

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**May 23, 2018; 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 April 25, 2018 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. CHAIR TO APPOINT 2018 EXECUTIVE DIRECTOR EVALUATION COMMITTEE**
Action: Chair to Appoint Ad Hoc 2018 Executive Director Review Committee
- 5. DESIGNATE REMAINING SALARY BUDGET**
Information Presentation: John Woodling, Executive Director
Action: Recommend Board Designate Remaining Salary Budget of Approximately \$24,600 into FY 2019
- 6. SUBCOMMITTEE UPDATES**
Information Presentation: Conference and Membership Subcommittees and Discussion
- 7. EXECUTIVE DIRECTOR'S REPORT**
- 8. DIRECTOR'S COMMENTS**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – June 27, 2018 and July 25, 2018 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, July 12, 2018, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

May 23, 2018

AGENDA ITEM 3: CONSENT CALENDAR

Minutes of the April 25, 2018 Executive Committee meeting

Action: Approve Consent Calendar item

1. CALL TO ORDER

Chair Yasutake 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
Marcus Yasutake, City of Folsom
Jim Peifer, City of Sacramento
Paul Schubert, Golden State Water Company
Robert Dugan, Placer County Water Agency
Kerry Schmitz, Sacramento County Water Agency
Dan York, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

John Woodling, Rob Swartz, Nancy Marrier, Cecilia Partridge and Ryan Bezerra, Legal Counsel

Others in Attendance

Kelye McKinney, David Gordon, Rex Meurer, Hilary Straus, Matt Wheeler, Paul Helliker and Charles Duncan. Nicole Krotoski participated via conference call.

2. PUBLIC COMMENT

Mr. York said that the funeral service for Neil Schild will be held May 21st at 1:00 p.m., at the Town and Country Lutheran Church, located at 4049 Marconi Avenue in Sacramento.

Chair Yasutake suggested that the next RWA Board meeting be opened and closed in memory of Mr. Schild.

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held April 25, 2018.

Motion/Second/Carried (M/S/C) Mr. Schubert moved, with a second by Mr. Greenwood, to approve the minutes from the April 25, 2018 Executive Committee meeting. The motion carried by the unanimous voice vote of all directors present.

4. METER REPLACEMENT CONSORTIUM MOU

John Woodling, Executive Director, introduced Citrus Heights Water District (CHWD) staff. Hilary Straus, CHWD General Manager, gave a presentation to the Executive Committee and will give the presentation to the RWA Full Board in May explaining the proposed undertaking and the potential future regional work. 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.

Mr. Straus provided information on the proposed undertaking of a regionally coordinated effort to explore alternatives for the replacement of customer water meters. He explained the different levels of participation in the MOU that give agencies flexibility for participation. Partnering in this undertaking represents sensible integration to share the cost of the plan and associated opportunities. There are two working groups which consist of an administrative group including the general managers and the RWA Executive Director to help guide the governance of the program and a technical group comprised of meter replacement program staff.

There was discussion on the potential benefits, funding opportunities and how agencies can become involved in the program.

The draft MOU was included in the packet, as was the staff report from CHWD's April 18 Board Meeting.

M/S/C Mr. Greenwood moved, with a second by Mr. Dugan, to recommend approval of the Meter Replacement Consortium MOU to the RWA Board. The motion carried by the unanimous voice vote of all directors present.

5. REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

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 recommended 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. Mr. Greenwood asked if Gilbert Associates was the lowest cost firm. Mr. Woodling responded that they were not, but they scored best on the full range of criteria considered.

M/S/C Ms. Tobin moved, with a second by Mr. Schubert, subject to review by legal counsel, to 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. The motion carried by the unanimous voice vote of all directors present.

6. LEGISLATIVE AND REGULATORY UPDATE

John Woodling gave an update on legislative and regulatory issues and presented the most recent Lobbyist Subscription Program bill packet and position recommendations. A list of bills not yet considered by RWA was enclosed in the packet.

Mr. Woodling reported that Adam W. Robin will be leaving RWA on August 27th. A current recruitment is underway for a Legislative and Regulatory Affairs Program Manager. In the interim Dave Brent will fill in the position.

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.

RWA has actively engaged on the development of Long-Term Urban Water Use Efficiency Legislation, AB 1668 and SB 606. RWA has an “Oppose Unless Amended” position on these bills.

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. An outstanding issue is how much protection there is for your ability to use water supplies that are available under a declared drought emergency.

Staff requested an action in support of AB 2371, implementation of recommendations on Water Use Efficiency. Mr. Greenwood questioned the provision that would add an irrigation element to home inspections on sale and suggested that the realtors association may oppose that.

M/S/C Mr. Dugan moved, with a second by Ms. Schmitz, to adopt a support position on AB 2371. The motion carried by the unanimous voice vote of all directors present.

7. SUBCOMMITTEE UPDATES

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. A request for additional participation on the Conference Subcommittee from additional board members will be included in the survey.

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. Membership Subcommittee Chair Dugan requested additional participation from the Executive Committee members. Mr. Woodling, Chair Yasutake, Mr. York and Ms. Tobin volunteered to assist Mr. Dugan on the subcommittee. The subcommittee will meet to compile a list of possibilities to recruit for RWA membership and strategize how to move forward.

Mr. Dugan mentioned that there was a commitment to the board that there would be further dialogue on the compensation survey issue. Chair Yasutake suggested that a list be put together of specifics that were asked for by the Full Board and what was discussed by the Executive Committee. Mr. Woodling said that after we have an HR consultant hired they would be able to assist with the compensation issue.

8. MAY 3, 2018 RWA BOARD MEETING AGENDA

After discussion it was agreed to move the Legislative and Regulatory Update to the Executive Director's Report and add a Regional Reliability Plan Update to include an update on ASR.

It was suggested that a half day workshop on ASR be considered to follow a board meeting.

M/S/C Ms. Tobin moved, with a second by Mr. Peifer, to approve the May 3, 2018 proposed RWA board meeting agenda with the proposed changes. The motion carried by the unanimous voice vote of all directors present.

9. EXECUTIVE DIRECTOR'S REPORT

Water Efficiency Update – 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. Staff will be reaching out to each agency to discuss this project in more detail.

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. 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.

Yesterday a meeting was convened to discuss direct groundwater recharge in the central and Cosumnes areas of the county. It is worth further discussion to determine what can be done, what the cost would be and where the funding would come from.

Mr. Woodling drew people's attention to the fact that California Water Commission staff had evaluated the public benefits of storage projects under Proposition 1, and Regional San's South County Ag Recharge Project scored well, with \$240 million of identified public benefit.

10. DIRECTORS' COMMENTS

Mr. Dugan commented on the recent Cap-to-Cap trip saying water efforts were well received and appreciated when they met with Feinstein's office and others.

The North State Water Alliance is the chamber partnering with RWA and NCWA on items that we can advocate for to protect the north state's common interests.

Mr. York reported that the Sacramento Suburban Water District Board needs to fill the vacancy with Mr. Schild's passing by June 14th. President Locke appointed Kevin Thomas as an SGA Board representative. He reminded members to RSVP if they would like to attend Rob Roscoe's retirement celebration.

Mr. Schubert mentioned that staff has requested feedback on the budget and the shifting cost of the WEP budget to move to the core program. He suggested that the staffing costs should be reduced from the budget and then additional funds for

programs explicitly added back if needed. Mr. Woodling said that we wanted to specifically discuss this at the RWA Board meeting as it was brought up during budget time.

Ms. Schmitz said that Sacramento County Water Agency will have a rate increase coming up.

Mr. Yasutake thanked Vice Chair Schubert for chairing the March Executive Committee meeting in his absence. The City of Folsom's City Manager announced his retirement effective July 15th. The City is proposing a rate adjustment of 6% on the water side and 2 ½% on the waste water side over the next 5 fiscal years.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Yasutake adjourned the meeting at 10:04 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

May 23, 2018

**AGENDA ITEM 4: CHAIR TO APPOINT 2018 EXECUTIVE DIRECTOR
EVALUATION COMMITTEE**

BACKGROUND:

Each year the RWA Chair appoints an executive Director Review Committee. Policy 400.4 states that “The RWA Chair will select an Evaluation Committee comprising four members, consisting of two members from the RWA Executive Committee and two Board Members from the SGA. Members of the Evaluation Committee will not be from the same agency. Whenever feasible, the Chair of the RWA will chair the Evaluation Committee and the Chair of the SGA will serve on the Evaluation Committee.”

STAFF RECOMMENDATION:

Action: Chair to Appoint Ad Hoc 2018 Executive Director Review Committee

May 23, 2018

AGENDA ITEM 5: DESIGNATE REMAINING SALARY BUDGET

BACKGROUND:

RWA is in the process of recruiting to fill the position of Legislative and Regulatory Affairs Manager, which will likely be vacant through May and June of 2018. The salary budgeted for fiscal year 2018-19 was based on the current incumbent in the position. Staff is proposing to move the salary savings from the current fiscal year into the FY 2019 budget to provide for the ability to recruit highly qualified candidates for the position.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director

Action: Recommend the Board Designate Remaining Salary Budget of Approximately \$24,600 from FY 2018 into FY 2019

May 23, 2018

AGENDA ITEM 6: SUBCOMMITTEE UPDATES

BACKGROUND:

A survey was 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. A request for additional participation on the Conference Subcommittee from additional board members was included in the survey.

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. Membership Subcommittee Chair Dugan requested additional participation from the Executive Committee members. Mr. Woodling, Chair Yasutake, Mr. York and Ms. Tobin volunteered to assist Mr. Dugan on the subcommittee. The subcommittee will meet on May 22, 2018 to compile a list of possibilities to recruit for RWA membership and strategize how to move forward.

STAFF RECOMMENDATION:

Information Presentation: Conference and Membership Subcommittees and Discussion

May 23, 2018

AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

MAY 23, 2018

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Legislative and Regulatory Update** – The Long-Term Urban Water Use Efficiency and Drought Planning Legislation, AB 1668 and SB 606, have passed the Legislature and moved to the Governor for signature. RWA and its partners were able to gain favorable amendments in the final versions of the bills that largely satisfied our outstanding concerns. Assemblymember Blanca Rubio, the author of two RWA-sponsored bills last year, was instrumental in achieving the amendments.

Water Tax Legislation in SB 623 and a Budget Trailer Bill continues to be problematic. RWA, several members, and a variety of regional business groups sent a letter of opposition to the water tax on May 13, 2018 (attached). On Thursday, May 17, Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation voted to advance a temporary augmentation with one-time funding for safe and affordable drinking water, while not advancing the tax proposal (attached).

- b. RWA Outreach** – Mr. Woodling chaired the meeting of the ACWA Groundwater Committee on May 8th and moderated a panel on the future of IRWM on May 9th at conference. Mr. Woodling has agreed to represent ACWA Region 4 on the selection panel for ACWA's next executive director. Mr. Woodling has agreed to serve on the advisory committee for the Groundwater Exchange, a product of the Environmental Defense Fund in conjunction with Chris Austin of Maven's Notebook and the California Water Library. The Exchange seeks to bring together the broad universe of information and documents that will support SGMA implementation. The first meeting was held on May 14, 2018. Mr. Woodling will be a speaker at the Groundwater Resources Association's GSA Summit on June 6, 2018 and at *An Uncommon Dialogue* on managing groundwater quality under SGMA hosted by Stanford University's Water in the West Program on June 11, 2018. Mr. Woodling will participate as a member of GRA's Contemporary Groundwater Issues Committee on May 24, 2018. Mr. Swartz will speak to NCWA's Northern California Water Leaders Course 2018 cohort on May 24, 2018.

c. Financial Reports – The RWA financial reports through April 30, 2018 are attached.

May 15, 2018

Honorable Phil Ting, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

Re: Safe and Affordable Drinking Water Act – Budget Trailer Bill: OPPOSE UNLESS AMENDED

Dear Assemblymember Ting and Senator Mitchell:

The above identified organizations wish to inform you that we are opposed to the Administration's proposed budget trailer bill that would implement the Safe and Affordable Drinking Water Act through a proposed tax on drinking water, **unless it is amended as described below.**

The budget trailer bill would establish a fund to be administered by the State Water Resources Control Board to assist those who do not have access to safe drinking water. We agree with the intent of the bill, and acknowledge the lack of access to safe drinking water in certain disadvantaged communities is a public health issue and a social issue the State needs to address.

In its current form, the budget trailer bill contains multiple forms of proposed funding: 1) tax revenue from fertilizers, confined animal facilities, and milk-producing facilities to address nitrate contamination; and 2) a state-mandated tax on tap water that the budget trailer bill would require local water agencies to assess on their local residential and business ratepayers and send to Sacramento.

We are strongly opposed to the drinking water tax component of the budget trailer bill.

Requiring local water agencies and cities across the state to impose a tax on water for the State of California is not the appropriate response to the problem and ignores other available funding opportunities and resources that may reasonably be available to address the problem. Additionally, state law sets forth a policy of a human right to water for human consumption that is safe, clean, affordable and accessible. It is not sound policy to tax something that is a human right. Adding a tax on water works against keeping water affordable for all Californians – it is a regressive tax program that inequitably affects lower-income Californians. It also negatively affects the cost of doing business in California.

While we acknowledge the importance of ensuring safe drinking water for all Californians, we firmly believe imposing a tax on drinking water is inappropriate and the wrong way to fund this important public purpose. Instead, the state should examine and implement a wide range of credible, implementable options for providing sustainable funding to address drinking water solutions in the state.

Trust Fund – One-time surplus budget funds could be used to create an irrevocable endowment or trust fund that would produce a sustainable revenue stream under reasonable interest rate assumptions, and create opportunity to bond against the revenue stream for capital infrastructure, where necessary.

Assemblymember Phil Ting
Senator Holly Mitchell
May 15, 2018
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General Obligation Bonds – Proposition 68 on the June primary election ballot proposes \$175 million for safe drinking water and another water bond measure currently in circulation for the November 2018 general election ballot proposes \$500 million for safe drinking water. These bond measures, coupled with funds from previously-passed bond measures (such as Proposition 1 and Proposition 84) prioritize safe drinking water funding for disadvantaged communities.

Agricultural Self-Assessment – The production agricultural assessments proposed in the budget trailer bill can be used for replacement water, including point-of-use and point-of-entry treatment, for nitrate contamination.

State General Fund – General Fund funding can address the non-nitrate operation and maintenance (O&M) cost needs at public water systems in disadvantaged communities (with the nitrate contamination component addressed through an agricultural self-assessment).

Cap-and-Trade Funds – These funds could be used to help address groundwater contamination which would reduce the need to transport imported water (and create greenhouse gas emissions) over long stretches within the state.

Everyone in California should have access to safe drinking water. The fact that a small percentage of Californians do not makes this issue a public health and social issue for which the State General Fund is an appropriate source of funding as part of the above-suggested funding package.

We are very concerned about the precedent nature of a proposed water tax. The adage about the camel's nose getting under the tent applies here. California is rife with programs in search of funding – low-income water rate assistance, implementation of the California Water Plan, forestry health, and watershed protection, to name just a few. So what begins as a modest increase for residential and business ratepayers could grow rapidly as more and more projects force their way into the “tent.” A drinking water tax now will lead to substantial monthly water bill increases for residential, business, and institutional customers over the coming years as more and more programs seek to siphon funds through this tax program.

Add to this, recent polling conducted by the Association of California Water Agencies clearly demonstrates strong negative opinions about a drinking water tax, as **73 percent of voters indicated opposition to a water tax**. According to the polling data, substantial opposition to a proposed tax on drinking water is diverse and widespread among varying demographic groups, geographically, on a bipartisan basis, and even when provided a very favorable argument to justify a water tax.

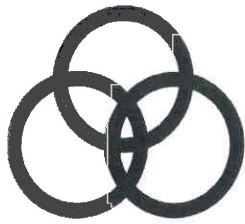
For these reasons, **we must oppose the Administration's proposed budget trailer bill unless it is amended to remove the drinking water tax on residential and business water ratepayers.**

Assemblymember Phil Ting
Senator Holly Mitchell
May 15, 2018
Page 3

cc: Assembly Minority Leader Brian Dahle
Assemblymember Ken Cooley
Assemblymember Jim Cooper
Assemblymember James Gallagher
Assemblymember Kevin Kiley
Assemblymember Kevin McCarty
Senator Richard Pan
Senator Ted Gaines
Senator Jim Nielsen

Assembly Speaker Anthony Rendon
Senate President pro Tempore Toni Atkins
Assemblymember Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Members, Assembly Budget Subcommittee No. 3
Susan Chan, Consultant, Assembly Budget Subcommittee No. 3
Barbara Gausewitz, Fiscal Consultant, Assembly Republican Caucus
Senator Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Members, Senate Budget and Fiscal Review Subcommittee No. 2
Joanne Roy, Consultant, Senate Budget and Fiscal Review Subcommittee No. 2
Rocel Bettencourt, Fiscal Consultant, Senate Republican Caucus

Kim Craig, Deputy Cabinet Secretary, Office of the Governor



Joint Chambers Commission
El Dorado County,
El Dorado Hills and
Shingle Springs/Cameron Park
Chambers of Commerce



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



**RANCHO
CORDOVA**
CHAMBER OF COMMERCE





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ACWA ADVISORY

LEGISLATION | SAFE DRINKING WATER

May 17, 2018

Senate Budget Subcommittee No. 2 Advances Temporary Safe Drinking Water Funding

Called "Additional" Funding, Not Replacement of State Water Tax

The Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation today voted to advance a temporary augmentation with one-time funding for safe and affordable drinking water. Chair Bob Wieckowski (D-Fremont) noted that this was the Senate's proposal and that it "was not in lieu of the governor's (statewide water tax) budget trailer bill language" but rather "in addition to the budget trailer bill language."

The temporary funding is comprised of:

State Water Resources Control Board positions:

- **\$1.6 million** in general fund dollars to pay for nine two-year limited term positions at the State Water Board to map areas of high risk for drinking water contamination and process drinking water data provided by local agencies.

Emergency relief:

- **\$23.5 million** in one-time general fund dollars for emergency relief including well and septic system replacement, permanent connections to public systems, well and septic abandonment, point of use and point of entry systems, and debt relief.
- **\$3.5 million** for new residential water tanks and resupply of existing water tanks.
- **\$10 million** for the State Water Board's Drinking Water for Schools Programs.

Infrastructure:

- **\$45 million** in Proposition 2 funds for fiscal year 2019-'20 and ongoing to fund drinking water infrastructure projects.

Next Steps

The Assembly Budget Subcommittee No. 3 on Resources and Transportation may take up this same issue next week. The statewide water tax language is not contained within the temporary funding language that the Senate Budget Subcommittee passed today. The Senate Subcommittee's action does not necessarily replace the statewide water

tax budget trailer bill or SB 623 (Monning). Both of those proposals are still waiting in the wings.

Action can be taken on the budget trailer bill or SB 623 up until midnight on the last day of the legislative session on Friday, Aug. 31. ACWA will keep members apprised as this issue continues to unfold.

Questions

For questions regarding the budget trailer bill or ACWA's advocacy on the bill, please contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#) or ACWA Director of State Legislative Relations [Wendy Ridderbusch](#). Both can be reached at (916) 441-4545.

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REGIONAL WATER AUTHORITY

Income Statement

Year-to-Date Performance, April 2018

Department 10 to 20

	<i>10 Months Ended April 30, 2018</i>	<i>Annual Budget</i>	<i>Unused</i>
REVENUES			
Annual Assessments	863,538.00	863,500.00	(38.00)
Affiliate Members Annual	7,875.00	9,000.00	1,125.00
Associate Membership Annual	51,300.00	51,300.00	0.00
Powerhouse Science Center - Members	73,649.00	60,000.00	(13,649.00)
Powerhouse Science Center - Others	0.00	5,000.00	5,000.00
SGA Service Agreement Fees	372,052.28	595,100.00	223,047.72
Holiday Social Revenue	6,790.00	8,000.00	1,210.00
Miscellaneous Revenue	190.00	0.00	(190.00)
Cash Discounts	242.69	0.00	(242.69)
WEP Category 2 Revenues	7,855.00	0.00	(7,855.00)
Interest on S/T Investments	22,788.86	7,000.00	(15,788.86)
TOTAL REVENUES	1,406,280.83	1,598,900.00	192,619.17
TOTAL REVENUE	1,406,280.83	1,598,900.00	192,619.17
GROSS PROFIT	1,406,280.83	1,598,900.00	192,619.17
OPERATING EXPENDITURES			
Staff Expenses			
General Salaries	679,345.84	867,200.00	187,854.16
Benefits/Taxes	258,925.25	437,300.00	178,374.75
Travel / Meals	15,102.49	25,000.00	9,897.51
Professional Development	3,995.00	5,000.00	1,005.00
TOTAL Staff Expenses	957,368.58	1,334,500.00	377,131.42
Office Expenses			
Rent & Utilities	18,725.58	25,000.00	6,274.42
Insurance	26,228.83	25,800.00	(428.83)
Office Maintenance	650.00	500.00	(150.00)
Telephone	9,278.64	12,000.00	2,721.36
Dues and Subscription	8,738.79	11,000.00	2,261.21
Printing & Supplies	11,673.71	27,200.00	15,526.29
Postage	2,529.63	3,100.00	570.37
Meetings	10,847.93	14,000.00	3,152.07
Computer Equipment/Support	12,895.26	12,600.00	(295.26)
TOTAL Office Expenses	101,568.37	131,200.00	29,631.63

	<i>10 Months Ended April 30, 2018</i>	<i>Annual Budget</i>	<i>Unused</i>
Office Furniture & Equipment			
Office Furniture	788.92	2,700.00	1,911.08
Office Move	0.00	20,000.00	20,000.00
TOTAL Office Furniture & Equipment	788.92	22,700.00	21,911.08
Professional Fees			
ADP / Banking Charges	1,663.04	2,000.00	336.96
Audit Fees	10,410.00	23,000.00	12,590.00
Legal Fees	43,013.56	50,000.00	6,986.44
GASB 68 reporting fee	350.00	0.00	(350.00)
Consulting Expenses - General	72,519.71	165,100.00	92,580.29
Powerhouse Science Center Payments	0.00	25,000.00	25,000.00
TOTAL Professional Fees	127,956.31	265,100.00	137,143.69
Program Fees			
Consulting Expenses	43,180.30	60,000.00	16,819.70
TOTAL Program Fees	43,180.30	60,000.00	16,819.70
TOTAL OPERATING EXPENDITURES	1,230,862.48	1,813,500.00	582,637.52
OPERATING INCOME (LOSS)	175,418.35	(214,600.00)	(390,018.35)
NET OPERATING INCOME (LOSS)	175,418.35	(214,600.00)	(390,018.35)
NET INCOME (LOSS) NET OF PROGRAM	175,418.35	(214,600.00)	(390,018.35)



Per California Government Code 6505.5 (e), RWA reports the following unaudited information:

For the period ending April 2018

Cash in checking account:	\$	391,839
LAIF Balance	\$	2,127,936

For the period of January 1 to April 2018

Total cash receipts for the period:	\$	3,213,682
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Total cash disbursements for the period:	\$	3,258,199
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Investments, Restricted Cash and Designated Funds, Undesignated Funds and Cash Report

For the month ending:	Unaudited April 30, 2018	Audited June 30, 2017
Local Agency Investment Fund (LAIF)	\$2,127,936	\$2,150,450
General Checking Account	\$391,839	\$120,901
Total Cash and Investments	\$2,519,775	\$2,271,351
Less: Restricted Cash and Designations¹		
Water Efficiency Program (WEP) ²	\$485,409	\$779,760
Prop 84 Project Management ²	\$69,947	\$86,572
Prop 84 3 Project Management ²	\$16,854	\$20,949
Proposition 50 Grant Management ²	\$9,064	\$11,415
Lobbying Subscription Program ²	\$122,806	\$81,806
2014 Drought Program Management	\$20,811	\$37,199
Regional Reliability Plan ²	\$49,175	\$86,143
SRCSD Water Suppliers ²	\$0	\$0
Membership Dues Stabilization	\$137,200 ⁴	\$123,900
Subscription Program Stabilization	\$27,300 ⁴	\$28,400
Pension Plan Accounting Change	\$45,000 ⁴	\$42,000
Powerhouse Science Center	\$160,631 ⁴	\$146,759
Strategic Plan Fund	\$101,048 ⁷	\$199,748
Total Designated Funds, excluding operating fund	\$1,245,245	\$1,644,651
Total Available Cash for Operating Funds		
Operating Fund ³	\$582,200 ⁶	\$505,400
Undesignated Funds ⁵	\$692,330	\$121,300
Total Designated and Undesignated Funds	\$2,519,775	\$2,271,351

¹ Designated funds represents amounts set aside for program specific purposes.

² The cash for this designated fund is restricted as to its use for these specific programs based upon contractual agreements with the participating member agencies.

³ Per Policy 500.1, the Operating Fund is available to pay ongoing RWA operations and administration expenses.

⁴ The designated amounts reflect the June 30, 2018 projected year end balance from the FY2018 budget plus/minus any year end accounting adjustments.

⁵ Per Policy 500.1, Funds in excess of the maximum target designated balances may be used to offset future membership dues and subject to an annual review by the Board.

⁶ The operating fund at June 30, 2018 is estimated to be at 4 months.

⁷ Hiring of strategic planning staff occurred in December 2016. Adjusted to reflect projected available remaining funds at 06.30.18.

May 23, 2018

AGENDA ITEM 8: DIRECTORS' COMMENTS