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. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(e) AND 54957(b)(1). PUBLIC EMPLOYEE APPOINTMENT
   Title: Executive Director
   The closed session will last approximately one hour and the public session will begin at approximately 9:00 a.m.

3. 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

4. CONSENT CALENDAR
   Minutes of the February 27, 2019 Executive Committee meeting
   Action: Approve Consent Calendar Item

5. REGIONAL WATER RELIABILITY PLAN UPDATE
   Information Update: Rob Swartz, Interim Executive Director
   Action: Discuss Recommendations for RWA Board Actions on Regional Water Reliability Plan

6. SACRAMENTO REGIONAL WATER BANK PROJECT, PHASE 1
   Information Update: Rob Swartz, Interim Executive Director
   Action: Approve Sacramento Regional Water Bank Project, Phase 1 Project Agreement

7. REGIONAL WATER AUTHORITY STRATEGIC PLAN UPDATE
   Information and Discussion: Rob Swartz, Interim Executive Director
   Action: Discuss Revisions to the RWA Strategic Plan
8. LEGISLATIVE/REGULATORY UPDATE
   Information Update: Ryan Ojakian, Legislative and Regulatory Affairs Manager
   Action: Take Positions on Bills
   Action: Approve Budget Request Support Letter for Paradise Irrigation District

9. WATER EFFICIENCY PROGRAM UPDATE
   Information Presentation: Amy Talbot, Senior Project Manager

10. EXECUTIVE DIRECTOR’S REPORT

11. DIRECTORS’ COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – April 24, 2019 and May 22, 2019 at 8:30 a.m. at the RWA office

Next RWA Board of Directors’ Meeting – Thursday, May 2, 2019, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610
March 27, 2019

AGENDA ITEM 2: CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957(B)(1). PUBLIC EMPLOYEE APPOINTMENT
Title: Executive Director

The closed session will last approximately one hour and the public session will begin at approximately 9:00 a.m.
March 27, 2019

AGENDA ITEM 3: PUBLIC COMMENT
March 27, 2019

AGENDA ITEM 4: CONSENT CALENDAR

Minutes of the February 27, 2019 Executive Committee meeting

Action: Approve Consent Calendar Item
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  
Marcus Yasutake, City of Folsom  
Debra Sedwick, Del Paso Manor Water District  
Paul Schubert, Golden State Water Company  
Brent Smith, Placer County Water Agency  
Kerry Schmitz, Sacramento County Water Agency  
Dan York, Sacramento Suburban Water District  
Michelle Carrey (recommended by City of Sacramento as interim replacement to fill post-election Executive Committee vacancy per RWA Policy 200.3), City of Sacramento

**Staff Members**
John Woodling, Rob Swartz, Ryan Ojakian, Nancy Marrier, Amy Talbot, Cecilia Partridge, Monica Garcia and Ryan Bezerra, legal counsel.

**Others in Attendance**
Nicole Krotoski, Claire Caffo, Robert Dugan, Jim Graydon and Charles Duncan

2. **PUBLIC COMMENT**

None.

3. **CONSENT CALENDAR**

The minutes from the Executive Committee meeting held January 23, 2019 and the Special Executive Committee meeting held January 29, 2019.

   Motion/Second/Carried (M/S/C) Ms. Schmitz 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. **EXECUTIVE DIRECTOR RECRUITMENT UPDATE**

John Woodling reported that a recruitment brochure has been finalized (enclosed in the packet) and is being sent to prospective candidates. The deadline for applications is March 18, 2019. The consultant will screen the candidates and
present results to the Executive Committee on March 27, with interviews to be scheduled in April.

5. DEVELOPMENT OF FISCAL YEAR 2019 – 2020 BUDGET

John Woodling gave a presentation to the EC that will serve as the foundation of the presentation to be given to the full Board as part of the budget approval process. The proposed Fiscal Year 2019-2020 budget (“FY20 Budget”) proposes a 5% dues increase to full members, a 3% increase to associate members, and no increase for RWA affiliates.

As provided in the EC packet for the meeting and discussed at the EC meeting, key components affecting the FY20 Budget include:

1) As part of the strategic plan implementation, RWA began transitioning to a full-time staffed position for the legislative/regulatory program in FY17. RWA had created a Strategic Plan Fund that began in FY16 and helped to pay for this implementation of the strategic plan in FY17 and FY18. FY18 represented the first full year of execution of the advocacy element of the strategic plan, including a full year of staffing costs. For FY19, the contract lobbyist was funded 50% by subscription dues and 50% from the strategic plan fund. For FY20, the proposed budget will use the remaining strategic fund (estimated at $49,700) to help pay for these consulting costs with the balance to be paid for by core dues. For FY21 and beyond, core dues will fully support both staff and the contract lobbyist.

2) When the Water Efficiency Program (WEP) began, the program manager position was a full time dedicated position for WEP. For the last few years, that position has also assisted with RWA core functions. Some of these activities have included State Water Resources Control Board emergency regulations, water supply data collection, the water-energy study, and the development of an RWA annual report. Because of this program shift from WEP to RWA activities, RWA has been shifting 10% per year of the staffing costs to RWA core dues to reflect the support provided to the core program by this position, so that in FY19, 30% of the costs are supported by RWA core dues. The proposed budget reflects 40% of these costs supported by RWA in FY20. The subsequent year also assumes an increase of 10% capping at 50% in FY21. This offsets costs to the WEP Program, allowing WEP additional funds to support either direct public outreach costs or to reduce fees, subject to decisions by the WEP committee during its annual budgeting process.

3) The Powerhouse Science Center (PSC) is an agreement that RWA entered into for a science education center in Northern California. Money was collected over five years and placed in a designation to be paid to PSC over 15 years. New members have joined over time and have yielded an additional $13,000, which will be credited back to agencies on their FY20 dues invoice.

4) Since associate members have no effective voting rights, the EC discussed capping any dues increase for this class of membership to the lesser of the actual RWA annual increase or 3%, whichever is lower.
5) The EC discussed succession planning, including some overlapping salary during the transition as well as potential for increased salary costs for the finance manager at Tier 2. A potential succession planning set aside may be created if budgeted costs for this succession planning have not been incurred as expected.

6) In keeping with RWA’s Policy 500.15 Defined Benefit Pension Plan Funding policy, the FY20 budget will reflect an additional payment above the required annual payment to the pension plan unfunded liability. The EC was provided a lower than anticipated estimated unfunded liability balance of approximately $58,000\(^1\) due to improvements in the investment market performance. Because RWA is paying off this unfunded liability over four years, the amount to pay can create significant volatility from year to year, both increases and decreases to payments. For FY20, RWA’s budgeted payment is $15,000 versus the $63,000 expected payment based upon the previous estimated unfunded liability balances. The amount to pay in FY21 will be recalibrated based upon updated balance data and could be higher or lower than $15,000. These payments reflect RWA’s liabilities. SGA pays its own contributions direct to CalPERS since SGA became a CalPERS member in FY17.

**Outlook for FY 2021**

In looking out to the future, RWA can anticipate a potential 18% increase in dues in FY21 in order to meet increased expenses when designated strategic plan funds are not available to help fund the advocacy program, increased leasing costs, continuing to pay the unfunded pension plan liability, and continuing to shift the WEP manager costs to be funded 50% by core dues. FY21 and beyond does not reflect the salary costs that will be used for the new Executive Director or Finance and Administrative Services Manager until they are hired. 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.

Because the increase in fees is less than expected for FY20, it will increase projected fees in out years to compensate for the delay in fee increases.

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

The EC discussed the need to add an action prior to approving the FY20 Budget to recognize the use of cash from the FY19 Budget to cover expenses authorized and incurred in FY18 for the IRWM program. In FY18, $60,000 to cover expected consulting costs was budgeted to be used for the core IRWM program to fully fund the 2018 IRWM Plan Update. The 2018 IRWM Plan Update was partially funded

\(^1\) Per a July 26, 2018 letter from CalPERS estimated the unfunded pension liability balance at June 30, 2019 after the $63,000 payment made in FY19.
by a Proposition 1 IRWM Planning Grant from the Department of Water
Resources. The Prop 1 grant was used to fund common tasks in both the 2018
IRWM Plan Update and the ongoing Regional Water Reliability Plan
(RWRP). Some of the Prop 1 grant reimbursement that was previously entered
into the IRWM accounting center was intended to cover RWRP subscription
program expenses. Once this grant reimbursement is transferred to the RWRP
program, the IRWM consulting expenses will exceed revenue by $60,000. The
transfer of these funds will appear as an unplanned expense in FY19. Ms.
Krotoski recommended that this unplanned expense be formally recognized, as the
proposed FY20 Budget reflects the transfer of $60,000 in available cash to balance
revenues and expenses for the now completed 2018 IRWM Plan Update.

The EC approved treating this action as separate from the approval of the FY20
budget, but, since the EC meeting, Ms. Krotoski and the Interim Executive Director
have determined that the matter can be incorporated into consideration of the
FY20 Budget for accounting purposes.

M/S/C Ms. Sedwick moved, with a second by Ms. Schmitz, to recommend
Board adoption of the Budget for Fiscal Year 2019 – 2020. The motion
carried by the unanimous voice vote of all directors present.

6. RESOLUTION REGARDING CalPERS HEALTH BENEFIT VESTING AND
   PAYMENTS

John Woodling 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 due to the requirements of the Public Employees Medical and Health
Care Act (PEMHCA). At its November meeting, the Board directed staff to move
forward with a CalPERS resolution and associated actions. The goal is to maintain
commitment to current retirees and current active employees, reduce long term
retiree costs for future employees and maintain competitive benefits that allow us
to recruit and retain employees.

Resolution 2019-02 will rescind the current benefit vesting that RWA has in place
under Resolution 2007-03 and will be replaced with Resolution 2019-03, which
adopts an employer contribution at an equal amount for employees and annuitants.
The effective date will be July 1, 2019. The minimum PEMHCA contribution in
2019 is $136 and will change slightly each year.

M/S/C Mr. Yasutake moved, with a second by Mr. York, to recommend
Board approval of Resolution 2019-02 to Rescind CalPERS Health Benefit
Vesting and to Recommend Board Adoption of Resolution 2019-03
CalPERS Minimum Payment Resolution. The motion carried by the
unanimous voice vote of all directors present.

7. RETIREE HEALTH BENEFIT PLANS

Along with resolutions changing the health benefits RWA provides relative to
PEMHCA to the minimum payment, the Board has directed staff to develop a
replacement that provides promised benefits to retirees and current employees, while defining retiree benefits for new employees that reduce long term liabilities while still providing the ability to recruit and retain quality employees.

Staff worked with the Executive Committee and special counsel to develop a package of health benefits for both retirees and active employees that satisfies those objectives and is compliant with IRS rules. The details of the benefits are provided in the draft Cafeteria Plan (for active employees) and the draft Health Premium Reimbursement Plan (for retirees).

Changes from current benefits include, in the Cafeteria Plan:

1) a limit on the amount reimbursed for health premiums to the median amount of CalPERS plans available to RWA employees, and

2) the option to take a cash payment in lieu of health insurance coverage.

Changes to retiree health benefits include:

1) a longer vesting period of RWA/SGA service,

2) limitation on the number of years of CalPERS service outside of RWA/SGA that can be applied to the formula, and

3) allowance based only on Employee + 1 dependent premiums

The targeted implementation date for the new benefits structure will be July 1, 2019.

After discussion it was decided to change page 16, number 5 to say: Tier III Retiree. “Tier III Retiree” means a Retired Employee who: (a) was hired on or after July 1, 2019, (b) has at least five (5) years of CalPERS service credit accrued from service with the Authority and/or Sacramento Groundwater Authority plus at least five (5) years of additional CalPERS service credit, which may be accrued from service with other CalPERS employers. On page 18 change the “up to” 5 years to “no more than” 5 years.

M/S/C Ms. Sedwick moved, with a second by Mr. Yasutake, to Recommend Board approval of Cafeteria Plan and Recommend Board Approval of Health Premium Reimbursement Plan with the above noted change. The motion carried by the unanimous voice vote of all directors present.

8. LEGISLATIVE/REGULATORY UPDATE

Ryan Ojakian, Legislative and Regulatory Affairs Manager, gave an update on the bills that have been introduced on the water tax, water conservation, water quality, groundwater, climate change, and forest health in the current legislative session. Staff is in the process of going through all of the bills to identify which bills will have the greatest impacts on RWA members. The Advocacy program met last week, on
February 20th, to discuss bills that had been introduced as of February 13th. Staff is recommending support on 4 bills. A brief summary of those bills were included in the packet:

AB 533 (Holden) excludes from personal taxable income any benefit received from a local water agency to advance a program for water conservation, efficiency, or runoff management.

SB 19 (Dodd) would require the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to, upon appropriation from the Legislature, develop a plan to modernize, reactivate, and deploy new stream gauges in priority locations across the state.

SB 134 (Hertzberg) would prohibit the Water Board from enforcing a water loss regulation except as part of water conservation regulations.

In the regulatory realm, Governor Newsom removed Felica Marcus from the Water Board. Governor Newsom appointed Joaquin Esquivel as Chair of the Water Board and replaced Ms. Marcus with Laurel Firestone on the Board. Ms. Firestone comes to the Water Board from the Community Water Center, which is an organization that is focused on the human right to water. It has been reported that these changes were driven by an effort to make the board more moderate.

RWA submitted comment letters on the Water Board AB 401 Low Income Water Rate Assistance Report and the Office of Environmental Health Hazard Assessment (OEHHA) Framework and Tool for Evaluating Progress in Achieving the Human Right to Water. Both of those comment letters are available on the RWA Advocacy webpage.

**Action: Take positions on bills**

AB 533 Support
SB 19 Support
SB 134 Support
SB 669 Support

M/S/C Ms. Schmitz moved, with a second by Mr. Smith, to take a Support Position on bills AB 533, SB 19, SB 134 and SB 669. The motion carried by the unanimous voice vote of all directors present.

9. **REGIONAL WATER RELIABILITY PLAN UPDATE**

Rob Swartz, Manager of Technical Services, reported that RWA is nearing completion of the Regional Water Reliability Plan (RWRP) project. A draft RWRP is being reviewed by the project committee. Several recommendations made by the RWRP, including further development of a regional water bank, were enclosed in the packet. The recommendations include establishing a regional water bank, continuing to pursue early actions that support development of the water bank, continued coordination with other regional efforts that could contribute to reliability and continuing to identify opportunities to implement RWRP mitigation actions, including those not related to the water bank.
Mr. Greenwood entered the meeting.

Staff is currently developing a new subscription-based project agreement to complete the tasks to develop a water bank that would be consistent with United States Bureau of Reclamation’s groundwater banking guidelines and would also be consistent with the desired outcomes of the California Sustainable Groundwater Management Act. Mr. Swartz provided an overview of the proposed new project. He sought input from the Executive Committee on information to update the full Board at its March 14, 2019 meeting.

After discussion, it was recommended that this item remain on future meeting agendas as program progress updates for each phase. It was suggested that a Resolution from RWA showing approval and support of the Regional Water Reliability Plan be presented to the board at a future meeting. The project agreement will be presented to the Executive Committee on March 27th to approve launching the Water Bank Project.

10. RWA MARCH 14, 2019 BOARD MEETING AGENDA

After discussion it was decided to move the agenda item “Update on Executive Director Recruitment” to the Executive Director’s Report, move the “Nomination to the ACWA JPIA Executive Committee” under the Consent Calendar and add a second action item under “Fiscal Year 2019 – 2020 Budget” to modify the 2018 – 2019 Budget. Note that subsequent to the Executive Committee meeting, Ms. Krotoski and the Interim Executive Director have determined that the matter can be incorporated into consideration of a single action to adopt the FY20 Budget. Also note that subsequent to the EC meeting, RWA was informed that an additional ACWA JPIA request was received by Jerry Gladbach and that nominations are required to come in the form of a resolution. As a result, the agenda was modified to add these resolutions as an action item under the consent calendar.

The March 27th Executive Committee meeting agenda will reflect that the meeting will begin at 8:00 a.m. After Public Comment there will be a one-hour Closed Session after which the public portion of the meeting will continue.

M/S/C Ms. Sedwick moved, with a second by Ms. Schmitz, to Approve the March 14, 2019 Board Meeting Agenda with the proposed changes. The motion carried by the unanimous voice vote of all directors present.

11. DISPOSAL OF SURPLUS PROPERTY

RWA Policy 300.3 defines procedures by which surplus property can be disposed. The policy gives authority to the Executive Committee and the Executive Director for disposing of surplus property. The policy precludes board members and employees from purchasing or receiving surplus property. The policy does not extend this limitation to former employees.

Mr. Woodling sought approval of the Executive Committee to purchase an RWA owned iPhone 7 (128 gb) for fair market value after his departure on March 1,
2019. Staff researched auction prices for a similar used phone on eBay and recommended a price of $210 based on the mean and median prices for more than 30 completed transactions. The alternative to this transaction would have been to dispose of the phone as e-waste, since there is no other employee who will use it.

M/S/C Mr. Yasutake moved, with a second by Ms. Schmitz, to approve the Sale of iPhone 7 to the outgoing Executive Director consistent with RWA Policy 300.3. The motion carried by the unanimous voice vote of all directors present.

12. EXECUTIVE DIRECTOR’S REPORT

Mr. Woodling noted that this is his last Executive Director’s Report. The RWA has come a long way in the past 10+ years with a lot more work to accomplish in the future. RWA is seen as a leader in many areas with a framework for water management, a successful water efficiency program and a legislative/advocacy program. The Executive Committee is tasked with finding an Executive Director who will facilitate staff, who can understand the interests of all the members and will lead RWA to continue adding value to the members.

13. DIRECTORS’ COMMENTS

Ms. Schmitz, Mr. York, Ms. Sedwick, Mr. Greenwood, Mr. Yasutake and Mr. Smith thanked Mr. Woodling for his service, leadership and dedication to RWA and SGA and wished him well in his future endeavors.

Ms. Carrey said that she will continue to attend future RWA Board meetings as a new RWA representative for the City of Sacramento.

Chair Schubert thanked Mr. Woodling for his leadership and for treating the diverse RWA membership equally.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Schubert adjourned the meeting at 10:37 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer
AGENDA ITEM 5: REGIONAL WATER RELIABILITY PLAN UPDATE

BACKGROUND:

The draft Regional Water Reliability Plan (RWRP) was released for review by the project committee on February 26th, with comments received on March 11th. Staff and its consultant, STANTEC, are in the process of making revisions to the RWRP. At its February 27th meeting, the Executive Committee recommended that RWA adopt the RWRP upon its completion.

Following the March 13th RWRP project committee meeting, one of the participants expressed that RWA should also consider conducting an environmental analysis of the RWRP under the California Environmental Quality Act (CEQA). Staff would like to discuss with the Executive Committee its recommended actions for the RWA Board with respect to the final RWRP document. Enclosed for our discussion are copies of an RWA 2018 adoption resolution of the Integrated Regional Water Management Plan and an SGA 2008 adoption resolution of a Groundwater Management Plan and CEQA exemption.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Interim Executive Director

Action: Discuss Recommendations for RWA Board Actions on Regional Water Reliability Plan
RESOLUTION 2018-01

A Resolution of the Regional Water Authority to Adopt an Update to the American River Basin Integrated Regional Water Management Plan and Incorporate Stormwater Resource Plans

Whereas, the Regional Water Authority's mission includes protecting and enhancing the reliability, availability, affordability, and quality of water resources; and

Whereas, the Regional Water Authority (RWA) was designated in September 2009 by the California Department of Water Resources (DWR) as the Regional Water Management Group (RWMG) authorized to prepare and implement an Integrated Regional Water Management (IRWM) Plan within the American River Basin (ARB) planning area; and

Whereas, since November 2009, RWA has collaborated with regional stakeholders to develop a vision, principles, goals, and objectives to support the ARB IRWM Plan; and

Whereas, the ARB IRWM Plan provides a vision of responsibly managing water resources for the lasting health of the region's community, economy, and environment; and

Whereas, RWA recognizes the development and implementation of the ARB IRWM Plan will support realization of this vision; and

Whereas, the ARB IRWM Plan is not a legally binding document, but rather serves as a framework for coordinated planning in the region; and

Whereas, the ARB IRWM Plan is a living document, with defined processes for updating plan components; and

Whereas, RWA, serving as the RWMG, adopted the ARB IRWM Plan on July 11, 2013; and

Whereas, DWR released revised guidelines for IRWM Plans in July 2016, resulting in a need to update the ARB IRWM Plan; and

Whereas, RWA, serving as the RWMG, conducted a public meeting on July 12, 2018 to consider adoption of an update to the ARB IRWM Plan; and

Whereas, the Stormwater Resource Planning Act of 2014 requires the development of Stormwater Resource Plans (SRP) by public agencies and requires those plans to be incorporated by RWMGs into IRWM Plans; and

Whereas, an SRP was prepared for the area covering the ARB region; and

Whereas, an SRP was prepared for the West Slope of El Dorado County that partially overlaps the ARB region; and
Whereas, both SRPs closely coordinated with the RWMG during their preparation.

THEREFORE, BE IT RESOLVED, that the Board of Directors of RWA, acting as the RWMG, hereby:

1) adopts the update to the ARB IRWM Plan to provide a broadly supported vision, principles, goals, and objectives to help ensure sustainable water resources in the region; and
2) incorporates the ARB SRP and West Slope SRP into the ARB IRWM Plan.

PASSED AND ADOPTED at a meeting of the Authority held on July 12, 2018.

By: [Signature]
Chair, Regional Water Authority

Attest: [Signature]
Clerk, Regional Water Authority
RESOLUTION NO. 2008-04

A RESOLUTION OF THE SACRAMENTO GROUNDWATER AUTHORITY ADOPTING AN UPDATED GROUNDWATER MANAGEMENT PLAN AND A FINDING OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Board of Directors of the Sacramento Groundwater Authority (SGA) does hereby find that:

WHEREAS, the SGA was formed under the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) on August 11, 1998 by the Cities of Citrus Heights, Folsom, and Sacramento, and the County of Sacramento; and

WHEREAS, the SGA was created for the purposes of protecting, preserving, and enhancing, for current and future beneficial uses, the groundwater resources in the North Area Groundwater Basin, in Sacramento County, north of the American River; and

WHEREAS, the SGA has previously adopted a Groundwater Management Plan for the North Area Groundwater Basin on December 11, 2003; and

WHEREAS, the SGA has committed to a five-year comprehensive review interval of its Groundwater Management Plan for the North Area Groundwater Basin; and

WHEREAS, the updated Groundwater Management Plan will further ongoing efforts to protect groundwater and interdependent environmental resources in the North Area Groundwater Basin, will facilitate collection of information to further understand and evaluate additional policies and programs for protection of the groundwater resources in the North Area Groundwater Basin, and will assist in other ongoing efforts to study the feasibility of conjunctive use programs utilizing the North Area Groundwater Basin.

NOW, THEREFORE, be it resolved that:

1. The SGA Board hereby adopts a Groundwater Management Plan for the North Area Groundwater Basin, in Sacramento County, north of the American River, copy attached hereto as Exhibit A.

2. The SGA Board further finds that the adoption of the Groundwater Management Plan is exempt from the requirements of the California Environmental Quality Act pursuant to CEQA Guidelines Section 15262 because the Groundwater Management Plan is a planning study which identifies potential projects, programs, and policies for possible future actions which have not yet been approved, adopted or funded; and Sections 15306, 15307, and 15308 because the Plan consists of basic data and information collection and includes possible actions, subject to future adoption and approval, which would protect natural resources and the environment.
PASSED AND ADOPTED by the Board of Directors of the Sacramento Groundwater Authority, on December 11, 2008.

By: ____________________________
Chairperson, Sacramento Groundwater Authority

Attest: __________________________
Nancy Marrie, Finance and Administrative Services Officer/Clerk
Notice of Exemption

To: Office of Planning and Research
    PO Box 3044, 1400 Tenth Street, Room 222
    Sacramento, CA 95812-3044

From: (Public Agency) SGA
    5620 Birdcage Street, Suite 180
    Citrus Heights, CA 95610

Project Title: Sacramento Groundwater Authority Groundwater Management Plan Update

Project Location - Specific:

Project Location - City: See Attachment A.1
Project Location - County: Sacramento

Description of Project:
This is an update to a to an existing groundwater management plan that sets objectives and plan actions to help ensure the sustainability of the groundwater basin underlying Sacramento County north of the American River.

Name of Public Agency Approving Project: Sacramento Groundwater Authority

Name of Person or Agency Carrying Out Project: Sacramento Groundwater Authority

Exempt Status: (check one)
   □ Ministerial (Sec. 21080(b)(1); 15268);
   □ Declared Emergency (Sec. 21080(b)(3); 15269(a));
   □ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
   □ Categorical Exemption. State type and section number: See Attachment A.2
   □ Statutory Exemptions. State code number:

Reasons why project is exempt:
See Attachment A.3

Lead Agency
Contact Person: John K. Woodling
Area Code/Telephone/Extension: 916-967-7692

If filed by applicant:
1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? □ Yes □ No

Signature: [Signature]
Date: 3/4/09
Title: Executive Director

Signed by Lead Agency: [Signature]
Date received for filing at OPR:

Signed by Applicant

Revised May 1999
ATTACHMENT A

1. The project location includes the cities of Citrus Heights, Folsom, and Sacramento.

2. The categorical exemptions are under CEQA Guidelines §§ 15061, 15306, 15307, 15308, 15262.

3. The Sacramento Groundwater Authority’s (SGA) Groundwater Management Plan (GMP) is exempt from CEQA on the following grounds:

   • The GMP does not dictate or require any changes in behavior or activities that would potentially result in significant effects to the environment. Accordingly, it can be seen with certainty that there is no possibility that the GMP will have a significant effect on the environment. (CEQA Guideline § 15061).

   • The GMP involves basic data collection, research and resource evaluation activities which will not result in any serious or major disturbances to any environmental resources. These activities may be used as part of a study ultimately leading to additional groundwater management programs, but such additional programs have not yet been scoped, approved, adopted, or funded. (CEQA Guideline § 15306).

   • The GMP will be used to develop information and data for the purpose of maintaining, restoring, enhancing, and protecting groundwater and related environmental and natural resources in the North Area Groundwater Basin. (CEQA Guidelines §§ 15307 and 15308).

   • The GMP will develop information to be used in feasibility and planning studies for possible future groundwater management programs, which the SGA Board has yet to scope, approve, adopt or fund. (CEQA Guideline § 15262).
AGENDA ITEM 6: SACRAMENTO REGIONAL WATER BANK PROJECT, PHASE 1

BACKGROUND:

One of the key recommendations of the Regional Water Reliability Plan (RWRP) is to continue planning for the establishment of the Sacramento Regional Water Bank (SWRB). Staff has worked with the RWRP Project Committee to develop a follow-on subscription based project to develop the SWRB, which will completed in two phases. Phase 1 consists of work that is primarily associated with pre-feasibility activities. The Phase 2 scope of work and budget will be further developed during Phase 1 activities and will be focused on final feasibility determinations, including environmental analysis. Near the completion of Phase 1, the Participants will decide on commencing with Phase 2. The completion of Phase 2 is expected to result in an operational Water Bank, with a target completion by 2022. Phase 2 would be subject to approval of a separate Project Agreement.

Staff has completed the enclosed funding agreement that incorporates comments received by prospective participating agencies with an initial budget of $500,000 and a not-to-exceed budget of $600,000. The project will be funded by participants, so there will be no financial impact to RWA. Staff is requesting that the Executive Committee approve the Project Agreement.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Interim Executive Director

Action: Approve Sacramento Regional Water Bank Project, Phase 1 Project Agreement
This Agreement is made and entered into as of the ____ day of ______, 2019, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed
E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.

2. **Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.

3. **Description of the Project.** The project (“Project”) that RWA and the Participants desire to carry out is the development of the first phase of activities required to establish the Sacramento Regional Water Bank (“Water Bank”) to improve the long-term reliability of water supplies of the Participants. Phase 1 consists of work that is primarily associated with pre-feasibility activities. The Phase 2 scope of work and budget will be further developed during Phase 1 activities and will be focused on final feasibility determinations, including environmental analysis. Near the completion of Phase 1, the Participants will decide upon commencing with Phase 2. The completion of Phase 2 is expected to result in an operational Water Bank, with a target completion by January 2022. Phase 2 would be subject to approval of a separate Project Agreement. A scope of work for Phase 1 is attached hereto as Exhibit 2 (“Project Description”).

4. **Project Committee.** The Participants hereby form a Project Committee consisting of one representative (and alternates) designated by each Participant. The Project Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. A majority of the total members of the Project Committee will constitute a quorum, and a majority of the total members of the Project Committee present at a meeting will be required for an affirmative vote to take action on behalf of the Participants. Each member of the Project Committee will have one vote, either by its representative or an alternate. Where a vote to take action will occur, notice of at least seven days shall be provided to all Project Committee members so that they may have a reasonable opportunity to participate in the consideration of the action item.

5. **Sharing in Project Costs and Benefits.** The total estimated cost to complete the Water Bank, Phase 1 Project is estimated at $500,000. A not-to-exceed estimate of $600,000 was established to account for the possibility that not all proposed agencies will participate and to allow for a contingency in the event of unanticipated expenses. The not-to-exceed fee includes an additional 20 percent of the planned Phase 1 fee. Other than to fund the shortage of the planned Phase 1 fee, the not-to-exceed fee shall not be assessed or used for any other purpose, including as a contingency for unanticipated expenses, without prior approval of the Project Committee. The assessments and not-to-exceed budgets for each Participant are further described and attached
hereto as Exhibit 3 (“Financing Plan”). Each of the Participants will make one or more payments to RWA for completion of the Project. Participants shall have full access to the work products of the Project.

At the conclusion of the Project, the Project Committee will take action on the dispensation of any remaining funds, which may include designating funds to the Regional Water Bank, Phase 2 effort. If the Project Committee elects to return the surplus funds to the Participants, RWA will pay back such funds to the Participants on a pro rata basis reflecting the amount of the payments made by each of the Participants. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

6. Role of RWA. The RWA will (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, d) secure consultant support services through a competitive selection process as identified in RWA Policy 300.2, where applicable; and e) manage consultant support services in completion of the Project.

7. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of $250,000 from Project Participants to fund initial Project costs. Upon execution of this Agreement, the Participants agree to fund their portion of the Project costs in an amount and manner as described in Exhibit 3 (“Financing Plan”) to this Agreement.

8. Term. This Agreement will remain in effect for so long as any obligations under this Agreement and/or obligations from other sources of funding secured for completing the Project remain outstanding.

9. Withdrawal. A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days’ notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal. If any surplus funds remain after the withdrawing Participant has met all of its financial obligations under this Agreement, then such funds will be returned to the withdrawing Participant in proportion to the total contribution made by each Participant.

10. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

11. Privileges and Immunities. All of the privileges and immunities from liability; exemptions from laws, ordinances and rules; and all pension, relief, disability, worker's
compensation and other benefits that apply to the activity of officers, agents or employees of RWA or the Participants when performing their respective functions for those agencies will, to the extent permitted by law, apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. It is further understood and agreed by RWA and the Participants that, notwithstanding anything contained herein, the employees of RWA and of each Participant shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

12. No Third Party Beneficiary. RWA and the Participants understand and agree that this Agreement creates rights and obligations solely between RWA and the Participants and is not intended to benefit any other party. No provision of this Agreement shall in any way inure to the benefit of any third person so as to constitute any such third person as a third-party beneficiary of this Agreement or any of its items of conditions, or otherwise give rise to any cause of action in any person not a party hereto.

13. Liabilities. With respect to this Agreement, RWA and the Participants expressly agree that the debts, liabilities and obligations of RWA and of each Participant shall remain the debts, liabilities and obligations of that party alone and shall not be the debts, liabilities and obligations of any other party to this Agreement, except as may be otherwise set forth herein or in an amendment to this Agreement.

14. Audits and Accounting. All funds provided under this Agreement shall be separately accounted for and maintained, with books and records of such funding open to inspection by the Participants. Funding under this Agreement shall be subject to and consistent with the audit and accounting procedures set forth in Articles 27 and 28 of the RWA JPA.

15. General Provisions. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery. This Agreement shall be governed by the laws of the State of California. The contact information for each Participant with respect to this section of the Agreement is set forth in Exhibit 4 (“Notice Information”). This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

16. Signatories’ Authority. The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Participant on whose behalf they execute it.
The foregoing Sacramento Regional Water Bank, Phase 1 Project Agreement is hereby agreed to by RWA and the Participants.

Dated: ______ __, 2019

__________________________
Signature

__________________________
Signature

__________________________
Name

__________________________
Name

Regional Water Authority

Agency

**List of Agreement Exhibits**

Exhibit 1 – Project Participants
Exhibit 2 – Project Description
Exhibit 3 – Financing Plan
Exhibit 4 – Notice Information
EXHIBIT 1

PROJECT PARTICIPANTS

REGIONAL WATER AUTHORITY

SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

Agency (Proposed)

California American Water
Carmichael Water District
Citrus Heights Water District
City of Folsom
City of Lincoln
City of Roseville
City of Sacramento
Del Paso Manor Water District
El Dorado County Water Agency
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Golden State Water Company
Orange Vale Water Company
Placer County
Placer County Water Agency
Rio Linda/Elverta Community Water District
Sacramento County Water Agency
Sacramento Regional County Sanitation District
Sacramento Suburban Water District
San Juan Water District
EXHIBIT 2

PROJECT DESCRIPTION

REGIONAL WATER AUTHORITY

SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

The Sacramento Regional Water Bank Project is being implemented in two distinct phases. Phase 1 consists of work that is still primarily associated with pre-feasibility activities. The Phase 2 scope of work and budget will be further developed during Phase 1 activities and will be focused on final feasibility determinations including environmental analysis. The Phase 1 scope of work is described below in four primary tasks.

SCOPE OF WORK

The following tasks describe the overall work activities expected for the Sacramento Regional Water Bank (“Water Bank”) Project, Phase 1. More detailed scopes of work and deliverables would be specified upon the issuance of task orders to authorize the work.

Task 1: Support Water Bank Project Committee Meetings
Support up to nine Water Bank Project Committee meetings during Phase 1 implementation. All meetings are assumed to be in-person. Up to the currently budgeted amount, this task will include the following:

- Develop supporting meeting materials (as appropriate)
- Conduct meetings
- Develop meeting summaries
- Development of template staff reports

Up to three template staff reports on the Water Bank will be prepared for Project Committee participants to utilize with their respective organizations. Staff reports are anticipated to be needed at the onset of Phase 1, during Phase 1 as an update on progress, and at the end of Phase 1 as a recap of accomplishments and preview of next steps. Staff reports will be prepared at the direction of RWA.

Deliverables:

- Meeting materials (as appropriate) – electronic and hard copies
- Template staff reports – up to three; three pages in length; draft, final (both in MSWord)
**Task 2: Facilitate Water Bank Communications Working Group**
Support and facilitate up to six Water Bank Communications Working Group (“Comms WG”) meetings during Phase 1 implementation. The meetings will be a combination of in-person and through online meeting services (via services such as GoToMeeting). Up to the currently budgeted amount, this task will include the following:

- Develop supporting meeting materials (as appropriate)
- Facilitate meetings
- Develop meeting summaries

**Deliverables:**
- Meeting materials (as appropriate) – electronic and hard copies

**Task 3: Develop Water Bank Outreach Materials**
Support development of branding and outreach materials as part of Phase 1 implementation of the Water Bank Communications Strategy. Up to the currently budgeted amount, this task will include the following:

- Water Bank key messages – Support the Comms WG with development of Water Bank key messages. These messages are the main points that audiences should know about the Water Bank and will be used throughout all communications platforms and activities to maintain consistent messaging.

- Water Bank one-page fact sheets/inserts – Support the Comms WG with development and production of an initial set of stand-alone one-page (back and front) fact sheets/inserts related to the Water Bank. These fact sheets/inserts are intended to address key issues, benefits, and technical topics associated with the Water Bank and are intended to be for public distribution. Prior to development of fact sheets/inserts, support the Comms WG with determination of the initial list of topics to be covered and sequencing during Phase 1.

**Deliverables:**
- Water Bank key messages – draft, revised draft, final (all in MSWord)
- Water Bank one-page fact sheets/inserts – up to eight fact sheets/inserts; draft, revised draft, final of each insert (draft in MSWord, revised draft and final in InDesign); production of 100 copies of each insert

**Task 4: Integrated Water Flow Model Development**
Subbasin of Sacramento Valley Groundwater Basin. Note that the North American Subbasin is already funded through another source.

- Calibrate the model using manual methods and refine using automated calibration with PEST (model-independent parameter estimator) software. Perform sensitivity analysis and refine model parameters, as needed.
- Develop baseline models for existing and future conditions within the model area.
- Run up to four model scenarios to determine the storage, storage losses, and local and regional groundwater elevation changes associated with water bank operations in both the North American and South American subbasins. Scenarios will include simulations of water bank operations in the urban distribution systems as well as proposed operations associated with the Sacramento Regional County Sanitation District’s (“Regional San’s”) South County Ag Program.

**Deliverables:**
- Complete populated and calibrated model files on IWFM-2015 platform
- Model files for baseline conditions, current conditions, future conditions, and scenarios.
- Report documenting model development, calibration, model scenarios and results, and changes made based on stakeholder input.

**Estimated Budget by Task**

| Task 1. Project Committee Support | $41,000 |
| Task 2. Communications Work Group Support | $17,000 |
| Task 3. Outreach Materials Development | $75,000 |
| Task 4. Integrated Water Flow Model Development | $367,000 |
| **Total** | **$500,000** |
EXHIBIT 3
FINANCING PLAN
REGIONAL WATER AUTHORITY
SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

In developing the proposed fees for each agency, factors such as agency size and the likelihood and level of participation in a future bank were considered. One of the most significant considerations is whether the agency is also located within the South American Subbasin. This is because agencies in the North American Subbasin are funding much of the cost for the update of that portion of the model through a separate effort. A not-to-exceed fee was established to account for the possibility that not all proposed agencies will participate and to allow for a contingency in the event of unanticipated expenses. The not-to-exceed fee includes an additional 20 percent of the planned Phase 1 fee for each agency.

### Proposed Fee Table

<table>
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<tr>
<th>Agency</th>
<th>Planned Phase 1 Fee (1)</th>
<th>Not-to-Exceed Fee</th>
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</thead>
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<tr>
<td>California American Water (1)</td>
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<tr>
<td>Sacramento County Water Agency (1)</td>
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<tr>
<td>Sacramento Regional County Sanitation District (1)</td>
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</tr>
<tr>
<td>San Juan Water District</td>
<td>$25,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
Notes to Proposed Fee Table

(1) If every proposed agency participates in the Project, the fees collected would be $503,000. Any surplus funds at the end of the Project will be dispensed in the manner described in Section 17 of this Project Agreement.

(2) Agency in South American Subbasin.

At the outset of the study, the intent is to collect funding for $500,000 of work described in Exhibit 2. In the event an agency is unable to participate, the remaining agencies will cover the unfunded amount to reach the $500,000 funding level on a prorated basis of their original fee up to their not-to-exceed amount. Other than to fund any shortage of the $500,000 planned Phase 1 fees, the not-to-exceed fee shall not be assessed or used for any other purpose, including as a contingency for unanticipated expenses, without prior approval of the Project Committee.
EXHIBIT 4 [CONTACT INFO TO BE ADDED BELOW]

NOTICE INFORMATION

REGIONAL WATER AUTHORITY

SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

California American Water                     City of Roseville

Carmichael Water District                   City of Sacramento

Citrus Heights Water District               Del Paso Manor Water District

City of Folsom                               El Dorado County Water Agency

City of Lincoln                             El Dorado Irrigation District
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
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<td>Sacramento County Water Agency</td>
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<td>Golden State Water Company</td>
<td>Sacramento Regional County Sanitation District</td>
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<td>Sacramento Suburban Water District</td>
</tr>
<tr>
<td>Placer County</td>
<td>San Juan Water District</td>
</tr>
</tbody>
</table>

| Placer County Water Agency | Regional Water Authority |
| Attn: Brian Rickards       | Attn: Rob Swartz          |
| 144 Ferguson Road          | 5620 Birdcage Street, Suite 180 |
| Auburn, CA 95603           | Citrus Heights, CA 95610   |
| Phone: (530) 823-4845      | Phone: (916) 967-7692      |
| Email: brickards@pcwa.net  | Email: rswartz@rwah2o.org  |
AGENDA ITEM 7: REGIONAL WATER AUTHORITY STRATEGIC PLAN UPDATE

BACKGROUND:
With completion of the Regional Water Reliability Plan (RWRP), a key planning component of the RWA Strategic Plan as amended on July 13, 2017 is now complete (see enclosed amended Strategic Plan). The RWRP included recommendations to continue planning activities to establish the Sacramento Regional Water Bank. The RWRP also included recommendations related to implementation activities for the RWRP. Staff is requesting discussion with the Executive Committee for recommendations to update the Strategic Plan to reflect the current state of these efforts and the process for amending the Strategic Plan with the full RWA Board. Staff is also requesting input from the Executive Committee on whether there are other portions of the current amended Strategic Plan that need updating as we go through the process.

STAFF RECOMMENDATION:
Information and Discussion: Rob Swartz, Interim Executive Director

Action: Discuss Revisions to the RWA Strategic Plan
AMENDMENTS TO REGIONAL WATER AUTHORITY STRATEGIC PLAN 2018+

PLANNING GOAL – Continuously improve an Integrated Regional Water Management Plan that is comprehensive in scope and guides effective water resources management in the region.

Adopted by RWA Board July 13, 2017

Objective A. Develop a Regional Water Reliability Plan to identify the most promising regional opportunities to improve water supply reliability.

1. Identify most promising opportunities for intra- and interregional transfers and exchanges to meet demands or environmental needs.
2. Evaluate regional opportunities to reduce water use.
3. Support interregional groundwater management and conjunctive use planning.
4. Support recycled water planning
5. Identify most promising opportunities for shared infrastructure and resources.

Objective B. Evaluate and respond to external impacts on the region’s water suppliers and operations.

1. Evaluate climate as a regional vulnerability and consider climate adaptation strategies.
2. Promote Delta solutions that protect the region’s water supplies.
3. Promote forecast informed reservoir operations that enhance water supplies while maintaining flood protection.
4. Update a regional hydrologic model, in coordination with groundwater sustainability agencies, to support regional planning and groundwater management.

Objective C. Complete a comprehensive update to the American River Basin Integrated Regional Water Management Plan.

1. Coordinate completion of a Regional Stormwater Plan for incorporation into the IRWM Plan.
2. Ensure compliance with state standards for eligibility and competitiveness for future funding.
3. Develop MOUs with adjacent IRWM groups for coordination in areas served by RWA members.
AMENDMENTS TO REGIONAL WATER AUTHORITY STRATEGIC PLAN 2018+

IMPLEMENTATION GOAL– Assist members with implementing successful water resources management strategies and related programs. This includes identifying, acquiring and administering external sources of funding.

Adopted by RWA Board July 13, 2017

Objective A. Promote implementation of the American River Basin Integrated Regional Water Management Plan.

1. Seek funding for projects included in the IRWM Plan and support efforts of individual entities to leverage the IRWM Plan for funding.

2. Assist with acquiring and managing grant funding for regional projects including infrastructure, water conservation, and water reliability.

3. Maintain the IRWM database and make appropriate updates to the IRWM Plan on a quarterly basis.

Objective B. Promote improvements in water use efficiency in the region to meet future water needs and ensure compliance with applicable requirements.

1. Continue to cost effectively implement a clearly defined water efficiency program that allows members to satisfy public outreach and school education requirements for a number of purposes, including the Central Valley Improvement Act and Urban Water Management Plans.

2. Continue to track and report progress in attaining compliance with metering requirements.

3. Track individual member agency water use and assist in developing a strategy for regional compliance with state standards.

4. Lead the Water Forum water caucus in development of modifications to the Water Conservation element.

Objective C. Support a lower American River Flow Management Standard that is consistent with the Water Forum co-equal goals.

Objective D. Support water transfers among agencies (intra- and interregional) that are beneficial to the region.

Objective E. Support programs to benefit from economies of scale in purchasing and resource sharing as opportunities present themselves.
AMENDMENTS TO REGIONAL WATER AUTHORITY STRATEGIC PLAN 2018+

INFORMATION/EDUCATION GOAL – Inform and educate members and interested parties by providing a forum for discussion of issues and outreach to stakeholders.

Objective A. Educate and inform members and other interested parties on water management issues affecting the region.

1. Educate members through periodic RWA Water Workshops and updates on relevant topics.
2. Maintain a subcommittee to solicit and prioritize topics and assist in planning workshops.

Objective B. Raise RWA’s profile and credibility to external audiences through outreach efforts.

1. Inform the media on water management successes in the region.
2. Inform federal, state and local elected officials on water issues and water management successes.
3. Inform the public about water supply conditions by developing talking points and compiling water shortage information throughout the year.

Objective C. Develop and maintain strong partnerships to advance RWA member interests.

1. Represent the Water Caucus in the Water Forum Successor Effort.
2. Develop and maintain partnerships with other northern California water interests and water agencies outside the RWA region.
3. Maintain partnerships with business organizations including Metro Chamber and local chambers.
4. Expand involvement in statewide organizations to convey the region’s views.

Objective D. Maintain communication among members to create and implement a consistent message for RWA and the region that supports other strategic plan elements (planning, implementation and advocacy).
AMENDMENTS TO REGIONAL WATER AUTHORITY STRATEGIC PLAN 2018+

ADVOCACY GOAL - REPRESENT REGIONAL NEEDS AND CONCERNS TO POSITIVELY INFLUENCE LEGISLATIVE AND REGULATORY POLICIES AND ACTIONS. THIS INCLUDES WORKING TO PRESERVE THE WATER RIGHTS AND ENTITLEMENTS OF MEMBERS, MAINTAIN AREA OF ORIGIN PROTECTIONS, AND PROTECT AND ENSURE WATER SUPPLY RELIABILITY

Adopted by the RWA Board September 14, 2017

Objective A. Engage state and federal legislators representing the region and legislators on relevant committees to discuss an agenda for legislative action that represents a collective RWA member vision on items of regional importance

1. Annually, develop a state legislative agenda and outreach plan for the region to guide advocacy efforts.

2. Maintain a tracking system of significant water related state legislation and make the information and a summary readily available electronically to members.

3. Using priorities identified through regional planning efforts, develop and advocate for positions on federal and state funding programs.

4. Monitor and actively engage on actions of the ACWA State Legislative Committee and coordinate with other external organizations.

5. Support RWA member agency activities on federal legislation and coordinate with external organizations including ACWA, NWRA, California Water Association, and the Metro Chamber.

Objective B. Evaluate, comment and advocate on statewide water regulatory issues that may impact the region and its water supply reliability

1. Track, evaluate and respond to water quality, water conservation, water affordability and other regulatory issues that may affect members.

2. Track, evaluate and respond to the ongoing regulatory implementation of the Sustainable Groundwater Management Act.

3. Participate and coordinate with efforts of partner organizations with similar interests.
AGENDA ITEM 8: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND:

The legislative process is in full swing. Budget committee hearings are underway. RWA staff testified at the Assembly and Senate committees in opposition to the Governor’s safe drinking water proposal, which includes a tax on water customers. The “house of origin” policy committee deadline is April 26th. This means that the next several weeks will be packed with policy bills being heard in their first round of committee hearings. Staff is closely tracking approximately 100 bills that will be heard over that timeframe. RWA currently has a position on four bills. More information about those bills can be found on the RWA Advocacy webpage on the RWA website. https://rwah2o.org/programs/advocacy-program/

Additionally, staff is recommending a position on the following nine bills:

AB 60 (Friedman) would require the California Energy Commission (CEC) to adopt regulations on standards for water meter accuracy by January 1, 2022.

AB 217 (E. Garcia) would enact the Safe Drinking Water for All Act and would establish the Safe and Affordable Drinking Water Fund (Fund) in the State Treasury. The Fund would be capitalized with fees on agriculture, new fee authority for the State Water Board, and annual investment income from a newly established Safe and Affordable Drinking Water Trust.

AB 510 (Cooley) would exempt the head of a department of a county or city, or the head of a special district from existing recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings as specified.

AB 658 (E. Garcia) would authorize the State Water Board to issue a conditional temporary permit for diversion of surface water to underground storage for beneficial use.

AB 756 (C. Garcia) would require a public water system (PWS) to monitor perfluoroalkyl and polyfluoroalkyl substances and require several changes to how information on contaminants is communicated to customers.

AB 1204 (B. Rubio) would provide for a three-year compliance timeline for a new maximum contaminant level (MCL) standard with the possibility for an additional two-year extension.

AB 1414 (Friedman) would coordinate various water management reporting requirements.
AB 1415 (Friedman) would impose civil penalties for failure to submit various required water management reports on time.

SB 414 (Caballero) would create a small water systems authority to address non-compliance with drinking water standards in some small water systems.

Lastly, Paradise Irrigation District (PID) is requesting a letter of support for their budget request. A sample letter and a copy of their letter making the budget request are included in the packet. PID was severely impacted by the Camp Fire and faces insolvency in less than six months without additional assistance. The budget request of $21,693,203, if fulfilled, would provide that assistance.

**STAFF RECOMMENDATION:**

Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

**Action: Take Positions on Bills**
AB 60 SUPPORT IF AMENDED
AB 217 OPPOSE UNLESS AMENDED
AB 510 SUPPORT
AB 658 SUPPORT
AB 756 OPPOSE UNLESS AMENDED
AB 1204 SUPPORT
AB 1414 SUPPORT IF AMENDED
AB 1415 OPPOSE UNLESS AMENDED
SB 414 SUPPORT IF AMENDED

**Action: Approve Budget Request Support Letter for Paradise Irrigation District**
May 3, 2019

Senator Jim Nielsen
State Capitol, Room 5064
Sacramento, CA 95814-4900

Assemblyman James Gallagher
P.O. Box 942849
Sacramento, CA 94249-0003

RE: SUPPORT FOR BACKFILL FUNDING FOR PARADISE IRRIGATION DISTRICT

Dear Senator Nielsen and Assemblyman Gallagher:

I/we/organization write(s) to support backfill funding for Paradise Irrigation District (PID). The one-time appropriation of $21,693,203.00 from the General Fund is essential and necessary to keep PID operating while Paradise recovers and rebuilds from the November 2018 Camp Fire.

The Camp Fire devastated the Town of Paradise, which mirrors PID’s service area. Pre-fire, PID served approximately 10,500 customer connections in the Town of Paradise. Today, approximately 1,500 of those connections remain, but only about 700 are currently active given infrastructure damage and other issues. Funding for PID’s infrastructure damage and Fire-related water quality issues are being addressed through FEMA/OES and insurance proceeds. However, there is no current funding source to sustain PID’s operational expenses given the overwhelming property losses suffered by PID’s customers. Even though PID currently serves a smaller population, PID’s cost of service is mostly (over 95%) fixed.

Maintaining PID as a viable public agency water supplier is vital to the recovery and rebuilding effort in Paradise. This short-term funding solution allows PID to continue to focus its efforts on Fire recovery, will allow time for it to develop long-term funding models as Paradise rebuilds over the coming years, and will ensure that the men and women who work for PID and serve the community – most of whom were also affected by the Fire – will be able to maintain their employment.

Sincerely,

_________________________________

[NAME/TITLE]
March 1, 2019

Governor Gavin Newsom
State Capitol, Governor’s Office
Sacramento, CA 95814

Re: Backfill Funding for Paradise Irrigation District

Dear Governor Newsom:

We respectfully request your support for a one-time appropriation of $21,693,203 from the General Fund to the Paradise Irrigation District (PID) to allocate toward the District’s operations and maintenance costs over the next three fiscal years. PID is a special district providing water service to the town of Paradise. PID was hit hard by the Camp Fire in 2018 and faces a significant reduction in operating capital for the next few years (see attachments). Although PID currently has approximately $3 million held in reserves, it anticipates facing insolvency in less than 6 months without State action.

The district has explored funding opportunities to address damaged infrastructure and water quality issues, however, no funding avenues are currently available for maintenance and operations costs. Even though the district currently serves a smaller population, PID’s cost of service is mostly (over 95%) fixed.

Providing a short-term funding solution to allow the district to develop long-term funding models will ensure that the residents returning to Paradise will not have to worry about access to clean, safe drinking water. Backfilled revenues by the State ensure that the men and women who work for and service the District – the majority of whom were also affected by the fire – will be able to maintain their employment and provide a measure of economic stability to the region.

Respectfully,

James Gallagher
Assemblyman, 3rd District

Jim Nielsen
Senator, 4th District

Encl. 1- PID Background
Encl. 2- PID Revenue Needs
Encl. 3- PID Operating Expenses

Cc:
Keely Bosler, Director, Department of Finance
Members, Senate Committee on Budget and Fiscal Review
Members, Assembly Committee on Budget
Revenue Backfill Request

Background

Paradise Irrigation District (PID) is a local public agency formed in 1916 and operating under Division 11 of the California Water Code. It is governed by a five-member elected Board of Directors and has powers and purposes attendant to a government agency. PID serves only drinking water to the homes and businesses within the Town of Paradise, despite its “irrigation” name.

Before the November 8, 2018 Camp Fire, PID provided drinking water to approximately 10,500 customer connections. Today, approximately 1,500 connections remain; however, only about 700 of those connections are active given various reasons, including damage to PID’s infrastructure and use limitations given water quality concerns.

Revenue Backfill Request – $21,693,203.00

The unprecedented Camp Fire has left PID in financial crisis without enough revenue to meet ongoing operational expenses. The cost to replace and repair PID’s infrastructure will be addressed through FEMA/CalOES and PID’s insurance provider. The State’s recent approval of a three-year property tax backfill for Butte County (AB 72, February 13, 2019) does not address PID’s financial crisis because its revenue is predominantly (+90%) derived from customer fees, not property taxes. The attached revenue worksheet shows PID’s budgeted revenue for operations and resulting shortfall totaling $21,693,203.00. Like AB 72, PID’s backfill request would be appropriated this fiscal year and then prorated out over a total of three fiscal years.

PID’s Operational Costs Are Mostly Fixed

PID’s cost of service is mostly (over 95%) fixed, meaning its cost to store, treat and deliver water to 1 customer connection is roughly the same as it is for 10,500 connections. PID’s operational expenses do not decrease because it is serving water to fewer connections. The attached cost worksheet shows PID’s budgeted costs pre-Fire and post-Fire in greater detail.

Parallel Processes – PID in the Future

PID recognizes that its financial challenges will likely extend beyond the requested three-year backfill. For that reason, it is actively analyzing ways to address its financial situation so that it can be positioned to reliably serve drinking water to the residents and businesses of Paradise in the future. Current concepts being discussed include PID wholesaling treated water through more expansive regional intertie projects or deliveries to water users to help achieve groundwater sustainability under the Sustainable Groundwater Management Act. PID will also be at the forefront of efforts to harden its water system to make it more resilient to the threat of climate change and the reality of larger and more dangerous wildfires.

The requested three year backfill is essential to keep PID solvent and to afford it time and resources to address this unprecedented catastrophe.
Paradise Irrigation District CAMP Fire Revenue Needs  
February 2019

The information below shows PID’s 2018/19 budgeted water rate revenue, 2019/20 budgeted water rate revenue, which included an approved (Proposition 218) rate increase and 2020/21 budgeted water rate revenue.

<table>
<thead>
<tr>
<th>Description</th>
<th>Customers</th>
<th>2018/19 Budget</th>
<th>2019/20 Budget</th>
<th>2020/21 Budget</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>10,500</td>
<td>5,148,252</td>
<td>5,646,258</td>
<td>5,646,258</td>
<td>16,440,768</td>
</tr>
<tr>
<td>Quantity Charge</td>
<td>10,500</td>
<td>2,833,600</td>
<td>2,833,600</td>
<td>2,833,600</td>
<td>8,500,800</td>
</tr>
<tr>
<td>Penalty Charges</td>
<td>10,500</td>
<td>65,000</td>
<td>65,000</td>
<td>65,000</td>
<td>195,000</td>
</tr>
</tbody>
</table>

Total Annual Water Rate Revenue  
8,046,852  
8,544,858  
8,544,858  
25,136,568

Below is the post-CAMP fire revenue projections based on 1,500 customers.

<table>
<thead>
<tr>
<th>Description</th>
<th>Customers</th>
<th>2018/19 Budget</th>
<th>2019/20 Budget</th>
<th>2020/21 Budget</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>1,500</td>
<td>705,240</td>
<td>773,460</td>
<td>773,460</td>
<td>2,252,160</td>
</tr>
<tr>
<td>Quantity Charge</td>
<td>1,500</td>
<td>388,164</td>
<td>388,164</td>
<td>388,164</td>
<td>1,164,493</td>
</tr>
<tr>
<td>Penalty Charges</td>
<td>1,500</td>
<td>8,904</td>
<td>8,904</td>
<td>8,904</td>
<td>26,712</td>
</tr>
</tbody>
</table>

Total Annual Water Rate Revenue  
1,102,308  
1,170,528  
1,170,528  
3,443,365

Below is the annual loss of revenue due to the Camp Fire

<table>
<thead>
<tr>
<th>Description</th>
<th>Customers</th>
<th>2018/19 Budget</th>
<th>2019/20 Budget</th>
<th>2020/21 Budget</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>1,500</td>
<td>4,443,012</td>
<td>4,872,798</td>
<td>4,872,798</td>
<td>14,188,608</td>
</tr>
<tr>
<td>Quantity Charge</td>
<td>1,500</td>
<td>2,445,436</td>
<td>2,445,436</td>
<td>2,445,436</td>
<td>7,336,307</td>
</tr>
<tr>
<td>Penalty Charges</td>
<td>1,500</td>
<td>56,096</td>
<td>56,096</td>
<td>56,096</td>
<td>168,288</td>
</tr>
</tbody>
</table>

Total Annual Water Rate Revenue Loss  
6,944,544  
7,374,330  
7,374,330  
21,693,203
Paradise Irrigation District Post-CAMP Fire Operating Expenses
February 2019

PID’s annual operating expenses are over 95% fixed. PID has two surface water reservoirs and a treatment plant that requires 24-hour staffing. PID also has 171 miles of distribution pipes that are 90% feed by gravity.

Below is an expense comparison from pre-fire to post fire.

<table>
<thead>
<tr>
<th>Pre-Fire Budgeted Expenses</th>
<th>FY 2018/19 Budget</th>
<th>FY 2019/20 Budget</th>
<th>Post Fire Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Benefits</td>
<td>4,462,340</td>
<td>4,631,009</td>
<td>3,730,870</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>852,500</td>
<td>916,450</td>
<td>500,000</td>
</tr>
<tr>
<td>Outside Services</td>
<td>521,520</td>
<td>443,420</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>286,285</td>
<td>284,385</td>
<td>284,385</td>
</tr>
<tr>
<td>Insurance</td>
<td>105,339</td>
<td>105,339</td>
<td>105,339</td>
</tr>
<tr>
<td>Board</td>
<td>61,049</td>
<td>40,375</td>
<td>40,375</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td><strong>6,289,032</strong></td>
<td><strong>6,420,977</strong></td>
<td><strong>6,410,969</strong></td>
</tr>
<tr>
<td>Debt Service</td>
<td>963,307</td>
<td>963,677</td>
<td>963,667</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,252,339</strong></td>
<td><strong>7,384,654</strong></td>
<td><strong>7,374,636</strong></td>
</tr>
</tbody>
</table>

Pre-Fire and Post Fire expense differences:

1. Salaries and Benefits have decreased due to the post-fire reduction in personnel from early retirement of long-term employees and other employees leaving the area for personal reasons. Despite the need, PID has not backfilled these positions because it is actively trying to keep its long-term expenses to a minimum.
2. Materials and Supplies expenses will decrease due to operational maintenance costs shifting to disaster recovery expenses that will be reimbursed through FEMA/OES.
3. Outside Services will increase due to the lack of regular full-time employees. For example, PID must hire outside consultants to assist it with engineering, GIS, project management, contract management and many other services that it cannot currently perform in-house with limited staffing.

PID currently has approximately $3,000,000 in reserves that it is using to maintain operations. Based on these estimates, and unless the requested backfill is approved, PID will be insolvent in less than 6 months.
AGENDA ITEM 9: WATER EFFICIENCY PROGRAM UPDATE

BACKGROUND:

The Water Efficiency Program (WEP) launched the second year of its two-year public outreach campaign, Check and Save, in March. The campaign invites residents to check their yard’s soil moisture before watering by using moisture meters and the “screwdriver test” as tools. The messaging was chosen and tested by a residential focus group in February 2018. Campaign ads feature both an eye-grabbing lawn gnome and a more traditional water savings tip approach. Ads will be primarily in online and social media advertising. Radio ads and in-person radio interviews will supplement the visual messaging.

WEP is hosting its second Qualified Water Efficient Landscaper (QWEL) 4-week training in March and April. QWEL is a United States Environmental Protection Agency (EPA) WaterSense-labeled certification program designed for landscape professionals. The training focuses on sustainable landscape practices and irrigation system audits. RWA is an EPA authorized organization to host QWEL trainings. Registration for the current class is full (30 person capacity) and has a waitlist. Sacramento Suburban Water District provided the training location. For more information, visit the QWEL website at www.quel.net.

The new Powerhouse Science Center is now under construction in Sacramento. RWA sponsored two exhibits in the Water Gallery: Water Day-to-Day and Our Water Future. RWA staff met with Powerhouse Science Center staff last week to begin work on exhibit design and content. The anticipated opening of the Center is spring 2021.

Staff released an irrigation controller project request for proposals (RFP) this week. The project is grant funded ($100,000) providing residents with an online portal to purchase discounted “smart” weather-based irrigation controllers, with the option of controller installation services. The project is modeled after existing water agency programs throughout the state, including Moulton Niguel Water District. The anticipated timeline for the project is May through December 2019. The RFP includes language to allow neighboring northern California regional water agencies to partner with RWA on the project. Sonoma Water (9 suppliers) and the Bay Area Water Supply & Conservation Agency (BAWSCA) (26 suppliers) have expressed interest.

STAFF RECOMMENDATION:

Information Presentation: Amy Talbot, Senior Project Manager
MARCH 27, 2019

TO: REGIONAL WATER AUTHORITY BOARD OF DIRECTORS

FROM: ROB SWARTZ

RE: EXECUTIVE DIRECTOR’S REPORT

a. Integrated Regional Water Management Update – RWA staff met with American River Basin (ARB) Integrated Regional Water Management (IRWM) Plan Advisory Committee on March 21st to review draft recommended projects for the upcoming Department of Water Resources Proposition 1 IRWM Implementation Program. The Advisory Committee with concurred with the staff draft recommendations. The next meeting of the ARB IRWM Stakeholders will be held on April 22nd, beginning at 1:00 pm, at RWA.

b. Bureau of Reclamation Water Management Options Pilots Program – RWA staff received a forwarded copy from a few member agencies for a new activity and funding opportunity under the Reclamation Basin Study Program (see enclosed letter). Staff has reviewed the letter and believes that modeling for the future Phase 2 of the Sacramento Regional Water Bank could be a good candidate activity for the program. The funding is not in the form of a grant, but in the form of direct assistance to complete the proposed activity. Staff has confirmed with Reclamation that RWA would be an eligible applicant. Staff is still gathering information to determine if it will proceed with submitting a Letter of Interest by the April 15 deadline. No Board action is required by Reclamation to submit the letter.
Subject: Request for Letters of Interest for Water Management Options Pilots (WMOPs)

Dear:

The Bureau of Reclamation is initiating a new activity under the Basin Study Program called Water Management Options Pilots. Through WMOPs, Reclamation plans to work with State and local partners to identify solutions to water management issues by building on actions and strategies identified in completed Basin Studies. We invite you to consider initiating a WMOP.

WMOPs will allow Reclamation and its partners to further refine strategy concepts and apply tools and information to address water management challenges such as supply and demand imbalances. Pilots may include both additional analysis to further develop strategies identified in a Basin Study and efforts to update or expand technical analysis from a Basin Study. WMOPs should consist of technical, science-based efforts such as developing or refining models; developing new or additional data; evaluating concepts for water measurement; analyzing different potential modifications to operations and their impacts on issues such as sedimentation, endangered or threatened species, and water deliveries; or reviewing different methods for reducing consumptive use within a particular basin or sub-basin.

Reclamation plans to make approximately $4 million in fiscal year 2019 Basin Study Program funding available for WMOPs. Cost-share partners must contribute at least 50 percent of the total pilot costs as cash or in-kind services. WMOPs will not be financial assistance; therefore Reclamation’s share of the pilot costs may only be used to support work done by Reclamation or its contractors.

We ask interested non-Federal entities to submit a short letter of interest (not to exceed 3 pages) by April 15, 2019, to this address:
Your letter of interest should identify the actions and strategies in either the Truckee Basin Study or the Sacramento and San Joaquin Rivers Basin Study that are the basis of your proposed WMOP. Those non-Federal participants selected by our office for further consideration will then work with Reclamation to develop a Proposal for a WMOP (not to exceed 20 pages) to be evaluated and ranked by a Reclamation-wide proposal review committee.

If you have questions or would like additional information about the Basin Study’s WMOP Program, please contact Mr. Arlan Nickel, Mid-Pacific Region Basin Study Coordinator, at (916) 978-5061 or anickel@usbr.gov.

Sincerely,

[Signature]

David van Rijn
Regional Planning Officer

Reference Links to Completed Basin Studies:

**Truckee Basin Study**

Executive Summary

Full Report

**Sacramento-San Joaquin Basins Study**

Executive Summary
https://www.usbr.gov/watersmart/bsp/docs/finalreport/sacramento-sj/Sacramento_SanJoaquin_SUMMARY.pdf

Technical Report
AGENDA ITEM 11: DIRECTORS’ COMMENTS