

1. CALL TO ORDER

Chair Peifer called the meeting of the Board of Directors to order at 9:00 a.m. at the Regional Water Authority. Individuals in attendance are listed below:

RWA Board Members

S. Audie Foster, California American Water
Ron Greenwood, Carmichael Water District
Al Dains, Citrus Heights Water District
Hilary Straus, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Matthew Wheeler, City of Lincoln
Paul Joiner, City of Lincoln
Kelye McKinney, City of Roseville
Scott Alvord, City of Roseville
Jim Peifer, City of Sacramento
Denix Anbiah, City of West Sacramento
Stan Cleveland, City of Yuba City
Diana Langley, City of Yuba City
Ryan Saunders, Del Paso Manor Water District
Debra Sedwick, Del Paso Manor Water District
Michael Raffety, El Dorado Irrigation District
Tom Gray, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Michael Schaefer, Orange Vale Water Company
Brent Smith, Placer County Water Agency
Mary Henrici, Rio Linda/Elverta Community Water District
Mitch Dion, Rio Linda/Elverta Community Water District
Kerry Schmitz, Sacramento County Water Agency
Neil Schild, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

RWA Associates

Arthur Starkovich, Sacramento Municipal Utility District

RWA Affiliate Members

Paul Selsky, Rosey Jencks and Melanie Holton with Brown & Caldwell,
Sergio Guillen with Forsgren Associates, Inc., Charles Duncan with West
Yost Associates and Jim Graydon with Woodard & Curran

Staff Members

John Woodling, Rob Swartz, Adam W. Robin, Nancy Marrier, Cecilia Partridge, Monica Garcia and Ryan Bezerra, Legal Counsel

Others in Attendance:

Dan York, Shauna Lorance, Pauline Roccucci and Lindsay Swain

2. PUBLIC COMMENT

None

Mr. Anbiah entered the meeting.

3. CONSENT CALENDAR

Draft minutes from the September 24, 2017 RWA regular board meeting

Motion/Second/Carried (M/S/C) Ms. Tobin moved, with a second by Mr. Greenwood, to approve the minutes from the September 24, 2017 RWA regular board meeting. The motion carried by the unanimous voice vote of all directors present.

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS

Final minutes of the August 16, 2017 and September 27, 2017 Executive Committee meetings and draft minutes of the October 25, 2017 Executive Committee meeting were included in the packet.

Mr. Woodling said that Executive Committee monthly updates have been sent out to the full RWA Board.

Ms. McKinney corrected her director comments on the October 25, 2017 Executive Committee minutes.

5. DELTA UPDATE

RWA held a workshop following the July Board meeting with a series of speakers to inform members of various aspects of regulatory processes related to the Sacramento-San Joaquin Delta.

Speakers updated the Board on processes that have evolved over the past few months, including the WaterFix water rights hearings, the recently released Final Draft Scientific Basis Report from the State Water Resources Control Board (SWRCB), and the voluntary settlement discussions convened by the Natural Resources Agency.

Ryan Bezerra, legal counsel gave a presentation on the SWRCB adopting plans to control Delta water quality. The water quality objectives are the conditions that need to be met in the water body in order to support

designated beneficial uses. The current water quality control plan has not been updated since it was adopted in 1995 by the SWRCB. On October 4, 2017 the Water Board released a final scientific basis report on proposed water quality objectives for the Sacramento River and the Delta.

Mr. Bezerra explained the Bay-Delta proposals including a proposed narrative inflow component of the objective, a proposed numeric inflow component of the objective, a proposed narrative objective and a Delta outflows proposal. The next step would be the development of a document for environmental review under the California Environmental Quality Act.

The California WaterFix regulatory process is moving forward with a Water Board hearing to consider the proposals. The Department of Water Resources has approved the project and an Environmental Impact Report. The water rights hearing was divided into two parts, water supply impact and the environmental impact. Part two is based on environmental issues and public interest. The first hearing date is January 18, 2018. We are at the preliminary stages of two important federal actions, the endangered species act biological opinion and the coordinated operations agreement negotiations.

Chair Peifer presented information about the negotiated settlement process, also known as the Babbitt process. Representatives in the American River region have been talking with SWRCB staff educating them on what the needs on the lower American River are in terms of the flow management standard. That conversation is ongoing.

A number of people are participating with the Babbitt process including a few from the Feather River. The Babbitt process has created a San Joaquin River table and a Sacramento River Valley table. There are managers from the Sacramento Valley from all of the major tributaries that go into the Sacramento River. Chair Peifer and Andy Fecko are the American River representatives, with Sean Early and Ted Trimble representing the Feather River. The purpose is to create a negotiated settlement as an alternative to be incorporated into the water quality control plan. One of this region's interests is a modified flow management standard for the lower American River.

Mr. Woodling said that there will be staff updates at future meetings with a comprehensive discussion of the Delta every six months.

6. LEGISLATIVE SESSION REVIEW

Adam W. Robin, Legislative and Regulatory Affairs Program Manager gave an update on the final status of measures designated as priorities and/or identified as items of significant interest by RWA. The 2017 legislative session ended on September 15.

Enrolled by the Legislature before being vetoed by Governor Brown, AB 313 would have established a Water Rights Division within the Office of Administrative Hearings. Under AB 313, the Water Rights Division would hold hearings to set recommendations for Administrative Civil Liability for violations of certain provisions of existing law related to the use and diversion of water for approval by the SWRCB. This bill would have also require the SWRCB to send a complaint to the Water Rights Division for a recommendation before a cease-and-desist order related to the use and diversion of water could be issued.

AB 746 will require community water systems serving schools to test for lead in the potable water systems of all school sites. This bill creates a one-time obligation for systems to provide this testing and provides that any required corrective action is the obligation of local educational agencies.

Mr. Robin said that there are three bills that RWA extensively engaged on in 2017 that will remain live issues as we go into 2018, including AB 1668 and SB 606, Long-term Water Use Efficiency Legislation, and SB 623, the Water Tax. AB 1668 (Friedman)/SB 606 (Skinner/Hertzberg) are two-year bills and will remain active moving into the 2018 legislative session. Among other provisions, these bills would authorize the SWRCB to adopt certain urban water use standards and enforce “urban water use objectives” for urban retail water suppliers. Most of the controversy was focused on the framework for enforcing urban water use objectives. There were some issues that were problematic in the bills including not requiring the adoption of variances to account for unique local conditions. Many of the enforcement provisions were also problematic. Technical and economic feasibility need to be taken into account.

Mr. Robin thanked all of the RWA agencies that engaged in the legislative process, signing on to the statewide coalition letters, attending hearings and meetings and the work agencies did on their own.

SB 623 (Monning) is a two-year bill that will remain active moving into the 2018 legislative session. Among other provisions, SB 623 would establish a “Safe and Affordable Drinking Water Fund” administered by the SWRCB. The Fund would be financed in part by a “drinking water fee” on each person or entity that purchases water from a public water system. Public water systems would be required to collect the fee. The SWRCB and the Public Utilities Commission announced a joint workshop for discussion of SB 623 scheduled for November 13th in Sacramento.

Chair Peifer commented that Mr. Woodling and Mr. Robin have done a good job of leading a coalition throughout the state working on water use efficiency bills. For members who have contributed to the Lobbyist Subscription Program their money was well spent this year.

Mr. Woodling said that commitments were made after the 2013 Strategic Plan to build the advocacy program. Steps were taken and the benefits of the program have been realized.

SB 5 (De Leon) was signed by Governor Brown, and if approved by voters in June 2018 this measure would authorize the issuance of \$4 billion in bonds for a variety of purposes related to parks, conservancies, and water. The bond includes \$10 million for the Lower American River Conservancy.

7. 2017 COMPENSATION STUDY

RWA Policy 400.2 contains the compensation policies of the RWA. 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.

John Woodling, Executive Director said that 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. The Executive Committee voted unanimously to certify that the Compensation Study was complete.

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 October 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.”*

Issues of concern expressed by the Board included: 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. To address these concerns, 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 proposed salary schedules in Exhibit A to Policy 400.2. The Executive Committee voted unanimously to recommend approval by the RWA Board. In comparison to current pay scales, three classifications would remain unchanged, one would be lowered, and two would increase. In comparison to the proposal presented to the Board in September, the Manager of Technical Services and Finance and Administrative Services Manager increase less than originally proposed.

M/S/C Mr. Gray moved, with a second by Mr. Wheeler, to approve Exhibit A to RWA Policy 400.2. The motion carried by the unanimous voice vote of all directors present.

Mr. Alvord entered the meeting during the presentation of agenda item 7.

8. EXECUTIVE DIRECTOR'S REPORT

Regulatory Update – The SWRCB has released a draft regulation that proposes to permanently prohibit certain “wasteful and unreasonable water use practices.” The proposed prohibitions—which include prohibitions such as “the application of water to outdoor landscapes in a manner that causes runoff[,]” “[t]use of a hose that dispenses water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle[,]” and “[t]he application of potable water directly to driveways and sidewalks”—are the result of direction given to the SWRCB in Executive Order B-37-16. Written comments regarding the draft regulation must be submitted by December 26, 2017. The SWRCB has also announced that they will be holding a public workshop regarding the draft regulation on November 21, 2017. SWRCB staff have indicated that it is their goal to have the final regulation adopted by February 2018, which would allow the regulations to take effect beginning in April 2018. Under the California Administrative Procedures Act, the SWRCB has one year to complete the rulemaking.

There was discussion on the cost of replacing or retrofitting turf without damage to trees and landscape including in residential neighborhoods. Public property easement may go to the property owner to maintain with an associated cost to the property owner.

RWA Communications – To improve ongoing communications with RWA members, staff are working to develop a series of products that include: 1) a summary of the 2017 legislative session, which will be available in December;

2) a monthly RWA update, which will begin in late January; and 3) a monthly after-action report of the highlights of each Executive Committee meeting.

Grants Update – Staff is currently managing five grants totaling \$30.5 million. In the first four months of the fiscal year, RWA issued grant reimbursements of \$3,642,322 to nine RWA member agencies.

Regional Water Reliability Planning Update – Work on the Regional Water Reliability Plan (RWRP) continues. The identification of vulnerabilities phase of the RWRP is complete, and the identification of mitigation actions phase is nearly complete. The next phase of the RWRP development will be to quantify the potential water supply yield generated by expanded conjunctive use operations in the region. The approach to identifying the supply yield as well as a draft estimate of the volumes that could be banked in wet years and recovered in dry years was shared with the project committee on October 12, 2017. Staff and the consultant will continue to refine those numbers by working directly with agencies prior to the next committee meeting, which is planned for January 10, 2018.

One component of the RWRP is the Regional Drought Contingency Plan (RDCP). A Draft RDCP was submitted to Reclamation for review on August 24th and Reclamation comments were received on September 12th. RWA staff and consultant addressed the Reclamation comments and submitted a revised RDCP to Reclamation on September 27th. On October 12th Reclamation informed RWA that the Draft RDCP was completed to Reclamation's satisfaction. The final version of the RDCP will be submitted to Reclamation by early November.

RWA Outreach – RWA held a workshop on October 27th to provide an overview of the California legislative process. The workshop was well attended by RWA staff and member agencies. Mr. Woodling was a speaker at the American Water Resources Association's (AWRA) annual conference on November 6, 2017, and will speak on the lessons learned from California's recent drought. Mr. Swartz spoke at a public forum on groundwater recharge to support sustainable water management sponsored by the California Department of Food and Agriculture (CDFA) on November 8, 2017. Mr. Woodling is serving on the advisory committee to Maven's Notebook. Chris Austin has released a new website, the *California Water Library*. Please consider using and supporting these important efforts.

Carmichael Water District and Golden State Water Company received a national award for Integrated Water Resources Management from the AWRA for their American River pipeline project.

Water Efficiency Update – Staff continues to collect and summarize monthly water use information from RWA members. This information is still collected and reported on by the SWRCB, so it is important for RWA and member agency staff to be well informed to respond to media inquiries.

SGMA Update –The five GSAs in the North American Subbasin continue to develop a scope of work for a Groundwater Sustainability Plan. The Sacramento Groundwater Authority passed a resolution enabling SGA to be the applicant for grant funding for GSP development from Proposition 1. The deadline for the grant application is November 13, 2017. Water Forum staff is working to facilitate SGMA efforts in the Cosumnes subbasin in South Sacramento County.

Financial Documents – Financial documents representing the first quarter of fiscal year 2017-18 were included in the packet.

RWA Elections – Elections for the Executive Committee, Chair and Vice Chair will be held at the January 11, 2018 board meeting. A letter requesting confirmation of each agency’s appointees to the RWA board has been mailed.

2017 RWA Holiday Social – The seventeenth annual RWA Holiday Social is scheduled for Thursday, December 7, 2017 at North Ridge Country Club.

Nimbus Fish Hatchery Event – A November 14th event has been coordinated by RWA and the Water Forum to draw attention to all of the work that has been done through the Water Forum to create better outcomes for salmon and steelhead on the American River. There will be an update on water conditions and the work that has been done on water supply to make water more reliable.

Mr. Woodling thanked all Veterans present for their service.

9. DIRECTORS’ COMMENTS

Mr. Greenwood said that he attended a recent LAFCO meeting in San Diego where he took a tour of their desalination plant with the Israeli delegation. The validity of LAFCO around the state is being questioned. The American River pipeline project involved Carmichael Water District, Golden State Water, Areojet, Sacramento County and Paul Selsky with Brown and Caldwell. Everyone came together with proposals for the tunnels to be built under the river.

Mr. Gray reported that for the first time in over 13 years the Fair Oaks Water District Board of Directors is considering a 10% rate increase.

Ms. Tobin is the ACWA JPIA representative for RWA and the ACWA Region 4 Board Chair. Included in the packet, provided by Ms. Tobin, was a list of ACWA Region 4 Board Members for 2018-2019 Terms and an email correspondence highlighting some program enhancements. She held a preliminary meeting last week to discuss some of the current issues. All regions will be coming together in January 2018 for a workshop.

Mr. Dains reported that at the Citrus Heights Water District public hearing they raised their rates by 3%.

Mr. Schild said that Sacramento Suburban Water District is currently working on their 2018 budget.

Ms. McKinney said that she attended the November 8th CDFA groundwater recharge forum. Rob Swartz was on one of the panels and had the opportunity to share information on the conjunctive use programs that have been implemented in the region. He did an outstanding job representing RWA.

Mr. Foster said that California American Water operates a water system in unincorporated Sonoma County North of Santa Rosa. Based on recent experiences he encouraged everyone to review their emergency action plans. About 550 to 600 of 2,300 connections no longer exist after the recent fires. All of California American Water staff remained safe while there was damage to some physical infrastructure.

Mr. Schubert said that Golden State Water Company lost approximately 5% of their customer base in Sonoma County from the recent fires. He also stressed the need for up to date emergency action plans for all agencies. He thanked Carmichael Water District for their partnership on their successful American River pipeline project.

Adjournment

With no further business to come before the Board, Chair Peifer adjourned the meeting at 10:16 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer