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 March 21, 2018 Executive Committee meeting
   Action: Approve Consent Calendar item

4. METER REPLACEMENT CONSORTIUM MOU
   Information Presentation: John Woodling, Executive Director
   Action: Recommend Approval of the Meter Replacement Consortium MOU to the Full RWA Board

5. REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES
   Action: Subject to review by legal counsel, authorize the Executive Director to enter into a five-year contract with Gilbert Associates to provide for professional auditing services, with a contract provision requiring annual approval by the Executive Committee. The contract should include a not-to-exceed amount of $26,900 for the FY 2018 audit.

6. LEGISLATIVE AND REGULATORY UPDATE
   Information Presentation: Adam W. Robin, Legislative and Regulatory Affairs Program Manager
   Action: Adopt Bill Positions

7. SUBCOMMITTEE UPDATES
   Information Presentation: Conference Subcommittee, Membership Subcommittee and Discussion

8. MAY 3, 2018 RWA BOARD MEETING AGENDA
   Action: Approve May 3, 2018 proposed RWA Board Meeting Agenda
9. EXECUTIVE DIRECTOR’S REPORT

10. DIRECTOR’S COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – May 23, 2018 and June 27, 2018 at 8:30 a.m. at the RWA office

Next RWA Board of Directors’ Meeting – Thursday, May 3, 2018, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610
AGENDA ITEM 3: CONSENT CALENDAR

Minutes of the March 21, 2018 Executive Committee meeting

Action: Approve Consent Calendar item
1. **CALL TO ORDER**

Vice Chair Schubert called the meeting of the Executive Committee to order at 8:00 a.m. Individuals in attendance are listed below:

**Executive Committee Members**
- Ron Greenwood, Carmichael Water District
- Jim Peifer, City of Sacramento
- Debra Sedwick, Del Paso Manor
- Paul Schubert, Golden State Water Company
- Dan York, Sacramento Suburban Water District
- Pam Tobin, San Juan Water District

**Staff Members**
- John Woodling, Adam W. Robin, Nancy Marrier and Monica Garcia

**Others in Attendance**
- Kelye McKinney

2. **PUBLIC COMMENT**

None.

3. **CONSENT CALENDAR**

The minutes from the Executive Committee meeting held February 21, 2018.

Motion/Second/Carried (M/S/C) Mr. Greenwood, moved with a second by Mr. Peifer, to approve the minutes from the February 21, 2018 Executive Committee meeting. The motion carried by the unanimous voice vote of all directors present.

4. **LEGISLATIVE/REGULATORY UPDATE**

Adam Robin, Legislative and Regulatory Affairs Program Manager updated the Executive Committee on legislative and regulatory issues including:

a. Long-Term Urban Water Use Efficiency Legislation: RWA staff provided an update on AB 1668 and SB 606. The authors’ offices have released proposed amendments to the bills. A number of the proposed amendments reflect positive developments consistent with the amendments provided by RWA and other water suppliers. The authors’ proposed amendments, however, do not address a number
of significant policy concerns, including the definition of the enforceable water use standards, the enforcement provisions, the commercial, institutional, and industrial performance measures, and protection of drought-resilient supplies. RWA staff detailed their continuing efforts to engage the authors' offices as well as other legislative offices and stakeholders.

b. Water Tax Legislation – SB 623 (Monning) and Budget Trailer Bills: RWA staff provided an update on recent Assembly and Senate Budget Subcommittee hearings where the proposed “Safe and Affordable Drinking Water Fund” budget trailer bills were heard. Both subcommittees held the bills, meaning they will be taken up for potential advancement later in the legislative session.

c. SWRCB Draft Permanent Prohibitions on Wasteful and Unreasonable Uses: RWA staff provided an update on the SWRCB’s draft Permanent Prohibitions. The SWRCB is expected to release proposed revisions to the draft regulation in the coming weeks.

Staff also presented bill position recommendations in the first bill packet of the 2018 legislative session.

M/S/C Ms. Sedwick, moved with a second by Mr. Greenwood to adopt bill positions on AB 2050 (Support and Amend), AB 2283 (Support), AB 3170 (Support), AB 3206 (Oppose Unless Amended), SB 831 (Oppose/OUA), SB 966 (Support) and SB 998 (Oppose/OUA). The motion carried by the unanimous voice vote of all directors present.

5. SUBCOMMITTEE UPDATES

The subcommittee reported that the RWA convened a symposium on Thursday, March 15th, 2018 regarding the timely legislative and regulatory issues of water affordability and safe drinking water for disadvantaged communities. The event featured a broad discussion with panels made up of representatives on all sides of the issue. RWA members and associates were invited to attend. There was a good turnout as expected from the region as well as other parts of the state.

The RWA Board adopted Policy 500.16 in March 2018, which identifies how long-term liabilities of members could be assessed. The Executive Committee discussed in 2017 the need for this policy prior to recruiting new members. Mr. Dugan was previously identified as Chair of the Membership Committee. Staff will connect with him to discuss recruitment of new members.

A survey will be sent out to members and staff asking for input on the cost, location and date of the event and any topics that were not of interest. Mr. York is taking a policy to SSWD regarding sponsorships to be able to participate in the future.

6. EXECUTIVE DIRECTOR’S REPORT

Nothing to report.

7. DIRECTORS’ COMMENTS

Mr. Greenwood said that the WEF trip he took part in was incredible.
Ms. Tobin reported that there will be a new executive director for ACWA by the end of 2018. She complimented the subcommittee on the symposium that was held March 15th.

Ms. Sedwick said that she will be unable to attend next month’s Executive Committee meeting.

Mr. York reminded everyone of Rob Roscoe’s retirement dinner on May 4th, 2018.

Vice Chair Schubert expressed positive feedback on the symposium.

**ADJOURNMENT**

With no further business to come before the Executive Committee, Vice Chair Schubert adjourned the meeting at 10:18 a.m.

By:

Chairperson

Attest:

______________________________

Nancy Marrier, Board Secretary / Treasurer
AGENDA ITEM 4: METER REPLACEMENT CONSORTIUM MOU

BACKGROUND:

Citrus Heights Water District is proposing to undertake a regionally coordinated effort to explore alternatives for the replacement of customer water meters. While this is not an RWA led or sponsored subscription program, staff is proposing being involved in the process through entering into an agreement with CHWD and the other participants. This provides an alternative mechanism for RWA to be formally involved in a regional program without committing the staff time to be the lead.

The draft MOU is attached, as is the staff report from CHWD’s April 18 Board Meeting.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director

Action: Recommend Approval of the Meter Replacement Consortium MOU to the Full RWA Board
CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
APRIL 18, 2018 REGULAR MEETING

SUBJECT: Memorandum of Understanding (MOU) For Regional Water Meter Replacement Program

STATUS: Action Item

REPORT DATE: April 10, 2018

PREPARED BY: Hilary Straus, General Manager
Rex Meurer, Water Efficiency Supervisor

OBJECTIVE:
Consider approving the Memorandum of Understanding (MOU) for the Regional Water Meter Replacement Program.

BACKGROUND AND ANALYSIS:
Due to aging infrastructure, the District and other water providers in the area are examining how best to replace customer water meters. Staff of several local water agencies, who are also members of the Regional Water Authority (RWA), have determined that this process may present an opportunity for regional collaboration. In particular, a regional approach presents potential opportunities for economies of scale to reduce procurement and on-going operations and maintenance costs. A regional approach may also increase effectiveness in mutual aid and emergency situations if all staff are familiar with neighboring agencies’ meter and related infrastructure. Moreover, a regional approach may present grant or other funding opportunities. Despite the benefits of a regional approach, staff recognizes the potential difficulties for meter program integration over the short term, especially that individual agencies may be looking to replace meters at different times, and may have made prior meter technology and vendor commitments. Therefore, the Consortium approach as proposed has a long-term time horizon, and is aimed at long-term program integration either fully or on a selected-basis.

To explore this possibility, the General Managers and leadership staff of the Carmichael Water District (CWD), Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Orange Vale Water Company (OVWC), Sacramento Suburban Water District (SSWD), San Juan Water District (SJWD) and the Executive Director of RWA recommend that these agencies execute the accompanying MOU. This MOU provides a flexible framework for agencies to participate in the Regional Water Meter Replacement Program (Program). The focus of the MOU is an initial advanced planning study (Study) that will examine numerous parts of the Program, including: 1) an inventory and assessment of the current meter fleet; 2) an evaluation of potential replacement meter technology options and specifications; 3) a summary and assessment of current meter testing programs and options for optimizing performance; 4) an evaluation of potential meter replacement procurement programs and funding models; and 5) a public outreach program for the meter replacement process tailored for each participating agency.

Specifically, the MOU allows Consortium agencies to participate in the Study in three different levels of participation: (a) L1 Party where the agency participates in the Study by providing input and suggestions, but is not required to pay a share of consultant and related costs, (b) L2 Party where the agency shares in a portion of the cost of the Study, but otherwise participates as an L1 Party in the balance of the Study, and (c) L3 Party where the agency participates in the Study fully, including sharing all consultant and related costs. At this point, CHWD and SJWD anticipate participating as L3 Parties, and CWD, FOWD, OVWC, RWA and SSWD will participate as L1 Parties.
Costs of the Study will be shared between the L3 Parties based on their proportional share of total metered water customers for the L3 Parties. All formal decisions will be made by consensus of these parties. CHWD will contract directly with any consultants for the Study and will be reimbursed by SJWD for its share of the costs. If any L1 Party wishes to become an L2 or L3 Party, it may do so under procedures outlined in the MOU.

While the initial focus of the MOU is on the Advanced Planning Study, it will also allow the parties to collectively accomplish other parts of the Program. To add a Program component to the MOU, any party may notify the other parties. At that point, interested parties can opt-in and specify their level of participation (L1, L2 or L3 Party).

**Program Organization**

There are two working groups that have been formed to implement this Program: 1) **Administrative Group**—this group is comprised of the General Managers of all the participating agencies, including the Executive Director of RWA. This group is responsible for governance and management issues of the Meter Replacement Consortium; 2) **Technical Group**—this group is comprised of Meter Program staff, and will be working together to implement various portions of the Meter Replacement Partnership, including overseeing the completion of an Advanced Planning Study for the replacement of meters and the Study’s implementation.

**Fiscal Impact**

There is no fiscal impact with this approval of the MOU. Costs associated with participating in the program will be identified at the time that each project or activity that has a cost is brought forward for Board consideration (e.g., Funding for CHWD’s pro-rata participation in the meter planning study will be requested at the time of award of contract). It is anticipated that participation in this consortium will lower CHWD’s meter replacement costs due to the economies of scale benefit.

**Next Steps**

The first project of the meter replacement consortium will be the completion of a meter replacement planning study. The consortium’s Technical Group will complete the Request for Proposals for the planning study shortly.

**RECOMMENDATION:**

Approve the Memorandum of Understanding for the Regional Water Meter Replacement Program.

**ATTACHMENT:**

Memorandum of Understanding regarding Water Meter Replacement Program

**ACTION:**

Moved by Director ____________, Seconded by Director ____________, Carried ____________
MEMORANDUM OF UNDERSTANDING
REGARDING WATER METER REPLACEMENT PROGRAM

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into this ___ day of ________, 2018 by and between the Carmichael Water District ("CWD"), Citrus Heights Water District ("CHWD"), Fair Oaks Water District ("FOWD"), Orange Vale Water Company ("OVWC"), Regional Water Authority ("RWA"), Sacramento Suburban Water District ("SSWD"), and San Juan Water District ("SJWD") (individually a “Party” and collectively the “Parties”).

RECEITALS

A. The Parties are in the process of determining how best to replace aging water meters within their respective service areas. This process will likely involve issuing a request for proposals for consultant meter replacement planning services, the preparation of a water meter replacement planning study, the selection of a replacement water meter-type, the development and implementation of a replacement water meter procurement program, and related activities ("Program").

B. CHWD is currently developing a request for proposals ("RFP") for the Program planning study ("Planning Study"). The Planning Study is anticipated to include various components, including, but not limited to, an inventory and assessment of meter models currently in use, an evaluation of potential replacement meter technology options and specifications, a summary and assessment of current meter testing programs and options for optimizing performance, an evaluation of potential replacement meter procurement programs and financing models, and a public outreach program for the meter replacement process. The Planning Study is further expected to evaluate the costs and benefits of a single-agency or regional approaches to all applicable portions of the Planning Study. Any component and/or discrete portion of the Planning Study is referred to in this MOU as a "Component."

C. The other Parties wish to collectively participate in this Planning Study (in various capacities and participation levels). The collective sharing of planning costs will result in cost savings by individual agencies and may result in aggregate cost savings due to economies of scale. Moreover, the development of a collaborative regional meter procurement program as part of or due to the Planning Study may result in future operational and maintenance savings and mutual aid service enhancements.

D. The Parties desire to enter into this MOU to outline their respective participation in the Planning Study and to establish a process for potential participation in other aspects of the Program.

TERMS

NOW, THEREFORE, the Parties in consideration of the mutual promises set forth in this MOU, agree as follows:
1. **Purpose of Memorandum of Understanding.** The purpose of this MOU is for the Parties to outline their respective levels of participation in the Planning Study and establish a process for potential participation in other aspects of the Program.

2. **Participation of the Parties.** Each Party shall participate in one of the following three levels of participation:

   2.1 **L1 Participation.** Parties may participate in the development of the Planning Study by attending all planning meetings and sessions coordinated by the L2 and L3 Parties (as defined below), reviewing drafts of the RFP and Planning Study and providing comments and input in the scope and substance of the RFP and Planning Study. Parties participating at this level shall not be required to contribute any funds towards the cost of the Planning Study or the Program. However, L1 Parties may provide input and comments concerning the development of the RFP, selection of consultant for the Planning Study and the development, review and approval of the Planning Study for consideration by the L3 Parties, or L2 and L3 Parties if applicable. The L3 Parties, or L2 and L3 Parties if applicable, may accept, modify, reject or disregard the comments and input of the L1 Parties in their sole discretion. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L1 Party.**” Subject to the provisions of Subsection 2.4, CWD, FOWD, OVWC, RWA, and SSWD will participate as L1 Parties.

   2.2 **L2 Participation.** Parties may participate in the Planning Study by sharing the costs of any Component or Components of the Planning Study as set forth in this subsection. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L2 Party.**” L2 Parties shall be responsible for the costs of the applicable Components as set forth in amendment to this MOU executed by all affected L2 Parties and all L3 Parties. Unless otherwise set forth in the amendment, the L2 Party shall be responsible for: (1) a buy-in fee representing the value received by the L2 Party through its participation in the Planning Study as a L1 Party, excluding the Component which shall be determined by the L3 Parties upon execution of the first Consultant Agreement, and (2) the L2 Party’s proportional share of the cost of the Component using the methodology identified in Exhibit A. Such L2 Parties shall participate in the decision-making for that Component(s) of the Planning Study in the same manner as an L3 Party. L2 Parties may participate in the balance of the Planning Study in the same manner as an L1 Party. Although no Party is participating as a L2 Party presently, this option is set forth in this MOU to accommodate any L1 Party that may decide in the future to increase its participation in the Planning Study or to participate as an L2 Party in any Program Project.

   2.3 **L3 Participation.** Parties may participate in the Planning Study by sharing the costs and the decision-making for the entire Planning Study. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L3 Party.**” L3 Parties shall collaboratively schedule and attend planning meetings and sessions for the development of the RFP and Planning Study, review and evaluate responses to the RFP, determine the selected consultant(s) for the Planning Study, negotiate the Consultant Agreement (as defined below), provide comments and inputs on the development of the Planning Study and approve the final Planning Study. Except as provided in Section 3, all decisions regarding the RFP and Planning Study shall be made by consensus of all L3 Parties and any participating L2 Parties. In the event
of a disagreement between the applicable Parties, the affected Parties shall meet in good faith to resolve the disagreement. If no resolution is reached, a majority vote of the affected Parties on the proposed resolution of the area of disagreement shall control unless there is a tie vote. If there is a tie vote, then the dispute resolution provision in Subsection 2.5 below shall govern. Subject to the provisions of any amendment to this MOU outlining the scope of participation of an L2 Party, L3 Parties shall be responsible for all consultant costs incurred for the Planning Study as set forth in Exhibit A, attached to this MOU and incorporated by this reference. Subject to the provisions of Subsection 2.4, CHWD and SJWD shall participate as L3 Parties.

2.4 Changing Participation Levels. L1 Parties may become L2 Parties upon the execution of an amendment to this MOU signed and approved by all existing L2 and L3 Parties. The amendment shall identify the new L2 Party’s responsibility for Planning Study costs, including any costs incurred by the affected L2 and L3 Parties prior to the date of the amendment. L1 and L2 Parties may become L3 Parties upon the execution of an amendment to this MOU signed and approved by all L3 Parties. The amendment shall identify such Party’s responsibility for Planning Study costs, including, if agreed to by such Parties, any costs incurred by the L3 Parties prior to the date of the amendment subject to any L2 Party’s credit for costs incurred as an L2 Party. L2 and L3 Parties may become an L1 Party at any time prior to the award of the first Consultant Agreement (as defined below) with written notice to the other parties of this Agreement. On such election, the remaining L2 and L3 Parties shall re-allocate the costs of the Planning Study as provided for in Exhibit A. L2 and L3 Parties may become an L1 Party after the award of a Consultant Agreement for the Planning Study only in a written amendment to this MOU approved and signed by all other L2 and L3 Parties. Such amendment shall identify how costs of the Planning Study (those incurred to date and future costs) will be allocated between the Parties.

2.5 Dispute Resolution. If the L3 Parties disagree on a specific issue and a tie vote ensues on a decision on that issue under Subsection 2.3, the L3 Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall either agree to: (1) appoint a panel composed of representatives of other Meter Replacement Program consortium parties to hear the disputed issue and render a decision in favor of one side or the other; or (2) engage an outside mediator to attempt to resolve the disputed issue. The L3 Parties may proceed with all other aspects of the Planning Study or Program Project not affected by the dispute. Nothing in this Subsection 2.5, however, prohibits any Party to the dispute from exercising its option to reduce its participation in this MOU to L2 or L1 Party status in accordance with Subsection 2.4.

3. Selection of Consultant and Approval of Planning Study.

3.1 Selection of Planning Study Consultant. Subject to the provisions of Section 2, CHWD shall issue the RFP and award any agreement with consultant(s) for the Planning Study (each a “Consultant Agreement”). CHWD shall follow and comply with the laws and regulations applicable to a California irrigation district when doing so. The Planning Study shall be overseen and administered by L2 and L3 Parties as provided in Section 2 of this Agreement.
3.2 Approval of Planning Study. Subject to the provisions of Section 2, each L2 and L3 Party shall approve the Planning Study. The approval shall be by the method preferred by that Party and shall be documented in a writing distributed to all other Parties.

4. Cost Sharing Procedure. CHWD shall pay all costs incurred under the Consultant Agreement(s). CHWD shall then provide all affected L2 and L3 Parties with invoices with sufficient supporting information based on their respective share of the costs. Affected L2 and L3 Parties shall reimburse CHWD for such costs within forty-five (45) days of the date of the invoice.

5. Further Program Activities. Upon completion of the Planning Study, the Parties may wish to collectively accomplish other Program activities (each a “Program Project”). Any Party wishing to propose a Program Project may do so with written notice to the other Parties that outlines the scope of the Program Project. Parties wishing to participate in the Program Project shall indicate their desire to do so in writing and whether they wish to participate in the same manner as an L1 Party, L2 Party (if the Program Project may be divided into a discrete component) or L3 Party and such parties shall be deemed L1, L2 or L3 Parties for purposes of the Program Project. Therefore, unless otherwise agreed to by such Parties in an amendment to this MOU, the methodology for sharing Program Project costs, allocation of decision-making authority, award of any consultant and similar agreements, and payment of and reimbursement for invoices shall be the same for the Program Project as set forth in Section 2 and 3 and Exhibit A. Parties may modify their level of participation in the Program Project in the same manner as set forth in Section 2.4.

6. Mutual Indemnification. To the maximum extent allowed by law, each Party hereby agrees to indemnify, defend, assume all liability for and hold harmless the other Parties and their officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to property, costs and expenses (including without limitation any fines, penalties, judgments, actual litigation expenses and attorneys’ fees), and/or personal injuries or death to any persons (collectively, “Claims”), arising out of or in any way connected to the negligence or willful misconduct of that Party, its officers, agents or employees in connection with or arising from any of the activities under this MOU.

7. No Waiver. The waiver by any Party of any breach or violation of any requirement of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU.

8. Notices. Any notice or other communication (“Notice”) which any Party may desire to give to the other Parties under this MOU must be in writing and may be given by any commercially acceptable means, including via first class certified mail, personal delivery or overnight courier, to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice. Any Notice shall be deemed received immediately if delivered by hand, on the third day from the date it is postmarked if delivered by first-class mail, certified and postage prepaid, return receipt requested, and on the next business day if sent via nationally recognized overnight courier.

CWD: Carmichael Water District
9. **Interpretation; Venue.**

9.1 **Interpretation.** The headings used herein are for reference only. The terms of the MOU are set out in the text under the headings.

9.2 **Venue.** This MOU is made in Sacramento County, California. The venue for any legal action in state court filed by any Party to this MOU for the purpose of interpreting or enforcing any provision of this MOU shall be in the Superior Court of California, County of Sacramento.

10. **Third-Party Beneficiaries.** Nothing contained in this MOU shall be construed to create any rights in third parties and the Parties do not intend to create such rights.
11. Severability. If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

12. Amendment of MOU. This MOU may be amended at any time by mutual agreement of the Parties. Unless approval of an amendment is within the authority of less than all Parties as provided in Section 2, any amendment shall be in writing and signed by all Parties. Notwithstanding the foregoing, any public agency or mutual water company located in Placer or Sacramento County not a signatory to this MOU may become an L1 Party upon the execution of a writing indicating its assent to be bound by the terms and conditions of this MOU applicable to L1 Parties. The form of such writing shall be developed by CHWD after consultation with all other Parties. In addition, any L1 Party may withdraw from this MOU with written notice to the other Parties.

13. Entirety of Contract. This MOU constitutes the entire agreement between the Parties relating to the subject of this MOU and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CARMICHAEL WATER DISTRICT          SAN JUAN WATER DISTRICT

By: ________________________________ By: ________________________________
    General Manager                  General Manager

CITRUS HEIGHTS WATER DISTRICT

By: ________________________________
    General Manager

FAIR OAKS WATER DISTRICT

By: ________________________________
    General Manager

ORANGE VALE WATER COMPANY

By: ________________________________
    General Manager

REGIONAL WATER AUTHORITY

By: ________________________________
    Executive Director

SACRAMENTO SUBURBAN WATER DISTRICT

By: ________________________________
    General Manager
EXHIBIT A

COST ALLOCATION METHODOLOGY

The costs of the Planning Study shall be allocated between the current L3 Parties based on their proportional share of metered customers or customers that are required to be metered (whether or not they actually are metered). The number of customer accounts and share of costs is set forth below:

<table>
<thead>
<tr>
<th># of Meter Connections</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHWD</td>
<td>19,937</td>
</tr>
<tr>
<td>SJWD</td>
<td>10,636</td>
</tr>
<tr>
<td>TOTAL</td>
<td>30,573</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># of Meter Connections</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHWD</td>
<td>65.2%</td>
</tr>
<tr>
<td>SJWD</td>
<td>34.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>

Any Party wishing to participate as an L2 or L3 Party may do so pursuant to the provisions of Section 2.4. In the event that an L2 Party is added to the MOU under Section 2.2, the methodology above shall be utilized when determining the L2 Party’s responsibility for the cost of the Component provided that the number of metered customers or customers that are required to be metered (whether or not they actually are metered) shall be used when calculating the L2 Party and the other L3 Parties’ responsibility for the cost of the Component.

Any buy-in fees paid by L2 Parties shall be applied to the total amount owed by the L3 Parties with the buy-in prorated among the L3 Parties in the same manner as costs are allocated as set forth above. If the buy-in fees exceed the amount owed for the completion of the Planning Study or any Program Activity, the balance shall be refunded to the L3 Parties prorated among the L3 Parties in the same manner as costs are allocated as set forth above.
AGENDA ITEM 5: REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

BACKGROUND:

A Request for Proposals for Professional Auditing Services was mailed to 14 firms on February 6, 2018. The due date for proposals was March 9, 2018. We received proposals from the following nine firms: Badawi & Associates; Crowe Horwath; Davis Farr LLP; Fechter & Company; Gilbert Associates; Lance Soll & Lunghard; Mann, Urrutia, Nelson CPA & Associates; Maze & Associates and Vavrinek, Trine, Day & Company. Staff screened the proposals and identified four firms to interview.

The selection committee included Susan Sohal, Administrative Services Manager, Citrus Heights Water District; John Woodling, RWA Executive Director; Nancy Marrier, RWA Finance & Administrative Services Manager and Nicole Krotoski, CPA. Four firms attended the interviews and were scored on three criteria: (1) knowledge/experience; (2) ability to meet the needs of RWA/SGA; and (3) project cost.

The following four firms were scheduled for an interview and are listed by ranking order.

1) Gilbert Associates
2) Badawi & Associates
3) Vavrinek, Trine, Day & Company
4) Mann, Urrutia, Nelson CPA & Associates

The committee recommends that Gilbert Associates be retained to provide professional auditing services for a five year term, with a provision that requires the Executive Committee to approve the contract annually. The amount that RWA budgeted for the FY 2018 audit was $32,000.

STAFF RECOMMENDATION:

Action: Subject to review by legal counsel, authorize the Executive Director to enter into a five-year contract with Gilbert Associates to provide for professional auditing services, with a contract provision requiring annual approval by the Executive Committee. The contract should include a not-to-exceed amount of $26,900 for the FY 2018 audit.
AGENDA ITEM 6: LEGISLATIVE AND REGULATORY UPDATE

BACKGROUND:

RWA staff will update the Executive Committee on legislative and regulatory issues (see written update below) and present the most recent Lobbyist Subscription Program bill packet and position recommendations.

Legislative Update

RWA staff and contract lobbyists remain actively engaged on newly introduced legislation and priority two-year bills, including:

- **Long-Term Urban Water Use Efficiency Legislation: AB 1668 and SB 606**
  
  RWA has actively engaged on the development of these and other related bills over the past two years, including through sponsorship of legislation in 2017. RWA has an “Oppose Unless Amended” position on AB 1668 and SB 606.
  
  In early April, AB 1668 and SB 606 were amended to address a number of long-standing issues, including the addition of requirements that state agencies adopt variances to account for unique local conditions. RWA continues to advocate for additional amendments to ensure that these bills protect the region’s investments in reliable water supplies, have requirements that are technically and economically feasible for RWA member agencies to implement, and define state agency oversight and enforcement roles in a manner that respects local control.

- **Water Tax: SB 623 and Budget Trailer Bill**
  
  SB 623 and a separate but related budget trailer bill would impose a per-connection tax on every public water system customer ranging from 95 cents to $10 per month based on connection size. Consistent with the RWA Board of Director’s adopted policy principles in opposition to a water tax, RWA has an “Oppose Unless Amended” position on both of these measures.
  
  RWA and other water suppliers have actively opposed the proposed water tax, including in recent Assembly and Senate Budget Subcommittee hearings where the proposed “Safe and Affordable Drinking Water Fund” budget trailer bills were heard. Both subcommittees held the bills, meaning they will be taken up for potential advancement later in the legislative session. RWA will remain opposed to these measures unless the proposed water tax is removed.
Regulatory Update

RWA Advocacy Program staff have monitored and recently engaged on the following regulatory activities of the State Water Resources Control Board:

- **Draft Permanent Prohibitions on Waste and Unreasonable Uses of Water**

  The SWRCB released revisions to the proposed Permanent Prohibitions on Waste and Unreasonable Use of Water regulations on January 31. RWA staff prepared and submitted comments in response to the revised regulations on February 12 that emphasized the effectiveness of locally-driven approaches to advancing water use efficiency and provided specific comments on the revised prohibitions.

  The SWRCB was scheduled to consider adoption of the revised regulations on February 20. On the day of the adoption hearing, however, Chair Felicia Marcus indicated that additional changes related to certain recycled water provisions would require an additional comment period and the Board delayed their action. Since the delay of the adoption hearing, SWRCB staff have also been reported to be expanding the regulatory package resolution’s discussion of if and how the SWRCB’s use of their waste and unreasonable use authorities to prohibit these categories of use impacts water rights. As of April 16, the SWRCB has not circulated an updated draft of the regulations for public comment or announced a rescheduled adoption hearing.

- **AB 401 Recommendations for a Statewide Low-Income Water Rate Assistance Program**

  AB 401 (2015) requires the SWRCB to develop recommendations for a Statewide Low-Income Water Rate Assistance Program for submittal to the Legislature. On April 4, SWRCB staff held an all-day symposium that featured speakers on affordability programs outside of California, existing food and energy rate affordability programs within California, and a panel discussion titled, “AB 401 and the Path Forward.” SWRCB Member Joaquin Esquivel announced that the AB 401 recommendations would be finalized and submitted to the Legislature by the end of 2018. Additional stakeholder workshops on the development of the recommendations are expected to be announced in the coming months.

**STAFF RECOMMENDATION:**

Information Presentation: Adam W. Robin, Legislative and Regulatory Affairs Program Manager

**Action: Adopt Bill Positions**
AB 1989  (Mathis R)  Water and Wastewater Loan and Grant Program.
Introduced: 2/1/2018
Last Amended: 3/15/2018
Summary:
Current law authorizes the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program, to the extent funding is made available, to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would appropriate $50,000,000 from the General Fund to the board for the program.

Position: Not Yet Considered
Notes 1: AB 277 (2017) authorizes the SWRCB to establish a program to provide funding to eligible applicants for any of the following purposes:
1. Extending or connecting service lines from a water or wastewater system to the point of entry into a residential structure.
2. Paying reasonable charges or fees for connecting to a water or wastewater system.
3. Paying costs to properly abandon or destroy septic tanks and water wells, as necessary, to protect health and safety as required by local or state law.
4. Improving, rehabilitating, replacing, or repairing existing water wells, including associated equipment.
5. Installing a water treatment system if the groundwater exceeds a primary or secondary drinking water standard.

As amended, AB 1989 would allocate $50 million from the state General Fund to finance the program.

LSP RECOMMENDATION: WATCH

AB 2370  (Holden D)  Lead exposure: child day care facilities: family day care homes.
Introduced: 2/14/2018
Last Amended: 4/5/2018
Summary:
Would require, as a condition of licensure, the health and safety training include instruction in the prevention of lead exposure. The bill, for a license issued before January 1, 2019, would give the licensee 90 days to comply with these provisions. This bill would require a licensed child day care facility, upon enrolling a child, to request that the child’s parent or guardian provide the facility with documentation demonstrating that the child had received a blood lead screening test.

Position: Not Yet Considered
Notes 1: As amended, this bill would require the State Department of Social Services, in conjunction with the state board, to adopt regulations on or before July 1, 2020 for the testing of drinking water at licensed child care centers to ensure that the drinking water is lead free. The bill would require that the regulations include, among other things, a requirement that the drinking water testing results shall be submitted to the State Department of Social Services.

AB 2370 would also provide that a licensed child day care facility is eligible to apply for, and receive, loan funding pursuant to the existing Child Care Facilities Revolving Fund to remediate lead contamination at its facility and to pay for drinking water system improvements that are necessary to ensure that the facility’s drinking water is lead free.

LSP RECOMMENDATION: WATCH

AB 2371  (Carrillo D)  Water use efficiency.
Introduced: 2/14/2018
Last Amended: 4/11/2018
Summary:
Current law allows nursery stock on display for sale at retail to be labeled by a sign on any block of stock of the same kind and species and requires turf to be labeled by a sign showing the required correct name of the stock on display. Current law vests with the Secretary of Food and Agriculture and the county agricultural commissions of each county the responsibility of enforcing these provisions and makes a violation of these provisions a crime. This bill would also require nursery stock, for any taxa listed in the Water Use Classification of Landscape Species, published by the University of California Division of Agriculture and Natural Resources, to be labeled with the correct water use classification, as
Position: Not Yet Considered
Notes 1: As amended, AB 2371 would enact the five consensus recommendations of the Independent Technical Panel convened pursuant to AB 1420 (2007) to develop new water demand management measures, technologies, and approaches.

The five recommendations include:
1. Leadership at state facility landscapes - require that new state facilities and state facilities that undergo major renovations to meet stronger requirements for sustainable landscape design and maintenance policies to make them commensurate with Energy Section 2.0 of the Green Building Action Plan for Zero Net Energy Approach.
2. Landscape Plant Labeling - require that all plant taxa sold in California be identified at the point of sale by water use classification (e.g., low, medium, high) by an approved process.
4. Incorporate Water Use Efficiency and Sustainable Practices into the State Examination for a Landscape Contractors License.
5. Update and Improve "Water Use Classification of Landscape Species" (WUCOLS), California’s Primary Reference Document for Landscape Plant Water Use

This bill is co-sponsored by the San Diego County Water Authority and the Natural Resources Defense Council. The bill factsheet is attached.

LSP RECOMMENDATION: SUPPORT

**AB 2957 (Gallagher R)**  Water: University of California: California Institute for Water Innovation and Technology: corporate income taxes: credit: water technology.

Introduced: 2/16/2018
Last Amended: 4/11/2018

Summary:
Would request the Regents of the University of California to establish the California Institute for Water Innovation and Technology in order to achieve specified goals, including developing California’s next generation of water professionals and technicians and growing the state’s economy by creating new opportunities for jobs in water research, management, and technology. The bill would request the regents to locate the institute at a satellite campus within the City of Oroville.

Position: Not Yet Considered
Notes 1: As amended, AB 2957 would request the Board of Governors of the California Community Colleges to establish the California Institute for Water Innovation and Technology in order to achieve specified goals, including "developing California’s next generation of water professionals and technicians and growing the state’s economy by creating new opportunities for jobs in water research, management, and technology." The bill would request the board of governors to locate the institute at Butte College or at a satellite campus within the City of Oroville.

LSP RECOMMENDATION: WATCH

Total Measures: 4
Total Tracking Forms: 4
AGENDA ITEM 7: SUBCOMMITTEE UPDATES

BACKGROUND:

The RWA Board adopted Policy 500.16 in March 2018, which identifies how long-term liabilities of members could be assessed. The Executive Committee discussed in 2017 the need for this policy prior to recruiting new members. Mr. Dugan was previously identified as Chair of the Membership Committee.

A survey will be sent out to members and staff asking for input on the cost, location and date of the March 15th event and any topics that were not of interest. Mr. York is taking a policy to SSWD regarding sponsorships to be able to participate in the future.

STAFF RECOMMENDATION:

Information Presentation: Conference Subcommittee, Membership Subcommittee and Discussion
AGENDA ITEM 8: MAY 3, 2018 RWA BOARD MEETING AGENDA

Action: Approve May 3, 2018 proposed RWA Board Meeting Agenda
DRAFT 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. Information: Final minutes of the February 21, 2018 and March 21, 2018 Executive Committee meetings and draft minutes from the April 25, 2018 Executive Committee meeting.
   b. Draft minutes from the March 8, 2018 RWA regular board meeting
   Action: Approve the Consent Calendar Item

4. METER REPLACEMENT CONSORTIUM MOU
   Information Presentation: John Woodling, Executive Director and Hilary Straus, General Manager, Citrus Heights Water District
   Action: Approve the Meter Replacement Consortium MOU

5. LEGISLATIVE AND REGULATORY UPDATE
   Information Presentation: Adam W. Robin, Legislative and Regulatory Affairs Program Manager

6. WATER EFFICIENCY UPDATE
   Information Presentation: Amy Talbot, Senior Project Manager

7. EXECUTIVE DIRECTOR’S REPORT

8. DIRECTORS' COMMENTS
ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, May 23, 2018 and June 27, 2018, 8:30 a.m. at the RWA office.

Next RWA Board of Directors’ Meeting – Thursday, July 12, 2018, 9:00 a.m., at the RWA Office.
AGENDA ITEM 9: EXECUTIVE DIRECTOR’S REPORT
APRIL 25, 2018

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR’S REPORT

a. **Water Efficiency Update – Landscape Imagery Project** – RWA has partnered with the Sacramento Area Council of Governments (SACOG) to collect, process, and deliver 3-inch, 4 band (red, green, blue, and near infrared) aerial imagery for the purpose of conducting local and regional water supply planning and evaluating current and future legislative and regulatory proposals related to water efficiency. Imagery provides data on landscape material type, irrigation, and impervious/pervious designation to help estimate landscape irrigation budgets like those associated with the proposed legislation (AB 1668 and SB 606). SACOG’s imagery vendor, Sanborn Map Company, Inc. has completed all flights to collect imagery data for RWA’s entire project area. The associated data has passed final quality control and is still on track for delivery to RWA in September 2018, as planned. RWA will then redistribute the imagery data to each agency. The total cost for the project is $140,000, which will be collected in varying amounts from RWA and member agencies depending on size and scope. Staff will be reaching out to each agency to discuss this project in more detail. The final delivery will be a high resolution, consistent and timely imagery file covering approximately 900 square miles of the region, which will provide a solid base to perform a wide range of analysis for both local and regional purposes.

**SB 555 Water Loss Audit Validation Training** – Every retail urban water supplier is required by SB 555 to perform an annual Level 1-Validation on their agency’s AWWA Water Loss Audit and submit a finalized validated audit to the state by October 1st of each year beginning in 2017. To meet the SB 555 requirement for validating an audit, a water agency can choose to hire a qualified consultant to validate their audit or designate a staff member to register, attend, and pass the AWWA CA-NV Section Water Loss Validator Certification Training/Testing and perform the validation internally. The first round of Certification Trainings (7 in total) will be held throughout the state from April through June 2018. Our local training will be held in West Sacramento on June 5th and 6th for a cost of $2,000 per person. Persons attending the training and certification testing should have prior knowledge of AWWA Water Loss Audit method and software as well as the associated grading matrix.
Public Outreach – The Water Efficiency Program (WEP) launched the 2018 campaign in early April. The 2018 theme is “Check the Soil and Save” with the goal of reducing water waste and overwatering by checking the soil to see if you need to water first. The public outreach committee selected campaign images and messaging based on the resulting preferences from the Program’s February residential focus groups. These images and messaging (shown below) will be the main focus of the campaign and will be supported through ads on Facebook, Google, Instagram, Capital Radio, Total Traffic and Weather, radio public service announcements (PSA), a “how to” video series, and through partnerships with the River Cats and local nurseries. The Program will also host several events throughout the year including Mulch Mayhem (free mulch provided to customers several Saturdays in May) in partnership with the Sacramento Tree Foundation and Harvest Day in partnership with University of California Extension. For school education, the Program is continuing the Water Spots Video Contest that solicits high school and middle school students to submit a 30 second video PSA around an annual theme. The 2018 theme is H2o Hero. The Program received 100 videos this year from about a dozen schools throughout the region and we are currently in the process of selecting the winning videos that will be viewed over the summer at local movie theaters.
WEP Budget – Over the last 3 years, the RWA Board has decided to progressively transition a portion of WEP overhead costs from the Water Efficiency Program (WEP) budget to the general RWA budget to acknowledge staff and office expenses that were occurring outside of the historical WEP budget scope. These activities include statewide drought and water loss related policy review and technical committee participation, RWA data collection and analysis, and water energy research and partnerships.

Below are the annual percentages and dues amounts that have transitioned from the WEP budget to the RWA budget over the last 3 years.

FY17 - $13,600 (10%)
FY18 - $31,500 (20%)
FY19 - $50,200 (30%)

Staff is requesting feedback from the Executive Committee and Board on whether these additional costs to the RWA budget should be balanced with equal reductions in the WEP budget or if staff should continue to repurpose this funding in the current WEP budget to increase program activities and scope. Increased activities include expanding current advertising buys, creating new regional programs, and facilitating new partnerships. Staff proposes that the FY19 WEP budget maintain the same funding level as FY18, which would include repurposing funds previously used for WEP overhead costs ($50,200 now in the FY19 RWA budget) toward increasing program activities in 2018 and 2019. The proposed FY19 WEP budget will be reviewed by WEP participants at the upcoming May 8th regular meeting.

b. RWA Outreach – Amy Talbot gave a well-received presentation to the Water Forum Plenary on regional water efficiency on April 12, 2013. Mr. Woodling will Chair the meeting of the ACWA Groundwater Committee and moderate a session on the future of integrated regional water management at the upcoming ACWA Conference. As many of you are aware, ACWA will be recruiting for an Executive Director as a result of Tim Quinn’s retirement in late 2018. Mr. Woodling has agreed to represent ACWA Region 4 on the selection committee.
April 25, 2018

AGENDA ITEM 10: DIRECTORS’ COMMENTS