



**Regional Water Authority**  
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

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**RWA Board Meeting  
Final Minutes  
March 8, 2018**

## **1. CALL TO ORDER**

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

### **RWA Board Members**

S. Audie Foster, California American Water  
Ron Greenwood, Carmichael Water District  
Steve Nugent, Carmichael Water District  
Al Dains, Citrus Heights Water District  
Hilary Straus, Citrus Heights Water District  
Marcus Yasutake, City of Folsom  
Paul Joiner, City of Lincoln  
Scott Alvord, City of Roseville  
Sean Bigley, City of Roseville  
Jeff Harris, City of Sacramento  
Jim Peifer, City of Sacramento  
Denix Anbiah, City of West Sacramento  
Stan Cleveland, City of Yuba City  
Ryan Saunders, Del Paso Manor Water District  
Deb Sedwick, Del Paso Manor Water District  
Michael Raffety, El Dorado Irrigation District  
Tom Nelson, Elk Grove Water District  
Randy Marx, Fair Oaks Water District  
Tom Gray, Fair Oaks Water District  
Paul Schubert, Golden State Water Company  
Michael Schaefer, Orange Vale Water Company  
Joe Duran, Orange Vale Water Company  
Robert Dugan, Placer County Water Agency  
Brent Smith, Placer County Water Agency  
Kerry Schmitz, Sacramento County Water Agency  
Neil Schild, Sacramento Suburban Water District  
Dan York, Sacramento Suburban Water District  
Pam Tobin, San Juan Water District  
Paul Helliker, San Juan Water District

### **RWA Affiliate Members**

Brett Storey, Placer County  
Ansel Lundberg, SMUD  
Art Starkovich, SMUD

**RWA Affiliate Members**

Charles Duncan and Abigail Madrone, West Yost Associates

**Staff Members**

John Woodling, Adam W. Robin, Nancy Marrier, Amy Talbot, Cecilia Partridge, Monica Garcia and Jennifer Buckman, Legal Counsel

**Others in Attendance:**

Bruce Kamilos, James Lemley, Kevin Thomas, David Gordon, Pauline Roccucci, Bill George, Rob Roscoe, Dave Zuber, Harry Laswell, Shahnaz Van Deventer, and Nicole Krotoski.

**2. PUBLIC COMMENT**

None.

Mr. Woodling recognized Councilmember Jeff Harris with the City of Sacramento and Jennifer Buckman, legal counsel with Bartkiewicz, Kronick & Shanahan.

**3. CONSENT CALENDAR**

- a. Final minutes of the December 6, 2017 and January 24, 2018 Executive Committee meetings
- b. Draft minutes from the January 11, 2018 RWA regular board meeting
- c. Authorize Executive Director to Extend Contract with Southwest Environmental until September 2018 with a not to exceed amount of an additional \$500,000

Motion/Second/Carried (M/S/C) Mr. Peifer moved, with a second by Ms. Tobin, to approve the consent calendar items. The motion carried by the unanimous voice vote of all directors present.

**4. POWERHOUSE SCIENCE CENTER UPDATE**

In November 2013, the RWA Board authorized the Executive Director to enter into an Agreement with Powerhouse Science Center (Powerhouse) to sponsor two water related exhibits for a minimum of 15 years. In May 2014, RWA executed an agreement with Powerhouse for \$500,000. According to the May 2014 agreement, the water related exhibits and the broader Powerhouse facility were scheduled to open by January 1, 2017. Due to a series of funding complications, Powerhouse has experienced delays in construction and did not open in 2017. RWA has amended the May 2014 agreement to include several dated milestones related to future funding and construction progress as well as an updated exhibit completion/facility opening date. The amended agreement also provides RWA the option to withhold future payments (\$25,000 per year) until the scheduled milestones are reached. Details about the two water related exhibits were updated in Appendix A. Although the exhibit names and specific activities have changed,

the overall intent of the two exhibits remains the same. To date, RWA has paid \$75,000 to Powerhouse. The California Water Awareness Campaign has paid \$100,000 to Powerhouse on RWA's behalf. Currently RWA has a remaining balance of \$325,000 to be paid to Powerhouse over the next 13 years (including 2018).

Harry Laswell, Executive Director of the Powerhouse Science Center, gave a presentation explaining that the financing is nearly complete and sufficient funding is in place to begin building the center. Mr. Laswell explained the different areas that will make up the center including a café, planetarium, patio, classrooms and exhibit halls. The parking area has been increased and will include a bus loop. Anticipating that financing is complete soon, the timeline for opening the Powerhouse will be the summer of 2020.

M/S/C Mr. Gray moved, with a second by Mr. Dugan, to approve the amended agreement between RWA and the Powerhouse Science Center. The motion carried by the unanimous voice vote of all directors present.

## **5. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**

Throughout the course of 2017, the Executive Committee considered modifications to RWA's Strategic Plan. The Planning, Implementation, and Advocacy elements of the Plan were updated and approved by the full RWA Board of Directors. The Information/Education element was modified by the Executive Committee.

The Strategic Plan was completed in 2013 and designed to serve the needs of the organization to 2018 and beyond. With the modifications made in 2017, the Strategic Plan should serve RWA well for the next few years.

The full text of the modified goals and objectives was included in the packet.

M/S/C Ms. Tobin moved, with a second by Mr. Greenwood, to accept the modifications to the RWA Strategic Plan 2018+. The motion carried by the unanimous voice vote of all directors present.

There was discussion on the educational forums that have been held and the feedback on how successful they were. Mr. Woodling said that the Delta workshop was well received and well attended. The Making Safe, Clean, Affordable and Accessible Water a Reality event scheduled for March 15<sup>th</sup> is completely sold out. The Education Subcommittee of the Executive Committee provided guidance for future educational events. Going forward, Kerry Schmitz, chair of the subcommittee, would like to identify some board members beyond the Executive Committee who would be interested in participating on the subcommittee. SGA received a request for the state to give a presentation explaining how they develop a water quality standard, specifically how they decided on the hexavalent chromium standard. A presentation on the status of lead sampling in schools, both from the state and agencies viewpoints would also be of interest. There were a lot

of ideas for beneficial educational events. Chair Yasutake suggested that members convey any event ideas they may have to him or Mr. Woodling.

## **6. POLICY 500.16 ALLOCATING LIABILITIES TO WITHDRAWING MEMBERS**

Members of RWA operate under a joint exercise of powers agreement that outlines powers and responsibilities of RWA and of members. The Amended and Restated Joint Exercise of Powers Agreement of the Regional Water Authority, dated October 8, 2013, provides for the voluntary withdrawal from membership subsequent to 90 days' notice. Such withdrawal is subject to the provision that the withdrawing member "shall remain responsible for any indebtedness incurred by the Member under any Project or Program Agreement to which the Member is a party, and further provided that the withdrawing Member pays or agrees to pay its share of debts, liabilities and obligations of the Regional Water Authority incurred by the Member under this Agreement prior to the effective date of such withdrawal."

Since RWA membership is voluntary, the Executive Committee requested a policy to clarify how obligations and liabilities of RWA would be allocated if a member chooses to withdraw from membership.

Most of RWA obligations are budgeted for on an annual basis and incorporated into the annual budget. Some obligations are incurred during the membership but the payment is made over several future periods. Examples of these types of delayed payments for past services include unfunded pension and other post-employment benefit ("OPEB") liabilities.

The draft policy 500.16 outlined the framework to allocate debts, liabilities and obligations of the Regional Water Authority that are not budgeted for on an annual basis. The liability allocation methodology for the unfunded pension plan obligation calculates each member's liability based upon total dues paid for that member in relation to the total dues for all members during the membership of the departing member. This methodology accounts for how a membership may change over time (i.e. increasing dues as a result of changes to member's size). Additionally, RWA is using the hypothetical termination liability as determined by the latest CalPERS valuation report in determining the pension plan payment. The termination liability assumes that all risk of the plan will be paid for by the plan and future shortfalls cannot be collected from the member.

After discussion it was suggested that on page 4 of Policy 500.16 the last sentence under Payment to RWA the word "withdrawal" be replaced with "invoice".

M/S/C Ms. Sedwick moved, with a second by Mr. Dugan, to approve Policy 500.16 Allocating Liabilities to Withdrawing Members. The motion was amended to include the suggested change. The motion carried by the unanimous voice vote of all directors present.

## **7. RWA FINANCIAL DESIGNATION POLICY 500.1**

Included in the packet for review was a draft of the revised Policy 500.1. In addition to some editorial changes, the significant changes to this policy include the following:

### Calculating the Operating Fund Target Balance

In determining the minimum and maximum operating fund balance, RWA has used the budgeted operating expenses. Since SGA reimburses RWA for a portion of shared common costs, and SGA also carries an operating reserve, including these shared costs as part of the calculation for operating fund target balance results in a higher than needed balance. For example, in FY17, SGA reimbursed RWA for \$476,712 in common operating expenses. When projecting these expenses, RWA's operating fund needed a minimum of \$158,900 in the operating fund to pay for these costs. Since RWA can expect repayment of these common operating costs in a timely manner, including these common operating costs as part of the operating fund balance calculation inflates the cash flow requirement.

Additionally, non-recurring costs have historically been excluded from calculating the operating fund target balance in previous budgets. The policy now reflects the practice of excluding these costs.

### Retirement Benefits Fund

The rationale section was streamlined and simplified. Additionally, the policy was modified to remove SGA's reference to reimbursements since SGA has its own pension plan and pays for pension plan services directly.

M/S/C Mr. Dugan moved, with a second by Mr. Greenwood, to approve changes to RWA Financial Designation Policy 500.1. The motion carried by the unanimous voice vote of all directors present.

## **8. DEVELOPMENT OF FISCAL YEAR 2018 – 2019 BUDGET**

Each year the RWA Executive Committee (EC) reviews and makes a recommendation for adoption of the budget by the full board. The EC discussed some strategic drivers of the proposed Fiscal Year 2018-2019 budget ("FY19 Budget") at the January 24, 2018 and the February 21, 2018 meetings. The EC was presented with a list of the significant decisions that impacted the development of the budget objectives and outcomes which drive fees and expenses. The EC voted unanimously to recommend Board approval of the draft budget included in the March 8, 2018 Board packet.

John Woodling, Executive Director, gave an overview including benefits of RWA membership, budget highlights, final phase of the strategic plan implementation, changes to the operating fund calculation, Water Efficiency Program manager cost

shift, additional unfunded pension plan funding, OPEB funding and other cost drivers. He highlighted the grant awards that members have received.

The following topics were discussed:

- 1) The budget included a proposed 4% fee increase for members and associates. Additionally, FY19 would be the final year of the Powerhouse Science Collection for the exhibits.
- 2) The strategic plan implementation for water advocacy is in its final stages. For FY19, the proposed budget moves the related advocacy consulting support to the core program that has been previously been funded by a subscription program. All members benefit from this service and related work. The funding for the consulting support would be funded in part from the strategic plan designation as follows:

	FY19	FY20	FY21
Estimated remaining Subscription Designation from FY18 (\$100,800)	\$100,800	\$ -	\$ -
Estimated Strategic Fund Designation from FY18 for consultant costs (\$109,800)	\$ 19,200	\$90,500	\$ -
Funding from Core Dues	\$ -	\$29,500	\$120,000

Under this proposal, subscription fees will not be collected in FY19 for this consulting support. Moving this consulting support to core dues will impact core dues in FY20 and FY21, especially in year FY21 when the full cost of this program will need to be funded by the core dues. There will be a net cost savings to the members who have been paying for this service for the last several years on behalf of themselves and other members.

- 3) RWA follows Policy 500.1 Financial Designation and Reserve Policy. According to the policy, the minimum target balance of the operating fund should be four months to fund budgeted operating expenses with a maximum of six months. For the FY19 budget, the calculation of the operating fund target balance has been changed according to the proposed changes for Policy 500.1. In paying for operating expenses, shared expenses are reimbursed by SGA. In calculating the operating fund designation, RWA can reduce its required operating fund calculation by deducting the SGA expected reimbursements for shared operating costs since SGA also maintains designations to pay for expenses. This proposed budget adjusts the operating fund designation to take into consideration the estimated SGA reimbursement<sup>1</sup>. The change in calculation results in a lower required operating fund for RWA in FY19. It also results in a lower required fee increase in FY19 and future periods. This change in how the operating fund balance is calculated was also applied to the FY18 operating fund balance.

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<sup>1</sup> The estimated SGA reimbursement is determined on a historical basis at 90% of budgeted reimbursements.

- 4) When the Water Efficiency Program (WEP) began, the program manager position was a full time dedicated position for WEP. For the last several years, that position has been assisting with RWA core functions. Some of these activities have included responding to State Water Resources Control Board emergency regulations, water supply data collection, the water-energy study, and the development of an RWA annual report. Beginning with the FY17 budget cycle, approximately 10% of the staffing and administrative costs associated with this position were shifted to RWA core dues to reflect the support provided to the core program by this position. The goal was for WEP to use this savings to spend on WEP program activities. Since this position supports multiple core programs, the budget will reflect an increase of 10% of staffing and related office costs each year to be funded by core dues (FY17 – 10%; FY18 – 20%; FY19 - 30%). The subsequent years will also assume an increasing 10% per year (FY23 projected at 70% paid for by core dues). The shift in costs does require increasing CORE dues over time. There may be a potential for reduced WEP dues in the future.
- 5) In keeping with RWA's direction in reducing the pension plan unfunded liability estimated at \$245,000 at June 30, 2018, the FY19 budget will reflect an additional payment above the required annual pension payment. The FY20 through FY22 budget also reflects an estimate of increased required costs and additional payments toward the unfunded liability that are now resulting from CalPERS reducing the discount rate from 7.5% to 7.0% as announced in December 2016. Following Policy 500.15, Defined Benefit Pension Plan Funding policy, additional payments to pay down the pension plan unfunded liability are scheduled over a four year period which is slightly more aggressive than in previous budgets. SGA pays its own contributions directly to CalPERS since SGA became a CalPERS member in FY17.
- 6) RWA will continue to fund the OPEB plan, including the expected increases as a result of the decreased discount rate and changes to the valuation as a result of implicit versus explicit subsidies valuation conducted July 1, 2015. RWA will have an actuarial study completed this calendar year that will provide updated funding data. The proposed draft budget estimates an increase in OPEB payments due to a potential additional decrease in discount rates and includes the addition of the legislative staff position.
- 7) RWA staff negotiated a very favorable lease rate at the time ACWA JPIA moved out of the building in September 2011. The RWA Board approved a new lease at its meeting on January 11, 2018, which will become effective in September 2018. The new lease will increase costs to \$1.00 square foot for two years and \$1.10 square foot for three additional years.
- 8) Staff is proposing funding to hire a human resource consultant to assist with various projects including updating the employee manual. This assistance will be included in consulting costs.
- 9) The proposed budget includes costs to support education and information for members.

- 10) An increase in legal fees is also proposed to support the increased activity associated with advocacy.
- 11) RWA expects to incur increased audit costs. RWA has been using Richardson & Associates for six years, one year past the current policy, with board approval. Staff is currently working on a Request for Proposals for auditors which will result in an expected audit price increase in FY 2019 and beyond. Additionally, there are increased actuarial and accounting costs to implement GASB 75.

Based upon the discussions above as well as historical financial information, the FY19 proposed budget was included for the Board's review.

The following excerpts from the staff report for the budget are included for background information.

### **Summary Budget Overview**

#### **Revenues**

- 1) A total 4% increase on general and associate membership fees is proposed. A 10% increase was forecast in the previous year for FY19. An increase is needed to fully implement the strategic plan staffing, plus continuing to pay sums towards the unfunded pension liability. Additionally, core revenues are now projected to cover 30% of the WEP manager costs and related office expenses. For participants who helped fund the advocacy work through a subscription program, the fees in FY19 will be lower than the combined general dues plus subscription fees paid in FY18.
- 2) No increases to affiliate membership fees are planned.
- 3) SGA service fees represent 50% sharable costs according to the Administrative Services Agreement and exclude the Water Efficiency Program staffing, the legislative program manager, and the retired annuitants for RWA and SGA. SGA does pay for 20% of the project assistant position.
- 4) Subscription program revenues provide approximately 13% of needed RWA Core revenues and reflect income earned from providing staffing and office support to subscription based programs, including the WEP.
- 5) Powerhouse Science Center reflects five years of collection of funds with FY19 as the final year, to be paid to PSC over 15 years.
- 6) Other revenues represent interest income and holiday social revenues.

#### **Expenses**

- 1) The core program budgets for all staffing positions.
- 2) Shared staffing costs are allocated 50/50 to SGA and RWA. The Legislative Program Manager is fully funded by RWA; the Water Efficiency Program Manager is funded 30% by RWA and 70% by WEP; and the Project Research Assistant is

funded 80% by WEP and 20% by SGA. These allocations result in 4.8 FTEs for RWA and 2.2 FTEs for SGA for a total of 7 fulltime positions.

- 3) Staff salaries are within ranges assigned by the FY18 total compensation survey and reflect a possible 4% increase for merit plus 3% COLA and a 5% increase in out years. Beginning in FY19, staff will pay the full 7% employee share of their pension contributions.
- 4) Benefit costs also include projected increases for OPEB and health care, and a reduction of the employer pick up of the employee portion of PERS retirement benefits, so that the employees are paying their entire 7% of their employee portion starting in July 2018.
- 5) RWA continues to plan for additional CalPERS pension payments for the unfunded liability. The additional payment is higher than previously projected in the FY18 cycle since the time horizon for payment is now four years which follows policy 500.15.
- 6) Office cost increases are based upon estimated increases in FY19. For FY20 and beyond, these costs are estimated at 3% annual increases unless specific increases have been identified.
- 7) Professional fees includes higher audit, accounting and actuarial analysis fees due to the reporting requirement for GASB 68 and implementation of GASB 75, increased public relations, human resources assistance, increased legal costs associated with advocacy, IRWM consulting costs, water advocacy consulting fees and \$20,000 for unexpected items.
- 8) Other includes office equipment purchases.
- 9) Core project expenses include costs associated with the Powerhouse Science Center partnership.

### **Revenues net of Expenses**

- 1) Core expenses in excess of core revenues project a net cash outflow of approximately \$7,100 for the core program. The subscription based programs pay for use of staff time as well as some allocated office costs to run these programs.
- 2) Subscription expenses are projected to exceed revenues by approximately \$242,700. Many subscription program expenses will be funded from previously collected funds which have been set aside for this purpose. The 2014 Water Energy grant fees were collected from participating agencies to fund contractor activities while awaiting reimbursement from the grant. At the conclusion of the project, the fees collected will be returned to participating agencies. The balance of these fees of approximately \$200,000 is projected to be returned in FY19.
- 3) Combined core and subscription expenses versus revenues net a projected decrease in cash out flow of approximately \$249,800.

### **Designations**

- 1) The operating fund is targeted at six months for FYE 18-19 (using the new method of deducting SGA reimbursements), which falls within the policy guideline of four to six months.
- 2) The Strategic Plan Fund represents resources being set aside to fully implement the strategic plan. The FY18 budget used a portion of this fund to pay for the new

legislative program manager. In FY19, the remaining funds from the legislative subscription program will be moved to the RWA core program and pay for the water advocacy. A portion of the cost will also come from the strategic plan fund. In FY20, the remaining strategic fund will help pay for the water advocacy.

- 3) The Powerhouse Science Center (“PSC”) designation represents the difference in collection of fees for this project versus the payments made per the contract with PSC.
- 4) The designations are detailed by type. The total change in cash from Projected FY18 to Proposed FY19 by subtotal for the core program reflects the overall net cash outflow of approximately \$7,100 and the effect on each type of designation.
- 5) The designations for the subscription program reflect a decrease of approximately \$242,700 over subscription based expenses. These programs typically collect revenues in advance of expenses. These expenses will be funded from the corresponding program designations.

## **SUBSCRIPTION PROGRAMS**

These subscription based programs are subject to approval by the individual participants. The revenues are included for total estimate purposes and to reflect the expected contribution towards the Core program for staffing and office costs which is budgeted at 13% for FY19. Adopting the fiscal year 2018-2019 budget does not approve the subscription based programs.

- 1) Subscription program revenues are projected for the Water Efficiency Program (WEP Category 1 and 2), Prop 84 grant management and grant revenue, the 2014 drought grant management and grant revenue, and the 2015 IRWM grant. The revenues include fees from participants and grant reimbursements from existing grants.
- 2) Subscription program expenses represent the direct consulting and third-party costs for these subscription programs. It also includes the cost of using RWA staff and allocated office costs to determine the cash flow effect on these programs. In a combined budget, the RWA staff and allocated office costs are deducted to avoid double counting of the costs since these costs are also included in the Core budget. See Summary Table – Split Program for a reconciliation of the individual budgets to the overall RWA budget per the combined Executive Summary Table.
- 3) The subscription based programs collect fees in advance of expenses and often straddle several years prior to completion. The funds are held in an advance restriction until the expenses are incurred. With the exception of WEP, these additional program advances are only recognized as income as the related expenses are incurred. These advances are tracked for budgeting purposes and also included on the detail program budget sheet. While WEP fees are set aside for WEP services, these fees are recognized as incurred.
- 4) An additional \$18,700 equaling 10% of salary and administrative expenses for WEP reflects a shift of salary and administrative expenses to the core RWA budget. For the FY19 budget, a total of 30% of expenses, or approximately \$50,200, will be paid for by RWA core dues.

- 5) The subscription restrictions reflect the available funds for these programs. The use of these designations projected in FY19 is reflected in the changes in the individual restrictions.

## **Outlook for FY 2020 and FY 2021**

In looking out to the future, RWA can anticipate a potential 15% increase in dues in FY20 in order to meet increased expenses related to the water advocacy consulting, increased leasing costs, continue paying the unfunded pension plan liability and increased costs related to the change in discount rate, and continue paying for the shift of the WEP manager costs to be funded 40% by core dues. This 15% increase will be offset by no longer collecting subscription payments for the lobbyist contract and by the cessation of the Powerhouse Science Center collection. In FY21, RWA is currently projecting a 22% increase that largely reflects when RWA core dues pay the full cost of the water advocacy consulting costs. FY20 and beyond does reflect increased budgeted 5% salary costs. Future projections assume RWA and SGA share staffing and administrative costs and subscription based programs will contribute approximately 10% of revenues to pay for Core staffing and office costs.

Finally, no changes to membership are anticipated, including any decline due to agency consolidations or nonparticipation or recruitment of new members. Any membership changes would have a significant impact on rate increases in the future.

M/S/C Mr. Nugent moved, with a second by Ms. Tobin, to approve the Fiscal Year 2018 – 2019 Budget. The motion carried by the unanimous voice vote of all directors present.

## **9. LEGISLATIVE AND REGULATORY UPDATE**

Adam W. Robin, Legislative and Regulatory Affairs Project Manager, gave legislative and regulatory updates. A briefing pamphlet describing the highlights of the Advocacy Program's activities in 2017 is now available. Enclosed in the packet was an RWA comment letter regarding SWRCB proposed Permanent Prohibitions on Waste and Unreasonable Use of Water regulations and a 2017 RWA Advocacy Program Highlights document.

### Legislative Update

The 2018 Legislative Year is well underway, with the deadline for introducing new bills passing on February 16. RWA staff continues to engage the Brown Administration, legislators, and stakeholders on a variety of two-year bills, including long-term water use efficiency legislation (AB 1668/SB 606) and the water tax (SB 623).

A significant development related to the water tax proposal was the February 1 release of the Brown Administration's budget trailer bill language to create a "Safe and Affordable Drinking Water Fund." The budget trailer bill closely mirrors the

policy framework in SB 623 and includes an identical proposal for per-connection taxes to be collected by water systems. There's a shared recognition in the water community statewide that there is a need for sources of funding for communities that lack access to safe drinking water. The RWA board acknowledged but also voiced the strong statement that a per-connection tax on local rate payers to fund a state administered solution is not something that RWA can support. With the release of the budget trailer bill, RWA staff and other parties with an interest in the water tax will now engage in both the policy and budget committees of the Legislature.

#### Regulatory Update

The State Water Resources Control Board released revisions to the proposed Permanent Prohibitions on Waste and Unreasonable Use of Water regulations on January 31. The proposed regulations would permanently prohibit certain uses of water, including irrigation of turf in publicly owned and maintained street medians with certain exceptions.

RWA staff prepared and submitted a comment letter 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 technical comments on several of the revised prohibitions. RWA was also a signatory to a coalition comment letter signed by over 80 water suppliers that expressed concern with the SWRCB's potential use of its "waste and unreasonable use" authorities to enact the proposed prohibitions. The SWRCB is expected to consider adoption of the revised regulations in late March or early April.

## **10. EXECUTIVE DIRECTOR'S REPORT**

**Grants Update** – Staff submitted a grant application to the Department of Water Resources through the Sacramento Groundwater Authority to develop a Groundwater Sustainability Plan for the North American Subbasin (NASb), which includes northern Sacramento County, western Placer County, and southeastern Sutter County in November 2017. DWR has just released its draft application results and a nearly \$1 million grant is being recommended for the NASb. Staff is currently managing five grants totaling \$30.5 million.

**Water Efficiency Update** – The second of five 2018 snow surveys was conducted on February 1st. The survey showed below average results both locally at Phillips Station and statewide with snow water equivalents of 2.6 inches or 14% of average for this date and 4.9 inches or 27% of average, respectively. There is discussion among state agencies, the media, and other stakeholders about the possibility of the state returning to drought conditions in 2018. However, it is too early to make definitive conclusions.

Mandatory reporting (production, R-GPCD, water waste violations, etc.) to the State Water Resources Control Board (SWRCB) officially expired in November 2017 along with the associated Executive Order. However, most water agencies in the state and the region are continuing to report. RWA is also still collecting similar

monthly data and would like to continue to collect this information in the future regardless of the state's actions. RWA uses the collected data to inform a number of projects including the Reliability Plan, grant applications, and water efficiency related metrics like GPCD. To make future reporting more efficient, RWA is considering modernizing data collection efforts with an online platform similar to what the SWRCB used during the drought.

To assist with the evaluation of AB 1668 and SB 606, several water agencies expressed a desire to purchase imagery for their service areas. 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. RWA researched several options for a regional purchase of imagery for all RWA water agencies.

The most cost effective option was to partner with the Sacramento Area Council of Governments (SACOG) and join their existing effort. SACOG is currently under contract with its partners to purchase imagery that would provide coverage for approximately half of the RWA region's water agency service areas, primarily in Sacramento County. RWA will collect additional funding to cover the remaining areas or approximately 260 square miles, which include parts of the city of Yuba City, Placer County Water Agency, California American Water, El Dorado Irrigation District, San Juan Water District, and City of Roseville. The goal is to obtain comprehensive, consistent imagery for the entire region to evaluate regulation proposals and provide local imagery files to each RWA water agency for additional planning and infrastructure maintenance purposes. As part of the partnership, SACOG has offered RWA access to all imagery under their current contract for our use. The imagery for both the SACOG and additional RWA areas will be 3 inch aerial imagery, which will provide enough detail to identify impervious and pervious land area for residential and commercial parcels at minimum.

RWA will also obtain near infrared imagery for all RWA water agency service areas covered by 3 inch imagery or approximately 800 square miles. Infrared imagery measures the amount of chlorophyll or "greenness" in vegetation that is not visible to the human eye and is often used as a proxy for evaluating plant health. For RWA's purposes, it will provide additional insight into irrigated/non-irrigated land areas and landscape material type for residential and commercial parcels. The additional cost for infrared imagery will be collected from all RWA water agencies based on service area size and level of overall participation in the Imagery Project.

There are two additional costs associated with the Imagery Project. The first is ground control or the process of matching the digital imagery to static locations on the ground to ensure imagery data accuracy. The second additional cost is a 5% SACOG administration fee to add RWA to their existing contract. RWA will cover both of these additional costs as well as a portion of the infrared cost.

All imagery is scheduled to be collected by Sanborn, Inc., between February and April 2018 with delivery expected in September 2018. All together the 3 inch,

infrared, and NAIP imagery should provide a solid base to perform a wide range of analysis related to the proposed legislation.

If a bill passes for water efficiency standards the images will work as a formula for determining how much water you need for the landscapes in your service area. At this time it is unknown how much residential is within a service area. Participating in a SACOG imagery project the costs are low and we will receive 3 inch resolution with infrared for the service areas for the entire RWA region with the exception of some nonresidential water shed parts of EID and PCWA. This will give us the data to calculate how much landscape there is times the formula and what that means for a water use standard.

**RWA Outreach** – RWA will convene a symposium entitled Making Safe, Clean, Affordable and Accessible Water a Reality on Thursday, March 15, 2018 from 8:30 a.m. to noon at the Capitol Event Center Mr. Woodling and several other RWA member staff and elected officials will participate in ACWA’s Board Strategic Planning Workshop on March 9, 2018. Mr. Woodling asked if anyone has any input into ACWA priorities for the 2018-19 term to please let him know.

## **11. DIRECTORS’ COMMENTS**

Mr. Schaefer, Orange Vale Water Company, announced that Sharon Wilcox has retired. He said that Joe Duran will be their new General Manager.

Mr. Starkovich reported that SMUD is putting together four Energy Savings and Efficiency Workshops. For anyone interested in attending, please contact Mr. Starkovich.

Mr. Cleveland commented that when using the imagery results be aware that cities have zoning codes with state requirements to become greener communities that conflict with what they are trying to do on conservation. Cities and counties may need assistance in figuring out how to comply with both the requirements and conservation. He also mentioned that green canopy cover is expensive to maintain and keep green with high water usage.

Mr. York said that the Bureau of Reclamation recently issued Sacramento Suburban Water District a 5 year short term Warren Act contract. The district has been attempting for several years to get a 25 year long term contract. The contract will enable the district to move Middle Fork water through PCWA and through the lake. He also mentioned that Rob Roscoe’s retirement party is scheduled for May 4<sup>th</sup>, 2018 at the Hilton on Arden Way.

Mr. Raffety mentioned that if El Dorado Irrigation District is forced into the monthly tax it will hit their customers twice as hard because they bill bi-monthly.

Ms. Tobin reported that she recently attended the annual ACWA legislative trip in Washington DC with Mr. Zlotnick. Some of the key items discussed in meetings were the California Water Action Plan, the water bonds, water infrastructure

improvements for the National Implementation Headwater Management and Endangered Species Act and water storage. They met with representatives from offices of elected officials from California discussing water management projects that would benefit the region.

Chair Yasutake said that Vice Chair Schubert will chair the March Executive Committee meeting in his absence. He reminded everyone that they are invited to attend the Executive Committee meetings.

### **Adjournment**

With no further business to come before the Board, Chair Yasutake adjourned the meeting at 10:30 a.m.

By:

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Chairperson

Attest:

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Nancy Marrier, Board Secretary / Treasurer