

1. CALL TO ORDER

Chair Yasutake called the meeting of the Executive Committee to order at 8:30 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
Debra Sedwick, Del Paso Manor Water District
Paul Schubert, Golden State Water Company
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, Amy Talbot and Ryan Bezerra, legal counsel

Others in Attendance

Charles Duncan, West Yost Associates, Nicole Krotoski, CPA attended via conference phone

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

- a. The minutes from the Executive Committee meeting held September 27, 2018.

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

4. INTRODUCTION OF AUDITORS GILBERT ASSOCIATES, INC.

The firm of Gilbert Associates, Inc. has been retained to provide professional auditing services for RWA for a five year term. The firm will begin auditing services with FY2018-2019. Gilbert Associates are planning to attend the December 5th Executive Committee meeting to introduce their firm when they present the audit.

5. RETIREE HEALTH BENEFITS

John Woodling, Executive Director, reported that the Executive Committee directed staff to evaluate alternatives that would lower the long term costs of providing health benefits to retirees. Participating in the CalPERS health program limits options and adds complexity. The Executive Committee asked for a breakdown of options including two classes of current retirees. He briefed the Executive Committee on available alternatives and requested direction for moving forward.

Mr. Woodling presented options for reducing future retiree benefit liabilities and CalPERS limitations. In 2007 a different system was adopted by resolution that provided for employees spending 5 years at RWA with a total of between 10 and 20 years of CalPERS service, receiving 50% of the benefit at 10 years and 100% of the benefit at 20 years. Current employees are under the post 2007 plan option.

The objectives are to balance a reduction in long term costs and the ability to recruit and retain staff. There was discussion on the different options presented. There is flexibility in what is determined for benefits for new hires. It was suggested that it would be difficult to recruit and retain employees if benefits are decreased too much or if benefits are not competitive.

Mr. Woodling asked if the Executive Committee wants to begin moving forward to implement a change and how a new benefit from the Tier 3 alternatives will be determined. If a change is determined there is a 60 day time frame between when we make our intentions known to CalPERS and the date the new plan is implemented.

It was suggested that an action be taken to the full board presenting the minimum CalPERS payment with a health reimbursement arrangement that provides what we currently have. The retiree health benefits item will be brought back to the full board for their input before proceeding.

6. SUBCOMMITTEE UPDATES

The Conference Subcommittee is planning a Delta Update workshop event that will follow the November 8th RWA Board meeting. Speakers for the Delta Update include Jennifer Buckman, Jim Peifer, Ryan Bezerra and Tom Gohring. A new topic is under discussion for the focus of a spring event.

At the last Executive Committee meeting Pam Tobin, Membership Subcommittee chair requested Executive Committee members to reach out to contacts they may have with SACOG and report on contacts made to determine their interest in RWA membership. Chair Yasutake said that he will continue to follow up with SACOG and will report back at the next Executive Committee meeting. Mr. York contacted Craig Locke, City of Woodland, who will make contact with the City Council about membership. Mr. Schubert will make contact with Rancho Cordova and Mr. Peifer will make contact with Allison Joe, staff to Councilmember Schenirer. Mr. Greenwood reported that Sacramento County Realtors are very interested in RWA

membership. It was suggested that it would be helpful if someone reached out to SACOG's Darren Suen. After the upcoming elections Mr. Greenwood will reach out to Pat Hume with the City Council for the City of Elk Grove. Nevada Irrigation District will also be contacted after the elections.

7. PROPOSED AQUIFER STORAGE AND RECOVERY FEASIBILITY STUDY CONSULTANT SUPPORT SELECTION

Rob Swartz, Manager of Technical Services, reported that several agencies have expressed an interest in developing a subscription-based project for a high-level feasibility study of employing aquifer storage and recovery (ASR) wells in the region. In order to develop a project agreement for the study, it is first necessary to identify a consultant with expertise in the construction and use of ASR wells to assist in scoping the work required to answer the questions of the potential study participants.

On September 13th, staff released a request for qualifications (RFQ) by posting it on the RWA and SGA websites, sending an e-mail to individuals that subscribe to the RWA interest list for contracting opportunities, and by forwarding to the RWA members that are interested in the ASR study for further distribution. A copy of the RFQ was enclosed in the packet. The RFQs were due to RWA by October 12th. Two responses were received. Staff worked with staff from Citrus Heights Water District and the City of Sacramento to review the responses and have a summary of the results and recommendation for the Executive Committee to approve.

A question to be answered by the study is where in the region are good places to put ASR wells recognizing physical, chemical and contaminant issues. Staff is looking for a high level reconnaissance study by the consultants with a focus of the study to identify the upfront associated costs. Depending on how this develops past the initial study, coordination of the legal aspects will need to be considered including water rights, contracts and settlement contracts in the region. Interested agencies at some point will have to determine if they want to get together to share costs to figure out the issues going forward for a regional bank or if they want to make decisions based on their agency needs.

Staff is requesting only approval of the consultant selection process at this time. Due to the unique nature of ASR, staff does not have a scope of work and budget to approve. However, the budget is not anticipated to be above the Executive Committee approval authority under RWA Policy 300.2. A scope of work and budget, and a subscription project agreement will be brought to the Executive Committee at an upcoming meeting for additional approvals, as applicable.

Mr. Swartz distributed a memorandum documenting the results of the RFQ process. Two responses were received to the RFQ. One response was from a team consisting of staff of GEI, Wood Rodgers, and Stantec. The other response was from West Yost. The responses were evaluated by Rob Swartz of RWA, Brett Ewart of the City of Sacramento, and David Gordon of Citrus Heights Water District. After review of the RFQs, the reviewers reached a consensus that the GEI team had the strongest overall qualifications to perform the tasks identified in the

RFQ. GEI demonstrated a very strong project manager, a very diverse and deep project team, and very good depth of experience in past projects of this nature. In particular, the GEI team possessed the most in-depth experience with local hydrogeology and groundwater quality, which are very important aspects for the high level nature of the proposed study. During the item, Chair Yasutake asked if there was any public comment. Mr. Duncan commented that he did not believe that the rates presented by West Yost were high when considering how staff would be used on the project. Mr. Swartz assured Mr. Duncan that the rates were not the key determinant in deciding on the GEI team selected through the RFQ process.

M/S/C Mr. Peifer moved, with a second by Mr. Schubert, to approve the consultant selection process and recommendation. The motion carried by the unanimous voice vote of all directors present.

8. LANDSCAPE IMAGERY ANALYSIS PROPOSAL

The Sacramento region collectively purchased high resolution aerial imagery (delivery expected in Nov. 2018) to assist with local and regional planning efforts, including those associated with the recently passed SB 606 and AB 1668 legislation. Part of these new laws will require the calculation of water efficiency targets that are based in part on the amount of irrigable landscaping in a water supplier's service area. These landscape targets will be rolled up at the water agency level (not assigned to any one customer/account) as one component of an agency's overall water use objective or target. Water use targets are enforceable at the water agency level by the state beginning in 2023.

To better understand the development of landscape budgets for water agencies, the region has shown interest in conducting further analysis of the aerial imagery to estimate the area of relevant irrigable and irrigated land. The resulting irrigable and irrigated land for each water agency can then be used to determine landscape water budgets prior to the state's 2022 required deadline to adopt a similar landscape water budget methodology.

Amy Talbot, Water Efficiency Program Manager, said that Land IQ performed a high level landscape analysis of irrigated urban areas for RWA in August 2016. At RWAs request Land IQ provided a successive scope of work on September 4, 2018 to perform an analysis of irrigated and irrigable landscape area for the urbanized areas within the RWA member service areas of Sutter, Placer, Sacramento, Yolo, and El Dorado counties.

Mr. Woodling said he has heard from an RWA member and another vendor that provides this type of service. He proposes staff send out an RFQ or RFP to let additional vendors tell us how they could help us use the imagery we have to get to the next step to see what our irrigable landscape area in the region is to meet our future targets. In light of the interest level an RFP would be appropriate for a competitive process. Staff recommended pulling the action item at this time. Staff will come back with a selection for a consultant at a later date. Staff will get an RFP out by early November and should have the imagery

results by then. Once the data is received it will give staff an understanding of our region that will inform us as regulations are developed.

9. NOVEMBER 8, 2018 RWA BOARD MEETING AGENDA

Introduction of Auditors Gilbert Associates, Inc. will be added as agenda item 5, the Regional Reliability Update agenda item will be deleted and an action item will be added to the Retiree Health Benefits item.

M/S/C Ms. Sedwick moved, with a second by Mr. York, to approve the Agenda for September 13, 2018 Meeting of the RWA Board of Directors with the noted changes. The motion carried by the unanimous voice vote of all directors present.

10. EXECUTIVE DIRECTOR'S REPORT

John Woodling said that we recently had our actuarial report for GASB 75. We talked about OPEB in a different report a few months ago, when we talked about the funding level. This report uses the same information but makes different assumptions. The purpose of this report is to identify what the liability is for the purpose of financial statements. It combines the explicit and implicit subsidy amount. The amortization of the liability is different in the funding report. He asked if the EC wants a presentation or if we treat this as work towards the development of the financial statements and not bring this report to the full board. Ms. Krotoski said that the actuarial report is essentially to create the necessary accounting information for GASB 75 and for compliance with GASB 75. An explanation will be prepared when the financial statements are presented.

Mr. Woodling announced that we will have a new hire for the Legislative and Regulatory Affairs Manager position effective November 1st. A formal announcement will be made at the November board meeting.

Mr. Bezerra said that President Trump issued an order related to California water. One thing that is clear is that there is direction for the involved federal agencies to speed up the development of new biological opinions for the operation of state wide projects.

11. DIRECTORS' COMMENTS

Mr. Greenwood it was a pleasure to attend the SGA anniversary celebration and that it was a very nice event.

Ms. Tobin said that she enjoyed the SGA 20th anniversary event.

Mr. York reported that Sacramento Suburban Water District's regional transfer is completed. He thanked Mr. Swartz and the rest of the team that put everything together for a successful project. The district held their first annual open house with over 100 customers attending. The event showcased what each division does. The

infrastructure booth showed new replacement pipes and the old pipes that required replacement.

Mr. Peifer said that City of Sacramento receives their chemicals from China. There are not domestic manufacturers for the chemicals being used for purifying water. These chemicals will be subject to tariffs and the vendors are saying this is a problem from a manufacturing point of view.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Yasutake adjourned the meeting at 10:14 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer