

1. CALL TO ORDER

Chair Schubert 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
Jim Peifer, City of Sacramento
Debra Sedwick, Del Paso Manor
Paul Schubert, Golden State Water Company
Brent Smith, Placer County Water Agency
Kerry Schmitz, Sacramento County Water Agency
Dan York, Sacramento Suburban Water District

Staff Members

John Woodling, Rob Swartz, Ryan Ojakian, Nancy Marrier, Amy Talbot, Cecilia Partridge, Monica Garcia and Ryan Bezerra, legal counsel. Nicole Krotoski participated on conference phone.

Others in Attendance

Paul Helliker and Charles Duncan

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

- a. The minutes from the Executive Committee meeting held December 5, 2018
- b. RWA Personnel Rules, Policy 400.1 Appendix I
- c. Revision to RWA Policy 300.2, Professional Services Selection and Contracting
- d. 2019 RWA Executive Committee Meeting Schedule

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

4. DEVELOPMENT OF FISCAL YEAR 2019 – 2020 BUDGET

Staff has begun the process of preparing a draft budget for fiscal year 2019-20. John Woodling, Executive Director, presented a proposed timeline for budget

development as well as key issues for feedback from the Executive Committee. He reviewed the benefits of RWA membership, Strategic Plan implementation, the incremental Water Efficiency Program Manager cost shift, Powerhouse Science Center progress, Associate Member dues, succession planning, additional unfunded pension plan funding and a proposed timeline for presenting and adopting the budget.

In FY 2017, RWA transitioned to full-time staffing for a legislative/regulatory position. Advocacy and representation at the capitol has become important with the many water issues. The strategic plan fund designation was used by RWA in FY 2017 and FY 2018 and is expected to be depleted by FY 2019.

When the Water Efficiency Program (WEP) began, the WEP program manager position was a full time dedicated position. Over time, this position has also been assisting with RWA core functions. Consequently, the salary for that position has been incorporated into the core budget at 10% a year for the last three years and the FY20 budget is proposing another 10% this fiscal year. RWA core dues are projected to pay 40% of this position and related office costs.

The Defined Benefit Pension Plan Policy 500.15 states that the unfunded pension will be funded over a period of four years by making additional pension contributions. The discount rate for the pension liability is expected to continue to decrease and this decrease is estimated into the projected costs for future liability payments. In addition to the pension liability obligations, RWA will also continue to budget OPEB liability payments. RWA is following Other Post-Employment Benefits ("OPEB") Funding Policy 500.10 by amortizing the unfunded OPEB liability over 10 years.

The IRWM is included in consulting fees of the core program and fully funded by RWA dues. FY19 was the last year of the Powerhouse Science Center collection. Because some members were added to RWA after the inception of the Powerhouse Science Center agreement, approximately \$13,000 was overcollected. These funds will be credited back to members, on a pro-rata basis, with their invoice for 2019 dues.

A draft budget will be presented to the Executive Committee at their February 27, 2019 meeting with a draft budget presented to the RWA Board for possible adoption at the March 14, 2019 meeting. If the budget is not adopted in March, it will be brought back to the Executive Committee at the March and April Executive Committee meetings to be presented to the full board on May 2, 2019 for adoption.

5. LEGISLATIVE/REGULATORY UPDATE

Ryan Ojakian, Legislative and Regulatory Affairs Program Manager, reported on legislative issues for the current legislative session. The human right to water has been an area of significant focus. The State Water Resources Control Board (Water Board) reported on a Low-income Water Rate Assistance Program, the Office of Environmental Health Hazard Assessment (OEHHA) reported on a tool for evaluating and achieving the human right to water, there was a proceeding at the Public Utilities Commission (PUC) on affordability, the Governor's January

budget includes SB 623 a (mandatory) water tax to fund safe drinking water and Assembly members Bloom and Eduardo Garcia have introduced AB 134 and AB 217.

The Water Board developed a plan for the funding and implantation of the Low-income Water Rate Assistance Program. The Water Board report does not make a determination as to how the program will be administered but recommends that the Water Board have oversight on water system rate setting. The report is open for comment until February 1, 2019.

The OEHHA report proposes a tool for evaluation of progress toward achieving the human right to water. The report creates a tool to evaluate individual water systems on meeting three components, water quality, water accessibility and water affordability. Comments on the OEHHA report are open until February 4, 2019. It was recommended that RWA submit comments on both the Water Board and OEHHA reports.

The Advocacy program met January 16, 2019 to discuss the actions related to the human right to water. There is a distinct difference between safe drinking water that relates to infrastructure and operations, and affordable drinking water, which is a social program. There was discussion and concern that state programs are inefficient. It was suggested that there needs to be additional work for the state programs to be viable. A comment letter will be sent to the Water Board from RWA focusing on the Low-Income Water Rate Assistance Program. A proposal by ACWA is the solution that the water community supports on safe drinking water. The proposal is capitalizing a trust fund out of general fund money.

The major topics of interest that are expected with the legislature this year will be medical affordability, housing availability, fire resilience, labor issues and early childhood education.

6. REGIONAL WATER RELIABILITY PLAN UPDATE

Rob Swartz, Manager of Technical Services, said that in RWA's Strategic Plan 2013-2018+, development of a Regional Water Supply Reliability Plan (RWRP) was identified as a key objective. The 2014-16 drought delayed response to the initiation of the project but provided improved understanding of our water systems and vulnerabilities, leading to a better foundation for the RWRP.

Mr. Swartz presented the completed phases, proposed next phases and estimated remaining funding needs for the RWRP program. Program phases include identifying vulnerabilities, mitigation measures, looking at current and expanded conjunctive use potential and exploring interest in groundwater banking. The first year will include developing a regional model to conduct a technical analysis to further define yield created by expanded conjunctive use and evaluate impacts, engaging with State and federal agencies and partners, and commencing public outreach will commence. In the second year, the feasibility determination will advance with continued public outreach and beginning of environmental analysis. The environmental study will be completed and final approvals and agreements will be secured in the third year.

7. RETIREE HEALTH BENEFITS

John Woodling presented the Public Employees' Medical and Hospital Care Act (PEMHCA) requirements and options for retiree health benefits. The retiree benefits under Resolution 2007-03 provide for mandatory 5 years with RWA with 10 to 20 years total CalPERS service and retirement from RWA. He gave the current retiree status under Resolution 1993-06 and Resolution 2007-03 which has a combined monthly premium for RWA retirees of \$2,100. The goals include maintaining the commitment to current retirees, maintaining retirement commitment to current active employees, reducing long term retiree cost for future employees and maintaining competitive benefits that allow RWA to recruit and retain employees. Alternative plans include establishing a cafeteria flexible benefit plan by adopting CalPERS minimum resolution under IRS Code Section 125, establishing a health reimbursement arrangement (HRA) and determining retiree health benefits for new employees. He suggested that a resolution be drafted by February 27, 2019, a board action by May 2, 2019, CalPERS approval by July 1, 2019 with an effective date of July 1, 2019.

There was discussion on what benefits should be offered to new employees to be competitive when recruiting. It was decided that the Executive Committee would further define the retiree health benefit details for presentation to the full board.

8. SUCCESSION PLANNING

John Woodling reported on the Subcommittee's direction to staff to prepare a request for proposal for an executive recruiter to prepare RWA to expedite the process when recruitment of an Executive Director is needed. From the RFP three proposals that were received the Subcommittee selected Roberts Consulting Group, Inc. for the future recruitment process.

A call has been scheduled with Roberts Consulting later today. They will be available to attend the Special Executive Committee meeting scheduled for January 29, 2019 to explain the process. The Executive Committee will act as the Selection Committee.

M/S/C Ms. Sedwick moved, with a second by Mr. Greenwood, to approve selection and a contract for Executive Recruitment Services with Roberts Consulting Group, Inc., in an amount not to exceed \$30,000. The motion carried by the unanimous voice vote of all directors present.

Jim Peifer exited the meeting and did not participate in the closed session.

9. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION

10. REPORT FROM CLOSED SESSION

There was no report from closed session.

11. DIRECTORS' COMMENTS

Mr. Smith said that a letter has been drafted addressed to all elected officials in Placer County regarding the PG&E bankruptcy. The letter is a reminder that PG&E is not only an electrical and gas utility but also a water supply utility that services water districts in the foothills of the Sierra Nevada who rely upon PG&E's water infrastructure. He will share the letter with Executive Committee members.

Mr. Greenwood congratulated Mr. Woodling on his retirement and thanked him for his many successes with RWA and SGA.

Chair Schubert said that Golden State Water is completing a water supply assessment for the Westborough Project.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Schubert adjourned the meeting at 11:25 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer