

1. CALL TO ORDER

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

Executive Committee Members

Marcus Yasutake, City of Folsom
Kelye McKinney, City of Roseville
Jim Peifer, City of Sacramento
Paul Schubert, Golden State Water Company
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, Cecilia Partridge and Andrew Ramos, legal counsel. Nicole Krotoski and Nancy Marrier were on the conference phone.

Others in Attendance

Tom Gray, Ted Costa and Paul Helliker.

2. PUBLIC COMMENT

NONE

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held September 27, 2017.

Motion/Second/Carried (M/S/C) Mr. Dugan moved, with a second by Mr. Yasutake, to approve the minutes from the September 27, 2017 Executive Committee meeting. Ms. Tobin abstained. The motion carried by the voice vote of the remaining directors present.

4. 2017 COMPENSATION STUDY

The RWA Policy 400.2 contains the compensation policies of the Authority. The policy states, in part, *“As a small, professional, management-focused organization,*

it is the intent of the Authority to provide employee compensation at or above the labor market mean for the industry.” Further, the policy states that the compensation practices will be implemented to, *“attract the most qualified candidates and to minimize turnover of its employees.”* Section III of the policy directs that the Executive Committee should conduct a compensation survey at least every five years to ensure compensation is consistent with the policy.

In early 2017, the Executive Committee directed the Executive Director to have a compensation survey performed. The prior survey was conducted in 2012, and changes to compensation were implemented in January 2013. RWA contracted with Bryce Consulting for the compensation survey. Shellie Anderson of Bryce directed the conduct of the survey and prepared a report on the results, including recommendations.

On August 16, 2017, the Executive Committee considered the draft compensation survey, and recommended changes to the salary schedules in Exhibit A of Policy 400.2 for Board approval. At the September 14, 2017 meeting of the RWA Board of Directors, the Board raised several questions and voted to remand the issue back to the Executive Committee for further consideration. The Executive Committee subsequently discussed the study and compensation at its September 27, 2017 meeting, but declined to take action.

The Executive Director was directed to consider the information in the draft compensation study, as well as the issues raised by the RWA Board and propose salary schedules for staff classifications for Executive Committee consideration at the November 25th meeting. This is consistent with Policy 400.2, which states, *“The Executive Director shall recommend salary ranges for all employment positions with the Authority, with the exception of the Executive Director position, subject to review and approval by the Board of Directors.”*

John Woodling, Executive Director addressed the issues of concern expressed by the Board at the September RWA Board meeting including 1) whether pay scales should be set relative to the 62.5th percentile of the market or at some lower level, 2) whether organizations other than RWA member agencies should be used for comparisons, and 3) what the budget impact was of the proposed changes to the salary schedules. Staff did a deeper analysis of the data collected in the compensation survey, including assessing the RWA member agency data separately from the entire data set. After this analysis, the Executive Director presented a proposed draft salary schedule in Exhibit A to Policy 400.2. In comparison to current pay scales, three classifications would remain unchanged, one would be lowered, and three would increase. In comparison to the proposal presented to the Board in September, the Manager of Technical Services and Finance and Administrative Services Manager rise less than originally proposed in Table 3. Staff provided a comprehensive discussion of the proposal.

Mr. Woodling presented information on the compensation study and the rationale for the proposed salary ranges to modify RWA Policy 400.2, Exhibit A using the

compensation study to adjust pay ranges. He gave a preview of the compensation proposal, a review of the RWA policy, a review of the compensation study process and data analysis, and the rationale for each class in the compensation proposal. Details of the data elements were presented showing compensation contributions and total compensation. Data issues that were presented for discussion included appropriate comparison agencies, sufficiency of data and appropriate class comparisons. There were few comparison agencies for particular classes.

M/S/C Mr. Roscoe moved, with a second by Ms. Tobin, to accept the 2017 Compensation Study report as complete. The motion carried by the unanimous voice vote of all directors present.

There was further discussion by the Executive Committee, as well as comments from Mr. Helliker and Mr. Gray. Mr. Gray expressed his board's preference for comparing RWA to its member agencies only. Mr. Helliker provided a variety of both written and verbal comments, including his belief that the Manager of Technical Services was incorrectly compared to certain positions in other agencies, and that comparisons shouldn't be made to vacant positions in other organizations.

M/S/C Mr. Yasutake moved, with a second by Mr. Dugan, to recommend Board approval of amendments to RWA Policy 400.2, Exhibit A. The motion carried by the unanimous voice vote of all directors present.

There was discussion that it might be beneficial to consider amending the policy to indicate which specific comparison agencies will be used for future compensation studies. It was suggested that an ad hoc committee be convened including RWA and SGA members a year prior to the next compensation survey for the purpose of discussing the comparables. The ad hoc committee would present the comparables to the full board for discussion. After full board consensus on the comparables a list of the items that we want to explore would be compiled and a consultant would be hired with an RFQ for the compensation study. A guideline for future compensation studies should include recommendations on how future compensation studies will be conducted with a broader look at recruitment, retention, succession.

The Executive Committee is committed to consider changes to the policy as appropriate to incorporate some of the discussion into a future policy. The Executive Director will bring this discussion of Policy 400.2 back to the Executive Committee for consideration.

It was clarified that the presentation given to the Executive Committee is the appropriate level for the next RWA full board meeting. The full board should be informed that the Executive Committee is planning to consider all of the discussions and how the Executive Committee arrived at the proposal to amend the policy for future use. It was suggested that Chair Peifer give background to the full board about the Executive Committee conclusions.

5. SUBCOMMITTEE UPDATES

Ms. Schmitz reported that the Conference/Education Subcommittee has scheduled the RWA Legislative Process Workshop for October 27th from 8:30 to 10:00 a.m. in the RWA Boardroom. The workshop has been approved for 1.5 hours of SWRCB Drinking Water Operator Certification continuing education contact credit. The subcommittee is planning a February 22, 2018 summit on Public Goods Charge and water affordability.

Mr. Helliker suggested the Conference/Education Subcommittee consider events on the Sacramento Valley and Bay-Delta issues related to the water quality control plan.

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

6. NOVEMBER 9, 2017 RWA BOARD MEETING AGENDA

Mr. Roscoe suggested a Delta Update presentation be added to the proposed November 9, 2017 RWA Board meeting agenda.

M/S/C Ms. McKinney moved, with a second by Ms. Tobin, to approve the November 9, 2017 proposed RWA Board Meeting agenda with the addition of a Delta Update presentation. The motion carried by the unanimous voice vote of all directors present.

7. EXECUTIVE DIRECTOR'S REPORT

Legislative Update – A bill of interest is AB 313 (Gray) which was vetoed by Governor Brown. In his veto message, the Governor noted that “administrative law judges can be effective in complex adjudicative matters, as evidenced in other state agencies,” and directed the California Environmental Protection Agency to evaluate a potential role for administrative law judges and provide recommendations for improving the SWRCB’s hearing processes by January 1, 2018.

Grants Update – Staff is currently managing five grants totaling \$30.5 million. Over the first four months of fiscal year 2017-18, RWA issued grants reimbursements of \$3,642,322 for 9 RWA member agencies since July 1st.

Water Efficiency Update – In September 2017, the region saved 8.9% compared to 2013 or approximately 1.5 billion gallons. The 2017 year to date savings (January through September) is 19.8% or 26.5 billion gallons. The region’s September residential gallons per capita per day (R-GPCD) was 170. Year to date and September 2017 statewide savings and R-GPCD data are not available at this time.

Chair Peifer said that the City of Sacramento's per capita demand has gone down to 116 gallons per capita per day. This has affected the disadvantaged communities with lawns that are not being watered and long term damage to trees. Based on the state's framework, the City staff thinks the gpcd should be around 190. Some increased water use is healthy and appropriate.

Ms. McKinney said that the State Water Board will be establishing a group to develop agency specific volumetric standards for water loss.

Mr. Woodling said that he will give a presentation to the November 7th AWRA conference on California's Response to Drought. The presentation will include what we went through, what the local response was, what the state's responsibility became and how effective each was. In addition, at that meeting, Carmichael Water District and Golden State Water Company will be receiving an award for their pipeline project.

SGA Update – The Sacramento Groundwater Authority Board of Directors approved a resolution directing staff to submit a grant application to support development of the groundwater sustainability plan (GSP) for the North American Subbasin. The other four groundwater sustainability agencies agreed to prepare a single GSP and SGA serving as the grant applicant and project administrator.

Financial Reports – First quarter budget/actual was attached.

Water Bond – An overview of the potential benefits of a proposed water bond being pursued by the Natural Heritage Institute was attached. Jerry Meral is seeking endorsements from Sacramento region water agencies. If this proposal qualified for the ballot, it would be in addition to SB 5, the Water and Parks Bond passed by the Legislature and signed by the Governor.

Mr. Woodling said that there was a release from CSDA about legislation that would clarify the liability of agencies that create JPAs and provide CalPERS benefits to the employees and to pay for future benefits. The RWA board has made the decision to meet the intent of the obligations that have been taken on.

Invitations for the Seventeenth RWA Annual Holiday Social scheduled for December 7, 2017 were given to the Executive Committee members.

8. DIRECTORS' COMMENTS

Mr. Woodling reported that Sacramento Suburban Water District has announced that they have selected Dan York as their next General Manager. Mr. Roscoe indicated that a contract at their November board meeting is anticipated.

Ms. Tobin said that she is chair of Region 4 with representation from several RWA Board members.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Peifer adjourned the meeting at 11:08 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer