

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 March 21, 2018.

Motion/Second/Carried (M/S/C) Mr. Schubert moved, with a second by Mr. Greenwood, to approve the minutes from the March 21, 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 April 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