

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**August 22, 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 July 25, 2018 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. DESIGNATE FUNDS FROM FY2018**
Action: Designate \$14,000 from FY2018 from office move funds for future improvements in FY2019
- 5. UPDATE OF POLICY 400.2 EMPLOYEE COMPENSATION**
Information Presentation and Discussion: John Woodling, Executive Director
Action: Recommend Board Approval of amended Policy 400.2
- 6. SUBCOMMITTEE UPDATES**
Information Presentation: Conference and Membership Subcommittees and Discussion
- 7. RWA SEPTEMBER 13, 2018 BOARD MEETING**
Action: Approve Agenda for September 13, 2018 Meeting of the RWA Board of Directors
- 8. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: Executive Director
- 9. REPORT FROM CLOSED SESSION – EXECUTIVE DIRECTOR'S PERFORMANCE**

10. EXECUTIVE DIRECTOR'S REPORT

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – September 26, 2018 and October 24, 2018 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, September 13, 2018, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

August 22, 2018

AGENDA ITEM 3: CONSENT CALENDAR

Minutes of the July 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

Marcus Yasutake, City of Folsom
Debra Sedwick, Del Paso Manor Water District
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, Nancy Marrier and Cecilia Partridge

Others in Attendance

Kelye McKinney, Charles Duncan and Matt Wheeler

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held June 27, 2018.

Motion/Second/Carried (M/S/C) Ms. Sedwick moved, with a second by Mr. Dugan, to approve the minutes from the June 27, 2018 Executive Committee meeting. The motion carried by the unanimous voice vote of all directors present.

4. UPDATE OF POLICY 400.2 EMPLOYEE COMPENSATION

John Woodling, Executive Director, said that RWA conducted a compensation survey in 2017, which was approved by the Executive Committee consistent with Policy 400.2. Proposed salary schedules derived from the compensation survey were very contentious when considered for approval by the RWA Board. Both the proposed salaries and the methodology of the compensation survey were questioned by a few RWA members. After modification and an additional discussion at the Executive Committee, the salary schedules were approved by the

Board in November 2017. The Executive Committee agreed to revisit Policy 400.2 and consider changes to the process for compensation surveys in the future.

Mr. Woodling gave a review of the 2017 compensation and salary setting process. As a small, professional, management-focused organization, it is the intent of the Authority to provide employee compensation at or above the labor market mean for the industry. The compensation practices of the Authority will be competitive within the industry and geographical area to attract the most qualified candidates and to minimize turnover of its employees. Once the labor budget has been approved, the Executive Director may determine at his or her discretion how to apply any approved increase to each employee's existing salary. The Executive Director shall recommend salary ranges for all employment positions with the Authority, with the exception of the Executive Director position, subject to review and approval by the Board of Directors.

RWA's job classifications and the salary range for each classification are set forth in Exhibit A to Policy 400.2. The Executive Committee will generally conduct a compensation survey at least every five years to ensure that the total compensation offered by the Authority, including salaries, wages and benefits, is consistent with this Policy. The Authority job descriptions have been updated and revised to ensure they are accurate and up to date. The same agencies were surveyed as in 2012 with the salary and benefit data collected for Authority classifications and calculated at the labor market mean and 62.5th percentile.

The data elements include entry and top step salary, PERS pick-up at the latest Classic tier, agency deferred compensation contribution, longevity at year 10 with agency contribution to health, dental and vision with the amount of the employer's cost of CalPERS is paid by the employee, the date and amount of COLA, retirement practices, retiree health benefits and paid leave benefits.

It is beneficial for the Executive Committee to update the policy to show the full board that the Executive Committee is responding to their questions. When presenting to the full board it should be clarified that the Executive Committee makes the decision when to engage a consultant for the purpose of a compensation study and provides the general scope of comparisons. The Executive Director takes the data provided by the consultant and recommends salary ranges and makes employee salary decisions. Compensation presentations to the board should include total compensation of all employee benefits. It was suggested that the Executive Committee agendaize and discuss this every year as a reminder of previous decisions and discussions to attempt to anticipate questions when presented to the full board.

Chair Yasutake reiterated that there were three points that need clarification for the full board: 1) comparison agencies used for the compensation survey; 2) is the 62.5% percentile the correct percentage to use and 3) the comparative classifications. The full board needs to understand the rationale for the data presented, what data is collected and how it is used.

The Executive Director will prepare a new draft presentation for discussion of the RWA compensation policy at the August Executive Committee meeting.

5. SUBCOMMITTEE UPDATES

The Conference Subcommittee is planning an event in spring of 2019 that will cover implementation of new water efficiency legislation. The subcommittee will meet in September to work on planning for the water efficiency event that will focus on the new legislation, the developing regulations and data and an update on where we are as a region. The committee will be looking at venues to accommodate the expected event participation. The Conference Subcommittee is planning a Delta update workshop that will follow the November Board meeting.

The Membership Subcommittee met on July 9th to strategize outreach activities to potential members, associates, and affiliates. The Subcommittee will meet to scale down the action items and focus on who best to make contacts of the agencies seen as high value targets. Mr. Dugan asked to step down as subcommittee chair and requested that Ms. Tobin assume the position of Membership Subcommittee Chair, which she agreed to do. Ms. Tobin and Mr. Greenwood will reach out to Placer Board of Realtors and El Dorado County Board of Realtors to determine their interest in joining RWA as affiliate members.

Mr. Schubert said that in a recent meeting with the City of Rancho Cordova the question was asked if RWA could be involved with educating nurseries about the proper drought resistant turf to recommend for use. The Water Efficiency Program will be asked to determine different conservation friendly alternatives and make the information available online.

6. EXECUTIVE DIRECTOR'S REPORT

John Woodling gave an oral report on legislative issues. The attempt to get the water tax passed through a trailer bill failed and it doesn't seem to be making progress. The goal of AB 2649 is to make it easier for agencies to take surface water to recharge groundwater. Mr. Woodling is chair of the ACWA Groundwater committee. AWCA has a board level policy position that groundwater recharge should be a beneficial use of water. The bill is trying to streamline the permitting process for recharge projects during times of high stream flows and extend the time period for agencies that do put water in the ground to take it back out of storage. Ryan Bezerra, legal counsel, said that the State Board is trying to streamline the permitting process authoring new legislative text that was amended into the bill. It now appears to be essentially a brand new bill written by the State Board that will require many amendments. The Senate Natural Resource and Water Committee directed their staff to review the bill over the summer recess.

SB 998 outlines the discontinuation of residential water service in urban and community water systems. For agencies that have a shut off policy, this bill will be a law without much effect. The City of Sacramento has a shut off policy and their issue is the cost of reconnection. The legislation does not allow for the full recovery of the reconnection costs.

7. DIRECTORS' COMMENTS

Ms. Schmitz reported that Dave Underwood will be a new principal engineer with Sacramento County Water Agency. Mr. Underwood will no longer represent Fair Oaks Water District on the RWA Board of Directors.

Ms. Sedwick thanked staff and Ms. Krotoski for the presentation on OPEB at the last RWA board meeting.

Ms. Tobin said that San Juan Water District is planning an open house on October 6th. The event will include representation from different agencies. Ms. Tobin invited RWA to contact the district for more information on participation.

Chair Yasutake thanked Vice Chair Schubert for chairing the July RWA board meeting for him. Elaine Andersen has been promoted to City Manager for the City of Folsom. Ms. Andersen appointed Jim Francis as Assistant City Manager.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Yasutake adjourned the meeting at 9:50 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

August 22, 2018

AGENDA ITEM 4: DESIGNATE FUNDS FROM FY2018

BACKGROUND:

In fiscal year 2018 budget RWA budgeted \$20,000 for the office move. In lieu of moving, RWA renegotiated the lease on the Birdcage building space. RWA has spent approximately \$6,000 on improvements to the conference room. Staff is requesting to designate the remaining funds for further improvements in fiscal year 2019.

STAFF RECOMMENDATION:

Action: Designate \$14,000 from FY2018 from office move funds for future improvements in FY2019

August 22, 2018

AGENDA ITEM 5: UPDATE OF POLICY 400.2 EMPLOYEE COMPENSATION

BACKGROUND:

RWA conducted a compensation survey in 2017, which was approved by the Executive Committee consistent with Policy 400.2. Proposed salary schedules derived from the compensation survey were very contentious when considered for approval by the RWA Board. Both the proposed salaries and the methodology of the compensation survey were questioned by a few RWA members. After modification and an additional discussion at the Executive Committee, the salary schedules were approved by the Board in November 2017. The Executive Committee agreed to revisit Policy 400.2 and consider changes to the process for compensation surveys in the future.

After discussion at the July Executive Committee meeting, suggested amendments to Policy 400.2, to clarify the compensation survey and compensation setting process were drafted.

STAFF RECOMMENDATION:

Information Presentation and Discussion: John Woodling, Executive Director

Action: Recommend Board approval of amended Policy 400.2

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Human Resources
Policy Title : Employee Compensation Policy
Policy Number : 400.2
Date Adopted : September 9, 2004
Date Amended : September 13, 2012

EMPLOYEE COMPENSATION POLICY

It is the intent of the Authority to provide employee compensation that is fair and equitable and that is comparable, based upon an employee's experience, skills and performance consistent with established job descriptions, with that of similar water and public entities regionally. As a small, professional, management-focused organization, it is the intent of the Authority to provide employee compensation at or above the labor market ~~mean~~ for the industry and the geographic area.

The compensation practices of the Authority will be competitive within the industry and geographical area to attract the most qualified candidates and to minimize turnover of its employees.

The Executive Director will have the authority to set and change employee compensation in accordance with the intent of this Policy and within the budgetary guidelines approved by the Board of Directors. As part of the annual budget review process, the Executive Director will be responsible for preparing and presenting a labor budget to the Board of Directors in accordance with this Policy. The Board of Directors will consider, amend as required, and approve the annual labor budget for the Authority. Once the labor budget has been approved, the Executive Director may determine in his or her discretion how to apply any approved increase to each employee's existing salary.

The specific terms of this Policy apply to staff only, except as specified in Section IV, below. All aspects of the Executive Director's compensation are subject to Board approval of an employment contract.

I. Salary/Pay Ranges

It is the Authority's Policy to provide a program for advancement of its employees within the salary range of their position using a merit based system based on objective regular goal setting and performance evaluations. Employees will typically advance within their pay range

annually, subject to the discretion of the Executive Director, based on evaluation of the employee's performance and growth in responsibility and/or expertise in performing the work of the position. The Executive Director may move an employee to a higher level classification, based on performance, experience and documented needs of the organization.

Classification salary ranges shall typically be established with a 20% range between the minimum and maximum of the range. The Executive Director shall recommend salary ranges for all employment positions with the Authority, with the exception of the Executive Director position, subject to review and approval by the Board of Directors. Salary steps will be established within each range to provide guidelines for use in annual budgeting. The Executive Director shall recommend the salary steps for each position, subject to review and approval by the Board of Directors.

RWA's job classifications and the salary range for each classification are set forth in Exhibit A attached to this Policy. Exhibit A may be ~~amended and~~ replaced from time to time as proposed by the Executive Director and approved by the Board in accordance with this Policy.

II. Cost of Living Adjustment

The Executive Director will consider the United States Department of Labor's Consumer Price Index (CPI) for All Western Small Cities (population under 4.2.5 million) for the 12 months ending in November of each year in developing the proposed budget for the Authority. If the Board approves a budget that includes funding for a cost of living adjustment (COLA), the Executive Director will have the discretion to apply a COLA to all staff salaries, regardless of position within a salary range in the fiscal year for which the budget is adopted.

To avoid penalizing employees at or near the top of the salary range, and to ensure salary ranges remain current comparable to the market between compensation surveys, the November CPI will be applied annually to the pay ranges and in Exhibit A amended to reflect such changes. Negative changes in the CPI will not be applied to the pay ranges. The Executive Director will report the adjusted salary ranges to the Executive Committee at its next regular meeting.

III. Compensation Survey

The Executive Committee will generally direct staff to conduct a compensation survey at least every five years to ensure that the total compensation offered by the Authority (salaries, wages, and benefits) is consistent with this Policy; provided, however that a compensation survey may be commissioned at any time if directed by the Executive Committee or if recommended by the Executive Director and approved by the Executive Committee. The Executive Committee may also use its discretion to waive or vary the five year commitment.

Staff will brief the Executive Committee and solicit feedback on the scope of the compensation survey, including agencies/organizations to be surveyed and data elements to be collected prior to commencing the survey. Survey organizations should be selected to provide a

representative sampling of 1) local water agencies, 2) water-related associations located in the Sacramento area, and 3) regional planning organizations within the Sacramento region.

The Executive Director will use the results of the survey to propose salary ranges pursuant to Section I, above, considering such things as 1) the mean, median and 62.5th percentile of the compensation data, 2) the comparability of surveyed classifications to RWA job classifications, and 3) RWA experience recruiting and retaining staff in each classification.

IV. Executive Director Compensation

Executive Director compensation is subject to approval of an employment contract by the Board of Directors. The Executive Committee may direct staff to conduct a survey of executive compensation to guide negotiation of the Executive Director employment contract. The conduct, timing, and scope of such a survey will be at the sole discretion of the Executive Committee.

The Executive Director may independently direct staff to collect information to support negotiation of the Executive Director employment contract.

August 22, 2018

AGENDA ITEM 6: SUBCOMMITTEE UPDATES

BACKGROUND:

The Conference Subcommittee is planning an event in spring of 2019 that will cover implementation of new water efficiency legislation. The subcommittee will meet in September to begin work on the details for the water efficiency event. The committee will be looking at possible venues to accommodate the expected event participation. The subcommittee is planning a lawyer focused Delta Flows event that will follow the November Board meeting.

The Membership Subcommittee plans to meet to scale down the action items and focus on who best to make contacts with the agencies seen as high value targets. At Mr. Dugan's request Ms. Tobin will assume the position as chair of the Membership Subcommittee. Ms. Tobin and Mr. Greenwood will contact Placer Board of Realtors and El Dorado County Board of Realtors to determine their interest in joining RWA as affiliate members.

STAFF RECOMMENDATION:

Information Presentation: Conference and Membership Subcommittees and Discussion

August 22, 2018

AGENDA ITEM 7: RWA SEPTEMBER 13, 2018 BOARD MEETING

Action: Approve Agenda for September 13, 2018 Meeting of the RWA Board of Directors

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, September 13, 2018, 9:00 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**
- 3. CONSENT CALENDAR**
 - a. Minutes from the July 12, 2018 RWA Board meeting
Action: Approve the Consent Calendar Item
- 4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the June 27, 2018 and July 25, 2018 Executive Committee meetings and draft minutes from the August 22, 2018 Executive Committee meeting
 - b. Information: Executive Committee report on the Executive Director's performance review
 - c. Action: Designate \$14,000 from FY2018 from office move funds for future improvements in FY2019.**
- 5. UPDATE OF POLICY 400.2 EMPLOYEE COMPENSATION**

Information Presentation: John Woodling
Action: Approve Changes to Policy 400.2 Employee Compensation
- 6. REGIONAL RELIABILITY UPDATE**

Information Presentation: Rob Swartz
- 7. PROPOSITION 1 STORAGE UPDATE**

Information Presentation, Jose Ramirez, Regional San and Jim Peifer, City of Sacramento

8. CALWEP UPDATE

Information Presentation: Mary Ann Dickinson and Amy Talbot

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, September 26, 2018 and October 24, 2018, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, November 8, 2018, 9:00 a.m., at the RWA Office.

August 22, 2018

**AGENDA ITEM 8: CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS
54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Executive Director

August 22, 2018

**AGENDA ITEM 9: REPORT FROM CLOSED SESSION – EXECUTIVE
DIRECTOR'S PERFORMANCE**

August 22, 2018

AGENDA ITEM 10: EXECUTIVE DIRECTOR'S REPORT

AUGUST 22, 2018

TO: REGIONAL WATER AUTHORITY BOARD OF DIRECTORS

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

a. Legislative and Regulatory Update – The Legislature returned on August 6th to close out the 2018 session. The highest legislative priority remains the water tax proposal. Proponents are now suggesting a “voluntary” tax, for which water customers could opt out. This is in hope of passing a budget trailer bill on the issue with only a majority vote, rather than the two-thirds required for a tax. This would increase the burden on local water providers, who would not only have to bill, collect, and submit the money to the state, but now keep track of whether individual customers have opted out.

SB 998 (Dodd), concerning discontinuing water service for non-payment, has been amended, but still remains unacceptable to many water providers. Among other problems, the bill would limit that amount that can be charged for reconnection. ACWA has proposed going to a full opposition position, since the author has not been willing to consider many proposed amendments. When the legislative session closes, we will begin the transition of the lobbyist to an RWA core program. This will necessitate the creation of a Legislative Affairs Committee to replace the subscription program committee that previously helped to guide advocacy efforts. We will be re-advertising the vacant Legislative and Regulatory Program Manager position soon.

b. RWA Outreach – The Sacramento Groundwater Authority is celebrating its 20th anniversary this year. A luncheon event recognizing this milestone will be held Thursday, October 18, 2018 at the North Ridge Country Club. More information is available at sgah20.org.

c. RWA Update – Staff and RWA's public relations consultant are producing a quarterly update highlighting RWA activities. The document is designed to be suitable for distribution to member agency boards of directors. The July edition is available at http://rwah2o.org/wp-content/uploads/2018/07/July2018_Update_5.pdf

August 22, 2018

AGENDA ITEM 11: DIRECTORS' COMMENTS