with a current estimated fair market value of more than \$5,000 per item. Under the Grant Agreement, DWR reserves the right to take title and possession of any items listed in the inventory that it identified in writing within 60 days of receipt of such inventory. All other listed items shall become the Participant's property.

D. Retention. DWR will withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by RWA for reimbursement of project costs until after all projects are completed and RWA has complied with its obligation to submit all required reports as provided in Section III.A., above, and Article 19 of the Grant Agreement. Upon receipt of the retained funds held by DWR, RWA will distribute those funds to each Participant in accordance with the previously agreed amount due.

IV. Project Construction and Operation

A. Labor Compliance. Each Participant must, independently or through RWA (subject to approval by DIR), adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program ("LCP") meeting the requirements of Labor Code section 1771.5. Upon request by the State or RWA, each Participant will promptly submit written evidence of its compliance with the LCP requirements.

B. Operation and Maintenance of Project. Each Participant shall ensure the proper start up and continued efficient and economical operation of its project. Such obligation includes making all repairs, renewals, and replacements necessary to the efficient operation and maintenance of the project. Operations and maintenance costs of funded projects are not reimbursable expenses under the Grant Agreement and each Participant shall be solely liable for payment of such costs.

C. Acknowledgement of Credit. Participants shall include appropriate acknowledgement of the State and any cost-sharing partners for their support when promoting their projects or using any data or information developed under the Grant Agreement. During construction of a project, a Participant must install a sign at a prominent location which shall include a statement that the project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. Each participant shall notify RWA and DWR that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D. Competitive Bidding and Procurement. Each Participant shall comply with all applicable competitive bidding and procurement laws and regulations when contracting for the acquisition of goods and services and construction of projects funded under the Grant Agreement.

E. Inspections and Certification by Engineer.

1. Upon completion of a project and as determined by State, each Participant shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and with the Grant Agreement.

2. The State shall have the right to inspect project work being performed at any and all reasonable times. Each Participant shall include provisions ensuring such access for the State in all contracts and subcontracts entered into for projects funded under the Grant Agreement. During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Participant and its contractors and subcontractors relating to this Grant Agreement.

V. Regulatory Requirements

A. Child Support Obligations. Each Participant acknowledges and agrees that by participating in the grant, it recognizes the importance of child and family support obligations and will fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code. Each Participant also will fully comply with the earnings assignment orders of all employees and will provide the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

B. Drug-Free Workplace. Each Participant certifies, under penalty of perjury under the laws of State of California, its compliance with the requirements of the Drug-Free Workplace Act of

1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking all of the actions provided in Article D.18, Exhibit D to the attached Grant Agreement.

C. Nondiscrimination. Each Participant acknowledges and agrees that it shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Participants shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). Each Participant shall give written notice of its obligations under this paragraph to labor organizations with which they have a collective bargaining or other agreement.

D. Americans With Disabilities Act. Each Participant certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 *et seq.*), and all applicable regulations and guidelines issued pursuant to the ADA.

E. Groundwater Monitoring. Any Participant carrying out a groundwater project or project that includes groundwater monitoring requirements funded by the Grant Agreement shall ensure that such projects are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76, commencing with Section 10780, of Division 6 of Water Code) and, where applicable, that projects affecting water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.

VI. Miscellaneous Provisions

A. Computer Software. Each Participant certifies that it has appropriate controls in place to ensure that grant funds will not be used for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

B. Project Monitoring Plan Requirements. Each Participant shall provide all data, information and cooperation requested by RWA to assist it with the preparation and submittal of the Project Monitoring Plan required under Article 21 of the attached Grant Agreement.

C. Notification of State. Each Participant will promptly notify RWA in writing of the following:

1. Events or proposed changes in a project that could affect the scope, budget, or work performed under the Grant Agreement.

2. Any public or media event publicizing the accomplishments or results of a project funded under the Grant Agreement. Participants shall notify RWA at least 14 calendar days in advance of any such event to provide State representatives with the opportunity to attend and participate.

3. Final inspection of a completed project by a Registered Civil Engineer (See Item IV.E, above). Participants shall notify RWA at least 14 calendar days in advance of any such inspection in order to provide State representatives with the opportunity to participate.

D. Prohibition Against Disposal of Project Without State Permission. Participants shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with their projects without DWR's prior permission. Participants also shall not take any action relating to user fees, charges, and assessments that could adversely affect its ability to meet its obligations under the Grant Agreement, without prior written permission of State.

E. State Indemnification. Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Projects and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.

APPENDIX A

**2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT
IMPLEMENTATION GRANT AGREEMENT BETWEEN
RWA AND DWR**

[Executed Copy of Agreement to be Included Here]

Exhibit 3

COST ESTIMATE - 2015 PROP 84 Implementation Grant Management

Project Management Tasks	Staff	Hrs	Rate	Total
Finalize Grant Agreement with DWR	Legal Counsel	2	250	\$500
(includes update of scope, schedule, budget and finalizing assessment plan)	Manager of Tech Services	12	150	\$1,800
	Project Research Asst.	12	70	\$840
Develop and Execute Project Agreement with Grant Recipients	Legal Counsel	2	250	\$500
	Manager of Tech Services	12	150	\$1,800
Grant Agreement Support to Grant Recipients	Manager of Tech Services	24	150	\$3,600
	Project Research Asst.	48	70	\$3,360
Conduct and Document Project Committee Meetings (up to 3 meetings)	Manager of Tech Services	9	150	\$1,350
	Project Research Asst.	9	70	\$630
Submit Requirements for Disbursement for Projects	Manager of Tech Services	12	150	\$1,800
	Project Research Asst.	24	70	\$1,680
Prepare Invoices for Grant Reimbursement to DWR (up to 12 total)	Manager of Tech Services	48	150	\$7,200
	Project Research Asst.	192	70	\$13,440
Prepare Reimbursement Payments to Participants	Finance Manager	12	110	\$1,320
	Project Research Asst.	12	70	\$840
Prepare Quarter Reports to DWR (up to 10)	Manager of Tech Services	20	150	\$3,000
	Project Research Asst.	120	70	\$8,400
Prepare Project Completion Reports	Manager of Tech Services	8	150	\$1,200
	Project Research Asst.	32	70	\$2,240
Prepare Post-Project Annual Reports	Manager of Tech Services	4	150	\$600
	Project Research Asst.	8	70	\$560
Coordination Meetings with DWR (up to 3 meetings)	Manager of Tech Services	9	140	\$1,260
	Project Research Asst.	9	70	\$630
Direct Expenses				\$1,450
Total RWA Project Management				\$60,000

August 24, 2016

AGENDA ITEM 6: RWA AFFILIATE APPLICATION

BACKGROUND:

On May 15, 2014, the RWA Board approved a new Affiliate Membership policy. Entities eligible to become RWA Associate Members include public or private entities with an interest and management role in regional water matters that are not eligible for other classes of membership in RWA. The purpose of the Affiliate relationship is to promote communication between water managers and the community and to support RWA's efforts to educate and inform the public. Attached is a letter that RWA has received from Brown and Caldwell requesting Affiliate status.

STAFF RECOMMENDATION:

Information presentation: John Woodling, Executive Director

Action: Recommend RWA Board approval of RWA Affiliate application from Brown and Caldwell

11020 White Rock Road, Suite 200
Rancho Cordova, California 95670

Tel: (916) 444-0123
Fax: (916) 635-8805

August 17, 2016



Ms. Nancy Marrier
Regional Water Authority
5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610

Dear Ms. Marrier:

We are writing to apply for Affiliate membership in the Regional Water Authority for Brown and Caldwell (BC). BC is an environmental engineering consulting company with local branch offices in Rancho Cordova and Davis. BC has had the pleasure of providing consulting services to RWA and its member agencies, as well as surrounding water agencies, for over 40 years. A number of our staff have been involved with RWA since its inception and with its member agencies for decades.

BC has a sincere interest in helping RWA succeed in their mission, "To serve and represent the regional water supply interests, and to assist members in protecting and enhancing the reliability, availability, affordability and quality of water resources." We look forward to being an active participant in helping RWA fulfill its mission, and to being an Affiliate member for years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "JW Graydon".

James W. Graydon, P.E.
Vice President

A handwritten signature in blue ink, appearing to read "David Zuber".

David Zuber, P.G., PMP
Vice President

August 24, 2016

**AGENDA ITEM 7: CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS
54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Executive Director

August 24, 2016

**AGENDA ITEM 8: REPORT FROM CLOSED SESSION – EXECUTIVE
DIRECTOR’S PERFORMANCE**

**Action: Report on Executive Director’s Performance Evaluation pursuant to
Exhibit A of existing contract**

EXHIBIT A

SALARY

- A. Effective October 1, 2015, Employee's monthly compensation is \$16,885, reflecting a salary increase of four and one-half percent (4.5%) and an additional adjustment to offset the employee paid share of PERS contribution pursuant to Section 5.g of the October 1, 2015 Amended and Restated RWA Employment Agreement ("Agreement").
- B. Effective January 1 of each calendar year during the term that this Exhibit A is effective, Employee's monthly compensation shall be increased by a percentage equal to the annual percentage increase in the cost of living, as stated in the U.S. Department of Labor's Consumer Price Index for All Western Small Cities for November 1 of the preceding year, up to a maximum of two percent (2%) and if approved in the Authority's budget by the Authority's Board of Directors.
- C. Effective July 1, 2016 and 2017, Employee's monthly compensation shall be adjusted to offset the employee paid share of PERS contribution pursuant to Section 5.g of the Agreement.
- D. Effective October 1, 2016, Employee's monthly compensation shall be increased three percent (3%) for merit if Employee has received a positive annual performance evaluation determined by the RWA Executive Committee.

Agreed pursuant to Section 5.a of the Agreement.

REGIONAL WATER AUTHORITY

By: *Debra J. Sedwick*
Debra Sedwick
Chair, Board of Directors

EMPLOYEE

John K. Woodling
John K. Woodling

August 24, 2016

AGENDA ITEM 9: MODIFICATION OF ASSOCIATE MEMBER POLICY 100.3

BACKGROUND:

The attached changes may grant Associate Membership to an entity who otherwise qualifies for that membership and whose delivery of potable water is a minor element of its activities and not a primary reason for its seeking Associate Membership in RWA.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director

Action: Recommend RWA Board approval of proposed amendments to Policy 100.3

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : General
Policy Title : RWA Associate Members
Policy Number : 100.3
Date Adopted : April 23, 2003
Date Amended : May 15, 2014
May 12, 2016

RWA ASSOCIATE MEMBERS

Entities eligible to become Regional Water Authority (RWA) Associate Members include public or private entities with water management responsibilities and authorities who are not municipal water suppliers in this region. Agencies or water utilities that deliver potable retail or wholesale water in this region are not eligible to become RWA Associates, as these agencies are eligible to become RWA Members or Contracting Entities. Associate members may include, but are not limited to agricultural water providers, wastewater agencies, flood control agencies, and water planning organizations. [Notwithstanding the remainder of this paragraph, the RWA Board may grant Associate Membership to an entity that otherwise qualifies for Associate Membership and whose delivery of potable water is a minor element of its activities, and not the primary reason for its seeking Associate Membership.](#)

Each entity that applies to become an RWA Associate must be approved by a two-thirds majority vote of the RWA Board of Directors. RWA Associates do not hold a seat on the RWA Board, and therefore are not eligible to vote on RWA Board business or policy matters, including legislative/policy issues under Section 7(a) of the RWA joint powers agreement. RWA Associates pay an annual fee [based on one-tenth of one percent \(0.1%\) of their annual operating budget.](#) subject to a cap set by the RWA Board of Directors. The annual fee for RWA Associates is subject to adjustment by the RWA Board in the development and approval of the annual budget. RWA Associates are eligible to participate in RWA subscription programs, and will not be subject to non-member surcharge fees for such programs.

Deleted: equal to 0.1% of the entity's annual operating budget, rounded up to the next even thousand dollars,

August 24, 2016

AGENDA ITEM 10: RWA SEPTEMBER 8, 2016 BOARD MEETING

Action: Approve Agenda for September 8, 2016 Meeting of the RWA Board of Directors

REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, September 8, 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 July 14, 2016 RWA regular board meeting
Action: Approve Consent Calendar Item
- 4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a) Information: Final minutes of the June 22, 2016 and July 27, 2016 Executive Committee meetings and draft minutes from the August 24, 2016 Executive Committee meeting
 - b) Action: Approve RWA Affiliate application from California Pool and Spa Association**
 - c) Action: Approve RWA Affiliate application from Brown and Caldwell**
 - d) Action: Approve RWA Associate Member Policy 100.3 amendments**
- 5. REGIONAL RELIABILITY PLAN UPDATE**
- 6. LEGISLATION UPDATE**
- 7. WATER EFFICIENCY UPDATE**
- 8. CHAIR TO APPOINT 2016 AWARDS COMMITTEE**
- 9. EXECUTIVE DIRECTOR'S REPORT**
- 10. 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**

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, September 28, 2016 and
Wednesday, October 26, 2016, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, November 10, 2016 9:00 a.m., at
the RWA Office.

August 24, 2016

AGENDA ITEM 11: EXECUTIVE DIRECTOR'S REPORT

AUGUST 24, 2016

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

a) Government Affairs Update – The State Water Resources Control Board and DWR have begun the process to prepare recommendations to implement the Governor's Executive Order on long term water conservation. Mr. Woodling is serving on an Urban Advisory Group which will meet over the next few months to provide input to the report, which is due in mid-January. The report is expected to include recommendations that will need to be implemented through legislation. Four areas will be addressed: reducing water loss, changes to the water shortage contingency plan element of urban water management plans, targets that will exceed those required in SBX7 7 (20x2020), and reporting and enforcement. An agenda from the first meeting is attached. RWA has convened a water efficiency policy group to provide input to our participation.

The Legislature will complete its work in the two-year session on August 31, 2016. The RWA Advocacy Program has had another successful year. One of the major concerns at the beginning of the year, a public goods charge on water, failed to gain traction. RWA was successful in getting amendments to SB 1398 (Leyva) which requires replacement of lead service lines or those of unknown composition. In its original form, the bill would have required replacement of service lines on customer property, and could have been excessively burdensome to some RWA members that had inherited poorly documented water systems. Priorities for the program in 2016-17 will be to bring on the approved full time staff person, expand participation in the Lobbyist Subscription Program, and renew efforts to educate staff and new members of the Legislature on our issues.

RWA participated in an ACWA coordinated letter to the Governor commenting on the Delta Smelt Resiliency Strategy (attached). One particularly troublesome element of the plan would be to use precious stored water to increase summer Delta outflows.

b) Grants Update – Staff is currently managing seven grants totaling \$54.2 million. Staff is nearing execution of a funding agreement with DWR for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant round. Over the next quarter, RWA will be closing out the 2006 \$25 million Prop 50 award.

DWR has recently released a funding application for the 2016 Integrated Regional Water Management (IRWM) Planning Grant Program. Applications are for a maximum of \$250,000 to update IRWM Plans to be in compliance with 2016 IRWM Guidelines. Applications are due September 23, 2016. Staff intends to apply for funding.

c) Water Efficiency Update – Beginning in June, new emergency regulations for water conservation went into effect. All RWA member water providers certified the capacity of their water supplies to serve customer demand for three additional years of drought. As a result, state mandated water conservation standards no longer apply. The media has characterized this as “zero conservation is required.” In reality, the result is that water conservation is back in the hands of local agencies, as it has always been in the past. The Sacramento region continues to keep water use low compared to 2013, achieving a 23% reduction in July. We are aggressively reaching out to the media to promote a more accurate message (attachment).



Agenda

Water Conservation Executive Order B-37-16 (EO)
 Urban Advisory Group (UAG) Meeting
 Monday, August 15, 2016 | 9:30 A.M. – 4:30 P.M.
 West Sacramento Civic Center Galleria
 1110 West Capitol Avenue, 1st Floor
 West Sacramento, CA 95691

Meeting Objectives:

1. Review UAG Charge
2. Overview of EO Directives and Project Team Approach:
 - a. Eliminate Water Waste
 - b. Strengthen Local Drought Resilience
 - c. Use Water More Wisely
 - d. Reporting, Compliance, and Enforcement
3. Discuss and confirm UAG Work Plan

Meeting Materials: (Will be posted at: <http://www.water.ca.gov/calendar/index.cfm?meeting=26212>)

Time	Item	Presenter
9:00a	Sign-in and Refreshments	All
9:30a	Welcome, Introductions, and Agenda Review	Kim Craig, Deputy Cabinet Secretary, Office of the Governor Stephanie Lucero, Center for Collaborative Policy (CCP) - facilitator
9:45a	Overview of EO Directive Implementation	Diana Brooks, Department of Water Resources (DWR)
	<ul style="list-style-type: none"> • Clarifying Questions 	UAG Public
10:15a	UAG Charge	Stephanie Lucero, CCP
	<ul style="list-style-type: none"> • Review • Discussion and Questions 	UAG Public
10:35a	EO Directive – Eliminate Water Waste	Vicki Lake, DWR Todd Thompson, DWR Sean Steffensen, CEC
	<ul style="list-style-type: none"> • Overview • Summary of Listening Session Feedback • EO State Agency Approach 	
	<ul style="list-style-type: none"> • Review and Questions 	UAG Public

Time	Item	Presenter
11:15a	EO Directive – Strengthen Local Drought Resilience <ul style="list-style-type: none"> • Overview • Summary of Listening Session Feedback • EO State Agency Approach 	Kent Frame, DWR
	<ul style="list-style-type: none"> • Review and Questions 	UAG Public
12:30p	Lunch	<i>Lunch will be brought in for UAG members. Please bring \$10 cash if you would like the provided lunch.</i>
1:30p	EO Directive – Use Water More Wisely <ul style="list-style-type: none"> • Overview • Summary of Listening Session Feedback • EO State Agency Approach 	Erik Ekdahl, SWRCB Peter Brostrom, DWR
	<ul style="list-style-type: none"> • Review and Questions 	UAG Public
3:00p	Reporting, Compliance, and Enforcement (RCE) <ul style="list-style-type: none"> • Overview • Summary of Listening Session Feedback • EO State Agency Approach 	Max Gomberg, SWRCB
	<ul style="list-style-type: none"> • Review and Questions 	UAG Public
3:45p	Review UAG Work Plan	Stephanie Lucero, CCP
	<ul style="list-style-type: none"> • Discussion 	UAG Public
4:15p	Next Steps	Stephanie Lucero, CCP
4:30p	Adjourn	

PLEASE NOTE:

- Written comments may be submitted at wue@water.ca.gov
- Time will be allotted at the end of each agenda item for public comment. The exact time will be left to the discretion of the facilitator.
- Breaks will be taken throughout the day at the discretion of the facilitator and as discussed with the UAG.
- Please note parking is in the Event Parking site.



August 17, 2016

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol
Sacramento, CA 95814

RE: Delta Smelt Resiliency Strategy

Dear Governor Brown:

We commend your Administration for taking a positive step forward with release of the Delta Smelt Resiliency Strategy last month. The water supply community has supported a more comprehensive approach to ecosystem management for more than two decades. Now there is a plan on the table that takes a life cycle approach and relies on a comprehensive set of tools to better manage aquatic resources as we implement powerful laws such as the Endangered Species Act (ESA).

The signatories to this letter represent urban and agricultural water users in all parts of the state, ranging from north to south to coastal to inland. We have taken a strong policy position in support of comprehensive solutions such as those outlined in your California Water Action Plan.

The Delta Smelt Resiliency Strategy addresses multiple stressors and contemplates everything from creating better habitat, more food sources and higher turbidity to reducing levels of invasive weeds, predators and harmful algal blooms. It's a significant management shift away from the ineffective, single-stressor approach to a multi-pronged, systematic effort that will allow state and federal agencies to study the synergy of various actions undertaken as part of the strategy.

This is exactly the approach we need. As we have seen in recent decades and especially during the past four years of drought, focusing solely on pumping restrictions without addressing the myriad other factors affecting smelt populations and habitat has served to maximize conflict between species protection and water supply while failing to adequately serve either. The resulting situation has been completely at odds with California's commitment to the coequal goals of improved ecosystem health and water supply reliability.

While we applaud the Delta Smelt Resiliency Strategy's comprehensive approach, we must note that we have deep concerns about one element: further increasing summer outflows at a time when such flows would not naturally occur in the system. The science simply does not justify such an action, particularly

The Honorable Edmund G. Brown Jr.

August 17, 2016

Page 2

given the impacts on California's water supply and economy. The summer outflow element represents a continuation of an ill-advised strategy that uses scarce water resources in a highly ineffective manner with little or no prospect of improving the environment. For this reason and in light of the coequal goals, we request that inclusion of the summer outflow element be reconsidered and eliminated from the strategy.

The water supply community strongly supports the California policy of coequal goals. However, actions by regulatory agencies continue to undermine that policy. Achieving the coequal goals in California requires a comprehensive strategy for water supply, as outlined in your California Water Action Plan, and for the ecosystem, as envisioned for the first time in the Delta Smelt Resiliency Strategy. The effectiveness of these initiatives can be further enhanced through improved transparency and stakeholder participation so we can begin to close the chasm.

We thank your Administration for your leadership on this issue and look forward to working with state and federal agencies as we move toward a fundamentally different approach to the ESA while remaining true to the coequal goals.

Sincerely,



Timothy H. Quinn
Executive Director
Association of California
Water Agencies



Martin Zvirbulis
General Manager
Cucamonga Valley Water District



Paul Jones
General Manager
Eastern Municipal Water District



Jason Phillips
Chief Executive Officer
Friant Water Authority



Paul Cook
General Manager
Irvine Ranch Water District



Jeff Kightlinger
General Manager
Metropolitan Water District of
Southern California



Remleh Scherzinger
General Manager
Nevada Irrigation District



Todd Manley
Director of Government Relations
Northern California Water
Association



Einar Maisch
General Manager
Placer County Water Agency

The Honorable Edmund G. Brown Jr.

August 17, 2016

Page 3



John Woodling
Executive Director
Regional Water Authority



Steve Chedester
Executive Director
San Joaquin River Exchange
Contractors Water Authority



Jason Peltier
General Manager
San Luis & Delta-Mendota Water
Authority

cc: The Honorable John Laird, Secretary for Natural Resources, California Natural Resources Agency
The Honorable Matt Rodriguez, Secretary for Environmental Protection, California Environmental
Protection Agency
The Honorable Karen Ross, Secretary, California Department of Food and Agriculture
The Honorable Charlton Bonham, Director, California Department of Fish and Wildlife
The Honorable Mark Cowin, Director, California Department of Water Resources
The Honorable Felicia Marcus, Chair, State Water Resources Control Board
Ms. Kim Craig, Deputy Cabinet Secretary, Office of Governor Brown
Ms. Karla Nemeth, Deputy Secretary for Water Policy, California Natural Resources Agency

Water Reductions Reach 23 Percent in July

Savings come despite 11 days of 100-degree temperatures

SACRAMENTO-- Sacramento-area residents reduced their water use by 23 percent in July compared to the same month in 2013, according to an analysis by the Regional Water Authority (RWA), which represents water providers in Sacramento, Placer, El Dorado, Yolo and Sutter counties.

The findings come from a review of July water use data submitted to RWA and the State Water Resources Control Board (State Water Board).

“A 23 percent reduction in a really hot month is outstanding,” said RWA Water Efficiency Program Manager Amy Talbot, noting that the savings come even with 11 days of 100-degree temperatures in July, according to the National Weather Service, and the relaxation of state conservation mandates.

The State Water Board in May adopted new emergency water conservation regulations that allow water utilities to set their conservation standard based upon local water supply conditions and the utility’s ability to meet customer demand in the next three years if drought continued. Past planning and investments in water supply and efficiency allowed all 22 Sacramento-area water providers to certify that they have adequate supplies so that state-mandated conservation targets are no longer necessary.

Most water providers are continuing to ask customers to voluntarily reduce water use, maintaining funding for water conservation programs at 2015 drought levels and continuing to enforce water waste regulations, according to an RWA member survey.

“The July water reductions demonstrate that efficient water use and eliminating waste remain a priority for local water providers and their customers,” Talbot said. “Time and again, residents have demonstrated their willingness to do their part.”

July’s 23 percent voluntary savings is on par with a 22 percent voluntary savings achieved by the Sacramento region in July 2014 prior to state mandates—a more accurate comparison than evaluating current voluntary reductions against last year’s mandatory reductions.

John Woodling, RWA’s Executive Director, summed up the water savings results, “The reliability of the region’s water supplies in the face of drought coupled with the commitment from water providers and customers to reduce water use are a winning combination,” Woodling said. “The July results validate the state’s decision to put local agencies back in the driver’s seat on conservation this year.”

Learn tips for reducing water use and information about rebate programs to help residents save water at BeWaterSmart.info.

About the Regional Water Authority: *RWA is a joint powers authority representing two dozen water providers and affiliates in the greater Sacramento area. Its primary mission is to help its members protect and enhance the reliability, availability, affordability and quality of water resources.*

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August 24, 2016

AGENDA ITEM 12: DIRECTORS' COMMENTS